

CMOC Sales and Marketing Modern Slavery Statement

CMOC Sales and Marketing shares the aims of its parent company, China Molybdenum Co., Ltd., to prohibit forced or child labor and ensure that employees sign employment contracts voluntarily. CMOC Sales and Marketing seeks full compliance with relevant laws and regulations, including its obligations to report on its business and supply chain in accordance with the Modern Slavery Act. CMOC Sales and Marketing has one supplier based in Brazil and takes practical actions to seek assurance that there is no reliance on forced labor or slavery in our business or supply chain. We assess the risks of slavery and human trafficking and take steps to manage that risk to ensure that we respond to challenges posed by the environments in which we operate. We recognise the importance of transparent reporting on this important issue and are pleased to share details of the due diligence that we undertake with our key supplier in this statement.

This Modern Slavery Statement covers CMOC Sales and Marketing Limited's own business and its supply chains. It covers the period ending on December 31, 2018. This Statement should be read alongside the [2018 Environmental, Social and Governance Report](#) and the [2017 CMOC Sustainability Report for International Operations](#).

All data and information in this report reflect a reporting period January 1, 2018 to December 31, 2018.

About CMOC Sales and Marketing

Our organisation, structure and supply chain

- CMOC Sales and Marketing Limited is a private limited company (Company number: 10333653) and is a wholly owned indirect subsidiary of China Molybdenum Co., Ltd. ("CMOC")
- CMOC, incorporated in China, is an international mining and industrial business engaged in nonferrous metal mining, mainly the selection, smelting and deep processing of copper, molybdenum, tungsten, cobalt, niobium and phosphorus. CMOC is listed on the Shanghai Stock Exchange (SH: 603993) and the Hong Kong Stock Exchange (HK: 03993).
- CMOC Sales and Marketing provides sales and business support services to CMOC's niobium production at Niobras Mineracao Ltda ("Niobras") located in the State of Goias in Brazil.
- Both Niobras and CMOC Sales and Marketing are indirect affiliates with common ownership in their parent company CMOC Limited, which is incorporated in Hong Kong and is a wholly owned direct subsidiary of CMOC.
- Brazil is low to medium risk in relation to modern slavery according to the Global Slavery Index. Brazil has been leading the way to prevent slave labor with the launch of its National Pact for the Eradication of Slave Labour, a multi-stakeholder initiative to engage national and international companies to maintain supply chains free from slave labor. As part of that initiative, the Ministry of Labor produces a list of companies known or suspected to be involved in slavery or forced labour. The most recent version of this list can be found at the [here](#).

Our approach

The aim of this report is to provide disclosures in relation to the steps carried out by CMOC Sales and Marketing to ensure that slavery, forced labour and human trafficking do not take place in our business or supply chain.

CMOC Sales and Marketing is committed to fundamental human rights and undertakes internal and external due diligence of its supplier, Niobras, to seek assurance from Niobras that it recognises forced labour, understands how Niobras' workers are treated and that it remains committed to eliminating slavery and forced labour from its business.

Organisational policies

CMOC Sales and Marketing recognises the importance of policies to embed anti-slavery activity within our company and supply chain.

Our parent company's policies set out more detail on the global policies and procedures which have been established to underpin support for Employees and the Community across CMOC's international business. See [the 2017 Sustainability Report for International Operations](#) and the [2017 Environmental, Social and Governance Report](#).

CMOC has also established its [Code of Business Conduct](#) which highlights its value that include, among other, to "Live Respectfully" by contributing to our communities, respecting human rights, and protecting the environment. In addition, CMOC has a standalone [Human Rights Policy](#) which makes clear that CMOC prohibits forced labor, child labor, and human trafficking in all forms.

Further, CMOC has a [Supplier Code of Conduct](#) that CMOC requires all of its suppliers to comply with and which states that suppliers are expected to use business practices that eliminate all forms of forced, involuntary, and child labor. Should CMOC identify any suppliers who violate the Supplier Code of Conduct's prohibition on forced, involuntary, or child labor, CMOC would view a violation of that policy as grounds for dismissal.

Finally, CMOC is dedicated to protecting whistleblowers or others who act to report violations of any of CMOC's policies. CMOC's whistleblower protections are outlined in a number of its policies including its [Anti-Corruption Policy](#) which states that the whistleblower hotline provides a confidential, easy to use, and always available way for CMOC employees to report on suspicious or unethical behaviour.

As these policies are issues by our parent company, they are equally applicable to CMOC Sales and Marketing and to Niobras. This demonstrates our commitment to this important issue and ensures that appropriate and coordinated action is taken throughout the business

Due Diligence

CMOC Sales and Marketing ensures that its supplier, Niobras, performs due diligence on any third parties it works with, including cross-checking that entity with the Ministry of Labor's list of companies known or suspected to be involved in forced labour or slavery.

In addition, Niobras has specific language in its standard contracts that requires its suppliers to repudiate any dealings with companies that are involved in forced labour or slave labor.

CMOC Sales and Marketing considers that its due diligence procedures are:

- proportionate to the identified modern slavery risk;
- the severity of the risk;
- reflect the level of influence it may have; and
- informed by broader risk assessments conducted.

Assessing and Managing Risk

Modern slavery risk assessments are part of CMOC Sales and Marketing's wider approach to risk management. The risk of slavery and human trafficking taking place in its supply chain is assessed and steps are taken to manage that risk. To the extent that CMOC Sales and Marketing began to provide sales and business support services to another entity, it would assess the risk posed by that supplier based on its location and market risk.



Cynthia Chandley
General Counsel