

Policy Name: HUMAN TRAFFICKING POLICY AND DISCLOSURE STATEMENT

Eradicating Slavery in the Supply Chain

May 2020

Steencore opposes all forms of slavery and forced labor in its operations and the operations of its suppliers.

Steencore is committed to conducting business with honesty and integrity wherever we operate around the world, treating all people with dignity and respect and complying with all applicable laws, regulations and treaties.

We are committed to protecting and promoting human rights globally. We do not tolerate illegal child labor, forced labor or any use of force or other form of coercion, fraud, deception, abuse of power or other means to exploit people. We respect international principles of human rights – including, but not limited to, those in the UN Declaration of Human Rights, the Trafficking Victims Protection Act as amended, the UK Modern Slavery Act of 2015 and the California Supply Chain Transparency Act – and embody these principles and commitments in our corporate policies and our Code of Conduct. We comply with the employment laws of every country in which we operate and expect those with whom we do business to do the same. We have included on our website this Policy and Statement and our Purchase Order Terms and Conditions, which address the issue. These documents make our commitments more public and ensure our stakeholders know the standards we apply to ourselves and expect from all of our business partners. Additionally, starting in 2019, we began developing a Supplier Code of Conduct which will be applicable to vendors, contractors and service providers of any kind. We intend to provide notification to all suppliers confirming we expect them to follow its standards. We also intend to draft all future supply agreements to require an affirmative commitment from suppliers to comply with our Supplier Code.

This Policy prohibits employees and agents from, among other actions:

- ⇒ Engaging in all forms of human trafficking and forced labor;
- ⇒ Withholding employee identity or immigration documents;
- ⇒ Using recruiters that do not comply with labor laws of the country in which the recruiting takes place;
- ⇒ Charging employees recruitment fees⁽¹⁾;
- ⇒ Requiring deposits from employees unless required by applicable law;
- ⇒ Restricting freedom of movement or right to terminate employment;
- ⇒ Making loans to workers or job seekers under circumstances where repayment terms could be construed as debt bondage or forced labor;
- ⇒ Taking disciplinary action for refusing overtime in excess of what is contemplated, required or permitted pursuant to a binding and enforceable collective bargaining agreement;
- ⇒ Setting production quotas at such a level that employees need to work beyond regular working hours (excluding overtime) to earn the legal minimum wage or prevailing industry wage;
- ⇒ Having direct control of, or access to, employees' bank accounts other than to make direct deposits of compensation;
- ⇒ Procuring commercial sex acts; and
- ⇒ Paying wages that do not meet applicable host country legal requirements or prevailing industry wages.



The following information is included in response to applicable legislation requiring certain disclosures from Steencore regarding our actions with respect to human trafficking in our supply chain:

Verification. We conduct a supplier approval process to identify, assess and manage risks associated with suppliers. We consider product quality, transaction types, specific products we purchase and the geographic locations from which we source commodities, along with other relevant business and legal criteria. We follow the trade laws and applicable laws of countries in which we operate, including restrictions on exports and on doing business with certain people, companies or countries. We require:

- ⇒ Suppliers to accept and comply with this Policy through our Purchase Order Terms and Conditions;
- ⇒ Our company to engage in verification activities to identify, assess and manage risks specific to human trafficking and forced labor in our supply chain;

Auditing. We have audit rights in many of our supply contracts and in our Purchase Order Terms and Conditions, which permit us to audit supplier compliance with certain contract terms. While we have certain contractual rights to audit suppliers and have conducted routine audits or assessments of their performance, those assessment methodologies do not currently include a focus on human trafficking and slavery.

Certification. Our Purchase Order Terms and Conditions require suppliers to comply with all applicable laws. When our Supplier Code of Conduct is fully implemented, the Purchase Order Terms and Conditions will also require suppliers to comply with that code. New, renewed or amended contracts with suppliers will also include updated compliance language requiring a contractual commitment by suppliers to comply either with our Supplier Code or their own company code of conduct, if it expresses comparable standards and meets with our approval. Also, with every contract, suppliers will be required to commit in writing that they will require the same level of compliance from their own suppliers. Suppliers who do not agree to these terms, if we do not replace them immediately, will be flagged, monitored and reviewed until we make a business decision about their status. We do not obtain certifications from third-party organizations.

Internal Accountability. Everyone who is part of our business community, whether employees, contractors, agents or suppliers, will be held accountable to conduct business with or for us in an ethical manner. Our employees are required to follow all laws of the countries in which they operate and all of our policies and procedures, including our Code of Conduct, various business rules, policies and standard operating procedures. Employees who violate laws or company policies are subject to disciplinary action, up to and including termination.



Similarly, suppliers must comply with the terms of our Purchase Order Terms and Conditions and any applicable written contracts. If they fail to comply with the law or do not address contractual non-compliance in a timely manner, we reserve our contractual rights to terminate relationships with them if applicable. As part of our developing supply chain sustainability program, we plan to continue to develop processes and procedures that hold suppliers accountable in all areas, including labor sourcing. Employees may use our whistleblower hotline to report any violations related to human trafficking.

Training and Awareness. We regularly train our employees in the standards of ethical behavior, policies, procedures and legal requirements that apply to our business. We have also specifically informed our supply chain and sourcing employees about human trafficking and slavery. In addition, we currently include training on human trafficking and slavery as part of our annual training program.

⁽¹⁾ Recruitment Fees

Recruitment fees include financial obligations assessed against employees or potential employees, associated with the recruiting process:

- i) For soliciting, identifying, considering, interviewing, referring, retaining, transferring, selecting, testing, training, providing new-hire orientation, recommending, or placing employees or potential employees;
- ii) For covering the cost of advertising;
- iii) For any activity related to obtaining permanent or temporary labor certification;
- iv) For processing petitions;
- v) For visas and any fee that facilitates an employee obtaining a visa (ex: appointment and application fees);
- vi) For government-mandated costs (ex: border crossing fees);
- vii) For procuring photographs and identity documentation (ex: non-governmental passport fees);
- viii) Charged as a condition of access to the job opportunity, including procuring medical examinations and immunizations and obtaining background, reference and security clearance checks and examinations; additional certifications;
- ix) For an employer's recruiters, agents or attorneys, or other notary or legal fees; and
- x) For language interpreters or translators.

Any financial obligation may be a recruitment fee regardless of whether the payment is in property or money, deducted from wages, paid back in wage or benefit concessions, paid back as a kickback, bribe, in-kind payment, free labor, tip, or tribute.

Looking forward:

Steencore's Working Group has set the following priorities for FY20:

Policy review

Review the current policy framework to ensure it meets best practice.

Training

Deliver training to all procurement staff to increase capability and ensure they are able to assist suppliers in building their capabilities.

Engagement

Engage with suppliers to ensure they understand their requirements and assist them through the process to build capabilities.

Collaboration

Continue to work with organizations and businesses to share learnings and build capabilities.

Assurance

Review the current assurance process to ensure it meets best practice.

Contact Us

Give us a call for more information about our services and products

Steencore Mining & Energy
Max Euwelaan 21-29
3062 MA, Rotterdam
The Netherlands

Tel: +31 10 268 1580

E: info@steencore.com

Visit us on the web at
W: www.steencore.com

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The Netherlands

