

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ANNUAL REPORT 2018



The Directors are pleased to present the Environmental, Social and Governance Report for the year ended 30 June 2018 in compliance with the applicable code provision of the Environmental, Social and Governance Reporting Guide as set out in the Appendix 27 of the Listing Rules.

## A. ENVIRONMENTAL PROTECTION

### A1. EMISSIONS

During the year, the Group was at minimal spend and only retained its office operation to secure for infrastructure solutions for the Group's mining project. No mining activities have been carried out.

The management believes that emissions and wastes generated by the operation would have insignificant impact on the environment.

At the present scale of operation, the Greenhouse Gases emissions are mainly generated from the electricity consumption in our office premises.

Relevant KPIs are as shown below:

Purchased electricity consumption	12,921 kWh
Carbon dioxide emission from the generation of Purchased electricity	10,208 kgCO <sub>2</sub> e
Carbon dioxide emission intensity per office area in M2	23.9 kg/square meter

### A2. Use of Resources

The Group is committed to promoting an environmentally conscious work environment and has focused on measures to minimize waste and electricity consumption, initiate paper and cartridges recycling, and promoting electronic communications and storage.

To reduce consumption of paper, the Group prefers using electronic means to disseminate information and ensure electronic devices such as tablets projectors and electronic communication systems are functional.

We encourage our office employees to switch off idle lights, air conditioners and other office equipment, and we remind our employees to print and photocopy on both sides of paper if printing is unavoidable. We also encourage our employees to bring their own lunch and reduce purchase of takeaway lunchboxes and beverages to reduce the use of plastic disposable utensils. The group also encourages its staffs to choose public transportation and carpool to reduce car driving and thus the impact on the environment and transportation.

For electronic devices, the Group also promotes initiatives to mitigate environmental impacts by choosing energy-efficient products over others by comparing Energy Labels issued by the Electrical and Mechanical Services Department (EMSD)/Energy Rating Labels issued by the Australian government during procurement process. Nonetheless, since waste electrical and electronic equipment (WEEE) pose severe harm to the environment, the Group encourages all employees to engage the WEEE donation or recycle programs.

Our offices are required to keep in-door temperature at 25 degree Celsius to ensure efficient use of air conditioning.

All employees are responsible and accountable for operating in an environmentally responsible manner.

Since the Group's existing business operation do not require any significant water usage, water usage and water consumption for the year involved only bottled drinking water.

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The Group's drinking water consumption for the year amounted to 1.2m<sup>3</sup> with a water consumption intensity amounted to approximately 0.15m<sup>3</sup> per employee, and we require employees to report immediately whenever damage is found on any water facilities to ensure no leaking taps.

## A3. The Environment and Natural Resources

The Company is committed to the principles of good corporate and environmental citizenship, and shall take into careful consideration of environmental, social responsibility and sustainability issues when choosing its vendors to commence its projects. The Group aims to minimize its environmental footprint and its damage to the natural resources. We foresee that tailings and waste rock management, water use and discharge, and land management and rehabilitation would be the most important areas of concerns and the Group shall closely monitor these aspects should the projects materialize in the future. The Company has set out its objectives and targets for the advancement of our projects, most of which include the successful application for approvals under the Environmental Protection Act 1986(WA) and other related approvals required to commence the early works. Each year, the Company would perform an annual compliance review and compile a report to the Office of Environmental Protection Authority to declare its compliance status as required.

Brockman is proposing to clear up to 3,785 ha of vegetation to mine detrital iron ore deposits at over 20Mtpa with transport to Port Hedland by rail. After rehabilitation, the long-term cleared footprint will be around 60 ha which represents the final pit void. All other disturbances will be rehabilitated to the satisfaction of the Western Australian Environmental Protection Authority (EPA), Department of Environment and Conservation (DEC) and Department of Mines and Petroleum (DMP).

Brockman has previously engaged ecologia Environment (ecologia) to prepare the Preliminary Documentation required to assess the project under the Environmental Protection and Biodiversity Conservation Act 1999 (Cth). Most key environmental approvals are ready and we shall adhere to our proposed plan should we commence our mining projects. We would strive ahead with our best endeavour to mitigate environmental impacts, and we shall adhere strictly to our monitoring schedule when the projects commercialize.

## B. SOCIAL

### B1. EMPLOYMENT AND LABOUR PRACTICES EMPLOYMENT

We believe that people are the foundation of our businesses, and retaining quality staff is paramount to supporting our business. We value our staff and retain our staffs by offering an employee-friendly working environment, and we make sure our employees are well compensated, not only in terms of remuneration, but we strive to facilitate work-life balance for all our employees.

#### *Recruitment*

The Group has established a sound system of human resources management covering various aspects of employment. During our recruitment process, employees are hired based on consideration of their experience, qualifications and knowledge. All employees have entered into written employment contracts prior to employment to ensure job title, job duties, working hours, holidays, remuneration, termination process and benefits are agreed.

#### *Promotion, compensation and dismissal*

We motivate employees by promotion and salary increments based on results of regular performance appraisals. Staff dismissals are based on the Hong Kong Employment Ordinance or relevant local laws and regulations, as well as the requirements stipulated in the



employment contracts. Apart from offering employees with competitive salary packages, the Group also provides annual bonuses and employee share options to eligible employees as incentives to retain our staff.

***Working hours, rest periods and benefits***

Five-days work week arrangement is adopted to facilitate work-life balance. In addition to all rest days and statutory holidays as specified in local laws and regulations, employees are entitled to paid annual leaves, maternity leaves, paternity leaves, marriage leaves and compassionate leaves. Employees are also entitled to benefits such as medical benefits, MPF scheme contributions and other benefits subject to the Group's human resources policies.

***Equal opportunity, diversity and anti-discrimination***

All Directors, senior management and employees of the Company are expected to conduct themselves with integrity, openness, honesty and fairness, and in the best interests of the Company. The Board has established a Code of Conduct and Ethics, which is supported by a Whistleblower Policy, to guide all Directors, members of senior management and employees. A copy of the Code of Conduct and Ethics and Whistleblower Policy is available in the corporate governance section of the Company's website.

The Company's recognition of the benefits of diversity where people from different gender, age, ethnicity and cultural backgrounds can bring fresh ideas and perceptions which make the workplace more efficient is reinforced in the Diversity Policy, a copy of which is available in the corporate governance section of the Company's website. This policy outlines specific diversity initiatives designed to facilitate equal employment opportunities and requires the Company to set out specific diversity initiatives and targets with the aim of reporting the progress towards the metrics in the annual report. These key metrics include:

- Proportion of women appointed as Non-Executive Directors of the Company;
- Proportion of women in the workplace;
- Proportion of women in senior management;
- Parental leave return rates; and
- Employee turnover.

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The following metrics shows the comparison over historical data. The historical data is as follows:

	2018	2017	2016	2015
Proportion of women appointed as Non-Executive Directors	0	0	0	0
Proportion of women in the workplace	18%	21%	24%	10%
Proportion of women in management	38%	13%	10%	11%
Parental leave return rates	N/A	100%	N/A	N/A
Employee turnover	53%	24%	82%	45%

The Board is continually looking to achieve diversity will endeavour to appoint individuals who will provide a mix of diverse experiences, perspectives and skills appropriate for the Company, including appropriate technical and commercial skills relevant to the mining industry.

Our human resources policies ensure that the Company is free from any form of discrimination on the ground of age, gender, religions, marital status, family status, sexual orientation, disability, race and nationality. We are committed to creating a corporate culture with equality, respect diversity and mutual support.

During the year, the Group was not aware of any material violation of the relevant laws and regulations relating to the Group's compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare. In addition, no fines or sanctions were imposed on us due to non-compliance with the relevant laws and regulations during the year.

## Performance Data Summary

### Workforce Demographics

<b>TOTAL WORKFORCE</b>	<b>17</b>	
<b>By Nature of Work</b>	<b>Australia</b>	<b>Hong Kong</b>
Corporate directors	2	7
Corporate Services	1	3
Project Development	1	2
Exploration	1	—
<b>By Gender</b>	<b>Australia</b>	<b>Hong Kong</b>
Male	4	10
Female	1	2
<b>By Employee Category</b>	<b>Australia</b>	<b>Hong Kong</b>
Directors (Executive)	1	2
Directors (Non-executive)	1	5
Management team	3	5



## B2. HEALTH, SAFETY AND SUSTAINABILITY

The Company is committed to the development of a sustainable iron ore business in Western Australia that benefits its employees, contractors, suppliers, partners and the community.

We will achieve this through the effective implementation and proactive management of our commitments and obligations to workplace health and safety, the environment and to the communities in which we operate.

To operate an effective and sustainable iron ore business, the Company will:

- Focus on the elimination and management of workplace hazards and risks;
- Act ethically and responsibly in all its interactions;
- Promote a culture which focuses its employees, contractors, suppliers and partners on workplace health and safety as the responsibility of all those who work in its business;
- Provide a workplace free from bullying or discrimination and offering equal opportunity to all employees;
- Work actively through all areas of its business to minimise the actual and potential environmental impact of the Company's activities; and
- Respect the rights of the traditional owners and value the indigenous cultural heritage associated with its operations.

We will implement systems and ensure that resources are allocated to implement and monitor these commitments and its legal obligations. Our employees, contractors and partners will be regularly informed of the Company's progress towards these goals.

The policy and the system that support it will be routinely measured to ensure the delivery of our commitments and system improvements made where the need arises.

The Group shall adhere to our Operational Health and Safety Policy for all our future projects and our Company's health and safety objectives are summarized as follows:

- Achieve "Zero Harm" to people, the community and the workplace environment;
- Support, encourage and promote efforts to achieve industry-leading occupational health and safety performance;
- Eliminate or manage circumstances which may lead to injury, property damage and business interruption; and
- Achieve health and safety performance consistent with the OHS Policy.

Brockman will employ the following principles:

- Everyone has a responsibility for health and safety of themselves and their colleagues;
- Hazards should be identified and their risks eliminated or controlled;
- Every task, however urgent or important, can be done safely; and
- Health and safety standards will not be limited to only minimum legal requirements.

These objectives will be achieved by:

- Providing employees and contractors with the necessary responsibility training and resources to assist them to perform their tasks safely and effectively;
- Establishing and enforcing accountabilities for employees and contractors regarding health and safety policy, objectives and performance;
- Complying with all applicable laws, regulations and statutory obligations;

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- Demonstrating effective leadership and management of health and safety through risk assessment and the development and implementation of safe operational procedures, and communication in health and safety issues.

## B3. DEVELOPMENT AND TRAINING

Employees are the most important assets of the Company. First-class professionals and management team are the guarantee of successful business, and therefore we are eager to provide them with relevant trainings and encourage them to fully utilize their potentials. We subsidize our employees for their continuing education, and encourage employees to participate in various workshops and seminars according to their respective areas of interest and job nature.

## B4. LABOUR STANDARDS

All our labour-related policies and practices comply with the Employment Ordinance, and relevant labour laws in Australia. Furthermore, the Group strictly prohibits the employment of child labour and forced labour, and comply with all relevant laws and regulations such regard. During the period, we did not employ child labour and did not received any complaints or reporting of child labour or forced labour.

## B5. SUPPLY CHAIN MANAGEMENT

The Company has established sound procurement procedures and requirement for vendors/equipment acquisitions. Upon selection for new vendors, not only the Company will evaluate the vendors' performance, equipment reliability and pricing, but also the environmental attributes such as impact to the environment and energy saving functionalities. We will also take into consideration of the vendors' previous performance in terms of creditability and compliance with local regulations.

## B6. PRODUCT RESPONSIBILITY

The Company will ensure all required documentation is obtained prior to shipment of ore. Sinter testworks conducted has provided positive results and confirmation of our product

quality and the Group will strive to maintain the product's quality upon future delivery of ore.

The Company upholds the confidentiality regarding customers', prospective customers' or business counterparts' information. Confidentiality agreements were in place to protect any leakage of information.

## B7. ANTI-CORRUPTION

Company has established rules against bribery or corruption, which forbid employees to accept gift from other people in business relationship. To ensure effective implementation, every employees have been trained on these rules. Furthermore, Company have set up a whistle blower policy (details of which can be found on the company website), and Brockman encourages stakeholders to pursue and report any misconduct, fraudulent or corrupt practices, breaches in rules, coercion or harassment and etc. Active channels are in place for employees to report directly in event of any potential source of bribery/corruption in any business execution. Training has also been provided for employees and directors to discourage any form of corruption.

Brockman takes a zero tolerance approach to corruption and bribery and is committed to acting professionally, fairly and with integrity in all our business dealings. Our whistleblower policy adopted encourages employees to report on any incidences of fraud, misappropriation or corruption while the reporters' privacy are completely protected.

## B8. COMMUNITY INVESTMENT

We provide opportunities for our employees to be a part of our local communities.

We mobilise our employees to volunteer their time and skills in contributing to the society at the same time enriching their knowledge of environmental and social issues, moreover, to prevent and mitigate any potential and actual negative impacts on the community.

The Company had sponsor charity run/marathon for employees.