

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ANNUAL REPORT 2022



The Directors are pleased to present the Environmental, Social and Governance ("ESG") Report for the year ended 30 June 2022 in compliance with the applicable code provision of the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Rules Governing the Listing of Securities on the SEHK.

REPORTING SCOPE

With the delay in development of the Marillana Project and no mining activities undertaken during the year, the scope of the report covers all operations of the Group, mainly the head office in Hong Kong and its subsidiaries in Western Australia. The report presents information relevant to the ESG management approach for the financial year from 1 July 2021 to 30 June 2022 (the "Reporting Period").

The ESG Report has been prepared in accordance with the principles of materiality, quantitative approach and consistency recommended by the Hong Kong Stock Exchange. The Group's performance is required annually and reviewed by the Risk Management Committee and Board, details of which are outlined in our "Internal Control and Risk Management" section contained in the Corporate Governance Statement included in the Company's published 2022 Annual Report. It is recommended that the ESG report to be read together with the 2022 Annual Report, in particular the Corporate Governance Statement and the Directors' Report. This ESG report can be accessed from the Sustainability section of the Company's website and on the HKEx's website.

The compilation of the report follows the principles as suggested by the ESG reporting guidelines:

| | |
|--------------|--|
| Materiality | Opinions of stakeholders were gathered from internal and external stakeholders engagement and we have reviewed and determined the material ESG aspects to the Group. |
| Balance | To provide an unbiased assessment of the Group and report not only the progress of sustainability development, but also the future plans. |
| Quantitative | Quantitative key performance indicators are used to monitor the sustainability progress and results of target implementation. |
| Consistency | Unless otherwise stated, the ESG report adopted consistent methodology. |

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STAKEHOLDERS ENGAGEMENT AND MATERIALITY ASSESSMENT

Amongst various environmental and social issues based on the ESG Reporting Guide within the scope of sustainability, the following is the list of issues that are considered to be material and relevant to the Group. The Group defines material stakeholder groups as those who have frequent connections, significant financial and operational influence and form a long term and strategic relationship with the Group. Aspects and KPIs relevant to this report's disclosure are set out as follows:

| Stakeholders | Material issues | KPI | Engagement channels |
|----------------------------|--------------------------------------|--|---|
| Investors and shareholders | Business operations | General disclosure | Financial reports and announcements |
| Regulators | Compliance with laws and regulations | General disclosure on aspects A1, B1, B2, B4, B6, B7 | On-going compliance review |
| | Disclosure | | Shareholder meetings |
| | Environmental | Aspects A1-A4 and relevant KPIs | On-going communications |
| | Anti-corruption | KPI B7.1-3 | Training for directors and management |
| | Labour standards | KPI B4.1-2 | Yearly review and monitoring of latest regulatory updates |
| | Product Responsibility | General disclosure | Framework of product quality assurance will be developed prior to the delivery of first ore |
| Suppliers | Supply chain management | KPI B5.1-4 | Review of suppliers and procurement procedures |
| Employees | Remuneration and labour standards | KPI B1.1-2 | Yearly review |
| | Training and development | KPI B3.1-2 | Training for directors and management |
| | Occupational health & safety | KPI B2.1-3 | |
| Community | Charity work | KPI B8.1-2 | Support charity organisations |



Statement of the Board of Directors

The Board retains the overall responsibility for the Group's ESG management and is committed to operating in a manner that contributes to the sustainable development of mineral resources through efficient, balanced protection of the environment while demonstrating consideration for the wellbeing of our people. The Group is focused on the need to work closely with the local communities and the importance of earning the respect and support of the communities.

The Group recognises its responsibility for minimising the impact of its activities on, and protecting, the environment. The Group is committed to developing and implementing practices in environmental design and management and actively operates to:

- Work within the legal frameworks,
- Identify, monitor, measure, evaluate and minimise our impact on the environment,
- Give environmental aspects due consideration in all phases of the Group's projects, from exploration to development, eventual operation and final closure, and
- Act systematically to improve the planning, execution and monitoring of its environmental performance.

Looking forward to the future, the Board will also perform timely review of the Group's strategic planning and performance. The Board also sets out ESG goals and targets based on relevant KPIs and reviews the results on a yearly basis. We strive to provide a supportive environment and incorporate ESG initiatives into our strategy to reduce the Group's carbon footprint.

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A. ENVIRONMENTAL

A.1 EMISSIONS

During the year, the Group was at minimal spend and retained office space to continue the advancement of the joint operation with MinRes.

Mining development is yet to commence and management considers that the emissions and waste generated by any exploration activity would have an insignificant impact on the environment due to the minimal activities undertaken. Hence, there are no relevant laws and regulations applicable to these activities.

Greenhouse Gas emissions ("GHG Emissions") for the reporting period are mainly generated from general direct electricity consumption for office use and indirect emissions resulted from business trips. During the year, due to the continued global pandemic, business travel was minimised. Going forward, business travel and physical management meetings will be minimised and be substituted with online meetings.

Relevant KPIs are as shown below:

| | Target of net decrease | 2022 | 2021 |
|--------------------------------------|------------------------|--|---|
| i) Purchased electricity consumption | Met | 18,770 kWh | 22,527 kWh |
| ii) GHG intensity (by floor area) | Met | 75.35 kg CO₂-e/m² | 132.05 kg CO ₂ -e/m ² |
| iii) Scope 1 GHG Emissions | Not applicable | Not applicable | Not applicable |
| iv) Scope 2 GHG Emissions | Met | 11,049.84 kg CO₂ | 18,082.29 kg CO ₂ |
| v) Scope 3 GHG Emissions | Not applicable | Not applicable | Not applicable |

Note:

Scope 1 emissions come from direct GHG emissions from combustion of fuels in stationary or mobile sources (excluding electrical equipment) to generate electricity, which is not applicable in our case as our development and production activities have yet to commence.

Scope 2 emissions come from indirect GHG emissions from the generation of purchased electricity.

Scope 3 emissions include other indirect GHG emissions that occur outside the Company such as emissions from business travel of employees and paper waste disposed of at landfill, upstream and downstream emissions from the supply chain etc., which is not significant to the Group as our development and production activities have not commenced.

* Emissions for Nitrogen Oxides (NOx), Sulphur Oxides (SOx) and Respirable suspended particulates (RSP) are not disclosed as the amount is insignificant.

The scope during the reporting period covered a gross floor area of 249.1m².

The Group continues to operate at minimal spend and targets a net decrease in emissions prior to the commencement of any future developmental activities. Due to the very low emissions of the Group based on current activities, actual emissions are not currently measured or quantified. Emissions will be measured once development activities have commenced.

The Company has met its net decrease in emission target for the year, and has implemented the following measures to reduce our emissions in relation to office activities:

- Reduction of unnecessary business trips and board meetings organised via electronic communications.
- Encouraged employees to switch off lights and air conditioning.
- Procure only electrical appliances with "Grade1" or equivalent energy labels if needed to increase energy efficiency.



During the reporting period, the Company incurred no unnecessary business trips (domestic and overseas) and all board meetings were conducted via electronic communications.

During the reporting period, no material hazardous or non-hazardous waste was generated as our operations are office based in nature. Waste generated comprises printer toner cartridges, batteries and obsolete computer and printing equipment. These were properly disposed of and recycled. Non-hazardous waste such as general domestic refuse and printing paper from office operations were considered minimal. A further detailed reporting on mine waste will be available when development activities have commenced.

A.2 USE OF RESOURCES

The Group is committed to promoting an environmentally conscious work environment and has focused on measures to minimise waste and electricity consumption, initiate paper and cartridge recycling and promote electronic communications and storage. We promote recycling of office equipment and reduce domestic waste as much as possible.

To reduce consumption of paper, the Group prefers using electronic means to disseminate information via electronic devices and electronic communication systems.

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 and beverages and hence reduce the use of plastic disposable utensils. The Group encourages its employees to choose public transportation and carpool to reduce car driving and thus the impact on the environment and transportation. The Group does not own any vehicles and we therefore do not directly produce any greenhouse and hazardous gases from cars used.

Our offices are required to maintain in-door temperature at 24 degree Celsius to ensure efficient use of air conditioning.

As stated in the above paragraph, the Group targets to maintain a net decrease in emissions for the upcoming year. Purchased electricity contributes to the majority of our emissions; hence a target of net decrease in yearly energy consumption is set.

The Group promotes initiatives to mitigate environmental impacts by choosing energy-efficient products by comparing Energy Labels issued by the Electrical and Mechanical Services Department (EMSD)/ Energy Rating Labels issued by the Australian Federal Government. As waste electrical and electronic equipment (WEEE) poses severe harm to the environment, the Group encourages all employees to use the WEEE donation or recycling programs.

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

The total purchased electricity for the year ended to 18,770kWh and the electricity usage intensity by floor area amounted to approximately 75.35kWh/m².

The Group's existing business operation does not require any significant water consumption, water usage and any consumption relates to drinking water (including bottled water).

There is no applicable data of water consumption because it is not feasible to obtain water withdrawal and discharge data as an individual occupant of commercial office leases for the Hong Kong and Australia offices were water supply and discharge are not billed separately by the respective building management. Although data on water usage was not quantifiable, the Group maintains best endeavours to conserve the environment by requiring our employees to report immediately damage to any water facilities and prompt water awareness.

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There is no issue in sourcing water that is fit for purpose whereas the Group considers its water consumption level is reasonable at the current operation level. The Group targets to have a net decrease in water and electricity consumption next year by implementing the measures as discussed above.

Due to the nature of the business, there is no applicable data of packaging material as our operation does not involve the use of any packaging material.

A.3 THE ENVIRONMENT AND NATURAL RESOURCES

The Company is committed to the principles of being a good corporate and environmental citizen, and takes careful consideration of environmental, social responsibility and sustainability issues when choosing its vendors. The Group aims to minimise its environmental footprint and its disturbance to natural resources. We anticipate that fines residue storage and waste rock management, water use and discharge, and land management and rehabilitation would be the most important areas of concern once in production and the Group shall closely monitor these aspects, in compliance with its regulatory approvals obtained with key State and Commonwealth Governments that have been received for the Marillana project. Each year, the Company undertakes an annual compliance review and provides 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 and transport ore to Port Hedland by a land infrastructure solution. After rehabilitation, the long-term cleared footprint will be around 60 ha which represents the final open pit void. All other disturbances will be rehabilitated to the satisfaction of the Western Australian Environmental Protection Authority (EPA), Department of Environment and Water (DEW) and Department of Mines, Industry, Resources and Safety (DMIRS).

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 in place and we shall adhere to our proposed plan in the event of commencement of early works. We endeavour to mitigate any environmental disturbance and apply our monitoring schedule when the project commercialises.

Prior to the commencement of our mine development, environmental approvals for mining or exploration activities are required to be sought in accordance with the Mining Act 1978 and the following approvals are required by the Department of Mines, Industry Regulation and Safety (DMIRS):

1. Programme of work – submission has to include details of mechanised equipment and potential disruption to the ground during exploration or prospecting for minerals.
2. Mining proposals – details of the proposed mining operation or any changes to be incurred are required to be disclosed.
3. Mine closure plans – such plan must be included together with any submission on mining proposals, covering all aspects of mine decommissioning and rehabilitation.

A number of management plans are in place to provide a framework for the Group to effectively manage its environmental impact and responsibilities. The plans are reviewed regularly and include the following:

- Safety management plans,
- Waste management plans, and
- Environmental monitoring plans.



The principal environmental incidents that could potentially occur at the Group's exploration sites include hydrocarbon spills; the destruction of local wildlife habitats; water substance levels exceeding permits limits; and other incidents that negatively impact the environment. Any environment incidents are reported, investigated, remedied and monitored by the Group and, where appropriate, reported to the responsible authorities.

Environmental compliance

Ensuring environmental compliance is integral to the Group's operations. The Group implements environmental management systems and practices, from which we assess and identify potential environmental risks; conduct; monitoring; and report the performance results to mitigate the impact of our operations on the environment. The Group strives to promote the efficient use of resources and reduction and prevention of pollution. As a responsible Group we seek to meet, and where possible exceed, the regulatory requirements governing our environmental performance. The Group complies with all applicable environmental laws, regulations, and standards. The main laws are set out in the Mining Act 1978 and other relevant environmental regulations such as the Environmental Protection Act 1986, the Environmental Protection and Biodiversity Conservation Act 1999, the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, the Rights in Water and Irrigation Act 1914 and the Native Title Act 1993.

In the year ended 30 June 2022, there were no environmental permit or approvals breaches. All approval and permit levels were complied.

A.4 CLIMATE CHANGE

Significant changes in the pattern of rainfall over Western Australia have occurred over the past 40 years. Most of the state, especially the northwest, has experienced a trend towards a wetter climate. This poses a certain risk for the mining industry. The southwestern part of the state has become drier, with a 15% reduction in rainfall since the mid-1970s.

Waste rock and tailings that are created during the mining and ore refining process can release toxins into the environment if not stored or disposed of properly. In many cases, waste rock and tailings are left out in the open where they are exposed, and toxins can be washed into water systems by rainfall, or can leach into the soil. To mitigate such risk, a detailed mine plan with enhanced tailings and erosion control structure will serve as part of the mine's water management plan.

The most likely source of impact to the surface water environment from discharge is from unplanned flooding or spillages at the sewage treatment facility. However, safeguards are in place to minimise this risk, including:

- Alarms and flashing beacons to warn of failure of mechanical components (pump and blower);
- Alarms to warn of high water levels in the balance tank or irrigation tanks; and
- An emergency overflow between the balance tank and the waste water treatment plant.

In addition, flood protection will be implemented, to ensure floodwaters do not adversely impact waste water facilities.

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B. SOCIAL

B.1 EMPLOYMENT AND LABOUR PRACTICES

EMPLOYMENT

The Group's employment policies are documented in its Code of Conduct (Code), which provides clear guidance on the conduct and behaviour of all employees, including the Board and senior management. The Code is designed to encourage and foster a culture of integrity and responsibility with the focus on strengthening the Group's reputation as a valued employer, joint operator partner, and good corporate citizen. Specifically, the Code provides guidance on the following aspects:

- Compliance to applicable governmental laws, rules and regulations,
- Conflicts of interest,
- Fair dealing,
- Knowledge and information security (including handling of confidential information and disclose and securities trading),
- Health, safety and environment,
- Employment practices, and
- Whistleblowing and misconduct reporting.

Recruitment

The Group recognises, and endeavours to protect, the rights of its employees and is committed to providing equal opportunities. The Group engages in transparent and fair recruitment practices and fair remuneration and disciplinary decisions without regard to gender, age, or ethnic background. All employees have entered into a written employment contract that outlines conditions of employment which includes job title, job duties, working hours, holidays, remuneration, termination process and benefits agreed by both parties.

Promotion, compensation and dismissal

We motivate employees by promotion and salary increments based on results of regular performance appraisals. Staff dismissal is 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' 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

A five-day 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, maternity, paternity, marriage and compassionate leave. Employees are also entitled to benefits such as medical benefits, MPF scheme contributions and other benefits subject to the Group's human resources management policy.

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 Group invests time and resources to fulfil its obligations under the respective laws of Hong Kong and Western Australia. The Group has a Whistleblower Policy that enables an employee to raise concerns about practices and procedures in their workplace. It enables employees to report concerns of fraud, illegal, immoral, illegitimate practices, misconduct, or malpractice in a way that will not be seen as being disloyal to colleagues.



During the reporting period the Group had not received any substantiated complaint from any individual or authority, nor has it paid or was liable to pay any penalty because of any employment breach. The Group is committed to responsible corporate governance, including the implementation of measures to encourage employees and representatives of the Group to identify and report in good faith any concerns relating to serious misconduct which is, or potentially could be:

- A criminal offence (including theft, drug use/sale, violence or threatened violence and criminal damage to property),
- A breach of a legal obligation,
- Dishonest, fraudulent, or corrupt,
- A serious risk to the health of an individual, the general public, the environment or the financial system,
- Breach of the Group's Code of Conduct or other policies, or
- Designed to conceal business records or other evidence related to any of the factors above.

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.

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

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|------|------|------|------|------|
| Proportion of women appointed as Non-Executive Directors | 0 | 0 | 0 | 0 | 0 |
| Proportion of women in the workplace | 13% | 15% | 15% | 15% | 18% |
| Proportion of women in senior management | 7% | 8% | 8% | 8% | 38% |
| Parental leave return rates | N/A | N/A | N/A | 100% | N/A |
| Employee turnover | 0% | 0% | 0% | 15% | 53% |

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

Our human resources function ensures that the Company is free from any form of discrimination on the grounds of age, gender, religion, marital status, family status, sexual orientation, disability, race and nationality. We are committed to creating a culture of equality, respect, diversity and mutual support.

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In Hong Kong, the Group's employment regulations are governed by the Employment Ordinance, the Minimum Wage Ordinance, as well as the Employees' Compensation Ordinance and Mandatory Provident Fund Scheme Ordinance. In Australia, The Fair Work Act 2009 (Cth) (the "FW Act") governs the employment of the majority of Australian employees, supplemented by other federal, state and territory legislative instruments pertaining to areas such as work, health and safety and non-discrimination.

During the year, the Group was not aware of any material breaches 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.

Further to the above statement, during the year, there were no fines or sanctions were imposed on us due to non-compliance with the relevant laws and regulations.

Performance Data Summary

Workforce demographics:

| TOTAL WORKFORCE | 15 | |
|--|------------------|------------------|
| By nature of work | Australia | Hong Kong |
| Corporate directors | 3 | 6 |
| Corporate Services | 1 | 3 |
| Project Development | – | 1 |
| Exploration | 1 | – |
| Total | 5 | 10 |
| By gender | | |
| Male | 4 | 9 |
| Female | 1 | 1 |
| By employee category | | |
| Directors (Executive) | 1 | 2 |
| Directors (Non-Executive) | 2 | 4 |
| Management | 2 | 4 |
| By age group | | |
| 31-50 | 1 | 6 |
| 50+ | 4 | 4 |
| EMPLOYEE TURNOVER RATE ANALYSIS | Australia | Hong Kong |
| By geographical location | 0% | 0% |
| | Male | Female |
| By gender | 0% | 0% |
| | 31-50 | 50+ |
| By age group | 0% | 0% |



B.2 HEALTH AND SAFETY

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 in 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.
- 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 updated on 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 observe our Operational Health and Safety (OHS) Policy for all our activities and our Company's health and safety objectives are summarised 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.
- Hazards should be identified and their risks eliminated or controlled.
- Every task can be done safely.
- 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.

During the reporting period, the Group had no work-related fatality and injury resulting in lost days and in each of the past three years (2021: Nil) and the Group was not aware of any material breaches of the relevant laws and regulations relating to the Group providing a safe working environment and protecting employees from occupational hazards.

COVID-19 Pandemic

The COVID-19 pandemic has had a significant impact on individuals, communities, and business globally. The Group's COVID-19 response protocols reinforce, and operate concurrently with, public health advice. They include:

- Social distancing protocols,
- Flexible and remote working plans for employees,

- Increased inventory of hand sanitiser and hygiene supplies,
- Increased focus on cleaning and sanitation,
- Avoid business travel unless necessary.

B.3 DEVELOPMENT AND TRAINING

Employees are the most important asset of the Company and are the guarantee of successful business, therefore, the Company is eager to provide them with relevant training and encourage them to fully utilise their potential. We subsidise 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 description.

Types of training to include:

- Compliance and regulatory;
- Job specific training;
- Comprehensive safety induction for all newly hired employees;

During the reporting period the percentage of trained employees and average hours of training received:

| | Percentage of trained employees | Average hours of training received during the year |
|----------------------------|---------------------------------|--|
| By employment type: | | |
| Directors | 60% | 183 |
| Senior management | 40% | 27 |
| By gender: | | |
| Male | 87% | 194 |
| Female | 13% | 16 |

B.4 LABOUR STANDARDS

All our labour-related policies and practices comply with the Employment Ordinance, and relevant local labour laws in Hong Kong and Australia. Furthermore, the Group strictly prohibits the employment of child labour and forced labour, and complies with all relevant laws and regulations.

Prior to on-boarding of any new employees, thorough background checks are conducted to ensure the candidate is fit and proper for the role. If any candidates were found to be child labourers, their employment contract would be immediately terminated.



During the year, we did not employ child labour or forced labour and did not receive any complaints or reporting of child labour or forced labour.

B.5 SUPPLY CHAIN MANAGEMENT

The Group is committed to upholding human rights and respect cultures, customs, and values in all dealings with people, places, and companies involved in our activities. The Group strives to implement environmentally and socially responsible supply chain practices by working closely with all stakeholders including suppliers, local community, and the respective authorities.

The Group has established sound procurement procedures and requirement for vendors. Upon selection of new vendors, the Group will evaluate the vendors' performance, reliability and pricing, but also the environmental attributes such as impact to the environment and energy saving functionalities. As part of our internal control on procurement procedures, at least 2 quotations will be obtained for each procurement engagement. Also, consideration of previous performance of the vendor, in terms of creditability and compliance with local regulations are determining factors for supplier selection. Sustainable, fair-trade and environmentally friendly products are preferred and procurement decisions are not solely based on price.

During the reporting period, the number of suppliers by geographical breakdown is as follows:

| By geographical region | Number of suppliers |
|------------------------|---------------------|
| Hong Kong | 15 |
| Australia | 42 |
| Total | 57 |

The Group engages external parties in its day-to-day operations including environment, process consultants, laboratories services, drilling services and professional services. To assist in maintaining a transparent supply chain, the Group only procures goods and services from suppliers and contractors whose trade, employment practices and company values are aligned to the Group. Independent internal control consultants are engaged yearly to perform reviews on whether internal control processes are being observed. Sample checks on the procurement cycle are performed and findings, together with other internal control related issues are compiled into a report tabled to the Board for review. Compliance is actively monitored by procurement that identifies and reports any issues to the senior management team via regularly meetings. Any necessary action will be dealt with in a timely manner.

B.6 PRODUCT RESPONSIBILITY

The Company will ensure all required documentation will be implemented prior to shipment of iron ore. Sinter testwork 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.

Given that production has yet to commence, no complaints from customers nor product recalls have been received for the reporting period. Quality assurance and recall procedures will be duly implemented upon future delivery of iron ore products.

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The Company upholds the confidentiality regarding customers', prospective customers' or business counterparts' information. Confidentiality agreements are put in place to protect any leakage of information and set out the Company's position on data security and privacy, including:

- Work related documents are the property of the Company unless otherwise specifically agreed,
- Destruction of documents containing confidential information must be carried out reliably.

The Company manages data protection and privacy as part of its IT processes and has several policies to manage IT related risks including off-site backup.

Given the nature of our business, our operations do not involve the use of intellectual property rights owned by other parties. Nevertheless, the Group has set out the treatment of handling and protecting intellectual property in our Code of Conduct.

During the year, the Group was not aware of any material breaches of the relevant laws and regulations relating to the Group health and safety, advertising, labelling and privacy matters relating products and services.

B.7 ANTI-CORRUPTION

The Company has established rules against bribery or corruption, which prohibit employees from accepting gifts from other people in a business relationship. To ensure effective implementation, every employee has been trained in relation to these rules. Furthermore, the Company has set up a whistle blower policy, and Brockman encourages stakeholders to pursue and report any misconduct, fraudulent or corrupt practices, breaches of rules, coercion or harassment. Active channels are in place for employees to report directly in the event of any potential source of bribery/corruption in any business execution.

Training and circulation of news from the Independent Commission Against Corruption (ICAC) 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 whistle blower policy encourages employees to report on any incidences of fraud, misappropriation of funds or corruption, while the reporters' privacy is completely protected.

The whistleblower policy is designed to support and assist the Group to promote a culture of ethical corporate behaviour, thereby providing an environment in which stakeholders (internal and external) are able to report any issue they genuinely believe breaches the Group's Code of Conduct, or any other reportable conduct.

A copy of the Code of Conduct and Whistleblower Policy is available in the corporate governance section of the Company's website.

Stakeholders may wish first to discuss the alleged violation informally with their manager in order to determine whether serious misconduct has occurred. This is an opportunity to clarify the incident, ask questions and at all times, it is expected that these discussions will remain confidential. Where a stakeholder believes that internal reporting is not appropriate, the Company encourages the stakeholder to report his or her concern to Brockman's Company Secretary and directly to the Audit Committee. The Audit Committee will assess the situation and, if deemed necessary, will communicate the reports of alleged violations to the Group's legal advisors.

During the reporting period, there were no incidents or legal cases noted regarding any corrupt practices brought against the Group or its employees.



B.8 COMMUNITY INVESTMENT

The Company is transparent on the need to earn the respect and support of the communities in which it is located and also by demonstrating a tangible level of commitment to environmental sustainability.

The Group operates in two regulatory environments (Hong Kong and Australia). While compliance with these regulatory environments is the basis of the Group's environmental management, the Group is committed to the principle of developing and implementing appropriate practices and will actively work to:

- Minimise the actual and potential environmental impact of the Group's activities; and
- Give environmental aspects due consideration in all phases of our projects, from exploration and evaluation, development and final closure, and
- Respect the rights of the traditional owners and value the indigenous culture heritage.

The Group is committed to operating in a way which contributes to the sustainable development of mineral resources through efficient and long-term management, while showing due consideration for the wellbeing of people, protection of the environment and the communities in which we operate.

The Group's Sustainability Policy seeks to ensure it is a constructive partner to advance the social, economic and institutional development of the communities in which it operates. The Group carries out its activities regarding the interests of any affected traditional owners and other stakeholders. The Group fully acknowledges the rights, cultures, customs, and values of people affected by the development and exploitation of mineral resources.

Brockman maintains its community focus on health and sports, and has sponsored charity runs/marathons for employees, for the purpose of raising employees' awareness on health while giving back to the community. Due to the impact of COVID-19, marathons and charity walks were cancelled (or reduced) and we will continue to sponsor our employees to take part in these meaningful activities.