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MODERN SLAVERY STATEMENT FY 2020

This Modern Slavery Statement for the HPPL Group is made pursuant to section 14 of the Modern Slavery Act 2018 (Cth) for the financial year 1 July 2019 - 30 June 2020 (Statement).

Introduction - About the Hancock Prospecting Group

Built on a long and special history of investing and measured risk taking in Australia, Hancock Prospecting Pty Ltd (ACN 008 676 417) (ABN 69 008 676 417) (HPPL) is an independent, privately owned Australian company that has a proud history with the Pilbara and the iron ore sector, and is one of the longest continuous owners of cattle stations in Australia.



Under the leadership of the Executive Chairman, Gina Rinehart, HPPL (including its majority ownership in Roy Hill) has grown into one of the most successful private companies in Australia's history, and is a diversified company group with interests in iron ore, coal, beef, dairy as well as continuing mineral exploration and development both in Australia and overseas.

Under Mrs. Gina Rinehart's chairmanship, in December 1992 HPPL organised a State Agreement to gain security for the Hope Downs tenements, under which security HPPL could then proceed to dedicate and invest its money and focus in further exploration and studies. In July 2005, HPPL entered the Hope Downs Joint Venture with Rio Tinto, a 50/50 joint venture. First production from Hope North began in late 2007, followed by the creation of Hope South a year later, both at Hope Downs 1, and several years later, commencing the Hope 4 mine, and then another mine.



Roy Hill is HPPL's majority owned mega iron ore operation, which has successfully ramped up production now producing over 60 million tonnes of ore.

With its own integrated iron ore mine, 344km heavy haul railway system and purpose built port facilities, this project has marked a number of impressive firsts such as launching Australia's first and only fleet of pink mining trucks dedicated to breast cancer and its sufferers, and has achieved a female participation rate above the industry standard.

Executive Chairman since 1992, Gina Rinehart has overseen the HPPL Group successfully develop Hope Downs and Roy Hill and diversify into beef and dairy, while continuing exploration for other minerals also. HPPL now has ownership interests in multiple cattle stations across Australia.

HPPL's majority joint venture purchase of S. Kidman & Co in December 2016 marked a historic occasion for the company. The acquisition retained an iconic Australian business in majority Australian ownership and increased its percentage of Australian ownership.

Further, HPPL has expanded its interest into wagyu beef, producing premium branded 2GR beef product for the domestic and overseas markets. HPPL has also partnered with multi award winning Bannister Downs Dairy who produce national award winning nation's best cream.

1. THE REPORTING ENTITIES

HPPL, is a reporting entity as defined in the Modern Slavery Act 2018 (Cth).

HPPL is an Australian entity and had consolidated revenue in excess of \$100 million during the 1 July 2019-30 June 2020 reporting period.

HPPL is the parent company of the HPPL Group.

This Statement is a joint statement made by HPPL and also by Hancock Minerals Pty Ltd ACN 057 326 824 (HMPL) and Hope Downs Iron Ore Pty Ltd ACN 071 514 308 (HDIO) each 100% owned subsidiaries of HPPL and who both have consolidated revenue in excess of \$100 million during the July 2019 – 30 June 2020 reporting period. This Statement has been reviewed and approved by the board of directors for each reporting entity within the HPPL Group.

Roy Hill Holdings Pty Ltd ACN 123 721 077 and Atlas Iron Pty Ltd ACN 110 396 168, who are part of the HPPL Group and are also reporting entities, shall report separately. In this Statement, any reference to the HPPL Group means HPPL and its wholly owned or controlled subsidiaries. Further details of all companies and subsidiaries in the HPPL Group are outlined in HPPL's Annual Report for 2020.

HPPL is committed to the highest standards of conduct and ethical behaviour in all its business activities. HPPL seeks to maintain a work environment that promotes honest and ethical behaviour.

In line with its obligations under the law, HPPL is committed to achieving and ensuring ethical behaviour in its business and with those suppliers with whom it contracts.

HPPL recognises the effect of Modern Slavery and how serious exploitation and substandard working conditions or under payment of workers considered to be illegal practices. HPPL also acknowledges that in poorer countries people do willingly work in

what Australians would consider substandard working conditions and for under payment, however these people need to work so that they and their families can eat and survive.

HPPL opposes the use of Modern Slavery practices and is committed to addressing, as best it can, the risk of Modern Slavery occurring in its operations or by its suppliers.

HPPL expects its suppliers and contractors to adhere to the same high standards in their own operations, within reason. HPPL expects its suppliers and contractors to ensure that they are not, in any way, involved in Modern Slavery.

This is HPPL's first Modern Slavery Statement. During this first reporting period, HPPL has commenced the assessment of Modern Slavery risks (which will be a continuous process) and the appropriate response to those risks.

2. ABOUT HPPL: STRUCTURE, OPERATIONS AND SUPPLY CHAINS

2.1 Structure

Each Australian registered member of the HPPL Group is a proprietary limited company.

The principal subsidiaries and entities that form the HPPL Group are identified in HPPL's Annual Report for 2020.

HMPL and HDIO are each 100% owned by HPPL.

HPPL's corporate structure is made up of the HPPL board of Directors, the Executive Team and its operational areas (including mines, exploration and agricultural enterprises).

2.2 Operations

Australia

HPPL's principal place of business and its registered office is HPPL House, Level 3, 28-42 Ventnor Avenue West Perth WA 6005.

HPPL's majority owned company, Roy Hill Holdings Pty Ltd through its Roy Hill mine, produces and sells up to 60 million tonnes of iron ore per annum. The Roy Hill iron ore is shipped from the port of Port Hedland.

More recently through HPPL's acquisition in August 2018 of Atlas Iron, iron ore is being mined from Mt Webber and the more recently developed Sanjiv Ridge and Miralga Creek.

Through the 50/50 joint venture with Rio Tinto, HPPL (through HMPL and HDIO) has since the first production in 2007, mined iron ore from various mines in the Pilbara collectively described as "Hope Downs."

HPPL also owns and operates various agricultural and cattle farming businesses throughout Australia. This includes producing and sales of high-quality Wagyu, operating

feedlots and the backgrounding of cattle. HPPL also has a majority interest in the iconic Australian agricultural company, S. K. Kidman & Co.

HPPL is involved in dairy operations through its 50 percent interest in Bannister Downs in South West, West Australia.

Overseas

Canada

HPPL, through its subsidiary Riversdale Resources Pty Ltd is undertaking a metallurgical (hard coking) coal project in Alberta Canada in an area known as Grassy Mountain.

Ecuador

Hanrine Ecuadorian Exploration and mining S.A. is a HPPL subsidiary involved in the grass roots exploration for copper and gold in the Andean Copper belt area of Ecuador.

2.3 HPPL's workforce

As at 30 June 2020, the HPPL Group employed (excluding Roy Hill and Atlas), including contractors, 296 persons. When the workforces of Roy Hill and Atlas are included, the total employed is 3,500.

2.4 Traditional owners

HPPL undertakes interactions with Traditional Owners and Indigenous Communities and implements various benefits for those communities, including training and jobs.

2.5 Philanthropy

As an Australian owned company and the country's largest private business taxpayer, HPPL is pleased to lend its support to a number of very worthy philanthropic efforts across Australia and overseas, some of which have become publicly known. These include:

- Supporting our athletes.

HPPL has a long and proud tradition of supporting our country's athletes and role models in non-contact sports. HPPL is principal partner of four Australian sporting organisations, and HPPL's Executive Chairperson gives her time to be Patron of these four sports.

- *Swimming Australia
- *Swimming WA
- *Volleyball Australia
- *Rowing Australia
- *Synchronised Swimming Australia



- Health & Wellbeing

HPPL assists the widespread problem of cancer, a frightening and cruel disease.

The HPPL Group and its Executive Chairman, Gina Rinehart are also committed to supporting initiatives aimed at improving the lives of women and children in our community. Some of the organisations that the HPPL Group have supported include:

- *Parkerville Children and Youth Care
- *St Vincent's Private Hospital
- *Path of Hope Foundation
- *South Burnett Hospital, QLD
- *International Women's Day Luncheon
- *Ronald McDonald House
- *Royal Flying Doctor Service



- Education & Community

The HPPL Group has been supporting a diversity of community initiatives for many years. Our focus has been on improving education and investing in our communities. Some of the continuing partnerships include:

- *Bond University
- *Cambodian Children's Fund
- *Special Air Services (SAS) Resources Trust
- *NAIDOC
- *WA Regional Achievement and Community Awards
- *St Hilda's Anglican School for Girls.



More details of HPPL's involvement in these philanthropic causes can be found on HPPL's website at [://www.hancockprospecting.com.au/philanthropy/](http://www.hancockprospecting.com.au/philanthropy/).

2.6 Supply Chain

The HPPL supply chain is broad, covering exploration and construction, development, mining, processing, rail and road transportation, shipping and sales to customers.

HPPL's supply chain is global, with products and services mainly being obtained from Australia and a much smaller amount internationally.

Our commercial teams are responsible for purchasing goods and services for the business and our projects teams are responsible for purchasing goods and services for any development projects.

The governance system within HPPL oversees governance and manages risk to the business.

HPPL's supply chain covers a broad range of industries and goods including:

- Construction materials
- Consumables and parts
- Fuel

- Freight and shipping
- Equipment hire
- Spare parts
- Clothing
- Labour, recruitment services
- IT software and hardware and mobile telephones
- Business services, the products that are brought into our offices, for example, furniture, stationery as well as services such as cleaning services
- Agricultural goods and services

2.7 Location of HPPL suppliers

HPPL suppliers are located globally.

The majority of HPPL's suppliers of goods and services are located within Australia however HPPL acknowledges that some of these suppliers on-sell goods sourced from other countries.

HPPL will undertake during the second reporting period a review of its overseas suppliers to identify any areas that may exist for instances of Modern Slavery to occur.

3. FIRST REPORTING YEAR: ACTIONS TO IDENTIFY ITS MODERN SLAVERY RISKS – OPERATIONS AND SUPPLY CHAINS

HPPL is not aware of any Modern Slavery practices occurring in its operations or supply chains.

4. POTENTIAL MODERN SLAVERY RISKS IN OPERATIONS

4.1 HPPL's operations are located in:

(a) West Australia

Perth, West Australia is the location of HPPL's head office and place of business. Throughout various locations in West Australia HPPL has interests in mining, and agriculture (cattle and dairying). Its employees are diverse including engineers, geologists, technicians, operators and drivers, accountants, administrators, lawyers, environmental scientists, station managers, stockman. All employees are paid in accordance with HPPL's remuneration and recruitment policies and any award applicable to that employee's job type.

HPPL also operates at Mulga Downs East a mining and exploration camp of approximately 70 employees with full modern facilities. HPPL took additional measures for camp staff during COVID.

(b) **Rest of Australia**

HPPL has gold mining exploration interests with Catalyst Metals Ltd in the Bendigo/Fosterville area in Victoria.

HPPL is undertaking mineral exploration in various other states of Australia.

HPPL has interests in agriculture, principally cattle, including high quality Wagyu, in all states other than Tasmania and Victoria.

In its Australian operations, HPPL considers that its policies and protections, combined with Australia's low ranking in the Global Slavery Index (at position 163/167), mean that HPPL's risk of Modern Slavery occurring in its Australian operations is low.

(c) **Canada**

Development of a high quality premium hard coking coal deposit in the Grassy Mountain region of Alberta. Canada has the second lowest ranking in the Global Slavery Index at position 166 / 167. Because of this, together with its policies and protections, HPPL considers that the risk of Modern Slavery occurring in its Canadian operations is low. However, HPPL recognises that it is still possible for instances of Modern Slavery to occur in its Canadian supply chain and that it must ensure its practices and procedures are such as to recognise and deal with any possible instance of Modern Slavery occurring in its Canadian operations. For the second reporting period HPPL will undertake a more detailed review of its Canadian operations to closely examine any areas that may possibly be subject to Modern Slavery practices.

(d) **Ecuador**

HPPL through its subsidiary Hanrine Ecuadorian Exploration and mining S.A. is undertaking exploration and drilling principally for copper in a number of granted tenements.

Through Hanrine, 85 staff are employed. Hanrine's executives are aware of the risks of Modern Slavery and that it is not on any account to be engaged in. Hanrine ensures all contracts with suppliers contains anti-slavery provisions and takes actions to identify and prevent, as best it can, the possible instance of Modern Slavery occurring.

The Ecuadorian operation is also subject to the relevant prohibitions and obligations imposed under the Foreign Corrupt Practices Act of 1977 (FCPA). Specific protocols and procedures have been implemented in this regard.

Ecuador has the highest rating on the global slavery index of the countries in which HPPL has operations; it has a rating of 123/167. As it is a country with the highest risk of Modern Slavery practices occurring, HPPL will remain vigilant with

the overseeing of operations and the potential for instances of Modern Slavery to occur in its relatively minor Ecuadorian operations.

5. POTENTIAL MODERN SLAVERY RISKS IN SUPPLY CHAIN

HPPL has reviewed the supplier spending data to identify its high value suppliers. These high value suppliers were identified to be the first group of suppliers on whom due diligence would be performed. HPPL is conscious that this initial review may result in only a proportion of its suppliers being identified for due diligence. HPPL will in future years broaden the scope of its due diligence so as to complete a further due diligence on its suppliers.

Due diligence questionnaires were issued to suppliers after the end of the first reporting period and HPPL will report in future reporting periods on the outcomes of its due diligence.

HPPL is also taking action to identify its Modern Slavery risks by further reviewing its supplier spending data in conjunction with the Global Slavery Index to identify suppliers in high risk industries and high-risk locations. Suppliers in these high-risk industries and high risk locations will be subject to further due diligence to satisfy HPPL as to the risk of occurrence of Modern Slavery, and if required, the steps that can best be taken to eradicate it.

To supplement the due diligence questionnaires, desktop reviews of existing suppliers will be undertaken during the second reporting period to assess:

- which of our existing supplier contracts contain Modern Slavery contract clauses and which contracts would require amendment; and
- publicly available information about suppliers' Modern Slavery policies, reporting obligations or press.

6. IMPACT OF COVID-19

COVID-19 presented an enormous challenge to HPPL's operations and HPPL's focus was keeping its people safe, healthy and keeping its operations going. Undoubtedly, the business critical operational changes required by COVID-19 impacted HPPL's ability to undertake Modern Slavery risk reviews to the degree it had planned. Equally HPPL is aware that that its operational changes responding to COVID-19 and the effect of COVID-19 generally has impacted greatly on our suppliers. HPPL's Chairman was proactive in safeguarding the health and safety of employees, including being one of the first, well before industry adoption, to arrange for HPPL to implement working from home and other steps to minimise any COVID-19 risk.

During COVID-10, operations were continued and employment continued.

7. FIRST REPORTING YEAR

HPPL primarily addresses Modern Slavery risks through its procurement and operational procedures and policies, together with the strong relationships which it forms with its suppliers.

In this first reporting year, HPPL took action to consider and prepare the necessary policies and processes to address Modern Slavery risks as well as undertaking preliminary due diligence on its suppliers. HPPL did not identify any Modern Slavery instances with suppliers that required remediation in this first reporting period.

HPPL developed its:

- Modern Slavery Policy
- Modern Slavery Supplier Principles
- Modern Slavery Supplier Questionnaire
- Draft Modern Slavery Internal Specification

HPPL's Modern Slavery Policy states that HPPL opposes the use of Modern Slavery practices and is committed to addressing, as best it can, the risk of Modern Slavery occurring in its operations or by its suppliers. It also states that HPPL expects its suppliers and contractors to adhere to the same high standards in their own operations, within reason.

HPPL's Supplier Principles will address business integrity, social performance, promotion of policies and whistleblowing.

HPPL intends that the Supplier Principles must be accepted by all new suppliers. The Supplier Principles were not published in this first reporting year but in future reporting years, HPPL will monitor and report on the acceptance rate by its Suppliers of these principles.

HPPL is reviewing its Draft Modern Slavery Internal Specification. This will provide the framework for HPPL's compliance with the Modern Slavery Act 2018 (Cth) and for the ongoing addressing of Modern Slavery risks in its operations and supply chains. The Specification will set out:

- accountabilities
- the approach to supply chain mapping and risk assessment
- on-boarding and contracting requirements
- auditing and compliance approach
- training proposals
- confidential internal reporting

- the approach to remediation of any issues arising.

In the second reporting period, HPPL will review its:

- tender process to ensure the incorporation of Modern Slavery due diligence including the Modern Slavery Questionnaire and Supplier Principles
- supplier on-boarding process to incorporate Modern Slavery due diligence including the Modern Slavery Questionnaire and Supplier Principles
- existing Modern Slavery standard contract clause
- existing HPPL Code of Conduct, Standards and Policies for any requirement to revise to include provisions relating to Modern Slavery

HPPL is also reviewing the need to develop and deliver Modern Slavery training to employees in procurement, projects, human resources as well as the executive team. Training will address what Modern Slavery is, what HPPL is doing to address Modern Slavery risks and how employees should report any concerns about Modern Slavery.

8. HPPL'S ASSESSMENT OF THE EFFECTIVENESS OF ACTIONS BEING TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

In this first reporting period, HPPL identified that HPPL will need to undertake two internal audits:

- an internal audit on HPPL's compliance with its Modern Slavery Internal Specification to identify any areas for improvement.
- an internal audit on the effectiveness of HPPL Modern Slavery processes and policies to assess and address Modern Slavery risks and identify any areas for improvement.

HPPL will look to continuously improve its approach and management of Modern Slavery risks.

9. CONSULTATION WITH HPPL GROUP MEMBERS

As outlined in Structure section above, the principal subsidiaries and entities that form the HPPL Group are identified in HPPL's Annual Report 2020 and HPPL operates as an integrated group (it also financially reports on a consolidated basis). Members from teams which are part of the HPPL business have been consulted and have had input into this Statement (and the formulation of the HPPL Group approach to Modern Slavery risks).

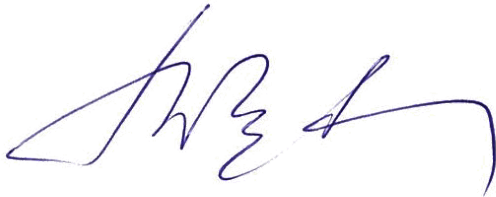
This Statement was reviewed by HPPL Group's General Counsel and General Manager, Commercial.

10. RELEVANT INFORMATION

HPPL's representatives have attended (and will continue to attend) seminars conducted by Border Force as well as presentations on Modern Slavery presented by private presenters. HPPL will continue to keep apprised with Modern Slavery developments, the Global Slavery Index reports and strive for best practice in relation to, as best it can, identifying, reporting and dealing with instances of Modern Slavery.

This statement was approved by the board of HPPL.

Signed by Director



Tadeusz J Watroba

31 March 2021

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