

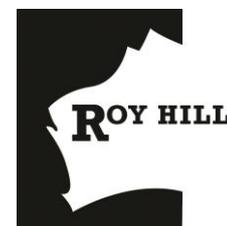
# Modern Slavery Statement FY2022



This Modern Slavery Statement for the Roy Hill Group is made pursuant to section 14 of the *Modern Slavery Act 2018* (Cth) for the financial year 1 July 2021 – 30 June 2022 (**Statement**).



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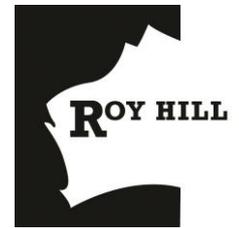


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### From the CEO – Gerhard Veldsman

At Roy Hill we are passionate about doing the right thing by our employees, our suppliers and the wider Roy Hill community. Further, we are committed to ensuring ethical behaviour in our business and with those suppliers with whom we contract.

Modern Slavery is a very serious issue and one which we believe can only be eradicated through collective action. Roy Hill is committed to playing its part in combatting modern slavery and will continue to ensure it has an appropriate framework in place to identify and respond to any instances of modern slavery within its supply chain and operations.

During FY22 we delivered against our third annual plan for addressing modern slavery. This involved developing a formal process, raising awareness within our commercial and procurement teams and embedding appropriate measures within our standard procurement activities. Work is underway to expand awareness of modern slavery and the appropriate reporting mechanisms to the broader business.

I am proud of the progress we have made to date, however, I appreciate that this challenge cannot be solved overnight and will require ongoing focus and continuous improvement by all involved. The next stage in maturing our approach will involve collaboration with others in the industry to gain further understanding of best practice and the opportunities to make a difference.

Signature

A handwritten signature in black ink, appearing to read "G. Veldsman".

Date 16 December 2022

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### Reporting Requirement 1: Identify the reporting entity

This statement addresses the risk of slavery and human trafficking in the business and supply chains of Roy Hill Holdings Pty Ltd, pursuant to the Modern Slavery Act 2018 (Cth) (the Act) for the reporting period 1 July 2021 to 30 June 2022. Roy Hill Holdings Pty Ltd ACN 123 721 077 (ABN 71 123 721 077) is a reporting entity as defined in the Modern Slavery Act 2018 (Cth).

This statement is made on behalf of all companies forming the Roy Hill Group.

In this statement, any reference to Roy Hill or the Roy Hill Group means Roy Hill Holdings Pty Ltd and its five wholly owned subsidiaries, Roy Hill Iron Ore Pty Ltd ACN 123 722 038 (ABN 18 123 722 038), Roy Hill Infrastructure Pty Ltd ACN 130 249 633 (ABN 60 130 249 633), Roy Hill Operations Pty Ltd ACN 168 771 355 (ABN 77 168 771 355), Roy Hill Logistics Pty Ltd ACN 627 019 489 (ABN 61 627 019 489) and Rinehart Developments Pty Ltd ACN 654 973 583 (ABN 97 654 973 583).

This is Roy Hill's third Modern Slavery Statement. During this reporting period, Roy Hill developed a **Modern Slavery Procedure** which established the process for incorporating assessment of modern slavery risk within our standard procurement activities.

Roy Hill's **Modern Slavery Policy** states that Roy Hill opposes the use of Modern Slavery practices and is committed to addressing the risk of modern slavery occurring in its operations or supply chains. Roy Hill also expects its suppliers and contractors to adhere to the same high standards in their own operations and supply chains.

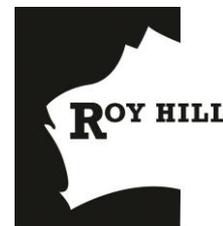
Roy Hill's internal **Modern Slavery Specification** provides the framework for addressing modern slavery risks in its operations and supply chains. The Specification sets out:

- accountabilities
- the approach to operations and supply chain risk assessment and due diligence
- on-boarding and contracting requirements
- the auditing and compliance approach
- training proposals
- confidential internal reporting and annual external modern slavery reporting
- the approach to remediation of any issues arising.

The above documents will be reviewed and updated annually to reflect Roy Hill's ambition and approach to addressing modern slavery risk in the business.

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### Reporting Requirement 2: Structure, Operations and Supply Chains

#### Structure

Each member of the Roy Hill Group is a proprietary limited company.

Roy Hill Iron Ore Pty Ltd, Roy Hill Infrastructure Pty Ltd and Roy Hill Operations Pty Ltd are each 100% owned by Roy Hill Holdings Pty Ltd.

Roy Hill Holdings Pty Ltd is 70% owned by Hanrine Holdings Pty Ltd (being a wholly owned subsidiary of Hancock Prospecting Pty Ltd), 20% owned by KJTC Pty Ltd and 10% owned by POSCO. Roy Hill Holdings Pty Ltd has five wholly owned subsidiaries, as described above.

Roy Hill's corporate structure is made up of the Roy Hill board of directors, the Executive Team and its operational areas (mine, port, rail and corporate). Roy Hill's remote operations centre, corporate headquarters and supply buildings are located at Perth Airport, West Australia. Its registered office is HPPL House, Level 3, 28-42 Ventnor Avenue, West Perth, WA 6005. Roy Hill has a representative office located in Shanghai, which conducts market research and liaises with Chinese steel mills on behalf of Roy Hill.

As of 30 June 2022, the Roy Hill Group employed over 3200 employees across its site operations, Port Hedland and support in Perth. Embedded contractors accounted for 150 site based and 12 Perth based positions.

#### Operations

The companies forming the Roy Hill Group together own and operate an integrated iron ore mining, port, and rail operation in the Pilbara region of West Australia.

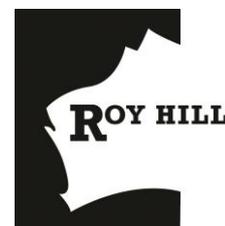
Roy Hill currently produces and exports approximately 60million tonnes (Mtpa) of iron ore per annum to international markets, with approvals in place to increase shipments to 70 Mtpa.

Roy Hill's mine is located approximately 115km north of Newman and incorporates conventional open pit, bulk mining operations with a 60Mtpa wet processing facility. Processed ore is sent 344 kilometres on Roy Hill's heavy haul rail line to a purpose-built two-berth port facility at Port Hedland where it is shipped to key markets including Japan, Korea, China and Taiwan. Roy Hill has a representative office in Shanghai and in FY21 approx. 63% of Roy Hill's production was sold to customers in China. As part of Roy Hill's ownership agreement, equity partners, Marubeni, POSCO and China Steel Corporation purchase just under half at the current full production rate of 60Mtpa.

Roy Hill has invested significantly in the comfort and lifestyle of its fly-in fly-out workforce with high quality accommodation camps at its mine as well as at its port and rail facilities in Port Hedland. Amenities include a wide variety of food options, mixed and women's only gymnasiums, a large multi-lane swimming pool, a variety of sporting facilities and free Wi-Fi.

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Roy Hill has numerous physical and mental wellbeing initiatives in place, including a free Employee Assistance Provider and a Chaplaincy program which is available to all its employees, contractors and their families. Further, it provides an even-time rosters for its FIFO staff.

### Supply Chain

Roy Hill sources products and services from Australia and internationally. During FY22 we engaged with 1468 direct suppliers in 21 countries, with 75.5% of spend occurring with suppliers located in Australia.

For local operations in the Pilbara, Roy Hill gives priority consideration to Kariyarra, Palyku and Niyiyaparli owned businesses for contracting opportunities. Roy Hill works with Native Title Parties to develop employment, training and business opportunities for local communities.

The table below outlines Roy Hill's spend by country for the FY22 period:

Country	% Net Value
Australia	75.5%
Singapore	11.7%
Germany	8.0%
Hong Kong	1.3%
China	1.0%
British Virgin Islands	0.9%
Switzerland	0.5%
Belgium	0.3%
Malta	0.3%
USA	0.2%
Taiwan	0.2%
Japan	0.1%
Canada	0.1%

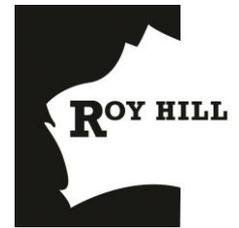
Roy Hill also has suppliers in South Korea, South Africa, United Kingdom, Austria, Israel, New Zealand, Ireland and India, however, the net value of spend for suppliers in each is less than 0.1%.

Roy Hill's supply chain covers a broad range of goods and services including:

1. Construction materials;
2. Heavy Mining Equipment and Vehicles;
3. Consumables and parts;
4. Rotable Spares;
5. Fuel;

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6. Freight & Shipping;
7. Equipment Hire;
8. Spare Parts;
9. Clothing;
10. Labour recruitment services;
11. Business services;
12. Office products and furniture;
13. Health products, including sanitiser, COVID testing kits and PPE; and
14. Agricultural goods and services

Roy Hill's top spend categories in FY22 were Vehicles and Plant, Shipping, Fixed Maintenance, Labour Supply and Vehicles Spares.

Roy Hill's Commercial teams are responsible for purchasing goods and services for the operations and sustaining capital requirements of the business. The Major Projects teams are responsible for procurement of new capital requirements.

Roy Hill expects its suppliers and contractors to adhere to our high standards in their own operations, including ensuring they are not, in any way, involved in modern slavery. Roy Hill's new Modern Slavery Procedure has introduced a framework to ensure appropriate levels of Supplier engagement in relation to mitigating modern slavery risks. Roy Hill will continue to work closely with its Supplier's to ensure it delivers on its commitments both within the Roy Hill operation and its supply chain.



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### **Reporting requirement 3: Describe risks of modern slavery practices in the operations and supply chain of the reporting entity and any entities the reporting entity owns or controls**

Roy Hill recognises that modern slavery is a breach of a person's fundamental right to live freely. Walk Free foundation has highlighted that the problem is getting worse, with the most recent figures showing an estimated increase of 10 million additional instances globally since the previous estimates were released in 2017. Modern slavery includes eight types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour. Roy Hill acknowledges that modern slavery sits at the most serious end of a spectrum of exploitative labour practices and human rights abuses.

Roy Hill is not aware of any modern slavery in its operations or supply chains, however, is cognisant of the potential for increased risk resulting from the COVID-19 pandemic and the conflicts developing globally. Roy Hill recognises the inherent risk of modern slavery in global supply chains of which it is a part and is committed to working with suppliers to address modern slavery risks.

#### **Modern Slavery risks in operations**

Roy Hill's operations are located in West Australia and our employees include engineers, geologists, technicians, operators and drivers, accountants, administrators, lawyers, heritage specialists, environmental scientists, electricians, shipping and marketing specialists and other professionals. Employees are paid in accordance with Roy Hill's remuneration and recruitment policies and at rates significantly above applicable Award rates.

Roy Hill's workforce is approximately 70% fly in fly out (FIFO). Roy Hill understands the challenges that face FIFO workers and works hard to support its FIFO workers so that they can thrive. Not only does Roy Hill provide high quality accommodation services at its mine site and its port, but it also invests time in supporting its staff to make smart health, social and safety choices. Roy Hill has policies related to well-being, training and diversity and inclusion, which enable employees to thrive.

These policies and protections, combined with Australia's low ranking in the Global Slavery Index, mean that Roy Hill considers that the risk of modern slavery occurring in its operations to be low.

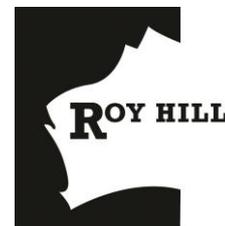
Finally, Roy Hill acknowledges that as part of the mining and explorations industry, there may be broader human rights impacts in its operations, despite policies and protections to mitigate risk. These activities can impact rights related to workplace health and safety, labour, Indigenous peoples, water and sanitation and the rights of community members who live near its operations. Roy Hill acknowledges that it needs social license to operate, and actively supports the local community, particularly the Traditional Owners affected by its operations.

#### **Modern Slavery risks in supply chain**

Roy Hill's supply chain is broad, complex and of a global nature. Roy Hill has identified that it acquires goods and services from higher risk industries, such as garments, PPE, electronics, construction and

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shipping. Roy Hill also has suppliers located in higher risk countries, as identified by the Global Slavery Index. Roy Hill has developed artefacts to assist in identifying such risks during various stages of the procurement cycle and it has not yet discovered any instances of modern slavery.

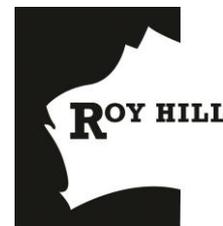
Roy Hill has identified that there is an increasing modern slavery risk present in the green energy sector, particularly in relation to solar panels. This risk is not fully understood at present and will be investigated further in the next reporting period.

Approximately 5.9% of Roy Hill's on-site workforce are embedded contractors, with some additional contractors from time to time. Roy Hill acknowledges that hiring externally could increase the company's exposure to poor labour practices and modern slavery. However, Roy Hill prefers to directly employ its workforce rather than rely on labour hire contractors. Over 90% of its workforce are direct employees, which provides Roy Hill with full visibility over their working conditions and terms. For the remaining labour hire contractor workforce, Roy Hill manages modern slavery risk through the terms of the labour hire agreements.



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### Reporting requirement 4: Actions taken

#### Actions taken in the reporting period

In this third year of reporting, Roy Hill's actions focussed on developing and formalising its modern slavery response framework and imbedding it into our business-as-usual procurement activities.

#### *Drafting and Implementing a Modern Slavery Procedure*

In this reporting period Roy Hill developed and implemented a documented Modern Slavery Procedure which details the regular due diligence activities to be undertaken by Roy Hill during various stages of the supplier onboarding and procurement lifecycle. The Modern Slavery Procedure is currently applicable to the Commercial team and will continue to be reviewed annually to reflect any improvements.

#### *Training and capability building*

Training material has been created and rolled out across the across the commercial and projects teams. The training is tailored to the commercial team and focusses on the Modern Slavery Procedure and the application of the various artefacts. Work is under way to expand the training packages to include a general module which will be used to increase awareness across the business.

#### *Audit and compliance*

Roy Hill has committed to conduct one modern slavery related audit each year. In the reporting period, the Roy Hill Risk and Assurance team conducted a Modern Slavery Review Compliance Review. The objective of the audit was to review key governance, business processes, systems and controls in place to address risk of modern slavery in our operations or supply chains. It found that core modern slavery compliance processes were progressing but not fully implemented and recommended that a formal Modern Slavery Procedure be established. All actions were closed out within the reporting period.

#### *Collaboration*

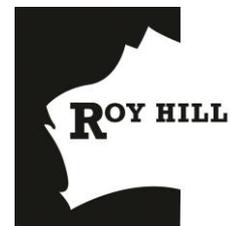
Roy Hill actively seeks out opportunities to collaborate with third parties to better understand emerging modern slavery risks and share methods adopted to combat modern slavery risk. To date, this collaboration has been through regular dealings with third party consultants and through participation in round table discussions hosted by various organisations.

#### *Verification*

A verification process was undertaken after 3 months to confirm that the new procedure was being adhered to and workshops were subsequently held to receive and address any feedback from the team. This verification process will occur annually in order to ensure continuous improvement.

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### Planned actions

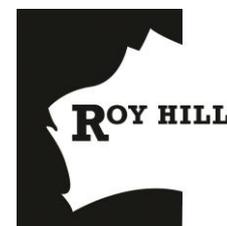
Roy Hill has planned the following activities to further embed modern slavery risk prevention:

Goal	Target/ Metric
<b>Review suite of Modern Slavery documents to reflect Roy Hill’s current priority and ambition</b>	All documents reviewed and updated.
<b>Undertake maturity assessment to understand areas for improvement</b>	Roadmap developed to inform actions over next 3 years.
<b>Expand membership of Modern Slavery Working Group and define responsibilities/ establish routines</b>	Working group includes stakeholders from cross functional teams and meets on regular basis.
<b>Expand Modern Slavery training program</b>	Awareness training material for broader business developed.
<b>Strengthen Roy Hill’s current supplier risk assessment process</b>	Targeted approach to risk assessments developed and artefacts updated.
<b>Expand Roy Hill’s networks in relation to Modern Slavery to enable further collaboration</b>	Participation in forums new to Roy Hill.
<b>Further develop modern slavery risk reporting channels</b>	Risk reporting channels established and utilised.
<b>Conduct in depth investigation into high-risk areas/products within Roy Hill’s supply chain</b>	Minimum of 2 high risk areas/products investigated



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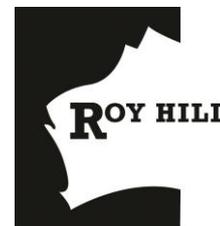
### Reporting requirement 5: Assess effectiveness

Roy Hill reviews the effectiveness of its modern slavery risk management process on an annual basis. Below is a table tracking progress against commitments made in Roy Hill's second Modern Slavery Statement:

Activity	Status
<b>Review FY22 modern slavery internal audit findings and implement recommendations</b>	Recommendations were assessed and implemented within FY22.
<b>Conduct an audit into compliance with the Specification and effectiveness of modern slavery processes</b>	Internal audit across sample of Roy Hill contracts assessed compliance with processes. Areas for improvement highlighted have been addressed.
<b>Deliver further modern slavery training to other relevant business functions</b>	Modern Slavery Training was provided to the Roy Hill Projects team.
<b>Draft a Modern Slavery Procedure</b>	Roy Hill's Modern Slavery Procedure was drafted, formally approved and implemented.
<b>Further define the scope of modern slavery and Due Diligence activities</b>	Engaged in discussions with several consultants to gain understanding of the 'standards' in due diligence.  Engaged a third party to commence a maturity assessment in FY23 reporting period.
<b>Embed modern slavery training into onboarding procedures</b>	Training materials developed and incorporated into onboarding activities for the commercial team.  Work is under way to roll out awareness training to wider business.
<b>Establish a Modern Slavery governance team</b>	Members of Modern Slavery Working Group confirmed.  Work under way to expand involvement in the working group to wider business functions.
<b>Explore external organisations or affiliations relating to Modern Slavery</b>	Discussions held with many consultants and third parties. Roy Hill attended a number of webinars to assess relevant affiliations to explore further.

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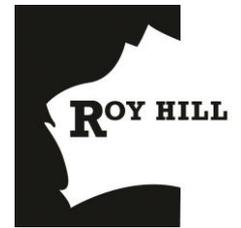


<p><b>Review effectiveness and feedback of processes and artefacts</b></p>	<p>Feedback sessions held internally to ensure processes and artefacts are fit for purpose. Internal audit conducted.</p>
<p><b>Investigate Supplier Portal options to assist in pre-qualification of Suppliers and tracking of modern slavery information.</b></p>	<p>Several Supplier Portal options were presented and evaluated. Capabilities of Supplier Portal options are understood.</p>

Roy Hill has and will continuously improve its approach and management of modern slavery risks and report against the planned activities and metrics outlined above. The Modern Slavery Specification requires action to be taken in the following areas and Roy Hill will measure progress in line with the following:

- accountabilities
- the approach to operations and supply chain risk assessment and due diligence
- on-boarding and contracting requirements
- the auditing and compliance approach
- training proposals
- confidential internal reporting and annual external modern slavery reporting
- the approach to remediation of any issues arising.

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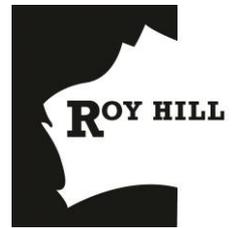


## Reporting requirement 6: Consultation with subsidiaries / any entity owned or controlled

As outlined in the Structure section above, each Roy Hill subsidiary is a wholly owned subsidiary of Roy Hill Holdings Pty Ltd and Roy Hill operates as an integrated group (and financially reports on a consolidated basis). Policies, processes, systems are all prepared for the Roy Hill Group and applied to the Roy Hill Group consistently. Teams across all parts of the Roy Hill business have been consulted and have had input into this statement (and the formulation of the Roy Hill Group approach to Modern Slavery risks).



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## Reporting requirement 7: Any Other Business

There is nothing additional to note for this reporting period.

This Statement has been approved by the Boards of the Roy Hill Group.

Signed by

A handwritten signature in black ink, appearing to read "G. Hawkins", written over a horizontal dotted line.

Gregory P Hawkins, Company Secretary

Date: 16 December 2022

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