

MODERN SLAVERY STATEMENT FY2021

HANCOCK PROSPECTING



***Hancock Prospecting Pty Ltd
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MODERN SLAVERY STATEMENT FY 2021

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 2020 - 30 June 2021 (Statement).

INTRODUCTION - About the Hancock Prospecting Group

Built on a long and special history of investing and risk taking in Australia, Hancock Prospecting Pty Ltd (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, Mrs 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.

HPPL's founder, Lang Hancock, is recognised as discovering iron ore in the Pilbara in 1952 during his "flight of discovery". He pioneered the iron ore industry in the Pilbara, and became known as the flying prospector, being the first in West Australia to use light fixed wing aircraft to explore successfully for minerals.

In December 1992 under Mrs. Gina Rinehart's chairmanship, 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, after HPPL had undertaken bankable feasibility studies for two projects at Hope Downs 1 and pre-feasibility studies for Hope Downs 4, in addition to other exploration and studies, 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 eventually, several years later, commencing the Hope 4 mine.

Roy Hill is Hancock Prospecting's majority owned mega iron ore operation, which has successfully ramped up production to now producing over 60 million tonnes of ore per annum. HPPL acquired the Roy Hill tenements in the early 1990s. To Mrs Rinehart's credit and despite all advice to the contrary she forged ahead with her dream to build, own and operate a first-class major iron ore mine in one of the world's premier iron ore provinces, the Pilbara, creating jobs both directly and indirectly, for thousands of people.

With its own integrated high-grade 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.

The HPPL Group's pledged investment in 2016 into Sirius Minerals PLC brought together the mining and agricultural arms of the business. Anglo American subsequently acquired the Woodsmith Project in 2020 which is bringing to fruition the world's largest polyhalite resource and is developing a new and natural product which is relevant to the group's focus on agriculture.

HPPL is also developing a high grade marra mamba iron formation in Mulga Downs, Western Australia to supplement Roy Hill's iron ore exports.

Since 1992, the HPPL Group has successfully developed Hope Downs and Roy Hill and diversified into beef and dairy, while continuing exploration for other minerals. In this respect HPPL now has ownership interests in multiple premium cattle stations in the north west of Australia including Mulga Downs, Fossil Downs, Liveringa, Riveren, Inverway, Ruby Plains and Sturt Creek.

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 echoed the pioneering spirit of Kidman's founder, Sir Sidney Kidman – who himself had been in partnership with Mrs. Rinehart's maternal grandfather, James Nicholas.

Further developing the investment in agriculture, HPPL has expanded its interest into wagyu beef, producing premium branded 2GR beef product for the domestic and overseas markets and partnered with award winning Bannister Downs Dairy, which is now building significant new facilities and is expanding.

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 2020-30 June 2021 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 2020 – 30 June 2021 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 2021.

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 acknowledges the effect of Modern Slavery and how serious exploitation and substandard working conditions or under payment of workers are 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 in order that these people 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 second Modern Slavery Statement. During this second reporting period, HPPL has continued the assessment of Modern Slavery risks as identified in the first reporting period, including reviewing any potential Modern Slavery risks in HPPL's supply chain, conducting audits of some of its suppliers and has introduced controls to minimise Modern Slavery 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 2021.

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. All regulatory approvals have also been received for the Miralga Creek project which will have key contractors mobilised to site in 2022 before becoming operational. In addition, Atlas Iron is also progressing studies to consider the McPhee and Ridley Projects.

HPPL is also developing a high grade marra mamba iron formation in Mulga Downs, Western Australia to supplement Roy Hill's iron ore exports.

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 has a number of exploration projects including:

- (a) exploring for iron ore via a number of exploration tenements in the Pilbara, Western Australia;
- (b) exploring for gold in Victoria. A subsidiary of HPPL has entered into a joint venture with Catalyst Metals known as the Four Eagles Gold (Joint Venture) in Victoria;
- (c) exploring for copper and gold in NSW and oil and gas in the Northern Territory via a HPPL subsidiary, Minerals Australia;
- (d) exploring for gold and copper in North Queensland via a joint venture between a subsidiary of HPPL and local explorers.

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 has sought approval to develop its metallurgical (hard coking) coal project in Alberta Canada in an area known as Grassy Mountain. Riversdale Resources has in seeking to develop its coal project established an excellent relationship with two of the first nations peoples in Canada. The Canadian Government's recent decision to reject the development of the project on environmental grounds is being appealed.

Britain

In 2016, Hancock Prospecting committed to making its first major overseas investment in British mining business Sirius Minerals in its Woodsmith Project. Anglo American subsequently acquired the Woodsmith Project in 2020 and is bringing to fruition the world's largest polyhalite resource which is a rare mineral containing four (potassium, sulphur, magnesium and calcium) of the six macro-nutrients used in multi-nutrient plant fertilizers.

Ecuador

Harrine 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 2021, the HPPL Group employed (excluding Roy Hill and Atlas), including contractors, 309 persons. When the workforces of Roy Hill and Atlas are included, the total employed is 3,717.

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 is the principal partner of four Australian sporting organisations, and HPPL's Executive Chairperson gives her time to be Patron of the following sports which partnerships extended to the recent Tokyo 2020 Olympic Games where Australian athletes enjoyed great success:

Swimming Australia

Swimming WA

Volleyball Australia

Rowing Australia

Artistic Swimming Australia

Health & Wellbeing

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

Parkerville Children and Youth Care

St Vincent's Private Hospital

South Burnett Hospital, QLD

Path of Hope Foundation

International Women's Day Luncheon

Ronald McDonald House

Royal Flying Doctor Service

Education & Community

HPPL has been supporting a diversity of community initiatives for many years. HPPL's 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)

Naidoc

WA Regional Achievement and community awards

St Hilda's Anglican school for girls

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 has reviewed and will continue to review its overseas suppliers during subsequent reporting periods to identify any areas that may exist for instances of Modern Slavery to occur.

3. POTENTIAL MODERN SLAVERY RISKS IN OPERATIONS

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 and 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

The proposed development of a high quality premium hard coking coal deposit in the Grassy Mountain region of Alberta, Canada. The recent Canadian Government decision to reject the development of the project on environmental grounds is currently being appealed. Notwithstanding this, Canada has the second lowest ranking in the Global Slavery Index at position 166 / 167 and in seeking to develop the coal project has established an excellent relationship with two of the first nations peoples in Canada. Because of this, together with its policies and protections, HPPL considers that the risk of Modern Slavery occurring in its Canadian operations is low.

(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. Hanrine Ecuadorian Exploration and

Mining S.A has not identified any instances of Modern Slavery in its operations during this reporting year. 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.

4. POTENTIAL MODERN SLAVERY RISKS IN SUPPLY CHAIN

HPPL has reviewed its supplier spending data to identify high value suppliers. These high value suppliers were identified to be the first group of suppliers on whom due diligence was performed. Detailed questionnaires were sent to these suppliers together with HPPL's Modern Slavery Principles. As a result of the responses received from these suppliers and the results analysed no modern slavery risks were identified.

HPPL has in this second period broadened the scope of its due diligence questionnaires and for future years it will issue them to medium to high value suppliers.

HPPL has also taken 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. Any suppliers in high-risk industries and high-risk locations are subject to further due diligence to satisfy HPPL as to the risk of occurrence of Modern Slavery, and if required, steps will be taken to eliminate it. Only one organisation has been identified in the top 10% of nations in the global slavery index that could be of risk and this will continue to be closely monitored in future years.

To supplement the due diligence questionnaires, desktop reviews of existing suppliers have also been undertaken and will continue to be undertaken in future periods to:

- assess which of our existing supplier contracts contain Modern Slavery contract clauses and which contracts will require amendment; and
- review publicly available information about suppliers' Modern Slavery policies and reporting obligations.

5. IMPACT OF COVID-19

COVID-19 has presented many challenges to HPPL's operations and the business critical operational changes required by COVID-19 continue to impact HPPL's ability to undertake Modern Slavery risk assessments and implementation of further controls to the degree it had planned. Equally HPPL is aware that that its operational changes responding to COVID-19 has also impacted greatly on our suppliers.

HPPL's operations have continued throughout COVID-19 and HPPL's Chairman was and continues to be proactive in safeguarding the health and safety of employees, including

being one of the first, well before industry adoption, to implement working from home and other steps to minimise any COVID- 19 risk.

6. SECOND REPORTING YEAR: STEPS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISK INCLUDING DUE DILIGENCE AND REMEDIATION PROCESSES

HPPL is not aware of any Modern Slavery occurring in its operations or supply chains during this second reporting period.

HPPL primarily addresses Modern Slavery risks through its procurement and operational procedures and policies and the strong ongoing relationships it has with its suppliers.

In this second reporting year HPPL has:

- conducted Modern Slavery training with key stakeholders;
- developed and issued its Modern Slavery Policy;
- implemented procedures so that all new contracts and agreements contain HPPL's Modern Slavery, Anti-corruption and Supplier Principles;
- issued Modern Slavery Supplier Questionnaires to high value suppliers and reviewed responses, addressed any concerns and had a procedure to follow up where necessary;
- refined is draft Modern Slavery Internal Specification to be issued shortly; and
- conducted desk top audits of contracts and agreements issued for the last 12 months.

HPPL's Modern Slavery, Anti-corruption and Supplier Principles also address business integrity, social performance, promotion of policies and whistleblowing and HPPL expects its suppliers and contractors to adhere to the same high standards in their own operations.

HPPL has also initiated a procedure whereby its Supplier Principles must be accepted by all new suppliers before they commence work. This will be monitored and audited to ensure compliance and HPPL will report on this in further reporting periods.

HPPL's refined it's Modern Slavery Internal Specification to be issued shortly which provides the framework for compliance with the Modern Slavery Act 2018 (Cth) and for addressing ongoing Modern Slavery risks in its operations and supply chains. The Specification sets out:

- accountabilities;
- the approach to supply chain mapping and risk assessment;
- on-boarding and contracting requirements;
- auditing and compliance;
- reporting; and
- remediation

identified in HPPL's Annual Report 2021 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.

10. RELEVANT INFORMATION

HPPL's representatives have attended 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

10 December 2021

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