

MODERN SLAVERY STATEMENT FY2021



This Modern Slavery Statement for the Atlas Group is made pursuant to section 14 of the *Modern Slavery Act 2018 (Cth)* for the financial year 1 July 2020 - 30 June 2021.



Contents

1	The Reporting Entity	3
2	About Atlas: Structure, Operations and Supply Chains	3
2.1	Structure	3
2.2	Operations	4
2.3	Atlas workforce	4
2.4	Traditional owners.....	4
2.5	Philanthropy.....	4
2.6	Supply Chain	4
2.7	Location of suppliers	5
3	Actions taken to identify risks	5
3.1	Modern Slavery risks in operations.....	6
3.2	Modern Slavery risks in supply chain	6
3.3	Impact of COVID-19	7
4	Actions taken to address risks	7
4.1	Modern Slavery Management Framework	7
4.2	Training and increased awareness	8
4.3	Contractor compliance	8
4.4	Review of existing policies and procedures.....	8
	During the reporting period, Atlas also reviewed its:.....	8
5	Assessment of the effectiveness of actions taken.....	9
6	Actions planned for the next reporting period	9
7	Consultation	10
8	Relevant Information	10



1 The Reporting Entity

Atlas Iron Pty Ltd ACN 110 396 168 (ABN 63 110 396 168) is the **reporting entity** as defined in the *Modern Slavery Act 2018* (Cth).

Atlas Iron Pty Ltd is an Australian entity and has consolidated revenue in excess of \$100 million during the 1 July 2020 to 30 June 2021 reporting period.

This Statement is made by Atlas Iron Pty Ltd.

In this Statement, any reference to **Atlas or the Atlas Group** means Atlas Iron Pty Ltd and its subsidiaries. Further details of Atlas Iron Pty Ltd's material subsidiaries are outlined in Atlas Iron Pty Ltd's Annual Report for 2021.

Atlas is committed to the highest standards of conduct and ethical behaviour in all its business activities. Atlas seeks to maintain a work environment that promotes honest and ethical behaviour, corporate compliance and good corporate governance.

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

Atlas recognises the effect of Modern Slavery and how serious exploitation and substandard working conditions or under payment of workers are illegal practices and harmful.

Atlas 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

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

This is Atlas' second Modern Slavery Statement. During this second reporting period, Atlas has expanded the assessment of Modern Slavery risks (which it acknowledges will be a continuous process) and the appropriate response to those risks. Atlas acknowledges that Modern Slavery risks will exist in its supply chains and operations and is committed to working to identify and as best it can, rectify any Modern Slavery instances.

2 About Atlas: Structure, Operations and Supply Chains

2.1 Structure

Each Australian registered member of the Atlas Group is a proprietary limited company. Further details of Atlas Iron Pty Ltd's material subsidiaries are outlined in Atlas Iron Pty Ltd's Annual Report for 2021.

Atlas Iron Pty Ltd is 99% owned by Redstone Corporation Pty Ltd, a wholly-owned subsidiary of Hancock Prospecting Pty Ltd and 1% owned by Marubeni Iron Ore Australia Pty Ltd.

Atlas' corporate structure is made up of the Atlas Board, Chief Executive Officer and leadership team members covering key areas of operations, development, sales, finance and governance.

Modern Slavery Statement FY2021

2.2 Operations

Atlas is an iron ore producer, mining and exporting direct shipping ore from its operations in Western Australia's Pilbara region.

Atlas owns, conducts and operates an iron ore exploration, development, mining, processing and logistics operation in the Pilbara region of West Australia. Atlas produces and sells in excess of 9 million tonnes of iron ore per annum.

Atlas' key operating sites include the Mt Webber and Sanjiv Ridge iron ore mines. Atlas' iron ore is shipped from the port of Port Hedland. Atlas also owns a number of projects in a development phase including the Miralga Creek and McPhee iron ore projects and the Ridley Magnetite Project.

Atlas' principal place of business and its registered office is Level 17, 300 Murray Street Perth WA 6000.

2.3 Atlas workforce

As at 30 June 2021, the Atlas Group had 164 full time employees.

2.4 Traditional owners

Atlas is proud of its relationship with Pilbara Traditional Owner groups including the Nyamal, Palyku and Kariyarra people. We recognise the connection that Traditional Owners have with the land, and we work with Traditional Owners to develop Aboriginal employment and business opportunities and enshrine heritage protocols that allow for the protection of culturally significant areas and objects.

2.5 Philanthropy

Atlas administers a program of grants to provide financial boosts to small and community-based non-profit organisations, who operated in the Pilbara at a grassroots level. Atlas also provides grants from time to time to organisations where Atlas employees volunteer in order to support our employees who are actively giving back to the community.

2.6 Supply Chain

The Atlas supply chain covers construction, development, mining, crushing, haulage, shipping and sales to customers. Atlas' supply chain is global, with products and services being obtained from Australia and internationally.

Atlas' procurement and commercial teams are responsible for purchasing goods and services for operations and Atlas' projects teams are responsible for purchasing goods and services for any development projects.

The governance system within Atlas manages risk to the business and reporting against commitments.

Modern Slavery Statement FY2021

Atlas' supply chain covers a broad range of goods and services including:

- Mining, crushing, haulage, port and camp services
- Construction materials
- Consumables and parts
- Fuel
- Freight and shipping
- Equipment hire
- Spare parts
- Clothing
- Labour, recruitment services
- IT software and hardware and mobile telephones

2.7 Location of suppliers

Atlas suppliers are located globally. The table below sets out the percentage of net value spend per country for the financial year ending 30 June 2021.

Supplier Country/Region	% Net Value
Australia	84.86%
Singapore	14.90%
Japan	0.10%
China	0.06%
Hong Kong	0.04%
United Kingdom	0.02%
Taiwan	0.01%
United States	0.01%
Sweden	<0.01%
Panama	<0.01%

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

3 Actions taken to identify risks

Atlas is not aware of any Modern Slavery practices occurring in its operations or supply chains, however it recognises that there is a risk of Modern Slavery practices occurring in its operations and supply chains.

Modern Slavery Statement FY2021

3.1 Modern Slavery risks in operations

Atlas' operations are located in Western Australia and our employees (who range from engineers, geologists and electricians to administrators, accountants, lawyers and other professionals) are paid in accordance with Atlas' remuneration and recruitment policies and any award applicable to that employee's job type.

At 30 June 2021, around 40% of Atlas employees worked on a fly-in fly-out (**FIFO**) basis. Most employees of Atlas' mining, crushing, haulage and camp services contractors also work FIFO. Atlas understands the challenges that face FIFO workers and works hard to support its FIFO workers. Atlas ensures that on-site accommodation is of a high quality and invests time in supporting staff to make smart health, social and safety choices.

All Atlas and contractor employees (and their partners and dependents) have access to free counselling through the Atlas BSS employee assistance programme. Flu vaccinations are also made available for free to all employees and key site contractors

Atlas also offers its employees training and career enrichment programmes.

These policies and protections, combined with Australia's low ranking in the Global Slavery Index, mean that Atlas considers that the risk of Modern Slavery occurring in its operations is low. Atlas does however recognise that it is still possible for instances of Modern Slavery to occur and that it must ensure its practices and procedures are such as to recognise and deal with any possible instance of Modern Slavery.

3.2 Modern Slavery risks in supply chain

Atlas recognises that there are risks of Modern Slavery occurring in its supply chains, particularly because it acquires goods and services from high risk industries (such as garments, electronics, construction and shipping) and suppliers located in high risk countries, as identified by the Global Slavery Index. Atlas is also aware that supply chains are complex and that it has limited visibility beyond its direct suppliers, which contributes to the risk of Modern Slavery instances occurring.

In this second reporting year, Atlas took further action to identify its Modern Slavery risks by expanding the review of its supplier spend data in conjunction with the Global Slavery Index to identify suppliers in high risk industries and high risk geographical locations. The risk assessment for the reporting period focussed on high value suppliers using a materiality threshold of A\$5m per annum. In subsequent reporting periods the scope of the risk assessment will be widened to cover broader categories of suppliers and is expected to be imbedded into the supplier onboarding process.

Due diligence with respect to the selected supplier category for the 2021 reporting period included:

- circulation of a Modern Slavery questionnaire to suppliers;
- review of questionnaire responses, identification of any issues arising and establishment of a framework to deal with those issues, including whether further due diligence is required;
- identification of any issues which require remediation and taking any remediation action required.

Modern Slavery Statement FY2021

To supplement the due diligence questionnaires, desktop reviews of existing key suppliers were also undertaken during this second reporting period to assess:

- which of our existing supplier contracts contained the Atlas group standard Modern Slavery contract clause which was introduced in December 2019 and which contracts would require amendment; and
- publicly available information about suppliers' Modern Slavery policies, reporting obligations or press.

3.3 Impact of COVID-19

While operations and employment continued during COVID-19, Atlas' focus was keeping our people safe, keeping our people healthy and keeping production going. Undoubtedly, the business critical operational changes required by COVID-19 impacted Atlas' ability to undertake Modern Slavery risk reviews to the degree it had planned. Equally Atlas is aware that its operational changes responding to COVID-19 and the effect of COVID-19 generally has impacted greatly on our suppliers.

Atlas was proactive in safeguarding the health and safety of employees, including:

- being an early adopter of working from home arrangements for many Atlas employees;
- initiating hygiene and wellbeing programs to assist employees and contractors;
- conducting regular COVID-19 testing;
- providing regular detailed updates with government-issued information; and
- assisting with temporary arrangements for interstate FIFO personnel.

4 Actions taken to address risks

Atlas 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 second reporting year, Atlas undertook the following actions and measures to address Modern Slavery risks.

4.1 Modern Slavery Management Framework

Atlas prepared an internal **Specification** to provide the framework for Atlas' compliance with the *Modern Slavery Act 2018 (Cth)* and for addressing Modern Slavery risks in its operations and supply chains. The Specification sets out:

- accountabilities;
- the approach to supply chain mapping and risk assessment;
- onboarding and contracting requirements;
- auditing and compliance approach;
- training requirements;
- confidential internal reporting; and
- the approach to remediation of any issues arising.

Modern Slavery Statement FY2021

4.2 Training and increased awareness

Atlas promoted increased awareness of Modern Slavery risks with staff and suppliers. This included the development of a Modern Slavery Training module for staff, which addresses:

- what Modern Slavery is;
- why we are concerned about Modern Slavery;
- Atlas's obligations under the Modern Slavery Act;
- what we are doing to identify Modern Slavery;
- what Atlas is doing to address Modern Slavery risks, and
- how employees should report any concerns about Modern Slavery to employees in procurement, projects, human resources as well as the leadership team.

The roll-out of the training to staff working in the contracting, commercial, procurement and legal teams, and members of other functional teams as applicable, will occur progressively in FY2022 and will encourage employees to take action to address any Modern Slavery risks identified in our operations or supply chains.

4.3 Contractor compliance

Atlas introduced standard Modern Slavery contract clauses in all forms of contract, including:

- Major Services Agreements (including Mining, Processing and Bulk Haulage);
- Shipping Contracts;
- Design and Construct Contracts;
- Construct Only Contracts;
- General Services Agreements;
- Equipment Hire Agreements; and
- Purchase Orders.

Atlas provides the template form of contract with any Invitation to Tender or Request for Quotation/Pre-qualification Questionnaire to ensure that the tenderers/prospective contractors and suppliers are fully aware of Atlas' expectations and their obligations in relation to Modern Slavery from the commencement of engagement.

4.4 Review of existing policies and procedures

During the reporting period, Atlas also reviewed its:

- Modern Slavery Policy;
- Modern Slavery Supplier Principles; and
- Modern Slavery Supplier Questionnaire,

developed in FY2020 to ensure that they remained fit for purpose.

Modern Slavery Statement FY2021

5 Assessment of the effectiveness of actions taken

Atlas recognises the importance of evaluating the effectiveness of the steps adopted to address Modern Slavery risk. Atlas has undertaken spot checks at the end of the FY2021 reporting period to review and assess the effectiveness of the actions taken in managing Modern Slavery risks, and found the following:

- Atlas did not identify any issues with suppliers or contractors relating to modern slavery that required remediation in the reporting period. The supplier questionnaires were found to be an effective tool for identifying potential Modern Slavery risks in our operations and supply chain that may not otherwise have been captured.
- Atlas did not receive any whistleblower reports or other or complaints relating to Modern Slavery at our operations or in our supply chains.
- Opportunities for improvement were identified as considering whether to include a section in the supplier Pre-Qualification Questionnaire relating to Modern Slavery, requiring the supplier to confirm their awareness and details of any policies or procedures they have in place. Similarly including a returnable schedule with the Invitation to Tender documentation.

With the development of the new Modern Slavery Specification and Training Module now completed, a more comprehensive annual internal audit/ spot checks process to ensure compliance will be implemented for the FY2022 and subsequent reporting periods in accordance with Atlas' Modern Slavery Management Framework.

6 Actions planned for the next reporting period

Atlas is committed to continuously improving its approach and management of Modern Slavery risks. In FY2022, planned steps include:

- Continue to promote awareness of Modern Slavery risks to suppliers and staff, including training more employees to identify and address Modern Slavery risks;
- Widening the categories of suppliers surveyed on the basis of spend, industry and location risk;
- Imbed due diligence and 'know your supplier' processes more firmly in supplier on-boarding, including by incorporating a Modern Slavery section in standard pre-qualification questionnaires;
- Reviewing and updating procurement policies and processes to ensure that any supplier 'red flags' are identified and addressed early in the procurement process;
- Conducting an internal audit of the effectiveness of actions taken in the reporting period in accordance with the Modern Slavery Management Framework;
- Review and examine the appropriateness of the Modern Slavery Management Framework, including applicable policies and procedures, to ensure the Framework continues to meet legislative and internal policy requirements; and
- Preparing and making available a third Modern Slavery Statement.

Modern Slavery Statement FY2021

7 Consultation

Atlas operates as an integrated group, with shared management. Policies, processes and systems apply consistently to all members of the Atlas Group. Teams across key parts of the Atlas business have been consulted and have had input into this statement (and the formulation of the Atlas Group approach to Modern Slavery risks).

This statement was reviewed by Atlas' Chief Executive Officer, Chief Financial Officer and Manager - Legal.

8 Relevant Information

Atlas representatives have attended (and will continue to attend) seminars conducted by private presenters on Modern Slavery as well as having regard to materials produced by Border Force. Atlas 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, dealing with and eradicating instances of Modern Slavery.

This statement was approved by the Board of Atlas Iron Pty Ltd.

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Spiro Pappas
Chairman

Handwritten signature of Sanjiv Manchanda in black ink.

Sanjiv Manchanda
Chief Executive Officer

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