



**LIBERTY**

FY 2022

# Joint Modern Slavery Statement





# Contents

Introduction	4
Description of our structure, operations and supply chains	6
Description of risks of modern slavery practices in Liberty operations and supply chain	10
Actions taken	12
Description of the consultation process	16
COVID 19 impact	17
Planned initiatives	18
Attachments	20



# Introduction

## 1.1 - Approval

This Modern Slavery Statement (“Statement”) has been prepared for the purposes of the reporting requirements for Australian entities under the Modern Slavery Act 2018 (Clth). It reports on Liberty Primary Metals Australia Pty Ltd ACN 631 112 573 (LPMA) and its wholly owned subsidiaries (together “LPMA Group”) and on Liberty Bell Bay Pty Ltd ACN 004 456 035 (“LBB”) (together referred to as “Liberty”).

This Statement has been approved by the principal governing body of each of LPMA and LBB. The governing body for each of these companies is its Board of Directors and each Board has approved this Statement.

**Sanjeev Gupta**  
CEO & Chairman  
GFG Alliance

Director  
Liberty Primary Metals Australia Pty Ltd  
Liberty Bell Bay Pty Ltd

## 1.2 - Joint statement

It is appropriate that LPMA and LBB make this statement jointly. LPMA Group and LBB share common policies and management, which includes coordinated reporting systems and processes, and common ultimate control.

## 1.3 - Background

Although often difficult to identify, modern slavery is prevalent in supply chains across the world. Many economies are affected by human trafficking, child labour, coercion, and other forms of modern slavery.

In this Statement, LPMA Group and LBB set out the steps they have taken to address the risk of modern slavery in their operations and supply chains. As the practice of modern slavery is not always easy to detect in supply chains outside an entity’s direct control, Liberty is taking a risk-based approach to reviewing those supply chains most likely to be impacted by modern slavery. This process is further described in this document.

LPMA and LBB understand that modern slavery has emerged as an issue for industry. In the long-term, LPMA and LBB will continue to seek greater transparency of all their supply chains by direct engagement and additional risk identification strategies. LPMA and LBB seek to partner only with those companies who demonstrate an equal commitment to the eradication of modern slavery.

## 1.4 - Consultation with owned and controlled entities

This Statement covers 7 companies. These are LBB, LPMA, and five subsidiaries of LPMA. Details of LPMA and its subsidiaries are set out in Attachment A.

The development of this Statement has involved consultation and engagement with personnel who service and work across these entities. As LPMA and LBB have integrated corporate services and business processes, including in the procurement function, consultation and knowledge sharing across these entities occurs as a natural outcome from the performance of these business functions.





## 2. Description of our structure, operations and supply chains

### 2.1 - LPMA Group & LBB

LPMA Group and LBB are members of the GFG Alliance which is an international corporate group involved in mining and steel in Europe, North America and Australia.

Within Australia the GFG Alliance is broadly divided into two main business units being Liberty Primary Metals and InfraBuild. Liberty Primary Metals is focused on mining and steel manufacturing from primary sources. LPMA Group and LBB sit within the Liberty Primary Metals business unit.

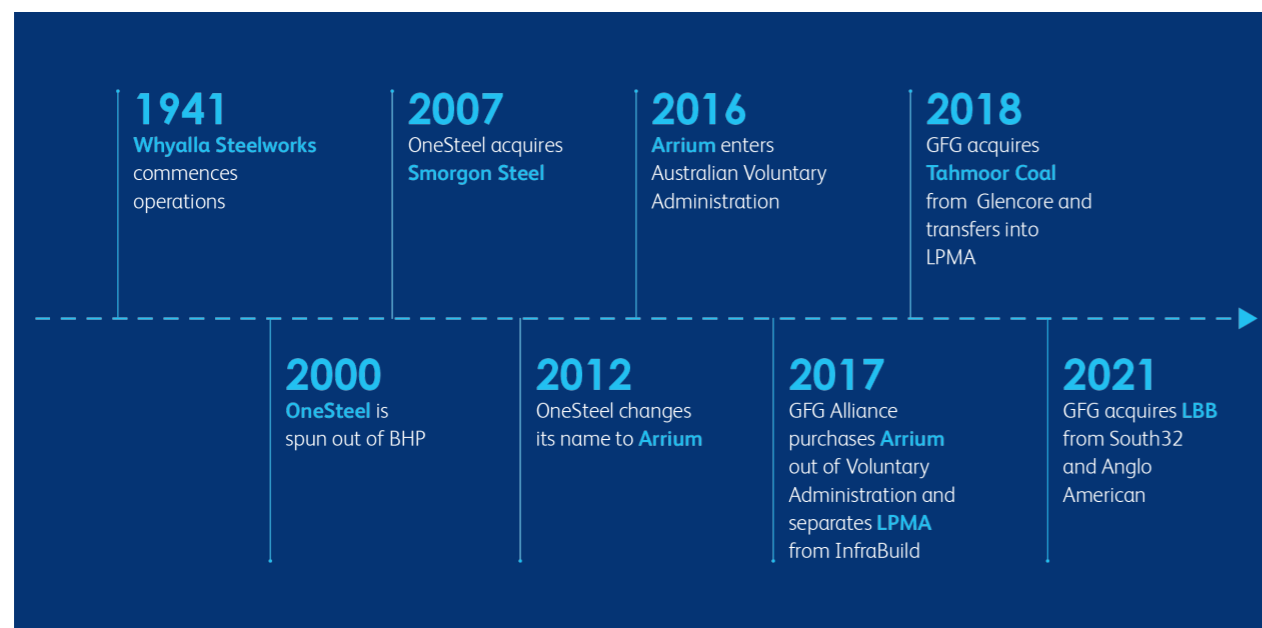
LPMA Group has operations across 3 main businesses:

- Manufacturing of billet, rail and structural steel products in Whyalla, South Australia (“Steelworks”);
- Mining of iron ore from the Middleback Ranges of South Australia; and
- Mining of hard coking coal near Tahmoor, New South Wales.

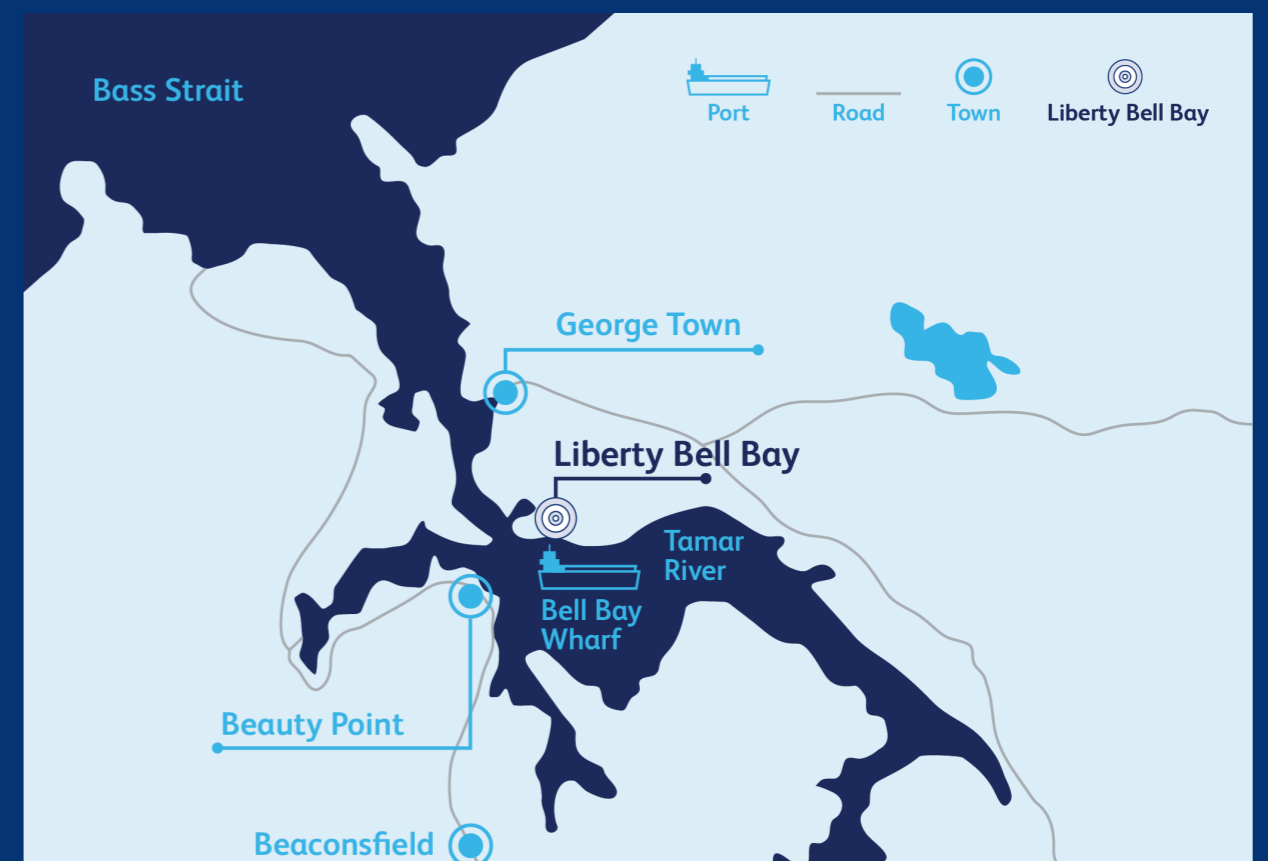
The Whyalla based operations also include significant rail and port infrastructure, used to move iron ore downstream from the mines to the Steelworks and for the ultimate delivery of iron ore and steel products to customers within Australia and overseas.

Together with InfraBuild, LPMA Group is the second largest steel producer in Australia and the largest producer/distributor of ‘long steel’ products. LPMA Group employs approximately 2,481 FTE personal and engages an additional contractor base which exceeds 120. The Steelworks is the largest employer in Whyalla, South Australia, with an employee base of approximately 1,185 FTE employees. The Iron ore mining operations near Whyalla employ 679 FTE employees, the coal mining operations near Tahmoor a further 277 FTE employees and another 73 employees are based in the corporate office in Adelaide.

LBB operates four smelters including a sinter plant at its site near Bell Bay Tasmania, where it manufactures high carbon ferromanganese and silicomanganese. This operation employs 267 FTE employees.



LPMA Group and LBB's history



LPMA Group and LBB's locations



## 2.2 - Externally sourced goods and services

LPMA Group and LBB purchase various goods and services for use in their operations. The suppliers of these goods and services are local, domestic and international. The table below outlines LBB's and LPMA Group's main spend categories.

Spend Category	Description
<b>Raw materials</b>	The largest component of our cost of sales is the cost of purchasing raw materials used to produce Construction Steel and Other Steel Long Products. Most of these costs represent the cost of ferrous scrap material, ferro-alloys, graphite electrodes, refractories and rolls.
<b>Freight</b>	Relates to transport costs to deliver our products to the customers' sites
<b>Utilities</b>	Consists of costs of gas, electricity, water and related costs at each production facility. These costs are largely variable in nature, driven by the level of production at LPMA's and LBB's furnaces and mills.
<b>Repairs &amp; Maintenance</b>	Represents the costs incurred to keep an asset operating at its current condition, which primarily relates to the maintenance of ageing equipment and planned plant shut-down periods.
<b>Services</b>	Includes costs relating to finance services, information technology, human resources, procurement services and mining contractor services as well as costs associated with head office operations.
<b>Other</b>	Consists of costs including facility costs which are incurred for buildings, plant and offices and other operating costs.





# 3. Description of risks of modern slavery practices in Liberty operations and supply chain

## 3.1 - Operations

The workforce of the LPMA Group of approximately 2,481 is largely located in Whyalla South Australia and Tahmoor NSW. A number are located in Adelaide and a small number in other parts of Australia and Singapore. LBB has a workforce of approximately 267 workers mainly at its site in Bell Bay Tasmania and a small number elsewhere in Tasmania.

The risk of modern slavery in the workforces of Liberty is assessed as low. Liberty has strong human resource processes for new starters, vetting of new employees, assessing employees' wages and salary agreements, and verifying corresponding payments.

Most of the workforce is covered by enterprise or industrial agreements. The employee induction process includes employment checks managed by either internal or external HR specialists in Australia. This includes checking that all new employees have the requisite visa status. The employee induction process is designed to ensure that all new employees confirm they have read and understood GFG Alliance's policies and minimum standards.

LBB and LPMA Group have not outsourced any part of their operations to offshore service providers. With the exception of a small highly skilled commodities marketing team located in Singapore, the LPMA Group and LBB workforces are located in Australia.

## 3.2 - Supply chain

Modern Slavery in the Liberty supply chain is assessed on country of origin and category risk. Country of origin risk, adopted from the Global Slavery Index, is based on where Liberty's suppliers are located and, if known, the country of Liberty's "supplier's supplier". Category risk is determined by understanding the level of labour, unskilled labour, and supply chain complexity.

Understanding supply chain complexity helps with understanding complex supplier relationships, complex contract structures, and complex supply chains where it is difficult to exactly label a country of origin. Both the country-of-origin risk and the category risk provide an overall risk rating per supplier as shown in Liberty's risk matrix for modern slavery.

Whilst the risk assessment approach has not changed compared to FY2021, Liberty continues to make further improvements and refinements. The operationalisation of risk levels gives the procurement team professional guidance on assessing risks in a spend category. This supports a consistent risk rating across different spend categories. Additionally, the risk assessment has been reviewed in its entirety, including a risk assessment to sub- category level. This has resulted in a more accurate and realistic risk assessment. Consequently, additional suppliers have been marked as a potential risk where modern slavery may occur.

## Liberty's risk matrix for modern slavery

L=Low M=Moderate H=High VH=Very High		Country of Origin Risk				
		Negligible	Minor	Medium	Major	Extreme
Category Risk	Almost certain	H	H	VH	VH	VH
	Likely	M	H	H	VH	VH
	Possible	L	M	H	VH	VH
	Unlikely	L	L	M	H	VH
	Rare	L	L	M	H	H

## 3.3 - Risk approach

The total risk rating covering both, spend risk and country risk determines the phasing for addressing modern slavery amongst Liberty's supplier base. Liberty is implementing modern slavery evaluation criteria in its supplier selection and the inclusion of tendering processes.

For existing suppliers and new contracts where ongoing management is required, Liberty has developed a risk mitigation plan for a specific sub-category or supplier. For those spend categories and suppliers with a high risk, mitigation plans are gradually being developed and implemented. A summary is provided below:

Risk Rating	Existing Suppliers	New Suppliers		Ongoing Management
		Existing strategic or preferred suppliers	New approved suppliers	New strategic or preferred suppliers
	Risk assessment on supplier level	Risk assessment on category level		Risk assessment on supplier level
Very High	Below + Special Conditions in Contract	Standard purchase conditions which reference Modern Slavery	Below + 3rd Party Assessment or supplier visit	Supplier specific risk mitigation plan
High			Below + Supplier Questionnaire as part of sourcing event	Category specific risk mitigation plan
Moderate	Supplier Standard (covering Modern Slavery)		Below + Special Conditions in Contract	Not applicable
Low			Supplier Standard (covering Modern Slavery)	





## 4. Actions taken

During FY2022, Liberty has completed the following actions:

- Updated supplier risk assessments to determine the key actions for FY2022
- Included modern slavery awareness training in all procurement staff training profiles
- maintained online modern slavery awareness training modules
- continued its program of supplier self-assessment for suppliers engaged in annual spend greater than \$1million, high risk countries and high-risk categories

### 4.1 - Risk assessment

The risk of modern slavery in Liberty's supply chain is real. Consequently, Liberty's modern slavery risk assessment (MSRA) focuses on reviewing spend categories and the country of origin. The assessment is directed at operations and supply chain suppliers with over \$1m annual spend, which includes Tier 1 suppliers, those Liberty has a direct arrangement with, and Tier 2 and Tier 3 suppliers where known. The assessments also include high risk countries and high risk categories. The results of this assessment are described below.

#### 4.1.1 - Country of origin risk

Liberty's MSRA attributes an initial inherent risk rating to its suppliers – from low to very high, based on the risk of modern slavery practices in the jurisdictions and industry sectors in which they operate. Liberty is cognizant of the key modern slavery risk characteristics – poor governance, lack of basic needs, inequality, disenfranchised groups, and conflict. The countries Liberty purchased from and its risk rating is outlined in the table below.

Risk Rating	Countries from which we purchase
Very High	None identified
High	Hong Kong, mainland China, India, South Africa
Moderate	Malaysia, Japan, Taiwan, Singapore, Korea
Low	Australia, New Zealand, Switzerland, United States, United Kingdom, Italy, Germany, Spain, Norway, Denmark

**Note: the country risk scoring is adopted from the Global Slavery Index 2018 dataset.**

#### 4.1.2 - Category risk

Liberty has identified spend categories that are at higher risk of modern slavery practises. The category risk rating is determined by the level of labour, the portion of unskilled labour, and the supply chain complexity. Risk ratings for our spend categories are listed below.

Risk Rating	Spend Categories
Very High	None identified
High	Cleaning, waste management, refractory traders, coal, alloy traders
Moderate	Professional services, engineering services, facilities management, IT, telecom, mobile assets & hire equipment, consumables, production operations, scrap, transport, repairs and maintenance
Low	Travel, financial services, marketing & print, government fees



### 4.2 - Risk rating

By considering the spend, country of origin risk and category risk, Liberty has identified the areas of its supply chain at highest risk of modern slavery practices. In FY2022, Liberty’s assessment of modern slavery determined that it had 342 suppliers with an overall potential for a high-risk rating.

### 4.3 - Online training

Due to COVID, we have decided to work with Work Force Development in creating an online training program for Modern Slavery Awareness. This training has been assigned to all procurement staff within LPMA and LBB as part of their training and professional development profile. Managers monitor staff completions as part of their performance review.

### 4.4 - Updated contracts

Updated procurement contracts which include updated modern slavery provisions were rolled out across Liberty during FY22. The updated forms of contract compel the supplier to comply, and to ensure that its officers and its suppliers comply, with modern slavery laws. The supplier must also keep adequate records and grant Liberty rights of audit.

### 4.5 - Risk mitigation plans

Cleaning, refractories and alloy traders were identified as a potentially high or very high risk. Liberty has conducted further due diligence on the relevant sub-

categories to understand the potential risks and how best to mitigate these. Potential risks that were flagged as part of the assessment include level of migrant workers, the delivery model (outsourcing, third party labour, recruitment agencies), supply chain complexity and conflict countries and areas. Key mitigation strategies include updating contracts, supplier self-assessment questionnaires, supplier audits, engagement of alternative suppliers with a lower risk profile, and due diligence amongst potential new suppliers. In FY2020, Liberty updated certain contracts while in FY2021 and FY2022, Liberty focused on supplier self-questionnaires, gaining further understanding of the potential risks, and what suppliers have in place from a policy, process, structure and governance point of view.

### 4.6 - Supplier self-assessment

Excluding all government agencies, we conducted ‘supplier self-assessments’ on greater than 60% of our annual spend. This consists of 342 suppliers based on our initial risk assessment. We contracted Centrl to utilise their MSA 360 platform to assess our suppliers. The platform consists of a questionnaire that complies with the Modern Slavery Act 2018. The platform allows us to evaluate, correspond and clarify the operations of suppliers. None of the returned responses were evaluated as high risk, 36% were evaluated as low risk and 64% were initially assessed as medium risk with whom we are further corresponding for clarity. We will be engaging with those who have not responded to assist them with the process in FY2023. We believe that this will be an ongoing process of partnership in gaining better transparency.

### 4.7 - Description of the effectiveness of the actions taken

Commenced in FY2020, addressing modern slavery is becoming integral to Liberty’s business processes. In particular:

- Suppliers through engagement with Liberty’s processes are becoming more aware of modern slavery and have engaged with Liberty to better understand its impacts in the context of Liberty’s supply relationships;
- Updated standard contract templates are used for new contractual engagements;

- Liberty’s updated standard purchase conditions are referenced in its purchase orders;
  - Liberty’s risk assessments are becoming more mature and robust
  - Online training is now a standard part of the staff procurement profile.
- Regarding specific actions and minimum standards completed in FY2022, the table below summarises Liberty’s actions, status and the rated effectiveness:

Action	Effectiveness Description	Effectiveness Rating
<b>Supply chain mapping and assessment</b>	The risk assessment focused primarily on identifying potential modern slavery risks amongst Tier 1 suppliers. The risk assessment is the first step in prioritising suppliers for follow up assessment and actions. We focused on high potential high-risk countries of origin and high-risk spend categories.	<b>High</b>
<b>Contract amendments</b>	Amending contracts is typically the first engagement with suppliers around modern slavery and creating awareness.	<b>Medium-High</b>
<b>Training</b>	Online training creates awareness amongst procurement personnel. The online training has been used to create awareness of modern slavery and what tools are available to identify and raise concerns.	<b>Medium</b>
<b>Risk mitigation plan</b>	For potential high risk spend categories, detailed risk mitigation plans have been developed. Specific actions identified for FY23 continue to build in our sourcing activities and category plan.	<b>Low-Medium</b>
<b>Supplier self-assessment</b>	A detailed supplier self-assessment was actioned in 2022 to provide due diligence amongst Liberty’s supplier base. 342 suppliers were requested to respond to this assessment.	<b>High</b>
<b>Fair call</b>	A fair call whistle blowing facility was introduced in FY2021 where employees or external stakeholders can anonymously raise concerns. Throughout FY2022 no fair calls have been received in relation to modern slavery.	<b>Medium-High</b>
<b>Review</b>	Liberty monitors and annually reviews the effectiveness of these risk management measures.	<b>Medium</b>





## 5. Description of the consultation process

Liberty is working closely to continually improve processes that address modern slavery. With overarching GFG Alliance policies, systems and processes in place, and consistently applied across GFG Alliance, Liberty also looks to the more operative aspects of its business for more tailored approaches where required.

Procurement professionals from the procurement team and other critical business functions are involved in the

implementation of this program across Liberty's supply base. Internally they work in collaboration with the GFG Alliance Legal Team, Human Resources and Communications teams.

These key teams collaborate to deliver Liberty's human rights identifications, assessment, and management processes, including modern slavery and human trafficking, for our operations and supply chain. Initiatives and outcomes have been reviewed and endorsed by senior management.



## 6. COVID 19 impact

Liberty has observed that the continuing adverse economic impacts of the covid 19 pandemic are likely to exacerbate the conditions in which modern slavery may arise. This is particularly a focus in countries where such populations may already be prone to human rights issues.

Given the particularly disruptive impact of a pandemic on such jurisdictions, this additional risk is being factored into the assessment of GFG Alliance's suppliers and will be

considered in Liberty's assessment approach of any suppliers that may be high risk.

In response to significant waves of COVID-19 in supplier countries, Liberty implemented COVID workplace safety guidelines to further the safety and wellbeing of its employees, customers, suppliers and community. Liberty has continued to engage with suppliers fairly, and this includes maintaining orders to ensure business continuity.



## 7. Planned initiatives

Neither LPMA Group nor LBB received any reported concerns of modern slavery practices in FY2022. Nor did either identify any instances of modern slavery in their operations or amongst their suppliers. Even though no cases have been reported, Liberty continues to promote the awareness of modern slavery and support its staff in the identification of modern slavery. Liberty continues to work on initiatives as defined on its roadmap of:

1. Continued improvements in the roll out of contracts and communication of Liberty Supplier Standards across the Liberty supply base; allowing for greater awareness and action.
2. Active business stakeholder awareness and engagement in its annual modern slavery risk assessment.
3. Reviewing and implementing systems to support in the identification, management, assessment and reporting of modern slavery risks.
4. Follow up with the suppliers rated medium risk in the Supplier Self-Assessment for clarity. Liberty will be engaging with the suppliers who have not responded to assist them with the process in FY2023.
5. Reviewing and engaging with partners to conduct supplier modern slavery risks assessments and on-site inspections on Liberty's behalf.
6. Continuing to develop processes to coordinate, document and track new actions and any incidents.
7. Providing mechanisms for reporting by employees in cases of concern around modern slavery practices. This includes a hotline and via internal reporting channels by contacting Senior Management, Human Resources, Internal Audit or Liberty Legal teams.
8. Continuing to promote awareness of the Fair Call reporting mechanism amongst Liberty's suppliers by providing online information on how to lodge modern slavery concerns. In GFG Alliance, local community members can also raise concerns through regional Stakeholder Engagement Managers.





## 8. Attachments



Attachment A



### Disclaimer

This publication has been prepared by Liberty Primary Metals Australia Pty Ltd ACN 631 112 573 for and on behalf of itself, Liberty Bell Bay Pty Ltd ACN 004 456 035 and their related bodies corporate.

Please note that any specifications or technical data referred to in this publication are subject to change and/or variation or improvement without notice and no warranty as to their suitability for any use is made. Users of this publication, to ensure accuracy and adequacy for their purposes, are requested to check the information provided in this publication to satisfy themselves as to its appropriateness and not to rely on the information without first doing so.

Unless required by law, neither Liberty Primary Metals Australia Pty Ltd, Liberty Bell Bay Pty Ltd nor their related bodies corporate accept any responsibility for any loss, damage or consequence resulting from the use of this publication.

Photographs shown are representative only of typical applications and are current as of December 2021. This publication is not an offer to trade and shall not form any part of the trading terms in any transaction.

© Copyright 2022 Liberty Primary Metals Australia Pty Ltd. All rights reserved. Reproduction in whole or in part, in any form or medium without the express written permission of Liberty Primary Metals Australia Pty Ltd is prohibited. All images and content, trademarks or registered trademarks are the property of Liberty Primary Metals Australia Pty Ltd, Liberty Bell Bay Pty Ltd and their related bodies corporate.



**KEEP UP-TO-DATE BY VISITING**

LIBERTY STEEL GROUP WEBSITE  
[www.libertysteelgroup.com](http://www.libertysteelgroup.com)

**JOIN THE CONVERSATION,  
FOLLOW US ON SOCIAL MEDIA**



TWITTER  
[twitter.com/LibertySteelGrp](https://twitter.com/LibertySteelGrp)



LINKEDIN  
[linkedin.com/company/liberty-steel-group/](https://linkedin.com/company/liberty-steel-group/)



FACEBOOK  
[facebook.com/LibertySteelGroup/](https://facebook.com/LibertySteelGroup/)

