



LIBERTY

FY 2023

Joint Modern Slavery Statement

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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 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 continues to take 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 seven 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.

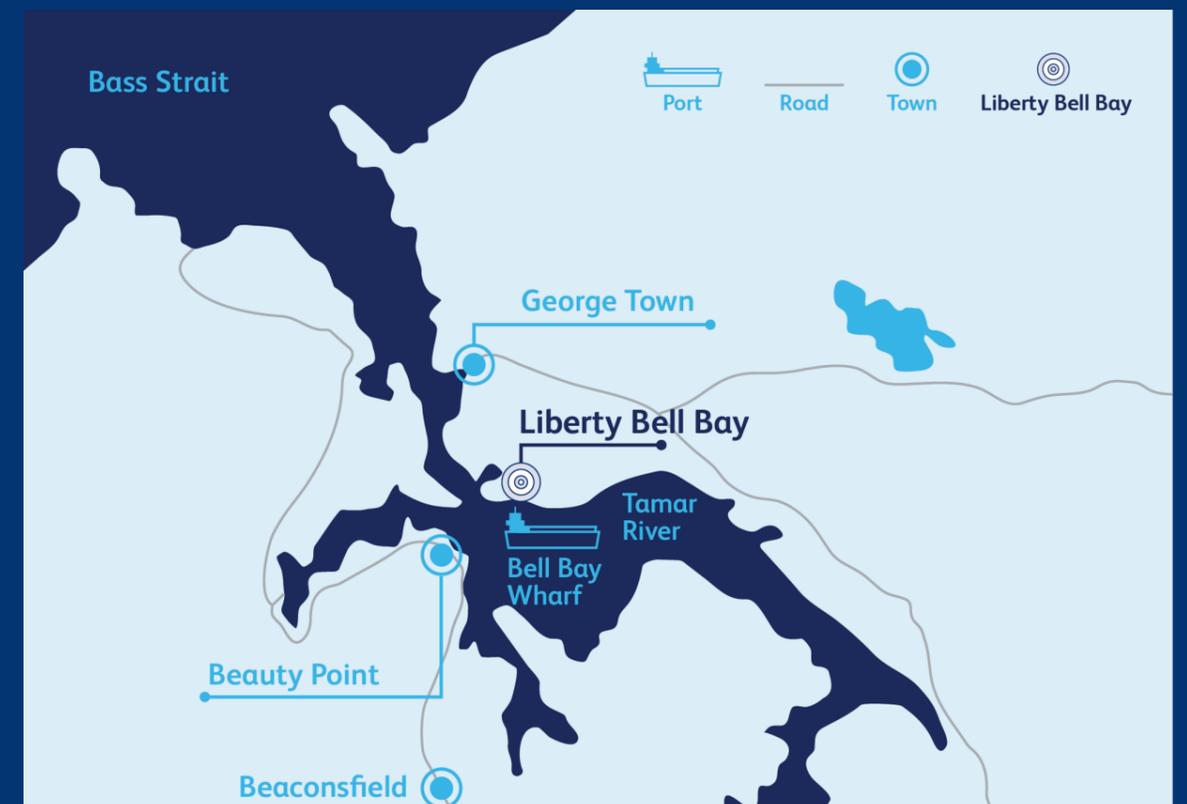
The Whyalla based operations also include significant rail and port infrastructure, used to move iron ore downstream from the mines to the Steelworks and for the ultimate delivery of iron ore and steel products to customers within Australia and overseas.

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 2,240 FTE personnel and engages an additional contractor base which exceeds 1,000. The Steelworks is the largest employer in Whyalla, South Australia, with an employee base of 1,073 FTE employees. The Iron ore mining operations near Whyalla employ 387 FTE employees, the coal mining operations near Tahmoor a further 370 FTE employees and another 263 employees in supporting functions, graduate and apprenticeships across the sites and 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 277 FTE employees.



LPMA Group and LBB's history

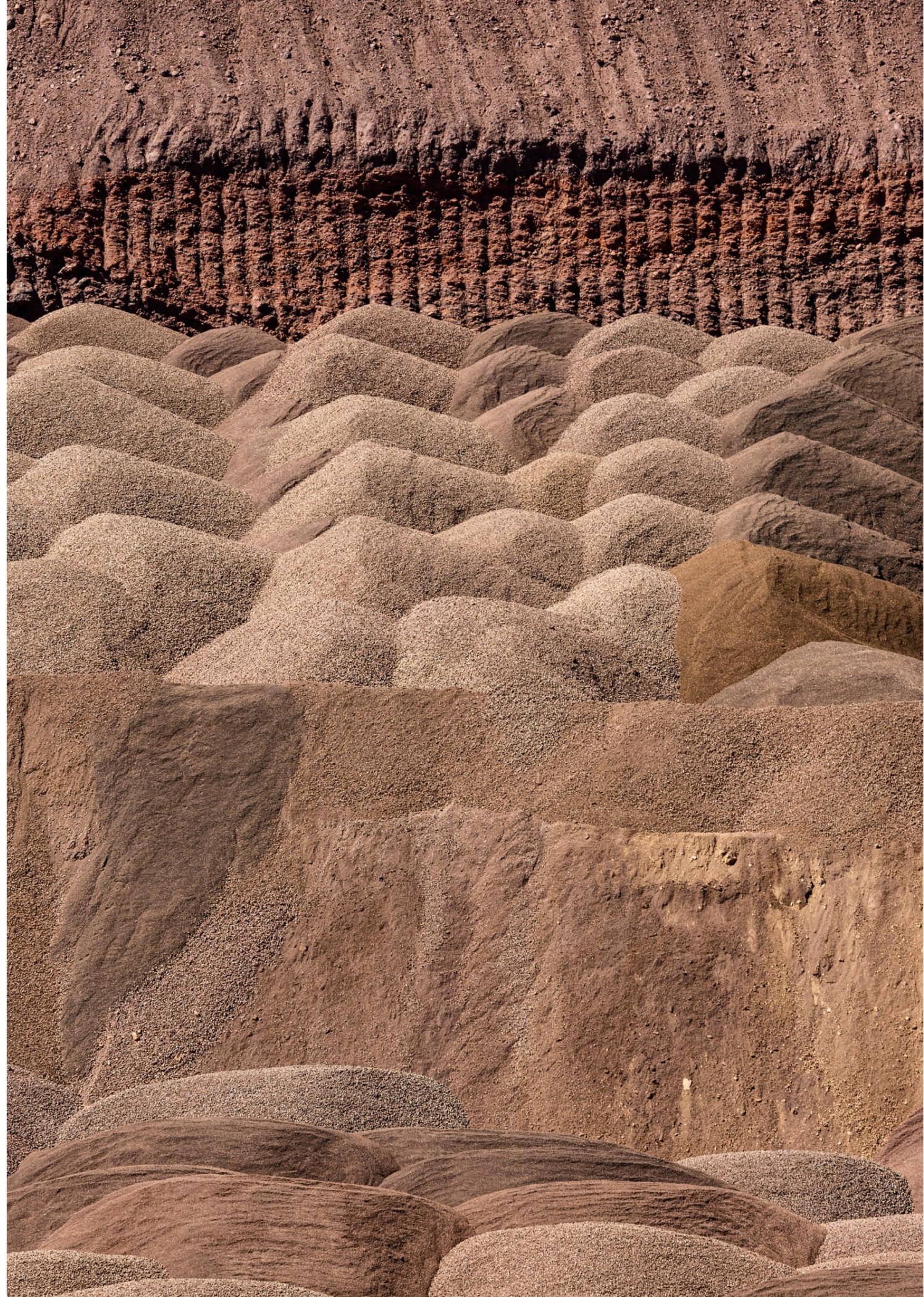


LPMA Group and LBB's locations

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 |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Raw materials | 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. |
| Freight | Relates to transport costs to deliver our products to the customers' sites |
| Utilities | 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. |
| Repairs & Maintenance | 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. |
| Services | 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. |
| Other | 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 2,240 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 277 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. Except for a small highly skilled commodities marketing team located in Singapore, the LPMA Group and LBB workforces are 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 FY2022, 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.

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 has implemented modern slavery evaluation criteria in its supplier selection and the inclusion in 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 continue to be 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 | Strategic, preferred, or approved 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 FY2023, Liberty has completed the following actions:

- Updated supplier risk assessments to determine the key actions
- maintained 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 new 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 | Indonesia, India, Malaysia, and China |
| Low | Australia, New Zealand, Switzerland, United States, United Kingdom, Italy, Germany, Hong Kong, Spain, Norway, Japan, Taiwan, Singapore, South Korea |

Note: the country risk scoring is adopted from the Global Slavery Index 2023 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.

4.3 Online training

An online training program for Modern Slavery Awareness is in place and 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

Liberty's preferred contracting terms include modern slavery provisions, which 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. In FY2023 focus continued on seeking to incorporate modern slavery requirements into new agreements.

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 FY2023 Liberty continued to focus 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, in FY2022 Liberty conducted 'supplier self-assessments' on greater than 60% of our annual spend. This consisted of 342 suppliers based on our initial risk assessment. In FY2023, due to limited change in our supplier profile Liberty's assessment focused on new suppliers who qualified for assessment and working with suppliers assessed as medium risk in the FY2022 report. We continue to contract Centrl to utilise their MSA 360 platform to assess our suppliers, based on a questionnaire that complies with the Modern Slavery Act 2018, which allows us to evaluate, correspond and clarify the operations of suppliers.

Description of the effectiveness of the actions taken

Addressing modern slavery continues to be integral to Liberty's business processes, including:

- 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 and Liberty continues to focus on seeking to incorporate modern slavery requirements into new agreements (including third party agreements);

- 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 maintained in FY2023, the table below summarises Liberty's actions, status and the rated effectiveness:

| Action | Effectiveness Description | Effectiveness Rating |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Supply chain mapping and assessment | 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. | High |
| Contract amendments | Amending contracts is typically the first engagement with suppliers around modern slavery and creating awareness. | Medium-High |
| Training | 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. | Medium |
| Risk mitigation plan | 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. | Low-Medium |
| Supplier self-assessment | 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. | High |
| Fair call | 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. | Medium-High |
| Review | Liberty monitors and annually reviews the effectiveness of these risk management measures. | Medium |



5. Description of the consultation process

Liberty is working 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. Planned initiatives

Neither LPMA Group nor LBB received any reported concerns of modern slavery practices in FY2023. 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 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. Maintain engagement with the suppliers previously rated medium risk and Liberty will enhance the engagement and response to the self-assessment from suppliers to assist them with the process in FY2024.
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.



7. 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.

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