

# Modern Slavery Statement FY2022



This Modern Slavery Statement for the Hancock Prospecting 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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This Statement describes the risks of modern slavery in the operations and supply chains of Hancock Prospecting Pty Ltd ACN 008 676 417 (**HPPL**) and the entities owned or controlled by HPPL which are not covered by the Other Statements described in section 1 below (together with HPPL, the **HPPL Group**). This Statement also describes the measures and actions taken by the HPPL Group to address those modern slavery risks.

This Statement is made pursuant to the *Modern Slavery Act 2018* (Cth) (**Act**) for the reporting period 1 July 2021 to 30 June 2022 inclusive (**Reporting Period**). When the term **modern slavery** is used in this Statement, it has the meaning given to that term in the Act.

## **INTRODUCTION - ABOUT THE HPPL GROUP**

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 its Executive Chairman, Mrs Gina Rinehart, HPPL (including through its majority ownership in Roy Hill Holdings Pty Ltd ACN 123 721 077 (**Roy Hill Holdings**) and Atlas Iron Pty Ltd ACN 110 396 168 (**Atlas Iron**), each of which report separately under the Act through the Other Statements described in section 1 below) has grown into one of the most successful private companies in Australia's history. HPPL is the parent company of a diversified corporate group with interests in iron ore, coal, petroleum, beef, dairy and property 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 the Chairmanship of Mrs Rinehart, HPPL organised a State Agreement to gain security of tenure for the Hope Downs tenements. With the State Agreement in place, HPPL proceeded to dedicate and invest its money and focus in further exploration and studies on the Hope Downs tenements. 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, 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 commencing the Hope 4 mine several years later.

Roy Hill is Hancock Prospecting's majority owned mega iron ore operation, which produces approximately 60 million tonnes of iron 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 support breast cancer awareness and research 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 known polyhalite resource and is developing a new and natural product which is relevant to the HPPL Group's focus on agriculture.

HPPL is considering the potential development of a high grade marra mamba iron formation in Mulga Downs, West Australia to supplement Roy Hill's iron ore exports, and continues to explore for iron ore deposits and grow its mineral resource inventory through a number of exploration tenements in the Pilbara.

Since 1992, the HPPL Group has also diversified into beef and dairy operations. In this respect HPPL now has ownership interests in multiple premium cattle stations in the north west of Australia including Mulga Downs, Fossil Downs and Liveringa Stations.

HPPL's majority joint venture purchase of S. Kidman & Co Pty Ltd ACN 007 872 317 (**Kidman**) in December 2016 marked an 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. Kidman continues to own multiple premium cattle stations in Queensland and the Northern Territory.

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 has recently built significant new facilities and is expanding.

## 1. THE REPORTING ENTITIES

HPPL is a reporting entity as defined in the Act and is the parent company of the HPPL Group.

HPPL is an Australian entity and had consolidated revenue in excess of \$100 million during the Reporting Period.

This Statement is a joint statement made by HPPL and also by each of the following reporting entities as defined in the Act within the HPPL Group:

- Hancock Minerals Pty Ltd ACN 057 326 824 (**HMPL**);
- Hope Downs Iron Ore Pty Ltd ACN 071 514 308 (**HDIO**); and
- Harrine Holdings Pty Ltd ACN 154 124 204 (**HHPL**).

Each of HMPL, HDIO and HHPL are subsidiaries of HPPL, are Australian entities and had consolidated revenue in excess of \$100 million during the Reporting Period.

This Statement has been reviewed and approved by the board of directors of HPPL.

Roy Hill Holdings and Atlas Iron, which are each majority owned by HPPL and are reporting entities under the Act, report separately under the Act for the Reporting Period with their relevant subsidiaries (**Other Statements**).

In this Statement, any reference to the HPPL Group means HPPL and each of its wholly owned or controlled subsidiaries which are not covered by the Other Statements. Further details of all companies and subsidiaries in the HPPL Group or which are covered by the Other Statements are outlined in HPPL's Annual Report for 2022.

The HPPL Group is committed to the highest standards of conduct and ethical behaviour in all its business activities. The HPPL Group 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, the HPPL Group is committed to achieving and ensuring ethical behaviour in its business and with those suppliers with whom it contracts.

The HPPL Group recognises the effects of modern slavery and how exploitation and under payment of workers and substandard working conditions are illegal practices and harmful. The HPPL Group 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.

The HPPL Group expects its suppliers and contractors to adhere to the same high standards in their own operations. HPPL expects its suppliers and contractors to ensure that they are not, in any way, involved in modern slavery.

The HPPL Group acknowledges that modern slavery risks may exist in its supply chains and operations and is committed to working to identify and, as best it can, rectify any instances of modern slavery that are identified.

## **2. ABOUT THE HPPL GROUP: STRUCTURE, OPERATIONS AND SUPPLY CHAINS**

### **2.1 Structure**

Each Australian registered member of the HPPL Group is a proprietary limited company.

Further details of HPPL's material subsidiaries are outlined in HPPL's Annual Report for 2022.

Each of HMPL, HDIO and HHPL is a subsidiary of HPPL.

HPPL's corporate structure is made up of the HPPL Board of Directors, the Chief Executive Officer and other executive team members covering key areas of operations (including mines, exploration, agricultural and property enterprises).

### **2.2 Operations**

#### ***Australia***

The principal place of business and registered office for each of HPPL, HMPL, HDIO and HHPL is HPPL House, Level 3, 28-42 Ventnor Avenue, West Perth WA 6005.

HPPL's majority owned company, Roy Hill Holdings through its Roy Hill mine located in the Pilbara, produces and sells approximately 60 million tonnes of iron ore per annum. The Roy Hill iron ore is transported by rail to, and then shipped from, the port of Port Hedland. HPPL owns its majority interest in Roy Hill Holdings through HHPL.

Atlas Iron mines iron ore from three key operating sites within the Pilbara. Those sites are Mt Webber, Sanjiv Ridge and Miralga Creek. The iron ore mined from those sites is hauled to, and then shipped from, the port of Port Hedland. Atlas Iron also operates a number of projects in the development stage.

Through the 50/50 joint venture with Rio Tinto, the HPPL Group (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."

The HPPL Group is also considering the potential development of a high grade marra mamba iron formation in Mulga Downs, West Australia to supplement Roy Hill's iron ore exports.

The HPPL Group also has a number of exploration projects including:

- (a) exploring for iron ore via a number of exploration tenements in the Pilbara, West 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);
- (c) exploring for copper and gold in New South Wales and oil and gas in the Northern Territory via a HPPL subsidiary, Minerals Australia Pty Ltd ACN 124 475 538; and
- (d) exploring for gold and copper in North Queensland via a joint venture between a subsidiary of HPPL and local explorers.

The HPPL Group also:

- (e) 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;
- (f) has a majority interest in the iconic Australian agricultural company, Kidman, which continues to own multiple premium cattle stations in Queensland and the Northern Territory;
- (g) is involved in dairy operations through its 50 percent interest in Bannister Downs in South West, West Australia;
- (h) owns various property assets including office buildings; and
- (i) has a minority interest in the natural gas producer Senex Energy Pty Ltd ACN 008 942 827 through a joint venture with POSCO INTERNATIONAL Corporation.

## ***Overseas***

### **Canada**

HPPL, through its subsidiary Riversdale Resources Pty Ltd ACN 152 669 291 (**Riversdale**) has sought approval to develop its metallurgical (hard coking) coal project in Alberta Canada in an area known as Grassy Mountain. Riversdale has, in seeking to develop its coal project, established an excellent relationship with two of the first nations peoples in Canada.

### **Ecuador**

Hanrine 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 The HPPL Group's workforce**

As at 30 June 2022, the HPPL Group (not including the workforces of Roy Hill Holdings, Atlas Iron and their respective subsidiaries) employed approximately 500 people including contractors. When the workforces of Roy Hill Holdings, Atlas Iron and their respective subsidiaries are included, the total number of people employed by the HPPL consolidated group is approximately 4,200 people including contractors.

### **2.4 Traditional owners**

The HPPL Group recognises the connection that Traditional Owners and Indigenous Communities have with the land, and we work with Traditional Owners and Indigenous Communities to develop and implement meaningful employment, training and business opportunities with those groups that takes account of their views.

### **2.5 Philanthropy**

The HPPL Group 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 initiatives aimed at improving the lives of women and children in our community, supporting our country's athletes and supporting a variety of community initiatives.

### **2.6 Supply chain**

The HPPL Group's supply chain is broad, covering exploration and construction, development, mining, processing, rail and road transportation, shipping and sales to customers.

The HPPL Group's supply chain is global, with products and services mainly being obtained from Australia and a much smaller amount internationally.

Our procurement and commercial teams are responsible for purchasing goods and services for the business and our projects teams are responsible for purchasing goods and services for development projects.

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

The HPPL Group's supply chain covers a broad range of industries and 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
- Business services, the products that are brought into our offices, for example, furniture, stationery as well as services such as maintenance and cleaning services
- Agricultural goods and services

## **2.7 Location of suppliers**

The HPPL Group's suppliers are located globally.

Whilst the majority of the HPPL Group's suppliers of goods and services are located within Australia, it is acknowledged that some of these suppliers on-sell goods sourced from other countries.

The HPPL Group has reviewed and will continue to review its suppliers during subsequent reporting periods to identify any areas that may exist for instances of modern slavery to occur.

## **3. MODERN SLAVERY RISKS**

The HPPL Group 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 and that it must ensure its practices and procedures are such as to recognise and deal with any possible instance of modern slavery.

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

**The HPPL Group's operations are located in:**

#### **(a) West Australia**

Perth, West Australia is the location of the head office and place of business for each of HPPL, HMPL, HDIO and HHPL. Throughout various locations in West Australia the HPPL Group has interests in mining, agriculture (cattle and dairying) and property. 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 the HPPL Group's remuneration and recruitment policies and any award applicable to that employee's job type.

**(b) Rest of Australia**

The HPPL Group also has offices in Brisbane, Queensland and Adelaide, South Australia (the latter being Kidman's head office location during the Reporting Period). All employees in those offices are paid in accordance with the HPPL Group's remuneration and recruitment policies and any award applicable to that employee's job type.

The HPPL Group has gold mining exploration interests with Catalyst Metals Ltd in the Bendigo/Fosterville area in Victoria. The HPPL Group is also undertaking mineral exploration in various other states of Australia. The HPPL Group has interests in agriculture, principally cattle, including high quality Wagyu, in all Australian states other than Tasmania and Victoria (during the Reporting Period).

In its Australian operations, the HPPL Group considers that its policies and protections, combined with Australia's low ranking in the Global Slavery Index (at position 163/167), mean that the risk of modern slavery occurring in the HPPL Group's 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. Canada has the second lowest ranking in the Global Slavery Index at position 166 / 167 and in seeking to develop the coal project, the HPPL Group has established an excellent relationship with two groups of the first nations peoples in Canada. Because of this, together with its policies and protections, the HPPL Group 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. (**Hanrine Ecuador**) is undertaking exploration and drilling principally for copper in a number of granted tenements.

Hanrine Ecuador's executives are aware of the risks of modern slavery and that it is not on any account to be tolerated. Hanrine Ecuador ensures that all contracts with suppliers contain anti-slavery provisions and takes actions to identify and prevent, as best it can, any 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. 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 the HPPL Group has operations; it has a rating of 123/167. Hanrine Ecuador has not identified any instances of modern slavery in its operations for the Reporting Period. The HPPL Group will remain vigilant with the overseeing of operations and continue to implement the measures that it has put in place to minimise the potential for instances of modern slavery to occur in its Ecuadorian operations.

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

The HPPL Group continues to recognise 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 higher risk countries. The HPPL Group 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.

## **4. ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS**

The HPPL Group is not aware of any modern slavery occurring in its operations or supply chains during the Reporting Period.

The HPPL Group primarily addresses modern slavery risks through its procurement and operational procedures and policies and the strong ongoing relationships it has with its suppliers.

In the Reporting Period, the HPPL Group has:

- conducted modern slavery training with key stakeholders (including representatives within the procurement and projects teams, the executive and senior management);
- continued promoting awareness of modern slavery risks to suppliers;
- continued to develop and refine its modern slavery policy and internal specification to ensure that it remains compliant, appropriate and fit for purpose;
- implemented procedures so that the HPPL Group's modern slavery, anti-corruption and supplier principles clauses are provided to new suppliers and embedded within new supplier agreements where the terms of those agreements are open for negotiation. In the limited circumstances where the terms of supplier agreements are not open for negotiation, then additional due diligence measures are taken to satisfy the HPPL Group as to the risk of modern slavery occurring within that supply chain;
- issued modern slavery supplier questionnaires to medium to high value suppliers and reviewed responses received and has a procedure to follow up where necessary; and
- conducted desk top audits of contracts and agreements entered into during the Reporting Period to assess compliance with the policies and procedures mentioned above.

HPPL's modern slavery, anti-corruption and supplier principles also address business integrity, social performance and whistleblowing and HPPL expects its suppliers and contractors to adhere to the same high standards in their own operations.

As noted above, during the Reporting Period the HPPL Group continued to develop and refine its modern slavery internal specification. This document provides the framework for the HPPL Group's compliance with the Act and for addressing modern slavery risks in its operations and supply chains. The specification sets out:

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

In relation to the modern slavery supplier questionnaires referred to above, the HPPL Group reviewed its supplier spending data from the immediately preceding reporting period to identify medium to high value suppliers. Detailed questionnaires were sent to those suppliers together with the HPPL Group's supplier principles. As a result of the responses received from those suppliers no modern slavery risks were identified. Suppliers in high-risk industries and high-risk locations are subject to further due diligence to satisfy the HPPL Group as to the risk of occurrence of modern slavery within that supply chain.

## **5. ASSESSMENT OF THE EFFECTIVENESS OF ACTIONS TAKEN**

### **5.1 Reporting Period effectiveness assessment**

The HPPL Group has reviewed the effectiveness of its actions to identify and reduce the occurrence of modern slavery within its operations and supply chains. The results of the actions taken during the Reporting Period are as follows:

- The HPPL Group did not identify any suppliers or contractors engaging in modern slavery during the Reporting Period.
- The HPPL Group did not receive any whistle-blower reports or other complaints relating to modern slavery in its operations or supply chains during the Reporting Period.
- The HPPL Group's policies and procedures are adequate to address the requirements of the Act. In particular, the modern slavery clauses within our supplier agreements, the supplier questionnaires issued to relevant suppliers and the other measures taken during the Reporting Period (as described above) continue to provide visibility into our

supply chains and enable the HPPL Group to identify potential modern slavery risks in its operations and supply chains.

## 5.2 Opportunities for improvement

The HPPL Group recognises the need to continuously review and reassess its actions in order to find further opportunities for improvement. The HPPL Group recognises the following opportunities for improvement over the next reporting period:

- The HPPL Group has focussed on educating key representatives within the business on modern slavery risks, and recognises there is an opportunity to further educate those representatives and deepen their understanding of those risks in the next period, which will further improve the HPPL Group's ability to identify and respond to those risks.
- To continue to develop and refine the HPPL Group's modern slavery internal specification to ensure that it remains fit for purpose, compliant and relevant.
- Fostering greater collaboration with the companies within the HPPL consolidated group which report on modern slavery separately through the Other Statements described in section 1 above (i.e. Roy Hill Holdings, Atlas Iron and their respective subsidiaries) with respect to modern slavery processes, initiatives and improvements.

## 6. ACTIONS PLANNED FOR THE NEXT REPORTING PERIOD

Upon review of the progress made this Reporting Period and the opportunities identified for improvement, the HPPL Group seeks to undertake the following actions for the next reporting period:

- continue with its modern slavery training to key representatives within the HPPL Group;
- continue to develop and refine the HPPL Group's modern slavery policy and internal specification to ensure that it remains fit for purpose, compliant and relevant;
- continue to implement procedures so that the HPPL Group's modern slavery, anti-corruption and supplier principles clauses are provided to new suppliers and embedded within new supplier agreements where the terms of those agreements are open for negotiation;
- issue modern slavery questionnaires to medium to high value suppliers and suppliers in industries and locations with an increased risk of modern slavery occurring;
- review responses received to those modern slavery questionnaires and follow-up with any suppliers whose responses may indicate the occurrence of modern slavery within those supply chains; and
- continue to progressively monitor operations and suppliers for any modern slavery risks.

## **7. CONSULTATION WITH HPPL GROUP MEMBERS**

As outlined above, the principal subsidiaries and entities that form the HPPL Group are identified in HPPL's Annual Report for 2022. HPPL operates as an integrated group with shared management (it also financially reports on a consolidated basis).

Policies, processes and systems apply consistently to all members of the HPPL Group. Members from teams across relevant parts of the HPPL Group's business have been consulted and have had input into this Statement (and the formulation of the HPPL Group's approach to modern slavery risks).

This Statement was reviewed by senior members of the HPPL Group's executive.

## **8. RELEVANT INFORMATION**

HPPL Group representatives have attended (and will continue to attend) seminars on modern slavery and have received training on materials produced by Border Force in relation to modern slavery.

The HPPL Group will continue to keep apprised of modern slavery developments and the Global Slavery Index reports and will continue to strive for best practice to identify and, as best it can, eradicate any instances of modern slavery that are identified in its operations and supply chains.

This statement was approved by the board of directors of HPPL.

Signed by Director



Tadeusz J Watroba

21 December 2022

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