



## Modern Slavery Statement 2020

### FQM Australia Group - Modern Slavery Statement

This joint statement is made under the *Modern Slavery Act 2018* (Cth) (**Act**). It sets out the actions taken by **FQM Australia Holdings Pty Ltd** (ACN 136 613 075) (**FQM Australia Holdings**) and **FQM Australia Nickel Pty Ltd** (ACN 135 761 465) (**FQM Australia Nickel**) (FQM Australia Holdings and FQM Australia Nickel collectively referred to as "**us**", "**we**" or "**our**" for the purposes of this statement), both being entities registered in Australia and "reporting entities" under the Act, to address modern slavery risks in their operations and supply chain over the financial year ending 31 December 2020 (**reporting period**).

### Our structure, operations and supply chains

FQM Australia Holdings is a foreign owned holding company in Australia. FQM Australia Holdings wholly owns FQM Australia Nickel which operates the Ravensthorpe nickel mine in Western Australia. FQM Australia Holdings and FQM Australia Nickel are owned by First Quantum Minerals Limited, which is a mining and metals company registered in Vancouver, British Columbia, Canada, and by POSCO Holdings, which is registered in the Republic of Korea and specialises in steel making.

FQM Australia Nickel wholly owns Ravensthorpe Nickel Operations Pty Ltd ACN 092 506 584 (**Ravensthorpe Nickel**), an asset holding subsidiary.

First Quantum Minerals Limited also owns or controls other Australian companies that form part of the company's wider group that do not fall under the definition of "reporting entity" under the Act, nor are they owned or controlled by the "reporting entities" covered by this statement. Those entities support exploration and mining activities with a focus on project construction design and management.

For the purposes of this statement, we have referred to FQM Australia Holdings, FQM Australia Nickel and their controlled entity Ravensthorpe Nickel as "**Our Group**" or "**The Group**".

As at 31 December 2020, The Group employed a total of 350 people and operated across two facilities located in Ravensthorpe and West Perth. During the reporting period, The Group recommenced operations from care and maintenance and was impacted due to border closures due to Covid-19.

FQM Australia Holdings is a holding company and did not engage in any trading activities during the reporting period.

FQM Australia Nickel's operations comprise of manufacturing and selling nickel and cobalt to their customers as a mixed hydroxide precipitate product.

During the reporting period, The Group engaged directly with more than 700 suppliers from 13 countries. The Group's two largest categories of spend included the purchase of reagents (mostly sulphur) and the cost of our third party mining contractor.

The supply chain of products and services that contribute to The Group's operations include:

- Energy and utilities;
- Engineering services;
- Fixed plant maintenance;



## Modern Slavery Statement 2020

- Fuel and explosives;
- Information technology services;
- Logistics and transport;
- Mining equipment and infrastructure drilling services;
- Clothing and protective equipment; and
- Labour and labour hire.

### Risks of Modern Slavery Practices in The Group's operations and supply chain

Our Group's supply network is extensive, with supplies sourced from various countries and regions:

- Australia (85.74%);
- Austria (0.23%);
- Canada (0.42%);
- China (0.25%);
- Germany (0.03%);
- Japan (0.02%);
- Netherlands (0.06%);
- South Africa (0.03%);
- Switzerland (12.87%);
- Thailand (0.04%)
- Turkey (0.09%); and
- United States (0.22%).

The Group's upstream supply chain consists of a number of materials and services, including:

- Reagents (Sulphur, Flocculent, Limestone, Quicklime, MgO);
- Mining Contractors;
- Labour Hire;
- Plant & Equipment; and
- Consumables.

The Group prefers to procure from Australian Suppliers. Evidently, more than 85% of our goods and services are sourced directly from Australian suppliers. Our Group has determined the risk of procurement from such suppliers as low.

The second largest country of spend from which The Group sources goods is Switzerland. Purchases from Switzerland specifically relate to inter company supplies of sulphur, sourced and procured for The Group by our First Quantum Minerals Limited trading business, part of the wider global group of entities. The Swiss based trading business is also subject to the same longstanding set of internal policies as The Group.

We have limited procurement activities relating to other jurisdictions. The majority of other goods and services we source from those jurisdictions have been determined to be a low risk based on our assessment of the supplier, relevant product or service and jurisdiction.



## Modern Slavery Statement 2020

We assess the risks of modern slavery relevant to our supplies and procurement processes by considering:

**1. The risk of the supply entity.**

- We consider the ownership structure, the governance structure of the entity and the track record or history of the business in relation to human rights and ESG reporting.

**2. The industry risk or product risk.**

- We consider the risk of the industry the supplier is operating in. Some industries or products may expose individuals to hazardous materials or processes.

**3. Location risk.**

- We consider the geographical location the goods are sourced from and assess whether those locations have strong governance requirements or are associated with a higher prevalence of modern slavery.
- The majority of The Groups' goods are sourced from large OEM suppliers in Australia. The majority of The Groups' services are sourced from Australia.

**4. Spend risk.**

- We consider the materiality of the purchases to our group. Larger value supplies and ongoing commitments require greater consideration.

### **The actions we take to assess and address these risks**

There are a number of actions Our Group has taken to assess and address the risks of modern slavery throughout our operations and supply chain.

#### **1. Our Policies**

Prior to the enactment of the Act, our parent company First Quantum Minerals Limited had a longstanding set of policies in place, that are regularly reviewed, to assess and address risks of modern slavery. These include our Code of Conduct, Social Responsibility Strategy, Human Rights Policy, Environment Policy, Social Policy, Tailing Storage Facilities and Occupation Health & Safety Policy (**Policies**). These Policies ensure that our team members are dedicated to managing social, ethical and environmental issues in a responsible manner and consistent with our values.

The Policies will continue to be monitored and updated from time to time to ensure that we approach our social, ethical and environmental responsibilities in an appropriate, contemporaneous and agile manner.

We believe that strong internal policies and systems are a key aspect of ensuring we manage and mitigate the risk of modern slavery in our operations and supply chains. These Policies are made accessible to each of our employees to ensure all stakeholders are made aware of the expectations they are required to adhere to and be familiar with.

As per First Quantum Material's Human Rights Policy, all operations of The Group are guided by the principles of internationally recognised human rights, including:

- (i). The Universal Declaration of Human Rights;
- (ii). The Voluntary Principles on Security and Human Rights;



## Modern Slavery Statement 2020

- (iii). ILO Declaration on Fundamental Principles and Rights at Work;
- (iv). UN Declaration on the Rights of Indigenous Peoples; and
- (v). Guiding Principles of Business and Human Rights; Implementing the UN "Protect, Respect, and Remedy" Framework.

### **2. Committee oversight**

First Quantum Minerals Limited has established an Environment, Health, Safety & Corporate Social Responsibility Committee (**Committee**), comprising various senior leaders of The Group. The role of the Committee is to assist the Board and The Group with applicable environmental, health, safety, and corporate social responsibility policies and practices.

### **3. Risk mapping and due diligence**

As per the First Quantum Minerals Limited Code of Conduct, we will only do business with suppliers, including contractors, who maintain a zero tolerance to human rights violations, in relation to both their people and the communities in which they work. We undertake due diligence into every supplier and will terminate a contract of any provider who breaches the law or the First Quantum Code of Practice or First Quantum policies.

### **4. Employee Education and compliance**

Our Group continues to take steps to increase employee awareness and engagement regarding modern slavery. Employee inductions cover The Group Code of Conduct.

Communication to staff, contractors and suppliers regarding compliance with this statement will be made on an annual basis.

Human rights and modern slavery training will be rolled out to all staff, including procurement, contracts and logistics.

### **6. Managing supplier contracts**

The Group included a clause in all contract and purchase order templates for the reporting period applicable to supplier compliance with Environmental, Social and Governance Laws.

Contracts will be terminated with suppliers for non-compliance.

### **Further actions we intend to take to assess and address these risks**

The Group aims to engage a third party for independent bi-annual reviews to assess the risk of modern slavery for a sample of active suppliers.

The Group also intends to update contract clauses related to ESG requirements to specifically address Modern Slavery.

Training will be further developed for all staff.



## **Modern Slavery Statement 2020**

### **How we assess the effectiveness of the actions we take to address the risks of Modern Slavery**

The effectiveness of the measures Our Group takes to address the risks of modern slavery is assessed by monitoring incident reporting and trends in incident reporting. All employees are encouraged to report any incidents or suspected activities relating to modern slavery or other illegal practices to an independent third party. The email and phone number of this entity are advertised on posters across the business.

### **Process of consultation**

FQM Australia Holdings, the entity giving this statement, has engaged in consultation with FQM Australia Nickel and Ravensthorpe Nickel, including to ensure that they are aware of Our Group's obligations under the Act, our activities as outlined in this statement and our commitment to the reduction of modern slavery risk in our operations and supply chain. Our Group will continue to collaborate with internal and external stakeholders to enhance our ability to identify and address modern slavery risks if and when they arise.

This statement was approved by the Board of FQM Australia Holdings Pty Ltd (which controls the other reporting entity covered by this statement, FQM Australia Nickel Pty Ltd).

Signed

Gavin Ashley

**Director**

**FQM Australia Holdings Pty Ltd**