



Modern Slavery Statement 2022

FQM Australia - 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 2022 (**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 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 the Australian reporting entities, FQM Australia Holdings and FQM Australia Nickel, and their controlled entity Ravensthorpe Nickel, as "FQM Australia".

As at 31 December 2022, FQM Australia employed a total of 444 people and operated across two facilities located in Ravensthorpe and West Perth. During the reporting period, FQM Australia continued operations post care and maintenance and was impacted due to Covid-19 restrictions.

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, FQM Australia engaged directly with 822 suppliers from 14 countries. FQM Australia'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 FQM Australia's operations include:

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



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- 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 FQM Australia's operations and supply chain

FQM Australia's supply network is extensive, with supplies sourced from various countries and regions, including:

- Australia (81.14%)
- Philippines (0.02%)
- United Kingdom (0.01%)
- Canada (0.28%)
- Germany (0.10%)
- Japan (0.01%)
- China (0.01%)
- India (0.03%)
- Switzerland (18.01%)
- United States (0.38%)

We also sourced supplies from Slovenia, Turkey, Netherlands and South Africa, however such activities represent a very minor portion of our overall procurement activities (less than 0.00% in each case).

FQM Australia'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.

More than 81% of our goods and services are sourced directly from Australian suppliers. FQM Australia has determined the risk of procurement from such suppliers as low.

The second largest country of spend from which FQM Australia sources goods is Switzerland. Purchases from Switzerland specifically relate to inter company supplies of sulphur, sourced and procured for FQM Australia 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 FQM Australia.

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.



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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 FQM Australia's goods are sourced from large OEM suppliers in Australia. The majority of FQM Australia's 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 FQM Australia 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 established a longstanding set of policies which apply to FQM Australia and other subsidiaries. . These include a 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 Code of Conduct requires First Quantum Minerals Limited and its subsidiaries to partner with suppliers who also uphold a zero-tolerance approach toward human rights violations, ensure lawful business practices and maintain a safe, healthy and fair workplace.

First Quantum Material's Human Rights Policy seeks to respect human rights by effectively managing activities that can cause, contribute or be directly linked to human rights impacts, this includes upholding labour standards being committed to the safety of our employees. The operations of FQM Australia are guided by the Human Rights Policy and the principles of internationally recognised human rights, including:

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



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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. If an employee reasonably believes that any employee or stakeholder has violated the law, regulation or any of our Policies, our Whistleblower Policy provides a comprehensive process through which a complaint or concern may be communicated and managed.

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.

2. Committee oversight

First Quantum Minerals Limited has established an Environment, Health, Safety & Corporate Social Responsibility Committee (**Committee**), comprising various senior leaders of First Quantum Minerals Limited. The Committee reviews adherence to First Quantum's environment, health and safety policies, including the Social Policy. The Social Policy, amongst other things, strives to ensure contractors can provide safe, reliable and competitive goods and services to our operations based on the values of transparency, mutual trust and respect. The Committee assesses the suitability and effectiveness of our practices and applicability of environmental, health, safety requirements and regulations in relation to the operations of First Quantum Minerals Limited and FQM Australia. .

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 supplier who breaches the law or any of our Policies.

4. Employee Education and compliance

FQM Australia continues to take steps to increase employee awareness and engagement regarding modern slavery. Employee inductions cover First Quantum Mineral's Code of Conduct and specific content in relation to modern slavery awareness.

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

Further tailored modern slavery training has been rolled out to all staff involved in procurement, contracts and logistics. New employees within these departments are also required to complete the modern slavery training module. This assists FQM Australia with ensuring our employees are made aware of modern slavery and the potential risks associated.

5. Managing supplier contracts

During 2021, FQM Australia incorporated a comprehensive clause in our supplier agreement template covering modern slavery and compliance. The clause requires:

- (i) representations and warranties from the supplier that they will not engage in any modern slavery practices or procedures;



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- (ii) the supplier to comply with certain related laws including the Act;
- (iii) the supplier to confirm that it does not engage in modern slavery practices, and procures goods and services with a view of ensuring that no modern slavery is involved; and
- (iv) the Supplier to notify FQM Australia if the supplier becomes aware of any modern slavery practices or risks.

As of 2022, our newly negotiated, varied or renewed contracts include the expectation for suppliers to adhere with our Supplier Code of Conduct, which makes reference to modern slavery compliance.

If a supplier does not cooperate with our attempts to minimise the risk of modern slavery in our supply chain and operations, and/or refuses to include modern slavery obligations into our supply agreement, we may elect to terminate (or cease to renew) our contract with that supplier.

6. Supplier Code of Conduct

During 2022, FQM Australia reviewed our onboarding practices and approach towards supplier due diligence. To enhance our current processes and ensure our suppliers align with our zero-tolerance approach towards modern slavery and human rights violations, FQM Australia developed and implemented a Supplier Code of Conduct.

The Supplier Code of Conduct will be provided to new and existing suppliers in the instance these respective supply contracts are being negotiated, varied, or renewed. These suppliers are expected to acknowledge and adhere to the Supplier Code of Conduct, and this requirement will be included as a standard term of our contract templates and as a standard term of our purchase order template.

The Supplier Code of Conduct expects suppliers to meet the requirements set out in relation to, amongst other things, workplace health & safety, governance and business ethics, labour rights and modern slavery.

Actions taken to assess and address these risks

FQM Australia is committed to enhancing the actions we take to minimise potential modern slavery risks in our operations and supply chains. During this reporting period, FQM Australia:

- updated our supplier agreement template to include a comprehensive modern slavery clause which requires suppliers to warrant to us, amongst other things, that the supplier does not engage in modern slavery practices;
- formulated a Supplier Code of Conduct;
- enhanced our modern slavery training to employees and provided this tailored training to all staff involved in procurement, contracts and logistics; and
- improved our employee onboarding processes by ensuring all new employees within the procurement, contract or logistics department complete our modern slavery training module.

We are also planning to implement the following processes moving forward:

- engage a third party to conduct independent bi-annual reviews to assess the risk of modern slavery for a sample of active suppliers;



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- continue enhancing and providing modern slavery awareness training;
- continue to implement our modern slavery compliance requirement into existing or new supplier agreements;
- distribute our Supplier Code of Conduct to new and existing suppliers in respect of supply contracts being negotiated, renewed, or varied;
- ensure supplier agreements with new and existing suppliers (in which contracts were being negotiated, renewed, or varied) include a clause requiring adherence to our Supplier Code of Conduct; and
- update our purchase order template to include a requirement to adhere to our Supplier Code of Conduct.

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

The effectiveness of the measures FQM Australia 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 actively consulted with FQM Australia Nickel (the other reporting entity covered by this statement) and Ravensthorpe Nickel (an entity controlled by FQM Australia Holdings and FQM Australia Nickel) throughout the process of preparing, and in respect of the development of, this statement. FQM Australia Holdings has also ensured that FQM Australia Nickel and Ravensthorpe Nickel are aware of FQM Australia'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. FQM Australia 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