

MODERN SLAVERY STATEMENT FY2020



This Modern Slavery Statement for the Atlas Group is made pursuant to section 14 of the *Modern Slavery Act 2018 (Cth)* for the financial year 1 July 2019 - 30 June 2020.



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1 The Reporting Entity

Atlas Iron Pty Ltd ACN 110 396 168 (ABN 63 110 396 168) is the **reporting entity** as defined in the *Modern Slavery Act 2018* (Cth).

Atlas Iron Pty Ltd is an Australian entity and has consolidated revenue in excess of \$100 million during the 1 July 2019 to 30 June 2020 reporting period.

This Statement is made by Atlas Iron Pty Ltd.

In this Statement, any reference to **Atlas or the Atlas Group** means Atlas Iron Pty Ltd and its subsidiaries. Further details of Atlas Iron Pty Ltd's material subsidiaries are outlined in Atlas Iron Pty Ltd's Annual Report for 2020.

Atlas is committed to the highest standards of conduct and ethical behaviour in all its business activities. Atlas seeks to maintain a work environment that promotes honest and ethical behaviour.

In line with its obligations under the law, Atlas is committed to achieving and ensuring ethical behaviour in its business and with those suppliers with whom it contracts.

Atlas recognises the effect of Modern Slavery and how serious exploitation and substandard working conditions or under payment of workers are considered to be illegal practices. Atlas also acknowledges that in poorer countries people do willingly work in what Australians would consider substandard working conditions and for underpayment, however these people need to work so that they and their families can eat and survive.

Atlas 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

Atlas expects its suppliers and contractors to adhere to the same high standards in their own operations, within reason. Atlas expects its suppliers and contractors to ensure that they are not, in any way, involved in Modern Slavery.

This is Atlas' first Modern Slavery Statement. During this first reporting period, Atlas has commenced the assessment of Modern Slavery risks (which will be a continuous process) and the appropriate response to those risks.

2 About Atlas: Structure, Operations and Supply Chains

2.1 Structure

Each Australian registered member of the Atlas Group is a proprietary limited company. Further details of Atlas Iron Pty Ltd's material subsidiaries are outlined in Atlas Iron Pty Ltd's Annual Report for 2020.

Atlas Iron Pty Ltd is 99% owned by Redstone Corporation Pty Ltd, a wholly-owned subsidiary of Hancock Prospecting Pty Ltd and 1% owned by Marubeni Iron Ore Australia Pty Ltd.

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Atlas' corporate structure is made up of the Atlas Board, Chief Executive Officer and leadership team members covering key areas of operations, development, sales, finance and governance.

2.2 Operations

Atlas is an iron ore producer, mining and exporting direct shipping ore from its operations in Western Australia's Pilbara region.

Atlas owns, conducts and operates an iron ore exploration, development, mining, processing and logistics operation in the Pilbara region of West Australia. Atlas produces and sells in excess of 9 million tonnes of iron ore per annum.

Atlas' key operating sites include the Mt Webber and Sanjiv Ridge iron ore mines. Atlas' iron ore is shipped from the port of Port Hedland. Atlas also owns a number of projects in a development phase including the Miralga Creek and McPhee iron ore projects and the Ridley Magnetite Project.

Atlas' principal place of business and its registered office is Level 17, 300 Murray Street Perth WA 6000.

2.3 Atlas workforce

As at 30 June 2020, the Atlas Group had 96 employees.

2.4 Traditional owners

Atlas interacts with Pilbara Traditional Owner groups including the Nyamal, Palyku and Kariyarra people. We recognise the connection that Traditional Owners have with the land, and we work with Traditional Owners to develop Aboriginal employment and business opportunities and enshrine heritage protocols that allow for the protection of culturally significant areas and objects.

2.5 Philanthropy

Atlas administers a program of grants to provide financial boosts to small and community-based non-profit organisations, who operate in the Pilbara at a grassroots level. Atlas also provides grants from time to time to organisations where Atlas employees volunteer in order to support our employees who are actively giving back to the community.

2.6 Supply Chain

The Atlas supply chain covers construction, development, mining, crushing, haulage, shipping and sales to customers. Atlas' supply chain is global, with products and services being obtained from Australia and internationally.

Atlas' procurement and commercial teams are responsible for purchasing goods and services for operations and Atlas' project teams are responsible for purchasing goods and services for any development projects.

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

Atlas' supply chain covers a broad range of goods and services including:

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- 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

2.7 Location of suppliers

Atlas suppliers are located globally. The table below sets out the percentage of net value spend per country for the financial year ending 30 June 2020.

Supplier Country/Region	% Net Value
Australia	85.98%
Singapore	7.18%
Japan	1.89%
Malta	1.81%
Hong Kong	1.57%
China	0.57%
Belgium	0.37%
Taiwan	0.20%
Switzerland	0.19%
Italy	0.17%
Norway	0.04%
United Kingdom	0.02%
United States	0.01%

The majority of Atlas' suppliers of goods and services are located within Australia however Atlas acknowledges that some of these suppliers on-sell goods sourced from other countries.

3 Actions taken to identify risks

Atlas is not aware of any Modern Slavery practices occurring in its operations or supply chains.

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3.1 Potential Modern Slavery risks in operations

Atlas' operations are located in Western Australia and our employees (who range from engineers, geologists and electricians to administrators, accountants, lawyers and other professionals) are paid in accordance with Atlas' remuneration and recruitment policies and any award applicable to that employee's job type.

At 30 June 2020, around 20% of Atlas employees worked on a fly-in fly-out (**FIFO**) basis. Most employees of Atlas' mining, crushing, haulage and camp services contractors also work FIFO. Atlas understands the challenges that face FIFO workers and works hard to support its FIFO workers. Atlas ensures that on-site accommodation is of a high quality and invests time in supporting staff to make smart health, social and safety choices.

All Atlas and contractor employees (and their partners and dependents) have access to free counselling through the Atlas BSS employee assistance programme. Flu vaccinations are also made available for free to all employees and key site contractors.

Atlas also offers its employees training and career enrichment programmes.

These policies and protections, combined with Australia's low ranking in the Global Slavery Index, mean that Atlas considers that the risk of Modern Slavery occurring in its operations is low.

3.2 Potential Modern Slavery risks in supply chain

Atlas acquires goods and services from high risk industries (such as garments, electronics, construction and shipping) and suppliers located in high risk countries, as identified by the Global Slavery Index. Atlas 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.

In this first reporting year, Atlas took action to identify its Modern Slavery risks by reviewing its supplier spend data in conjunction with the Global Slavery Index to identify suppliers in high risk industries and high risk locations. Suppliers in these high risk industries and high risk locations were identified to be in the first group of suppliers on whom due diligence would be performed.

In addition Atlas reviewed the supplier spend data to identify its high value suppliers. These high value suppliers were also identified to be in the first group of suppliers on whom due diligence would be performed. Atlas is conscious that this initial review resulted in only a proportion of its suppliers being identified for due diligence. Atlas will in future years broaden the scope of its due diligence so as to complete a further due diligence on its suppliers.

Due diligence questionnaires were issued to suppliers after the end of the first reporting period and Atlas will report in future reporting periods on the outcomes of its due diligence.

To supplement the due diligence questionnaires, desktop reviews of existing key suppliers were also undertaken during this first reporting period to assess:

- which of our existing supplier contracts contained the Atlas group standard Modern Slavery contract clause which was introduced in December 2019 and which contracts would require amendment; and

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- publicly available information about suppliers' Modern Slavery policies, reporting obligations or press.

3.3 Impact of COVID-19

While operations and employment continued during COVID-19, Atlas' focus was keeping our people safe, keeping our people healthy and keeping production going. Undoubtedly, the business critical operational changes required by COVID-19 impacted Atlas' ability to undertake Modern Slavery risk reviews to the degree it had planned. Equally Atlas is aware that its operational changes responding to COVID-19 and the effect of COVID-19 generally has impacted greatly on our suppliers.

Atlas was proactive in safeguarding the health and safety of employees, including:

- being an early adopter of working from home arrangements for many Atlas employees;
- initiating hygiene and wellbeing programs to assist employees and contractors;
- paying allowances to employees for changes to their work and impact on home life;.
- conducting regular COVID-19 testing;
- providing regular detailed updates with government-issued information; and
- assisting with temporary arrangements for interstate FIFO personnel.

4 Actions taken to address risks

Atlas primarily addresses Modern Slavery risks through its procurement and operational procedures and policies, together with the strong relationships which it forms with its suppliers.

In this first reporting year, Atlas took action to consider and prepare the necessary policies and processes to address Modern Slavery risks as well as undertaking preliminary due diligence on its suppliers. Atlas did not identify any Modern Slavery instances with suppliers that required remediation in this first reporting period.

Atlas developed its:

- Modern Slavery Policy
- Modern Slavery Supplier Principles
- Modern Slavery Supplier Questionnaire

Atlas' **Modern Slavery Policy** states that Atlas 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. It also states that Atlas expects its suppliers and contractors to adhere to the same high standards in their own operations, within reason.

Atlas' **Supplier Principles** address business integrity, social performance, promotion of policies and whistleblowing.

Atlas intends that the Supplier Principles must be accepted by all new suppliers. As the Supplier Principles were not published in this first reporting year but in future reporting years, Atlas will monitor and report on the acceptance rate by its Suppliers of these principles.

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Atlas is preparing an internal **Specification** to provide the framework for Atlas' compliance with the *Modern Slavery Act* 2018 (Cth) and for addressing Modern Slavery risks in its operations and supply chains. The Specification will set out:

- accountabilities;
- the approach to supply chain mapping and risk assessment;
- on-boarding and contracting requirements;
- auditing and compliance approach;
- training proposals;
- confidential internal reporting; and
- the approach to remediation of any issues arising.

In this first reporting period, Atlas also took action to:

- review its tender process;
- review its supplier on-boarding process;
- introduce a standard Modern Slavery contract clause; and
- review its existing Code of Conduct, Standards and Policies for any requirement to revise to include provisions relating to Modern Slavery

Atlas is also reviewing the need to develop and deliver Modern Slavery training to employees in procurement, projects, human resources as well as the leadership team. Training will address what Modern Slavery is, what Atlas is doing to address Modern Slavery risks and how employees should report any concerns about Modern Slavery.

5 Assessment of the effectiveness of actions taken

In this first reporting period, Atlas identified that Atlas will undertake two internal audits:

- an internal audit on Atlas' compliance with its Modern Slavery Specification, once established, to identify any areas for improvement; and
- an internal audit on the effectiveness of Atlas Modern Slavery processes and policies to assess and address Modern Slavery risks and identify any areas for improvement.

Atlas will look to continuously improve its approach and management of Modern Slavery risks.

6 Consultation

Atlas operates as an integrated group, with shared management. Policies, processes and systems apply consistently to all members of the Atlas Group. Teams across key parts of the Atlas business have been consulted and have had input into this statement (and the formulation of the Atlas Group approach to Modern Slavery risks).

This statement was reviewed by Atlas' Chief Executive Officer, Chief Financial Officer and General Counsel and Company Secretary.

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7 Relevant Information

Atlas representatives have attended (and will continue to attend) seminars conducted by private presenters on Modern Slavery as well as having regard to materials produced by Border Force. Atlas will continue to keep apprised with Modern Slavery developments, the Global Slavery Index reports and strive for best practice in relation to, as best it can, identifying, reporting and dealing with instances of Modern Slavery.

This statement was approved by the Board of Atlas Iron Pty Ltd.

Handwritten signature of Spiro Pappas in black ink.

Spiro Pappas
Chairman

Handwritten signature of Sanjiv Manchanda in blue ink.

Sanjiv Manchanda
Chief Executive Officer