

1. Purpose

This Statement is made under the Australian Modern Slavery Act 2018 (Cth) (“**Act**”) for the financial year ending 30 June 2021 (“**FY2021**”) and is published on behalf of Mount Gibson Iron Limited ACN 008 670 817 and each of its wholly own operating subsidiaries (together “**Mount Gibson**” or the “**Company**”).

The Statement details the steps Mount Gibson has taken to assess modern slavery risks within its business and/or supply chains and practical steps to be taken to help minimise those risks.

2. Background of Mount Gibson

Mount Gibson is an established Australian producer and exporter of direct-shipping hematite iron ore and is a public company listed on the Australian Securities Exchange (**ASX:MGX**).

Mount Gibson is headquartered in Perth. The Company owns the Shine and Extension Hill iron ore operation in the Mid-West region of Western Australia, and the high-grade Koolan Island mine off the Kimberley coast in the remote north-west of the State. Mount Gibson’s iron ore is mainly shipped to Chinese steel mills with some sales to steel mills in other Asian countries.

Mount Gibson’s direct suppliers are predominantly located in Australia. Mount Gibson has over 1,150 registered suppliers and its procurement expenditure in FY2021 was \$396M, with 92% of expenditure paid to suppliers in Australia, approximately 7.5% in respect of foreign shipping contracts and 0.5% in sourcing of structural steel from overseas. It is recognised that some of our Australian suppliers will likely source products from overseas.

Mount Gibson’s key business supply functions include:

- **Exploration** – drilling and geophysical contractors, and analysis laboratories;
- **Mining operations** – explosives, plant and equipment, spares, labour hire arrangements, and personal protective equipment;
- **Camp services** – accommodation, cleaning and catering at site;
- **Site support services** - air charter, fuel supply, road and rail haulage, port services, stevedoring and shipping;
- **Corporate support services** - corporate facilities management such as maintenance, security and cleaning; and
- **Investment** – financial investments held in treasury and corporate assets.

3. Modern Slavery - Risk Areas

Mount Gibson has undertaken a preliminary desktop risk review of its business operations and supply chains to determine its level of exposure to modern slavery risks. The review was initially undertaken by an independent human rights specialist and extended to reviewing background corporate and operational information, relevant corporate governance policies, and undertaking interviews of key personnel from different aspects of the business and two external suppliers.

Based on preliminary due diligence investigations, there were no incidents of modern slavery identified within Mount Gibson's operations, and nothing to suggest that any of its suppliers engaged in such practices. However, Mount Gibson recognises that it has limited visibility in respect of some of its suppliers and that it is still developing its capability to systematically identify and respond to modern slavery risk across its operations and supply chain.

The report identified a number of "hot spot" areas in Mount Gibson's operations and supply chains where modern slavery risks could potentially arise if left uncontrolled.

These included areas around:

- **Shipping** - the global shipping industry is subject to widespread reporting of human rights violations. Mount Gibson's core business activity includes the export of iron ore to China. Mount Gibson has limited visibility over the employment conditions and labour standards on ships used to transport its ore and further uses an agent to secure vessels.
- **Site workforce** – Mount Gibson is aware that the risks of modern slavery are exacerbated in business models such as contracting, subcontracting and use of third parties. Mount Gibson's workforce across all of its sites has an estimated ratio of 50:50 permanent direct employees to contractors. The site workforce also includes service providers that manage the accommodation site through the provision of cleaning, catering and gardening services. These types of services can attract individuals from vulnerable backgrounds, being migrant, low socioeconomic, culturally, and linguistically diverse.
- **Head office - corporate facilities management** - The management of Mount Gibson's corporate head office also includes services relating to maintenance, security and cleaning where individuals may be susceptible to modern slavery risks.
- **Personal Protective Equipment** - Mount Gibson purchases personal protective equipment such as hard hats, safety glasses, ear plugs, high visibility shirts, vests, pants, jumpsuits, safety hard steel capped boots and other apparel. Mount Gibson is aware that poor working conditions and exploitative practices, particularly in overseas factories and manufacturing facilities, have been found in the garment and textile industry which reportedly creates an enabling environment for slavery-like practices to occur particularly for women and children.
- **Investments** - Mount Gibson's financial investments are a significant part of its operations. At this stage Mount Gibson does not have a full profile of the potential modern slavery risks associated with its treasury and corporate investments, but given the majority of these treasury investments

relate to bank term deposits, corporate bonds and equity interests in Australian ASX entities, modern slavery risks are considered low.

4. Response to Modern Slavery risks

During FY2021, Mount Gibson commenced a number of action items to enhance its response to modern slavery risks in its business operations and supply lines.

These steps included:

- **Governance** – confirming that responsibility to oversee Mount Gibson’s management of modern slavery risks has been delegated by the Board to its Operational Risk & Sustainability Committee (“ORSC”);
- **Policy** – finalising a Modern Slavery Policy to acknowledge Mount Gibson’s commitment towards the eradication of modern slavery from its business operations and supply lines. The Policy provides guidance to Directors, management, employees, contractors and suppliers on Mount Gibson’s expectations regarding modern slavery risks;
- **Employee Code of Conduct** – updating the Employee Code of Conduct to make specific reference to the importance of human rights and modern slavery issues;
- **Education** – the Board and senior management are increasing their knowledge and understanding of modern slavery risks and how Mount Gibson may be able to make a positive contribution to reducing any modern slavery risks in its business;
- **Annual risk review** – consideration of modern slavery risks is now included as part of Mount Gibson’s whole of business annual risk review process;
- **Supplier questionnaire** – a supplier questionnaire has been developed as part of a pre-qualification process for suppliers in “hot spot” areas that have the greatest exposure to modern slavery risks. The intent of the questionnaire is to understand the supplier’s approach towards modern slavery issues, and the steps they have undertaken to identify, manage and eradicate any potential modern slavery risks; and
- **Modern slavery clauses** – development of modern slavery clauses have been included in labour hire and supply contracts wherever possible. These clauses require contractors to commit to having proper systems in place to protect against modern slavery, and if applicable a process to investigate and remediate against incidents of modern slavery.

5. Assessment of effectiveness of actions to risks

Mount Gibson has assessed the effectiveness of actions it has taken to reduce modern slavery risks in its supply lines. The actions taken with establishing a specific modern slavery policy, enhancing the Employee Code of Conduct and level of education around modern slavery risks has resulted in an improved governance structure and greater visibility and understanding around potential modern

slavery risks and what can practically be done to make a difference. The annual risk review has provided a forum for discussing "hot spot" areas and considering whether if there have been any changes to the business during the period that may alter the existing risk profile in respect of modern slavery risks. The response to supplier questionnaires connected to "hot spot" areas has provided a level of confidence that the businesses approached are mindful of modern slavery risks and have relevant policies and oversight in place. The introduction of modern slavery clauses in Mount Gibson's supplier contracts has also reinforced the Company's stance in respect of mitigation of modern slavery risks. It is not uncommon for suppliers to also have equivalent obligations imposed upon Mount Gibson. The Company is seeing mutual recognition of the risks of modern slavery.

Mount Gibson will continue to assess the effectiveness of the actions it has undertaken in identifying and managing modern slavery risks. Mount Gibson will work with its suppliers in risk areas and make changes if required to improve its approach towards managing risks in this area.

6. Review process

Each year Mount Gibson management will report to ORSC on its progress towards implementing the actions detailed above. Management will also report to the ORSC and ultimately the Board if there are any incidents of modern slavery in its operations and supply lines identified that have been disclosed during the year, and if so, steps taken to remove those risks.

7. Consultation process

All operating subsidiaries within the Mount Gibson group are held directly or indirectly through 100% shareholding interests. The only Directors on these subsidiary entities are members of Mount Gibson executive team and they have been involved in the modern slavery risk assessments across the Mount Gibson group. Accordingly, Mount Gibson has actively engaged and consulted with all companies that it controls in the development of this Statement during the reporting period.

8. Approval

The Board members of Mount Gibson Iron Limited ACN 008 670 817, and of its relevant operating subsidiaries Mount Gibson Mining Limited ACN 074 575 885, Koolan Iron Ore Pty Ltd ACN 009 455 277, and Geraldton Bulk Handling Pty Ltd ACN 100 105 388 have authorised and approved the publication of this Statement.



Peter Kerr

Chief Executive Officer

Mount Gibson Iron Limited

10 December 2021