

Fortescue WAE

FY23 Modern Slavery Statement





Fortescue is a values-based business with a strong, differentiated culture.

We believe that by leveraging the unique culture of our greatest asset, our people, we will achieve our stretch targets.

Fortescue acknowledges the Traditional Custodians of the lands where we work. We acknowledge their rich culture and their continuing connection to land, waters and community. We are proud to work with, partner and engage with Aboriginal and Torres Strait Islander peoples. We pay our respects to the people, the cultures and the Elders, past, present and emerging.

Our Values

Family

Empowerment

Frugality

Stretch Targets

Integrity

Enthusiasm

Safety

**Courage and
Determination**

Generating Ideas

Humility

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Modern Slavery and Human Trafficking Statement for the financial year ended 30 June 2023 pursuant to s. 54 of the Modern Slavery Act 2015

Important note

This statement should be read in its entirety, together with the Forward Looking Statement Disclaimer at the back of this statement.

1. ABOUT THIS STATEMENT

This statement has been prepared by WAE Technologies Limited (“Fortescue WAE”) to meet the requirements of the United Kingdom Modern Slavery Act 2015 (the “Act”).

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Fortescue WAE, formerly Williams Advanced Engineering Limited, was acquired by Fortescue Limited (“Fortescue”) on 28 February 2022. Fortescue is a public company listed on the Australian Securities Exchange. Fortescue publishes a joint modern slavery statement on behalf of its reporting entities, owned and controlled entities (except for Fortescue WAE) under the Australian Modern Slavery Act 2018 (Cth).

This statement details the actions Fortescue WAE has undertaken to prevent modern slavery and human trafficking risks within our operations and supply chain.

All references to our, we, and us refers to Fortescue WAE. The definition of modern slavery follows the Act including slavery, servitude and forced or compulsory labour and human trafficking.

As part of the Fortescue acquisition, Fortescue WAE changed its accounting period to 1 July to 30 June. Fortescue WAE did not previously submit a statement covering the first “extension” - 1 January 2022 to 30 June 2022 as it had already submitted its Modern Slavery report ending 31 December 2021. This statement, therefore, covers 1 January 2022 to 30 June 2023. Ongoing statements will be in line with Fortescue WAE’s new accounting period.

2. OUR ORGANISATION STRUCTURE AND BUSINESS

Fortescue WAE is a wholly owned subsidiary of Fortescue. Fortescue has its head office in Western Australia. Fortescue is the number one integrated green technology, energy and metals company, recognised for its culture, innovation and industry-leading development of infrastructure, mining assets and green energy initiatives. The acquisition of Fortescue WAE was an important step in Fortescue’s transition to a global green energy and resources company.

Fortescue WAE is a technology and engineering services business, applying world-class technical innovation, engineering, testing and manufacturing services to deliver energy efficient performance.

Our people are experts in electrification and battery technology, aerodynamics and thermodynamics,

performance and specialist low-volume manufacturing. We operate across a wide range of sectors from automotive and motorsport, aerospace and defence, rail, off highway, and energy. We work in close collaboration with our customers and partners to meet the key engineering challenges of the 21st century – focusing on mobility, energy storage sustainability and efficiency.

During the period, Fortescue WAE has continued to grow its labour force to reflect its continued success with a work force of just over 700 on 30 June 2023. In May 2023, Fortescue WAE merged with Fortescue’s Green Fleet team in Australia, increasing the wider headcount by another 300 people approximately, although these people are employed through Australian Fortescue entities rather than Fortescue WAE.

3. OUR SUPPLY CHAIN

During FY23, Fortescue WAE spent approximately £123 million on contestable goods and services with 1,167 suppliers Tier 1 suppliers. Nearly 80% of Fortescue WAE's procurement spend was domestic, representing 60.8% of all Tier 1 suppliers. During the extended period of reporting, 1 January 2022 to 30 June 2023, the majority of our spend and suppliers were also based in the UK. The top 5 countries by spend from which Fortescue WAE procures from are set out below in Table 1 (1 July 2022 to 30 June 2023). The top 5 countries represent 95% of total contestable spend. Fortescue WAE's top 5 procurement categories are set out below in Table 2 and represent 43% of our total procurement spend.

Table 1

| | Country | Number of suppliers | Spend in GBP | Global Slavery Index 2023, (prevalence per 1,000 people) |
|---|-------------------------|---------------------|---------------|--|
| 1 | UK (domestic spend) | 710 | 97.8m | 1.8 |
| 2 | France | 12 | 6.9m | 2.1 |
| 3 | United State of America | 18 | 6.6m | 3.3 |
| 4 | Germany | 30 | 3.3m | 0.6 |
| 5 | Italy | 15 | 2.1m | 3.3 |
| | Total | 785 | 116.7m | |

Table 2

| | Category | Description | Procurement Spend Percentage |
|---|------------------------|---|------------------------------|
| 1 | Information Technology | IT Support Services, IT Hardware, IT Software. | 13.2% |
| 2 | Facilities | Buildings, facilities costs, fit-out and furniture. | 10.6% |
| 3 | Cells | Cells for battery packs. | 7.2% |
| 4 | Metallic Machining | Metallic components for products. | 6.3% |
| 5 | Testing | Outsourcing to test houses. | 5.8% |

4. KEY ADDITIONAL ACTIONS TAKEN DURING THE REPORTING PERIOD

- Fortescue WAE adopted Fortescue's Values and Code of Conduct and Integrity policy, furthering our commitment to business integrity.
- We adopted a new Whistleblower Hotline Policy which allows people to anonymously report their concerns including those relating to any potential modern slavery.
- Fortescue's Human Rights Adviser conducted face to face training for over 100 Fortescue WAE personnel.
- A Legal Compliance Adviser was appointed to support our modern slavery governance and risk mitigation efforts.
- We assessed due diligence tool providers to commence due diligence analytics of current and new suppliers during FY23.
- Employee bank account details were reviewed to ensure they match with the person being employed.

5. MODERN SLAVERY RISK ASSESSMENT

We recognise two main areas where modern slavery risks may be present in our business: (1) our broader supply chain; and (2) the recruitment and onboarding of staff, including temporary staff (more on this is set out at our workforce and recruitment practices).

Our supply chain risk assessment considers country, spend and category risk. We recognise that modern slavery risks exist in all countries, however, based on external sources, such as Walk Free's Global Slavery Index (2023), some countries and categories have a higher prevalence of modern slavery than others. For our supply chain risk assessments, country risk is informed by external indices provided by Walk Free's Global Slavery Index (2023), using the prevalence of modern slavery per 1,000 of the population.

For this statement, we have assessed the country risk of our top 100 suppliers based on their business locations. These suppliers are located in Australia, Canada, Germany, France, United Kingdom, Hong Kong, Italy, and the United States. Based on the Global Slavery Index, these source locations are considered to have a lower prevalence of modern slavery.

Due to the location of Formula-E races (where we provide batteries and services to teams), we also occasionally procure a very small number of one-off items in higher risk countries, such as Saudi Arabia (21.3 people per 1,000) and Mexico (6.6 people per 1,000). Typically, this would represent hotel accommodation and related spend. Due to the one-off nature, and brief period spent racing in these countries, these one-time vendors are not currently subject to the same level of due diligence as our on-going regular suppliers. In 2024, taking a risk-based approach, we will seek to undertake screenings of these suppliers where considered appropriate.

Certain categories of goods and services may also carry higher modern slavery risks than other. For example, electronics relating to Information Technology including laptops and mobile phones, and battery cells are considered higher risk categories due to the supply chain of their component minerals such as cobalt and lithium, and use of temporary staff.

6. STEPS TO PREVENT MODERN SLAVERY RISK

a. Supply chain due diligence and risk management

Fortescue WAE is committed to implementing effective systems and controls to ensure that our suppliers recognise our standards for compliance with applicable laws and regulations, including those relating to the prohibition of modern slavery and human trafficking.

When onboarding suppliers we undertake Dunn and Bradstreet checks to understand their credit worthiness amongst other financial and corporate matters.

As part of supplier onboarding, we also require suppliers to complete a modern slavery due diligence questionnaire which includes asking suppliers: if they have clear standards on modern slavery; if they undertake modern slavery training; whether their contracts oblige their suppliers to comply with modern slavery legislation; and whether they have procedures in place to identify and address modern slavery. We assess the responses to the questionnaire according to the level of risk associated with the relevant supplier and its products or services.

During the reporting period we investigated potential additional due diligence tools to help us increase our third-party due diligence efforts, including that relating to modern slavery. In FY24, we will implement our chosen due diligence tool and perform adverse media checks, including modern slavery. Work is also underway for FY24 to commence an annual supplier questionnaire which will also include questions relating to modern slavery.

b. Site visits

In the period 1 January 2022 to 30 June 2023, we undertook 14 site visits to our joint venture battery production supplier. We undertook 38 site visits to our Tier 1 suppliers.

For the period 1 July 2022 to 30 June 2023, we undertook site visits to approximately 135 Tier 1 suppliers. Including repeat visits and joint venture visits, we undertook approximately 292 site visits overall. Due to the nature of battery cell production, there is limited “human” involvement as: 1) a sterile environment is generally required; and 2) a human cannot physically undertake some of the manufacturing processes to the degree of accuracy required. In 2024, we will seek to better understand more about our key cell providers’ supply chain and ESG credentials, and further set out our modern slavery expectations.

In addition, we will provide further guidance for all people undertaking site visits to help them spot potential signs of modern slavery.

c. Terms and Conditions

Our standard purchasing terms and conditions place obligations upon our suppliers, including to:

- adhere to modern slavery laws;
- allow us to audit them to ensure compliance;
- notify us if any actual or suspected modern slavery or human trafficking takes place in connection with their contract with us; and
- implement their own due diligence procedures.

Under our standard terms we are entitled to terminate our contractual relationship with a supplier for breach of the obligations outlined above.

d. Internal Policies on, and related to, Slavery and Human Trafficking

i. Fortescue WAE Ethics Policy and Fortescue Code of Conduct and Integrity

Fortescue WAE’s Ethics Policy sets out the standards by which all employees are expected to conduct business and it specifically highlights our position on modern slavery both for our employees and the businesses with which we engage.

Fortescue’s Code of Conduct and Integrity establishes the essential standards of personal and corporate conduct expected of our employees, suppliers, contractors and those we do business with, including in relation to human rights and modern slavery. It sets out Fortescue’s reject of modern slavery in our operations and supply chain. The Code of Conduct and Integrity applies to all Fortescue activities.

ii. Fortescue Human Rights Policy and Fortescue WAE Anti-Slavery and Human Trafficking Policy

Fortescue's Human Rights Policy sets out our corporate commitment to respecting human rights and our rejection of modern slavery in our operations and supply chain. Our Human Rights Policy applies to all of Fortescue's activities, and together with our Code of Conduct and Integrity forms the foundational documents for respecting human rights at Fortescue.

In addition to Fortescue's Human Rights Policy, Fortescue WAE has a standalone Anti-Slavery and Human Trafficking Policy which articulates our expectations of employees and Fortescue WAE's approach. We are clear that modern slavery continues to be an abhorrent part of our society and that we must all do our part to identify and eradicate wherever possible. The Policy forms part of our educational efforts for employees. The purpose of the Policy is to ensure that all staff:

- are aware of modern slavery issues, and our zero-tolerance approach;
- understand the internal processes which must be followed to ensure that appropriate due diligence is conducted on potential suppliers; and
- know how to report any potential issues so that action can be taken.

iii. Whistleblower Hotline Policy

Mid 2023, we adopted Fortescue's Whistleblower Hotline Policy replacing our Public Interest Disclosure Procedure. Both documents support people raising concerns internally. As part of the Fortescue group people can now under the new Whistleblower Hotline Policy also make reports via Fortescue's global Hotline. The Hotline is a secure, confidential, independent channel operated by an external third party and is available for anyone to raise concerns, including human rights, modern slavery and / or human trafficking concerns, seek further assistance or report potential misconduct.

The Hotline has toll free phone numbers, and online reporting (email and portal); is available in multiple languages; accessible 24 hours, seven days a week; offers the option to be anonymous and the ability to follow up on concerns raised.

All potential human rights and modern slavery concerns or allegations received via the Whistleblower Hotline are investigated following the process set out in our Whistleblower Policy. The effectiveness of the Whistleblower Hotline is regularly reviewed by the Global Governance and Compliance Team.

During the reporting period, Fortescue WAE did not receive any whistleblower reports. Between 1 July 2022 and 30 June 2023, Fortescue received 60 reports across the rest of the Group with two concerning modern slavery allegations.

| Hotline details | |
|-----------------|--------------------------------|
| Free call | 0808 149 1671 (United Kingdom) |
| Email | Fortescue@deloitte.com.au |
| Online | www.fortescue.deloitte.com.au |

iv. ESG Policy

Fortescue WAE also has an Environmental, Social and Governance (ESG) Policy to set out our vision to improve sustainability within our supply chains and to reinforce our commitment to eradicating slavery and human trafficking from our business operations and supply chains.

v. Anti-Bribery and Corruption Policy

Our Anti-Bribery and Corruption Policy sets out the standards of behaviour we expect to ensure the integrity of our supply chains and reduce the risk of bribery and corruption across our business. Bribery and corrupt behaviour can often be closely associated with other illegal behaviour, such as modern slavery, and so this policy helps to mitigate associated modern slavery risks.

e. Training

Fortescue WAE understands the importance of building compliance capability across its business and, to ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide training to our employees.

For much of the reporting period, new joiners were required to undertake online modern slavery training. From March to June 2023, whilst we changed online learning providers, new joiners did not receive online training, but were still made aware of our relevant policies. In 2024 we will implement Fortescue's Human Rights and Modern Slavery online training.

In addition, Fortescue's Human Rights Adviser conducted face to face training for over 100 Fortescue WAE staff. A lunch and learn was conducted for over 60 people on human rights and modern slavery. Further deep dive training was undertaken for teams most likely exposed to modern slavery risk – procurement and Human Resources. Over 40 members of our procurement team received training - including key signs to look for and due diligence requirements. Our HR, Learning and Development and Talent Acquisition teams also received bespoke training including red flags, and checks that can be undertaken to mitigate modern slavery risks.

f. Our workforce and recruitment practices

We aim to attract a diverse workforce of people who are passionate about what they do, reflect our values, and simply want to do their best. We recruit, promote and reward people on merit. Our Equality Policy sets out our commitment not to discriminate based on a person's age, disability, gender or gender reassignment, pregnancy or maternity, race, religion or belief, sex, sexual orientation or marriage/civil partnership.

We always operate in a legal and ethical manner with our recruitment practices and ensure an individual's legal right to work within the given country is checked; appropriate references are received; and suitable identity documentation is available to the candidate (i.e., they have access to their passport or other similar legal documentation in their name and it is not held by anyone other than the employee). For some roles (e.g., senior or specialist roles), identity confirmation checks are also carried out.

Our workforce information as at 30 June 2023 is set out below.

| Division | No of Employees | No of Casuals | No of Contractors | Total number of workers |
|------------------------------------|-----------------|---------------|-------------------|-------------------------|
| Fortescue WAE Technologies Limited | 578 | 27 | 99 | 704 |

Our workforce is 82% directly employed, giving us direct visibility of recruitment and onboarding processes of the vast majority of our people.

In early 2022, as part of Fortescue’s due diligence of Fortescue WAE’s business, an independent audit of working practices was undertaken by an external party. The audit focused on various labour practices including time off in lieu and overtime. The objectives of the assessment looked at worker conditions at Fortescue WAE’s operations and its supply chain due diligence processes. Although no incidents of modern slavery were identified, the assessment identified some improvement opportunities in the areas of overtime and fatigue management. Fortescue WAE has reviewed its Time Off in Lieu Policy and continues to work on ensuring people receive appropriate breaks, for example. In FY24, we will continue to work to implement the recommended improvements.

Key elements of our recruitment processes that mitigate against the risk of modern slavery include:

- we do not use, nor do we allow the use of, “recruitment fees” at any stage of our process. We adhere to the “Employer Pays Principle” – we wholeheartedly agree that no worker should bear the cost of the recruitment process, particularly as this may make the individual more vulnerable to forced labour; and
- where it is necessary for us to use contract, freelance or temporary labour, most agencies we do business with are subject to the supplier due diligence process detailed above (where our agreement is not directly with the individual providing the contract or freelance labour). In 2024, we will work to ensure that all our agencies are subject to appropriate due diligence.

All contractors are:

- employed/engaged in a formal and lawfully recognised relationship appropriate to their working arrangements;
- paid in accordance with local law and their contract/ assignment details; and
- welcome to take up opportunities directly with Fortescue WAE should they wish to.

In 2023 we undertook checks to ensure that the employee’s name and the name of their bank account matched, and that the bank account was not being used by multiple employees (which can be an indicator of modern slavery). All details matched appropriately. If a colleague wishes to change their bank account details, they are required to log on to Fortescue WAE’s secure, internal HR portal and submit their details. This information is received by our HR team, to which details are checked and verified. We will continue to check bank account details match that of the employee on a regular basis.

In addition, other best practices followed by Fortescue WAE include having a Grievance Policy and procedure that colleagues can utilise if an individual feels there are work-related issues they wish to raise informally or in a more structured, formal manner. Matters are investigated fully and addressed as appropriate, in line with best practice and policy. Fortescue WAE also has a staff forum in place. Such forum is a platform for a two-way dialogue to discuss matters, including information and consultation, between its people and leaders. Employee drop-in sessions are held on an ad hoc basis allowing individuals and leaders to discuss topics that are relevant in nature.

7. CONTINUOUS IMPROVEMENT PLANS FOR FY24

Fortescue WAE is committed to continuously improving our approach to identifying and addressing modern slavery risks in our operations and supply chain. We will continue to drive improvements in our modern slavery risk mitigation programme. We are committed to identifying, assessing, and mitigating human rights impacts, and ensuring continuous improvement to strengthen our approach.

- In addition to Fortescue WAE's current due diligence process for the onboarding of potential suppliers (such process also to be reviewed), we will implement a more comprehensive screening of our potential and existing suppliers by way of analytics software, including screening for sanctioned entities and individuals, politically exposed suppliers and adverse media, including modern slavery. Any supplier that is considered "high risk" will require further scrutiny and extra onboarding requirements, should the business decide to proceed.
- For strategic / suppliers with higher spend, we will evaluate the possibility of undertaking, with the help of external consultancy, further deep dive due diligence, including relating to modern slavery.
- We will embed Fortescue's Human Rights and Modern Slavery online training.
- Fortescue WAE will undertake a new comprehensive annual supplier assessment questionnaire for existing suppliers, to be piloted and adopted during FY24.

- We aim to undertake further due diligence of recruitment agencies to ensure they are upholding the same high standards of recruitment used by Fortescue WAE when it recruits directly.
- Evaluate producing a standalone Supplier Code of Conduct or similar (including modern slavery provisions).
- Fortescue WAE is committed to maintaining a sustainable and responsible supply chain. To continue to mitigate against any slavery and human trafficking in our supply chain, we will continue to work collaboratively with our key stakeholders to refine and improve our policies, procedures, and programmes throughout FY24.

This statement is made pursuant to s.54 of the UK Modern Slavery Act 2015 and constitutes WAE Technologies Limited's modern slavery statement for 1 January 2022 to 30 June 2023.



Signed by Judith Judson
CEO

For and on behalf of the board of directors of
WAE Technologies Limited

Date: 30 January 2024

DISCLAIMER

This statement contains certain statements which may constitute “forward-looking statements”. Words that may indicate a forward-looking statement include words such as “intend”, “aim”, “ambition”, “commitment”, “aspiration”, “project”, “anticipate”, “likely”, “estimate”, “plan”, “believes”, “expects”, “may”, “should”, “could”, “will”, “forecast”, “target”, “set to” or similar expressions.

Any forward-looking statements in this statement reflect the expectations held at the date of this statement. Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual decisions, results, values, achievements or performance to differ materially from those expressed or implied in any forward-looking statement. Forward-looking statements are based on assumptions regarding Fortescue’s present and future business strategies and the future conditions in which Fortescue expects to operate. Forward-looking statements are also based on management’s current expectations and reflect judgments, assumptions and information available as at the date of this statement. Actual and future events may vary materially from the forward-looking statements made (and the conclusions and assumptions on which the forward-looking statements were based) because events and actual circumstances frequently do not occur as forecast and future results are subject to known and unknown risks such as changes in market conditions and regulations.

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