

MODERN SLAVERY ACT STATEMENT

FERREXPO PLC

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 in respect of the financial year ended 31 December 2017.

DESCRIPTION OF THE GROUP

Ferrexpo has been mining, processing and selling high quality iron ore pellets to the global steel industry for 40 years. Ferrexpo's resource base in Ukraine is one of the largest iron ore deposits in the world. In 2017, the Group produced 10.4 million tonnes of pellets ranking it as the 3rd largest exporter of pellets to the global steel industry with a market share of over 8%. Ferrexpo has a diversified customer base supplying steel mills in Austria, Germany, Japan, South Korea, China, Slovakia, the Czech Republic, Turkey and Vietnam. Ferrexpo is listed on the main market of the London Stock Exchange under the ticker FXPO and is a member of the FTSE 250 index and the FTSE4Good index. For further information, please visit www.ferrexpo.com

APPROACH TO HUMAN RIGHTS AND MODERN SLAVERY

Ferrexpo's Code of Conduct encompasses a wide range of financial, social and environmental stipulations, including a safe working environment, non-discrimination and equality, freedom of association and anti-bribery. The Code reflects the Company's commitment to supporting human rights and to taking all possible steps to ensure that slavery and human trafficking are not taking place in any part of the Group's supply chains or businesses.

Ferrexpo believes in fundamental human rights and in dignity for all people as set out in the Universal Declaration of Human Rights. We support the UN Guiding Principles on Business and Human Rights which outline the duties and responsibilities of industry to address business-related human rights issues. We will take appropriate steps to ensure that our operations do not contribute to human rights abuses and remedy any adverse human rights impacts directly caused by our actions.

Ferrexpo conducts every aspect of its work in a way that recognises and supports the human rights of employees, counterparties and every person with whom we have contact. To the extent possible, we seek to identify and address human rights risks and violations in our sphere of influence. We understand that the company's activities impact human rights in connection with labour conditions, local community programmes and more. We engage with communities and seek to understand the social, cultural, environmental and economic implications of our activities so that we can respond to concerns, reduce impacts and optimise the benefits for the community.

We encourage our suppliers to follow our commitment to human rights and require them to contractually agree where possible. If there are identified human rights breaches in relation to a customer, supplier, contractor, agent or any other person undertaking work on behalf of Ferrexpo and there is no clear commitment to corrective action, persistent inaction or a lack of improvement, then our work with that person or entity shall cease immediately.¹

With respect to the workforce within Ferrexpo and entities in its supply chain, we do not permit the employment of child labour, nor do we allow forced or other forms of involuntary labour. We will comply with the UK Modern Slavery Act 2015 by setting out steps we have taken to ensure that slavery and human trafficking are not taking place in any part of our supply chains or businesses.

We agree with the rights of freedom of association and consider that Ferrexpo workers have their right to be represented by trades unions or other similar organisations. Such representatives should be able to carry out their activities within the representatives of law Regulation, prevailing labour relations and practices, and agreed company procedures.

For further information, please see the Group's [Code of Conduct](#).

NATIONAL CONTEXT

According to the 2017 Global Estimates, on any given day in 2016, an estimated 40.3 million people worldwide were victims of modern slavery. Of these people, 24.9 million were in forced labour.² The 2016 Global Slavery Index published by the Walk Free Foundation³ estimated the percentage of a country's population suffering from conditions of modern slavery and ranks countries from 1 to 167 (1 being the country with the highest percentage). Ukraine ranked 25, with an estimated 210,400 people (0.467% of the population) living in modern slavery. Ranked by the estimated total number of people in modern slavery, Ukraine ranked 33rd out of 167. Ukraine's relatively poor ranking reflects the ongoing political turmoil in the far east of the country, with increased risks of forced labour, the recruitment of children for armed conflict, and the forced migration and potential exploitation of the workforce.

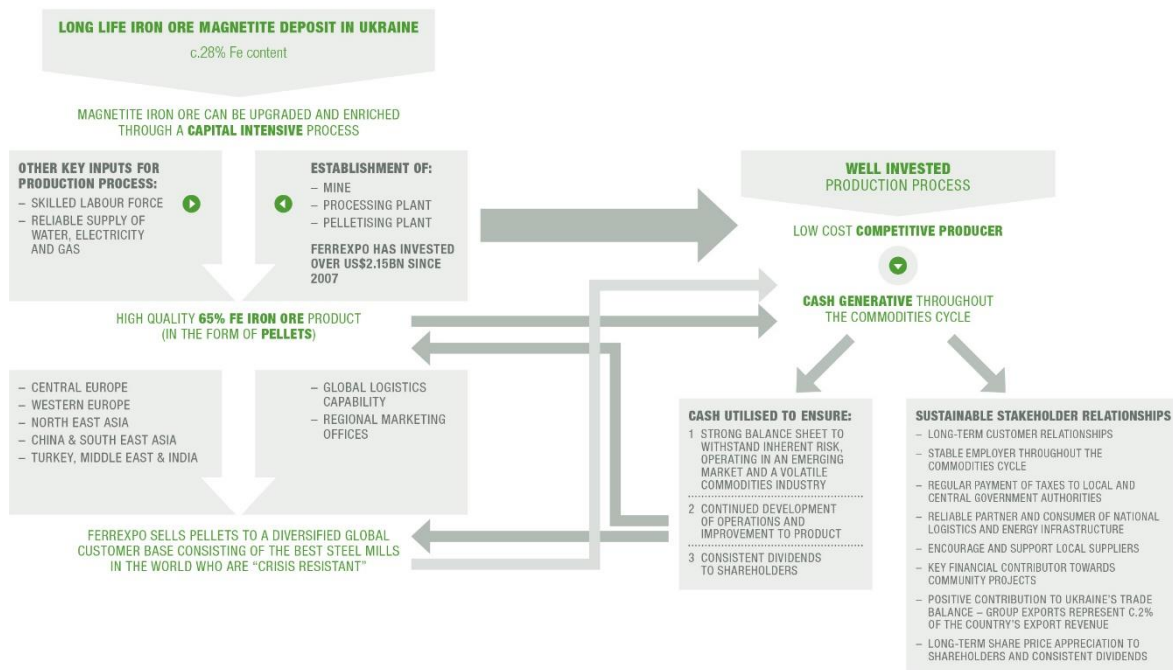
¹ See section 'Policies and Controls' below

² <https://www.alliance87.org/2017ge/modernslavery#!section=0>

³ <https://www.globallslaveryindex.org/>. At the time of publication of this statement, the 2017 Global Slavery index has not been published

STRUCTURE OF BUSINESS

Ferrexpo plc is incorporated in the United Kingdom and headquartered in Switzerland. It has iron ore mining and processing operations in Central Ukraine while its sales and logistics operations are based in Switzerland, Ukraine, Dubai, Singapore, China and Japan. Ferrexpo PLC ultimately owns 100% of all operating subsidiaries except for Ferrexpo Poltava Mining (Ukraine) in which it owns 99.11%. Ferrexpo Poltava Mining has a 49.9% holding in LLC Tis-Ruda which is the Group's primary shipping terminal in Ukraine for seaborne markets. **Ferrexpo's business model** is shown below. For further information see the Strategic Report section of the [2017 Annual Report](#).



POLICIES AND CONTROLS

Counter-party Risk Assessment

The risk of modern slavery is routinely considered as part of the Group's risk assessment process with current and potential suppliers. There are no operations within the Ferrexpo Group which have been assessed as having a high or medium degree of risk of involuntary labour in any form occurring.

The Group performs due diligence checks on an ongoing basis to detect, assess and manage potential third-party risks. To date, Ferrexpo's compliance department has conducted over 800 due diligence checks on the majority of suppliers and potential suppliers with annual turnover above USD 50,000, which include looking for evidence or suspicion of human rights abuses. Suppliers identified as "high risk", for whatever reason, are separately reviewed on a regular basis by the Executive Compliance Committee ("ECC"), which decides whether a supplier should be used on certain conditions (such as more detailed checks and monitoring) or avoided altogether. In 2017, no signs of forced labour or human trafficking were identified at any of the Group's suppliers. Ferrexpo is including an anti-slavery and anti-trafficking clause as a standard term in all new supplier contracts, with a right to terminate the contract in case of a breach of this clause. This term will be incorporated in existing contracts

KEY SUPPLIERS AND CONTRACTORS/SUPPLY CHAIN

Ferrexpo's operations are supported by a global supply chain for goods and services. This supply chain includes suppliers of raw, direct and indirect materials, skilled labour and services required for the Group's operations, and a wide range of legal, technical and administrative professional services. The most significant expenditure is on electricity, gas, diesel fuel, spare parts, labour, explosives, and steel grinding media. The majority of suppliers by value are located in Ukraine.

over time by way of a side letter. As of 31 December 2017, 41% of supplier contracts (including sale and purchase agreements, service agreements, and construction contracts) contained anti-slavery clauses.

Compliance with Policies

Staff and others are encouraged to report any breach of company policy (including the Code of Conduct which includes slavery and trafficking matters) through the "whistleblower" web site <https://ferrexpo.alertline.eu/> maintained on a confidential independent internet platform. In case of a suspected breach by a supplier of an anti-slavery condition, Ferrexpo's compliance and internal audit departments will investigate and, if appropriate, the contract will be terminated. As part of its risk mitigation policy Ferrexpo aims to have a diversity of source of supply in order to avoid excessive dependence on certain suppliers, so in most cases the Group is able to change suppliers if required.

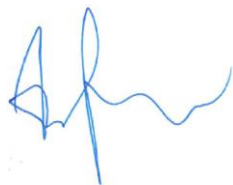
In addition to training Ferrexpo's employees about the Group's Code of Conduct, Ferrexpo has developed and implemented a specific e-learning module aimed at raising awareness of the modern slavery issue and the ways to identify the signs of it in the supply chain. Launched in 2017, this training module had reached a completion rate of 89.3% by the time of publication of this statement.

ACTIONS TO BE CARRIED OUT IN 2018

Over 100 employees with responsibility for procurement and managing suppliers will receive more detailed training in relation to modern slavery. The Company will continue monitoring its supply chain for signs of forced labour or human trafficking, following the addition of anti-slavery clauses to contracts with the suppliers.

BOARD APPROVAL

This statement has been approved by the Board of Ferrexpo PLC.



Kostyantyn Zhevago

Chief Executive Officer, FERREXPO PLC

FURTHER INFORMATION

For further information on the Group's approach to human rights and employee relations please see the Responsible Business section of the [2017 Annual Report](#) and the Responsible Business section of Ferrexpo's [website](#).