

MODERN SLAVERY STATEMENT


2022



Windfield Holdings Pty Ltd

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ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the traditional custodians of the lands and waters of Noongar Country. We pay respects to Elders, past, present, emerging and future. We recognise the traditional custodians’ unique connections to their lands and waters, lore, language, kinship, and ceremony. Through this acknowledgement, we commit to ongoing learning and understanding on our journey to reconciliation. We also pay respect to the cultural authority of Aboriginal and Torres Strait Islander people from other areas of Australia.

CHIEF EXECUTIVE OFFICER'S MESSAGE

This is Windfield's third Modern Slavery Statement, which outlines the continued progress we have made in our endeavours to ensure sound social and ethical practices within our own operations and within our supply chain, in every market in which we operate.

Respect and care for people are deeply entrenched into our business and form part of our core values. The purpose of this statement is to not only meet our obligations under the Modern Slavery Act but to share our continued efforts to better understand, assess and eliminate the risk of modern slavery and human rights abuses from supply chains.

In line with our procurement policies and procedures, we communicate to our suppliers that our expectations encompass not only their businesses but their supply chains as well. Given that Windfield has maintained long-term relationships with key suppliers, contractors, and consultants, we have been in a position to use our leverage to obtain the cooperation of our suppliers in our efforts to promote ethical business practices in our supply chains.

The International Labour Organisation's (ILO) most recent Global Estimates found that there are 50 million people in situations of modern slavery on any given day. This marked increase in the prevalence of modern slavery stems from a number of factors, including the COVID-19 pandemic which has had a significant impact by heightening the risks for those already exploited, increasing the risks of exploitation and disrupting response efforts. Against this backdrop, we remain resolute in our role in fostering ethical business conduct within our sphere of influence, to help address modern slavery risks and protect human rights.

This statement was prepared with the input of representatives from several functions including procurement, human resources, legal and compliance. Each of these individuals have Australia-wide responsibility, which includes Windfield and the subsidiaries to which this statement applies. Accordingly, this statement was prepared in consultation with Windfield, the reporting entity, and its owned or controlled entities.

This statement was approved by Windfield's Board of Directors.



Lorry Mignacca

Chief Executive Officer

STATEMENT ON THE REPORTING ENTITY

Windfield Holdings Pty Ltd (**Windfield, Company, we, us, our**) is an Australian private company, owned by joint venture partners Tianqi Lithium Energy Australia (a joint venture between Tianqi Lithium Corporation and IGO Lithium Holdings) and Albemarle Corporation. The Company is registered at Level 15, 216 St Georges Terrace, Perth WA, 6000. This statement has been prepared in accordance with the Modern Slavery Act 2018 (Cth) (**MSA, Act**) for the year ending 31 December 2022 (**Reporting Period**). Windfield, the reporting entity, makes this single Modern Slavery Statement to cover the Windfield group.

Windfield group corporate structure is outlined in Figure 1.

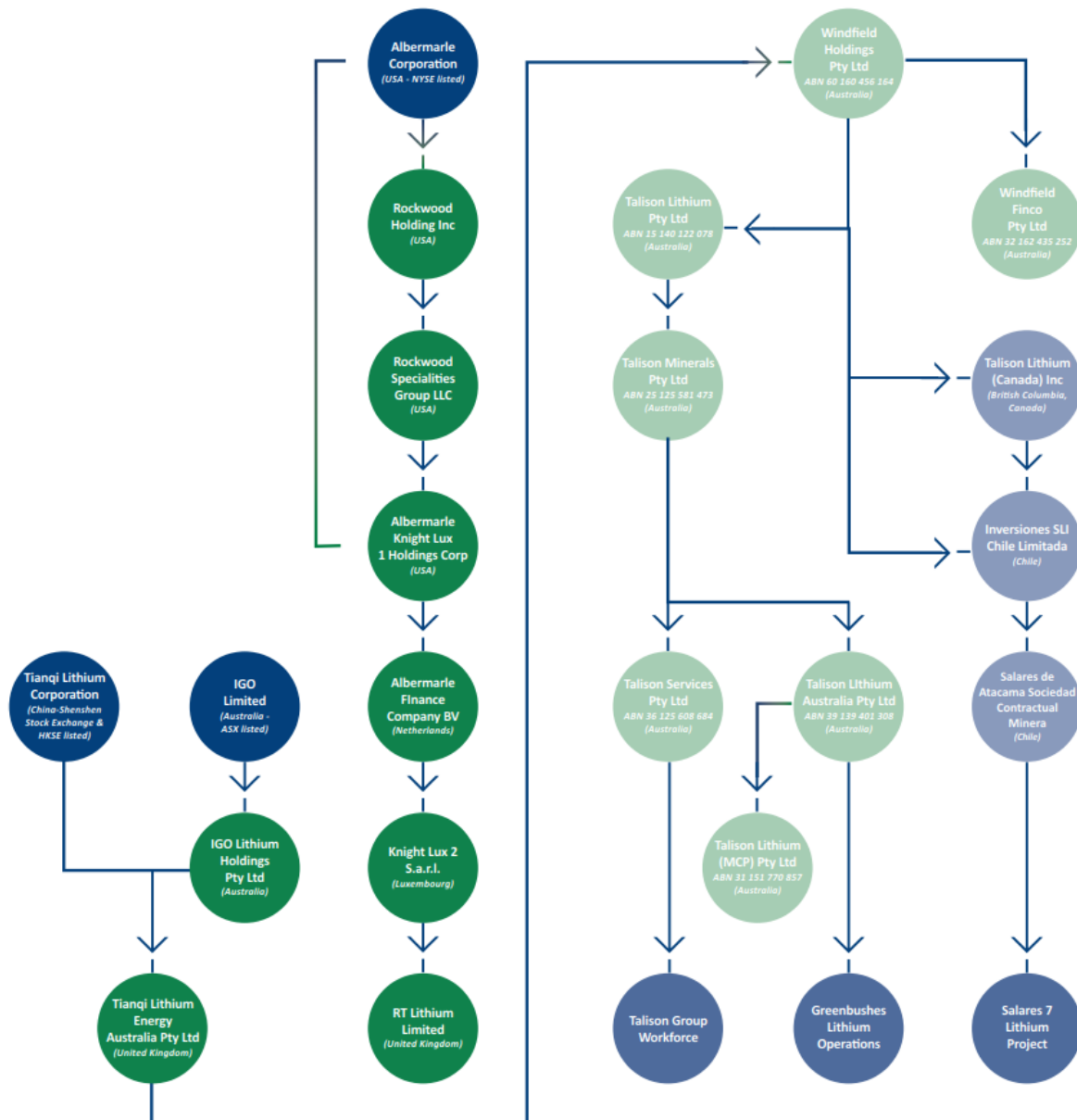


Figure 1: Windfield Group Corporate Structure

All amounts are expressed in Australian dollars unless another currency is indicated.

2022 HIGHLIGHTS

The following prevention and mitigation actions were progressed during 2022:



- implementation of our human rights standard
- completion of a further 452 supplier modern slavery questionnaires
- development of a supplier play book to assist the procurement team in negotiating modern slavery terms in supplier contracts
- commenced development of a remedy and remediation framework
- development of a 2023 action plan

OPERATIONS AND SUPPLY CHAINS

Our Operations

Located at Greenbushes, 250km south of Perth in Western Australia (**Site, Mine**), The Greenbushes Lithium Operation directly employs some 559 people and engages contract service providers that employ a further 843 people¹.

Windfield and its predecessor companies have been producing lithium at Greenbushes since 1983 and the area is recognised as one of the world's largest hard rock deposit of the lithium mineral spodumene. Greenbushes is also the longest continuously operated mining area in Western Australia following the discovery of tin in 1888 and subsequent development of tantalum and lithium deposits.

An overview of the functions of each subsidiary is set out below:

Talison Lithium Pty Ltd	Engages with suppliers and performs a corporate function. It does not have employees.
Talison Minerals Pty Ltd	Investment entity. It does not perform any day-to-day functions.
Talison Lithium Australia Pty Ltd	Owens and operates the Greenbushes Lithium Operation.
Talison Services Pty Ltd	Employs the workforce.
Talison Lithium (MCP) Pty Ltd	Dormant Entity
Windfield Finco Pty Ltd	Dormant Entity

Located in Chile, the Salares 7 Lithium Project (**Project**) does not have any direct employees, with the Project in care and maintenance.

The lithium orebody has produced and exported lithium minerals from site for more than three decades. Our production process from mine to market is outlined in Figure 3.

¹ The increase in headcount from the 2021 statement stems from the correlating increase in the numbers of shutdown workers and construction personnel.

Workforce

Direct Employees

Our workforce is made up of diverse roles, over the disciplines of:

- Mining Engineering
- Environmental
- Contract Management
- Laboratory
- Accounting & Administration
- Software/Information Technology
- Procurement
- Project Management
- Mineral Processing/Metallurgy
- Occupational Health & Safety
- Human Resources
- Surveying
- Engineering
- Supply
- Shipping

Contract Employees

The contractor workforce includes a large proportion of personnel from our mining, drill and blast contractors, construction, and maintenance personnel. The chart below (Figure 2) shows an indicative proportion of our personnel from our various site contractors.

Contacter Percentages

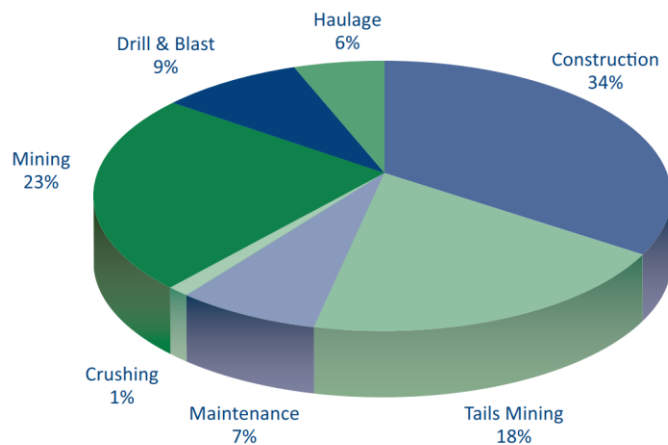
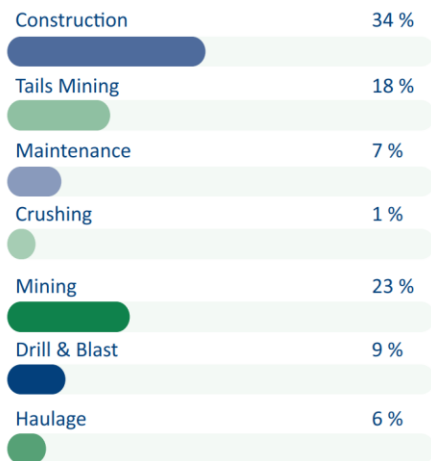


Figure 2: Contractor Personnel

Exploration and Development

Evaluation of geological, geophysical, and geochemical data will indicate the possibility of a deposit in a target area. Drilling enables the evaluation of the type and grade of minerals in the ground, samples are then laboratory tested identifying the concentration of elements including lithium within them.

Geologic modelling is then undertaken of the orebody to create a model of what the resource may look like.

Development and design can then be undertaken, where mine engineers determine mining methods, optimum mine size and schedule and equipment requirements that will maximise the safety and efficiency of production.

Mining and Crushing

When operating the mine, we use stringent controls to prevent and manage any environmental impacts.

Detailed mine planning is undertaken to ensure the ore body is mined in an efficient and responsible manner.

Haul trucks transport the ore from open pits to processing operations. Some ore may be stockpiled for later processing. Material not economical to process is stored in overburden rock storage areas.

Ore is dumped directly on a run of mine stockpile, and feed through a crushing plant to reduce the size of the particles to be used as feed to the processing facility.

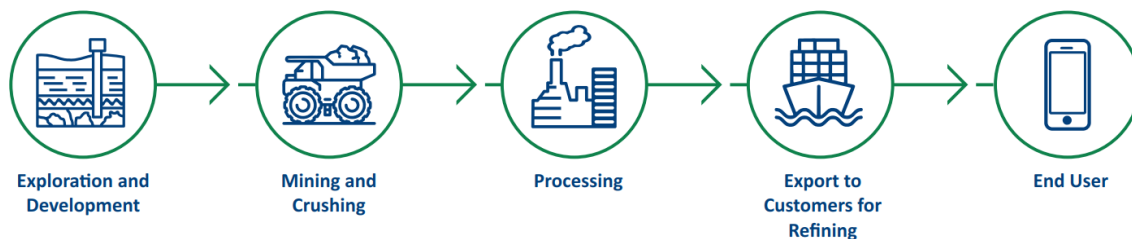


Figure 3: Mine to Market Operations

Processing

Ore is processed according to grade and concentration of elements.

All process plants utilise grinding, heavy media separation and flotation processes to extract spodumene ore from other minerals, upgrading to a range of lithium concentrates for bulk and bagged shipments.

After the ore has been processed and a spodumene concentrate extracted, the leftover waste material, called tailings, are stored in tailings facilities.

All tailings storage facilities adhere to the Australian National Committee on Large Dams (ANCOLD) standards.

Export to Customers

An on-site laboratory, assays samples of the process and determine chemical and physical characteristics to ensure our customer product specifications are adhered to.

Spodumene concentrate is then hauled via bulk road transport to and stockpiled in storage facilities.

Stocks of spodumene concentrates are held at site, and close to and at the port of Bunbury.

Spodumene concentrate is shipped from Fremantle as bagged container shipments, and from Bunbury Port as bulk shipments.

Our minerals are shipped primarily to Asia, with some into the Americas, Europe and now Australia for refining.

SUPPLY CHAIN

We have over 2600 approved suppliers, across multiple sector classifications.

\$785 M Spend 2,600 approved vendors

A majority of Windfield’s direct (tier one) vendors are based in Western Australia. Due to necessity several suppliers are east coast or internationally based. Some 250 vendors provide inventory items that allow continuous uninterrupted operations.

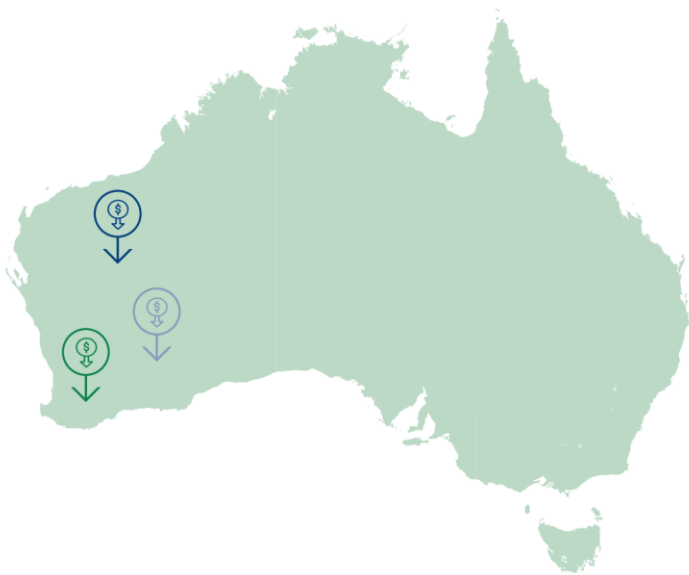
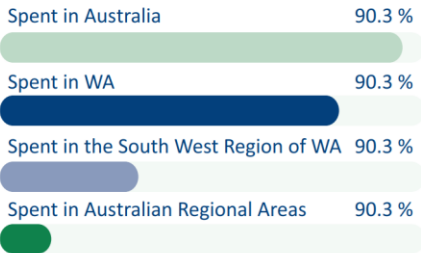


Figure 4: Australian Expenditure

Products and Services procured internationally were predominately from Japan, with China overtaking the US as our second most prominent overseas supply provider.

International Spend

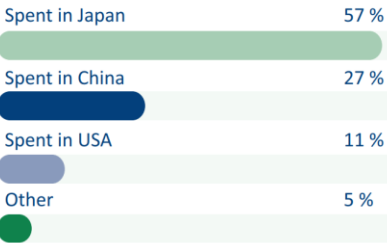


Figure 5: International Spend

We note that suppliers’ country of domicile may not necessarily reflect the country where they source, manufacture, process or deliver the goods or services ultimately provided to us. Based on the responses to our modern slavery questionnaire, we have been able to map the geographic footprint of where our suppliers operate, as shown below:

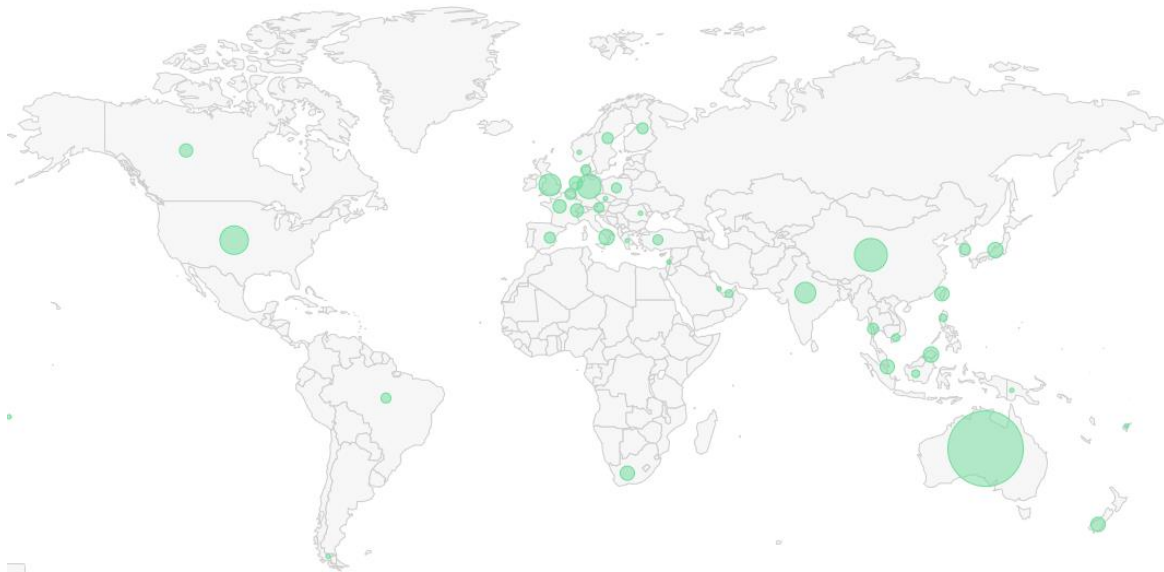


Figure 6: Geographic Footprint of Supplier Operations

Our supply chain includes the following services and products:

Processing – labour hire, grinding media, reagents

Mining – explosives, open cut and drill and blast mining contractors, earthmoving contractors

Delivery – shipping, haulage, port, and stevedoring services

Exploration - drilling contractors, drilling equipment and consumables

Major projects – engineering, construction and earthmoving contractors and plant and equipment

Site support services – power supply, information technology equipment, accommodation management services, inbound freight services, fuel supply, equipment, and services, PPE

Head office support services – telecommunications, ICT hardware and software, office cleaning and maintenance, catering, legal and accounting services, insurance, utilities, waste collection services, corporate merchandise, printing.

MODERN SLAVERY RISKS

Operations

Modern slavery risks exist in all countries and industries. However, modern slavery is more prevalent in countries and regions with higher inequality and where governance and legal protections for workers are weak, among other factors. Australia is considered a lower risk country for modern slavery by virtue of the highly regulated industrial relations laws. We participate yearly in a salary survey, and review and match all employees to survey positions to ensure we are paying in line with industry. During this time, we consider any salaries that are underpinned by an award, and ensure that our current salaries are higher than the award amount. We remain of the view that the risk that our operations have caused or contributed to modern slavery to be low.

There is also the risk that our operations could become indirectly linked to downstream modern slavery via customers operating in higher risk sectors such as electric vehicle manufacturing in countries with a higher prevalence of modern slavery. Spodumene concentrate - from which lithium is derived - is used globally to manufacture various products, including lithium-ion batteries used to power green energy technologies such as electric vehicles. As a supplier of approximately 22 per cent of the global lithium market, there is a significant risk that what we mine ends up in the factories that may have workers in modern slavery.

Supply chains

Like most companies operating within our sector in Australia, the most significant modern slavery risks are likely to exist in our supply chain. In applying the United Nations Guiding Principles on Business and Human Rights (**UNGPs**), we remain of the view that our main exposure to modern slavery is via our relationship with third parties, rather than any direct causal impacts or contributory actions of our business.

Forced labour, debt bondage, servitude, human trafficking, and the worst forms of child labour are some of the main types of modern slavery risks that can exist in the global supply chains supporting the extractives industry. These risks become acute where:

- there is widespread utilisation of vulnerable worker groups such as itinerant workers, migrant workers, workers from minority ethnic groups and displaced workers;
- mines are located in jurisdictions that do not protect human rights;
- there are opaque contracting arrangements for the provision of sub-contracted labour resulting in decreased transparency;
- migrant workers are charged recruitment fees by agencies and/or have their original passports or other forms of ID retained, subjecting them to situations of debt bondage; and
- there are short lead times and pricing pressures on contractors and subcontractors; and
- continuous geopolitical tensions result in increased risks for already vulnerable individuals seeking a better life but find themselves in situations of forced labour.

Although we have not identified instances of having caused or contributed to modern slavery in our supply chain, we have identified a cohort of suppliers from the Reporting Period with an increased risk profile for modern slavery risks in their own supply chain by virtue of their sector and utilisation of raw materials linked to modern slavery. For example, we have a retailer of copper cabling products, which sources raw materials from a jurisdiction with an increased prevalence of modern slavery. An analysis of the results from the modern slavery questionnaire process revealed that the suppliers of heavy machinery and mining equipment are typically lower risk as importers and distributors of

products but their suppliers, including parent company OEMs, are likely to have manufacturing facilities in higher risk jurisdictions, utilising raw materials that have modern slavery risks in the supply chain.

Our supply chain involves transportation and shipping of goods supplied to our sites and lithium from the Site to processing locations. Depending on the nature of the goods supplied, either the supplier or we take responsibility for the shipping or freight. The transportation of lithium from our Site is organised by Talison. We are aware of the ongoing reports of modern slavery in the shipping industry which has been exacerbated by the COVID-19 pandemic. Notably, the plight of seafarers working in the international shipping sector has been publicised, with workers unable to leave poor living and working conditions because they were unable to leave the ship and return home for extended periods of time. We have issued our Modern Slavery Questionnaire (MSQ) to our suppliers of shipping services and one of them completed the MSQ in time for the preparation of this statement.

Case study: In response to our modern slavery questionnaire, and our follow up engagement, one of our main suppliers of shipping services outlined that all seafarers on their ships are employed under employment contracts ratified by the International Transport Workers Union and in accordance with the MLC (Maritime Labour Convention). The MLC provides standards and regulations relating to the working and living conditions of seafarers.

The supplier also reported that they do not accept less than an Owner DOC Score of 3 in RightShip's Safety Score. This score comes from an assessment which reviews all the vessels held by an owner and considers safety scores and other issues raised through inspections through the Australian Maritime Safety Authority. Scores from 3 to 5 highlights those with a commitment to transparency and best practice operations.

RightShip's Safety Score is a performance benchmark that provides shipowners and managers, charterers, and ports and terminals with an indication of a vessel's safety performance.

The supplier also confirmed that they provide a Compliance Advisory Service Desk & Harassment Advisory Service Desk to promptly cope with concerns related to human rights. All their employees including seafarers on board, part-time employees etc., can access to these Service Desks anonymously.

Upon our request, the supplier's general manager investigated the cases of compliance violation records but could not find any violation relating to seafarer's living and working conditions. The general manager had also checked with the ship vetting group Compliance Officers and no concerns had been reported.

In terms of our office operations, key modern slavery risks such as forced labour, debt bondage and the worst forms of child labour are likely to exist deep in the supply chains of the ICT hardware that we, and most other companies, procure by virtue of the manufacturing of hardware as well as the mining operations for raw materials from high risk countries such as the Democratic Republic of the Congo supplying cobalt used in lithium-ion batteries present in phones, tablets and computers. Airlines, hotels, catering, and cleaning are industries considered a higher risk for modern slavery due to the prevalence of subcontracting arrangements leading to decreased supply chain transparency, labour intensive work coupled with low barriers to entry, workers from vulnerable backgrounds including migrant workers. PPE and corporate merchandise are also considered to have higher modern slavery risks for similar reasons.

Case study: The supply chain of explosives

The explosives used on the Site are purchased from an Australian subsidiary of a global company. Therefore, our tier 1 supplier would be considered lower risk based on the geographic location of the company we do procure from. However, we recognise that the risks of modern slavery exist beyond direct suppliers given their reliance on global supply chains. The supply chain supporting the manufacture of explosives includes bulk materials, primarily ammonium nitrate, ammonia, caustic soda, and gas. Having considered the modern slavery statement of the Australian subsidiary, the majority of their third party spend originated from Australia, Brazil, Canada, Chile, Indonesia, Mexico, Peru, Russia, Singapore, and the United States of America. The minority of their third party spend originated from 10 countries (Argentina, Ghana, India, Kazakhstan, Norway, the Philippines, Sweden, Tanzania, United Kingdom, and Zambia). The supplier recognises that they have operations in countries with heightened human rights and modern slavery risks, including China, the Democratic Republic of Congo, Mauritania, Papua New Guinea, and the Philippines. Forced labour and the worst forms of child labour have been identified as the types of modern slavery risks within the supply chains of the raw materials, including chemicals, used to manufacture the explosives. The supplier categorises their high-risk suppliers following the results of a questionnaire and then suppliers with higher-risk ratings receive a Supplier Management Plan, requiring quarterly, biannual, or annual engagement, according to the level of risk.

OUR ACTIONS**Human Rights Governance**

The Windfield Board of Directors (Board) continues to have ultimate responsibility for Windfield's management of human rights risks and opportunities, including the risks of modern slavery.

During the Reporting Period, the Board was supported by the Management Team.

Policies, Procedures and Training

Windfield acknowledges that modern slavery should be viewed on a spectrum that ranges from decent work conditions to serious exploitation and abuse. Windfield is committed to taking steps to identify and address modern slavery and conduct that may be a precursor to modern slavery, in its operations and supply chain. To this end, Windfield is focused on using its influence to foster continuous improvement.

As noted in our previous statements, our approach to managing human rights and modern slavery risk is supported by a framework of policies and procedures, which have been reviewed to specifically include modern slavery. During the Reporting Period, we supplemented our Standards with operational procedures that include a response & remediation framework and procurement playbook designed to support personnel in their engagement with prospective suppliers to include appropriate modern slavery terms in contracts. The playbook was developed to maximise our leverage to encourage modern slavery considerations by our prospective suppliers at the time of contractual negotiations.

During the reporting period, we continued our efforts to ensure that our contracts have modern slavery obligations imbedded into the terms and conditions and that tender evaluations include a review of modern slavery risk. A supplier code of conduct has been drafted and awaiting legal and executive review.

Code of Conduct training continues to be undertaken by all employees during the onboarding process, and every two (2) years thereafter, employees reviewed the code of conduct and signed off on their obligations during 2022. To complement this training and suite of standards, Windfield personnel, contractors and vendors have access to an anonymous whistle-blower process.

Supply Chain Due Diligence

We have continued to deploy the modern slavery questionnaire (**MSQ**) in 2022 on the ethiXbase platform. The MSQ contains 19 questions designed to assess the modern slavery risks in a supplier's operations and supply chains. The responses to the questions are weighted based on data analytics driven by global indices on modern slavery and human rights risks. The scoring focusses on five areas:

- Jurisdiction;
- Policies, processes and systems;
- Activity (industry type);
- Workforce; and
- Human rights.

Upon completion of the questionnaire, the suppliers are allocated an overall risk rating between 1 to 10 with 1 presenting a lower modern slavery risk and 10 presenting a higher risk of modern slavery. This enables us to take a pragmatic and risk-based approach in the management of modern slavery risks. We engaged an external subject matter expert to review the results of the MSQ and provide recommendations for further due diligence based on the results. The recommendations form part of our actions for 2023.

We recognise that modern slavery risks are evolving, and we aim to keep up to date and deepen our understanding through media monitoring and engagement with industry associations and peers via membership of the Human Rights Resources and Energy Collaborative (**HHREC**).

As at March 2023, 564 suppliers completed the MSQ.² These vendors represent around \$599M of our average yearly spend. The resulting average modern slavery risk rating for completed MSQs remains low. The bulk of the suppliers rated low risk in the MSQ stated that they have operations solely in Australia, did not use any category of vulnerable workers and had a number of policies, procedures, and processes in place. The suppliers with a medium risk rating tend to be suppliers with operations in higher risk locations and/or operating in higher risk sectors for modern slavery risks. The risks may, however, be mitigated by the presence of some policies and procedures. A supplier received a high-risk rating due to the sourcing of high-risk products from high risk countries and the utilisation of potentially vulnerable categories of workers.

As noted previously in this statement, the MSQ results have been analysed by our independent subject matter experts and the recommendations flowing from the MSQ will be the subject of action during the next reporting period.

Approach to Remediation

Windfield personnel, contractors and vendors have access to an anonymous whistle-blower process which is published on our website and intranet. Modern slavery is reportable using this process. During the Reporting Period, no reports of modern slavery complaints were made using this process.

² This is a cumulative figure from across multiple years.

The concept of “remedy” is drawn from the UN Guiding Principles on Business and Human Rights (UNGPs). The principles describe the responsibility to remedy human rights impacts. The UNGPs provide that: “Where business enterprises identify that they have caused or contributed to adverse impacts, they should provide for or cooperate in their remediation through legitimate processes.”

The UNGPs also state that when an entity is directly linked to adverse impacts via a business relationship, it should seek to use its leverage to encourage remediation by those that cause or contribute. In 2023, we plan to adopt a framework that formalises our response to such impacts.

If we are found to have caused, contributed, or become directly linked to adverse human rights impacts, including modern slavery, we would seek to implement the UNGPs having regard to the following:

Degree of involvement		
Cause	Contribute	Directly Linked
An entity may cause modern slavery if its operations directly result in modern slavery practices.	An entity may contribute to modern slavery if, through its actions or omissions, it facilitates or incentivises modern slavery practices.	An entity may be directly linked to modern slavery via a business relationship, where it does not cause or contribute to the modern slavery risk.
<i>Example: Using forced or exploited labour. Given our workforce profile, it is unlikely that we will be in a situation where we have caused modern slavery through our direct recruitment of employees.</i>	<i>Example: This may include setting unrealistic cost restraints on a third party that can only be met by that third party using forced or exploited labour.</i>	<i>Example: This may include scenarios where we invest or partner in an entity that has modern slavery in their operations or supply chain.</i>
Prevention and mitigation		
Cease or prevent the impact.	Cease or prevent contribution and use leverage to mitigate impact.	Seek to prevent and mitigate the impact. Appropriate steps may depend on leverage, availability of alternate vendors, significance of contractual relationship, severity, and consequence of termination.
Remediation measures		
Provide for or cooperate in remediation.	Provide for or cooperate in remediation.	Take a role in remediation, including using leverage to encourage remediation by entities that caused or contributed to the impact.

We recognise that it is important to prioritise the best interests of the person adversely impacted and to respect the privacy and confidentiality of the individual to the extent possible.

APPROACH TO ASSESSING EFFECTIVENESS

Windfield remains committed to achieving year on year improvement in our approach to assessing and addressing modern slavery risks in our operations and supply chains. We assessed the effectiveness of our overall approach by tracking the progress of our 2022 goals (see 2022 Highlights

above) during this Reporting Period and will continue to strive for further effectiveness by reaching for our 2023 goals as outlined below:

- continue assessing the risks and performance of tier 1 vendors within our supply chain to prioritise high risk vendors;
- roll out the procurement playbook to support personnel in negotiating adequate modern slavery terms in third party agreements;
- continue our vendor engagement and awareness strategy;
- engage with the suppliers identified as requiring further due diligence in the MSQ report;
- finalise and implement the supplier code of conduct;
- implementation of the remedy and remediation framework; and
- progress the IRMA risk assessment.

OTHER INFORMATION

Industry Collaboration

As noted in our 2021 statement, the Windfield Board made the decision to commence the process of seeking IRMA 50 certification of the Site with the Initiative for Responsible Mining Assurance (IRMA). This process encourages engagement of our corporate and civil society stakeholders, and signals Windfield's commitment to improving our impact on the community, environment, and human rights across our operations. Our self-assessment documentation for IRMA 50 is due to be submitted in the next reporting period with a full audit to follow.

This collaboration with IRMA gives Windfield the opportunity to partner and address important and challenging issues in the mining sector across the area of ethics, labour, human rights, health and safety and the environment. A full human rights impact and risk assessment will be conducted, along with a 5-year action plan.

Windfield also continues to collaborate with the mining industry UN Global Compact group HHREC, to share insights and challenges.

We continue to collaborate with our external expert on modern slavery to provide guidance on navigating the results of the MSQ and next steps for further due diligence.

REPORTING CRITERIA AND CORRELATING PAGE REFERENCES

Legislation	Reporting criteria	Page number
Modern Slavery Act 2018 (Cth)	Section 16 (a) Identify the reporting entity.	4
	Section 16 (b) Describe the reporting entity's structure, operations, and supply chains.	5
	Section 16 (c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls.	10
	Section 16 (d) Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address the risks, including due diligence and remediation processes.	12
	Section 16 (e) Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks.	14
	Section 16 (f) Describe the process of consultation with: (i) any entities that the reporting entity owns or controls (ii) in the case of a reporting entity covered by a statement under section 14—the entity giving the statement.	3
	Section 16 (g) Include any other information that the reporting entity, or the entity giving the statement, considers relevant.	6