



SYRAH RESOURCES

2022 MODERN SLAVERY STATEMENT

For the financial year ending 31 December 2022



This **Modern Slavery Statement** (“Statement”) is made on behalf of Syrah Resources Limited [ACN 125 242 284; ABN 77 125 242 284] pursuant to the Modern Slavery Act 2018 (Cth) for the financial year ending 31 December 2022 (“FY22”). This Statement is the first non-voluntary statement made by Syrah Resources Limited and was approved by the Syrah Resources Limited Board and signed by Jim Askew, Chairman on 29 June 2023.



Jim Askew
Chairman

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OUR GEOGRAPHICAL SNAPSHOT



1. STRUCTURE, OPERATIONS AND SUPPLY CHAIN

1.1. Syrah's structure and operations

Syrah Resources Limited ("Syrah") is an Australian Securities Exchange listed industrial minerals and technology company with its flagship Balama Graphite Operation in Balama, Cabo Delgado Province, Mozambique ("Balama") and a downstream Active Anode Material Facility in Vidalia, Louisiana, United States ("Vidalia"). Syrah's vision is to be the world's leading supplier of superior quality graphite and anode material products, working closely with customers and the supply chain to add value in battery and industrial markets.

Balama is a high-grade, long-life asset (>50 years) and is the largest integrated natural graphite mine and processing plant globally, producing natural graphite products for battery anode and global industrial sector customers (e.g. refractory, foundry, lubricants and coatings). Balama is positioned to become vertically integrated with Syrah's commercial expansion of a downstream processing plant in Vidalia, Louisiana which uses Balama natural graphite to produce coated, spherical and purified natural graphite, or Active Anode Material ("AAM"). Vidalia AAM will be sold to battery manufacturers and auto OEMs with operations or planned operations in North America and Europe for use in the anodes of lithium-ion battery cells in electric vehicles and other applications.

The Company's head office is located in Melbourne, Australia and its Sales & Marketing division is based in Dubai, United Arab Emirates. Syrah is the parent company for a number of subsidiaries. The group's main operating entities are listed below. Syrah has a number of other subsidiaries that are non-trading either because they are dormant or because they are holding companies of, or shareholders in, the operating entities listed below. Additional information about our subsidiaries is available in our [2022 Annual Report](#).

Entity	Location	Description	Full Time Employees as at 31 December 2022
Syrah Resources Limited ACN 125 242 284; ABN 77 125 242 284	Australia	Reporting Entity and parent company of other group entities	24
Twigg Exploration & Mining Limitada ¹	Mozambique	Holding company for the Balama mine	489
Syrah Technologies LLC	United States of America	Asset owning company for US operations	54
Syrah Global DMCC	United Arab Emirates	Sales company for Balama products	7

Although our entities are geographically dispersed, we operate under a single governance framework (including Company-wide policies) and strong organisational values. A reference to the "Syrah Group" or the "Company" in this Statement refers to Syrah and all its related subsidiaries.

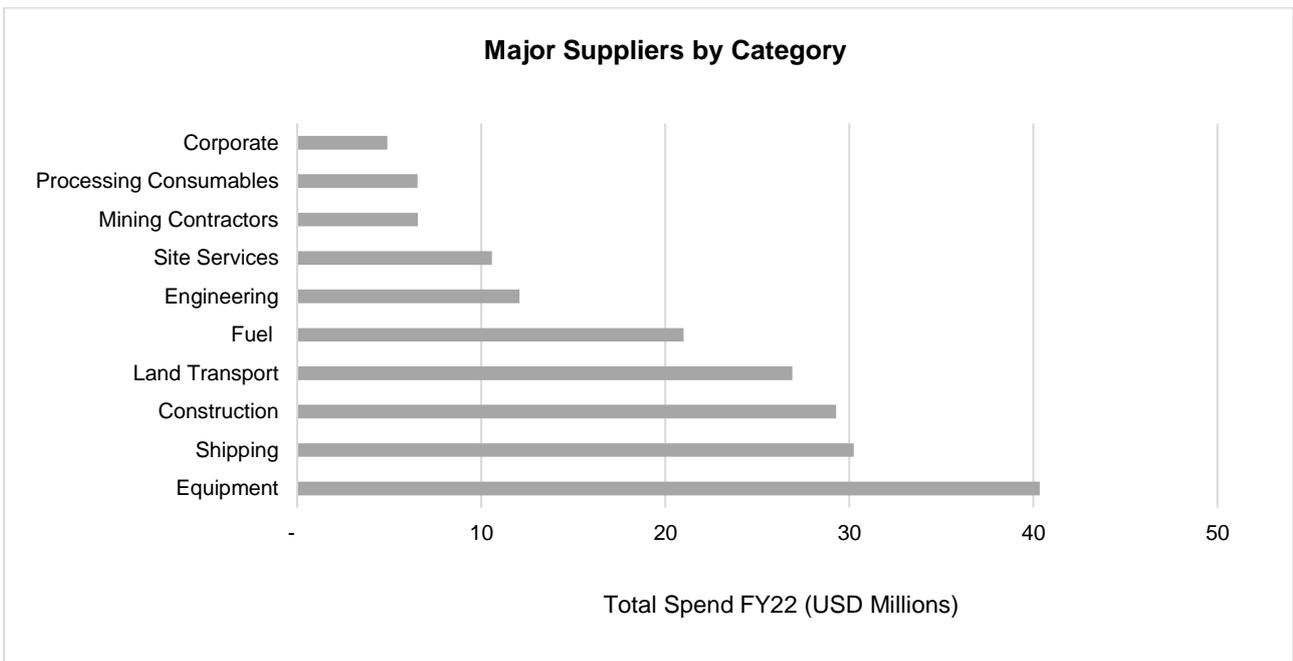
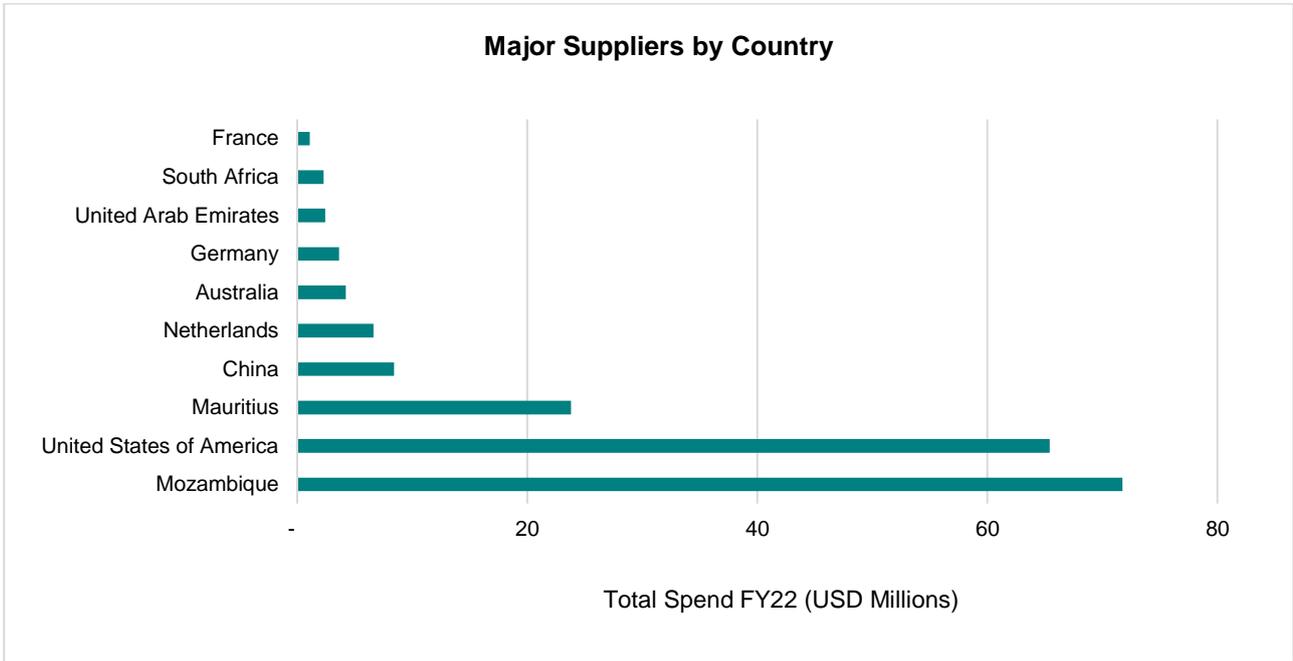
For the purposes of this Modern Slavery Statement, the Reporting Entity is Syrah Resources Limited.

1.2. Syrah's supply chain

The Syrah Group has a range of suppliers from multiple countries. Generally speaking, we engage suppliers on our standard terms and conditions that impose obligations regarding compliance with Company policies, which includes our Human Rights Policy and Modern Slavery Statement. Our preference is to engage suppliers with whom we have pre-existing relationships on a longer term basis (at least 12 months) to ensure stability in our commercial relationships with parties that are

1) The ownership of Twigg Exploration & Mining Limitada is 95% Syrah entities and 5% a Mozambique Government entity

familiar with our business. Our major suppliers (top 10 by spend in FY22) are shown below, broken down by country and category.



In FY22:

- Value of procurement of goods and services totalled US\$208.9M
- Number of suppliers totalled 429
- Largest supplier spend countries were Mozambique (34%) and United States of America (31%)
- Largest supplier spend categories were Equipment (19%), Shipping (14%) and Construction (14%)
- Largest number of suppliers are from the United States of America (172, 42%) and Mozambique (144, 35%)

2. MODERN SLAVERY RISKS

Modern slavery includes trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour².

Syrah recognises that modern slavery exists in all countries, and the 2023 Global Slavery Index estimates there are 50 million people living in modern slavery globally³. The Company acknowledges that, due to the geographical spread of its operations, the inherent nature of business activities, our labour-force structures and prevailing socio-political and environmental conditions, modern slavery risks exist throughout the Company's operations and supply chain.

2.1. Operations

We have identified that modern slavery risks are more likely in our supply chain than in our operations. However, we acknowledge that there may be modern slavery risks in our operations particularly in the absence of effective controls (discussed in Section 3).

Syrah's activities and offices are located across four countries (outlined below with their prevalence of modern slavery as set out in the 2018 Global Slavery Index). In addition, Syrah acknowledges that the mining sector is recognised as higher risk sector for modern slavery globally⁴. However, given the governance (including policies and process) Syrah has in place across our business to manage modern slavery risk (discussed in Section 3) we consider the risk of modern slavery within our own operations to be low.

Country	Description	Estimated Slavery Prevalence (Victims per 1,000 population)	Global Rank (1 being highest prevalence, 167 being lowest prevalence)
Australia	Corporate Office (Head Office)	0.6	163 of 167
United States of America	Downstream Processing Plant (Vidalia Active Anode Material Facility)	1.3	158 of 167
United Arab Emirates	Corporate Office (Sales & Marketing)	1.7	148 of 167
Mozambique	Mine and Upstream Processing Plant (Balama Graphite Operation) and Corporate Office (Support Services)	5.4	67 of 167

2.2. Supply chain

We are assessing our major suppliers and contractors for modern slavery risks, with close attention given to categories identified as high-risk in line with credible guidance resources⁵. Categories of goods and services Syrah procures that we have identified as being higher risk for modern slavery include:

- Services procurement
 - Cleaning

2) Modern Slavery Act 2018 (Cth), <https://www.legislation.gov.au/Details/C2018A00153>

3) Walkfree, 2023 Global Slavery Index, <https://www.walkfree.org/global-slavery-index/>

4) Commonwealth Government, 'Commonwealth Modern Slavery Act 2018: Guidance for Reporting Entities' (2019) <https://respect.international/wp-content/uploads/2020/01/Commonwealth-Modern-Slavery-Act-2018-Guidance-for-Reporting-Entities.pdf>

5) Reference resources include the 2019 survey commissioned by the Australian Council of Superannuation Investors and conducted by KPMG: 'Modern Slavery Risks, Rights & Responsibilities - A Guide for Companies and Investors' <https://assets.kpmg.com/content/dam/kpmg/au/pdf/2019/modern-slavery-guide-for-companies-investors-feb-2019.pdf> and the guide referenced in footnote 3 above

- Catering
- Security
- Construction
- Shipping
- High volume consumables – e.g. oils, reagents, bags, pallets and safety equipment
- Electronics

Our Tier 1 suppliers are based in a range of countries, including a number with a higher prevalence of modern slavery according to the Global Slavery Index, including Mozambique, China and South Africa.

Country	Total Spend FY2022 (USD)	Number of Suppliers from Country	Percentage of Total Spend	Estimated Slavery Prevalence (Victims per 1,000 Population)	Global Rank (1 being highest prevalence, 167 being lowest prevalence)
Mozambique	\$71,730,491	144	34%	5.4	67 of 167
United States of America	\$65,431,865	172	31%	1.3	158 of 167
Mauritius	\$23,791,156	3	11%	1.0	161 of 167
China	\$8,408,588	10	4%	2.8	111 of 167
Netherlands	\$6,640,425	1	3%	1.8	143 of 167
Australia	\$4,238,120	32	2%	0.6	163 of 167
Germany	\$3,650,199	2	2%	2.0	134 of 167
United Arab Emirates	\$2,448,651	8	1%	1.7	148 of 167
South Africa	\$2,308,696	41	1%	2.8	110 of 167
France	\$1,096,212	1	1%	2.0	136 of 167

Syrah acknowledges that the risks identified relate to Tier 1 suppliers and modern slavery risks may exist in deeper tiers of the supply chain in other locations.

In FY22, the Company commenced construction of a solar and battery system at Balama through a third party (i.e. Tier 2 supplier) under a build-own-operate-transfer (“BOOT”) arrangement. Given the evidence linking supply chains for renewable energy products to modern slavery and human rights violations⁶, Syrah requested that a deep analysis be undertaken into the shortlisted suppliers of the solar panels for Balama. This due diligence process resulted in the Company taking the decision to procure the panels from a supplier assessed as low risk for human rights and modern slavery issues.

3. OUR APPROACH TO ASSESSING AND ADDRESSING MODERN SLAVERY RISK

3.1. Our commitments, vision and values

The Company is a strong advocate of human rights and is committed to ensuring that policies, processes, procedures and systems are in place across the business to identify, mitigate and prevent, adverse human rights impacts, including modern slavery. The Company understands its role in respecting human rights and will, at a minimum, act in accordance with internationally recognised human rights standards, including the International Bill of Rights, the International Labour

6) ‘Addressing Modern Slavery in the Clean Energy Sector: A White Paper by the Clean Energy Council in Collaboration with Norton Rose Fulbright Australia’ (2022) <https://assets.cleanenergycouncil.org.au/documents/resources/reports/Addressing-Modern-Slavery-in-the-Clean-Energy-Sector.pdf>

Organization’s Declaration on the Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights (“UNGPs”).

As a responsible and ethical corporate citizen, we are committed to proactively identifying and addressing modern slavery risks in our operations and supply chain in collaboration with our employees, contract partners, suppliers, communities and stakeholders.

By respecting the rights of all people, the Syrah Group is best positioned to create long term value for its shareholders and mutual benefit for the communities in which we operate, or impact through our value chain. As a developing organisation we recognise that opportunities exist to strengthen our systems, processes and assurance frameworks to safeguard against modern slavery risks and to ensure any incidents of modern slavery remedied in line with the expectations of the UNGPs.

Our approach to modern slavery risk management is summarised below:



In pursuit of our Vision (see below), Syrah has established and is driving an organisational culture founded on the Company Values where all employees, contract partners and supply chain participants are treated with fairness and respect, and where ethical business practices are of the highest importance. All leaders are accountable for exhibiting behaviours in line with the Company Values and encouraging these behaviours in others.

Syrah Vision

Our vision is to be the world’s leading supplier of superior quality graphite and active anode material products, working closely with customers and the supply chain to add value in battery and industrial markets

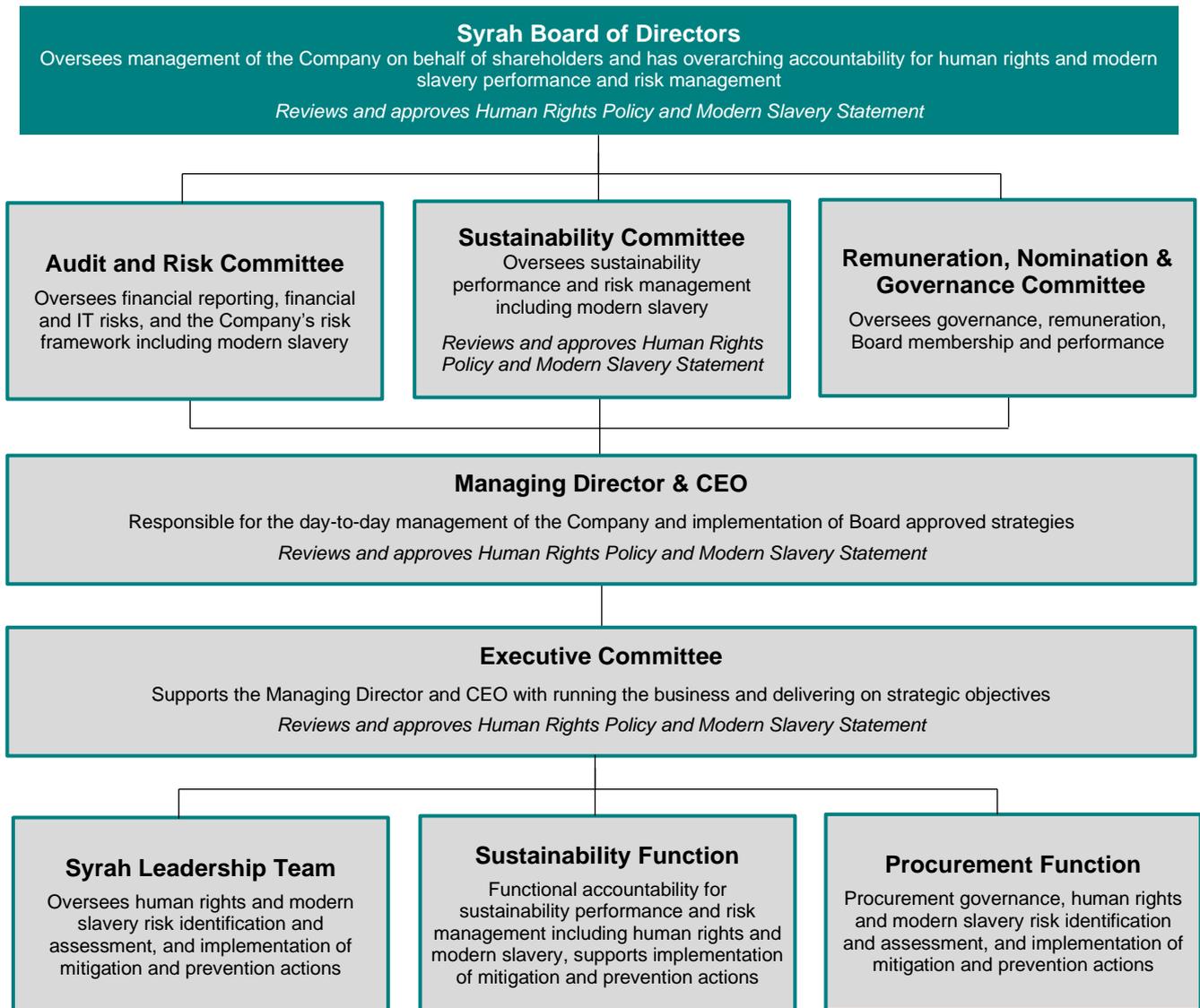
Syrah Values

<p>Good health and working safely at all times</p> 	<p>Partnering with the community and stakeholders for sustainability</p> 	<p>Integrity and fairness in all our business dealings</p> 	<p>Challenge and support our people to achieve their potential</p> 	<p>Being accountable for our decisions and actions</p> 
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We are committed to working as a team and acting as owners to deliver shareholder value

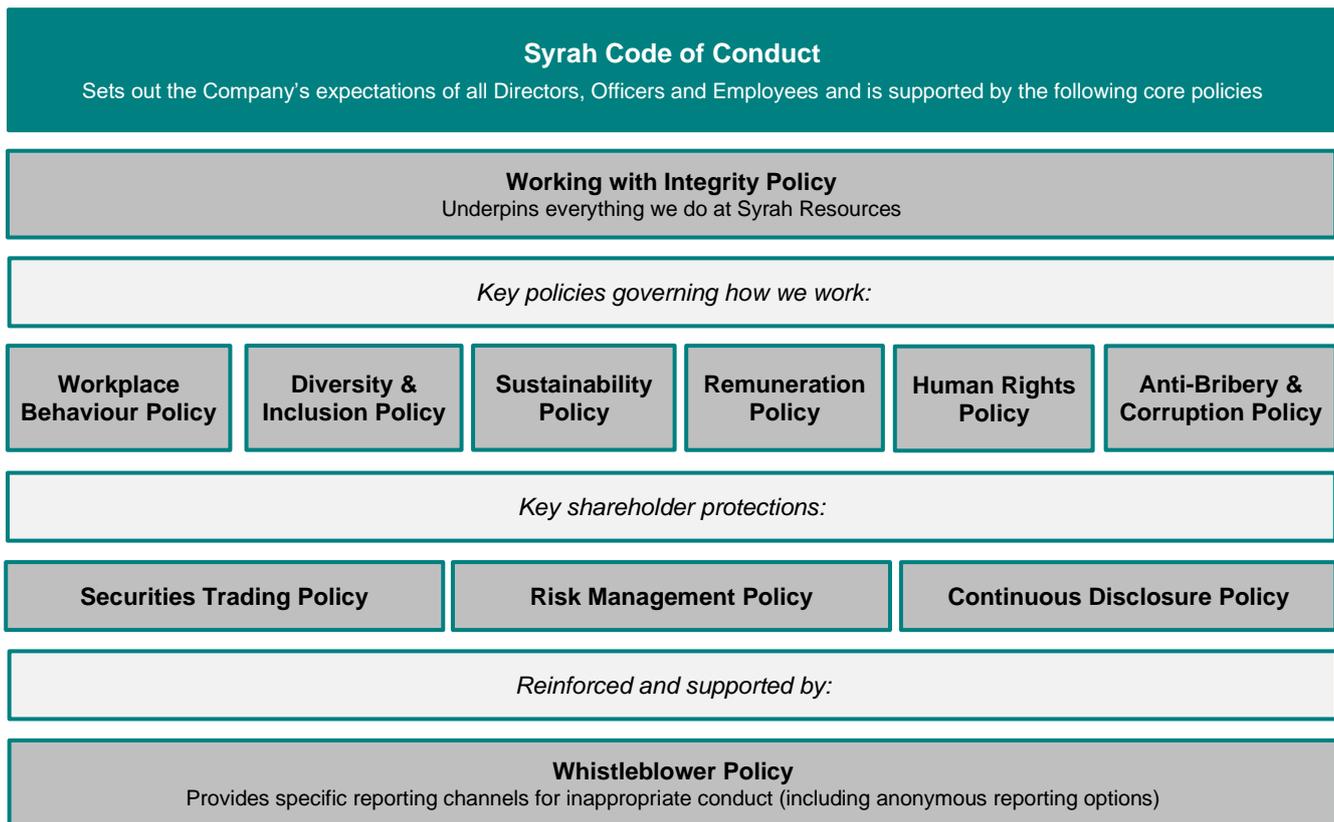
3.2. Corporate governance

The Company’s robust Corporate Governance Framework is in place to ensure the effective oversight of all business activities and decisions, including in relation to modern slavery risk management. This framework ensures strong Board and Executive oversight exists for respecting and protecting human rights and lays the foundation of our approach to modern slavery risk management in our operations and supply chain. The Board’s Sustainability Committee Charter has a specific mandate to oversee management of risks relating to Syrah’s sustainability policies and practices, which includes modern slavery.



3.3. Key policies

The Company Values are underpinned by key policies that set clear expectations in relation to acceptable standards of workplace behaviour and ethical business conduct. These policies are reviewed annually by the Syrah Leadership Team (“SLT”), the Executive Committee (consisting of the Company’s Chief Executive Officer and Managing Director, Chief Financial Officer and Chief Operating Officer) (“ExCo”) and relevant Board Committee, and all employees are trained in their application biennially to drive awareness and compliance. These policies are available on the [Syrah website](#).



Syrah's Community and Stakeholder Complaints & Grievance Procedure is also key to good governance, and is outlined further in the Grievance Mechanisms and Remediation section below.

3.4. Assessing and addressing risks in our operations and supply chains

Syrah maintains a systematic approach to risk management, which includes a thorough evaluation of key risks (both business risk and risk to people) and our material sustainability issues. Both influence our Corporate Strategy and are integrated into the Company Risk Management Framework which is reviewed regularly by the SLT, ExCo, and the Syrah Board and its relevant Sub-Committees.

Comprehensive risk reviews are conducted monthly due to the dynamic nature of our operating environment and to ensure the effectiveness of risk management controls in place. All significant escalations in risk ratings are reported to the ExCo in line with established risk escalation protocols. That said, we recognise that we have an opportunity to further embed human rights and modern slavery risk management in the Company's systems, processes, procedures and policy to support good decision making and prevent adverse impacts on people.

3.4.1. Operations

We used the 2018 Global Slavery Index to assess the prevalence of modern slavery in the countries in which we operate (discussed in Section 2). In addition to the information provided in previous sections, examples of relevant controls in place include:

- Collective Bargaining Agreement in place at Balama to govern working conditions in compliance with applicable laws at a minimum
- Robust Health & Safety Management System in place across the Syrah Group to protect employees and contractors from hazardous working conditions
- Recruitment procedures in place preventing the employment of children

- Remuneration Policy in place confirming that all direct employees receive a written contract of employment and that their salaries reflect legal obligations in each jurisdiction at a minimum
- Discipline Management Procedure in place at Balama to ensure fair and consistent treatment of all employees in compliance with applicable laws at a minimum
- Social and Environmental Impact Assessment for Balama completed every 5 years with human rights considerations
- Socio-Economic Impact Study for Balama completed every 5 years with human rights considerations

Between the end of the reporting period and publication of this Statement, the Company engaged a specialist business and human rights advisory firm to undertake a salient human rights risk assessment to identify and assess where the greatest risks of potential adverse impacts on human rights (including modern slavery) may arise at our Balama operations and supply chain. In FY23, the firm will also conduct a human rights gap analysis for the Balama mine to identify areas where the Company can strengthen its human rights risk management across the mine's activities and supply chain, and assist the mine with the development of a human rights guidance for employees and contractors.

3.4.2. Supply chains

We are in the process of identifying and assessing the higher risk suppliers in our supply chain by considering risk factors such as supplier spend, geographical location and the category / type of good or service.

Although supplier spend is currently being used to guide the supply chain risk assessment process, we acknowledge that spend is not an indicator of modern slavery risk, and our most significant modern slavery risks may exist outside our significant spend.

We used the Global Slavery Index 2018 to assess the prevalence of modern slavery in the countries in which our major Tier 1 suppliers and contractors are located. These geographic considerations allow us to better understand the variable risk profiles that exist in our Tier 1 supplier cohort and will inform the ongoing development of our supplier risk management approach. Syrah acknowledges that the risks identified only relate to Tier 1 suppliers and modern slavery risks may exist in deeper tiers of the supply chain in other locations.

As part of our supply chain modern slavery risk assessment, we assess our major suppliers with a particular focus on categories / types of goods or services that are considered high risk for modern slavery, especially categories where migrant workers and/or entry-level workers may be directly engaged or employed via third party arrangements, as these workers are considered particularly vulnerable to modern slavery.

In FY22, the Company began a program of work to review and improve its supplier due diligence framework in relation to human rights and modern slavery risk management. Through this process, we are working towards building out our supplier capability assessment approach specifically relating to human rights and modern slavery that will include:

- Contractual obligations to comply with relevant Company policies and applicable laws
- Pre-qualification and onboarding assessments
- Due diligence questionnaires
- Performance reviews
- Raising awareness regarding modern slavery risks and exposures

3.5. Training and awareness

All employees are required to complete in-person Human Rights Awareness training that includes a modern slavery training module which must be completed every two years. This training requirement also extends to embedded onsite contractors.

In FY23, additional targeted modern slavery training from a specialist business and human rights advisory firm will be provided to the SLT, ExCo and select relevant positions that play a lead role in supply chain due diligence and/or contractor management.

At Balama, our contracted security service provider must observe the UN Voluntary Principles of Security & Human Rights and train their personnel in these requirements as a prerequisite to working at our operation. The training material expressly prohibits slavery in all forms. Our security contractor is subject to this ongoing obligation in contractual arrangements and all security personnel are required to complete refresher training every two years.

We will continue to commemorate Human Rights Day each year in partnership with our key stakeholders to raise awareness of human rights and modern slavery risks and remind employees and contractors that they have a role to play in respecting the human rights of our people and the communities in which we operate, as well as supply chain workers.

3.6. Stakeholder Engagement

We recognise collaboration with stakeholders is critical to driving change, and we are committed to identifying opportunities to collaborate with other stakeholders on combating modern slavery.

A comprehensive Stakeholder Engagement Framework has been established at Syrah with discrete mechanisms in place to ensure key stakeholders remain informed of our activities, risks and opportunities. As we continue to mature, so too will our relationships with key suppliers, governments, non-government organisations, communities and various industry participants.

3.7. Grievance Mechanisms and Remediation

We will maintain the integrity and effectiveness of our community complaints and grievances mechanisms and whistle-blower protections to ensure our communities and other stakeholders are provided an avenue for redress relative to actual or suspected human rights and modern slavery breaches.

During the reporting period Syrah did not receive any allegations or identify any instances of modern slavery.

4. MONITOR AND REVIEW

We will continue to strengthen our capacity to monitor and review human rights and modern slavery performance across the Company utilising our existing sustainability reporting framework and broadening our risk management approach to include our supply chain. This will include building out a framework for assessing the effectiveness of our approach and actions.

5. CONSULTATION

While our owned and controlled entities (outlined in Section 1) are geographically dispersed, we operate under a single governance framework, including all Syrah Group policies and the Company's human rights and modern slavery risk management approach.

Preparation of this Statement included consultation with Syrah's owned and controlled entities through engagement with the Syrah Board and all of Syrah's subsidiary boards. Various functions

had input into this Statement including Sustainability, Risk, Legal and Procurement, and a draft version of this Statement was reviewed by all nine (9) General Managers across the Syrah Group (i.e. the SLT) and the ExCo.





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