



Lynas
Rare Earths



Modern Slavery Statement 2022

Contributing to a sustainable future



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Lynas Rare Earths acknowledges the Traditional Owners of the lands on which we live, work and meet, across Australia.

We acknowledge and value Lynas' Aboriginal and Torres Strait Islander employees, partners and communities and pay respect to their Elders past and present.

1. Letter from Chairman and CEO

Lynas Rare Earths Limited (Lynas or the Group) is proud to present our third Modern Slavery Statement. This Statement for the year ending 30 June 2022 outlines the actions we are taking to address the risks of modern slavery in our own operations and in our supply chains.

The Group is proud of the policies and procedures we have in place to protect human rights and prevent modern slavery. We also recognise that an issue of this size and complexity requires constant vigilance, assessment and improvement. This is a priority for Lynas and we look forward to continuing to enhance our efforts to prevent modern slavery in FY23.

This Statement was approved by the Board of Lynas Rare Earths Ltd on 21 December 2022 as the principal governing body of the Lynas Group which comprises Lynas Rare Earths Limited, Lynas Services Pty Ltd, Mt Weld Holdings Pty Ltd, Mt Weld Mining Pty Ltd, Lynas Kalgoorlie Pty Ltd, Lynas USA LLC, Lynas Malaysia Sdn Bhd, Lynas Africa Holdings Pty Ltd and Lynas Africa Limited.



Kathleen Conlon

Chairman

Lynas Rare Earths Ltd

21 December 2022



Amanda Lacaze

CEO & Managing Director

Lynas Rare Earths Ltd

21 December 2022

2. Introduction

Caring for and respecting our people and our communities is at the heart of everything we do

Lynas Rare Earths Limited ACN 009 066 648 (Lynas) is committed to protecting the human rights of all people with whom we have dealings, including our employees, our business partners and their families, and all people in the communities in which we operate.

We recognise that our responsibility to protect human rights and manage the risk of modern slavery applies to our own global operations as well as to our supply chains and we take this responsibility seriously.

Lynas understands that modern slavery can occur in every industry and sector and includes eight types of serious exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.

This Modern Slavery Statement has been prepared in line with the Australian *Modern Slavery Act 2018 (Cth)* and the UN Guiding Principles on Business and Human Rights.

Lynas will continue to assess and address modern slavery risks in our operations and supply chains during FY23 and report on our progress in line with the Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities.

Our Values

Lynas aims to be the supplier of choice for our customers and a leader in sustainably produced rare earths. Our vision and values live through our people and the way we do business.



Care

We care for and respect each other, our communities and the environment. We make sure we all go home safe and well.



Achievement

We are resilient and committed. We overcome challenges to achieve our goals.



Expertise

We are driven to be the world's best in Rare Earths and to earn the respect of our customers.



Diversity

We are a multicultural company. We value and embrace diversity.



Sustainability

We are passionate about contributing to a sustainable future and green technologies.

Effects of the COVID-19 Pandemic

The ongoing COVID-19 pandemic continued to present challenges for businesses around the world in the 2022 financial year (FY22).

For Lynas, this included staffing challenges as people were required to isolate, as well as shipping delays and supply and logistics challenges.

During the year Lynas Malaysia participated in the Malaysian Government's Public/Private COVID-19 Industry Immunisation Programme. In Australia, a vaccination policy was implemented in line with the WA Government's public health directions and Lynas supported personnel to access vaccines where possible.

COVID-19 health and hygiene protocols were maintained in line with government regulations and industry best practice. This included education, disclosure and reporting, surveillance testing at all sites, physical distancing, hygiene and precautionary isolation procedures. Protocols and procedures were enhanced for the Omicron variant. Lynas is proud that our Malaysian operations were recognised by relevant authorities for leadership in COVID-19 management.

Case study 1: Digging deeper on personal protective equipment (PPE) supply chains



Awareness of modern slavery in PPE supply chains was heightened during the year and high profile cases reported in the media were discussed as part of Lynas' annual Modern Slavery training.

Following this training, a member of the Lynas team in Australia was prompted by a media article to ask about the provenance of gloves being used in our operations. The Procurement team traced the gloves to the manufacturer and arranged a meeting to better understand practices at the factory where the gloves were produced. The meeting provided an excellent opportunity to discuss risks of modern slavery and understand the policies and procedures the manufacturer had put in place to prevent modern slavery in its operations.

The manufacturer said it would welcome Lynas to visit and audit the factory where the gloves are produced. The Procurement team will consider this supplier as part of its schedule of on-site audits.

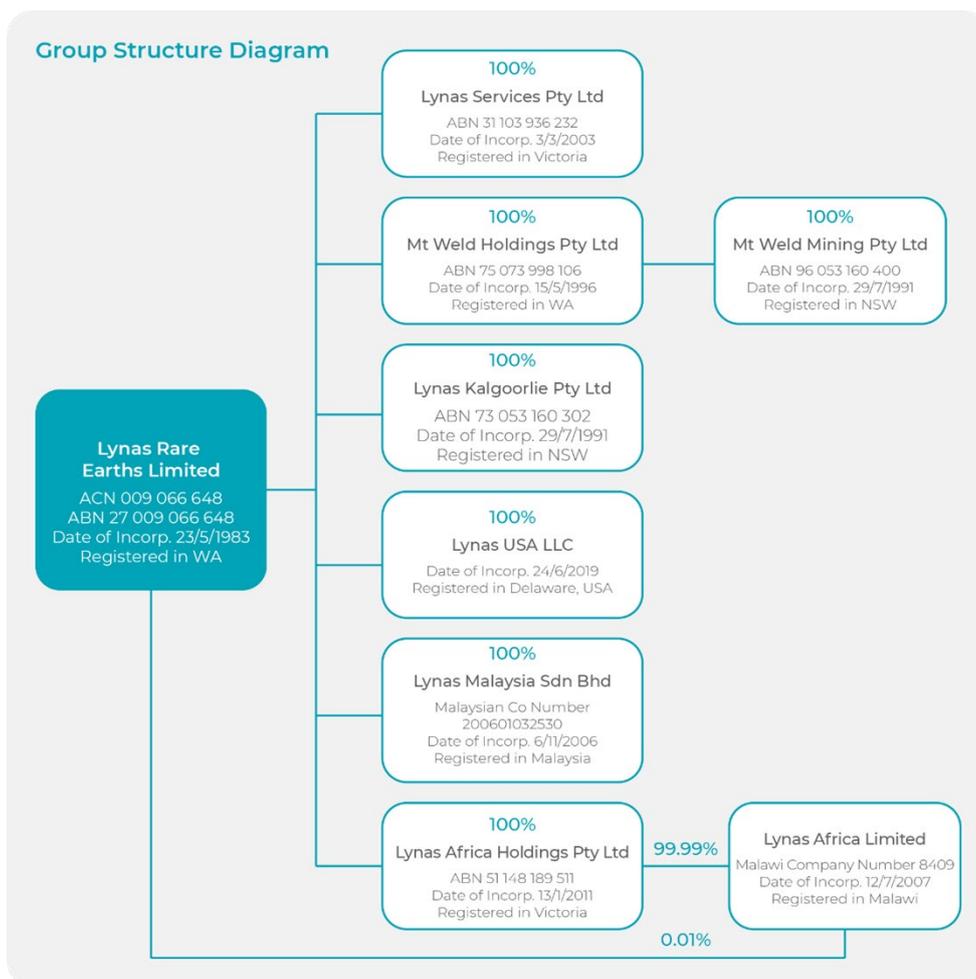
3. Reporting Criterion One & Two: Structure, Operations & Supply Chains

Our Structure

This Modern Slavery Statement has been prepared by Lynas Rare Earths Limited (Lynas). Lynas is a publicly listed company incorporated in Australia and listed on the Australian Securities Exchange (ASX). The Lynas registered office and headquarters is located in Perth, Western Australia.

As at 30 June 2022, Lynas employed 928 people, comprising 911 employees and 17 permanent contract employees across our Malaysian and Australian operations. This statement has been prepared on behalf of Lynas Rare Earths Limited (Lynas) and its subsidiaries.

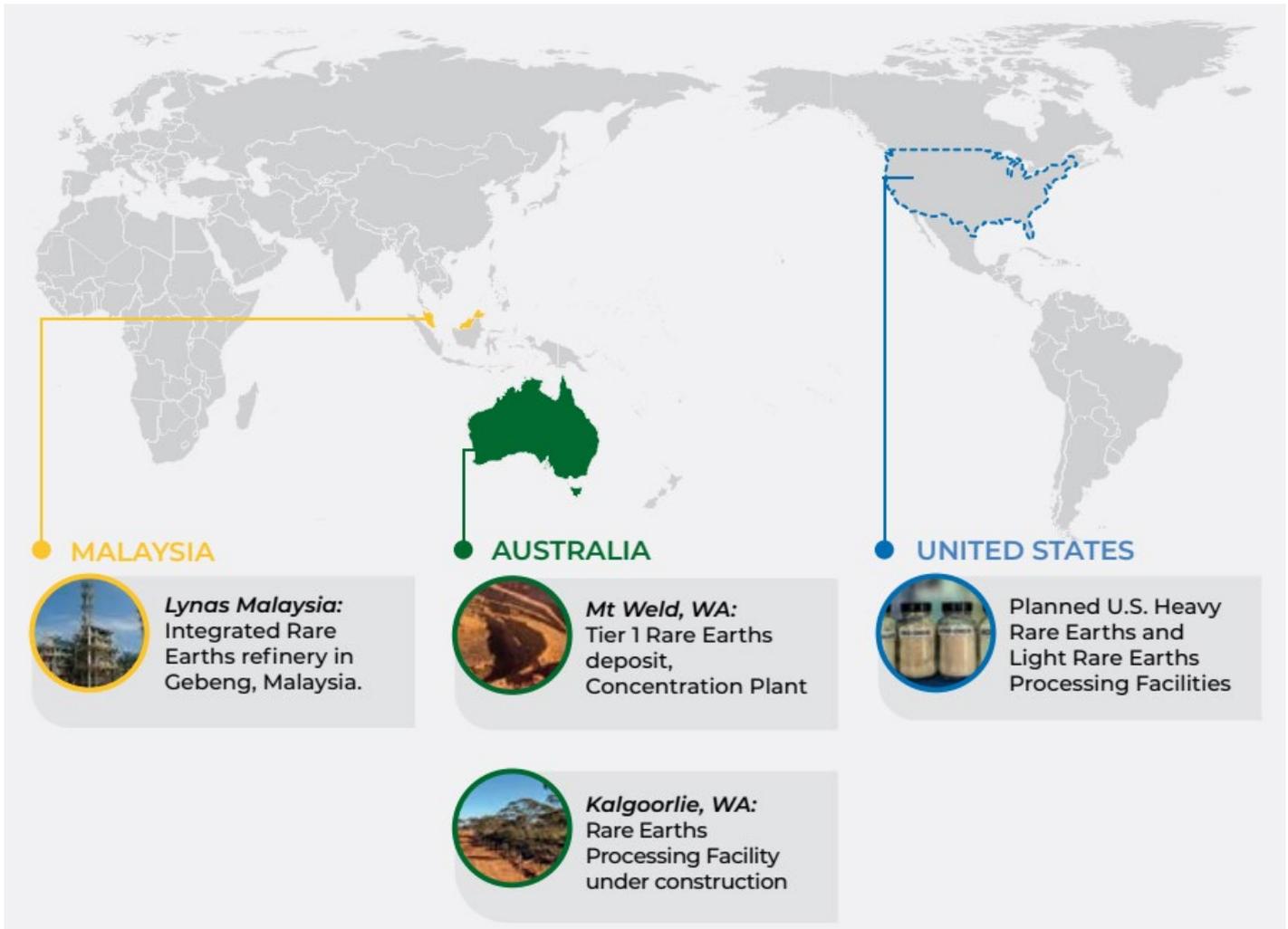
Lynas’ subsidiaries are all wholly owned and operate under the same leadership team and Board, as outlined below:



All references to Lynas refer to Lynas Rare Earths Limited and its subsidiaries.

Our Operations

Lynas is the only scale producer of separated rare earth materials outside of China



During FY22, Lynas Rare Earths' operating sites were the Lynas mine at Mt Weld, Western Australia, the Lynas Malaysia advanced materials plant in Gebeng, Malaysia, and the corporate office in Perth, Western Australia.

Although Lynas has subsidiaries incorporated in Malawi and the USA, the resource development project in Malawi has been on hold since FY12 and the USA project remains at a planning stage. Lynas had no employees in Malawi and one contract employee in the USA during FY22.

As part of our company's growth vision, Lynas is expanding our industrial footprint to include a Rare Earths Processing Facility in Kalgoorlie, Western Australia, and is planning a Rare Earths Processing Facility in Texas, USA. As we expand our operations, we will expand our program of assessing modern slavery risks.

Our operations consist of the following steps:

- Step 1:** Mining rare earths at our Mt Weld deposit in Western Australia;
- Step 2:** Processing the rare earth ore into a concentrate at the Mt Weld site;
- Step 3:** Cracking and leaching the rare earth concentrate at the Lynas Malaysia plant in Gebeng;
- Step 4:** Solvent extraction at the Lynas Malaysia plant in Gebeng; and
- Step 5:** Product finishing (drying and calcination) at the Lynas Malaysia plant in Gebeng.

Our Mt Weld rare earths deposit in Western Australia is acknowledged as one of the highest grade rare earths mines in the world and we operate the world's largest single rare earths processing plant in Gebeng, Malaysia. Lynas' rare earth products include Neodymium and Praseodymium (NdPr) used in magnets, Lanthanum (La), Cerium (Ce) and a mixed Heavy Rare Earths compound (SEG). The key markets for these materials are rare earths manufacturing supply chains in Asia, Europe and North America.

The Lynas supply chain includes contract mining services, maintenance and repair, cleaning, chemical and raw material inputs, utilities and freight logistics. Employee flights and accommodation for our Mt Weld operations and services and equipment for our Kalgoorlie Rare Earths Processing Facility and new Mt Weld expansion project

(announced 3 August 2022) are also procured. Suppliers are generally engaged with Lynas via stable, fixed or longer term contracts.

Ethical & Responsible Rare Earths Production

At Lynas, we have a great sense of pride in being an ethical and sustainable producer of rare earth materials. Lynas is a signatory to the United Nations Global Compact, which includes the protection of human rights and the elimination of all forms of forced and compulsory labour as part of its Ten Principles. In FY22 we were proud to take part in the Early Adopter Programme for the new Communication on Progress (CoP). The new CoP is designed to streamline reporting for all participating companies of the UN Global Compact.



United Nations
Global Compact

**COMMUNICATION
ON PROGRESS**

#EarlyAdopter



Provenance matters to our customers and we participate in external verification and industry initiatives that provide customers with confidence that our materials have been responsibly and ethically produced, through the supply chain from our mine in Western Australia to our advanced materials plant in Malaysia. This includes our participation in the Together for Sustainability chemical industry supply chain initiative.

Our headquarters and our mine are located in Australia, which has a low prevalence of modern slavery according to the Minderoo Foundation's 2018 Global Slavery Index¹.

Our refinery, the Lynas Malaysia advanced materials plant, is located in Malaysia which has a higher prevalence of modern slavery according to the Global Slavery Index. Lynas policies and procedures are in place to mitigate the risks of modern slavery, including in our Malaysian operations and supply chains.



Lynas participates in Together for Sustainability (TfS), a joint initiative and global network of chemical companies to deliver a global standard for environmental, social and governance performance of chemical supply chains. The TfS program is based on the UN Global Compact and Responsible Care® principles. Supplier audits are conducted by EcoVadis and in July 2021, Lynas Malaysia was awarded a Gold Medal Sustainability rating from EcoVadis for the second time, based on performance across the environment, labour and human rights, ethics and sustainable procurement. Only 5% of over 75,000 companies assessed by EcoVadis globally attain the Gold level rating.

Traceable from mine to magnet

Rare earths are used in future facing technologies designed to lower emissions and reduce energy consumption, as well as to improve efficiency, performance, speed, durability, and thermal stability. Lynas works with selected partners to provide mine to magnet traceability and Life Cycle Assessments.

Lynas has also taken the lead in the effort to secure a fully traceable rare earth supply chain through our involvement in the creation of a new ISO Standard, "Traceability of rare earths in the supply chain from mine to separated products". Lynas is fully committed to improving supply chain integrity to protect human rights and the environment, and to prevent the occurrence of modern slavery in the rare earths industry.

Our People

Lynas' over 900 employees include geologists, chemical engineers and others employed across both operating sites (Mt Weld and Gebeng) and professional and administrative functions undertaken on site or at our offices in Perth, Western Australia and Kuala Lumpur, Malaysia.

The safety of our people is a priority for Lynas. All direct and contract employees at our operating sites are included in Lynas' safety training and safety performance statistics. Health and safety treatment and support is also consistently applied to both direct and contract employees.

¹ <https://www.globalslaveryindex.org>

Lynas has assessed the risk of modern slavery among our people as very low due to the policies and procedures we have in place. This includes prioritising local employment, directly supervising all on-site employees and contractors, and having a strict process in place to ensure that no illegal foreign workers are engaged as either employees or contractors at our sites.

In keeping with our commitment to making a positive contribution to local employment, skills, education, health and the environment, 99% of employees in Australia are Australian nationals and 98% of employees in Malaysia are Malaysian nationals.

All Lynas employees receive pay and entitlements that are consistent with legislative requirements in Australia and Malaysia and applicable working time legislation is followed.

During the year, an updated Economic Impact Assessment for Malaysia was completed and identified that the average income at Lynas Malaysia is approximately double the average household income in Pahang state and approximately 1.3 times the national average income².

Lynas is committed to paying a living wage. Lynas Malaysia monthly wages (without overtime) have been assessed against available living wage data for Kuantan where the Lynas Malaysia plant is located and employee salaries are at or above the living wage.³

Our Human Rights policy and employee Code of Conduct outline our commitment to not engage in or support the use of any form of forced, compulsory or illegal labour. Employment of anyone under the minimum legal working age or fifteen (15) years old, whichever is higher, is prohibited. Employees under eighteen (18) years of age are prohibited from carrying out hazardous work. The Code of Conduct is available at: <https://lynasrareearths.com/wp-content/uploads/2021/04/Code-of-Conduct.pdf>

In FY22, employees in Malaysia and Western Australia undertook annual modern slavery training for the second time. The training was enhanced to include recent modern slavery cases that had been reported in the media and a post-training survey was undertaken to assess the effectiveness of the training and feedback on opportunities for improvement. Modern slavery training has also been included in induction training for new employees and contractors and will continue to be delivered as part of annual training requirements.

Lynas encourages reporting of any concerns or breaches of our policies and we offer multiple avenues for employees and other stakeholders to raise their concerns, including an independently operated reporting hotline. The Lynas Whistleblower Policy is publicly available on the Lynas website and contains protections and confidentiality provisions for whistleblowers: <https://lynasrareearths.com/about-us/corporate-governance/>. There were no reports made to the Disclosure Line in FY22. There was one self-report to the General Counsel. That matter was investigated and closed.



² <https://lynasrareearths.com/lynas-malaysias-economic-impact-report-2021/>

³ <https://swrc.um.edu.my/wp-content/uploads/2022/01/Belanjawanku-Report-2021-final-uploaded-21012022-reviewed-10032022.pdf>

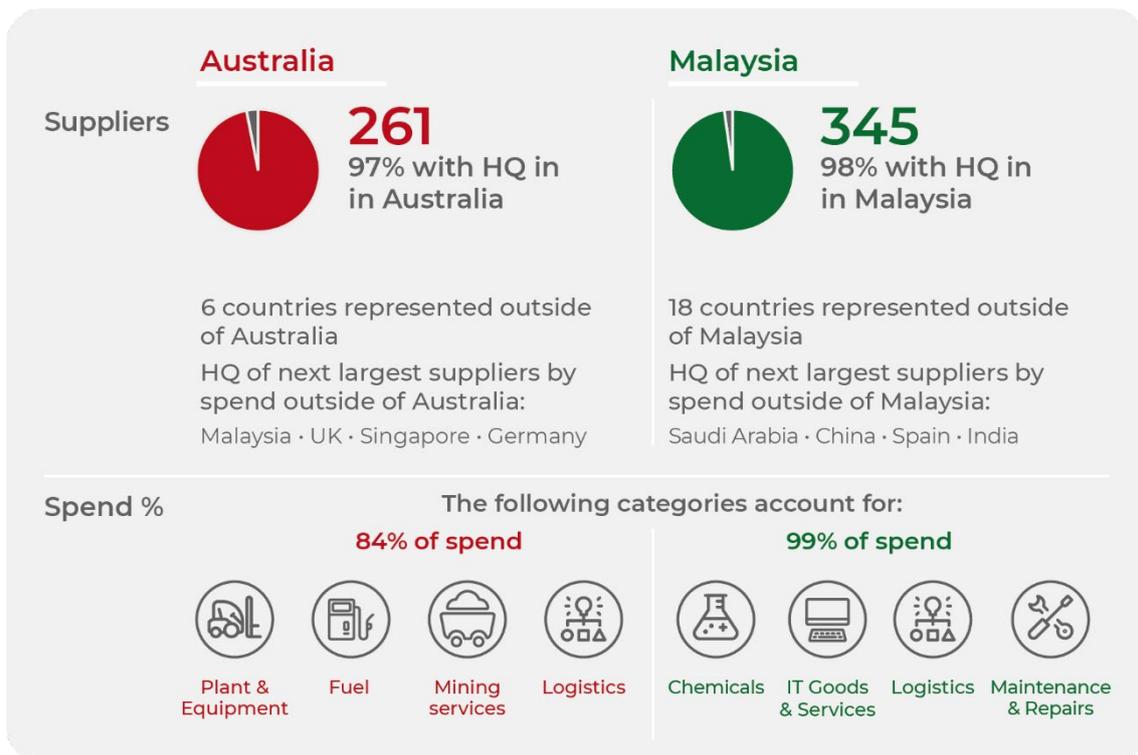
Board & Executive Oversight

The Lynas Board, on recommendations of the Audit, Risk & ESG Committee, oversees compliance with our Human Rights Policy and Lynas' response to modern slavery risks. At an executive level, the Lynas Leadership Team is responsible for modern slavery risks and actions to address them.

All members of the Lynas Leadership Team are responsible for identifying risks in respect of modern slavery in our operations.

Our Supply Chains

In FY22 we continued to monitor and analyse our supply chains to identify potential areas of high risk and opportunities to support suppliers to address modern slavery risks in their organisations.



Lynas' supply chains include both goods and services. Services provided to our operations include maintenance, repair, plant and equipment, cleaning and freight logistics. Employee flights and accommodation are provided for our Mt Weld operations and we also procure critical inputs for our operations including fuel, utilities (electricity, gas, water), equipment and chemicals.

4. Reporting Criterion Three: Risks of Modern Slavery in Operations and Supply Chain

Modern Slavery Risks & Mitigating Actions

Lynas is committed to playing a role in the development of robust and sustainable rare earth manufacturing supply chains. We recognise that managing the risk of modern slavery in our supply chains is critical to achieving this goal.

We will continue to assess and address modern slavery risks in our operations and supply chains in line with the *Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities*.

In assessing our risk of involvement in modern slavery risks, Lynas uses the UN Guiding Principles on Business and Human Rights' concepts of cause, contribute and directly linked where:

- A company may *cause* the impact through its own operations;
- A company may *contribute* to the impact, for example through unrealistic expectation of a contractor or supplier that can only be met using exploited labour; or
- A company may be *directly linked* to modern slavery through a third party contractor or investment, for example if the third party engages forced labour despite safeguards in place.

Our supplier policies

In line with UN Guiding Principles for Business and Human Rights, Lynas has policies and processes in place to meet our responsibility to respect human rights. This includes:

1. A Human Rights Policy outlining Lynas' commitment to respecting human rights;
2. A human rights due diligence process to identify, prevent, mitigate and account for Lynas' impacts on human rights;
3. Processes to enable the remediation of any adverse human rights impacts which are caused by, contributed to, or directly linked to Lynas' operations.

Lynas' commitment to respecting human rights is outlined in the Lynas Human Rights Policy. The Group's approach to assessing and managing risks in our operations and supply chains is outlined in the Lynas Code of Conduct and the Supplier Sustainability Policy and Code of Conduct. These Policies and Codes of Conduct are available at:

<https://lynasrareearths.com/about-us/corporate-governance/>

Our Code of Conduct requires that Lynas does not source products or materials from civil war zones or other areas with severe human rights infringements.

These policies provide the framework for our supply chain management and supplier management processes – from supplier selection to supplier qualification and evaluation, and supplier development.

Across both Australia and Malaysia, we require all suppliers to follow our Lynas Group Supplier Sustainability Policy and Code of Conduct. These draw on the United Nations (UN) Guiding Principles (UNGP) on Business and Human Rights, the UN Global Compact, the principles of the International Labour Organization (ILO), as well as the Lynas Business Conduct Guidelines.

Lynas seeks to audit major suppliers every three years⁴, including suppliers headquartered outside of Australia and Malaysia. While on-site audits were affected by pandemic related travel restrictions in 2020 and 2021, in 2022 the on-site audit program recommenced and 16 on-site audits were undertaken during the year. A case study on FY22 supplier audits is included in Case Study 2 below.

Assessing our supply chain risks

In FY22, Lynas continued the program of work to assess modern slavery risks in our operations and our supply chains and consider the risk that we are causing, contributing or directly linked to modern slavery practices.

Based on high-level analysis of a range of factors, including the industry type and country location of active supply contracts in FY22, higher risk categories in our supply chains included IT equipment, shipping logistics and maintenance contracts.

As noted above, in FY22, on-site supplier audits recommenced and 16 on-site supplier audits were undertaken during the year.

Australia

For FY22, 97% of active contracts for Australian operations were with Australian headquartered suppliers. Australia is ranked 163/167 countries on modern slavery prevalence with an estimated 0.6 victims of slavery per 1,000 population (Source: Minderoo Foundation's 2018 Global Slavery Index⁵). To date, Lynas has not identified any modern slavery risk factors in its Australian headquartered suppliers. The remaining 3% of active contracts were with 6 countries and of these, the most significant spend was with Malaysia, United Kingdom, Singapore and Germany.

According to the Global Slavery Index, Malaysia has a medium prevalence of modern slavery (estimated 6.9 victims per 1,000 population) and is ranked 42 out of 167 countries. Supplier risks in Malaysia are managed through policies and processes outlined below. The United Kingdom, Singapore and Germany each have a relatively low prevalence of modern slavery (ranked 132, 97 and 134 out of 167 countries respectively).

⁴ Note: active suppliers above AUD10,000

⁵ <https://www.globalslaveryindex.org>

Malaysia

In FY22, 98% of active contracts for Lynas' Malaysian operations were with Malaysian headquartered suppliers. Lynas recognises that the Minderoo Foundation's 2018 Global Slavery Index identifies Malaysia as having a medium prevalence of modern slavery (ranked 42/167 countries on modern slavery prevalence with an estimated 6.9 victims per 1,000 population).

Lynas has stringent requirements for Malaysia-based suppliers, including supplier audits and a process to ensure that no illegal foreign workers are engaged as either employees or contractors at our sites. To date, Lynas has not identified any significant modern slavery risk factors in its Malaysian headquartered suppliers, however, we continue to assess supplier modern slavery risks and work with our suppliers to develop capability in this area as needed, including where working conditions or policies and procedures need to be strengthened (see Case Study 2 below).

In Malaysia, awareness of modern slavery continued to increase during FY22 with further reporting of cases which highlighted migrant worker living conditions. Lynas participated in events coordinated by the UN Global Compact and the Thompson Reuters Foundation to bring together businesses, civil society organisations and NGOs in Malaysia to collaborate on ways to identify, prevent and remediate instances of modern slavery.

The remaining 16% of active contracts for our Malaysian operations are with 18 countries. Of these, the most significant supplier countries by spend are: Saudi Arabia, China, Spain and India.

According to the Global Slavery Index, Saudi Arabia, China, and Spain have a relatively low prevalence of modern slavery (ranked 138, 111 and 124 out of 167 countries respectively) while India has a medium prevalence of modern slavery (ranked 53/167 countries with an estimated prevalence of 6.1 victims per 1,000 population).

Our work with suppliers

Lynas requires all suppliers to comply with our Supplier Sustainability Policy and Code of Conduct.

Our Supplier Sustainability Policy and Code of Conduct requires all suppliers to agree to respect the basic rights of employees, institute strong health and safety and environmental protection standards, and not use "conflict minerals".

The Lynas Supplier Sustainability Policy and Code of Conduct includes a specific commitment to not engage in or support the use of any form of forced, compulsory or illegal labour.

Lynas recognises that a key risk identified through the analysis of our supply chain is suppliers not complying with our Supplier Sustainability Policy and Code of Conduct. To address this, we have implemented a Supplier Management Process that includes due diligence, supplier self-assessments and supplier audits.

The Lynas Supplier Management Process provides a range of interrelated procedures and tools to ensure transparency and awareness with regard to procurement processes, suppliers, and risks and opportunities in the supply chain. Key aspects of the process include the application of rigorous criteria for supplier selection and qualification.

Where Lynas identifies any gaps in supplier compliance with the Supplier Sustainability Policy and Code of Conduct, we offer to work with the supplier to provide guidance for new policies, procedures or improvements.

We are committed to helping our suppliers to improve, however, if problems persist and/or a supplier is unwilling to implement the measures required, they will be excluded from our list of suppliers.

A supplier Self-Assessment Questionnaire for modern slavery risks was sent to suppliers in FY22. Lynas engaged Bureau Veritas to assist with the review of Supplier Assessment Questionnaires and identification of higher risk suppliers.

Supplier Audit Checklists are part of the Lynas Supplier Qualification Process, which is regularly reviewed and updated. Supplier quality audits include questions about sustainability that cover all aspects and requirements of the Supplier Code of Conduct. New potential suppliers go through the qualification process while existing suppliers are re-evaluated every three years.

Grievance mechanisms

Lynas is committed to ensuring our employees, contractors, suppliers and communities can raise concerns regarding modern slavery without being subjected to victimisation, harassment or discriminatory treatment, and to have such concerns properly investigated.

There are multiple avenues for employees to raise concerns or report incidents. This includes raising issues or concerns with a supervisor or manager, the VP People & Culture, the General Counsel, or any member of the Lynas Leadership Team.

The Lynas Whistleblower Policy contains protections and confidentiality provisions for whistleblowers, consistent with applicable legislation, as well as contact details for an independently operated Disclosure Line.

Lynas has engaged an independent organisation, STOPline, to run the Disclosure Line for our employees, contractors and communities. Disclosures can be made by telephone, email, online, or by mail and contact details are available in the Whistleblower Policy and at: <https://lynas.stoplinereport.com/>

Lynas seeks to ensure the Disclosure Line remains fit for purpose for our growing company and our multinational operations. During the year a review of disclosure line offerings was undertaken to assess their suitability and a shortlist has been developed. A decision will be made on the disclosure line in FY23.

Remediation framework

Lynas aims to prevent or mitigate the risks of modern slavery in our operations and supply chains as much as possible. In the event of any concerns being raised about modern slavery in our organisation or in our supply chains, Lynas has a process to assess, address and remediate.

This includes ceasing or changing an activity in order to prevent or mitigate the risk of modern slavery occurring; leveraging relationships with suppliers to encourage them to cease or change activities in their organisation that may present risks of modern slavery; or, if this is not successful, to end the business relationship whilst taking into account the potential human rights impacts of this action.

Case Study 2: Getting back to on-site Supplier Audits post-pandemic



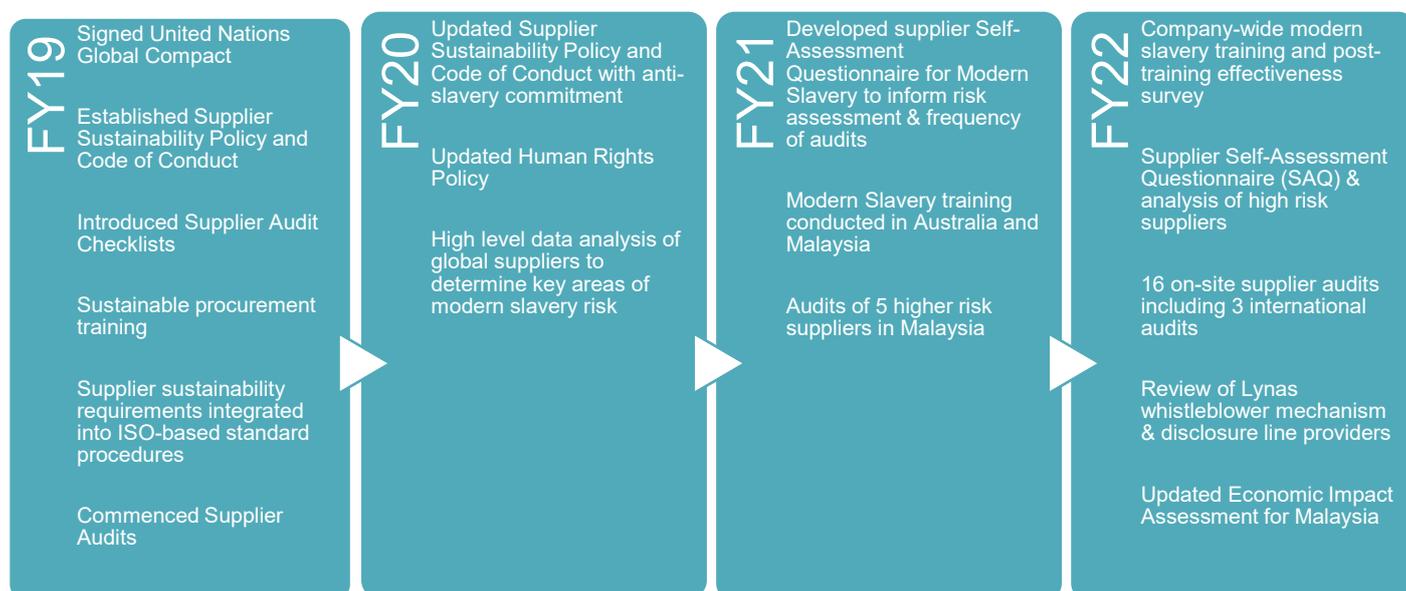
During the year, Lynas Malaysia completed on-site supplier audits with 16 of the company's largest suppliers by spend.

With the easing of pandemic-related travel restrictions, 13 audits were undertaken with Malaysian based suppliers and 3 audits were undertaken with international suppliers, comprising 2 businesses based in Vietnam and one based in Saudi Arabia.

The audits did not identify modern slavery practices at any of the sites. However, there were instances where suppliers did not have specific policies or procedures to prevent modern slavery in their operations and Lynas is working with these companies to ensure policies and procedures are implemented. A follow up audit will be undertaken to check progress in this area.

5. Criterion Four: Actions to address Modern Slavery

Our progress to date:



FY22 Action Plan & Progress:

A summary of the progress on each of the identified actions for FY22 is outlined below.

FY22 Action	FY22 Progress
<p>1. Conduct annual Modern Slavery training in all operating locations</p> <ul style="list-style-type: none"> Survey employees post-training to assess effectiveness 	<p>Company-wide Modern Slavery training was completed in June 2022, together with Code of Conduct training.</p> <p>New training materials were developed in both English and Malay language and recent high profile media reports on modern slavery cases in both Australia and Malaysia were included in the training.</p> <p>A post-training survey was conducted and results demonstrated the effectiveness of the training in increasing awareness and understanding of modern slavery and the role of Lynas and our suppliers in preventing modern slavery.</p>
<p>2. Implement new supplier Self-Assessment Questionnaire (SAQ)</p> <ul style="list-style-type: none"> Complete risk analysis based on outcomes of SAQ Identify higher risk suppliers requiring more regular audits 	<p>A supplier Self-Assessment Questionnaire (SAQ) was sent to a risk-based selection of Lynas suppliers in CY2021. The SAQ has also been included as part of new supplier onboarding in Malaysia.</p> <p>Bureau Veritas was engaged to analyse SAQs and identify higher risk suppliers requiring more regular audits or other actions. This analysis is ongoing as suppliers come on board.</p> <p>Lynas is also assessing a modern slavery risk assessment software solution for possible use in future.</p>

<p>3. Undertake desktop and on-site supplier audits assessing modern slavery risks</p>	<p>As pandemic-related travel restrictions were removed during the year, the Procurement team was able to undertake 16 on site audits in FY2022. Of the 16 audits, 13 were conducted in Malaysia, 2 in Vietnam, and 1 in Saudi Arabia.</p> <p>The supplier audits included an assessment of modern slavery risks.</p>
<p>4. Review effectiveness of grievance mechanisms for modern slavery</p> <ul style="list-style-type: none"> – Undertake review in line with UNGP guidance 	<p>A review of the Lynas whistleblower mechanism was undertaken during the year, including a detailed assessment of suitable disclosure line providers. A shortlist of providers has been identified and a final decision will be made in FY23.</p>
<p>5. Update the Economic Impact Assessment for Malaysia</p>	<p>The Economic Impact Assessment for Malaysia was updated during the year based on FY2021 data. The new Economic Impact Assessment is now available on the Lynas website at: https://lynasrareearths.com/lynas-malaysias-economic-impact-report-2021/</p>

FY23 Action Plan

- 1. Review Procurement onboarding processes**
 - Integrate the Modern Slavery Self-Assessment Questionnaire into new supplier onboarding throughout Lynas operations
- 2. Hold Modern Slavery training session for Malaysian suppliers to build capacity**
- 3. Conduct a data-based risk assessment for new suppliers**
- 4. Maintain the number of on-site supplier audits undertaken in FY23**
- 5. Confirm and roll out the new disclosure line to increase awareness**

6. Criterion Five: Assessing Effectiveness

Lynas is committed to ensuring that we hear about and address modern slavery effectively.

As noted in the UNGP, grievance mechanisms can only be effective if the intended users are aware of them, understand how and when to use them, and trust them enough to do so.

In FY22, Lynas reviewed disclosure frameworks to ensure they are fit for purpose. This included a review of disclosure line providers and seeking feedback from intended users of disclosure and reporting mechanisms.

Immediately following employee modern slavery training sessions, Lynas undertook a post-training survey (in both English and Malay language) to assess the effectiveness of the training and identify any knowledge gaps or areas requiring additional support or training.

The survey received 153 responses and approximately 50% of survey respondents indicated they had limited or no understanding of modern slavery prior to the training, however, over 95% of respondents rated their understanding of modern slavery as good or excellent following the training. In addition, approximately 95% of survey respondents said they understand how Lynas and its suppliers play a role in preventing modern slavery.

Feedback was also received requesting more examples closely related to Lynas' operations and a demonstration of how to use the whistle blower line. This feedback will be used to enhance Modern Slavery and Code of Conduct training in FY23.

7. Criterion Six: Consultation with Owned or Controlled Entities

As noted on page 4, Lynas' subsidiaries are all wholly owned and operate under the same leadership team and Board.

Lynas recognises that each entity within the Group has a role to play in addressing modern slavery risks and has consulted with representatives of each of our wholly owned subsidiaries in preparing this Statement.

This included the development of a Group-wide Modern Slavery consultation team with representatives from both the Australian and Malaysian operations. This included the Company Secretary & General Counsel of the Group and its subsidiaries, the Chief Financial Officer for the Group and subsidiaries (with responsibility for procurement and risk), the VP Corporate Affairs (with responsibility for ESG impact), the Group Accountant and representatives of the Contracts and Procurement and Corporate Affairs teams. The consultation team met regularly throughout FY22 and also engaged with the Lynas Leadership team, the Lynas Board and key areas across the group including People & Culture, Training, Finance, Sales and Sustainability.

As a result of this consultation process, Lynas has developed a Group-wide response to preventing modern slavery and both Group and country-specific actions.

8. Criterion Seven: Collaboration

Lynas is a signatory to the UN Global Compact and a member of the Minerals Council of Australia. During FY22, Lynas collaborated with industry and civil society through participation in industry initiatives focused on modern slavery.

In FY22, Lynas distributed the supplier Self-Assessment Questionnaire to suppliers and members of the Modern Slavery consultation team participated in workshops bringing together businesses, industry groups, NGOs and civil society hosted by the UN Global Compact Network Malaysia, the Thomson Reuters Foundation, the Minerals Council of Australia and the Australian Council of Superannuation Investors (ACSI).

9. Modern Slavery Act 2018 (Cth) – Statement Annexure

Principal Governing Body Approval

This Modern Slavery Statement was approved by the principal governing body of Lynas Rare Earths Limited as defined by the *Modern Slavery Act 2018* (Cth) ("the Act") on 21 December 2022.

Signature of Responsible Member

This Modern Slavery Statement is signed by a responsible member of Lynas Rare Earths Limited as defined by the Act: Kathleen Conlon, Chairman of the Lynas Rare Earths Ltd Board and Amanda Lacaze, CEO and Managing Director, Lynas Rare Earths Ltd.

Mandatory Criteria

The page numbers of the statement addressing each of the mandatory criteria in section 16 of the Act are outlined in the table below.

Mandatory criteria	Page
a) Identify the reporting entity	4
b) Describe the reporting entity's structure, operations and supply chains	4-6
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	8-11
d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	12-13

e) Describe how the reporting entity assesses the effectiveness of these actions	13
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (and consultation with the entity covered by the statement)	14
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant	14

A close-up photograph of a worker wearing a white hard hat, a black face mask, and a yellow high-visibility safety jacket. The worker is wearing white work gloves and is focused on a task involving a blue industrial machine. The jacket features several logos, including a red circular 'ZERO HARM' logo, a green globe logo, and a red 'as' logo with 'A-SOL BHD.' underneath. The background is dark and industrial.

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