



**Lynas**  
Rare Earths



## Modern Slavery Statement 2023

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 fourth Modern Slavery Statement. This Statement for the year ending 30 June 2023 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 FY24.

This Statement was approved by the Board of Lynas Rare Earths Ltd on 21 December 2023 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.



**John Humphrey**

Chairman

Lynas Rare Earths Ltd

21 December 2023



**Amanda Lacaze**

CEO & Managing Director

Lynas Rare Earths Ltd

21 December 2023

## 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 FY24 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.

## Case Study 1: Implementing a fit for purpose disclosure line



In recognition of Lynas' continued growth and the diversity of our workforce, in 2022 we set ourselves the goal of identifying a more inclusive and accessible disclosure line solution for our employees, suppliers and communities in Australia and Malaysia.

During FY23, research was conducted into a number of global and local disclosure line offerings. All were reviewed and assessed against our specific needs, including having a range of channels that could be used for reporting (i.e. phone, email, web), availability of the service in a range of languages, and the ability for whistleblowers to anonymously communicate with investigators on requests for additional information or to check on the status of a report.

A shortlist of two providers was developed, and reviews of their offerings were conducted by the legal team and key users of the platform. Following this, Deloitte Conduct Watch, was selected to operate the Lynas Speak Up disclosure line. Training on the new service was provided as part of the annual staff Code of Conduct training in June 2023 and the new service was launched to employees in September 2023. To aid staff awareness, an email to staff and intranet post (in both English and Malay) were published and posters were displayed on all operating sites and offices in English and Malay language.

Feedback from staff has been very positive to date and the team responsible for managing the disclosure line will continue to monitor cases and seek feedback to ensure the service remains fit for purpose for our growing company.

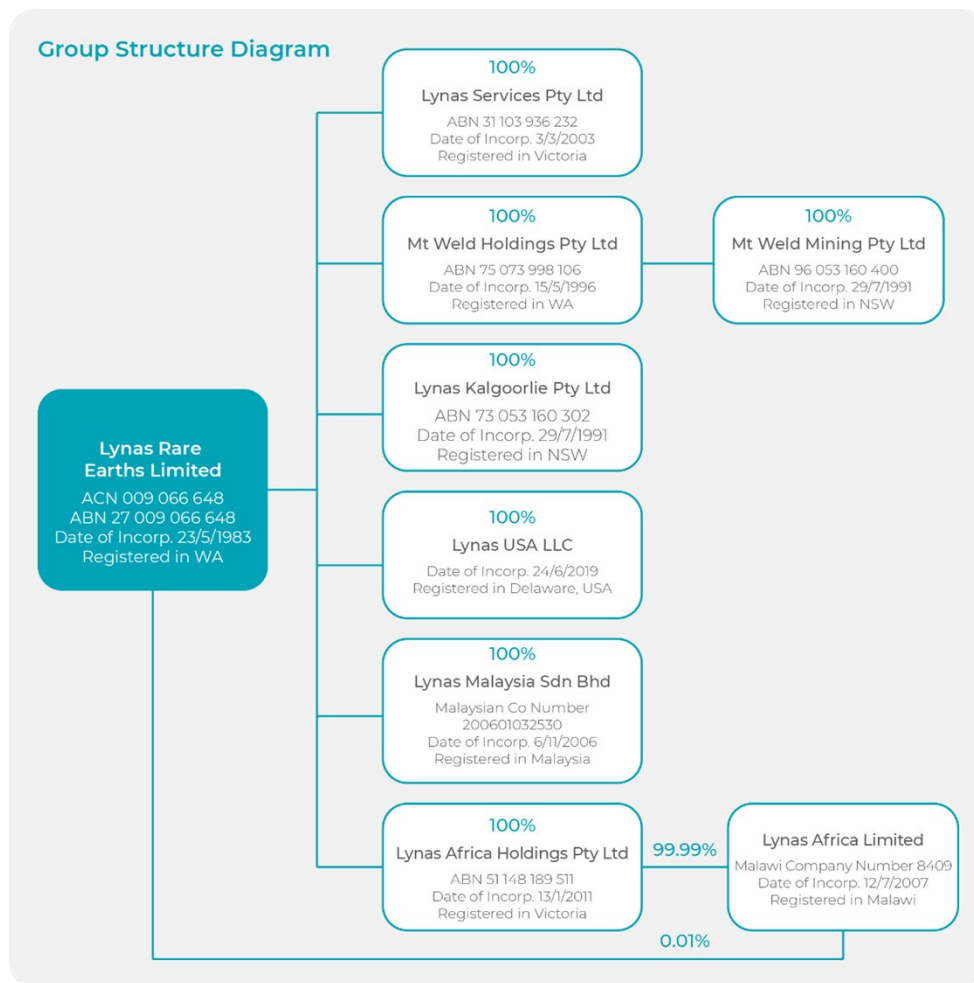
# 3. Reporting Criterion One & Two: Structure, Operations & Supply Chains

## 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 2023, Lynas employed 1,102 people across our Malaysian and Australian operations. This statement has been prepared on behalf of Lynas Rare Earths Limited (Lynas) and its subsidiaries.

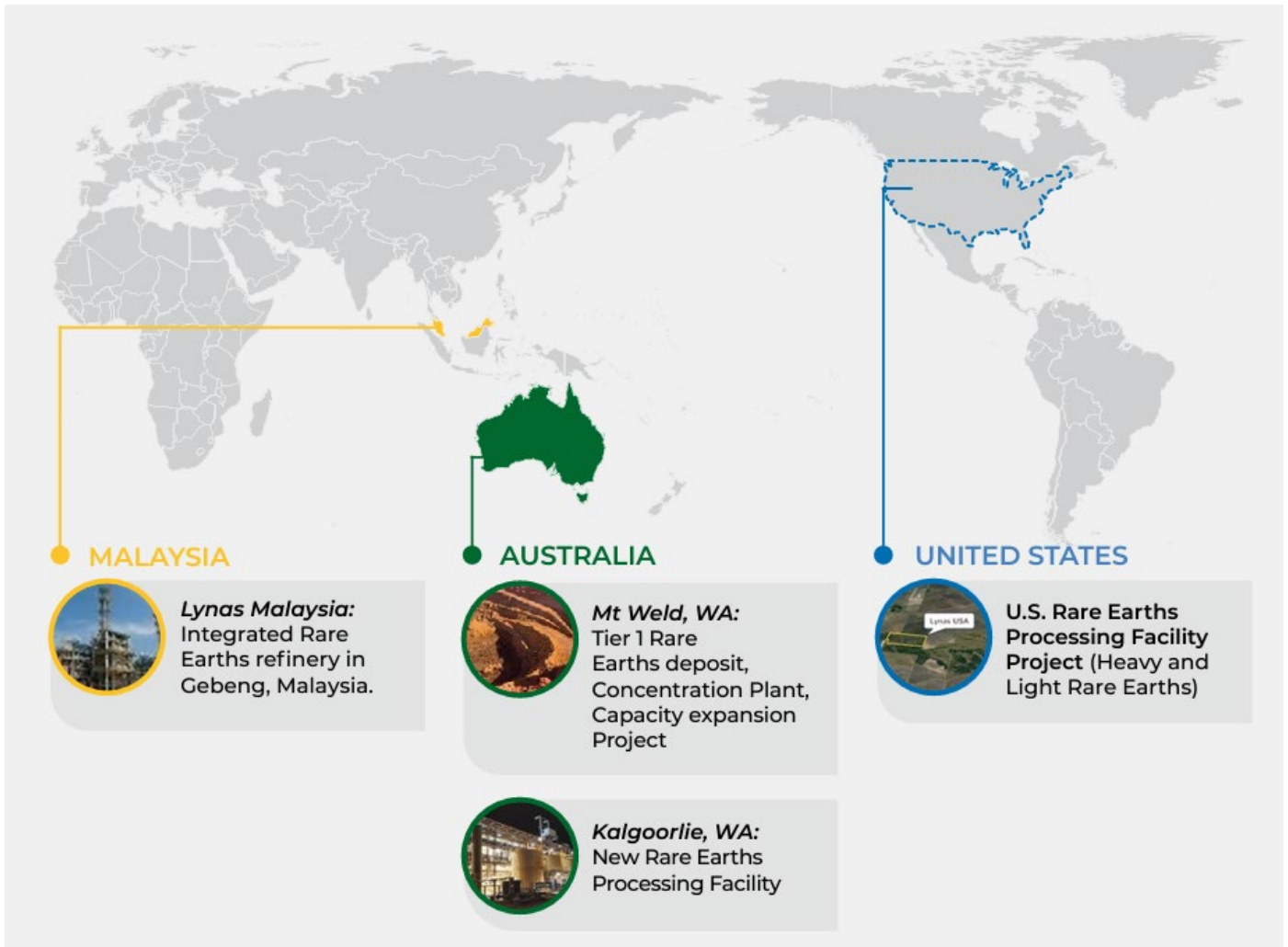
Lynas' subsidiaries are all wholly owned and operate under the same leadership team and Board, as outlined below:



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 FY23, Lynas Rare Earths' operating sites were the Mt Weld mine near Laverton, Western Australia, the Lynas Malaysia advanced materials plant in Gebeng, Malaysia, and the corporate office in Perth, Western Australia. During the financial year, construction on Lynas' new Kalgoorlie Rare Earths Processing Facility was largely completed and commissioning commenced.

Although Lynas has subsidiaries incorporated in Malawi and the United States of America (USA), the resource development project in Malawi has been on hold since FY12.

As part of our company's growth vision, Lynas is expanding our industrial footprint to include a new rare earths processing facility in the USA. Detailed design for this facility continued during the year in review. Lynas had no employees in Malawi or the USA during FY23.

As we expand our operations, we will expand our program of assessing modern slavery risks.

In FY23, our operations consisted 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.

Lynas' 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 new Kalgoorlie Rare Earths Processing Facility and Mt Weld expansion project (announced 3 August 2022 and commenced during the year) are also procured. Suppliers are generally engaged with Lynas via stable, fixed or longer term contracts.

## Ethical & Responsible Rare Earths Production

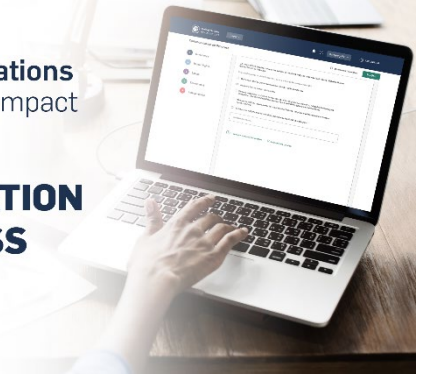
At Lynas, we have a great sense of pride in being an ethical and sustainable producer of rare earth materials. Lynas is a signatory to the United Nations Global Compact, which includes the protection of human rights and the elimination of all forms of forced and compulsory labour as part of its Ten Principles. In FY22 we were proud to take part in the Early Adopter Programme for the new Communication on Progress (CoP) and in FY23 we submitted an online CoP.



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 2023 Global Slavery Index<sup>1</sup>.

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.

In Australia, post-pandemic immigration increased during the year. Lynas has welcomed a number of employees from our Malaysian operations to support the start-up of our Kalgoorlie plant and we have thorough processes to ensure valid visas are obtained and border processes are followed. In light of the increased number of international personnel working for contractors in Kalgoorlie, we have also updated our site access procedures to ensure non-residential contractors are in possession of their own valid visa and passport.



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. In March 2023, Lynas Malaysia was awarded a Gold Medal Sustainability rating from EcoVadis for the third time, based on performance across the environment, labour and human rights, ethics and sustainable procurement. Lynas Malaysia first achieved a Gold Medal rating in 2019. A gold medal rating places Lynas in the top 5% of companies assessed by EcoVadis globally.

## 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 been active in international standards development for rare earths supply chain. This includes involvement in the development and publication of ISO traceability standards covering the rare earths supply chain from mine to magnets; participating in working group activities related to Sustainability standard development; and active involvement in the creation of ISO standards for rare earths analytical methods.

In the future, Lynas will continue our active participation as a voice for the establishment of international standards based on market and industry needs. This includes championing issues faced by responsible rare earths producers such as Lynas and assisting with the development of tools to ensure that rare earths products entering the supply

<sup>1</sup> <https://www.walkfree.org/global-slavery-index/>

chain are sourced from legal miners and producers who abide by best practices on environmental stewardship, human rights and sustainability.

## Our People

Lynas' over 1,100 employees include geologists, engineers, metallurgists, tradespeople, process technicians and others in support functions across both operating sites (Mt Weld and Gebeng) as well as professional and administrative functions undertaken 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.

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, 98% 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 legislation, including working time and conditions, are followed. Lynas also provides enhanced benefits, leave and allowances to foster employee wellbeing.

According to an economic impact assessment prepared by an external organisation, 99% of jobs created at Lynas Malaysia are in the middle and high-income categories and average income for a Lynas Malaysia employee is approximately three and a half times the average income in the state where the Lynas Malaysia plant is located and approximately three times the national average income.<sup>2</sup>

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.<sup>3</sup>

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/about-us/corporate-governance/>

In FY23, employees in Malaysia and Western Australia undertook annual modern slavery training for the third time. The training was enhanced to include recent modern slavery cases that had been reported in the media, the new Disclosure Line, and the actions Lynas is taking to prevent modern slavery. 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. For the first time, modern slavery training for suppliers was offered to Lynas Malaysia's suppliers in FY23.

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 disclosure line. 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/>. Reflecting an increase in awareness of and training on the Lynas disclosure line, there were 3 reports to the Disclosure Line in FY23 (see table 1 below). All reports were investigated.

**Table 1: Disclosure line reports**

Concern	Business dealings	Health & safety	Employee conduct
Number of reports	1	1	1

<sup>2</sup> [Lynas Malaysia's Economic Impact Report 2021 - Lynas Rare Earths](#)

<sup>3</sup> [https://rmke12.ekonomi.gov.my/ksp/storage/event/124\\_24\\_puan\\_nik\\_noor\\_ainoon\\_belaniawanku\\_reference\\_budget\\_for\\_malaysian.pdf](https://rmke12.ekonomi.gov.my/ksp/storage/event/124_24_puan_nik_noor_ainoon_belaniawanku_reference_budget_for_malaysian.pdf)



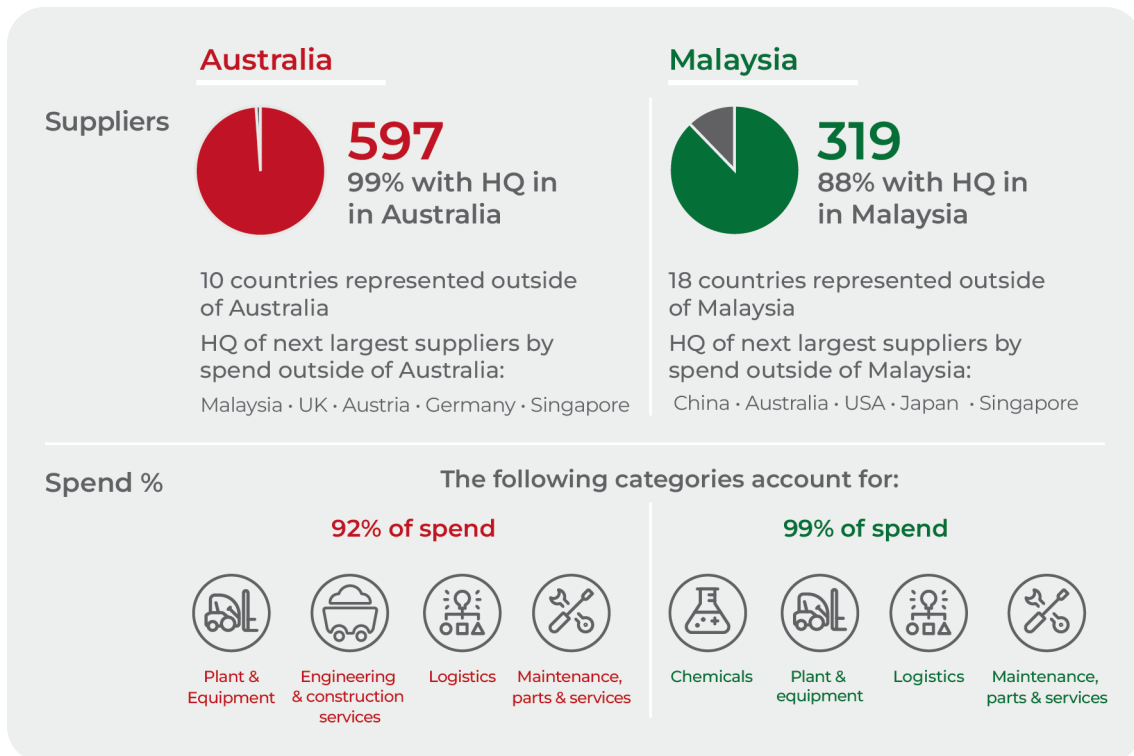
## Board & Executive Oversight

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 FY23 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, logistics, and engineering and construction services. Procurement of critical inputs for our operations included 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 earths 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.

Lynas is committed to respecting all internationally recognised human rights as set out in the International Bill of Human Rights (comprising the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights) and the ILO Declaration on Fundamental Principles and Rights at Work, in line with the United Nations Guiding Principles on Business and Human Rights.

Lynas requires all suppliers to follow the Lynas Group's Supplier Sustainability Policy and Code of Conduct which reiterates and incorporates our commitment to the Ten Principles of the United Nations Global Compact, ILO conventions and the Lynas Business Conduct Standards.

Lynas seeks to audit major suppliers every three years,<sup>4</sup> including suppliers headquartered outside of Australia and Malaysia. In 2023 the on-site audit program recommenced and 18 on-site audits were undertaken during the year. A case study on FY23 supplier audits is included below (*Case Study 2*).

## Assessing our supply chain risks

In FY23, 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 FY23, higher risk categories in our supply chains included logistics (international shipping<sup>5</sup>) and construction.

As noted above, in FY23 18 on-site supplier audits were undertaken during the year. Of these 18 audited suppliers, 7 were certified to ISO14001 (11 were not certified).

### Australia

For FY23, 99% of active contracts for Australian operations were with Australian headquartered suppliers. Australia is ranked 149 out of 160 countries on modern slavery prevalence with an estimated 1.6 victims of slavery per 1,000 population (Source: Minderoo Foundation's 2023 Global Slavery Index<sup>6</sup>). To date, Lynas has not identified any modern slavery risk factors in its Australian headquartered suppliers. The remaining 1% of active contracts were with 10 countries and of these, the most significant spend was with Malaysia, United Kingdom, Austria, Germany, and Singapore.

<sup>4</sup> Note: active suppliers above AUD10,000

<sup>5</sup> <https://unglobalcompact.org.au/wp-content/uploads/2022/12/Modern-Slavery-within-Maritime-Shipping-Supply-Chains.pdf>

<sup>6</sup> <https://www.globalslaveryindex.org>

According to the Global Slavery Index, Malaysia has a medium prevalence of modern slavery (estimated 6.3 victims per 1,000 population) and is ranked 72 out of 160 countries. Supplier risks in Malaysia are managed through policies and processes outlined below. The United Kingdom, Austria, Germany and Singapore each have a relatively low prevalence of modern slavery, ranked 145, 142, 158 and 138 out of 160 countries respectively.

## Malaysia

In FY23, 88% of active contracts for Lynas' Malaysian operations were with Malaysian headquartered suppliers. Lynas recognises that the Minderoo Foundation's 2023 Global Slavery Index identifies Malaysia as having a medium prevalence of modern slavery (ranked 72 out of 160 countries on modern slavery prevalence with an estimated 6.3 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 FY23. 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 12% of active contracts for our Malaysian operations were with 18 countries. Of these, the most significant supplier countries by spend were China, Australia, Japan, Singapore and the United States.

According to the Global Slavery Index, China, Australia, Japan, Singapore and the United States have a relatively low prevalence of modern slavery, ranked 111, 149, 152, 138 and 122 out of 160 countries respectively.

## 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 source minerals from conflict-affected and high-risk areas.

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. We continue to assess the efficiency of this process and opportunities for improvement.

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 is issued as part of supplier onboarding. Modern slavery training conducted during the year increased awareness of this process. In FY23 Lynas assessed a number of digital data platforms for suitability to assist our data management and risk assessments. A preferred platform has been selected and data based risk assessment will be integrated in FY24.

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.

In FY23, Lynas held a modern slavery training session for Malaysian and international suppliers to build capacity in this area. The webinar was held with over 80 suppliers attending. A post-event survey found that prior to the webinar, 60% of attendees who completed the survey rated their understanding of modern slavery as limited and 40% as good. Following the webinar, 70% of attendees rated their understanding as good and 30% rated their understanding as excellent. All respondents said they understood how Lynas and our suppliers play a role in preventing modern slavery and all were interested in attending another supplier webinar on modern slavery or another sustainability topic.

## 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.

In FY23, Lynas conducted a market review of independent disclosure line services to identify a service that was fit for purpose for our growing company. Key criteria included a service that provided a range of channels that could be used for reporting (e.g. online, phone), availability of the service in a range of languages, and the ability for whistleblowers to anonymously communicate with investigators on requests for additional information or to check the status of a report.

Lynas has engaged a new service, Deloitte Conduct Watch, to operate the Lynas Speak Up disclosure line (see *Case Study 1*). Training on the new service was provided as part of the annual staff Code of Conduct training and the new service has launched. Details on Lynas Speak Up are available in the Whistleblower Policy at <https://lynasrareearths.com/about-us/corporate-governance/>.

## 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: Working with suppliers to improve operations



In FY23, we continued to conduct onsite audits of our suppliers. A total of 18 suppliers were audited via on site audits. Malaysian based suppliers represented 13 of those audited and five were located internationally – in Turkey, Istanbul, Ankara, Singapore and Spain.

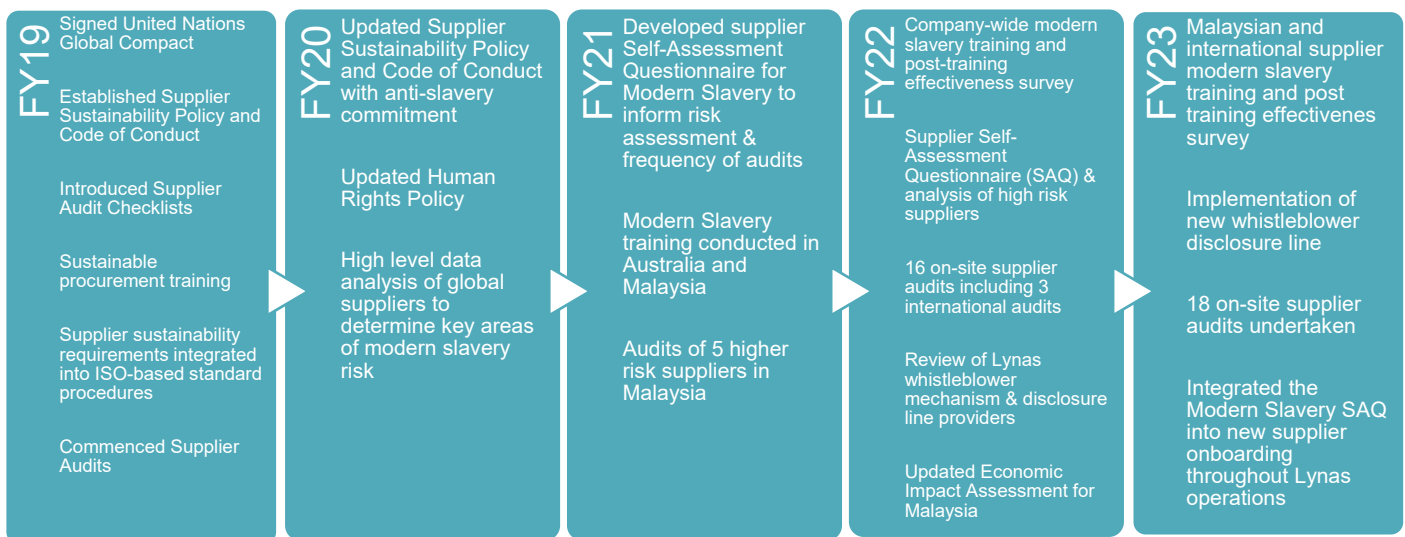
The audits conducted this year did not identify modern slavery practices at any of the sites. However, as in FY22, there were instances where suppliers did not have specific policies or procedures to prevent modern slavery in their operations. In FY23, Lynas re-audited two local suppliers to review their progress on the areas of improvement that Lynas had identified.

In one case, the supplier did not have a human rights policy. Once this was identified, our team worked with the supplier to provide support to develop their human rights policy, utilising best practice examples and ensuring key areas were covered. The supplier has now launched their human rights policy.

In another case, it was identified that correct PPE was not being worn by employees in the supplier’s production area (safety glasses, shoes and gloves). This was highlighted to the supplier and when the supplier was re-audited in FY23, they had improved and were providing PPE to workers.

## 5. Criterion Four: Actions to address Modern Slavery

### Our progress to date:



### FY23 Action Plan & Progress:

A summary of the progress on each of the identified actions for FY23 is outlined below.

FY23 Action	FY23 Progress
<p>1. <b>Review Procurement onboarding processes</b></p> <ul style="list-style-type: none"> <li>Integrate the Modern Slavery Self-Assessment Questionnaire into new supplier onboarding throughout Lynas’ operations</li> </ul>	<p>Supplier onboarding materials made available to all staff on the Lynas Intranet and included in annual internal Modern Slavery training.</p>
<p>2. <b>Hold Modern Slavery training session for Malaysian suppliers to build capacity</b></p>	<p>A 1-hour online webinar was organised for Malaysian suppliers to build capacity in preventing Modern Slavery and outline what Lynas does to prevent modern slavery. Over 80 Malaysian and international suppliers attended.</p>

3. <b>Conduct a data-based risk assessment for new suppliers</b>	Assessment of data based assessment platforms undertaken, shortlist of 4 platforms tested and a preferred platform has been selected. Global integration of data based risk assessment in FY24.
4. <b>Maintain the number of on-site supplier audits undertaken in FY23</b>	Total number of on-site audits in FY23 was 18. This is slightly higher than in FY22 which had a total of 16 on-site audits.
5. <b>Confirm and roll out the new disclosure line to increase awareness</b>	In FY23, Lynas conducted a market review of independent disclosure line services to identify a service that was fit for purpose for our growing international company. Lynas engaged a new service, Deloitte Conduct Watch, to operate the Lynas Speak Up disclosure line. Training on the new service was provided as part of the annual staff Code of Conduct training and the new service has launched to staff.

### FY24 Action Plan

1. **Develop enhanced global supplier onboarding procedure:**
  - Including development of online Supplier Code of Conduct and SAQ
2. **Build capacity and understanding for Modern Slavery issues within suppliers:**
  - Hold supplier training on human rights issues including gender equality, diversity/anti-discrimination, good labour practices for Malaysian and international suppliers.
3. **Sustainable procurement training for global procurement team:**
  - Investigate and undertake sustainable procurement refresher training for global Lynas Procurement team members.
4. **Integrate modern slavery data risk assessment into procurement process**
  - Data risk assessment of suppliers and their value chain as part of onboarding and ongoing procurement, including identification and follow up of higher risk suppliers.

## 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 FY23, Lynas implemented a new disclosure line operator for the Lynas Speak Up platform. As this solution is new to Lynas, we will seek to continually obtain feedback on the disclosure and reporting mechanisms to ensure it is fit for purpose.

Following internal modern slavery training, employees and contractors undertaking the training were invited to complete a feedback survey. The survey was available 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.

In FY23, the survey received 99 responses and approximately 37% of survey respondents indicated they had limited or no understanding of modern slavery prior to the training. However, over 98% of respondents rated their understanding of modern slavery as good or excellent following the training. In addition, approximately 97% of survey respondents said they understand how Lynas and its suppliers play a role in preventing modern slavery.

Feedback was also received requesting options for participant engagement and to share a recording for people to watch again. This feedback will be used to enhance Modern Slavery and Code of Conduct training in FY24.

In FY23, Lynas held a modern slavery training webinar session for Malaysian and international suppliers for the first time, with over 80 suppliers attending. A post-event survey found that prior to the webinar, 60% of attendees who completed the survey rated their understanding of modern slavery as limited and 40% as good. Following the webinar, 70% of attendees rated their understanding as good and 30% rated their understanding as excellent. All respondents said they understood how Lynas and our suppliers play a role in preventing modern slavery and all were interested in attending another supplier webinar on modern slavery or another sustainability topic.

## 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 FY23 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 FY23, Lynas collaborated with industry and civil society through participation in industry initiatives focused on modern slavery.

In FY23, Lynas continued to issue the supplier Self-Assessment Questionnaire (SAQ) for completion by suppliers as part of onboarding and worked with suppliers to address any issues identified through the SAQ and on-site audits.

Members of the Modern Slavery consultation team also participated in external events that included businesses, industry groups, NGOs and civil society hosted by the UN Global Compact Network Malaysia, the UN Global Compact Network Australia, and the Thomson Reuters Foundation.

## 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 2023.

### Signature of Responsible Member


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

### 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	4-8
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	13-14
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 photograph of an industrial facility, likely a rare earth processing plant. The scene is dimly lit with warm, yellowish light from overhead fixtures. In the foreground, several large, rectangular, light-colored metal bins are filled with a fine, white powder. The bins are arranged in a row on a blue metal frame. In the background, there is complex machinery with blue and grey components, including pipes, cables, and structural beams. The overall atmosphere is industrial and focused on the production process.

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**Lynas**  
Rare Earths