



Modern Slavery Statement FY2021

Deterra Royalties Limited
ACN 641 743 348

This statement is made under the Australian Modern Slavery Act 2018 (Cth) for the financial year ending 30 June 2021 (FY21). It is published on behalf of Deterra Royalties Limited (ACN 641 743 348) and its wholly-owned subsidiaries Deterra Royalties (MAC) Limited ACN 008 421 065 and Deterra Royalties Holdings Pty Ltd ACN 642 008 697 (together, **Deterra**).

Deterra is committed to operating with integrity and growing responsibly. As a new company we are in the early stages of developing and embedding policies and practices to achieve this commitment.

I am pleased to provide stakeholders with Deterra's first Modern Slavery Statement which details the actions taken to: (1) assess modern slavery risks within the Company's operations, inclusive of its supply chain, and (2) help manage the identified risks.

Julian Andrews
Managing Director and Chief Executive Officer

1 Our Company

Deterra is an Australian listed royalty company. Our principal activity is the management and growth of a portfolio of royalty assets across a range of commodities, with a focus on bulk, base and battery metals. We began operation on 2 November 2020 (ASX code: DRR) as an independent entity, listed on Australian Securities Exchange (ASX). Our business model is simple and transparent, focused on high margins, dividends and disciplined growth as outlined in the figure below.



Headquartered in Perth, Australia, Deterra has six employees, bringing together a unique blend of corporate finance and mining expertise. The five members of our Board have extensive expertise in the global resources sector and deep networks in the mining industry.

2 Our Operations

Our business model involves investing, principally through holding royalties and streams, in mining projects that are owned and operated by third-party mining companies. Deterra holds six royalty assets in our current portfolio, all located within Western Australia, shown in the figure below. Our existing portfolio of royalties include:

- Mining Area C. Deterra owns a royalty over Mining Area C, a BHP majority-owned and operated iron ore mine located in the Pilbara region of Western Australia. The mine will be the largest operating iron ore hub in the world, producing 145 million tonnes of iron ore each year when the recently completed South Flank expansion reaches full production. The Mining Area C royalty is our cornerstone asset.
- Yoongarillup/ Yalyalup Mineral Sands Mines. Deterra owns two royalty agreements over mineral leases near Busselton in Western Australia, currently operated by Doral Mineral Sands Pty Ltd. The Yoongarillup site is currently in the decommissioning phase. It is anticipated that development of the Yalyalup mine (over which Deterra retains a royalty) 6km north-east of the existing operations will replace current production. Relevant environmental and regulatory approvals are being sought.
- Wonnerup Mineral Sands. Deterra owns a royalty agreement over mineral leases near Busselton, Western Australia, currently mined by Tronox through its subsidiary Cable Sands (W.A.) Pty Ltd. The Wonnerup complex of mines has been in production since 2013, and all environmental and regulatory approvals for the Wonnerup North Stage 1 are in place with the final Stage 2 approvals nearing completion.
- Eneabba Project. Deterra owns a royalty agreement over mineral leases located 200km north of Perth in Western Australia, owned by Sheffield Resources. In November 2021, Sheffield announced the sale of these tenement to Image Resources NL with completion expected in first quarter 2022.
- St Ives Gold Project. Deterra owns a royalty agreement over mineral leases located near Kambalda currently held by St Ives Gold Pty Ltd. This is a future opportunity and no mining activity is anticipated on these leases in immediate future.



In terms of suppliers, Deterra had 34 active suppliers of goods and services in FY21 with total supplier expenditure of \$7.4 million. Our major suppliers provide financial services, consulting services, information technology (IT) support and printing companies. Our suppliers are based locally in Australia, with the exception of one consultancy based in the U.K, which provides data subscription services and market analysis.

3 Our Approach

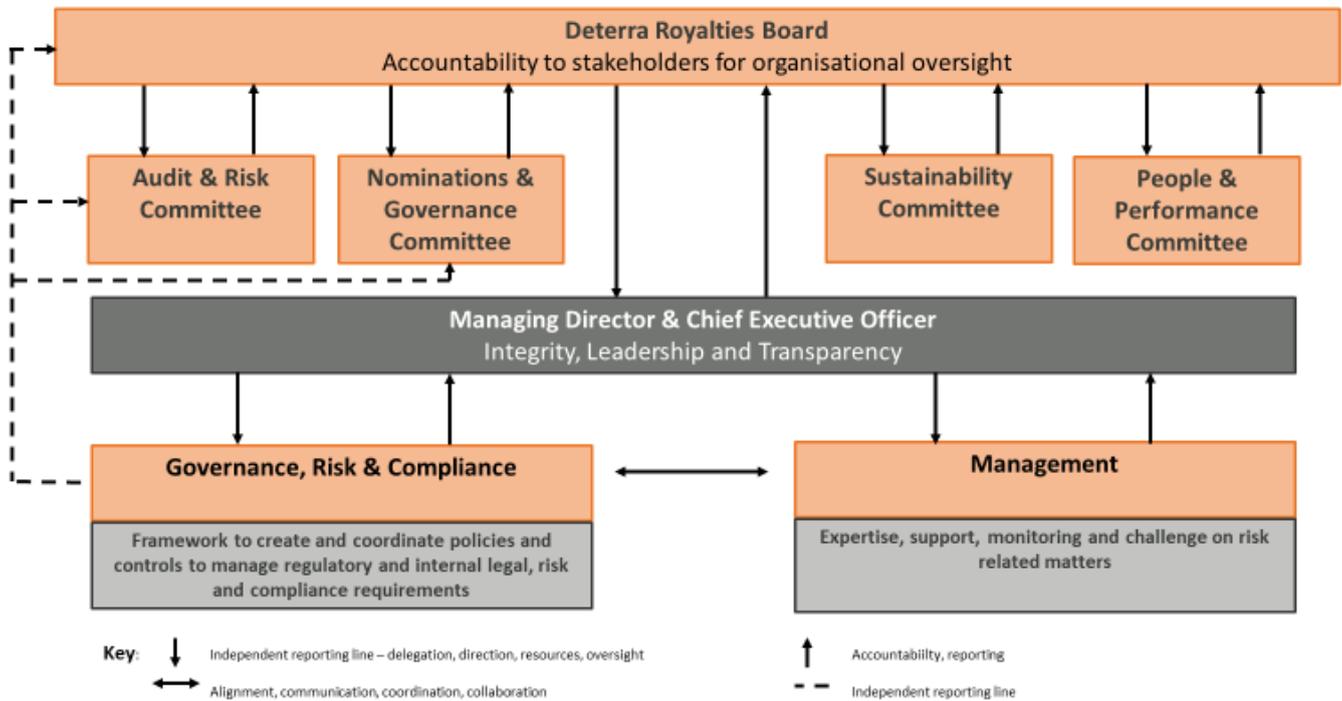
Deterra is committed to respecting human rights. The Company seeks to conduct its business activities with appropriate due diligence and in accordance with relevant standards, laws and regulations, including the UN Guiding Principles on Business and Human Rights.

Whilst the Board of Directors is responsible for the Company’s corporate governance, it is critical that all those who work at Deterra act ethically, with integrity and within the law.

Our governance framework is designed to support our team in delivering our strategy and guide effective and responsible decision making (outlined in the figure below). Our commitment to respecting human rights is embedded in our governance framework and is communicated to all stakeholders, including employees, contractors and suppliers through a range of policies, including:

<p>Human Rights Policy</p>	<p>This policy outlines our commitment to respecting human rights and conducting business with appropriate due diligence. Deterra rejects any form of slavery, forced or child labour, and we will work to ensure that such practices are not present in our business or our supply chain. Our employees will be treated fairly without discrimination and we will promote diversity in the workplace.</p>
<p>Whistle Blower Policy</p>	<p>This policy provides an easily accessible complaints mechanism to respond to grievances in a timely manner and is designed to promote a workplace in which everyone feels safe, supported and encouraged to report potential misconduct without fear of retaliation.</p>
<p>Directors and Employees Code of Conduct</p>	<p>Our Code of Conduct specifies standards of behaviour for all directors, employees and contractors. We are committed to conducting business honestly, with integrity, and in accordance with our values and standards.</p>
<p>Diversity and Inclusion Policy</p>	<p>We are committed to attracting and retaining the best people while building and maintaining a diverse, sustainable and high achieving workplace, as reflected in this policy. We seek to provide a safe and inclusive workplace, free from harassment and discrimination.</p>
<p>Anti-bribery and Corruption Policy</p>	<p>We are committed to complying with the laws and regulations of the countries in which we operate, conducting business ethically and have zero tolerance for bribery and corruption, as reflected in this policy.</p>
<p>Environmental, Social and Governance (ESG) Investment Policy</p>	<p>This policy outlines our commitment to assessing ESG risk exposure and opportunities when considering new investments. This includes committing to assessing the modern slavery risks we are exposed to through our investments.</p>

Implementation of the above policies is overseen by Deterra’s Sustainability Committee, which is chaired by a member of the Board. The Sustainability Committee is also responsible for managing modern slavery risks across the Company, including the supply chain.



4 Assessing modern slavery risks

Given the nature of our organisation, our direct risk exposure to modern slavery is limited to the six-person office that we operate, and our supply chain. To understand and address our direct risks, we have completed an initial assessment, involving engagement with our suppliers (as outlined below).

However, we recognise that we are indirectly exposed to the modern slavery risks from the assets in which we invest. As we grow, it will be important that we carefully assess not only the quality of the assets but also our operating partners prior to making an investment to manage our indirect modern slavery risk exposure.

At present, our largest royalty exposure is to Mining Area C, which, through the South Flank expansion, is growing to become one of the world's largest iron ore mining hubs. There are inherent risks of modern slavery in the resources sector. [BHP's approach](#) to managing modern slavery risks is embedded in its Human Rights Policy Statement and supporting standards and implemented through BHP's management and due diligence systems across its assets.

5 Managing modern slavery risks

Deterra recognises the importance of a collaborative approach to combating modern slavery. This includes being aware of our risks and taking appropriate steps in conjunction with others to manage the identified risks. Deterra has progressed several actions in FY21 to mitigate the risk of modern slavery including:

- Establishing a Human Rights Policy which outlines the organisation's commitment to assessing and managing modern slavery risks. This commitment has been communicated to stakeholders and cascaded to suppliers through our supplier

questionnaire. This includes internal stakeholders via a new starter induction process, which has recently been developed for employees.

- Establishing a Whistle Blower Policy to provide an easily accessible mechanism for grievances to be raised and responded to in a timely manner.
- Applying to become a member of the UN Global Compact as a signatory, which will help guide and further develop internal capacity to assess, measure and communicate our commitment to respecting human rights.
- Publishing our first corporate governance statement, in recognition of the importance of transparency and stakeholder engagement.
- Developing and distributing a supplier questionnaire to better understand our suppliers, including the mechanisms that they have in place to manage modern slavery risks.

A key activity for us in FY21 was the administration of a supplier questionnaire. While most of our suppliers are located in Australia, we recognize that our suppliers may source products from elsewhere, which presents potential modern slavery risks. We distributed a supplier questionnaire in FY21 to our highest value suppliers, to assist in better understanding our suppliers, including their policies and practices relevant to modern slavery. Key criteria against which we assessed our suppliers were:

- visibility of their supply chain, in order to understand if they are assessing modern slavery risks in their supply chains, beyond Tier One suppliers;
- implementation of policies to deal with modern slavery risks, to understand what each organisation is doing to manage modern slavery risks;
- response procedures, to address any allegations of modern slavery allegations or substandard working conditions in its operations or supply chains;
- person in charge of managing modern slavery risks, to ensure proper management of modern slavery risks;
- implementation of staff training, to understand if employees are trained how to identify, assess and respond to modern slavery risks; and
- due diligence activities, undertaken to identify, prevent and mitigate risks specific to modern slavery in its operations and supply chains.

Responses were received from suppliers covering in excess of 90% of our expenditure in FY21. Based on our analysis, there is a low risk of modern slavery in our supply chain. However, we identified two suppliers who are still an early stage of implementing their own modern slavery governance, and will work with these suppliers to encourage them to adopt appropriate mechanisms to manage modern slavery. Where suppliers are not able to make improvements, the Company will consider alternative suppliers.

6 Future Actions

To continue to mitigate modern slavery risks across our business, including our supply chain in FY22 Deterra commits to:

- Further refining our approach to making investment decisions so as to ensure alignment with Deterra's commitment to human rights. In making new or further investments we will seek to understand and take into account ESG risks, and endeavour to negotiate appropriate contractual protections with a view to seeking full disclosure and transparency over mining operations' ESG performance.
- Incorporating an assessment of human rights risks, inclusive of modern slavery, as part of our annual business review.

- Developing training for employees on the human rights, including of modern slavery, to increase knowledge and understanding of potential risks within the Company, including our supply chain.
- Continuing to assess the risks and performance of suppliers via our questionnaire. The questionnaire will continue to be used by Deterra to assess potential modern slavery risks, and inform future procurement decisions.
- Updating our Sustainability Charter to outline the role of the Sustainability Committee in managing human rights risks, inclusive of potential modern slavery risk.
- Implement an employee handbook by FY22 that appropriately reflects our commitment to managing human rights risks.
- Continuing to report on modern slavery risk, including management of such risks, within our annual modern slavery statement.

Deterra will assess the effectiveness of the actions taken to mitigate modern slavery risks based on findings from the supplier and ESG questionnaires. Our Sustainability Committee will track Deterra's performance and will implement further actions where necessary.

7 Consultation

Deterra operates as an integrated group, with shared management. Policies, processes and systems apply consistently to all members of the group. All key Deterra functions have been consulted in the development of this Statement.

8 Approval

Deterra is committed to respecting human rights and managing modern slavery risks in accordance with this Statement. The Company recognises that the risks of modern slavery are complex and evolving and will continue to work to address these risks. This will involve actively engaging with stakeholders to assess the effectiveness of the identified actions to continually enhance the approach to management.

Deterra's Board of Directors approved the publication of this Statement on 10 December 2021.