

**Modern
Slavery
Statement
FY2021**

About this Statement

Iwatani Australia Pty Ltd's (Iwatani) Modern Slavery Statement (Statement) outlines the Company's commitment and actions taken to identify, manage and respond to modern slavery risks in our operations and supply chain.

The Statement has been prepared in accordance with Australia's Modern Slavery Act 2018 (Cth) (Modern Slavery Act) and relates to Iwatani Australia's financial year ending 31 December 2021 (FY2021).

We recognise that modern slavery presents one of the most complex challenges across the globe, resulting in serious human exploitation. We take seriously our responsibility to respect human rights and oppose all forms of slavery in our operations and supply chain.

This is Iwatani Australia's second year of modern slavery reporting and is in line with mandatory reporting under the Modern Slavery Act.

All references to our, we, us, the Group, the Company, Doral, Iwatani Australia, refers to Iwatani Australia Pty Ltd (ABN 85 008 902 841) and its entities Doral Fused Materials Pty Ltd (ABN 62 009 415 025), Doral Mineral Sands Pty Ltd (ABN 18 096 342 451) and Keysbrook Leucosene Pty Ltd (ABN 49 137 091 297).

This Statement outlines the steps taken in 2021 to assess and address our operations and supply chain management for modern slavery risks. Through this process, we did not find any evidence of modern slavery in our supply chain. We will continue to work with identified 'at risk' suppliers, to further strengthen our controls to manage this risk.

The Iwatani Australia Pty Ltd Board of Directors is committed to fostering a culture of compliance, ethical behaviour and good corporate governance, assisted by its Executive Team, to fulfil the oversight of Iwatani Australia's management of modern slavery risks. This Statement has been approved by Iwatani's Board of Directors on 28 June 2022.

Feedback

We value all feedback on the content of this Statement, please visit the Doral website, www.doral.com.au Contacts Page to provide feedback or request additional information.

Kan Ueda

**Managing Director
Iwatani Australia Pty Ltd**



Reporting Entity

This Statement is submitted on behalf of Iwatani Australia (IWA) (ABN 85 008 902 841) and its subsidiary entities.

Iwatani Australia Pty Ltd (IWA) is wholly owned by Iwatani Corporation of Japan (Tokyo stock exchange listing 8088) with full operational control of its subsidiaries being: Doral Fused Materials Pty Ltd (ABN 62 009 415 025), Doral Mineral Sands Pty Ltd (ABN 18 096 342 451) and Keysbrook Leucoxene Pty Ltd (ABN 49 137 091 297).

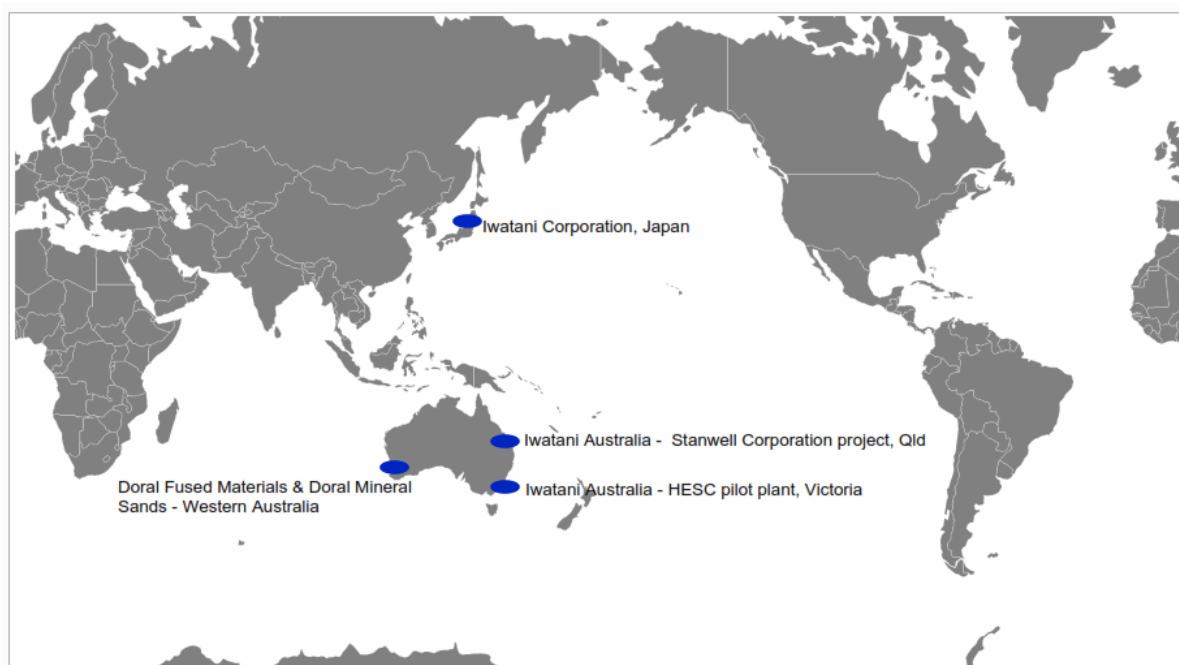
IWA and its subsidiary entities are not publicly listed in Australia and operate in accordance with being privately owned companies.

IWA is a partner in two Australian hydrogen projects:

- HESC project (Hydrogen Energy Supply Chain), located in Hastings and Latrobe Valley, Victoria (IWA does not have operational control); and
- Stanwell Corporation, located in Aldoga, Queensland (IWA does not have operational control).

This Statement was prepared in consultation with key personnel from the entities whom IWA has operational control, being general managers, marketing, corporate affairs and company and secretariat functions.

Asset Map – Australia and Japan



Structure, Operations and Supply Chain

Our Structure

Iwatani Australia Pty Ltd (IWA) (ABN 85 008 902 841) is wholly owned by Iwatani Corporation of Japan (Tokyo stock exchange listing 8088) and operated subsidiaries being: Doral Fused Materials Pty Ltd (ABN 62 009 415 025), Doral Mineral Sands Pty Ltd (ABN 18 096 342 451) and Keysbrook Leucoxene Pty Ltd (ABN 49 137 091 297).

IWA's registered head office is located in East Rockingham.

In Victoria, IWA is a partner in the HESC project (Hydrogen Energy Supply Chain), located in Hastings and Latrobe Valley, Victoria in addition to working with the Queensland State owned electricity generator, Stanwell Corporation to develop a significant green hydrogen export project. It does not have operational control of these projects.

IWA has a total work force of 120 personnel including two personnel assigned to the hydrogen projects.

Our Operations

IWA has mining and processing assets located in Western Australia and has been operating since 1990.

IWA's subsidiaries, located in Western Australia, is as follows:

- Doral Fused Materials (DFM), located in East Rockingham, (Perth metro);
- Keysbrook Leucoxene Pty Ltd (KLPL), Keysbrook mine located in Keysbrook (Peel region);
- Doral Mineral Sands (DMS), Mineral Separation plant, located in Picton (South-West region);
- Doral Mineral Sands (DMS – rehabilitated mine located at Yoongarillup (South-West region); and
- Doral Mineral Sands (DMS), mine located at Yalyalup (South-West region).

DFM's East Rockingham operation is an integrated zirconia producer with downstream processing operations, transforming zircon sand to high value zirconia products utilised in ceramics, colours and industrial refractories.

DMS produces titanium minerals and zircon sand products at its mineral sands' operations in Western Australia's South-West and Peel regions. Heavy mineral concentrate (HMC) produced from Doral's mines are transported via road to its Mineral Separation Plant (MSP) located in Picton, for processing into final product and exported through the Bunbury or Fremantle Ports.

Doral's mineral sands' operations include Yoongarillup (currently in a rehabilitation phase), located 17km south east of Busselton and Keysbrook located 70kms south of Perth. The Company's new mineral sands operation, Yalyalup, located 6km east of the existing Yoongarillup mine, commenced operations in Q2 2022.

IWA's parent company, Iwatani Corporation is one of Japan's leading hydrogen suppliers. To focus on the delivery and commercialisation of its hydrogen-related activities in Australia, IWA recently established offices in both Victoria and Queensland.

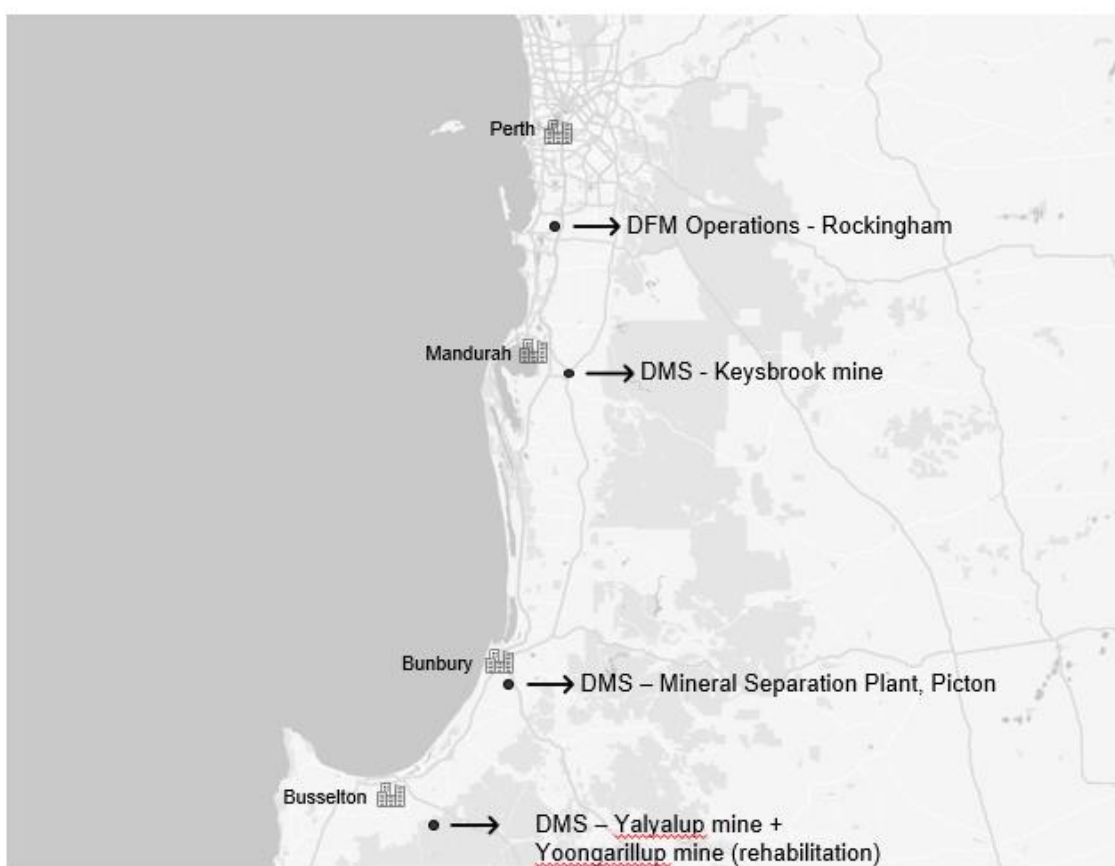
In Victoria, IWA is a partner in the HESC project (Hydrogen Energy Supply Chain), located in Hastings and Latrobe Valley, Victoria which aims to produce clean liquid hydrogen using Victorian coal, together with future carbon capture and storage technology. The HESC pilot plant project includes the following partners: AGL, Marubeni Corporation, Sumitomo Corporation, Kawasaki Heavy Industries, HEA, J-Power Group and is supported by the Victorian Government.

IWA is also working with the Queensland State owned electricity generator, Stanwell Corporation to commence a concept study to produce and liquify hydrogen from renewable energy sources such as wind and solar and ship by specially designed carrier to the Japanese market.

Our People

In 2021, our direct workforce across all sites is about 120 personnel, the majority based in the Peel and South-West regions of Western Australia. IWA's workforce is directly employed through Employment Agreements or a permanent contract arrangement. Casual labour is managed through a reputable local recruitment / labour firm based on a longstanding commercial partnership. The operational sites prioritise local employment where possible.

Asset Map – Western Australia



Our Supply Chain

Iwatani Australia values the mutually beneficial relationship between the Company and its suppliers and aims to create economic opportunities in the areas where we operate through our commitment to local supply.

During FY2021, products and services supplied to our business divisions were grouped as follows:

- **Exploration** – drilling and laboratory services
- **Mining and processing** – earth moving contractors, processing feed and consumables, equipment purchase and equipment hire
- **Transport** – mine to processing plant via road, port to customers via port services and shipping
- **Support** – labour, PPE, agent fees, training providers, power, information technology, administration
- **New projects** – technical studies, construction contractors

For FY2021, a total of 929 suppliers were contracted, with all overseas suppliers totalling 18. This represents 98.1% of all suppliers, contracted by Iwatani Australia and its business entities, are located within Australia and predominantly Western Australia. The remaining 1.9% of suppliers are based overseas, the majority of spend being in Japan given the location of Iwatani's parent company, with minor spend in countries including Singapore, Africa, USA, India and China.

Given the high number of Australian suppliers and being predominantly West Australian, our approach to Modern Slavery remains that our locally based suppliers, and those based within Australia, do not pose a high risk of modern slavery.

FY2021 929 suppliers engaged

911 Australian based suppliers

18 internationally based suppliers

98.1% suppliers located in Australia

1.9% suppliers located overseas

Identifying Risks in our Operations and Supply Chain

Operations

Our operations are based in the Perth metro, Peel and South West regions of Western Australia. On this basis, together with existing State and Commonwealth regulatory controls and reporting mechanisms, we believe that Modern Slavery risk in our Western Australian owned and operated operations is very low.

Supply Chains

Our first Modern Slavery Statement was the mechanism to review our current suppliers and undertake a risk analysis based on the country location of where goods were purchased or delivery of services contracted, together with the nature of the supply. We identified the following being in the higher risk categories:

- **Minerals feed**
- **Plant equipment**
- **PPE Apparel**
- **Transportation / shipping**
- **Countries identified as 'at risk' of modern slavery**

The FY2021 review identified 13 suppliers whom we consider at risk based on country location and potentially at risk with regards to the nature of supply which may cause, contribute or be directly linked to modern slavery. The risk assessment identified that there potentially could be modern slavery risks in terms of forced labour for its mineral feed supply and/or debt bondage or poor working conditions and pay in regard to marine logistics via charter vessels.

We acknowledge that we have minimal visibility on those suppliers with regard to the provision of uniforms, stationery, personal protective equipment (PPE) however, we analysed the parent company for documents supporting their commitment to address Modern Slavery risks.

COVID-19 continued to provide challenges, primarily in relation to marine logistics during this period and we continued to work closely with the vessel owners and customers during this challenging period.

As a medium sized corporation, IWA's management team has direct contact with those suppliers deemed most 'at risk' and were prioritised for specific communications around the completion of a Supplier Questionnaire and personalised letter explaining the Company's requirement to assess and comply with the Modern Slavery Act.

Actions to Assess and address Risks

Following on from our first Statement where the Company identified and assessed those suppliers most at risk, we advise that we did not find any evidence of modern slavery in our supply chain for 2021, and outlined the key actions taken during the year.

In FY2021, personal letters with an attached **Supplier Questionnaire** were submitted to all 13 suppliers, identified as 'at risk' requesting they assess their supply chains to determine any potential modern slavery risks and if so, how would they be addressed. The Supplier Questionnaire adopted was based on the group-wide consultative efforts between resources, mining and energy industry organisations in Australia and promoted as an agreed template for Australian corporations to utilise.

All Supplier Questionnaires were completed and returned stating no evidence of Modern Slavery was evident in their supply chain. To this end, we are unable to determine if this mechanism alone, together with our improved supply chain processes as outlined below, can be considered an effective measure to address modern slavery. Our focus for FY2022 will be to conduct further due diligence of those suppliers and report the outcomes in the next Statement.

As part of the Company's review, one of the first actions was to update the **Terms and Conditions** to include the Modern Slavery clauses. There remains further work in this area to ensure that existing suppliers, who have already accepted the previous T & C's, are provided with the new version.

Further, the Company developed a new **Sustainable Code of Conduct**, which will be issued to all major suppliers which describes the expected behaviours we seek to have with our Suppliers and for the same principles to be applied in their supply chains. In addition, a new **Sustainable Procurement Policy** was developed which sets out our internal guidelines for employees.

In terms of internal awareness, the Company developed a new **Employee Code of Conduct** which includes the expected behaviours when developing responsible relationships with new suppliers, which includes zero tolerance to any form of slavery or forced labour in our operations and supply chain.

This process was the first time the Company had undertaken such an analysis of all suppliers, demonstrating there remains considerable work required to set measurable targets and agreed reporting mechanisms. We will continue to ensure that the appropriate resources are provided to monitor and review the effectiveness of our actions.

In addition, Iwatani Australia through the Doral Mineral Sands and Doral Fused Materials operations participated in the **Ecovadis Corporate Social Responsibility (CSR)** survey, requested on behalf of the Company's major customers. This survey addresses Labor & Human Rights policies and actions within the business which comprises Modern Slavery Risks. IWA received a Silver Medal for both operations, being in the top 25% of businesses surveyed in the Manufacturer of Basic Precious and Other Non-ferrous Metals.

Effectiveness of Actions to address Modern Slavery Risks

FY2021 represents the second year of reporting on the Modern Slavery Act for Iwatani Australia. During this period, we focused on reviewing our supply chain management to gain a better understanding of modern slavery risks and where those risks lie. Whilst no evidence of modern slavery has been identified in our operations and supply chain to date, we are committed to ensuring that our Policies and Procedures are consistent with international standard.

We note that that our approach to assessing the effectiveness of our actions to date is in the early stages and we aim to develop an improved framework to ensure we can effectively review and measure those actions we are taking to address modern slavery risks in our operations and supply chain.

The Company will re-engage with those Suppliers who previously completed the Supplier Questionnaire and continue engagement around compliance in addition to a further Supplier Audit to identify other high-risk suppliers to be included for the FY 2022.

We will also review the UN Guiding Principles and reporting requirements to see if this level of reporting is appropriate for the size of our organisation.

The Company aims to build upon its key actions for 2022 to further strengthen and develop our processes, in consultation with all subsidiaries, to continually improve our modern slavery management practices and mitigate any human rights risks.

Consultation

During the reporting period of 2021, Iwatani actively consulted with the subsidiaries it owns and controls in the development of this Statement. Details of the Modern Slavery Act and its requirements were presented to the Group's Executive Team, with management from each business entity present. Agreement was reached on the requirements to comply with the mandatory reporting criteria and the plan for further engagement to strengthen our supply chain practices.

Looking Ahead for 2022

IWA is committed to the continuous development of its management activities and acknowledge this will take consistent action to continue to identify and address modern slavery risks.

Key actions for FY2022

- Continue to review existing Policies to ensure Modern Slavery risks are appropriately captured
- Explore / develop a stand-alone Human Rights Policy
- Develop a Reporting Framework to measure the effectiveness of actions taken
- Continue to assess at-risk suppliers
- Training on Modern Slavery Risks for employees through Ecovadis and Tfs Academy
- Continued participation in the Ecovadis ESG Survey, aim to maintain Silver Status
- Broaden the Grievance Mechanism / Whistleblower Policy and extend to Suppliers
- Review UN Guiding Principles
- Distribute the Supplier Code of Conduct to major suppliers.

Contact

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ANNEXURE A

MODERN SLAVERY ACT 2018 (CTH) – STATEMENT ANNEXURE

Principal Governing Body Approval

This modern slavery statement was approved by the *principal governing body* of

as defined by the *Modern Slavery Act 2018* (Cth)¹ (“the Act”) on

Signature of Responsible Member

This modern slavery statement is signed by a *responsible member* of

as defined by the Act²:

Mandatory criteria

Please indicate the page number/s of your statement that addresses each of the mandatory criteria in section 16 of the Act:

Mandatory criteria	Page number/s
a) Identify the reporting entity.	
b) Describe the reporting entity’s structure, operations and supply chains.	
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.	
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.	
e) Describe how the reporting entity assesses the effectiveness of these actions.	
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).*	
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.**	

* If your entity does not own or control any other entities and you are not submitting a joint statement, please include the statement ‘Do not own or control any other entities’ instead of a page number.

** You are not required to include information for this criterion if you consider your responses to the other six criteria are sufficient.

1. Section 4 of the Act defines a principal governing body as: (a) the body, or group of members of the entity, with primary responsibility for the governance of the entity; or (b) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed body within the entity, or a prescribed member or members of the entity.

2. Section 4 of the Act defines a responsible member as: (a) an individual member of the entity’s principal governing body who is authorised to sign modern slavery statements for the purposes of this Act; or (b) if the entity is a trust administered by a sole trustee—that trustee; or (c) if the entity is a corporation sole—the individual constituting the corporation; or (d) if the entity is under administration within the meaning of the *Corporations Act 2001*—the administrator; or (e) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed member of the entity.