


MODERN SLAVERY STATEMENT 2020

Windfield Holdings Pty Ltd

POINT OF CONTACT

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ABOUT THIS STATEMENT

Windfield Holdings Pty Ltd (**Windfield, Company**) is supportive of the legislation recently passed into law by the Australian Federal Government, the Modern Slavery Act 2018. Windfield is working to identify, mitigate, and where possible eliminate modern slavery risks within its operations and wider supply chain.

The content of this statement has been guided by the Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities. It describes the action Windfield took in 2020 to assess and address the risk of modern slavery in operations and supply chains.

This report has been prepared by our procurement team and has been externally reviewed.

We are confident that the foundations we have laid will assist us to address modern slavery risk and recognise that this is the start of a long-term process. We are committed to reporting progress through annual modern slavery statements and are resolute in working with our vendors and industry partners to assist in the combat of this global issue.

We value all feedback. Please forward any comments on this statement or requests for additional information to compliance.officer@talisonlithium.com.

This statement has been approved by Windfield's Board of Directors on 19 March 2021

Signed



Lorry Mignacca

Chief Executive Officer

23 March 2021

INTRODUCTION

Modern slavery is one of the most complex human rights challenges in the world, believed to directly impact more than 40 million people globally, with 1 in every 150 people in the Commonwealth subject to modern slavery¹. Practices that constitute modern slavery can include human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour, and deceptive recruiting for labour or services².

Windfield recognises that the private sector has a significant role to play and a unique capacity to drive change in the global market. As a leader in its local community, Windfield is pleased to continue to play its part in driving change across the industry it operates within, and the region more broadly.



ABOUT WINDFIELD

Windfield is the world’s leading lithium minerals concentrate producer, supplying product for the clean energy revolution. We are a private company owned by joint venture partners Tianqi Lithium Corporation and Albemarle Corporation, headquartered in Perth, Western Australia.

Windfield group corporate structure is outlined in Figure 1.

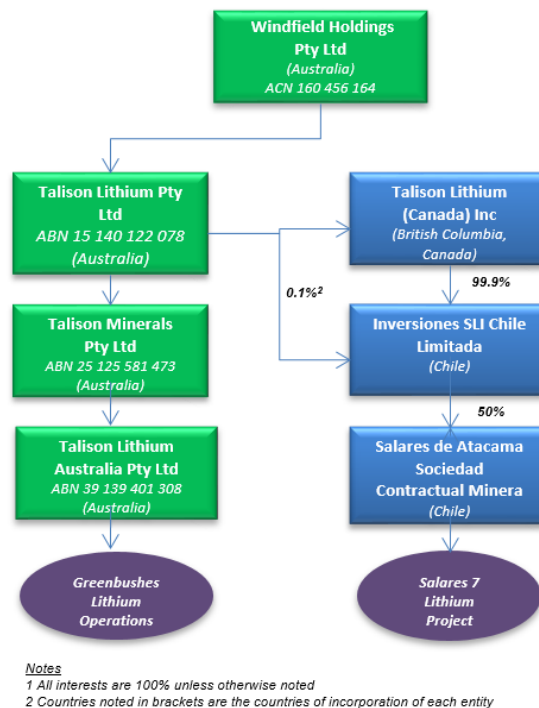


Figure 1: Windfield Group Corporate Structure

¹ <https://www.walkfree.org/reports/eradicating-modern-slavery/>

² <https://www.homeaffairs.gov.au/criminal-justice/Pages/modern-slavery.aspx>

Located at Greenbushes, 250km south of Perth in Western Australia (**Site, Mine**), The Greenbushes Lithium Operation directly employs some 300 people and engages contract service providers that employ a further 200 people all of whom reside locally in the vicinity of the Site.



Windfield and its predecessor companies have been producing lithium at Greenbushes since 1983 and the area is recognised as containing the world’s highest grade and largest hard rock deposit of the lithium mineral spodumene. Greenbushes is also the longest continuously operated mining area in Western Australia following the discovery of tin in 1888 and subsequent development of tantalum and lithium deposits.

Located in Chile the Salares 7 Lithium Project (**Project**) does not have any direct employees, with the Project in care and maintenance. Contract legal and accounting services are engaged locally, to comply with tenement obligations.

2020 HIGHLIGHTS

The following prevention and mitigation actions were completed during 2020, building, and maintaining strong and positive relationships with suppliers, undertaking high level due diligence processes, implementing a human rights policy statement, and developing a 2021 action plan.

Conducted operations human rights risk assessment

Conducted High Level supply chain risk assessment of 34 tier one suppliers



Benchmarked policies and procedures against the UN Guiding Principles for Business and Human Rights

Developed a roadmap for the future

Created Human Rights Policy Statement

OPERATIONS AND SUPPLY CHAINS

OPERATIONS

The lithium orebody has produced and exported lithium minerals from site for more than three decades. Our production process from mine to market is outlined in Figure 2.

Exploration and Development

Evaluation of geological geophysical and geochemical data will indicate the possibility of a deposit in a target area, where drilling will assist to evaluate the type and grade of minerals in the ground, samples are then laboratory tested identifying the concentration of elements including lithium within them.

Geologic modelling is then undertaken of the orebody to create a model of what the resource may look like.

Development and design can then be undertaken, where mine engineers determine mining methods, optimum mine size and schedule and equipment requirements that will maximise the safety and efficiency of production.

Mining and Crushing

When operating the mine, we use stringent controls to prevent and manage any environmental impacts.

Detailed mine planning is undertaken to ensure the ore body is mined in an efficient and responsible manner.

Haul trucks transport the ore from open pits to processing operations. Some ore may be stockpiled for later processing. Material not economical to process is stored in overburden rock storage areas.

Ore is dumped directly on a run of mine stockpile, and feed through a crushing plant to reduce the size of the particles to be used as feed to the processing facility.

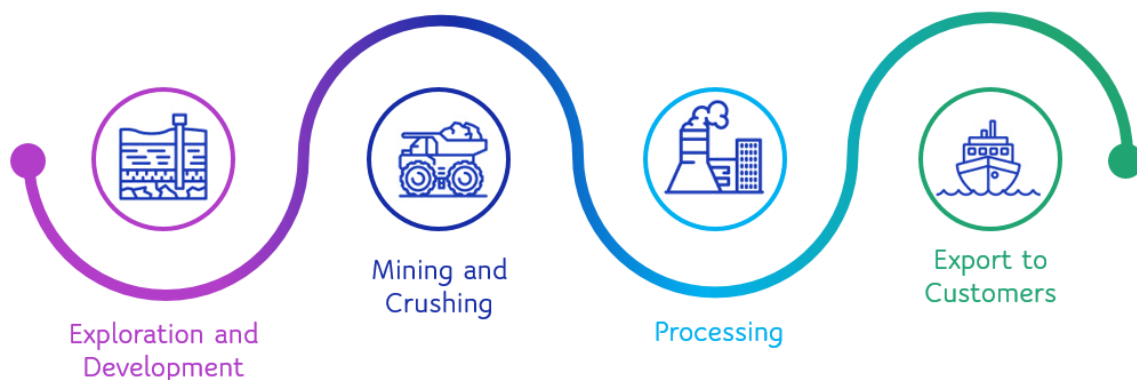


Figure 2: Mine to Market Operations

Processing

Ore is processed according to grade and concentration of elements.

All process plants utilise grinding, heavy media separation and flotation processes to extract spodumene ore from other minerals, upgrading to a range of lithium concentrates for bulk and bagged shipments.

After the ore has been processed and a spodumene concentrate extracted, the leftover waste material, called tailings, are stored in tailings facilities

All tailings storage facilities adhere to the Australian National Committee on large dams (ANCOLD) standards.

Export to Customers

An on-site laboratory assays samples of the process and determine chemical and physical characteristics to ensure our customer product specifications are adhered to.

Spodumene concentrate is then hauled via bulk road transport to and stockpiled in storage facilities.

Stocks of spodumene concentrates are held at site, and close to and at the port of Bunbury.

Spodumene concentrate is shipped from Fremantle as bagged container shipments, and from Bunbury Port as bulk shipments

Our minerals are shipped primarily to Asia, with some into the Americas, and Europe for refining.

SUPPLY CHAIN

A majority of Windfield’s direct (tier one) vendors are based in Western Australia, due to necessity several suppliers are east coast or internationally based. We have over 1,800 approved suppliers, across multiple sector classifications. Our procurement expenditure in 2020 was \$263 million with 93.9 percent paid to vendors in Australia. Products and Services procured internationally were predominately from Japan.

Some 247 vendors provide inventory items that allow continuous uninterrupted operations.

Australian Expenditure



International Expenditure

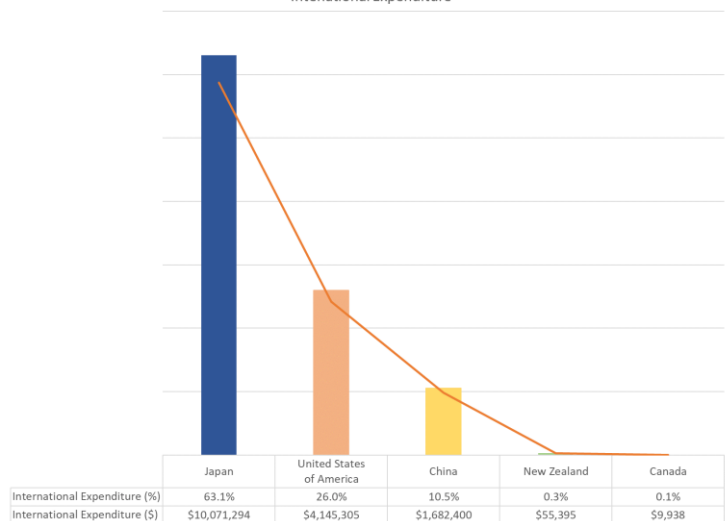


Figure 3: Australian and International Expenditure

Our supply chain includes the following services and products:

Processing – labour hire, grinding media, reagents

Mining – explosives, open cut and drill and blast mining contractors, earthmoving contractors

Delivery – shipping, haulage, port, and stevedoring services

Exploration - drilling contractors, drilling equipment and consumables

Major projects – engineering, construction and earthmoving contractors and plant and equipment

Support services – power supply, information technology equipment, accommodation management services, inbound freight services, fuel supply, equipment, and services

MODERN SLAVERY RISK

Sector and Industry

Protecting the human rights of our workforce, communities and vendors is important to Windfield. Human rights that are most relevant to our site relate to labour conditions, safety in the workplace, the communities we have a direct impact on and impact to indigenous connection to country. Windfield recognises that Modern slavery poses a danger to the violation of human rights and understands that a company can inadvertently increase the risk of the occurrence of modern slavery by placing excessive demands on vendors, considering this, Windfield ensures these risks are in the forefront of our minds when engaging with vendors.

Supply Chain

Our approach to assessing supply chain risk is based on product, sector, geographic and entity risks. We have undertaken a high-level risk assessment of 500 tier one vendors across multiple sectors. The assessment incorporated total annual spend, nature of industry and location data. This provided a high-level snapshot of our tier one risk profile.

Geography

Windfield created a picture of where we purchase our goods and services.

Identification that 98% of tier one (1) vendors are in Australia, and the majority of our international spend in countries with a low prevalence of modern slavery³ (Figure 3). We understand that through the entirety of our supply chain our footprint stretches across borders and sectors that may carry elevated risks.

This understanding assists guiding our efforts as we strive for full compliance within the constraints of our industry.

Product Type

Certain industries and product types are more exposed to modern slavery risk than others. The importing of risk by purchasing our supply chain products is considered a significant problem across G20 countries.

³ <https://www.globallslaveryindex.org/resources/downloads/>

Our product type assessment included vendor review, identifying from inventory products and invoices the types of products we purchase, and cross referencing our product types to the Global Slavery Index.

As a result of our assessment, we have identified three (3) of our tier one suppliers with whom we would like to engage more closely to understand their processes and workforce issues (relative to our other suppliers), and this has guided our prioritisation of further work in this area.

Over the next 12 months we will undertake a more comprehensive assessment to stratify our vendors more clearly according to risk and allow us to continue to identify vendors for further close engagement.

Exceptional Circumstances and Emergencies

2020 saw COVID19 touch every part of our business, causing unparalleled disruption, none more so than within our supply chain.

Several factors may have increased the risk of the occurrence of modern slavery in our business supply chain. Such as factors that related to the challenge of obtaining goods and services during this interruption which included:

- demand increases for Personal Protective Equipment (PPE) meaning we needed to onboard new vendors quickly to meet site demand;
- scarcity of supply on demand items that put direct pressure on our vendors which could have resulted in adverse working conditions for their or our employees;
- wellbeing stress for our employees and their families who were unable to work due to personal or family health vulnerability and/or partners unable to work during lockdown periods;
- swift onboarding of vendors to meet site demands (PPE, cleaning products, soaps, and hand sanitiser) resulted in limited time in which to undertake due diligence; and
- challenge of physically distancing in a production and mining environment.

To mitigate these risks, we ensured the following:

- working closely with our vendors to ensure understanding of the risks;
- leveraging from our excellent vendor relationships to ensure security of supply (specifically PPE required to continue current employee wellbeing);
- flexibility of payment terms should our vendors experience cashflow challenges (our current payment terms are 30 days from end of month); and
- working with our employees to ensure no adverse impacts due to quarantine or isolation requirements and flexibility to work from home where possible while supervising their children.

Emergencies such as natural disasters will also disrupt supply chains and necessitate extraordinary procurement processes (whether by volume or lead time compression).

All the factors above, and the pressure exerted onto vendors can result in the increased risk of modern slavery.

In the future we will continue to reinforce our excellent vendor relations, collaborate with industry peers, and incorporate modern slavery risk mitigation into our procurement process to protect those vulnerable to modern slavery.

OUR MODERN SLAVERY ACTIONS

Governance and Management

The Windfield Board of Directors (Board) has ultimate responsibility for Windfield's treatment of human rights, and its management of human rights risks and opportunities, including the risks of modern slavery.

The Board is supported by the Management Team, who oversee policies, management systems, performance, reporting, and compliance related to health, safety, environment, community, and human rights.

The Management Team is responsible for upholding policies and implementing management controls that relate to human rights and modern slavery.

Windfield is collaborating with a Western Australia mining industry UN Global Compact group to share ideas and remedies for any modern slavery identified.

Windfield developed model modern slavery contract clauses for inclusion in all contracts and agreements for the procurement of goods and services. Windfield has included these clauses in all its new or extended contracts since 2018, which includes approximately 80% of all its supplier contracts and agreements. These clauses expect vendors to actively manage their modern slavery risk when procuring goods and services.

Policies and Procedures

Our approach to managing human rights and modern slavery risk is supported by a framework of policies and procedures, which have been reviewed to specifically include Modern Slavery. Our standards include: Code of Business Conduct and Ethics (Code of Conduct), Fair Treatment, Anti-Bribery and Corruption, Whistleblowing, Minimum Working Age, Human Rights.

Benchmarking our policies and procedures relating to human rights against the UN Guiding Principles for Business and Human Rights (UNGPs), we compare very favourably.

Code of Conduct training is undertaken by all employees during the onboarding process, and every two (2) years thereafter. To complement this training and suite of standards, Windfield personnel, contractors and vendors have access to an anonymous whistle-blower process.

Our procurement, contractor and vendor procedures provide internal governance relating to the contracting of goods and/or services from external parties. Vendors with formal contracts are required to accept our Code of Conduct.

Due Diligence

In 2020 we developed and commenced the use of a Modern Slavery Questionnaire (**MSQ**), intended to increase transparency, gather information to assist to assess vendors in relation to human rights risks and allow us to determine where additional support, monitoring or investigation may be required.

Completion of the MSQ by 34 of our tier 1 high-risk vendors during 2020 was undertaken. These vendors represent around \$20M of our average yearly spend. Identification of three (3) high risk suppliers were identified where we will conduct further due diligence.

We have developed Roadmap 2021 to continue the roll out and assessment of vendors, enabling us to further strengthen our collaborative vendor partnerships and assist where necessary to ensure adherence to modern slavery requirements.

Effectiveness of Actions to Address the Risk of Modern Slavery Practices

Assessing and addressing modern slavery risk in operations and supply chains is difficult and complex. It is vital that we have a vigorous method to monitor and assess the actions we have taken in relation to modern slavery.

We have developed an overarching process, as detailed below, that provides a base assessment of our current response. Roadmap 2021 will assist us to review our current progress and develop a more detailed framework to assess the effectiveness of our actions:

- establishing and measuring performance through key performance indicators for management and procurement;
- further develop and strengthen modern slavery risk assessments as part of our procurement processes;
- internal and external review of policies, procedures, and other documentation;
- benchmarking our performance against industry and investor expectations; and
- collaborating with industry partners to share knowledge and identify gaps.

Roadmap 2021

Windfield recognises the risks associated with being part of a global supply chain. 2021 will enable us to enact many of the initiatives in our action plan to strengthen our management controls, improve the transparency of our risk profile, and collaborate with industry peers where appropriate.

Focus will be on the following tasks:

Vendor Screening – we will update our pre-qualification process to flag high risk vendors according to product type, sector classification, geography and spend.

Risk Detection – continue to assess the risks and performance of tier 1 vendors within our supply chain to prioritise high risk vendors developing a procurement toolkit to assist assessment and response to modern slavery risk.

Vendor Engagement – we will engage with more of our higher-risk vendors to determine the extent to which modern slavery risks are adequately managed. Where possible develop flexibility in our terms and procurement processes that address the increased risk of modern slavery in our supplier's businesses caused by COVID 19.

Vendor Remediation – where further action is required development of vendor remediation plans will assist to effectively remediate a modern slavery case.

Documentation Review – contract and policy documentation will be reviewed, developed, and improved based on the outcomes of our actions, ensuring we further imbed modern slavery considerations and supplier contract clauses within existing procurement and contracting processes.

Awareness Training – we will commence ongoing training to ensure our procurement, supply and commercial team are equipped with the knowledge and skills to identify high risk vendors and engage with them where appropriate. Training will be provided to the management team to assist in identifying and remediating the risks of modern slavery.

Effectiveness – we will use key performance metrics to monitor and measure the effectiveness of strategies implemented.

LEGISLATIVE INDEX

Legislation	Reporting criteria	Location
Australian Modern Slavery Act 2018 (Cth)	Section 16 (a) Identify the reporting entity.	Reporting Entity: Page 3
	Section 16 (b) Describe the reporting entities structure, operations, and supply chains.	Operations and Supply Chains: Page 5
	Section 16 (c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls.	Modern Slavery Risk: Page 7
	Section 16 (d) Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address the risks, including due diligence and remediation processes.	Our Modern Slavery Actions: Page 9
	Section 16 (e) Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks.	Effectiveness of Actions to Address the Risk of Modern Slavery Practices: Page 10
	Section 16 (f) Describe the process of consultation with: (i) any entities that the reporting entity owns or controls (ii) in the case of a reporting entity covered by a statement under section 14—the entity giving the statement.	About This Statement: Page 2 Group Structure: Page 3
	Section 16 (g) Include any other information that the reporting entity, or the entity giving the statement, considers relevant.	Roadmap 2021: Page 10