



# MODERN SLAVERY STATEMENT

DELIVER SUSTAINABLE VALUE

2023





# CONTENTS

About this Statement .....	4
Managing Director's approval .....	4
Approach to human rights and modern slavery .....	6
Our structure, operations and supply chain.....	8
Assessing risks of modern slavery in our operations and supply chain.....	14
Actions to address modern slavery risks .....	16
Assessing the effectiveness of our actions .....	17
Consultation with owned and controlled entities.....	18
Appendices .....	19

# ABOUT THIS STATEMENT

This Modern Slavery Statement is made in accordance with section 14 of the Australian *Modern Slavery Act 2018 (Cth)* (MSA) for the period 1 January 2023 to 31 December 2023 (the **reporting period**).

This Modern Slavery Statement is a joint statement issued by and on behalf of the following entities, which have been determined as reporting entities under the MSA for the reporting period:

- Iluka Resources Limited (Iluka) (ACN 008 675 018), the Group's parent company.
- Iluka Midwest Limited (ACN 088 763 666), which holds material parts of Iluka's Midwest Western Australian operations and the Iluka Group's US operations.

It describes steps taken by the reporting entities and entities owned or controlled by those entities to mitigate the risk of modern slavery in the entities' operations and supply chain.

This is Iluka's fourth Modern Slavery Statement made under the MSA.

In this Statement, the collective expressions "we", "us", "our", "ourselves", "the company", "the Group", "Iluka" and "the Iluka Group" are used where reference is made, in general, to the reporting entities and their respective subsidiaries. The use of those terms is for convenience only and used where no useful purpose is served by identifying any particular company or companies, and is not intended to convey how the Iluka Group is structured, managed or controlled. Iluka produces group-wide policies and procedures to ensure uniform practices across the Iluka Group. Certain Iluka Group operating subsidiaries have independent policies, procedures and management teams.

Unless stated otherwise, all data presented relates to the 2023 calendar year and parameters are reported for Iluka and Iluka Midwest Limited reporting entities.

Currency is expressed in Australian dollars (AUD) unless otherwise stated.

## Managing Director's approval

This Modern Slavery Statement was endorsed by Iluka's Executive and approved by the Board of Iluka Resources Limited on 16 April 2024 on behalf of the reporting entities.



**Tom O'Leary**

Managing Director of Iluka Resources Limited

18 April 2024

This Statement has been prepared to meet the mandatory reporting criteria in the Australian *Modern Slavery Act 2018 (Cth)*. The table below identifies where each criterion is addressed in this Statement.

Mandatory reporting criteria	Location of Iluka's response in this Statement
<p><b>Criterion 1</b></p> <p>Identify the reporting entity covered by the Modern Slavery Statement</p>	<p>About this Statement, page 4</p>
<p><b>Criterion 2</b></p> <p>Describe the structure, operations and supply chain of the reporting entity</p>	<p>Our structure, operations and supply chain, page 8</p>
<p><b>Criterion 3</b></p> <p>Describe the risks of modern slavery practices in the operations and supply chain of the reporting entity and any entities the reporting entity owns or controls</p>	<p>Risks of modern slavery in our operations and supply chain, page 14</p>
<p><b>Criterion 4</b></p> <p>Describe the actions taken by the reporting entity and any entities that the reporting entity owns or control to assess and address the risks, including due diligence and remediation processes</p>	<p>Our actions to address modern slavery risks, page 16</p>
<p><b>Criterion 5</b></p> <p>Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks</p>	<p>Assessing our effectiveness of our actions, page 17</p>
<p><b>Criterion 6</b></p> <p>Describe the process of consultation with any entities that the reporting entity owns or controls</p>	<p>Consultation with owned and controlled entities, page 18</p>
<p><b>Criterion 7</b></p> <p>Include any other information that the reporting entity, or the entity giving the statement, considers relevant</p>	<p>Appendix: Iluka's key policies, standards and procedures, page 19</p>

# APPROACH TO HUMAN RIGHTS AND MODERN SLAVERY

## Human rights commitment

Iluka is committed to respecting human rights within its business and supply chain, and treating all people with dignity and respect.

Iluka's approach to respecting human rights is guided by the Code of Conduct and Human Rights Policy. Embedded in the People Policy, Indigenous Peoples Policy and the Health, Safety, Environment and Community Policy, Iluka's approach is to work to align its business activities and practices with the United Nations Guiding Principles on Business and Human Rights (UNGPs).

Iluka rejects any form of slavery, forced or child labour, and works to ensure that such practices are not present in our business or supply chain.

Our supply chain is complex, spanning multiple sectors and countries. We are committed to working with suppliers and other stakeholders, including communities associated with Iluka's operations and activities, to assess supply chain risks and support the identification and eradication of modern slavery.

## Approach to managing modern slavery risk

Iluka's approach is centred on three areas:

- **Governance:** Iluka believes that to succeed in business and human rights endeavours, strong governance is essential. This means that Iluka's policies and processes are clear, easy to follow and have measurable outcomes. This drives accountability and ensures transparency of our actions. Wherever inconsistencies are found, we address them in a systematic way.
- **Assessing our risk:** Iluka assesses risk at multiple levels to understand potential exposure points and address them accordingly. To build a meaningful analysis we conduct risk assessments on Iluka's employment processes and on the companies from which we procure goods and services (our suppliers).
- **Action:** Iluka's modern slavery approach aims to align the business with the UNGPs and is endorsed by Iluka's Executive and the Board of Iluka Resources Limited.

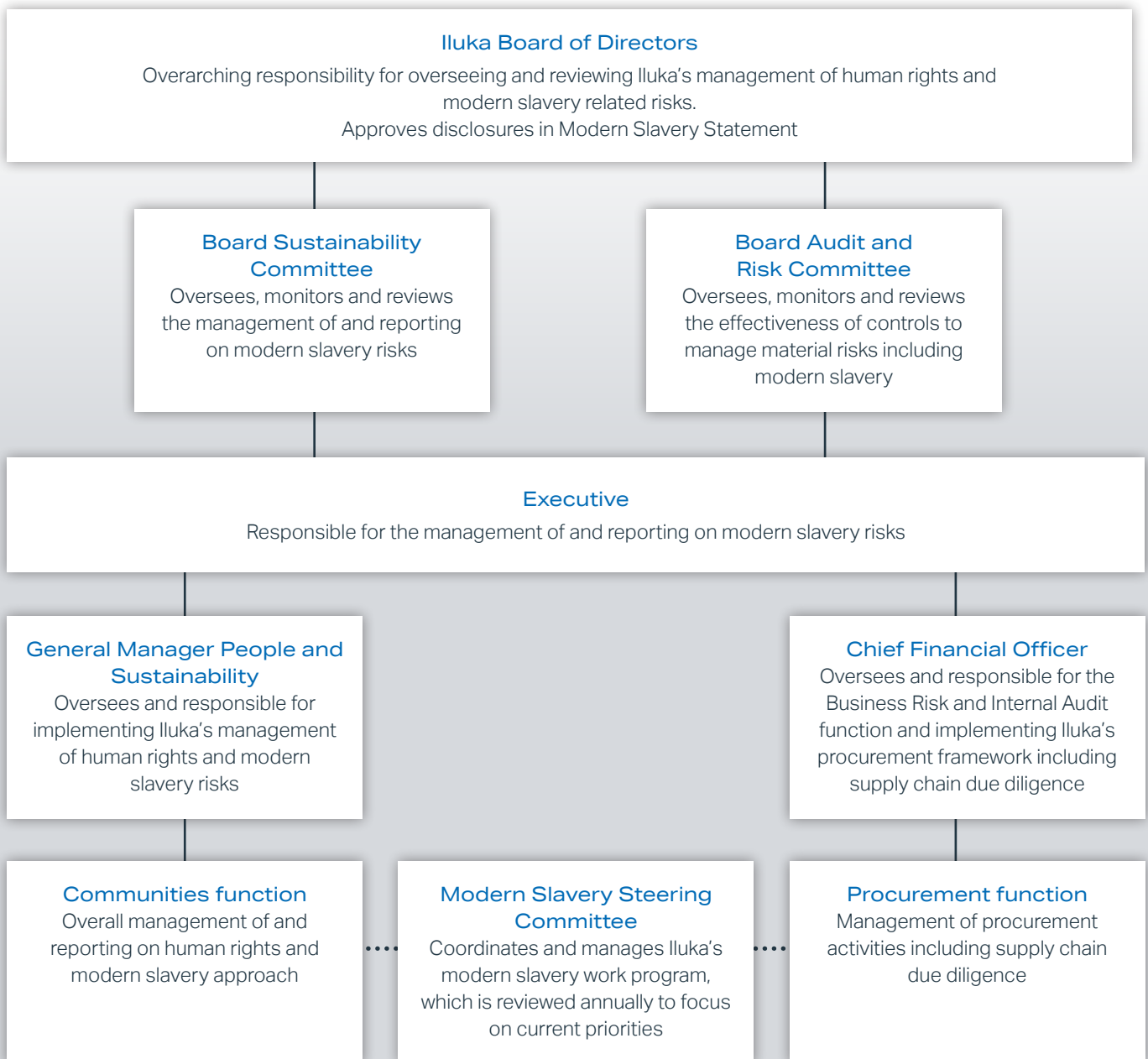


## Governance framework

Iluka's governance framework supports the ongoing assessment and management of modern slavery risks. It underpins the implementation of controls and actions to address potential modern slavery incidents.

Iluka maintains key policies, standards, procedures and processes that set out the company's commitments and expectations in relation to respecting human rights, including modern slavery. These are detailed in the Appendix on page 19.

## Iluka's governance framework to assess and address modern slavery risks



# OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

## About Iluka Resources

Iluka Resources Limited (Iluka or the company) is a global critical minerals company with expertise in exploration, project development, mining, processing, marketing and rehabilitation.

The company's objective is to deliver sustainable value.

With more than 70 years' industry experience, Iluka is a leading producer of zircon and high-grade titanium feedstocks (rutile and synthetic rutile). Via the company's development of Australia's first fully-integrated rare earths refinery at Eneabba in Western Australia, Iluka is set to become a globally material supplier of separated rare earth oxides.

Iluka's products are used in an array of applications including technology, construction, medical, lifestyle, defence and industrial uses.

As the world moves towards a more sustainable future, Iluka's high-quality, Australian critical minerals products are in increasing demand.

Alongside the company's Australian production base and development pipeline, Iluka has a globally-integrated marketing network. Exploration activities are conducted both within Australia and internationally and Iluka is actively engaged in the rehabilitation of previous activities in the United States and Australia.

Headquartered in Perth, Western Australia, Iluka is listed on the Australian Securities Exchange (ASX). Iluka holds a 20% stake in Deterra Royalties, the largest ASX-listed resources-focused royalty company.

More than 1,075 people globally are employed by Iluka and its subsidiaries, including 1,035 employees in Australia and 30 employees in the United States. There are also individuals based in China, India and Spain. Iluka's business is supported by a contractor workforce of 1,000 people.

Iluka Resources Limited is the Group's parent company. Its owned and controlled entities, including the other reporting entity listed on page 4, include those that hold operating mines and processing facilities, development projects, exploration sites and provide various services to the Group globally.

Read more about Iluka's assets, owned and controlled entities, and investments in Iluka's 2023 Annual Report and at [www.iluka.com](http://www.iluka.com).

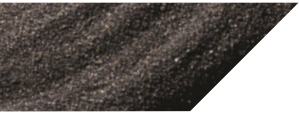


# Products



## ZIRCON

Iluka is one of the world's largest producers of zircon. From premium-grade zircon to zircon-in-concentrate, Iluka delivers quality products to a wide range of customers around the world utilising its well-developed logistics and distribution capabilities. Applications for Iluka's zircon include ceramics, refractory and foundry applications and zirconium chemicals.



## TITANIUM DIOXIDE

Iluka is a leading producer of synthetic rutile, which is an upgraded, value-added form of the mineral ilmenite. The company also produces natural rutile. Collectively, these products are referred to as high-grade titanium dioxide feedstocks, owing to their high titanium content. Primary uses include pigment (paints), titanium metal and welding.

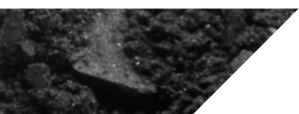


## RARE EARTHS

Iluka has established a significant position in rare earths elements. Rare earths are among the key building blocks of an electrified economy – essential in a wide range of applications including high performance permanent magnets in electric vehicles, wind turbines and other renewable energy technologies.

The strong outlook for these applications is expected to drive growing market demand for Iluka's rare earth oxides, particularly neodymium, praseodymium, dysprosium and terbium.

Other rare earths minerals that will be produced at Iluka's refinery, such as lanthanum and cerium, are necessary in the manufacture of catalytic converters for vehicle emission control of hybrid and petrol-fuelled cars, in modern rechargeable batteries, and as an alloying agent to create high-strength metals in aircraft engines.



## OTHER

Iluka recovers and markets products produced as part of its processing activities, including activated carbon, gypsum and iron concentrate.

# Our locations

## UNITED STATES

- Marketing and distribution
- Rehabilitation

## EUROPE

- Marketing and distribution



## ASIA

- Marketing and distribution

## AUSTRALIA

### WESTERN AUSTRALIA

- Narngulu processing
- Cataby mining and concentrating
- Eneabba rare earths refinery development
- Capel synthetic rutile processing
- South West deposits (Tutunup)
- Corporate support centre
- Rehabilitation

### SOUTH AUSTRALIA

- Jacinth-Ambrosia mining and concentrating
- Atacama project
- Rehabilitation

### NEW SOUTH WALES

- Balranald project
- Euston project

### VICTORIA

- Wimmera project
- Rehabilitation
- Hamilton processing (idle)

## Our supply chain

Iluka's suppliers are located across 25 countries, with approximately 93% of the company's spend through Australian suppliers.











We procure a range of goods and services from multiple sectors to support exploration; project development; research and analysis; mining; processing; marketing and logistics; rehabilitation and closure; and corporate support activities.

Procurement is managed by a central function based in the Perth support office. The function is responsible for procurement governance and managing strategically important, high risk or complex categories in accordance with the Procurement Standard.

### Snapshot of Iluka's suppliers in 2023

- Total invoiced spend AUD\$1.02b
- 2,329 active suppliers located in 25 countries were engaged
- 99.55% of total spend was from suppliers in low-risk countries (GSI<sup>1</sup> of 40 or below)
- 0.45% of total invoiced spend was from suppliers in high-risk countries (GSI of 50 or above)

### 2023 top spend categories by % of total Iluka spend

	Bulk freight and cartage	14%		Bulk chemicals held in tanks and intermediate bulk containers	4%
	Contractor mining	13.5%		Project management services	3.5%
	Consultants and professional service fees	7%		Minor earthworks services	3.5%
	Site services	6%		Fuel – diesel	3%
	Government royalties	5%		Plant and equipment repair services	3%

<sup>1</sup> GSI: Global Slavery Index as calculated by [Walk Free](#). A GSI value of 40 or below indicates countries with relatively low prevalence of modern slavery. These countries typically exhibit strong governance and have robust government responses to modern slavery issues.

## 2023 top 10 Iluka supplier countries by total Iluka spend

1

### AUSTRALIA

**92.6%**  
of total Iluka spend

**1.61** GSI

#### Top material groups

Bulk freight and cartage, Contractor mining, Government royalties, Consultants and professional service fees, Site services

2

### UNITED STATES

**1.87%**  
of total Iluka spend

**3.3** GSI

#### Top material groups

Contracted services, Contractor mining, Law firm advisory fees, Plant and equipment repair services, Software maintenance

3

### SINGAPORE

**1.3%**  
of total Iluka spend

**2.13** GSI

#### Top material groups

Bulk freight and cartage, Contracted services, Corporate and management consulting fees, Professional services, Subscriptions and publications

4

### GERMANY

**1.14%**  
of total Iluka spend

**0.56** GSI

#### Top material groups

Advertising and promotions, Chemical and metallurgical consulting advisory fees, Contractor mining, Labour hire, Consultants and professional service fees

5

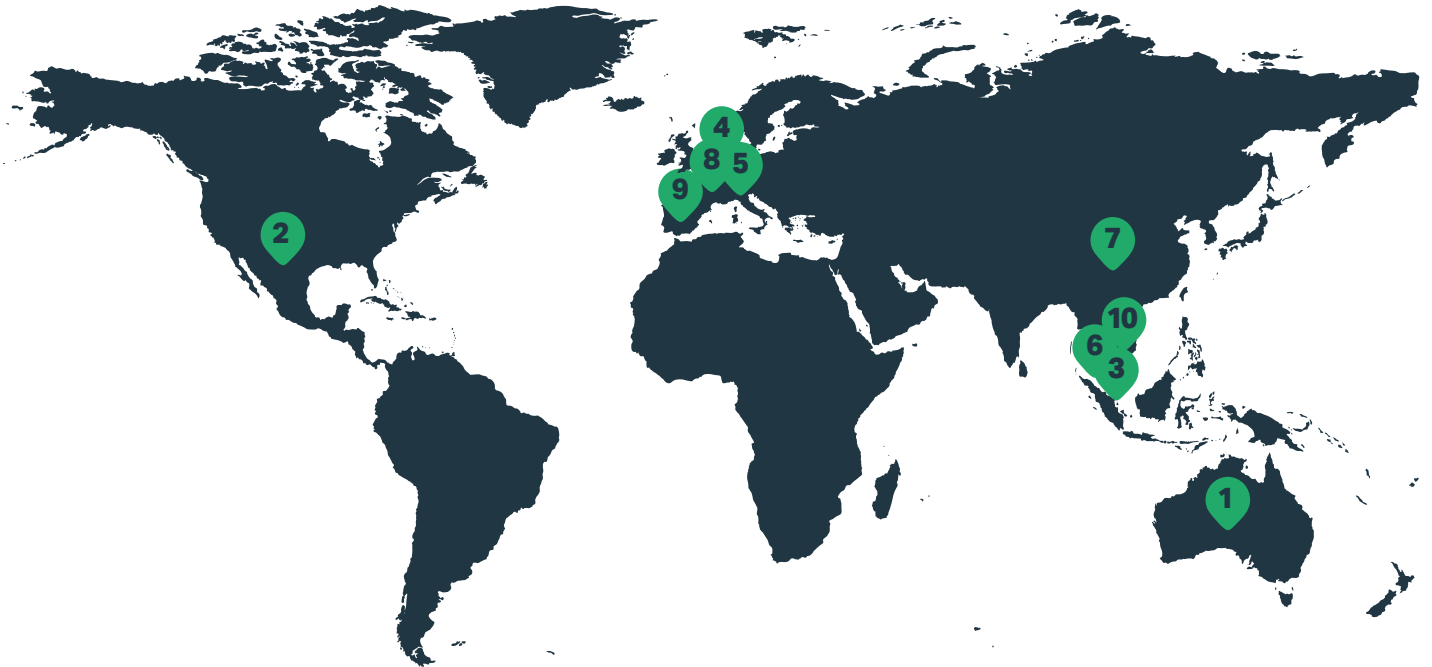
### SWITZERLAND

**0.83%**  
of total Iluka spend

**0.5** GSI

#### Top material groups

Bulk chemicals held in tanks and IBCs, Bulk freight and cartage



6

### MALAYSIA

**0.64%**  
of total Iluka spend

**6.26** GSI

#### Top material groups

Bulk freight and cartage, Insurance

7

### CHINA

**0.46%**  
of total Iluka spend

**4.01** GSI

#### Top material groups

Bulk freight and cartage, Labour hire, Consultants and professional service fees, Professional services, Storage and handling

8

### FRANCE

**0.27%**  
of total Iluka spend

**2.06** GSI

#### Top material groups

Contracted services, Consultants and professional service fees

9

### SPAIN

**0.16%**  
of total Iluka spend

**2.31** GSI

#### Top material groups

Bulk freight and cartage, Corporate and management consulting fees, Mechanical engineering services, Consultants and professional service fees, Professional services

10

### HONG KONG

**0.14%**  
of total Iluka spend

**2.76** GSI

#### Top material groups

Bulk freight and cartage, Chemicals and chemical products, Contracted services

# ASSESSING RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAIN

## Assessing risk in Iluka's operations

Iluka understands that its operations and supply chain could cause, contribute or be directly linked to modern slavery practices. As identified on page 8, Iluka's workforce is predominately based in Australia with 39 employees based in the United States, China, India and Spain. The Global Slavery Index ranks Australia as low risk for modern slavery practices, due to its robust labour laws and enforcement mechanisms, meaning the risk of modern slavery in our direct operations is low.

The company is also supported by a contractor workforce of 1,000 people. We recognise that contractor workers can face increased inherent risk to modern slavery-type practices. Iluka seeks to manage these risks through its supplier due diligence and procurement processes described below.

In accordance with the Iluka Health Safety, Environment and Community Management System, the reporting and classification of hazards and incidents is set out in a Group guideline, which includes examples of modern slavery incidents that require internal reporting. Application of this guideline supports the reporting of any modern slavery occurrence that may be identified in connection with Iluka's business.

## Assessing risk in Iluka's supply chain

Iluka's 2023 modern slavery supply chain risk analysis was conducted internally and is based on two key criteria: the country of origin of the supplier and the category of the commodity or service type. These criteria each quantify a specific risk component associated with a supplier which are then combined to calculate an overall risk score.

The evaluation of supplier data to identify modern slavery indicators utilised externally-developed tools and indices including the:

- Walk Free Global Slavery Index (GSI); and
- US Department of Labour List of Goods Produced by Child Labour or Forced Labour.

Iluka suppliers from high-risk countries supplied approximately 0.45% of our total spend in 2023. These high-risk countries were China, Hong Kong and South Korea, where the main goods and services procured were contracted services and general freight and cartage services.

## Australian and New Zealand Standard Industrial Classification (ANZSIC) top 10 high-risk categories

High-risk category*	Iluka purchasing material groups
Employment services	Advertisement fees, recruitment consultant fees Apprentice labour Labour hire Supplementary labour
Textile, clothing and footwear wholesaling	Helmets, visors, gloves, glasses Uniforms and clothing Clothing and personal protective equipment
Grocery, liquor and tobacco product wholesaling	Coffee, tea, paper cups, water, hydrolytes, food Foods and beverages for office and site consumption
Electrical equipment manufacturing	Isolation, lockout, tape, respirator Transformers Cable and conduit, saddles, joins, adaptors Coils, bushing, connectors Fuses, circuits, terminals, switches, plugs, sockets
Building cleaning, pest control and gardening services	Building maintenance, gardening, cleaning, camp management
Timber and hardware goods wholesaling	Construction and building materials
Other transport support services	Bulk freight and cartage General freight and cartage services
Fuel retailing	Diesel
Telecommunications services	Computer network charge Communications – telephone, mobile, video conferencing facilities, other
Pharmaceutical and toiletry goods wholesaling	Soaps, paper towels, toilet paper

\* The Australian and New Zealand Standard Industrial Classification (ANZSIC) was developed by the Australian Bureau of Statistics (ABS) for use in the compilation and analysis of industry statistics.

# ACTIONS TO ADDRESS MODERN SLAVERY RISKS

## Approach to due diligence

Iluka expects all existing and new suppliers to meet or exceed the minimum standards outlined in its policies and Code of Conduct. Suppliers are expected to develop and implement policies consistent with Iluka's policies and Code and encourage their respective supply chain to do the same. Iluka's procurement contracts require suppliers to comply with Iluka's policies and guidelines.

Iluka seeks to identify potential human rights issues associated with the company's activities including instances of modern slavery in Iluka's supply chain. Human rights due diligence is embedded in Iluka's procurement processes, including new supplier selection and screening procedures. This comprises:

- Daily screening of the entire existing supplier database using a Dow Jones RiskCenter screening tool using data from Iluka's procurement system;
- The requirement for all new suppliers to complete a modern slavery questionnaire, introduced in 2022; and
- If required, for cause supplier assessment conducted upon receipt of credible information justifying accelerated assessment.

In relation to Iluka's purchasing from suppliers in high-risk countries, the company has, in addition to the due diligence procedure described above, established long-standing relationships with these suppliers and is familiar with their operations through regular engagement.

## Remediation of non-conformances

During 2023, Iluka's remediation protocol was developed. If a modern slavery incident is identified, Iluka would seek to mitigate the situation in line with Iluka's values, policies, standards and internal incident management systems.

If Iluka identified that it has caused or contributed to a negative human rights impact such as modern slavery, the actions considered would include:

- Cessation of the action causing the harm;
- Use of leverage to mitigate any harm; and
- Remediation for those who have been impacted.

## Grievance and whistleblower mechanisms

Iluka's Social Performance Standard describes the process for identifying any social impacts Iluka's operations may cause or contribute to. All Iluka sites must have a locally-appropriate grievance mechanism, as described in Iluka's Grievance Management Procedure, which aims to align with the UN Guiding Principles on Business and Human Rights.

Iluka's Whistleblower Policy sets out how employees, suppliers and contractors to Iluka, and the general public, can report concerns of potential or actual misconduct through an external independent whistle blower service STOPline.



## **Training and capacity building**

Employees gain awareness of human rights implications for the business by completing Iluka's mandatory human rights and modern slavery training module. This includes employees in specific corporate and operational roles, such as Legal, Procurement, Human Resources and Finance.

## **Engagement and collaboration**

Iluka recognises the importance and benefit of a collective approach to managing shared modern slavery risks.

Iluka actively participates in the Australia-based Human Rights Resource and Energy Collaborative to develop industry-specific human rights remediation protocols and audit programs. This Collaborative provides a forum for the resources and energy sectors to network and share knowledge on respect for human rights, including implementation of the Australian *Modern Slavery Act 2018 (Cth)*. During 2023, Iluka continued to participate in the Collaborative via discussions and attendance at quarterly meetings.

# **ASSESSING THE EFFECTIVENESS OF OUR ACTIONS**

## **Reviews and audits**

A third-party review of Iluka's management of modern slavery risks within its workforce was completed in 2022. The review found that Iluka had adequately defined and managed modern slavery risk within its Australian workforce. The report also highlighted the opportunity to continue to provide capability building for both internal and external stakeholders where appropriate.

## **Human rights and modern slavery training**

Iluka tracks the completion rate for internal mandatory human rights and modern slavery training. In 2023, the completion rate for internal mandatory modern slavery training was approximately 75%.

## **Grievance and whistleblower mechanisms**

Iluka monitors and reviews complaints raised in accordance with its Whistleblower Policy and locally-appropriate grievance mechanisms. In 2023, there were no grievances raised via the whistleblower service in relation to modern slavery.

# CONSULTATION WITH OWNED AND CONTROLLED ENTITIES

Reporting entities covered by this Statement all share the same Company Secretary, who was consulted in developing the Statement, including reviewing a draft version of the Statement. Consultation was also undertaken with owned and controlled entities through engagement at Company Secretary level.

The development of this Statement was led by members of Iluka's cross-functional Modern Slavery Steering Committee. Inputs were provided by the Communities, Sustainability, Procurement, Legal, Risk and People functions.

In finalising this Statement, Iluka's Executive Sustainability Committee has reviewed and endorsed the draft. The Board of Iluka Resources Limited, the parent entity of the Group, has approved this statement, and a responsible member of Iluka has signed this statement on behalf of Iluka and Iluka Midwest Limited. Refer to the Managing Director's approval on page 4.



# APPENDICES

## Appendix 1 – Iluka’s key policies, standards and procedures

The following table lists key policies, standards and procedures that set out Iluka’s commitments and expectations in relation to respecting human rights, including modern slavery. These apply across the Group.

Policy, standard or procedure
Code of Conduct*
Supplier Code of Conduct*
Anti-bribery and Corruption Policy*
Diversity and Inclusion Policy*
Health, Safety, Environment and Community Policy*
Human Rights Policy*
Indigenous Peoples Policy*
People Policy*
Procurement Policy*
Risk Management Policy*
Whistleblower Policy*
Group Standard - Social Performance
Group Standard - Training and Awareness
Procurement Standard
Health, Safety, Environment and Community hazard and incident reporting guideline
Equal Employment Opportunity, Bullying and Harassment Procedure
Flexible Work Arrangements Procedure
Grievance Procedure
Recruitment Procedure
Social Performance Procedure
Iluka’s Risk Appetite Statement
External independent whistleblower service STOPline <a href="#">Iluka Resources Online Reporting   Externally Managed Disclosure Portal (stoplinereport.com)</a>

\*Available at [www.iluka.com](http://www.iluka.com)

**ILUKA**



[WWW.ILUKA.COM](http://WWW.ILUKA.COM)

