



13 January 2022

2021 MODERN SLAVERY STATEMENT

Lynas Rare Earths Limited (“Lynas”) (ASX:LYC, OTC:LYSDY, LYSCF) releases its 2021 Modern Slavery Statement, consistent with its reporting under the Modern Slavery Act 2018.

Authorized by: Sarah Leonard, Company Secretary

Further Enquiries Media Relations:

Jennifer Parker or Lauren Stutchbury
E: media@Lynasre.com
T: +61 8 6241 3800

Investor Relations:

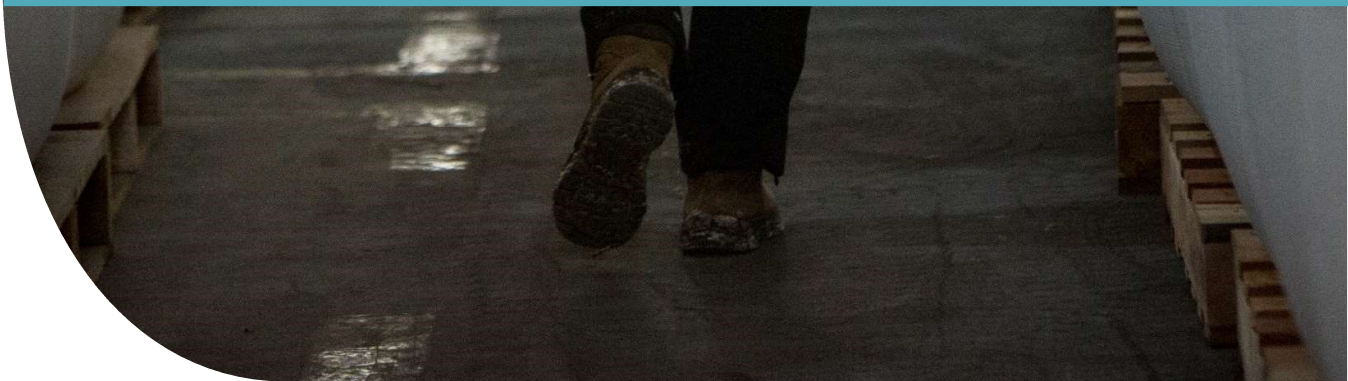
Daniel Havas
VP Strategy & Investor Relations
E: investorrelations@Lynasre.com



Lynas
Rare Earths

Modern Slavery Statement 2021

Contributing to a sustainable future



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1. Letter from Chairman and CEO

Lynas Rare Earths Limited (Lynas) is proud to present our second Modern Slavery Statement. This Statement for the year ending 30 June 2021 outlines the actions we are taking to address the risks of modern slavery in our own operations and in our supply chains.

The Group has policies and procedures in place to protect human rights and prevent modern slavery, however, we 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 updating you on our continued progress in FY22.

This statement was approved by the Board of Lynas Rare Earths Ltd on 20 December 2021 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.



Kathleen Conlon

Chairman

Lynas Rare Earths Ltd

20 December 2021



Amanda Lacaze

CEO & Managing Director

Lynas Rare Earths Ltd

20 December 2021

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.

Our Values

Lynas aims to be the supplier of choice for our customers and a leader in sustainably produced Rare Earths. Our vision and value lives 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.

Effects of the COVID-19 Pandemic

The COVID-19 pandemic continued to present challenges for businesses around the world during the 2021 financial year (FY21).

Commencing in October 2020, Malaysia experienced a significant third wave of COVID-19 infections and this continued throughout FY21. While cases recorded in Western Australia remained very low, Lynas' well-established health and hygiene protocols in both Malaysia and Western Australia were strengthened during the year to protect the health and wellbeing of our people and communities. This includes communication and education, disclosure and reporting, testing, physical distancing, hygiene and precautionary isolation procedures.

Due to our strong health and hygiene protocols, no workplace transmission of COVID-19 was recorded in FY21.

Lynas Malaysia participated in the Malaysian Government's Public/Private COVID-19 Industry Immunisation Programme and 99.9% of staff and 99% of contractors were fully vaccinated as at 13 October 2021.

On 5 October 2021, the Western Australian (WA) Government announced that FIFO and local workers on WA mining and resources sites, and people who work in remote operations or run critical infrastructure, must be fully vaccinated by 1st January 2022. A vaccination policy has been implemented in line with the WA Government's public health directions and Lynas has supported personnel to access vaccines where possible.

On-site supplier audits were once again affected by COVID-19 movement restrictions in FY21. However, desktop audits were completed with five of Lynas Malaysia's largest suppliers during the year.

COVID-19 related disruptions to some supply arrangements continued in FY21, including shipping delays and temporary shutdowns by some suppliers as a result of the pandemic. We continue to work closely with our suppliers to address the challenges caused by COVID-19.

Lynas also initiated regular COVID-19 testing of all staff and contractors to the Lynas Malaysia plant (at Lynas' cost). Lynas Malaysia recognised by relevant authorities for the company's leadership in COVID-19 protocols.

Lynas will continue to assess and address modern slavery risks in our operations and supply chains during FY22 and report on our progress in line with the Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities.

Case study 1: Supporting communities affected by COVID-19



The Lynas Malaysia team worked hard through the year to support local communities affected by a vigorous third wave of COVID-19 as well as extreme weather events. Over 1000 daily necessity packs were distributed to surrounding communities affected by COVID-19 and Lynas Malaysia donated over 2,700 bedding comforters to people affected by floods in January 2021.

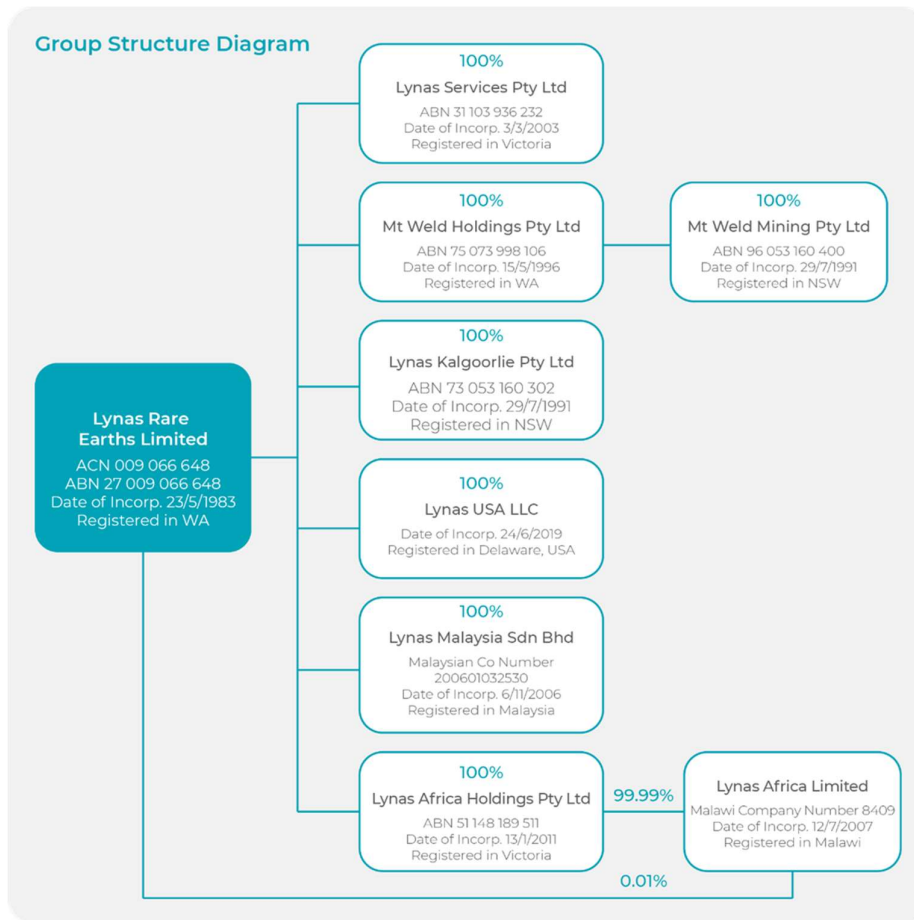
3. Reporting Criterion One & Two: Structure, Operations & Supply Chains

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 2021, Lynas employed 848 people, comprising 816 employees and 32 contractors across our Malaysian and Australian operations. This statement has been prepared on behalf of Lynas Rare Earths Limited (Lynas) and its subsidiaries.

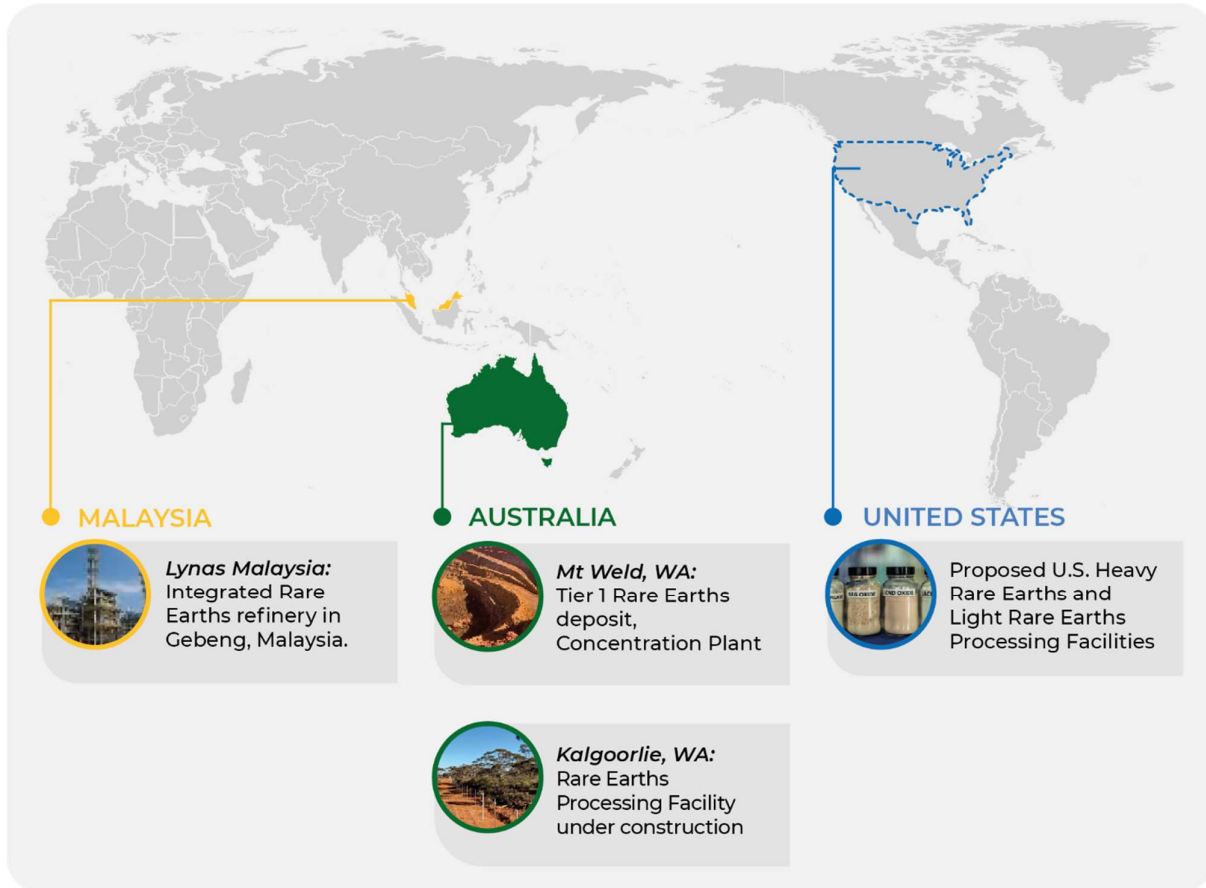
Lynas' subsidiaries are all wholly owned and operate under the same leadership team and Board, as outlined below:



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 FY21, Lynas Rare Earths' operating sites were the Lynas mine at Mt Weld, Western Australia, the Lynas Malaysia advanced materials plant in Gebeng, Malaysia, and the corporate office in Perth, Western Australia.

Although Lynas has subsidiaries incorporated in Malawi and the USA, the resource development project in Malawi has been on hold since FY12 and the USA project remains at an early stage. Lynas had no employees or contract employees in Malawi or the USA during FY21.

As part of the *Lynas 2025* growth vision, we are expanding our industrial footprint to include a Rare Earths Processing Facility project in Kalgoorlie, Western Australia. As we expand our operations, we will expand our program of assessing modern slavery risks.

Our operations consist 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 mine;
- Step 3:** Cracking and leaching of the Rare Earth concentrate at the Lynas Malaysia advanced materials plant in Gebeng;
- Step 4:** Solvent extraction at the Lynas Malaysia advanced materials plant in Gebeng; and
- Step 5:** Product finishing (drying and calcination) at the Lynas Malaysia advanced materials plant in Gebeng.

Our 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 Mixed Heavy Rare Earths (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 Kalgoorlie Rare Earths Processing Facility project 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.

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.

Our headquarters and our mine are located in Australia, which has a low prevalence of modern slavery according to the Minderoo Foundation's 2018 Global Slavery Index¹.

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.



Lynas participates in Together for Sustainability, 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. Supplier audits are conducted by EcoVadis and in July 2021, Lynas Malaysia was awarded a Gold Medal Sustainability rating from EcoVadis for the second time, based on performance across the environment, labour and human rights, ethics and sustainable procurement. Only 5% of over 75,000 companies assessed by EcoVadis globally attain the Gold level rating.

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 also taken the lead in the effort to secure a fully traceable Rare Earth supply chain through our involvement in the creation of a new ISO Standard, "Traceability of rare earths in the supply chain from mine to separated products". Lynas is fully committed to improving supply chain integrity to protect human rights and the environment, and to prevent the occurrence of modern slavery in the industry.

Our People

Lynas' over 800 employees include geologists, chemical engineers and others employed across both operating sites (Mt Weld and Gebeng) and professional and administrative functions undertaken on site or 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.

¹ <https://www.globalslaveryindex.org>

In keeping with our commitment to making a positive contribution to local employment, skills, education, health and the environment, 100% of employees in Australia are Australian nationals and 97% 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 working time legislation is followed.

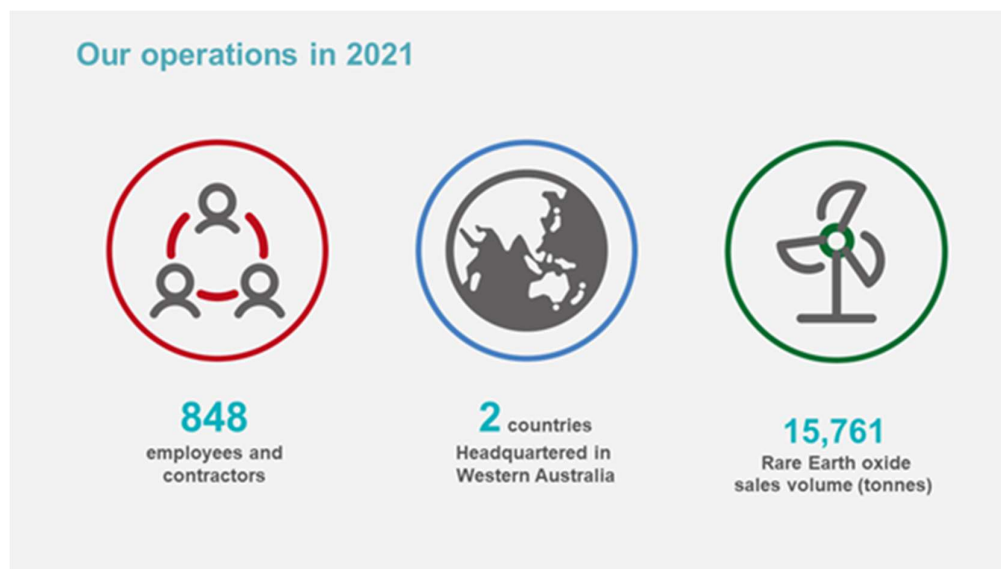
An Economic Impact Assessment undertaken in November 2018 identified that the median income at Lynas Malaysia is approximately 4 times higher than the average income in Pahang state and approximately 2.5 times higher than the national average income².

Lynas is committed to paying a living wage. The average Lynas Malaysia monthly income (without overtime) for semi-skilled technician roles has been benchmarked against available living wage data (for the Klang Valley of Malaysia) and is 1.3 times higher than the living wage for a single adult in the Klang Valley of Malaysia. It should be noted that living costs and average wages in the Klang Valley (centred on Malaysia's capital city of Kuala Lumpur) are significantly higher than on the east coast of Malaysia in Pahang state where Lynas' operations are located.

Our Human Rights policy and employee Code of Conduct outline our commitment not to 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/wp-content/uploads/2021/04/Code-of-Conduct.pdf>

In FY21, employees in Malaysia and Western Australia undertook modern slavery training for the first time. Modern Slavery training has also been included in induction training for new employees and contractors and will continue be updated and delivered as part of annual training requirements.

We encourage our people to report any concerns or breaches of our policies and we have an independently operated reporting hotline in place to ensure there are multiple avenues for employees, and others affected by our operations, to raise their concerns. Our Whistleblower Policy contains protections and confidentiality provisions for whistleblowers. There were no reports to the Disclosure Line in FY21.



Board & Executive Oversight

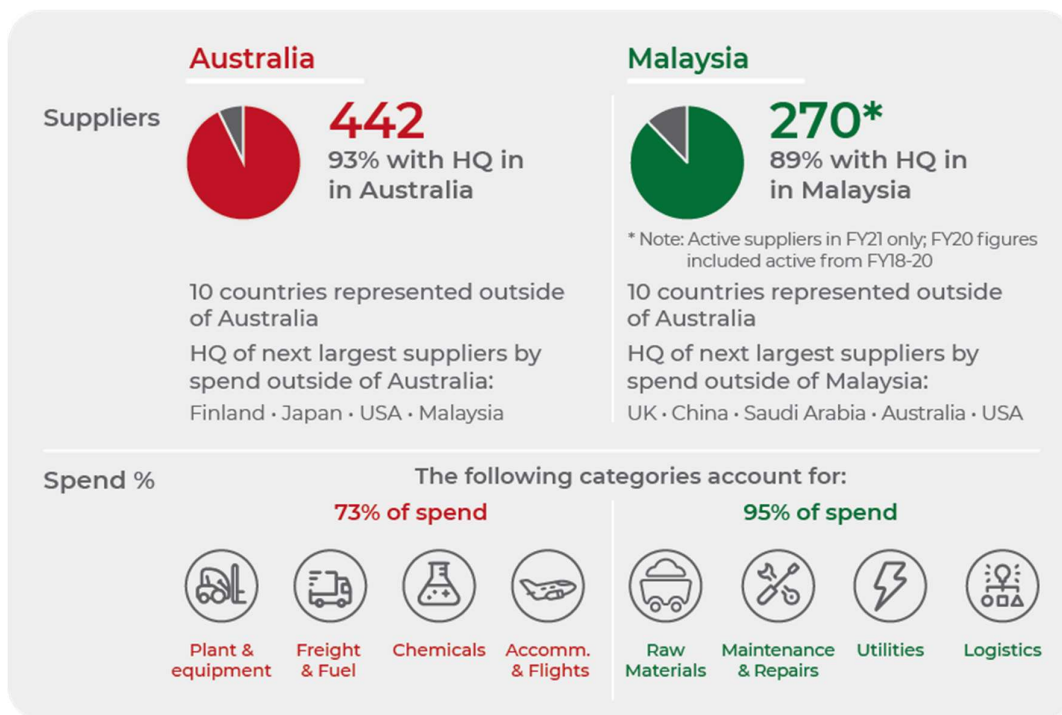
The Lynas Board, on recommendations of the Audit & Risk Committee, oversees compliance with our Human Rights Policy and Lynas' response to modern slavery risks. At an executive level, the Lynas Leadership Team is responsible for modern slavery risks and actions to address them.

All members of the Lynas Leadership Team are responsible for identifying risks in respect of modern slavery in our operations.

² <https://lynasrareearths.com/wp-content/uploads/2019/06/181122-Lynas-Final-Report-full.pdf>

Our Supply Chains

In FY21 we continued analysis and monitoring of our supply chains to gain further insight into potential areas of high risk and identify opportunities to support suppliers to address modern slavery risks in their organisations.



Our supply chains include both goods and services. Services provided to our operations include maintenance, repair, plant and equipment, cleaning and freight logistics. Employee flights and accommodation are provided for our Mt Weld operations and we also procure critical inputs for our operations including 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 earth 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.

Across both Australia and Malaysia, we require all suppliers to follow our Lynas Group Supplier Sustainability Policy and Code of Conduct. These draw on the United Nations (UN) Guiding Principles (UNGP) on Business and Human Rights, the UN Global Compact, the principles of the International Labour Organization (ILO), as well as the Lynas Business Conduct Guidelines.

In FY19, we commenced a process to audit major suppliers every three years³, including suppliers outside of Australia and Malaysia. While supplier audits were unable to be undertaken in FY20 due to COVID-19 related movement controls, in FY21, desk audits were recommenced in Malaysia. A case study on FY21 supplier audits in Malaysia is included below.

Assessing our supply chain risks

In FY21, Lynas undertook a 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 industry type and geography and active supply contracts in FY21, higher risk categories in our supply chains include shipping logistics and maintenance contracts.

The COVID-19 pandemic has affected on site audits in all geographies and as a result, we acknowledge that there has been a lack of visibility of suppliers and their supply chains over the past two years. Lynas plans to undertake on site audits in FY22, pending movement restrictions.

Australia

In Australia, 93% of FY21 active contracts for the Australian operations were with Australian headquartered suppliers. Australia has a low prevalence of modern slavery and is ranked 163/167 countries on modern slavery prevalence (Source: Minderoo Foundation's 2018 Global Slavery Index⁴). To date, Lynas has not identified any modern slavery risk factors in its Australian headquartered suppliers. The remaining 7% of active contracts were with 11 countries and of these, the most significant spend was with Finland, Japan, USA and Malaysia.

According to the Global Slavery Index, Finland, Japan and USA have a low prevalence of modern slavery (ranked 149, 167, 158 out of 167 countries respectively). Malaysia has a medium prevalence of modern slavery and risks are managed through policies and processes outlined below.

Malaysia

In FY21, 89% of active contracts for Lynas Malaysian operations were with Malaysian headquartered suppliers. Lynas recognises that the Minderoo Foundation's 2018 Global Slavery Index identifies Malaysia as having a medium prevalence of modern slavery (ranked 42/167 countries on modern slavery prevalence) and we have stringent

³ Note: active suppliers only

⁴ <https://www.globalslaveryindex.org>

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 modern slavery risk factors in its Malaysian headquartered suppliers, however, we have strict standards for employee welfare and we identified one instance requiring improvement during the year (see Case Study 2 below).

In Malaysia, awareness of modern slavery increased during FY21 as a result of high profile cases reported in the media involving trade restrictions applied by the United States and a COVID-19 outbreak that highlighted living conditions of migrant workers. As a result, organisations including the UN Global Compact Network held events bringing together businesses, civil society organisations and NGOs in Malaysia to collaborate on ways to identify, prevent and remediate instances of modern slavery. Lynas attended the UNGC Network event held in conjunction with the Thompson Reuters Foundation in early FY22.

The remaining 11% of active contracts for our Malaysian operations are with 10 countries. Of these, the most significant supplier countries by spend are: United Kingdom, China, Saudi Arabia, Australia, United States.

According to the Global Slavery Index, the United Kingdom, China, Saudi Arabia, Australia and the United States have a low prevalence of modern slavery (ranked 132, 111, 163 and 158 out of 167 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 use “conflict minerals”.

Last year we reviewed and enhanced our Supplier Sustainability Policy and Code of Conduct with updated content in the human rights section. This included a specific commitment to not engage in or support the use of any form of forced, compulsory or illegal labour.

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.

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.

While supplier site audits were affected by COVID-19 movement restrictions in FY21, we will continue to assess and address modern slavery risks in our operations and supply chains and report on our progress in line with the Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities.

Expert external advice was sought and further analysis of Lynas supply chains was also undertaken during the year to identify higher risk suppliers. A supplier Self-Assessment Questionnaire for modern slavery risks was developed during the year and has been sent to suppliers since the commencement of FY22.

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.

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.

Lynas has engaged an independent organisation, STOPline, to run the Disclosure Line for our employees, contractors and communities. Disclosures can be made by telephone, email, online, or by mail and contact details are available in the Whistleblower Policy and at: <https://lynas.stoplilereport.com/>

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: Lynas Malaysia Supplier Audit



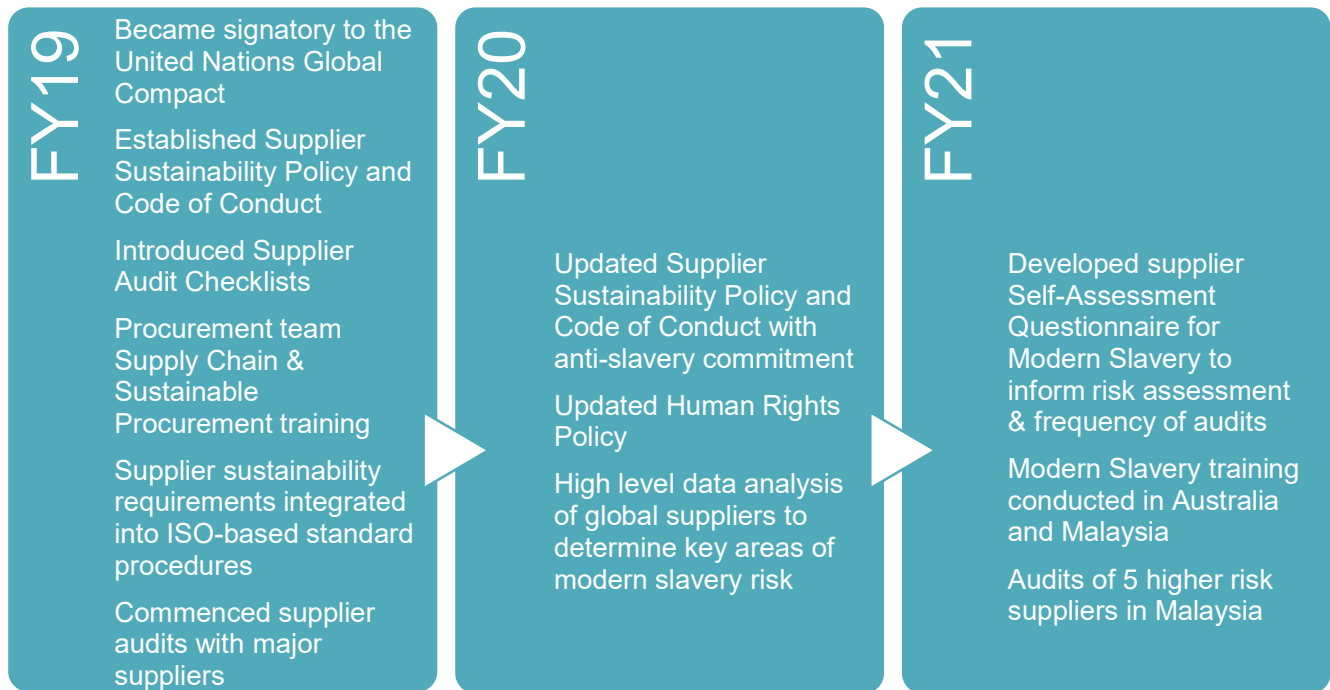
During the year, Lynas Malaysia completed supplier audits with 5 of the largest Malaysian-headquartered suppliers by spend who are registered as a business enterprise. This business status identified them as higher risk than registered companies which are regulated by Malaysia's Companies Act 2016.

Desktop audits of the 5 suppliers were undertaken as onsite audits were not possible due to the COVID-19 pandemic and associated movement controls in Malaysia. The audits identified the under payment of employee benefits with one supplier. Recognising that this can be a potential indicator of modern slavery practices, the procurement team temporarily paused further work with this supplier and provided advice on how the situation could be rectified.

The supplier has since upgraded its company status from enterprise to a registered company and is committed to meeting all of Lynas' requirements, including taking care of employee welfare. The supplier has provided evidence of this and Lynas continues to closely monitor its progress.

5. Criterion Four: Actions to address Modern Slavery

Our progress to date:



FY21 Action Plan & Progress:

FY21 Action	FY21 Progress
1. Training: Conduct Modern Slavery in all operating locations	Modern Slavery training undertaken in all operating locations (Western Australia & Malaysia)
2. Analysis: Undertake detailed analysis of higher risk suppliers including: suppliers headquartered in higher risk countries; suppliers in higher risk industries (e.g. shipping logistics); and suppliers in higher risk product categories (e.g. electronics & computers)	Detailed audits of 5 higher risk suppliers in Malaysia undertaken. An employee welfare risk factor was identified with one supplier. Work was temporarily paused and Lynas provided advice to the supplier. The supplier has implemented changes and Lynas continues to monitor their progress.
3. Prepare and implement new supplier screening questions focused on modern slavery risks	Supplier Self-Assessment Questionnaire (SAQ) developed with external advice in FY21; SAQ was distributed to suppliers in FY22
4. Identify higher risk suppliers requiring more regular audits (e.g. annual instead of every 3 years)	Analysis to be completed based on outcomes of SAQ in FY22

FY22 Action Plan

- 1. Conduct annual Modern Slavery training in all operating locations**
 - Survey employees post-training to assess effectiveness
- 2. Implement new supplier Self-Assessment Questionnaire (SAQ)**
 - Complete risk analysis based on outcomes of SAQ
 - Identify higher risk suppliers requiring more regular audits
- 3. Undertake desktop and on-site supplier audits assessing modern slavery risks**
- 4. Review effectiveness of grievance mechanisms for modern slavery**
 - Undertake review in line with UNGP guidance
- 5. Update the Economic Impact Assessment for Malaysia**

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 FY22, Lynas will undertake a review of disclosure and reporting frameworks to ensure they are fit for purpose. This will include a review of the current disclosure line and consultation with intended users of disclosure and reporting mechanisms.

Lynas also intends to undertake an employee survey following FY22 modern slavery training to assess the effectiveness of the training and identify any knowledge gaps or areas requiring additional support or training.

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 FY21 and also engaged with the Lynas Leadership team, the Lynas Board and key areas across the group including people & culture, training, procurement, 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 FY21, Lynas collaborated with industry and civil society through participation in industry initiatives focused on modern slavery.

Since the start of FY22, Lynas has distributed the supplier Self-Assessment Questionnaire to suppliers and participated in workshops bringing together businesses, industry groups, NGOs and civil society hosted by the UN Global Compact Network Malaysia, the Minerals Council of Australia and the Australian Council of Superannuation Investors (ACSI).

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 20 December 2021.


Signature of Responsible Member

This modern slavery statement is signed by a responsible member of Lynas Rare Earths Limited as defined by the Act: Kathleen Conlon, Chairman of the Lynas Rare Earths Ltd Board and Amanda Lacaze, CEO and Managing Director, Lynas Rare Earths Ltd.

Mandatory Criteria

The page number/s 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
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)	13
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant	13



Registered Office

Level 1, 45 Royal Street
East Perth WA 6004
p +61 8 6241 3800
f +61 8 9242 7219
general@lynasre.com

Malaysian Office

PT17212 Jalan Gebeng 3
Kawasan Perindustrian Gebeng
26080 Kuantan, Pahang Darul Makmur
Malaysia
p +60 9 582 5200
f +60 9 582 5291
general@lynasre.com

Lynas
Rare Earths