

# 2023

## Modern Slavery Statement



Sierra Rutile

ABN: 79 613 822 165

Sierra Rutile Holdings Limited



# About this Statement

This Statement is made under the Australian Modern Slavery Act 2018 Cth (**Modern Slavery Act**) for the financial year ending 31 December 2023 (**FY23**) (**Statement**).

Sierra Rutile Holdings Limited (**Sierra Rutile** or the **Company**), is a public company incorporated under Australia's Corporations Act 2001 (Cth) and listed on the Australian Securities Exchange (**ASX**).

Sierra Rutile is a "reporting entity" under the Modern Slavery Act, and this statement has been issued by the Company in accordance with section 13 of that Act. Sierra Rutile controls several entities. None of the entities that Sierra Rutile control is a "reporting entity" under the Modern Slavery Act. Unless the context requires otherwise, this statement is made in respect of Sierra Rutile and each of the entities it controls, including its operating subsidiary, Sierra Rutile Limited (a Sierra Leone incorporated entity). Accordingly, references to "we", "our" and "us" are to the Company's group as a whole (**Group**). For further details about Sierra Rutile controlled entities, refer to Sierra Rutile's 2023 Annual Report.

This Statement was approved by the Board of Sierra Rutile Holdings Limited, being the Company's "principal governing body" as that term is defined in the Modern Slavery Act, on 25 June 2024.

## Statement of Compliance with the Modern Slavery Act

### Mandatory Criteria

This statement addresses each of the mandatory criteria in section 16 of the Modern Slavery Act, as specified in the table below.

Mandatory Criteria	Section	Page
Identify the reporting entity.	About this Statement	2
Describe the reporting entity's structure, operations and supply chains	Who We Are	4
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Our Supply Chain	8
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.	Assessing Our Operations and Supply Chains for Modern Slavery Risks	10
Describe how the reporting entity assesses the effectiveness of these actions.		
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).	Preparation and Process of Consulting with Group Entities	12
Any other information that the reporting entity, or the entity giving the statement, considers relevant.	Our Approach to Human Rights	6

## Introduction

**Sierra Rutile Holdings Limited is committed to ending modern slavery through the adoption of responsible sourcing processes.**

We are committed to protecting fundamental human rights in all of our operations and embrace the diverse cultures, customs, and values that are present in all dealings with people, places, and companies playing a role in our activities. We strive to operate sustainably with a minimal footprint.

This Statement is Sierra Rutile's second Modern Slavery Statement and reports the actions it has taken to identify, assess and address the risks of modern slavery in our operations and supply chains during FY23.

Modern slavery is the severe exploitation of people for personal or commercial gain. Modern slavery is a major violation of human rights and covers serious crimes, including the following eight types of exploitation: human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour, and deceptive recruiting for labour or services.

FY23 was an important period in the development of our modern slavery response and builds on the inaugural statement released in FY22. Previously, our focus had been on initiating a review of procurement terms and our suppliers' supply chains and creating policies for human rights, whistleblower, inclusion and diversity, employee code of conduct and a supplier code of conduct.

Building on our earlier foundational work, this FY23 we focussed on developing and integrating a governance framework for all levels of the organisation to address the risks of modern slavery, with an emphasis on the management of modern slavery risks throughout our entire supply chain. We also carried out substantial awareness raising and capacity building activities for our suppliers, as well as our host communities.

We take great pride in the early steps Sierra Rutile has taken to address modern slavery concerns so far. However, we acknowledge that there is further to go in order to build the awareness and understanding of modern slavery concerns in our host nation. Sierra Rutile does not accept any form of modern slavery in its business operations or supply chain and is continuing in its unwavering commitment to cultivate a sustainable future and prevent human rights abuse.

## Who we are

**We are a Perth head-quartered, African focused, mineral sands producer and explorer with a track record of project delivery, operational and safety performance, community engagement and environmental stewardship.**

Sierra Rutile is head-quartered in Perth, Australia and is a mineral sands producer with operations straddling the Bonthe and Moyamba districts in southern Sierra Leone with over 1,500 employees, representing one of the largest private employers in Sierra Leone.

Sierra Rutile’s current mining and mineral processing operations at Area 1 include four wet concentrator plants, a mineral separation plant, associated infrastructure, residential camps for senior and management staff, and a dedicated port facility (collectively referred to as Area 1). Sierra Rutile also holds one of the world’s largest known natural rutile deposits, the Sembehun Project.

Sierra Rutile has an established operating history of more than 50 years and, if the Sembehun Project proceeds, a future mine life of over 14 years post-completion of steady-state operations at Area 1 based on the recent Sembehun definitive feasibility study.

The Sembehun deposit, located approximately 30 kilometres from the current Area 1 operation, is one of the largest and highest quality known rutile deposits in the world, presenting an attractive development opportunity, long mine life and additional exploration potential underpinned by strong medium to long term titanium feedstock fundamentals.

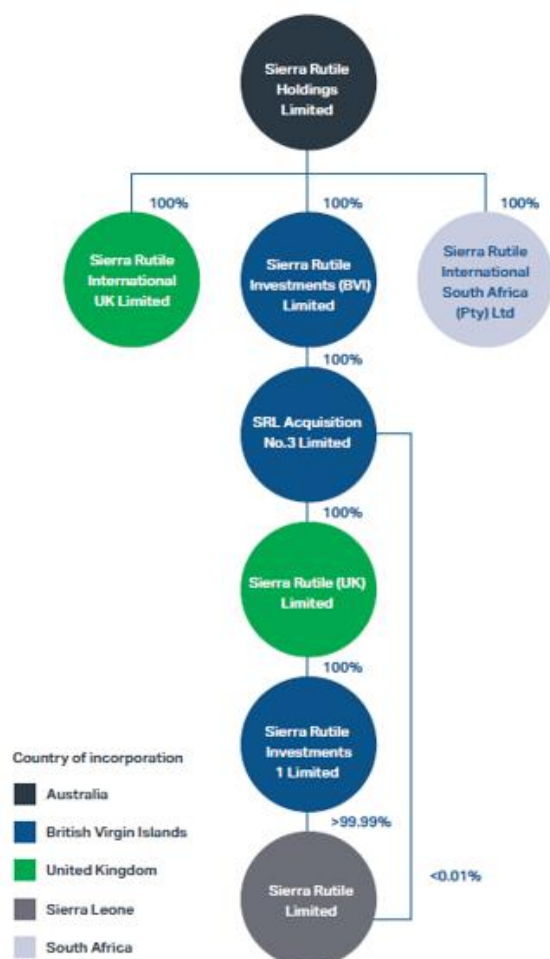
## Our Group Structure and employees

To the right is an extract of our corporate structure showing the general corporate structure down to our operating subsidiary, Sierra Rutile Limited which owns and operates the Area 1 mine. None of the other entities are operating companies.

During the reporting period, 97% of our workforce were Sierra Leonean nationals, as well as 53% of the professionals in senior management positions. As at 31 December 2023, we employed 68 people on casual basis and 10 on fixed term contracts.

Additionally, 1,382 were employed by 16 different contractors, during this reporting period.

Sierra Rutile continued its local sourcing initiative to boost local procurement by collaborating with Sierra Leonean companies and helping create a more sustainable supply chain.



## **Our Sustainability Commitment**

Sierra Rutile is proud of its social investments in Sierra Leone and its contributions to the development of a healthy and vibrant local community. More information on our sustainability objectives can be found on our website at <https://sierra-rutile.com>.

## **Our Human Rights Commitment**

Sierra Rutile is committed to complying with all applicable human rights principles and laws and has adopted a Human Rights Policy. A copy of our Human Rights Policy is available on our website at: <https://sierra-rutile.com>

## **Sembehun Project Background**

The Sembehun mineral sands deposit was first discovered in the 1960s and is one of the largest and highest-grade natural rutile deposits in the world. Since its discovery, there has been extensive exploration and feasibility work completed to assess the optimal approach to developing Sembehun.

Various studies have been undertaken on Sembehun over time. In April 2020, a concept study was completed that included truck and excavator mining as a potential mining method for Sembehun.

Following the end of the reporting period, the Sembehun Definitive Feasibility Study was released on 12 April 2024 and confirmed that the Sembehun Project, once funded and constructed, will significantly extend the Company's mine life, materially lower its cost structure, leverage existing infrastructure, and generate significant long term value both to shareholders and the people of Sierra Leone.

## **Sierra Leone Background**

Sierra Leone is a tropical country on the coast of West Africa, bordered by the Atlantic Ocean in the southwest, by Liberia in the southeast and is half surrounded by Guinea in the north and the northeast.

Sierra Leone has a population of more than 7 million people. Its largest city, the main port and capital is Freetown, situated in the west of the country.

Spoken languages are English, Krio and a range of other West African languages, amongst which Mende and Temne dominate.

Over the last two decades, Sierra Leone has operated as a stable democracy and generally achieved moderate annual economic growth, with agriculture and mining representing key contributors to country exports, Gross Domestic Product (**GDP**) and employment. Sierra Leone is an established mining jurisdiction with a long history of mining and an existing regulatory framework.

Sierra Leone is the 3rd safest country in Sub-Saharan Africa (2023, Global Peace Index).

## Our Approach to Human Rights

**Modern slavery is pervasive, often hidden in the complex supply chains and relationships that are required to support the operations of a business.**

In our first year of preparing a modern slavery statement, Sierra Rutilé's focus was to:

- develop an understanding of modern slavery and our operational and supply chain risk factors;
- undertake a high-level assessment of the risks in our operations and supply chain, and
- review our governance framework and consider changes to manage our modern slavery risks.

Building on the review of our governance framework in FY22, the Company's focus was to enhance its approach to modern slavery by developing the Human Rights and Modern Slavery Standard in FY23 (**Standard**).

Given the prevalence of modern slavery globally, we acknowledge that modern slavery practices may be present in our supply chain. This potential risk is recognised throughout Sierra Rutilé, and the Standard aims to address this risk at all levels of the organisation.

A key pillar in our sustainability aspiration is our commitment to respecting human rights. This commitment is evidenced by Sierra Rutilé's Human Rights Policy and Human Rights and Modern Slavery Standard.

### Our Human Rights and Modern Slavery Standard

During FY23, Sierra Rutilé developed a Human Rights and Modern Slavery Standard which sets out in more detail roles and responsibilities for members of the Company as well as outlining human rights principles and formalising the requirement to prepare a Modern Slavery Statement. The Standard also outlines steps to be taken in managing the supply chain including identifying risks and the undertaking of a due diligence process in certain circumstances. The Standard also covers monitoring and auditing of suppliers as well as the reporting of modern slavery concerns. Sierra Rutilé seeks to prevent or mitigate any potential risk of modern slavery or human rights impacts in connection with our operations and supply chains and to maximise any potential positive impacts where we are present.

As part of this commitment to respect human rights and address the risks of modern slavery, under the standard we will:

- prepare, publish and file an annual modern slavery Statement;
- adopt the procedures outlined in the Human Rights and Modern Slavery Standard to assess and identify the modern slavery risks in every business unit's operations and supply chains;
- subject all new suppliers to a risk-based due diligence assessment prior to on-boarding;
- subject suppliers deemed high-risk for modern slavery to a risk-based review of the supplier's disclosures and approach to eliminating modern slavery risks;
- include in supplier contract terms, as far as practicable, the requirement that the supplier prohibit modern slavery and comply with Sierra Rutilé's Human Rights Policy;
- report any actual or suspected modern slavery risks in Sierra Rutilé's operations or supply chain; and

- review our Human Rights and Modern Slavery Standard every two years to ensure compliance with the laws, regulations, and best practices.

Taking action to prevent human rights and modern slavery risks is consistent with our values and fundamental to achieving our overarching sustainability objectives and enables us to raise awareness about human rights in those places where we operate.

Suspected incidents of contravention of the Human Rights and Modern Slavery Standard or Human Rights policy either within the Company, or by the Company's associates, business partners or suppliers should be reported, and may be reported anonymously, as contemplated by the the Company's Whistleblower Policy.

Any breach of the Human Rights and Modern Slavery Standard or Human Rights policy by an officer, employee or contractor will be taken seriously by the Company, and may be the subject of a separate investigation and/or disciplinary action. A breach of this policy may also amount to a civil or criminal contravention under the statutory whistleblower regimes, giving rise to significant penalties.

As a mining company carrying out operations in Sierra Leone, there are increased risks to human rights and low levels of awareness about human rights and the risks of modern slavery.

The Board's Sustainability and Social Accountability Committee is responsible for sustainability initiatives, including oversight of modern slavery risks and controls.

## Other Supporting Policies

Other initiatives helping to action operationalise this commitment to human rights include:

**Human Rights Policy** – Approved by the Board, this policy sets out Sierra Rutile's approach to managing human rights and modern slavery risks in its operations and supply chains.

A copy of our Human Rights Policy is available on our website at: <https://sierra-rutile.com>

**Supplier Code of Conduct** – This code sets out the minimum expectations of Sierra Rutile's suppliers in relation to human rights, including compliance with laws on employment practices, zero use of forced or compulsory labour, in addition to health and safety, environmental impacts, business integrity and ethics.

**Whistleblower Policy** – Approved by the Board, this policy sets out the expectations that all employees and suppliers have a responsibility to help detect, prevent and report instances of misconduct, including breaches of Sierra Rutile's Human Rights Policy and Code of Conduct.

**Inclusion and Diversity Policy** – Approved by the Board, this policy sets out Sierra Rutile's commitment to creating an inclusive, productive and safe workplace, free from discrimination, harassment, and bullying.

**SRL Community Grievance Mechanism** – this provides a mechanism to record, investigate and resolve all community complaints associated with Sierra Rutile's operations.

## Our Supply Chain

**Our supply chain partners are crucial to Sierra Rutile's success. In line with our values, we seek to engage like-minded suppliers and business partners who are committed to operating in a safe, lawful, and competitive manner.**

Sierra Rutile sources substantial goods and services to support the mining lifecycle throughout exploration, mining, production, processing, and shipping.

Our supply chain includes a diverse range of goods and services essential to our mining operations and exploration. As a mining company, the main products and services used are:

- mining and general industrial equipment, parts and consumables;
- fuel and electricity;
- personal protective equipment (PPE) and clothing;
- product transport (shipping and road) and logistics services;
- engineering and construction services;
- security, camp and other site services;
- exploration and mining-related services;
- information technology services; and
- finance, insurance and other professional services.

While our suppliers are located across the globe, where appropriate, we prioritise local suppliers and have established extensive relationships with a diverse range of local and national suppliers.

In FY23 Sierra Rutile maintained a global supplier database of 339 suppliers and spent US\$146.5 million on the procurement of goods and services. Of these suppliers, approximately 72% were based in Sierra Leone, and 28% were based outside Sierra Leone.

Contractual arrangements with our suppliers range from one-off purchase orders subject to our standard terms and conditions to multi-year or multi-purchase contracts.

Our suppliers are primarily engaged by Sierra Rutile Limited, a Sierra Leone incorporated entity.

### Our Partnership with Suppliers

To further enhance the opportunities for local Sierra Leone suppliers, Sierra Rutile has continued its local sourcing program with the aim of increasing local procurement by working with potential Sierra Leonean companies that can be developed to provide a sustainable source of supply to meet Sierra Rutile requirements (**Sierra Rutile Partnership Program**).

The Sierra Rutile Partnership Program is aimed at contributing to positive social, environmental, and operational outcomes in the communities and regions in which the company operates. Partnership activities are undertaken for the mutual benefit of Sierra Rutile and a third party for purposes aligning with one of Sierra Rutile's focus areas (e.g. diversity and inclusion, land management and sustainability, education and training, agriculture, health and wellbeing) and may consist of financial sponsorship, in-kind support, collaboration or employee participation. Highlights of the Sierra Rutile Partnership Program during the reporting period included an onsite local content training program and entering into a memorandum of understanding with Mano Mining and Logistics Limited.



Beyond direct disclosures, Sierra Rutile supports the Extractive Industries Transparency Initiative (EITI), a standard to promote the open and accountable management of resources and to inform reforms for greater transparency and accountability in the extractives sector. Sierra Rutile also works closely with the Sierra Leone Chamber of Mines to provide industry input to the Sierra Leone EITI by way of its role in the multi-stakeholder group.

## Our contributions to the Sierra Leone Economy and Local Communities

Sierra Rutile is proud of its long association with the local communities in which it operates and makes a significant contribution to the community through wages, local sourcing and suppliers, social investment, community and agricultural development funds and numerous other commitments in addition to the statutory rents and taxes that it pays to the Government of Sierra Leone.

In FY23, Sierra Rutile's contribution included:

- the direct and indirect employment of more than 1,500 people;
- payment of US\$23.3 million in wages to Sierra Leone direct employees;
- expenditure of US\$105.4 million on local goods and services from Sierra Leone businesses;
- more than US\$590,000 on social investment and agricultural development; and
- a contribution to the economy of Sierra Leone (through government payments including taxes and royalties) of US\$15.4 million.

Sierra Rutile's commitment to its corporate social responsibility focuses on health, education, agriculture, safety and social investment and development.



## Assessing our Operations and Supply Chains for Modern Slavery Risks

**This statement is Sierra Rutile's second modern slavery statement that reports on our actions to identify, assess, and address the risks of human rights in our operations and supply chains during the FY23 reporting period.**

Whilst we did not identify any actual or suspected instances of modern slavery in our operations or supply chains during the reporting period, modern slavery still has the potential to exist in our operations and supply chains, and we do have modern slavery risks.

In the FY22 reporting period, we commenced a high-level review to understand where human rights risks, including modern slavery risks, may exist in the Company's operations.

A key part of this review was understanding modern slavery risks and identifying any potential suppliers deemed at high risk of modern slavery. The review was tasked with gaining insights into the potential risks of modern slavery in our operations and supply chain and gaining an understanding of our suppliers' controls and processes.

The review highlighted that modern slavery risks are largely dependent on location, with higher risks linked to low socio-economic countries such as Sierra Leone, where there are greater security issues, political unrest, and corruption.

### Our Operations

The majority of our employees are based in Sierra Leone, a country reported to have a low to medium rating on the prevalence of modern slavery on the Global Slavery Index (**GS Index**) 2023, with an estimated prevalence of modern slavery victims of 3.4 people per 1000 people in the population of Sierra Leone.

We presently believe the risk of our operations causing modern slavery is low. Our structured recruitment practices prioritise the employment of locals to reduce the potential for low-skilled migrant workers to be employed. Additionally, our Human Rights and Modern Slavery Standard establishes formal procurement processes to mitigate the risk of modern slavery in our operations. However, we recognise it is important that we remain vigilant.

### Training Our People

Training the people in our operations is critical to the management of potential modern slavery risks in our operations and supply chains.

During the reporting period, we provided training on modern slavery to our key people involved in the selection or engagement of suppliers.

## Our Supply Chains

Based on our review, we have identified no instances of risk of modern slavery in our operations and supply chain. However, there is the potential risk that our operations and procurement activities may contribute to modern slavery because of the prevalence index rank on the GS Index of the countries in which some of our suppliers are located, which include Sierra Leone and its neighbouring countries.

We may also contribute to modern slavery because some of our suppliers operate in industries or sectors or provide goods or services that research has historically shown have higher instances of modern slavery.

The suppliers considered to be higher risk include:

- shipping and haulage contractors;
- contracted and subcontracted labour;
- mining machinery and equipment suppliers;
- parts and consumables suppliers;
- site accommodation, catering, and cleaning contractors; and
- footwear, garments, and PPE suppliers.

Being the areas where a large number of our smaller suppliers are based, we will continue to enhance our understanding of the modern slavery risks generally within Sierra Leone and also among our smaller suppliers based in surrounding countries and in our global supply chain.

Under the Human Rights and Modern Slavery Standard, all new suppliers are subject a due diligence process including completing a new vendor form and entering contracts under our standard terms and conditions, which contain clauses with measures to be taken if human rights violations are identified within the supply chain.

## Managing Modern Slavery Risks – Key Next Steps

**We are committed to continual improvement of our modern slavery response and assessing the effectiveness of our actions to mitigate our modern slavery risks.**

We principally do this by:

- defining accountability for modern slavery across the executives, operation and procurement;
- regularly reviewing compliance with our Human Rights Policy, Human Rights and Modern Slavery Standard and procurement processes;
- assessing our suppliers, including how they mitigate risks of modern slavery across the supply chain (i.e. supplier due diligence); and
- reporting and acting upon any actual or suspected instances of modern slavery in our operations or supply chains.

## Looking Ahead

Understanding that addressing modern slavery concerns requires on-going work, looking ahead we will aim to extend our work on the high-level risk assessment and due diligence to understand better and address the modern slavery risks that may be present in our extended supply chain. Our contracting arrangements must align with our commitment to end modern slavery.

Additional actions relating to enhancing our response to modern slavery will include:

- **Governance**

Review and enhance existing policies and codes of conduct to ensure a clear and standardised commitment and approach to business ethics, including human rights and modern slavery.

Incorporate, as part of the risk management reporting, an assessment of human rights risks, inclusive of modern slavery.

- **Personal Training and Risk Management**

Provide ongoing training to relevant personnel to understand modern slavery risks within our supply chain and operations.

- **Procurement**

The ongoing implementation and rollout of our Human Rights and Modern Slavery Standard.

The rollout of our Supplier Code of Conduct and revised purchase order terms and conditions to all suppliers.

Continually review our procurement practices to ensure they align with our human rights commitments.

Continued implementation of a supplier onboarding process and the risk assessment procedure.

Undertake risk assessments on suppliers, with a particular focus on those considered high risk from a modern slavery perspective.

Engage with suppliers, mainly those considered high risk from a modern slavery perspective, to raise awareness and improve performance in relation to human rights, inclusive of modern slavery.

Mapping our supply chain to improve our understanding of potential areas of modern slavery risks.

## Preparation and Process of Consulting with Group Entities

This statement was prepared with engagement and consultation with Sierra Rutile's operations and key business areas across the Group in the preparation of this statement, which comprises employees from the Group's finance and procurement, human resources and legal teams.

## Approval

Sierra Rutile Holdings Limited is committed to respecting human rights and managing modern slavery risks in accordance with this Statement.

Sierra Rutile Holdings Limited recognises that the risks of modern slavery are complex and evolving and will continue to work to address these risks. This will involve actively engaging with suppliers to assess the effectiveness of the identified actions to enhance the approach to supply chain management continually.

The Sierra Rutile Holdings Limited Board of Directors authorised and approved this Statement on 25 June 2024.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Theuns de Bruyn

**Managing Director and Chief Executive Officer**