



# **SUPPLIER SUSTAINABILITY POLICY AND CODE OF CONDUCT**

Lynas Rare Earths Limited

ACN 009 066 648

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# Supplier Sustainability Policy and Code of Conduct

## Purpose and Scope

1. This Code of Conduct outlines the principles and standards we expect from our suppliers. We require all suppliers to observe these principles and rights set forth in the following guidelines. Our Supplier Sustainability Policy incorporates our commitment to the Ten Principles of the United Nations Global Compact. The term 'Supplier' as used in this code refers to suppliers, vendors, contractors, consultants, agents and other providers of goods and services who do or seek to do business with Lynas. It is expected that suppliers apply similar levels of compliance to their own suppliers or approved sub-contractors with whom they work to supply goods and services to Lynas. These principles form part of the supplier selection process and are subject to continued monitoring. Where there is a pre-existing relationship with a supplier, the requirements of this code are in addition, and not in lieu of, any legal or contractual agreement between that supplier and Lynas.

### 1.1 Business Conduct Standards

Lynas has always set high standards for the way we conduct business. In turn, we expect suppliers to conduct business responsibly, with integrity and transparency. Furthermore, we expect suppliers to treat all employees fairly, honestly and with respect, in full compliance with the following requirements.

#### 1.1.1 Social Sustainability and Human Rights

Lynas is committed to having a positive impact on our local communities and to enhancing the lives and careers of our employees. We respect the Human Rights of our local communities and our employees and we expect our suppliers to do the same, in accordance with relevant International Labour Organisation (ILO) conventions.

Suppliers must not employ any person who is below the minimum legal age for employment. It is forbidden to use children under the minimum legal working age or fifteen (15) years old; whichever is higher, as labor. Employees under eighteen (18) years of age shall not carry out hazardous work.

Suppliers shall prevent sourcing from civil war zone of other areas with severe human right infringements.

Suppliers shall not engage in or support the use of any form of forced, compulsory or illegal labor. Work must take place on a voluntary basis, and personal documents and possessions must not be confiscated in order to force somebody to work.

As a minimum, statutory wages must be paid and applicable working time legislation must be followed.

Employees of suppliers shall be free to form and join, or not to join, trade unions and to bargain collectively. No employee shall be discriminated on grounds of their gender, marital or parental status, ethnic or national origin, sexual orientation, religious belief, political affiliation, age, or disability.

#### **1.1.2 Occupational Health & Safety**

A safe workplace is the shared responsibility of employer and employee.

Suppliers to Lynas shall provide a safe and healthy working environment and take all practicable steps to prevent incidents and injuries. Occupational hazards and injuries shall be documented, and necessary measures shall be taken to prevent accidents from reoccurring.

Suppliers shall ensure that all employees are provided with necessary instructions, training and personal protective equipment free of charge necessary for facilitating safe work methods.

#### **1.1.3 Business Ethics**

Lynas is honest and fair in our dealings with customers, co-workers, members of the public, company management, suppliers and others who depend on the integrity of our behaviour.

In keeping with our commitment to professionalism and ethical conduct in all business activities, Lynas will not tolerate bribery or corruption in any form, or any breach of its Anti-Bribery Policy.

Suppliers and business partners are not permitted to directly or indirectly promise, offer or provide any improper advantage to any person or entity, including officials of a government or a government-controlled entity. Lynas' employees are not allowed to accept any such advantage and we expect the same approach in business dealings from our business partners, suppliers and third parties.

Suppliers are expected to maintain accurate records of their activities and performance that clearly demonstrate compliance with all applicable standards, regulations and Lynas requirements.

Suppliers must disclose any personal relationships, economic interest or other ties to their business held by an employee or contractor with Lynas.

Suppliers shall take appropriate measures to secure and protect all confidential information related to its relationship with Lynas and use it only for the purpose authorised under contractual agreement. This obligation shall remain in force regardless of the status of the business relationship.

#### **1.1.4 Environmental Protection & Resource Management**

Lynas is dedicated to protecting the environment in which we live and to conserving the natural resources we use and we conduct our business accordingly. We conduct Life Cycle Assessment (LCA) from mine to magnet, evaluating the impact on the environment of the full supply chain activity in accordance with United Nations guidelines.

Suppliers to Lynas shall carry out operations with care for the environment and at a minimum will comply with all applicable environmental laws and regulations.

Lynas expects suppliers to support its sustainability commitments through the adoption of good operating practices. In particular, suppliers should seek to optimise their use of natural resources and prevent any pollution.

#### **1.1.5 Compliance**

Lynas expects suppliers to ensure their operations comply with all applicable laws and regulations at a minimum. Furthermore, we expect that all suppliers adhere to Lynas requirements, including the standards as laid out in this Code of Conduct.

Suppliers shall have the appropriate processes and systems in place to do so, including a means for the confidential reporting of concerns about misconduct or unethical behaviour and an appropriate mechanism for addressing any issues identified. Where issues are identified through internal reporting, whistle-blowers will be protected from any negative repercussions.

Suppliers shall cooperate with Lynas to allow the Group, or any authorised third party, to conduct audits to verify compliance with these standards or other required certifications. In the event deficiencies are identified, the supplier will take the steps necessary within an acceptable timeframe to correct any deficiency to Lynas' satisfaction. Suppliers shall immediately report any

concerns about compliance with legal requirements or any aspect of this code, to their designated point of contact. Where suppliers are found to have contravened the requirements set out in this Code, Lynas reserves the right to terminate any associated agreement or business relationship.

**Amanda Lacaze**  
**Chief Executive Officer**  
**Date: May 2020**

## Code of Conduct Acknowledgement

Supplier Agreement

We hereby confirm that we share, respect and adhere to and apply the values as stated in the Lynas Supplier Sustainability Policy and Code of Conduct

**Date:**

**Company stamp:**

**Name and Function of the signee:**