



Doral[®]

Modern Slavery Statement 2020

ABN 85 008 902 841

MODERN SLAVERY STATEMENT 2020

About this Statement

Iwatani Australia Pty Ltd's (Iwatani), (trading as Doral, previously referred as Doral Pty Ltd), Modern Slavery Statement (Statement) outlines the Company's commitment and actions taken to identify, manage and respond to modern slavery risks in our operations and supply chain.

The Statement has been prepared in accordance with Australia's Modern Slavery Act 2018 (Cth) (Modern Slavery Act) and relates to Iwatani Australia's financial year ending 31 December 2020 (FY2020).

This is Iwatani Australia's first year of modern slavery reporting and is in line with mandatory reporting under the Modern Slavery Act.

All references to our, we, us, the Group, the Company, Doral, Iwatani Australia, refers to Iwatani Australia Pty Ltd (ABN 85 008 902 841) and its subsidiaries (Doral Fused Materials Pty Ltd, Doral Mineral Sands Pty Ltd, Keysbrook Leucoxene Pty Ltd).

Feedback

We value all feedback on the content of this Statement, please visit the Doral website, www.doral.com.au Contacts Page to provide feedback or request additional information.

This Statement has been approved by the Board on 21 May 2021.



Kan Ueda

**Managing Director
Iwatani Australia Pty Ltd**



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Introduction

Iwatani Australia Pty Ltd (trading as Doral, previously known as Doral Pty Ltd) is wholly owned by Iwatani Corporation of Japan and includes Doral Mineral Sands Pty Ltd (DMS), Doral Fused Materials Pty Ltd (DFM) and Keysbrook Leucoxene Pty Ltd (KLPL).

The Company has been operating in Australia since 1990 and is known for its operational excellence in the fields of safety, health and business capability.

Iwatani Australia's business assets are located in Western Australia, specifically East Rockingham (Perth metro), Peel and South West regions and comprises a workforce of 120 employees.

We recognise that modern slavery presents one of the most complex challenges across the globe, resulting in serious human exploitation. Iwatani Australia opposes all forms of slavery in our operations and through our supply chain.

FY2020 represents the first year of reporting on the Modern Slavery Act for Iwatani Australia. Whilst no evidence of modern slavery has been identified in our business and supply chain to date, we are committed to ensuring that our Policies and Procedures are consistent with international standard. We have commenced a full review of our Supply Chain and Sustainable Procurement practices to better understand the systems required to ensure the compliance of our most at-risk suppliers.

In 2020, Iwatani Australia through its Doral Mineral Sands business, participated in the Ecovadis Corporate Social Responsibility (CSR) survey, requested on behalf of one of the Company's major customers. The Company received a Silver Medal, placing Doral Mineral Sands in the top 25% of businesses surveyed in the **Manufacturer of Basic Precious and Other Non-ferrous Metals** for companies with under 100 employees (based on employees for Doral's mineral sands division).

ECOVADIS CORPORATE SOCIAL RESPONSIBILITY SURVEY



57/100
79th
percentile

Our Operations

Iwatani Australia Pty Ltd is wholly owned by Iwatani Corporation of Japan and includes Doral Mineral Sands Pty Ltd (DMS), Doral Fused Materials Pty Ltd (DFM) and Keysbrook Leucoxene Pty Ltd (KLPL).

DFM's East Rockingham operation is an integrated zirconia producer with downstream processing operations, transforming zircon sand to high value zirconia products utilised in ceramics, colours and industrial refractories.

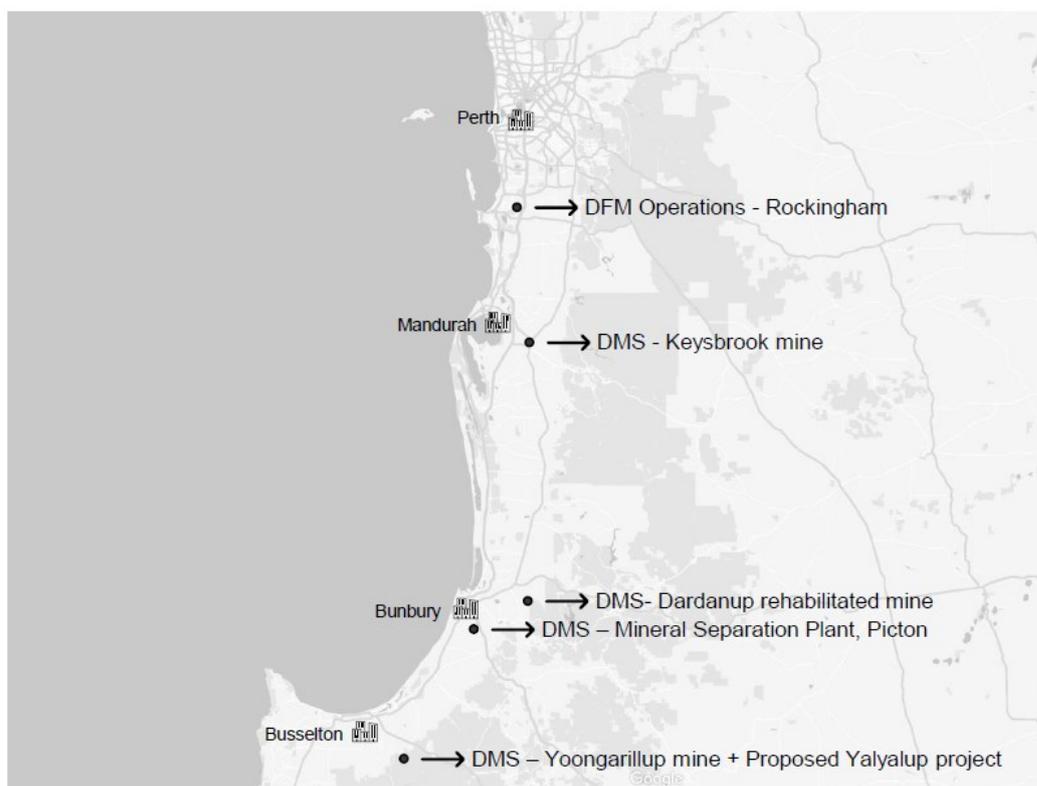
DMS produces titanium minerals and zircon sand products at its mineral sands' operations in Western Australia's South West and Peel regions. Heavy mineral concentrate (HMC) produced from Doral's mines are transported via road to its Mineral Separation Plant (MSP) located in Picton, for processing into final product.

Doral's mineral sands' operations include Yoongarillup (currently in de-commissioning phase), located 17km south east of Busselton and Keysbrook located 70kms south of Perth. DMS recently acquired the Keysbrook project from MZI Resources in July 2019. The Company's new project, Yalyalup, located 6km east of the existing Yoongarillup mine, received Ministerial approval on 17 May 2021 and has an anticipated construction commencement in Q1 2022.

The majority of Iwatani Australia's workforce is directly employed or on a permanent contract. If casual labour is required, a reputable local recruitment / labour firm is used based on a longstanding commercial partnership.

Additionally, an independent survey conducted in 2020 by Ecovadis for Corporate Social Responsibility (CSR) covered four main categories of the business being: Environment, Labour and Human Rights, Ethics and Sustainable Procurement. These themes were analysed according to 3 key indicators being policies, actions and results. The Company's responses and supporting documentation was analysed and findings summarised resulting in silver medal recognition. An area highlighted for further improvement was Sustainable Procurement which remains a key priority for 2021.

Western Australian Asset Map



Our Supply Chain

Iwatani Australia values the mutually beneficial relationship between the Company and its suppliers with the aim to create economic opportunities in the areas where we operate through our commitment to local supply.

During FY2020, products and services supplied to our business divisions were grouped as follows:

- **Exploration** – drilling and laboratory services
- **Mining and processing** – earth moving contractors, processing feed and consumables, equipment purchase and equipment hire
- **Transport** – mine to processing plant via road, port to customers via port services and shipping
- **Support** – labour, PPE, agent fees, training providers, power, information technology, administration
- **New projects** – technical studies, construction contractors

For FY2020, a total of 939 suppliers were contracted, with overseas suppliers totalling 15. This represents 98.4% of all suppliers, contracted by Iwatani Australia and its business divisions, are located within Australia and predominantly Western Australia. The remaining 1.6% of suppliers are based overseas, the majority of spend being in Japan given the location of Iwatani's parent company, with minor spend in countries including the UK, Singapore, Hong Kong and China.

Given the high number of Australian suppliers and predominantly West Australian for FY2020, our approach is that locally based suppliers, and those based within Australia, do not pose a high risk of modern slavery.

Notwithstanding this, we do understand that in some circumstances through the extended supply chain and for the small number of international suppliers for goods and services that we procure, there remains potential they may be sourced from countries that carry elevated risks.

The Company is currently reviewing these areas, which to date, could include the following categories:

- **Minerals feed**
- **Plant equipment**
- **Apparel (PPE)**
- **Transportation (shipping)**

FY2020 939 suppliers engaged

924 Australian based suppliers

15 internationally based suppliers

98.4% suppliers located in Australia

1.6% suppliers located overseas

Identifying Risks

Operations

Iwatani Australia opposes all forms of slavery in our operations and in the operations of our suppliers, with the health, safety and wellbeing of our workforce and associated stakeholders, being our highest priority.

Iwatani Australia's internal policies sets the standards we expect of our workforce whilst ensuring we uphold relevant laws and regulations applicable to our business. Given all sites are located within Australia, together with existing State and Commonwealth regulatory controls and reporting mechanisms, we believe there is minimal risk of causing, contributing or being directly linked to instances of modern slavery within our operations.

Our internal policies and procedures underpin our business culture and social performance through the application of the Policies outlined:

1. Safety, Health, Environment & Communities Policy
2. Anti-Bribery and Corruption Policy
3. Inclusion and Diversity Policy
4. Indigenous Communities Policy
5. People and Employment Policy
6. Whistleblower Policy

Iwatani Australia's Whistleblower Policy outlines the Grievance and Remediation process for all employees and contractors, which will be expanded as part of key actions for FY2021 for supplier use in mitigating modern slavery risks.

The Iwatani Australia Pty Ltd Board of Directors is committed to fostering a culture of compliance, ethical behaviour and good corporate governance, assisted by its Executive Team, to fulfil the oversight of Iwatani Australia's management of modern slavery risks. We believe that good governance is the collective responsibility of all, being management, employees, suppliers, contractors and those we do business with. It forms part of our core values and application of responsible business practices.

Iwatani Australia's Core Values

CORE PURPOSE

To enrich our stakeholders by adding value to natural resources in sustainable and innovative ways

CORE VALUES



Supply Chains

The majority of Iwatani Australia’s supply base is located in Australia and more specifically Western Australia. We acknowledge that for the 1.6% of suppliers located internationally, in both Europe and Asia, further analysis is required to identify potential categories which may cause, contribute or be directly linked to modern slavery.

Iwatani Australia has conducted an initial risk analysis of existing suppliers with the aim of updating its Terms and Conditions and Sustainable Procurement standards to reflect the requirements of the Modern Slavery Act. We will allocate further resources in 2021 to conduct due diligence on the performance of all Tier 1 suppliers, specifically those which may pose a heightened risk to the business through the extended supply chain, including the delivery of the necessary Policies to meet agreed Sustainable Procurement standards and reporting requirements.

Through this process we will engage with our major suppliers through the provision of training to ensure there is an understanding of our expectations and the modern slavery risks associated within their supply chain and business practices. In addition, we will ensure training is also provided for Iwatani Australia staff to increase awareness of Modern Slavery Act reporting requirements and ensure the compliance of new and existing suppliers.

Looking Ahead for 2021

Given it is the first year of reporting for Iwatani Australia, 2021 will be the period of implementation for key actions which have been identified in reviewing total suppliers and those at risk within the extended supply chain for the Iwatani Australia business divisions. Measuring and reporting on the effectiveness of the key priorities will feature in the 2021 statement, together with a more developed modern slavery approach.

A full review of existing Policies and Procedures will be undertaken, with the aim of ensuring that appropriate grievance and reporting mechanisms are captured under key Policies. This requirement will also be reflected in the new Sustainable Procurement Policy and implemented for Tier 1 and At Risk suppliers.

All Tier 1 and At Risk Suppliers will undergo further analysis and review, with increased engagement and training provided to those Suppliers to ensure controls and management practices mitigate any human rights risks through a program of screening, training, monitoring and reporting.

Key actions for FY2021:

- Review of existing Policies to ensure Modern Slavery risks are captured
- Risk Analysis of Tier 1 Suppliers and at-risk categories
- Development of a Sustainable Procurement Policy
- Ongoing Supplier Engagement and issuing of updated T & C’s
- Training on Modern Slavery Risks for employees and suppliers
- Continued participation in the Ecovadis Survey



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