



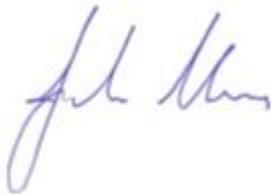
Modern Slavery Statement FY2022

Deterra Royalties Limited
ACN 641 743 348

This statement is made under the Australian Modern Slavery Act 2018 (Cth) for the financial year ending 30 June 2022 (**FY2022**). It is published on behalf of Deterra Royalties Limited (ACN 641 743 348) and its wholly-owned subsidiaries Deterra Royalties (MAC) Limited ACN 008 421 065 and Deterra Royalties Holdings Pty Ltd ACN 642 008 697 (together, **Deterra**).

I am pleased to provide stakeholders with Deterra’s Modern Slavery Statement for FY2022, which details the actions we have taken to assess modern slavery risks within the Company’s operations, inclusive of our supply chain.

Deterra is committed to operating with integrity and growing responsibly. After lodging our first Modern Slavery Statement in 2021, we have continued to develop and embed policies and practices to achieve our commitments, as outlined below.



Julian Andrews
Managing Director and Chief Executive Officer

1 Our Company

Our principal activity is the management and growth of a portfolio of royalty assets across a range of commodities, with a focus on bulk, base and battery metals. We began operation on 2 November 2020 (ASX code: DRR) as an independent entity, listed on the Australian Securities Exchange (ASX). Our business model is simple and transparent, focused on high margins and dividends and disciplined growth as outlined in the figure below.



Headquartered in Perth, Australia, Deterra has nine employees (up from six employees in 2021), bringing together a unique blend of corporate finance and mining expertise. The five members of our Board have extensive expertise in the global resources sector and deep networks in the mining industry.

2 Our Operations

Our business model involves investing, principally through holding royalties, in mining projects that are owned and operated by third-parties. Deterra does not directly control or influence the operations in which we have a financial interest. Deterra holds six royalty assets in our current portfolio, all located within Western Australia, shown in the figure below.



Our existing portfolio of royalties include:

- **Mining Area C.** Deterra owns a royalty over Mining Area C, a BHP majority-owned and operated iron ore mine located in the Pilbara region of Western Australia. The mine will be the largest operating iron ore hub in the world, producing 145 million tonnes of iron ore per year, when the recently completed South Flank expansion reaches full production. The Mining Area C royalty is our cornerstone asset.
- **Yoongarillup/ Yalyalup Mineral Sands Mines.** Deterra owns two royalty agreements over mineral leases near Busselton, Western Australia, currently operated by Doral Mineral Sands Pty Ltd. The Yoongarillup site is in the decommissioning phase. It is anticipated that development of the Yalyalup mine (over which Deterra retains a royalty) 6km north-east of the existing operations will replace current production.
- **Wonnerup Mineral Sands.** Deterra owns a royalty agreement over mineral leases near Busselton, Western Australia, currently mined by Tronox through its subsidiary Cable Sands (W.A.) Pty Ltd. Mining at Wonnerup North using existing facilities is underway. Approvals for extension have been received and mining has commenced.

- **Eneabba Project.** Deterra owns a royalty agreement over mineral leases located 200km north of Perth in Western Australia. These leases have recently been acquired by Image Resources NL.
- **St Ives Gold Project.** Deterra owns a royalty agreement over mineral leases located near Kambalda currently held by St Ives Gold Pty Ltd. No mining activity is anticipated on these leases in immediate future.

In terms of suppliers, Deterra had around 100 active suppliers of goods and services in FY22 with a total supplier expenditure of \$5.6 million. Our highest value suppliers provide consulting services, data subscription and information technology support. Most suppliers are based locally in Australia, with some large professional services and data subscription providers using employees working across global offices.

3 Our Approach

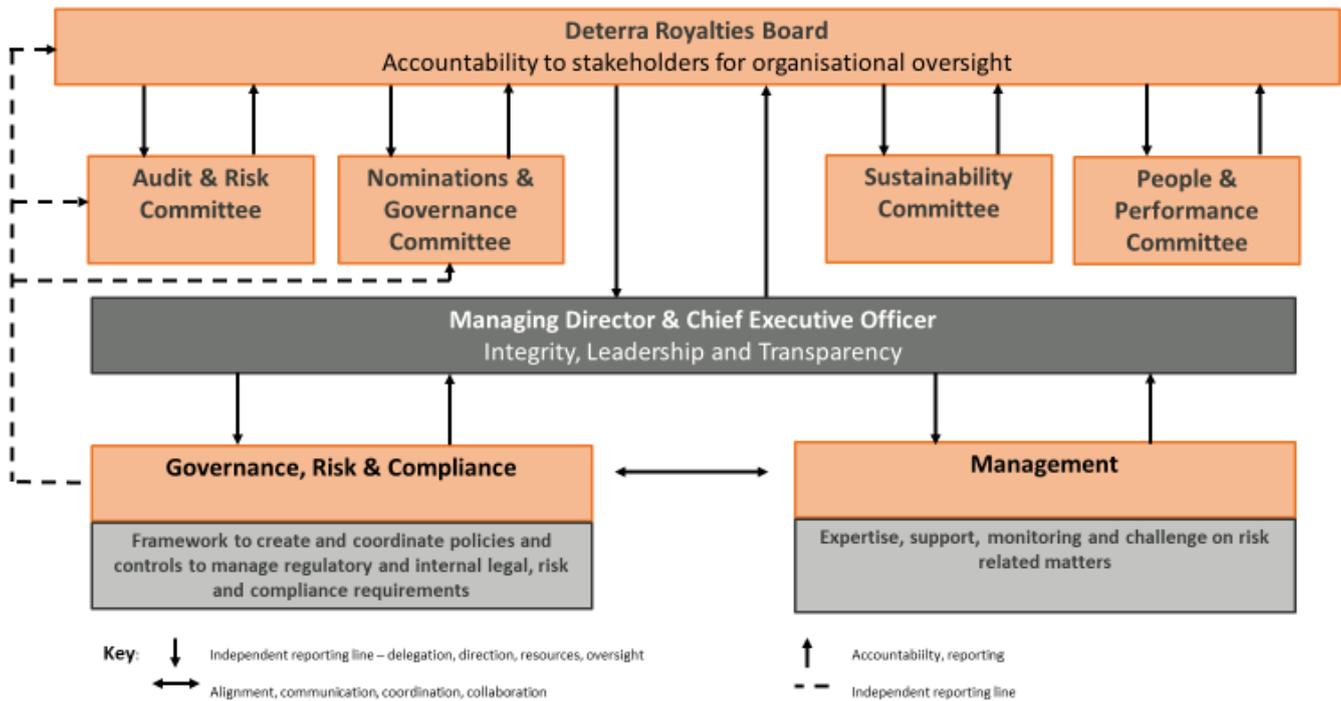
Deterra is committed to respecting human rights. The Company seeks to conduct its business activities with appropriate due diligence and in accordance with relevant standards, laws and regulations, including the UN Guiding Principles on Business and Human Rights.

Our governance framework is designed to support our team in delivering our strategy and guide effective and responsible decision making (outlined in the figure below). Our commitment to respecting human rights is embedded in our governance framework and is communicated to all stakeholders, including via employee training and supplier onboarding. The following policies form part of our framework:

<p>Human Rights Policy</p>	<p>This policy outlines our commitment to respecting human rights and conducting business with appropriate due diligence. Deterra rejects any form of slavery, forced or child labour, and we will work to ensure that such practices are not present in our business or our supply chain. Our employees will be treated fairly without discrimination and we will promote diversity in the workplace.</p> <p>Our Human Rights Policy is embedded in our onboarding process for suppliers and forms part of our induction process for new employees.</p>
<p>Whistleblower Policy</p>	<p>This policy provides an easily accessible complaints mechanism to respond to grievances in a timely manner and is designed to promote a workplace in which everyone feels safe, supported and encouraged to report potential misconduct without fear of retaliation.</p>
<p>Directors and Employees Code of Conduct</p>	<p>Our Code of Conduct specifies standards of behaviour for all directors, employees and contractors. We are committed to conducting business honestly, with integrity, and in accordance with our values and standards.</p>
<p>Diversity and Inclusion Policy</p>	<p>We are committed to attracting and retaining the best people while building and maintaining a diverse, sustainable and high achieving workplace, as reflected in this policy. We seek to provide a safe and inclusive workplace, free from harassment and discrimination.</p>
<p>Anti-bribery and Corruption Policy</p>	<p>We are committed to complying with the laws and regulations of the countries in which we operate, conducting business ethically and have zero tolerance for bribery and corruption, as reflected in this policy.</p>

Environmental, Social and Governance (ESG) Investment Policy	This policy outlines our commitment to assessing ESG risk exposure and opportunities when considering new investments. This includes committing to assessing the modern slavery risks we are exposed to through our investments.
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Implementation of the above policies is overseen by Deterra’s Sustainability Committee, which is chaired by a member of the Board. The Sustainability Committee is also responsible for managing modern slavery risks across the Company, including the supply chain.



4 Assessing modern slavery risks

Given the nature of our organisation, our direct risk exposure to modern slavery is limited to the nine-person office that we operate and our supply chain. To understand and address our direct risks, this year we expanded on our initial supplier assessment completed in FY2021 (see below).

However, we recognise that we are indirectly exposed to the modern slavery risks from the assets in which we invest. We recognise that as we continue to grow it will be important that we carefully assess not only the quality of the assets but also our operating partners prior to making an investment to manage our indirect modern slavery risk exposure. Deterra has adopted ESG Assessment Criteria for New Investments for this purpose.

At present, our largest royalty exposure is to Mining Area C, which, through the South Flank expansion, is growing to become one of the world’s largest iron ore mining hubs. There are inherent risks of modern slavery in the resources sector. [BHP’s approach](#) to managing modern slavery risks is embedded in its Human Rights Policy Statement and supporting standards and implemented through BHP’s management and due diligence systems across its assets, as detailed in BHP’s own [modern slavery statement](#) from time to time.

Supplier diligence

As noted above, a key activity for us in FY2022 was the expansion of our supplier questionnaire and diligence to assist in better understanding our suppliers, including their policies and practices relevant to modern slavery. While most of our suppliers are based in Australia, we recognize that our suppliers may source products from elsewhere, which presents potential modern slavery risks for us. Building on the initial supplier survey we conducted in FY2021, in FY2022 we targeted high value suppliers that were not captured in our FY2021 survey as well as those suppliers responding in FY2021 who demonstrated room for improvement. We also supplemented our supplier questionnaire with a review of public disclosures made by selected suppliers.

Key criteria against which we assessed our suppliers were:

- **visibility of their supply chain**, in order to understand if they are assessing modern slavery risks in their supply chains, beyond Tier One suppliers;
- **implementation of policies and procedures** to deal with modern slavery risks, to understand what each organisation is doing to manage modern slavery risks;
- **remediation procedures**, to address allegations of modern slavery or substandard working conditions in its operations or supply chains;
- **governance**, to ensure proper management of modern slavery risks;
- **implementation of training**, to understand if employees are trained on how to identify, assess and respond to modern slavery risks; and
- **due diligence activities**, undertaken to identify, prevent and mitigate risks specific to modern slavery in its operations and supply chains.

Our supplier survey and supplementary diligence covered in excess of 80% of our supplier expenditure in FY22. Based on our analysis, there is a low risk of modern slavery in our supply chain. We identified two suppliers who are still in an early stage of implementing formal modern slavery governance. Both of these suppliers rely on a very small pool of locally-sourced professional employees, so the Company is satisfied that the risk of modern slavery occurring directly within the suppliers is low. However, the Company will continue to monitor the progress of these suppliers and encourage them to adopt formal mechanisms to manage modern slavery. The Company was heartened to see substantial year-on-year improvement with the only continuing supplier who was flagged as having an immature approach to modern slavery in its FY21 supplier survey.

5 Managing modern slavery risks

Deterra recognises the importance of a collaborative approach to combating modern slavery. This includes being aware of our risks and taking appropriate steps in conjunction with others to manage the identified risks. Deterra has progressed several actions in FY22 to mitigate the risk of modern slavery including:

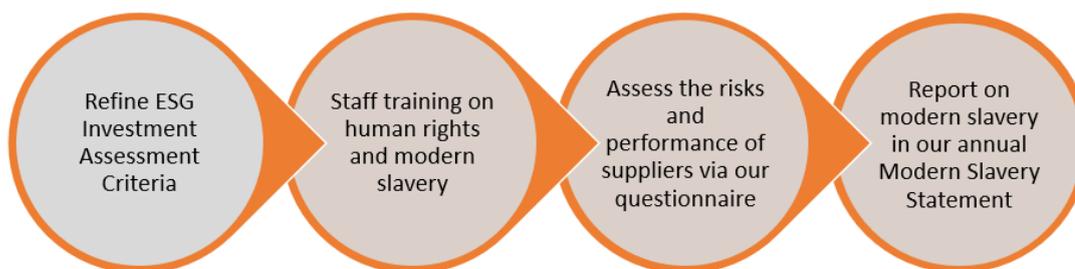
- **Joining the UN Global Compact** as a participant, which will help guide and further develop internal capacity to assess, measure and communicate our commitment to respecting human rights.
- **Publishing our first corporate governance statement**, in recognition of the importance of transparency and stakeholder engagement.
- **Publishing our ESG Investment Assessment Criteria for New Investments**, ensuring our stakeholders are aware that the Company's investment decisions will be guided by factors including, but not limited to:
 - Health and safety, including incidents, fatalities, and injury frequency rates.
 - People, including diversity and inclusion, attraction and retention, training and development.
 - Human rights (inclusive of modern slavery commitments and assessments) and supply chain management.
 - Engagement with Indigenous people and communities including social impact management, stakeholder engagement and local content.
- **Expanding the scope of our supplier questionnaire** and other due diligence to better understand our suppliers, including the mechanisms that they have in place to manage modern slavery risks (see above).
- **Developing and delivering training to employees** business-wide on modern slavery, to increase knowledge and understanding of potential risks within the Company including our supply chain.
- **Updating our Sustainability Charter** to outline the role of the Sustainability Committee in managing human rights risks, inclusive of potential modern slavery risk.
- **Amending our Whistleblower Policy** to reflect the Company's expanded governance team.
- **Implementing an employee Grievance Procedure** to ensure an easily accessible mechanism for grievances to be raised and responded to in a timely manner.
- **Implementing an Employee Handbook** and related policies supporting flexible working, paid parental leave, workplace inclusion and employee health and safety.



6 Future Actions

To continue to mitigate modern slavery risks across our business, including our supply chain in FY23 Deterra will:

- **Continue to refine our ESG Investment Assessment Criteria for New Investments** to ensure alignment with Deterra's commitment to human rights. In making new or further investments we will seek to understand and take into account ESG risks, and endeavour to negotiate appropriate contractual protections with a view to seeking full disclosure and transparency over each mining operations' ESG performance.
- **Continue to train employees** about human rights, including the risks of modern slavery, to increase knowledge and understanding of potential risks within the Company, including our supply chain.
- **Continue to assess the risks and performance of suppliers** via our questionnaire in relation to modern slavery risks, and informing future procurement decisions.
- **Continue to report on modern slavery risks**, including management of such risks, within our annual modern slavery statement.



Deterra will assess the effectiveness of the actions taken to mitigate modern slavery risks based on findings from the supplier due diligence and ESG Due Diligence for New Investments. Our Sustainability Committee will track Deterra's performance and will implement further actions where necessary.

7 Consultation

Deterra operates as an integrated group, with shared management. Policies, processes and systems apply consistently to all members of the group. All key Deterra functions have been consulted in the development of this Statement.

8 Approval

Deterra is committed to respecting human rights and managing modern slavery risks in accordance with this Statement. The Company 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 stakeholders to assess the effectiveness of the identified actions to continually enhance the approach to management.

The Deterra Board authorised and approved the publication of this Statement on 13 October 2022.