

PENSANA Plc

Modern slavery statement for Pensana plc.

As required under section 54 (Transparency in Supply Chains) of the Modern Slavery Act 2015.

For the financial year ending 30th June 2022

Statement of intent - Pensana takes its responsibilities to uphold the highest standards of human rights very seriously. This includes optimising efforts to avoid modern slavery.

The Group is committed to upholding the highest of ethical standards throughout all aspects of its business, which include respecting and safeguarding the human rights of all its stakeholders. This commitment is based on the belief that business should be conducted honestly, transparently, fairly and legally. We expect all employees, suppliers, contractors, and other stakeholders to share our commitment to high moral, ethical and legal standards.

Organisation structure and context of supply chains - In the reporting year, Pensana considered its risk of exposure to modern slavery as low. The business is in its early stages of development and the activity in the period involved mainly service based consultancy activity and small-scale site-level investigations, working with highly reputable organisations, with many having their own policies and procedures for avoiding modern slavery.

The business has, as yet, no complex supply chains, therefore minimising the risk of modern slavery, although the company is assessing what future risks it might face. During the reporting period the business has introduced a sustainable procurement screening exercise for prospective and existing suppliers which includes specific research on modern slavery. As the business further grows, continued risk assessment of modern slavery will take place across the entirety of the value chain. The depth of the risk assessment will rise proportionately as the business increases the number of employees, number of contracts and engages more widely. Where risks are identified the business will take swift steps to mitigate risks, including increased due diligence.

Risk identification and governance process- The Board holds the responsibility for overseeing high ESG (Environmental, Social and Governance) standards throughout the Company, and has established an ESG sub-committee, reporting to the Board, to oversee this. The Company CEO has responsibility for the delivery of ESG at every level of the business, but the Company recognises that the delivery of high ESG standards depends on all involved at every level.

Recognising that the Business is at an early stage, nevertheless Pensana has been assiduous in making sure that even at this stage it addresses the risks of modern slavery.

Policies in relation to slavery and human trafficking - Essential to the projects at Longonjo and Saltend is the Company commitment to the International Finance Corporation (IFC) standards, which includes Standard 2 entitled: "Labor and Working Conditions". This standard includes among its objectives: "To avoid the use of forced labor". All third-party project managers and their teams are instructed and aware that the business requires compliance with this standard and all the required clauses contained within it. Post financial year end Pensana has launched a Blueprint for Sustainable Rare Earths. This is the ESG strategy document for the business (available to view on the Pensana website) and amongst eleven specific ambitions is the ambition to "Integrate leading practice across our business to protect the human rights of our colleagues and partners". This ambition includes modern slavery and highlights the importance of addressing the issue to the business.

Due diligence - The business has reviewed and engaged with the primary third-party consultancies providing project management services to it. The purpose of the reviews was to understand the criteria that are applied during their contracts, work, and additional sourcing. This demonstrated the primary service providers to Pensana have a strong code of conduct for their business dealings which expressly cover human rights. Pensana will look to broaden this process reviewing intermediaries and third-party service providers in FY23 .

Effectiveness – The business has appointed a Sustainability Manager and part of the role will be to develop a monitoring plan and develop relevant KPIs across the area of modern slavery, as well as ESG more generally. This work will be reported on a frequent basis to the ESG sub-committee, and through this to the Board, as well as through the Pensana's Annual Report.

Signed: _____

Tim George, Chief Executive Officer

Date: 2022/12/12