

# Modern Slavery Statement 2024

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Reporting Period Jan – Dec 2024







## A message from our Executive Team

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**Tsutomu Kunomura –  
Managing Director**

Idemitsu Australia has been operating in Australia for over 40 years, as a subsidiary of Japanese company Idemitsu Kosan Co.Ltd. We are proud to play a proactive role in mitigating modern slavery risks across our operations and supply chains through focusing on the philosophy of our company founder Sazo Idemitsu “respect for human beings”. Respect for human beings is a key principle of our business and underpins the first of the three core values of Idemitsu Australia:

- we put people first;
- we are always improving; and
- we do what we’ll say we’ll do.

The Idemitsu Australia Group (IA Group) sees the introduction of the Act as an opportunity, through the use of our core values, to enhance our contribution to eliminating modern slavery. Since the Act took effect, the IA Group has begun work in response and has prepared this Joint Modern Slavery Statement for the Reporting Entities within the IA Group. This is the IA Group’s fifth Statement made in accordance with the Act.

Over the past year, IA has undertaken critical activities that enhanced on our existing processes to identify and act on modern slavery risks. These include:

- undertaking a detailed supplier questionnaire with 72 of our suppliers;
- undertaking internal training with our executive team on modern slavery; and
- introduction of a modern slavery policy.

The content of this Joint Modern Slavery Statement has been prepared to comply with the Act and using the ‘Guide for Reporting Entities’ as guidance. This Statement will go into detail about actions that the IA Group has taken in the year ending 31 December 2024 to understand and address the modern slavery risks in its supply chains and operations.



# Our Business

## Reporting Entities



This Joint Modern Slavery Statement is being prepared by Idemitsu Australia Pty Ltd (**IA**) on behalf of the below listed Entities within the IA Group.

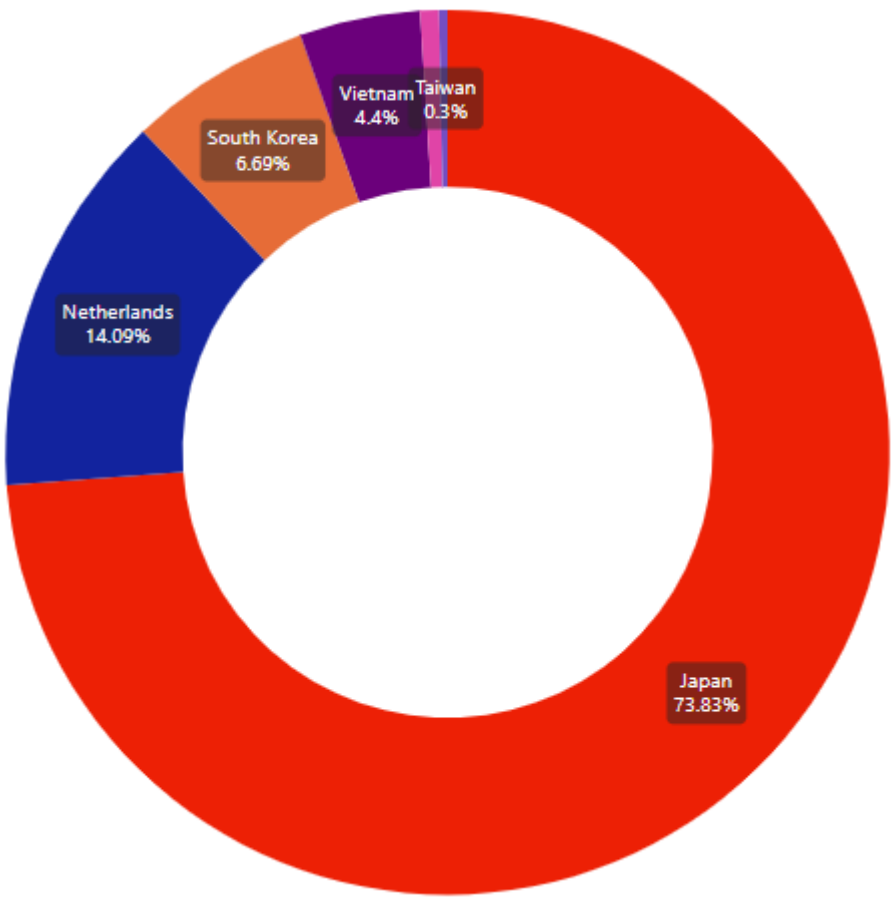
Reporting Entity	ABN
Idemitsu Australia Pty Ltd ( <b>IA</b> )	45 010 236 272
Boggabri Coal Pty Ltd ( <b>BC</b> )	77 122 087 398

IA is a mid-tier Australian mining company which has interest in one coal mining operation and a developing renewable energy business. IA’s head office is in Brisbane, Australia. IA is owned by Idemitsu Asia Pacific Pte Ltd, a private company incorporated in Singapore, which is in turn owned by Idemitsu Kosan Co. Ltd. (**IKC**), a company listed on the Tokyo Stock Exchange. IKC headquarters are in Tokyo, Japan.

IA and BC form the two reporting entities within our group structure for the purpose of this Modern Slavery Statement. IA has a number of subsidiaries which own and operate the operations described below and in our company operations details on the following slide. Other than as outlined above, other subsidiaries within the group do not, or no longer meet the criteria, to be considered reporting entities under the Act. Previous reporting entities Muswellbrook Coal Company (**MCC**) and Idemitsu Coal Marketing Australia Pty Ltd (**ICMA**) have ceased to qualify for inclusion in 2024, both due to revenue below \$100m. IA along with non-reporting entity ICMA are wholly owned subsidiaries of Idemitsu Asia Pacific Pte Ltd, a wholly owned subsidiary of IKC. Idemitsu Asia Pacific Pte Ltd also owns all of the shares in ICMA, which undertakes trade and marketing services for coal produced from the Boggabri Mine. As indicated in the adjacent chart, most of the coal produced by Boggabri Coal Mine is sold to customers in Japan, the Netherlands and South Korea.

IA undertakes all corporate functions (including procurement functions) on behalf of :

- Idemitsu Australia Pty Ltd (**IA**);
- Boggabri Coal Pty Ltd (**BC**);
- Idemitsu Coal Marketing Australia Pty Ltd (**ICMA**) (non-reporting entity);
- Boggabri Coal Operations Pty Ltd (**BCO**) (non-reporting entity);
- Idemitsu Renewable Developments Australia (**IRDA**) (non-reporting entity); and
- Muswellbrook Coal Company Limited (**MCC**) (non-reporting entity).



Percentage Distribution by Destination



# Company Operations

## **Muswellbrook**

IA is the sole owner of MCC. MCC owns the Muswellbrook Coal Mine, 3km northeast of Muswellbrook in New South Wales. In December 2022, MCC ceased mining operations at Muswellbrook Coal Mine and is currently in the process of undertaking rehabilitation works.

## **Boggabri**

IA is the operator of the Boggabri Coal Mine, approximately 17km northeast of Boggabri in the Gunnedah Basin, New South Wales. The Boggabri Coal Mine is owned as a joint venture, with the majority 80% interest being held by Boggabri Coal Pty Ltd, a company solely owned by IA.

## **Developing Business**

IA have made significant investments in Australian vanadium, lithium and graphite businesses including Vecco Group, Critical Minerals Group, Delta Lithium and Graphinex.

## **Renewables Business**

As the world transitions towards renewable energy sources and pathways toward net zero, IA is conducting feasibility assessments and developing renewable power projects to provide a variety of renewable energy power sources and energy storage options.

We are proud to invest in sustainable energy development in Australia and are currently advancing our investigations and developments in solar, biofuels and e-fuels, green hydrogen and ammonia.





# Supply Chains

## Procurement and Supply Chain

The IA Group sources its supplies and services locally for the Boggabri Coal mine site and on a group-basis through a central Procurement and Supply Chain team at IA in Brisbane.

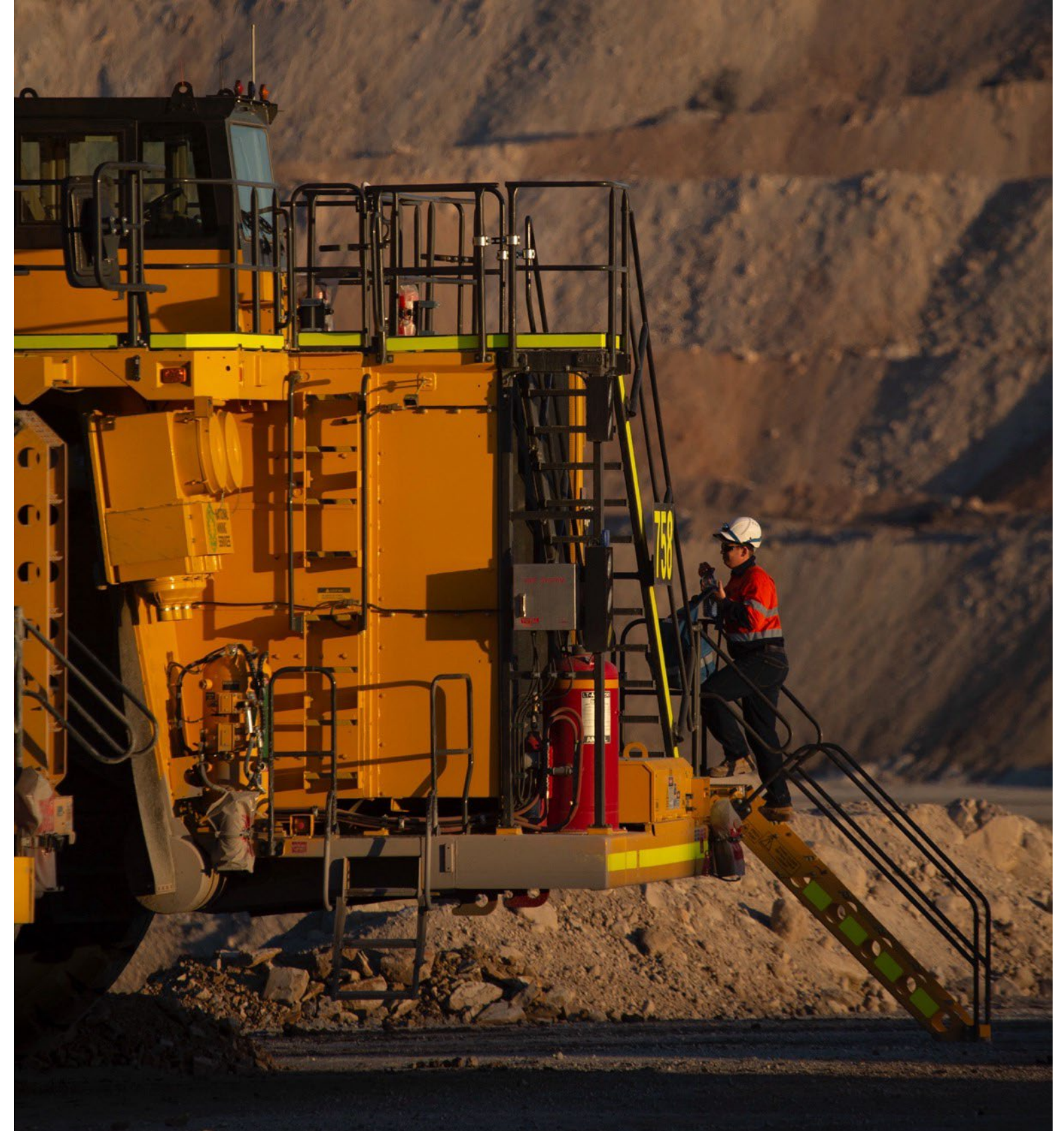
The site has a separate and local procurement function which work closely with the IA Group procurement team. The centralised management over site teams allows IA to monitor and ensure site procurement standards align with those at a corporate level.

Our supply chain includes the following goods and services:

- Engineering and geotechnical services;
- Maintenance services;
- Explosives and associated products;
- Labour hire;
- Maintenance services; and
- Heavy machinery;
- Waste management services;
- Professional consulting;
- Consumables;
- Mobile machinery;
- Fabrications services.

## Suppliers and Expenditure

In 2024 on a group-wide basis, IA has 1,451 active direct suppliers with a consolidated annual spend of \$881 million. The goods and services provided span 28 categories with approximately 97% of the total expenditure paid to Australian companies in Australian dollars.





# Modern Slavery Risks and Actions

## Risks and Results

The Australian coal mining industry is not considered to be high risk for modern slavery. Likewise, coal imports to Japan and Netherlands (the primary markets of the 'Reporting Entities') from Australia are not identified by the Global Slavery Index as high risk for modern slavery. Notwithstanding this, modern slavery risks have the potential to exist within our Reporting Entities' operations and supply chains. This is why the IA Group engage with Fair Supply, a third-party subject matter specialist, to review existing and potential suppliers and our group modern slavery risk profile. Fair Supply use a multi-faceted approach to modern slavery risk assessment. This includes examination and analysis that incorporates company spend data throughout global markets, utilising external consultants with proprietary technology to trace the economic inputs required to produce products and services sourced from Tier 1 suppliers all the way through to Tier 10 suppliers.

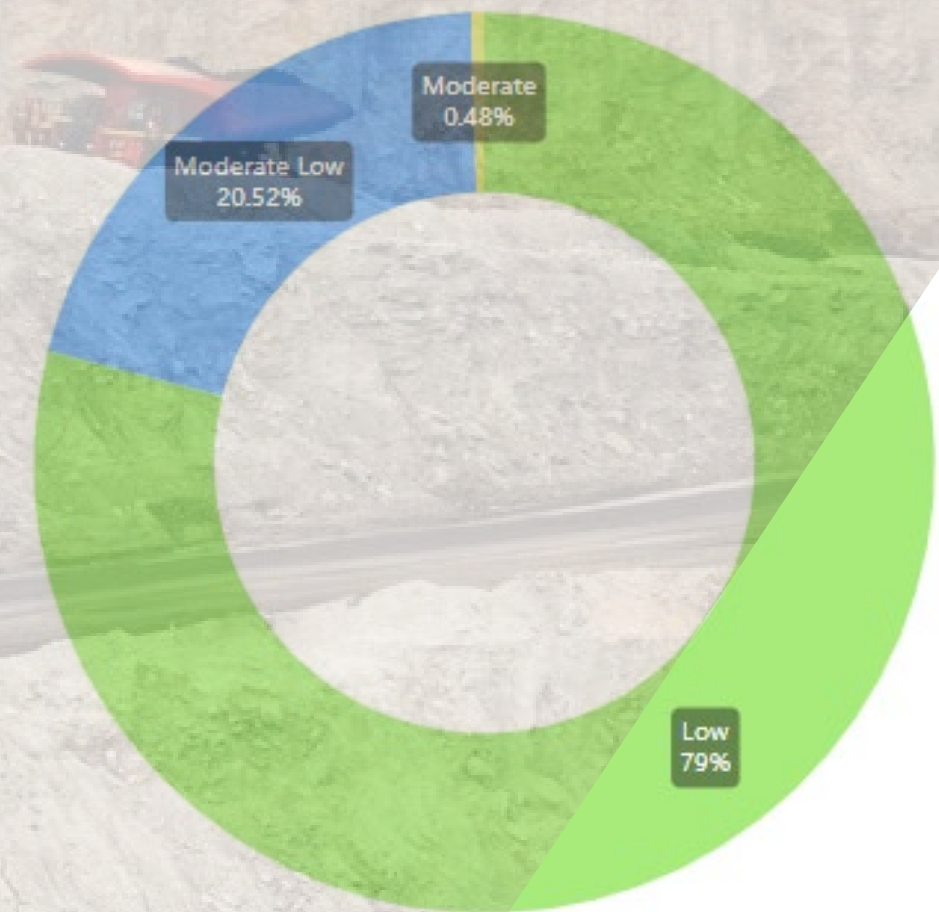
In 2024, IA has maintained a consistent amount of spend and our supplier base has remained largely unchanged. Traceable risk utilising the 2024 Global Slavery Index reveals that, IA's highest risk supplier profile is considered "Moderate". This category rating contains our lowest number of suppliers. The majority of our Suppliers are considered "Low" risk. Per \$M spent it is estimated that IA has 0.0206 of a person in forced labour within our supply chain, which is a decreasing trend year on year. IA are pleased to confirm that our 2024 exposure per \$M is down 8% from the data set loaded for 2023 which saw 0.0226 of a person in forced labour.

Utilising the industry risk rating, we have evaluated our entire supplier base on the foundation of the supplier's geographical location and industry of operation. IA has undertaken additional due diligence on potential suppliers in 2024. These suppliers are associated with a known high modern slavery prevalence industry (solar panels) on a global scale of risk. We did this to better understand the risks associated with these suppliers prior to contracting:

- LONGi Green Energy Technology Co. Ltd; and
- JinkoSolar Holding Co. Ltd.

IA continues to monitor our other known high modern slavery prevalence industry category of Fuel, as noted in our 2023 statement, this will continue to be a high modern slavery prevalence industry item for IA based on our demand for the product and the jurisdictions from where it can originate from which are out of our control.

IA understands the importance of collaboration with the suppliers who source product from high modern slavery prevalence industry jurisdictions to ensure their practices in transacting with second and third tier suppliers is in accordance with the global human rights guidelines. The results of the due diligence conducted provided IA with a comfort that the Suppliers we engaged with are aware of and understand the importance of human rights in delivering their services to IA.



# Actions and Effectiveness

## Governance

Our approach to human rights and modern slavery risk management is supported by a system of policies and guidelines including the Code of Conduct Policy, People Policy, Workplace Behaviour Standard, Managing Conduct Procedure, Risk Compliance and Assurance Policy and Whistleblowing Standard (among others). These apply across all Reporting Entities. IA Group makes regular updates to its Procurement and Contract Management Standard to better reflect modern slavery compliance. In the 2024 reporting year, IA introduced a specific modern slavery policy to enforce our commitment to governance of modern slavery. This policy was approved and backed by our board of directors.

These policies and guidelines are underpinned by the IA Group corporate values of:

- ‘we put people first’
- ‘we do what we say we’ll do’; and
- ‘we are always improving’.

These values are demonstrated by the senior leadership teams on an everyday basis and are the subject of leadership training for team members. During onboarding and then annually, all employees are required to undertake training on the Code of Conduct and other policies and guidelines to ensure the values and expectations of IA Group remain front of mind.

IA maintains an anonymous compliance hotline which is available to all staff and contractors of the IA Group in the event of a compliance or probity concern. The hotline connects directly to senior members of the legal team. The compliance hotline is communicated through relevant policies, guidelines and training materials.

To date these systems have established and maintained a strong compliance record across the IA Group. IA Group’s goal is to give clear direction to its procurement and contracting personnel on the IA group position. IA encourages all personnel to avoid partnering with suppliers who are not also actively engaged in identifying and reducing modern slavery risks in their operations and supply chains.



# Actions and Effectiveness cont.

## Procurement Systems

The procurement of goods and services from third parties is governed in accordance with our Procurement and Contract Management Standard. These set out the processes for tendering, engagement, approvals and management of contracts.

As part of the IA Group procurement function, contracts and suppliers are required to comply with the terms of the IA policies. When the IA Group began discussing our expectations around the risk of modern slavery in our supply chain with our suppliers, we introduced questions regarding modern slavery risks in the Request for Tender process and included a contractual provision in the template contract suite which is now standard in all new contracts.

IA engaged Fair Supply to review IA Group's modern slavery risk profile. The review identified several recommendations which have been implemented over the course of the past three years and are managed with an initiatives register to track progress and add to our company goals. In each reporting year, IA load a new dataset and Fair Supply perform a vendor risk assessment on each individual supplier providing us the opportunity to track our impact and progress over time.

IA continue to compare service offerings within the Modern Slavery landscape to ensure we are accessing the most effective and industry leading expertise in modern slavery.

### Training and Materials

In July 2024, IA's procurement team, in conjunction with major international law firm, delivered a comprehensive training session to our executive and commercial teams to provide a thorough and in-depth review of modern slavery and risks it poses to our business. The training outlined:

- key indicators of risk in industries, products and services relevant to IA;
- highlighted geographical locations with high prevalence for modern slavery;
- review instances of modern slavery recorded in Australia;
- the global response to modern slavery and how Australia compares;
- what recommendations were made following the review of the legislation; and
- links to reading, reference and source materials including walk free and the global slavery index.



# Actions and Effectiveness cont.

## Procurement Systems

### Risk Assessment Questionnaire

Since 2021, IA have completed multiple rounds of Risk Assessment Questionnaires across a broad range of our suppliers, new and old.

With Fair Supply on board working collaboratively to identify, manage and mitigate modern slavery risk along our supply chain, IA has gained confidence in being able to support our suppliers in understanding their own modern slavery risks. Our existing document suite for tenders and vendor onboarding are regularly reviewed and updated to include new questions and checks to gain a better understanding of a supplier's risk profile. Once risk assessments are completed, any supplier identified as high risk will be requested to provide additional responses to a self-assessment questionnaire.

In 2024, IA has focussed on investigating and managing suppliers with a supplier questionnaire. This has provided insight into the key areas where our suppliers might need guidance or assistance in understanding their modern slavery requirements such as:

- training and education;
- grievance mechanisms;
- governance;
- policies;
- remedy;
- identification and assessment of risk;
- measuring effectiveness; and
- due diligence.

The responses to our 2024 questionnaire were assessed through the Fair Supply platform. The suppliers have been scored and weighed by Fair Supply, aligned to industry standards, with risk mitigation measures provided. This has provided IA with an up-to-date analysis of the suppliers who participated and their approach to modern slavery.

None of the suppliers who responded to the questionnaire were identified as failing in any of the key areas. IA would not hesitate to engage directly with a Supplier for further intervention if required.

During 2024, IA has taken proactive steps in investigating potential suppliers with deep dive reporting prior to engagement to mitigate our own risk of doing business with high-risk suppliers in real time.

### Policy and Artefact Review

IA introduced a Modern Slavery Policy in 2024.

IA's standard contract templates all include a clause which outlines our expectation with our suppliers in relation to modern slavery.

IA is committed to continuously reviewing and updating this clause to better reflect IA Group's expectations in relation to modern slavery risks as they adapt with the changes in guidance. IA has performed several reviews to its standard terms and conditions since the original clause was added in 2019, updating the modern slavery clause in our agreements puts the onus on IA's suppliers to both:

1. warrant that they have assessed and addressed modern slavery risks in the operation and supply chains used in the provisions of the contracted services; and
2. take reasonable action to address or remove these practices if they are identified.



## Consultation

**Our head office procurement team works closely with the site-based teams of other Reporting Entities on a daily basis. During 2024 we continued to engage with the Reporting Entities covered by this Statement and consulted with the entities we own or control. This consultation and engagement has resulted in a more detailed risk assessment through the questionnaire process together with the modern slavery policy and an update of the IA procurement standard, including new stronger inclusions with regards to the Modern Slavery Act.**





# Conclusion and Approval

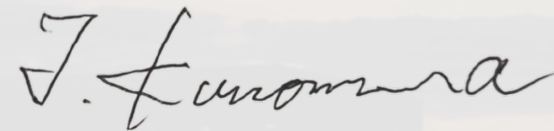
The IA Group are assured that we have established robust foundations to support the continuous improvement of measures for identifying and addressing risks of modern slavery in our operations and supply chains. We look forward to continuing this work in 2025.

This modern slavery statement was approved by:

- the Board of Directors of Idemitsu Australia Pty Ltd;
- the Board of Directors of Boggabri Coal Pty Ltd; and
- a responsible member (being a director) of all entities above who is authorised to sign modern slavery statements for the purposes of the Act,

on 18 June 2025.

Signed for and on behalf of the Reporting Entities:



**Tsutomu Kunomura**

Director of each of the Reporting Entities  
Director of Idemitsu Australia Pty Ltd  
Director of Boggabri Coal Pty Ltd





# Thank you

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