

Modern Slavery Statement

Batchfire Resources Pty Ltd – Period End 31 December 2021

Reporting Entity

This statement covers the activities of Batchfire Resources (ABN 84 607 340 189) and its owned and controlled entities during the Calendar Year ended 31 December 2021.

Batchfire's modern slavery statement under the Modern Slavery Act 2018 (Cth) sets out the actions it has taken to assess and address modern slavery risks in its operations and supply chains.

Structure & Operations

At Batchfire, we recognise that respecting the human rights of those affected by our business activities matter to us and how we behave.

Batchfire Resources is a modern, privately owned transitional energy business producing energy coal from the Callide Mine, located in the Callide Basin in Queensland, Australia. Batchfire's Callide mining tenure covers 16,000 hectares and contains an estimated coal resource of up to 1.07 billion tonnes. The open-cut Callide Mine has been in operation since 1944, producing low sulphur coal. Batchfire's technology-driven approach delivers around 11 million tonnes of coal annually for domestic power generation, alumina refining and export to Asia. Batchfire Resources Pty Ltd is the holding entity for Batchfire Callide Pty Ltd and Batchfire Callide No.2 Pty Ltd which holds the mining tenure in the Callide Basin.

Batchfire is the Callide Valley's largest employer, with around 700 full time employees and 1250 local families supported directly and indirectly by our ongoing operations. Around 85 per cent of our direct employees live within the valley itself and our workforce is sourced from the local community.

Our Supply Chain

Batchfire works with many suppliers that source mining equipment and goods from a number of countries. Batchfire contracts directly with Australian based contractors and service entities and source from the Australian market where possible. As a result, the majority of Batchfire's contractor and service providers are covered by Australian industrial relations legislation.

The main type of goods and services that Batchfire procures include mobile mining equipment and associated parts, fuel and explosives, general industrial, logistics and freight, energy and utilities, general supplies, professional services and information technology. The supply chain also includes the services provided by contractors and consultants and their respective supply chains.

Batchfire generally seeks to engage suppliers on long term, stable contracts, but depending on business needs, it also has short term purchasing arrangements.

Modern Slavery Risks

Batchfire recognises that modern slavery may impact its business activities and its endeavours to take responsibility for reducing the risk that it might inadvertently contribute to modern slavery through the operations and supply chains. The mining industry in Australia is generally considered a low risk because its industrial environment is highly regulated and monitored by independent

parties. The Company has developed a risk assessment methodology to assess any modern slavery residual risks utilising the following recommended resources provided in the Federal Government’s Modern Slavery guidelines:

- Hidden In Plain Sight report which provides a list of both domestic and imported goods having a high risk of modern slavery; and
- Global Slavery Index 2018, which reports the highest risk areas for Modern Slavery for goods imported to Australia.

The risk assessment indicated that Batchfire’s operations and supply chain have a low potential for modern slavery risks. Key aspects of the risk profile are summarised in the table below.

Risk Profile and Mitigation

Risk Category	Description Of Risk Due Diligence and Remediation
Labour Hire	The Company utilises labour hire companies, which have the potential to conceal risks and reduce employment certainty. All labour-hire workers engaged by the Company at the mine site are engaged under enterprise agreements, approved by the Fair Work Commission, and as a result, there is low risk in terms of the employment arrangements.
Laptops, Computers, and Mobile Phones	While this is a high risk category, the spend is less than half a percent of total annual spend. We have a low number of suppliers in this category but acknowledge they may have long supply chains in multiple countries where modern slavery risks may be higher. Risk mitigation is via increasing visibility into actions taken by these suppliers as they report in accordance with the requirements of the Modern Slavery Act.
Apparel and Clothing Accessories	While this is a high risk category, the spend is less than half a percent of total annual spend and one supplier is responsible for most of the spend. Risk mitigation is via direct contact with this supplier for evidence lines of goods supplied to Batchfire are supplied in accordance with the requirements of the Modern Slavery Act.
Industrial Cleaning	Batchfire contracts to cleaning contractors to supply this high risk service. Workers engaged by the contracting company are engaged under enterprise agreements, approved by the Fair Work Commission, and as a result, there is low risk in terms of the employment arrangements.
Natural Rubber	This high risk category is a raw material for tyre and conveyor belt manufacture and spend in these categories is approximately 5% of total annual operating spend. Each of these spends is via one reputable supplier. Risk mitigation is via direct contact with these two suppliers for evidence that goods supplied to Batchfire are supplied in accordance with the requirements of the Modern Slavery Act.
General / Other	Batchfire maintains long term relationships with trusted suppliers. These relationships increase transparency and reduce the modern slavery risk in our supply chain. Batchfire is committed to continuing to invest in these types of lasting relationships. Batchfire is implementing a process of screening all new suppliers, and re-screening existing suppliers for modern slavery risks when it is identified that circumstances may have changed.

Policies and procedures

Batchfire has in place a number of policies and procedures to serve as a strong governance foundation, upon which to base a framework for addressing modern slavery risks including:

- ESG Policy: We understand the importance of operating sustainably and conduct our operations in ethical, legal and responsible ways which demonstrate respect and care for our employees, the community and the environment;
- Whistle Blower Policy: The Company encourages the reporting of instances of suspected unethical, illegal, fraudulent, or undesirable conduct via providing protections and measures so that those persons who make a report may do so confidentially and without fear of intimidation, recrimination or disadvantage; and
- Fair Treatment Policy: The Company fosters a culture where employees and other workers feel safe and are encouraged to report workplace concerns, complaints, and grievances without fear of victimisation or recrimination.

Assessing our effectiveness

We are committed to reviewing the effectiveness of our actions by regularly reviewing our modern slavery processes. In the next reporting period, we will update Modern Slavery compliance for any supplier identified in a high risk supplier category.

Consultation

Prior to being put to the Board of Batchfire for review and approval, this statement was considered and reviewed by the Supply & Contracts Department and Executive Leadership Team.

Future Focus

The Company recognises that there are further steps to be taken to assess and address the risks of modern slavery in our operations and supply chains. We will further develop our in-house training via an updated Procurement Policy rollout in CY2023. Our dedicated ESG and Development Team will finalise our ESG strategy, establish the ESG and sustainability reporting framework and continue to identify ways to further optimise our governance.

This statement was approved by the Board of Batchfire Resources on 7 November 2022



Allan Fidock

Chief Executive Officer