



# Peabody Investments Corp.

## *2022 Modern Slavery Statement*

### Introduction

Modern slavery is a term used to cover a range of exploitative practices, including human trafficking, slavery, slavery-like practices, forced labour, child labour and the removal of organs.

Under the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**), certain Peabody entities owned by Peabody Investments Corp. (**PIC**) are required to prepare modern slavery statements.

This document is Peabody's third Modern Slavery Statement for its Australian operations and covers the period of 1 January 2022 to 31 December 2022 (**FY22**).

### Peabody's Operations

Peabody is a leading coal producer, providing essential products to fuel baseload electricity for emerging and developed countries and to create the steel needed to build foundational infrastructure.

Our commitment to sustainability underpins our activities today and helps to shape our strategy for the future.

Peabody has 17 active coal mining operations across Australia and the USA. In Australia, Peabody operates the following mines:

#### **New South Wales**

- Wilpinjong Mine
- Wambo Underground Mine
- Metropolitan Mine

#### **Queensland**

- Coppabella Mine (part of the Coppabella Moorvale Joint Venture)
- Moorvale Mine (part of the Coppabella Moorvale Joint Venture)
- Moorvale South Mine (part of the Coppabella Moorvale Joint Venture)
- Burton Mine (rehabilitation)
- North Goonyella Mine

### Our Position on Modern Slavery

Integrity is one Peabody's key values. It drives how we procure goods and services and the processes put in place to govern procurement activities. We strive to undertake our business dealings with suppliers fairly and want to ensure that the employees of our suppliers are dealt with appropriately and in accordance with applicable labour laws. We also want to ensure our suppliers are aware of modern slavery risks and are taking reasonable actions to detect such practices in their own supply chains.



Peabody has clearly demonstrated its support for the principles of the United Nations Global Compact which, in part, supports labour practices that reject modern slavery in all its forms. This has been done through the Peabody Anti-Slavery Policy (available to view at [www.peabodyenergy.com](http://www.peabodyenergy.com)).

Where the risk of Modern Slavery practices is identified in our supply chains, we will investigate and take corrective actions, including changing sources of supply as necessary.

## Our Organisational Structure

Peabody Energy Corporation (**Peabody**) is a listed company on the New York Stock Exchange. The majority of Peabody's mining operations in Australia are held by Peabody Australia Holdco Pty Ltd (ACN 154 820 130) (**PAH**).

This joint modern slavery statement is made by PIC on behalf of PAH and all of the entities listed in the tables below, which are reporting entities under the Modern Slavery Act.

PIC has 217 employees and is a holding company of PAH which is, in turn, the holding company of the following entities:

Name of reporting entity	Australian Company Number	Number of employees
Peabody Energy Australia Pty Ltd	096 909 410	-
Wambo Coal Pty Ltd	000 668 057	20
Metropolitan Collieries Pty Ltd	003 135 635	-
Peabody COALSALLES Pacific Pty Ltd	146 797 408	16
Peabody Australia Mining Pty Ltd	002 818 699	-
Peabody Energy Australia PCI Pty Ltd	096 001 955	-
Peabody Coppabella Pty Ltd	095 976 042	-

PIC is the holding company of the following entity:

Name of reporting entity	Australian Company Number	Number of employees
Wilpinjong Coal Pty Ltd	104 594 694	457

The Board of Directors of PIC, as the principal governing body for the reporting entities listed above, have approved this Modern Slavery Statement through a board resolution dated June 13, 2023.

## Supply chains

The supply chains of the reporting entities on whose behalf this statement is made vary across a broad range of goods and services categories. These include goods categories such as major capital equipment (e.g. trucks, excavators, drill rigs, conveyors), fuel, tyres, explosives, chemicals, structural support equipment as well as services categories such as maintenance, engineering, technical consulting, contract labour, project mining services and utilities.



Procurement, contracting and supply chain management activities at Peabody in Australia are conducted through a centralised Supply Chain Management team based in our Brisbane Head Office. This team works closely with the operating entities and sites to ensure that ethical sourcing of goods and services to our operations is conducted in a well-governed and reliable manner and in accordance with Peabody's Anti-Slavery Policy. This centralised supply chain function is accountable for Peabody's governance, risk assessment and treatment activities in relation to modern slavery risks outlined in this Statement.

The nature of Peabody's numerous individual supply chains varies depending on the nature of the products or services procured. These range from highly sophisticated, mature and integrated global supply chains with our major equipment suppliers, to uncomplicated local supply arrangements with small to medium businesses within the communities proximate to our Australian operations.

As the relevant reporting entities covered by this statement have an operational footprint limited to Australia, Peabody's engagement of services is predominantly from within Australia, with some exceptions such as tyres and some chemicals which are sourced at a global level by Peabody's Global Head Office based in St Louis, Missouri, USA.

## **Modern Slavery Risk Management**

### **Key Risks**

Peabody has identified the key risks of modern slavery in our operations, including the operations of all entities on whose behalf this statement is made, as follows:

*Counterparty Risks* – Through sales, marketing and business development activities, Peabody engages with counterparties both domestic and international. Some of these counterparties operate in parts of the world where modern slavery risks are more prevalent and also in industries where cases of modern slavery have been previously documented.

*Labour Risks* – Through our engagement of labour, particularly contractor and temporary labour, there is the risk that workers are exposed to modern slavery practices through non-compliance with labour laws. The area of our business considered to be most exposed to these risks is our employment of support workers such as cleaners, caterers and clerical staff engaged on casual terms.

*Procurement Supply Chain Risks* – Through the engagement of local suppliers that source products overseas or direct sourcing activities from suppliers based overseas in the Asia Pacific emerging markets, there is the risk that the workers producing such products are exposed to modern slavery practices. Procurement of textile products (such as through the purchase of work uniforms) and rubber-based products (such as earthmoving tyres and conveyor belt) were considered to be products more exposed to modern slavery risks due to the countries where raw materials are sourced.



## **Risk Mitigation**

During the FY22 period Peabody has continued to implement the following key control measures to mitigate and monitor the key risks identified in our operations:

*Ongoing Supplier Screening Processes* – Peabody’s standard supplier screening questionnaire includes a section focused on Modern Slavery. As part of this process, we ask each new supplier to confirm that they have viewed Peabody’s Anti-Slavery Policy and are willing and able to align to those requirements. We also pose a series of questions to help Peabody identify at-risk suppliers through source of supply or exposure to high-risk products such as textiles or use of piece workers or casual labour. Each of these responses is reviewed by the Head of Supply Chain for the Australian business prior to the supplier being added to our systems. This enhanced process has been in place since 1 January 2020 and was completed by all new suppliers to Peabody during FY22.

*Contractual Protections* – Peabody’s Supply Contract Template and Purchase Order Terms and Conditions applicable during FY22 to 100% of new contracts and purchase orders negotiated and issued included a positive obligation on our suppliers to comply with the Modern Slavery Act, implement a due diligence process to identify modern slavery in their supply chains, report any potential breaches of modern slavery requirements and maintain records that may be subject to future review and audit by Peabody.

## **Effectiveness in combatting modern slavery**

To date Peabody has not had any known breaches of modern slavery requirements through its contracting instruments, nor have any modern slavery risks been flagged through our enhanced due diligence process or supplier screening processes. Whilst we have additional improvements planned to further strengthen our controls and diligence activities, Peabody is satisfied that the controls implemented to date have been effective in mitigating (though not eliminating) potential modern slavery risks in supply chains.

Peabody also has a Whistleblower Policy under which it encourages the reporting of any suspected wrongdoing, unethical or improper conduct or dangers at work and affords protection to those who raise concerns (available to view at [www.peabodyenergy.com](http://www.peabodyenergy.com)).

## **Impact of COVID-19**

As at the date of this FY22 Modern Slavery Statement we are not aware of the COVID-19 pandemic giving rise to any additional modern slavery risks in our operations or supply chains.

## **Actions completed in FY22**

During FY22, we continued to strengthen our governance and risk mitigation controls through the following key tasks:

- Ensured that our largest suppliers committed to the latest version of Peabody’s Anti-Slavery Policy and Supplier Code of Conduct through ongoing contract negotiations and supplier engagements.
- Conducted a refreshed ‘whole of supply base’ risk assessment survey supported by Bureau Veritas as an independent, third-party audit and quality assurance organisation specialising in modern slavery risk



assessments. This activity further extended the breadth and depth of Peabody's modern slavery risk identification utilising specialised external resources.

- Conducted a more detailed audit of Peabody's 'Top 50 high-risk' suppliers' goods and services categories identified through the initial, broader supply base risk assessment. This process involved suppliers completing a self-assessment questionnaire and submitting supporting documentation as evidence of compliance with Peabody's Anti-Slavery Policy and Supplier Code of Conduct.
- Obtained membership to and participated in the Human Rights Resource and Energy Collaborative (HRREC), a recognised industry forum for practitioners working within the resources and energy sectors to network and share knowledge on respect for human rights, including the implementation of the Modern Slavery Act.

### Future Actions Planned for FY23

- Building on the success of the supply base risk assessment and audit program of FY22, in FY23 Peabody will work with a range of suppliers to close out any policy and execution gaps identified as part of the audit process.
- Continue to be a member of the HRREC, seeking opportunities to embed good practice within our own business and share our own insights.
- Conduct a second round of supplier audits broadening the scope to include our top 100 higher risk suppliers with support from Bureau Veritas as an independent, third-party audit and quality assurance organisation specialising in modern slavery risk assessments.
- As member of the Mineral Council of Australia, Peabody has committed to comply and report against the Towards Sustainable Mining (TSM) protocols. The Australian minerals industry has adopted the TSM protocols as a globally recognised accountability framework which supports minerals companies to evaluate, manage and communicate their sustainability performance. The TSM includes a verification protocol to aid the prevention of child and forced labour, and to provide guidance to member companies on verification requirements regarding systems to prevent child and forced labour. During FY23 Peabody will conduct a review of the TSM protocols relating to child and forced labour which will include a gap-analysis against our existing modern slavery governance and controls.

### Consultation process

In preparing this statement, Peabody has consulted with the entities on behalf of whom this joint statement is submitted.

This FY22 Modern Slavery Statement has been approved by the Board of Directors of PIC on behalf of all reporting entities listed in the section titled 'Our Organisational Structure'.

The signatory is a responsible member of PIC and is authorised to sign this FY22 Modern Slavery Statement by the Board of Directors of PIC.

A handwritten signature in blue ink, appearing to read "Mike Jasutis", is written over a horizontal line.

Mike Jasutis  
Director  
Peabody Investments Corporation