



# Modern Slavery Statement

This statement covers the activities of Upper Horn Investments (Australia) Pty Ltd ACN 129 190 281 (**UHIA**) during the year ended 31 December 2022.

For the purposes of this statement, references to "we", "our" and "us" are references to UHIA.

This modern slavery statement is submitted under the *Modern Slavery Act 2018* (Cth) (**Act**) and sets out the actions we have taken to assess and address modern slavery risks in our operations and supply chains.

This statement has been approved by the Board of directors of UHIA in its capacity as the principal governing body of UHIA on 23<sup>rd</sup> June 2023.

## Introduction

UHIA is committed to respecting and protecting human rights in conformity with international standards across all its domestic and global operations.

We are committed to mitigating the risk of modern slavery occurring within our own business, in our supply chains and through other business relationships.

UHIA support the objectives of the Modern Slavery Act to manage risks associated with modern slavery throughout supply chains.

## Our structure

UHIA is a private company incorporated in Victoria, Australia and its registered office is in care of TMF Corporate Services (Aust) Pty Limited at Suite 1, Level 11, 66 Goulburn Street, Sydney NSW 2000.

UHIA is a wholly-owned subsidiary of Upper Horn Investments Limited (**UHI**) which is a company incorporated in Hong Kong, China.

Both UHIA and UHI are part of a broader corporate group (**Group**) that is ultimately owned by:

- The State Owned Assets Supervision and Administration Commission of Guangdong Province; and
- China Huaneng Group Co., Ltd (**CHGC**), an entity wholly-owned by the State Owned Assets Supervision and Administration Commission of the State Council of China. CHGC is also an energy company based in China, that invests, develops and manages power sources.

A structure chart showing the direct and indirect parent entities of UHIA is annexed as Annexure B to this statement.

## Our operations

UHIA holds a minority interest of 7.5% in an unincorporated joint venture that operates the Narrabri Coal Mine through Narrabri Coal Operations Pty Ltd (the operator appointed by the joint venture) and Narrabri Coal Sales Pty Ltd (the marketing manager appointed by the joint venture).

UHIA receives sales proceeds from this mining joint venture but it does not directly engage in the operation of the mine or the sale process for the coal mined. This is the only revenue generating business within UHIA's operations and there are no other activities undertaken by UHIA.

UHIA engages 250 employees and 150 contractors indirectly through the Narrabri Joint Venture. Most of the workforce lives in the local communities around our mine sites.

## Our supply chain



Indirectly through the Narrabri Joint Venture, the company works with more than 300 suppliers, the majority of which are Australian companies. A lot of the procurements were from suppliers based primarily in North West NSW.

The main types of goods and services that we procure are :

- Mining equipment;
- Labour hire;
- Equipment, spares and repairs;
- Diesels and lubricants;
- Explosives;
- Rail freight and port charges.

**Modern slavery risks**

We recognise that the social issues of our partners, including those related to modern slavery and human rights may impact our business activities and sustainability.

As such, we endeavour to take responsibility for reducing the risk that we might contribute to modern slavery and supporting the development of human rights competency and protection throughout our supply chains.

***Identifying and addressing the risks of modern slavery***

As a joint venture partner of the Narrabri Coal Mine, UHIA supervises the operation company (Narrabri Coal Operations Pty Ltd) through the Management Committee. The operation company is a subsidiary of an ASX listed company named Whitehaven Coal Limited, and it mainly follows assessment and mitigation process on the risks of modern slavery set out by Whitehaven.

While UHIA does not have direct contractual arrangement with most of the suppliers to the project, the company is committed to working with the other Joint Venture partners to monitor and report on modern slavery risks.

A risk assessment was completed with a professional service firm to identify which elements of the business and supply chain could be susceptible to modern slavery risk. Our initial risk assessment has indicated that our operations and supply chain have a low potential for modern slavery risks. Our risk profile is summarised in the table below:

***Risk profile***

Risk	Description of risk
Sector /Industry	The key finding was that most of our suppliers in the coal sector posed a low modern slavery risk, as the majority of these suppliers are local Australian companies.
Product / Service	The Joint Venture has asked the top suppliers to provide information about relevant policies and practices in place to minimise or prevent the occurrence of modern slavery. Responses from the top suppliers were reviewed against an assessment framework, concluding that no supplier was assessed as having a high risk of modern slavery practices. There are shipping companies associated with our customers that might expose us to higher risk of modern slavery. While the Joint Venture Partners do not have contractual arrangements with these shipping companies, we remain committed to working with companies in the supply chain to ensure the right governance framework is in place to monitor and report on modern slavery risks.
Geographic	As the Narrabri Coal Mine is located in Australia, a country which has world-leading human and workplace rights legal protections, the risk of slavery amongst



	our operations is assessed as low.
COVID 19 risks	We have not identified risk profile changes as a result of COVID 19 in our supply chain.

### **Actions to assess and address risk**

We understand the importance of working collaboratively with our employees, suppliers and the broader industry to combat modern slavery.

### ***Due diligence***

As noted above, a modern slavery risk assessment on first tier suppliers was undertaken, which accounted for more than 90% of the procurement spend.

The key finding was that most of suppliers posed a low modern slavery risk because they are based in low-risk countries. Of these suppliers, 90% of the project spend is represented by Australian-based suppliers.

While these are indirect suppliers, our focus is on strengthening our understanding of project supply chains and working with the other Joint Venture partners to monitor potential modern slavery issues with our suppliers.

### ***Governance and accountability framework***

The governance framework of UHIA comprises:

- Board of directors of UHIA: which drives the long-term strategy of UHIA;
- Executive Leadership Team which consists of business unit leaders representing each business function of the UHIA;
- Compliance Working Group which consists of senior management and our parent company's Compliance department are responsible for ensuring all of the company's compliance issues, which include the risk of modern slavery occurring within our own business, in our supply chains and through other business relationships.

### ***Policies and procedures***

The company's Compliance Working Group and our parent company's Compliance department has internal policies and procedures to ensure the company and its business relationships in Joint Ventures would assess and address modern slavery risks properly.

### ***Training***

Key personnel from procurement, commercial and site management also took part in a skills training workshop to discuss the impact of modern slavery on the mining sector and good practice in engaging with vendors.

### ***Contracts and supplier engagement***

Under the supervision of the Joint Venture Management Committee, the operation company follows a set of Code of Conduct when engaging with suppliers, and entering contracts on behalf of the Joint Venture partners.



### **Future actions**

We have also planned to undertake further actions to identify and address our modern slavery risks as set out in the 'Looking forward' section below.

### **Assessing our effectiveness**

Following the risk assessment, together with the Joint Venture partners, we are committed to reviewing the effectiveness of the actions we have planned to undertake. Over our first reporting period, we assessed the effectiveness of our actions across the following key performance areas:

- Periodic due diligence on supplier engagement;
- Code of conduct and Policy suite review;
- Awareness and skills training;
- Grievances reporting.

In addition, we have scheduled further activities to advance our approach to modern slavery risk within our value chain, prioritising a stakeholder-based approach to identifying and addressing risks, and augmenting our ethical business practices. We will continue to review and enhance the process to assess the effectiveness of our actions, in line with continuous improvement.

### **Looking forward**

We will continue to review and consider the steps we can take to assess and address the risks of modern slavery in our operations and supply chains.

As this is our inaugural statement and we are developing our modern slavery framework, we recognise there are further steps we can take to assess and address the risks of modern slavery in our operations and supply chains.

We will identify the primary impact areas that we can measure the effectiveness of the actions taken to address modern slavery risk. This will include establishing key objectives, indicators and metrics, and implementing the data strategy to capture both the outputs and outcomes.

### **Consultation**

During 2022, there was consistent consultation and collaboration between senior management of UHIA and the Compliance Department of the parent company.

Prior to being put to the directors of UHIA for review and approval, this statement was reviewed by Directors of UHIA, the Compliance Department and the Finance Department of the parent company.

This statement was approved by the Board of directors of UHIA in its capacity as the principal governing body of UHIA on 23<sup>rd</sup> June 2023.

This statement is signed by Hong Li in his role as the Director of UHIA on 23<sup>rd</sup> June 2023.

▲ Director

**Hong Li**

▲ Full name of Director



# Annexure A – Statement Annexure

## ***Mandatory criteria***

This statement complies with the mandatory criteria for a modern slavery statement outlined in section 16 of the *Modern Slavery Act 2018* (Cth). The below table indicates where each requirement is addressed in this statement.

Requirement	Page Number
(a) Identify the reporting entity.	1
(b) Describe the structure, operations and supply chains of the reporting entity.	1 - 2
(c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	2 - 3
(d) Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.	2 - 3
(e) Describe how the reporting entity assesses the effectiveness of such actions.	4
(f) Describe the process of consultation on the development of the statement with any entities that the reporting entity owns or controls (if a joint statement has been made under section 14, also describe the process of consultation with the entity giving the statement).	4
(g) Include any other information that the reporting entity, or the entity giving the statement considers relevant.	4



## Annexure B – Structure Diagram

