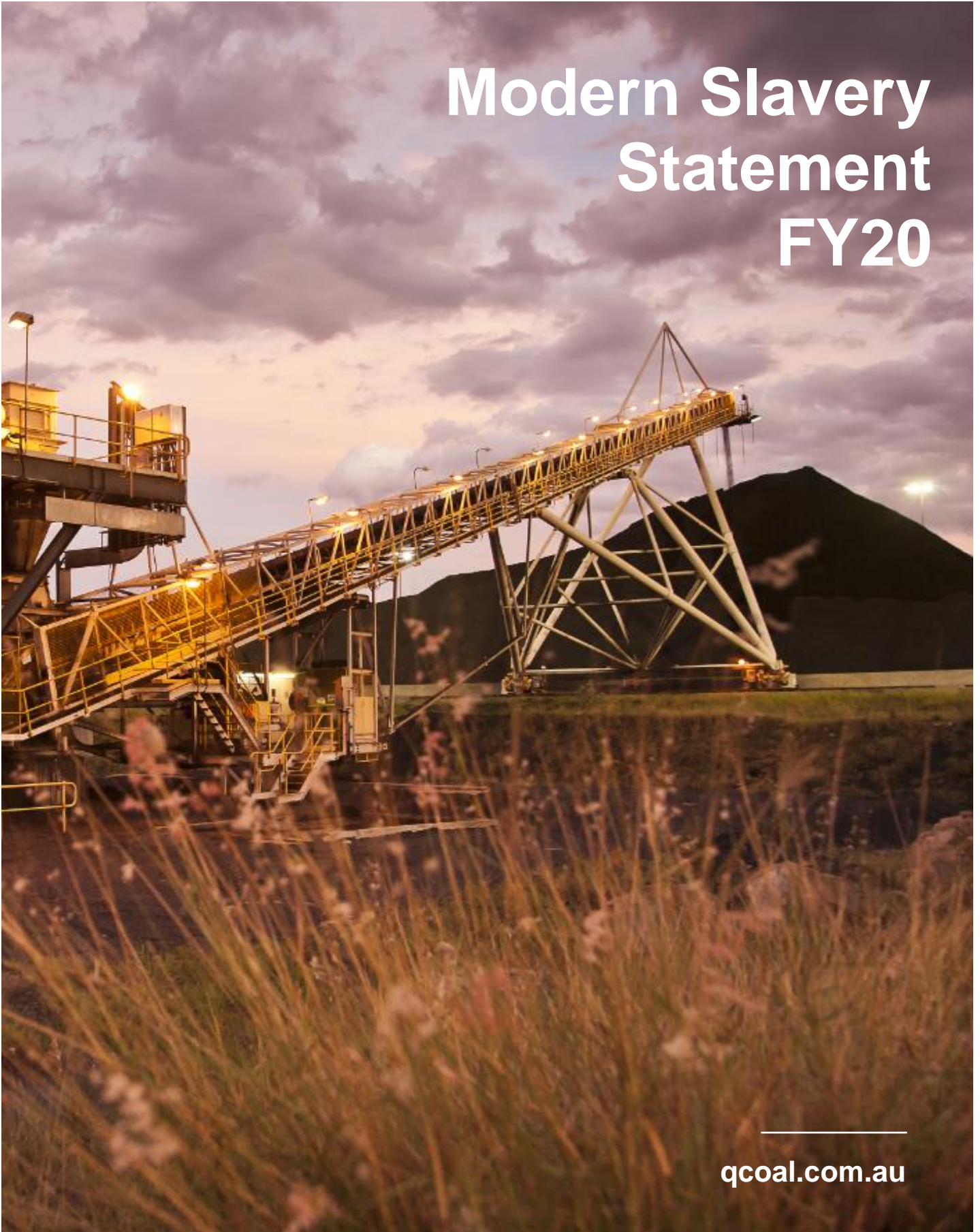


# Modern Slavery Statement FY20



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## QCoal Group Modern Slavery Statement 2020

### Mandatory

This is the first modern slavery statement for QCoal Pty Ltd and its subsidiary reporting entities (**QCoal Group**).

The subsidiaries that qualify as reporting entities for the period ending 30 June 2020 (i.e. minimum annual consolidated revenue of \$100 million) are Northern Hub (Drake) Pty Ltd and Jax Coal Pty Ltd.

This statement covers the period from 1 July 2019 to 30 June 2020 and is a joint statement for QCoal Pty Ltd and its qualifying reporting subsidiaries.

### Introduction

The QCoal Group takes the issue of modern slavery seriously. It is committed to identifying, assessing and mitigating modern slavery risks in its operations and supply chains by complying with all modern slavery legislation and ensuring that our procurement practices and key contractors do not support modern slavery.

We believe in running our operations in an economically, socially and environmentally responsible way. Our values of safety and environment, integrity, innovation, trust and pragmatism govern the way we do business and provide the strong framework under which we operate.

We proactively identify opportunities to support the local communities in which we operate and work with existing community groups to make a positive difference. We therefore oppose all forms of modern slavery including forced labour, child labour, debt bondage or deceptive recruiting for labour or services.

## QCoal structure, operations and supply chains

The QCoal Group is a privately owned, independent Queensland coal producer with its head office located in Brisbane. The QCoal Group has been active in coal exploration, project development and coal production in Queensland for over 30 years. In FY2019/20, the QCoal Group exported 4.1 MT of coking and thermal coal from its operations.

### Operations

The QCoal Group operations are located near Collinsville in the Bowen Basin and comprise collectively the Sonoma, Drake and Jax Mines (**QCoal Northern Hub**). The QCoal Northern Hub operation is a contract mining operation.

The QCoal Group had 75 direct employees as at 30 June 2020. All of the QCoal Group workforce and operations are located in Queensland, Australia with the majority located in Brisbane. The QCoal Group indirectly employs approximately 600 further employees through its key contractors at the QCoal Northern Hub.

### Supply Chains

The QCoal Group's procurement consists predominantly of the following **major expenditure**:

- Mining services including mining contractor services;
- Mining equipment, maintenance and consumables;
- Port and rail access;
- Water and electricity supply; and
- Finance, insurance and other professional services.

### Risks of modern slavery in operations and supply chains

The operations of the QCoal Group are carried out entirely within Queensland, Australia. All QCoal Group employees are engaged on terms and conditions which comply with Australian law. Employees are free to join and be represented by unions.

All major expenditure is procured in Australia from a small number of large contractors and suppliers who are Australian entities with sophisticated procurement policies and procedures. Some suppliers do form part of a multinational group that have large supply chains in multiple foreign countries. We acknowledge that there may be modern slavery risks within these supply chains however we expect that reporting under the *Modern Slavery Act 2018* (Cth) to result in greater transparency of the actions taken by these key contractors and suppliers.

The QCoal Group does endeavour where possible to support local businesses and contractors within the local communities within which it operates. Some of our suppliers are therefore local businesses be they large organisations or small family run businesses. In general, these suppliers are locally based and operate wholly under Australian law.

## Actions taken by QCoal Group within reporting period

Due to the impacts of COVID-19, this Modern Slavery Statement has been prepared outside the reporting period. The following actions have been taken in the early stages of the 2020-2021 reporting period.

### Modern Slavery Policy

The boards of QCoal Pty Ltd and its qualifying reporting subsidiaries approved the QCoal Modern Slavery Policy which sets out the QCoal Group's:

- Commitment to addressing modern slavery;
- Expectations of key contractors, suppliers, stakeholders and employees in relation to reducing and eliminating modern slavery; and
- Procedures for reporting instances of modern slavery.

This policy is made available to external stakeholders on the QCoal Group website.

### Internal Stakeholders

Internal Stakeholders comprising key executives and relevant representatives from legal, finance and procurement were consulted and made aware of modern slavery reporting requirements and the QCoal Modern Slavery Policy.

### Training

Modern Slavery awareness training is to be commenced for all internal stakeholders on the nature of modern slavery and requirements under the *Modern Slavery Act 2018* (Cth), the QCoal Group modern slavery risk profile and steps taken to minimise modern slavery risks.

Training helps us address the risk of modern slavery and ensures internal capacity to act appropriately where required.

### Template review and external stakeholder consultation

A template review has been commenced for all internal templates to require written assurances and other undertakings from suppliers in relation to modern slavery and labour practices. External stakeholder consultation is to commence to understand steps being taken by our suppliers to comply with the *Modern Slavery Act 2018* (Cth).

### Supply chain mapping

A headline supplier analysis and risk-based assessment has been conducted to identify areas of potential modern slavery risk within our supply chain and operations. This assessment is intended to provide direction and areas of focus for future due diligence and remediation activities.

### Self-assessment questionnaire

Consideration is being given to developing a self-assessment questionnaire to be provided to the Group's key suppliers with the aim of supporting the identification of modern slavery risks, fostering collaborative efforts to address these risks, improving transparency and identifying areas for further due diligence.

### Whistleblowing and reporting

Increased awareness and promotion amongst staff and internal stakeholders of existing policies such as the QCoal Group's Whistleblower Policy which outlines how to raise concerns in helping to detect, prevent and report immediately instances of misconduct or concerns about modern slavery.

## Assessing effectiveness

Ongoing assessment processes are being developed and considered.

At this stage the assessment, review and monitoring of our actions is to largely comprise:

- Regular review of new suppliers to ensure they do not present a modern slavery risk within our operations and if they do, mitigate that risk where possible;
- Provide any ongoing training to relevant employees to ensure understanding of modern slavery and a commitment to its elimination; and
- Regular review of supplier's terms and practices to ensure our suppliers are progressing any modern slavery actions they have committed to undertaking.

## Consultation with subsidiaries

All QCoal Group subsidiaries operate under common policies and processes.

The subsidiaries within the group have at least one common director. Accordingly, there is common oversight of all QCoal Group activities.

## Approval of this statement

This statement has been approved by the board of QCoal Pty Ltd which is the principal governing body for the reporting entities named in this statement for the purposes of the *Modern Slavery Act 2018 (Cth)*.



**Christopher Ian Wallin**

Director

QCoal Group

This statement was approved by the board of QCoal Pty Ltd on 10 March 2021