

Modern Slavery Statement

Dalrymple Bay Coal Terminal Pty Ltd

This statement covers the activities of Dalrymple Bay Coal Terminal Pty Ltd (ACN 010 268 167) (DBCT P/L) for the period of 1 July 2019 to 30 June 2020.

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

About us

Our operations

Established in 1981, DBCT P/L is based at the Port of Hay Point, 38km south of Mackay in North Queensland.

DBCT P/L is jointly owned by a group of Queensland's key coal producers. Under a commercial agreement with Dalrymple Bay Infrastructure (DBI), DBCT P/L operates and maintains the Dalrymple Bay Coal Terminal (**Terminal**). The Terminal itself is owned by the Queensland Government and is leased to DBI.

DBCT P/L facilitates the export through the Terminal of predominantly metallurgical coal from the Bowen Basin to steel manufacturing markets all over the world. The Terminal operates 24 hours a day, 365 days a year. It is an extensive operation that has a maximum export capacity of 85Mtpa.

We engage 376 employees and similar number of contractors. The actual number of contractors will vary depending on the maintenance works being undertaken at any one time.

Our commitments

DBCT P/L is one of the largest employers in the Mackay region and has a proud history of, and commitment to, assisting our people in developing the skills and trades that will help them succeed in well-paying jobs in the sector (whether that be with DBCT P/L or elsewhere) or other manufacturing or skilled roles.

Our commitment in that regard recognises our role in creating a sustainable and prosperous future for our local community. However, as this statement shows, we also recognise the broader impact that our operations have, and our obligations to ensure that our supply chain partners similarly share our ethos.

Our industrial arrangements

DBCT P/L's operations and maintenance employees are covered by the Dalrymple Bay Coal Terminal Pty Ltd Bulk Handling Enterprise Agreement 2020, and DBCT P/L engages with the AWU, AMWU and ETU, which are the unions that cover DBCT P/L's front-line employees.

DBCT P/L's direct workforce is also supplemented by labour hire provider, Global Product Search (GPS), whose employees are covered by the Global Product Search Enterprise Agreement 2018. GPS is the exclusive labour hire provider for DBCT P/L.

Our principal supply chain

DBCT P/L does not own, nor does it use or consume, the coal that is exported through the Terminal. The relevant coal producers retain ownership of the coal and each has direct contracts with the ships that transport the coal to relevant purchasers (or other intermediaries). DBCT P/L does not contract with the shipping companies, the purchasers or end consumers.

In addition, DBCT P/L has contractual relationships with Daltug Pty Ltd (**Daltug**), which operates the tugboats responsible for hauling coal ships to and from the Terminal. Daltug's employees are covered by the Daltug Pty Ltd Enterprise Agreement. That agreement also covers the AMOU, AIMPE and MUA, which are the unions that have coverage of employees in the marine hauling industry.

Our ancillary supply chain

Our operations are supported by a range of generally long-term supply and service relationships that we have in place with local manufacturers and distributors. The main types of goods and services that DBCT P/L procures are:

- (a) plant and equipment, and associated parts and tools;
- (b) fuel, energy and utilities;
- (c) general industrial and manufacturing plant and equipment;
- (d) work uniforms and personal protective equipment;
- (e) information technology and professional services.

Modern slavery risks

DBCT P/L fully embraces the MS Act. It is critical that Australian-based entities review their operations to assess the risks of modern slavery practices all the way down their supply chains, and that they put in place appropriate mitigation measures.

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.

Supplier/producer	Risk assessment
Labour hire	<p>Low to Medium</p> <p>DBCT P/L has a long-standing relationship with GPS, its exclusive labour hire provider.</p> <p>However, DBCT P/L recognises that all labour hire arrangements are necessarily open to exploitation. This is because the host of labour hire workers frequently does not have direct oversight of the terms and conditions under which employees are engaged, or whether those terms and conditions are being met.</p>
Tug boat services	<p>Low</p> <p>Daltug's employees have the benefit of being represented by sophisticated industrial associations and are covered by an enterprise agreement approved by the Fair Work Commission.</p>

Uniforms and personal protective equipment	Medium The uniforms and personal protective equipment that DCBT P/L supplies to its employees and labour hire workers is sourced from reputable Australian-based distributors. However, most of those products are manufactured overseas. In the case of uniforms, DBCT P/L's distributor sources King Gee and Hard Yakka products from their manufacturing facilities overseas.
Suppliers of plant, equipment and tools	Low We have not identified any particular products in our supply chain in which modern slavery is particularly prevalent. Save for the recent purchase of a bridge inspection truck from a reputable European producer, the overwhelming majority of our capital plant and equipment (for example, conveyor belts) is manufactured in Australia by established companies with long-standing relationships with DBCT P/L.
Professional services	Low DBCT P/L engages professional services from a range of Australian based providers in relation to information technology, financial services, insurance, and legal services.

Actions to assess and address risk

Contractual obligations

Apart from the above risk assessment, we have introduced across DBCT P/L's standard suite of supply and services agreements terms requiring our partners to ensure that their practices are not tainted by conduct that might be characterised as modern slavery.

Those contractual obligations also provide DBCT P/L with the capacity to audit our supply chain partners to ensure that modern slavery practices are not present. If those partners fail to cooperate with such audits, then that will provide a basis for DBCT P/L to terminate their engagements (and the same applies in the event that evidence is discovered of modern slavery practices affecting those partners).

Our standard modern slavery contract terms are progressively being rolled out as DBCT P/L renews its supply and service contracts, where appropriate.

The contractual obligations have also been complemented by active engagement with our supply chain partners to highlight the importance of modern slavery compliance to DBCT P/L's operations and social licence.

Buying local

The introduction of the MS Act, and the onset of COVID-19, which highlighted the risks of over-reliance on overseas producers, and the vulnerability of world trade to external shocks, has caused us to re-double our efforts to focus as much as is possible on sourcing plant, equipment and tools locally. Our tender policies reflect DBCT P/L's strong preference for locally made products.

Our uniform supplier

In the next reporting period we will engage with our uniform supplier to better understand the employment conditions and practices that apply in the overseas manufacturing facility from which it sources finished products, as well as to understand which producers supply its raw materials, and their country of origin.

Governance and accountability framework

DBCT P/L is in the process of developing and rolling out training to its managerial and procurement staff in relation to identifying, eliminating, and reducing the risk of modern slavery within the company's supply chain.

Policies and procedures

During FY2020, DBCT P/L had several policies and procedures that complement the Act's objectives, including its:

- Health, Safety, Environment and Quality Policy, which notes DBCT P/L's commitment to continual improvement and ensuring compliance with all applicable laws and standards. Included in this Policy is guidance for ensuring that DBCT P/L's employees, subcontractors, suppliers, and consultants are trained and competent, and are aware of their responsibilities and accountabilities in respect of those applicable laws and standards.
- Code of Conduct, which outlines conduct guidelines that all workers must observe, as well as our core values of integrity, courage, accountability, respect, excellence, and initiative.
- Sustainability Strategy 2020, which outlines DBCT P/L's approach to the environment, business performance, community partnerships, and people.
- Grievance policies and Whistle-blowers Regime which provide mechanisms for employees to raise concerns.

In the next reporting period, we will work on a Modern Slavery Policy that establishes our commitment to addressing modern slavery risks and driving an accountability for ethical business practices.

Measuring our success

In the next reporting period, we are committed to assessing the effectiveness of our actions by regularly reviewing our modern slavery processes. In addition:

- DBCT P/L will also establish a modern slavery working group to review its modern slavery risks and mitigations measures, which will meet half-yearly, including for the purposes of assessing:
 - o the number of contractors, consultants and supplies engaged by DBCT P/L;
 - o whether DBCT P/L has sufficient information to assess the modern slavery compliance of our supply chain partners;
 - o what additional steps might be taken to police the compliance of our supply chain partners.
- Modern slavery will be introduced as a discussion item at performance meetings with our supply chain partners, when relevant.

We also plan to monitor our performance against a number of key performance indicators. These will include:

- the percentage of employees who have completed training on modern slavery; and
- the number of contracts with suppliers which provide controls to manage modern slavery risks.



Steve Rae, Chief Executive Officer, DBCT P/L