

## **MODERN SLAVERY STATEMENT JFY21**

### **1. INTRODUCTION**

The *Modern Slavery Act 2018* (Cth) (the **Act**) requires Mitsubishi Development Pty Ltd (**MDP**), QCT Resources Pty Limited (**QCTR**) as the beneficiary of the Queensland Coal Trust (**QCT**), and the QCT (together, the **MDP Group**), to publish a Modern Slavery Statement (this **Statement**). This is a joint statement for the MDP Group.

Almost all of the MDP Group's business activities flow from the sale of steelmaking coal produced at mines owned by the BHP Mitsubishi Alliance (**BMA**). The operator of these mines, BM Alliance Coal Operations Pty Ltd (**BM Alliance**), produces its own modern slavery statement each year, reporting its activities from 1 July to 30 June of each relevant year, which can be accessed on the Australian Government's register at [modernslaveryregister.gov.au](http://modernslaveryregister.gov.au) (the **BMA Statement**). Readers of this Statement would benefit from also referring to the BMA Statement which provides additional detail on the background and status of particular risks, and the management of those risks, relevant to modern slavery in the BMA supply chain.

Our approach to the MDP Group's remaining business ventures is included in this Statement. This Statement is prepared in accordance with Section 16 of the Act and is intended to describe the steps taken by the MDP Group during the financial year of 1 April 2020 to 31 March 2021 to identify and mitigate the risks of modern slavery in our operations and supply chains.

However, the MDP Group recognises that modern slavery issues can manifest themselves in many ways. As a result, this Statement also covers the MDP Group's broader efforts to prevent any form of worker exploitation through its business.

### **2. MODERN SLAVERY**

At MDP, we are committed to doing business that generates value for society. At the heart of this approach are the Three Corporate Principles created by our parent company, Mitsubishi Corporation (**MC**), and embedded into our business. These principles ensure we conduct business with *one*; integrity and fairness, *two*; considering the coexistence of society with the environment, and *three*; expanding business to benefit the world and humanity.

For more than 50 years, we have been proudly contributing to Australia's regional, state and national economies through our business. When producing and exporting our steelmaking coal, we are focussed on ensuring that our

opportunities do not allow disadvantage to people working hard within our supply chains.

To this end, MDP has zero tolerance for the exploitation of individuals through the various forms of modern slavery.

Central to this approach is understanding and monitoring the operations and supply chains relevant to our business interests; and implementing and enforcing effective systems and controls to reduce the risk of modern slavery taking place. Our commitment extends beyond establishing rigorous frameworks to constantly assessing those frameworks to encourage compliance at all levels of our business.

### **3. MDP GROUP, OPERATIONS AND SUPPLY CHAIN**

#### **3.1 MDP Group**

MDP (ACN 009 779 873) is an Australian proprietary company. Outside of its steelmaking coal joint venture activity, discussed below, MDP is the appointed manager of the QCT and owns or otherwise controls the following entities:

- QCT, which holds assets on trust for the beneficiary;
- QCT Resources Pty Limited ACN 010 808 705, the beneficiary of the QCT;
- QCT Investment Pty. Ltd. ACN 010 487 831, a nominee company of the QCT;
- QCT Mining Pty. Ltd. ACN 010 487 840, a nominee company of the QCT;
- MDP Bauxite Pty Ltd ACN 646 550 129, a special purpose vehicle incorporated in December 2020 for the purposes of the Company's proposed investment in the Aurukun Bauxite Project (as at the date of this Statement, holding a zero asset base);
- MDP Uranium Pty Ltd ACN 132 061 468, a dormant entity which was deregistered in February 2021; and
- HVO Resources Pty Ltd ACN 608 108 952, a dormant entity which was deregistered in May 2021.

MDP, and each of the above-listed entities, has a registered office at Level 16, "480 Queen", 480 Queen Street, Brisbane, Queensland. MDP has sub-leases or other MC internal contractual arrangements for its business office premises located in Brisbane, Sydney and Perth.



# Mitsubishi Development Pty Ltd

MDP directly employs approximately 70 people, the majority of which are based in Brisbane. Other members of the MDP Group do not directly employ any staff.

MDP's ultimate holding company, MC, is a Japanese corporation listed on the Tokyo Stock Exchange (TYO:8058).

MC is a global integrated business enterprise that develops and operates businesses across virtually every industry through its ten business groups – natural gas, industrial materials, petroleum and chemicals, mineral resources, industrial infrastructure, automotive and mobility, food industry, consumer industry, power solutions and urban development.

MC's current activities expand far beyond its traditional trading operations, with over 180 offices and subsidiaries in approximately 90 countries and a network of approximately 1400 group companies.

MC employs a multinational workforce of approximately 86,000 people.

More information on MC's business groups and their activities is available at <https://www.mitsubishicorp.com/jp/en/bg/group.html>.

## 3.2 Operations

The MDP Group's business comprises two main components:

### **BMA Operations**

BMA is a 50-50 unincorporated joint venture owned by members of the Mitsubishi corporate group and members of the BHP corporate group. BMA is operated by BM Alliance in accordance with certain policies and processes adopted by the owners of BMA as developed by the broader BHP corporate group. BMA owns:

- seven steelmaking coal mines in Queensland's Bowen Basin (Goonyella Riverside, Broadmeadow, Daunia, Peak Downs, Saraji, Blackwater and Caval Ridge); and
- the Hay Point export terminal near Mackay, Queensland.

MDP provides representatives to the material decision-making joint venture body of BMA, being the BMA owners' council. MDP executives are also appointed as Directors to the Board of BM Alliance and the marketing-related entities incorporated for the purposes of the sale of coal produced by the BMA business (set out below).

While the procurement activities for the BMA business are provided as a service by BHP's supply function, MDP has approval (veto) rights in relation to select material procurement contracts.

MDP owns a 50% interest in the incorporated project-specific entities which provide operating and marketing functions for the BMA business:

- BM Alliance ACN 096 412 752 with registered office at Level 14, "480 Queen", 480 Queen Street, Brisbane, Queensland;
- BM Alliance Coal Marketing Pty Limited ACN 096 412 743 with registered office at Level 14, "480 Queen", 480 Queen Street, Brisbane, Queensland; and
- BM Alliance Marketing Pte Ltd, a Singaporean registered company with Company Number 200106219Z with registered office at 10 Marina Boulevard, #18-01, Marina Bay Financial Centre Tower Two, Singapore.

The company secretarial functions of the above-listed entities are managed by BHP.

While MDP and its related bodies corporate provide 12 employees on secondment to the operational and marketing entities of the BMA business, the secondees are not involved in BMA's procurement or supply functions.

### **Corporate investments and charitable activities**

Almost all of the revenue of the MDP Group comes from the sale of coal produced at the BMA mines. The MDP Group's other investments and activities are, for the period of this Statement, non-material in nature.

During the FY21, MDP made a number of charitable donations. MDP's philanthropic activities are governed by our organisation's Sustainability Framework and five target Corporate Social Responsibility (**CSR**) areas, being: health and safety, society, environment, transitioning to a low-carbon society, and education (of the public and our workforce).

MDP considers charitable donations based on the relevant organisation, its reputation or existing relationship with MDP and its fit with respect to MDP's key focus areas. Partners are assessed and approved in accordance with appropriate internal procedures, with a contract underpinning each material donation.

During FY21, MDP donated approximately A\$1.03 million to not-for-profit organisations within, but not limited to, the following sectors: tertiary education, medical research, and independent scientific research and conservation.

Through our joint venture's social investment initiatives, MDP contributed approximately A\$6.5 million (during AFY2021) to various projects that seek to create shared value toward:

- our local communities (including health and wellbeing);
- conservation of our natural environment;
- cultural Heritage and Indigenous partnerships;
- training and upskilling our communities to prepare them for the current and future digital transformation;
- recognising and celebrating local artists; and
- promoting and teaching science, technology, engineering, and mathematics through youth programs.

### 3.3 Supply Chain

The MDP Group's supply chain comprises the goods and services required for MDP and each member of the MDP Group to undertake its core activities overseeing the group's operations and investments, including its interest in BMA.

The MDP Group predominantly procures services, most of which are sourced from Australian-based service providers (including legal, accounting, tax, human resources, information technology, technical engineering and office services).

MDP also has a variety of financial arrangements with Australian and Japanese Banks. These arrangements relate to the provision of credit and support for the necessary derivative contracts for MDP to conduct its business.

As we recognise that risk management is an integral part of good management practice, risk management is integrated into the MDP Group's philosophy, practices, business plans and forecasts. This has allowed us to recognise that there are risks of modern slavery within all of our supply chains, with services such as cleaning carrying a heightened risk. We explain these risks and our approach to addressing them below.

Relevant to the BMA business, the MDP Group relies on the governance and operational arrangements proposed by the BHP Group and approved by the

BMA owners' council. BM Alliance has adopted certain structures, policies and processes of BHP at BMA. These standards, policies and processes are more fully described in the BMA Statement.

BHP has long-standing modern slavery prevention and management protocols which include supplier due diligence, minimum requirements for suppliers and standard form contracts.

#### **4. AREAS OF RISK FOR MODERN SLAVERY PRACTICE**

As outlined above, the MDP Group's supply chain largely comprises services provided in Australia and paid for in Australian dollars. Australia is generally considered to be a low modern slavery and human rights violation risk.

The MDP Group considers that its principal exposure to potential modern slavery risks therefore arises in its operations, in particular through its investment in BMA. A description of potential modern slavery risks related to BMA is outlined in the 'Risks of modern slavery practices' section of the BMA Statement filed each year. Areas of risk identified in the FY20 BMA Statement included: technology (goods containing conflict minerals), tyres, wheels, rims and conveyor belting and parts, maritime services, non-production consumables (including apparel and food), bulk materials (including fuels, biofuel, bunkering oils, bioethanols and acids) and hospitality and travel services.

Despite the fact that BMA is operated by BM Alliance, MDP takes a serious approach to modern slavery, human rights and sustainability issues associated with BMA and pays close attention to procurement practices undertaken on its behalf. A detailed summary of how BHP and BMA manage relevant modern slavery risks in BMA's operations and supply chain is outlined in the BMA Statement.

The MDP Group also has veto rights over select material contracts, some of which relate to procurement activities and the supply of materials. The MDP Group considers the MC frameworks which generally guide our leaders on modern slavery and human rights issues when making decisions in relation to BMA contracts and engaging consultants for the purposes of the MDP Group's investment activities and the making of donations.

#### **5. ACTIONS TAKEN TO ADDRESS MODERN SLAVERY RISKS**

While the MDP Group considers that its principal exposure to potential modern slavery risks arises through its investment in BMA (which are addressed as outlined in the BMA Statement), the MDP Group has also undertaken a number of independent actions to identify, assess and mitigate other potential risks of modern slavery in its operations and supply chain.

In order to update previous reporting years' assessments of modern slavery risks within MDP Group's operations and supply chain, MDP:

- undertook desktop analysis based on publicly available information to update the overall risk position identified in the previous reporting year with regard to material suppliers, as against the MC Group supply chain principle areas including risks associated with forced labour, child labour, safety and health in the workplace, freedom of association, discrimination, abuse and harassment, working hours, anti-corruption, environment and information disclosure;
- undertook desktop analysis based on publicly available information of those suppliers against the United Nations Global Compact (**UNGC**) principles including risks associated with forced and compulsory labour, abolition of child labour, recognition of the right of collective bargaining, elimination of discrimination, supporting the protection of human rights, working against all forms of corruption including extortion and bribery, incorporation of environmental challenges into policies, undertaking initiatives for environmental sustainability and responsibility and encouraging environmentally friendly innovations;
- introduced a Supplier Code of Conduct and published it internally and on the MDP Group website at [www.mdp.com.au](http://www.mdp.com.au);
- implemented a change to the onboarding of suppliers including the introduction of contractual terms for suppliers to mandate compliance with the Supplier Code of Conduct with rights to terminate in the event of a breach;
- continues to require employees to conduct business in compliance with local laws and regulations as well as global standards such as the Universal Declaration of Human Rights established by the UN and the core labour standards of the International Labour Organization (**ILO**);
- conducted online training to all staff addressing the modern slavery regime and identifying practices which might lead to modern slavery risk;
- ensured that modern slavery focussed advice and assistance was provided to MDP Group personnel involved in procurement activities;
- continues to require employees to act in a socially responsible manner by complying with the highest ethical standards by pledging to follow MDP's Code of Conduct; and
- continuously identifies the needs and expectations of society through active engagement and communication with stakeholders including MC, its joint

venture partners, government, industry groups, non-government organisations and employees whilst continuously supporting global initiatives such as the UNGC, and the Sustainable Development Goals.

## 6. ASSESSING EFFECTIVENESS

In order to assess the effectiveness of its actions to address modern slavery risks, the MDP Group has undertaken a review and balanced reflection of its existing business activities and processes in conjunction with the preparation of this Statement.

When having regard to the effectiveness of its current actions, the MDP Group considered the actions undertaken by BHP and the BM Alliance, with respect to BMA, and the business risks associated with those, as well as general industry practice and guidance from external specialist advisors.

In future years, MDP is committed to continue to assess and improve the effectiveness of its actions with:

- regular reviews of supplier lists and threshold/risk assessment criteria of analysis of those suppliers; and
- reviewing for sufficiency the Supplier Code of Conduct and processes of onboarding of suppliers.

## 7. CONSULTATION

This Statement, and the analysis and processes undertaken to substantiate it, was a collaboration of a working group comprising professional members across the MDP Group including legal and compliance, procurement, finance, HR, commodity, external affairs and business strategy teams to ensure that relevant personnel continue to think actively about modern slavery risks and that the high ethical standards of the Company are continuously reflected to its modern slavery regime.

MDP has undertaken a consultation process with the Directors on the Boards of each member of the MDP Group, as well as with BHP personnel in relation to the BMA Statement.

In addition, some entities within the MDP Group are managed by an external trustee, which had the opportunity to review and comment on the Statement.

## 8. COVID-19

As part of a global network and the broader MC Group, the management of the MDP Group are aware of the impact that COVID-19 has had on supply chains generally including loss of income, uncertainty, gaps in awareness of workplace rights during a pandemic, potential pressure or requirement to work excessive

hours or overtime to cover capacity or resource shortages, increased demand due to supply constraint and the inability for some foreign workers to return to their countries of origin.

BMA operations suffered labour uncertainty due to the workforce being impacted by lockdowns, flight scheduling and other limitations surrounding the fly in – fly out working style.

In addition, the COVID-19 pandemic continued to present dual, safety and wellness challenges for the global shipping industry. In all countries, protecting the health and safety of the port communities where international vessels arrive is paramount. In parallel, the ability to implement crew changes, which protect the health and safety of crew and safeguard global supply chains, remains critical. To support vessel owners in conducting crew changes while seeking to minimise the COVID-19 transmission risk that can arise during port calls, BMA issued a letter in October 2020 setting out what we considered better practice standards for testing and quarantine procedures during crew changes. BMA also sought to work collaboratively with vessel owners to understand the processes they are applying during crew changes and implement remedial action to address any gaps in these processes through a COVID-19 declaration form provided to the owners of both customer-chartered and BHP-chartered vessels.

The MDP business suffered the threat of uncertainty of business continuity due to repeated lock downs, limitations on business and personal travel and impacts to the parts of our workforce who are foreign nationals. On balance and by comparison to many members of the business and industry community, the MDP Group was fortunate not to suffer any material loss, delay or change in business practices as a result of COVID-19. This is due to the nature of its activities and investment portfolio. We continue to strive to enhance our resilience against pandemics and restrictions, but at the same time understand that they pose many risks to workers and the supply chain, which requires continuous attention and scrutiny.

The MDP Group management also understands that these circumstances may vary or may be repeated or more severe in the future. While we consider ourselves fortunate thus far, we are by no means relaxed by the current global climate.

## **9. MDP, PART OF THE BIGGER MC PICTURE**

As a group company of MC and since our incorporation in 1968, MDP's core philosophy remains the Three Corporate Principles:

- Corporate Responsibility to Society;

- Integrity and Fairness, and
- Global Understanding through Business.

Our corporate strategy seeks to expand our business, whilst adding economic, environmental, and societal value.

MDP also has a Social Charter established in the accordance with the Three Corporate Principles.

## **MDP Social Charter**

MDP strives to achieve sustainable societal value through our business operations by contributing towards lasting solutions to address the wide spectrum of sustainability challenges facing today's global society.

We work to address local societal challenges in the regions and communities in which we operate, contributing to sustainable development through our business activities.

We continue our wide-ranging philanthropic commitments while regularly adapting our approach in line with ever-evolving societal needs and challenges.

We fully respect human rights and Indigenous peoples' rights. We also fully respect fundamental labour rights and endeavour to ensure the provision of safe and healthy working environments.

We do not engage in corruption of any kind and will take appropriate preventative measures to safeguard against such practices.

We continue to actively engage and work with our various stakeholders openly and transparently and disclose information on the social impacts of our business operations in an appropriate and timely manner.

Furthermore, MDP is committed to respecting human rights and strives to ensure that its business activities do not cause or contribute to adverse human rights impacts, including slavery and human trafficking. We do this by stating that MDP will fully respect human rights and will also fully respect fundamental labour rights and endeavour to ensure the provision of proper working environments with consideration for safety, health and other aspects.

## **10. APPROVAL AND REVISION**

Each year, the BMA Statement is approved by the Board of BM Alliance. Personnel from the MDP Group are appointed to the Board of BM Alliance.

This Statement was approved by the board of QCTR on 14 September 2021 and by the Board of MDP on 28 September 2021. This Statement will be



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submitted to the Commonwealth Department of Home Affairs and published on MDP's website at [www.mdp.com.au](http://www.mdp.com.au).

MDP will review this Statement and use reasonable endeavours to ensure that BM Alliance reviews the BMA Modern Slavery Statement, and the practices and policies underpinning them, on an annual basis.

Signed on behalf of the MDP Group by:



Mr Sadahiko Haneji  
Director, CEO and CCO  
Mitsubishi Development Pty Ltd