

2021-22 MODERN SLAVERY STATEMENT

This Joint Modern Slavery Statement has been prepared on behalf of Sumisho Coal Australia Holdings Pty Ltd ACN 057 890 865 and its subsidiaries (“SCAPH”), in accordance with the requirements of the *Modern Slavery Act 2018* (Cth) (**Act**). This statement outlines steps that were taken by SCAPH, to identify, assess and address modern slavery in our business and supply chain during the financial year commencing 1 April 2021 and ending 31 March 2022 (FY21).

INTRODUCTION

This is the third Modern Slavery Statement of SCAPH and we are aware of the risks and the effects that modern slavery can have on our operations and supply chains.

SCAPH recognizes that modern slavery can occur in many forms, which include, but are not limited to slavery, servitude, human trafficking, forced marriage, forced labour, debt bondage, child labour and deceptive recruiting for labour or services.

At SCAPH we are committed to ensure that we meet our obligations under the Act and we will implement risk mitigation measures if required in order to combat any form of modern slavery. We are also aware that we cannot control the conduct of our suppliers, but we expect all who have or seek to have a business relationship with us, to familiarise themselves with our modern slavery commitments and to act in a way that is consistent with our values.

SCAPH has a zero tolerance towards inaction of any form of modern slavery and human trafficking, as we believe in respecting human rights in everything we do.

Our commitment to our employees, customers and suppliers is very clear and we will always treat people in our business and supply chain respectfully and fairly. We pride ourselves on our commitment to good corporate governance and adherence to legislative requirements, which provides a sound platform to address and implement the requirements of the Act.

We continually engaged with key stakeholders within our organisation and supply chain in order to ensure that modern slavery does not occur in our business sphere.



Kenji Suzuki
Managing Director

Sumisho Coal Australia Holdings Pty Ltd

This statement has been approved by our Board of Directors on 19 August 2022.

BUSINESS OPERATIONS & SUPPLY CHAINS:

STRUCTURE:

Sumisho Coal Holdings Pty Ltd and its subsidiaries, are wholly owned by Sumitomo Corporation, one of Japan’s leading global integrated trading and investment business enterprises.

Sumisho Coal Holdings Pty Ltd is the holding company of the following subsidiaries:

- Sumisho Coal Development Queensland Pty Ltd (ACN 082 435 149)
- Ocean Coal Mining Pty Ltd (ACN 156 473 924)
- **SCAP Oaky Creek Pty Ltd (ACN 073 072 205)**
- SCAP Pentland Pty Ltd (ACN 079 624 570)
- SCAP Wandoan Pty Ltd (ACN 079 136 968)
- SCAP Redrock Pty Ltd (ACN 089 519 791)
- SCAP Exploration Pty Ltd (ACN 663 910 764)
- SCAP Hillalong Pty Ltd (ACN 637 374 059)

Note: SCAP Oaky Creek Pty Ltd being the only entity that earns in excess of AUD\$100m annually.

BUSINESS OPERATIONS WITHIN AUSTRALIA:

The primary business of SCAPH and its subsidiaries include investment in world class energy and mineral companies, as well as exploration activities throughout Queensland.

SUPPLY CHAINS:

During FY21 SCAPH had a combined supply chain made up of approximately 37 local and international entities, which include suppliers from the following sectors: Information, Communications and Technology; Property Services (including Facilities Management, Utilities, Cleaning, Waste Management and Security); Consulting Services; Office Supplies; and Joint Venture Partners.

RISK OF MODERN SLAVERY IN OUR OPERATIONS & SUPPLY CHAIN

Our internal assessment outcome on SCAPH as a JV Partner and investor identified that we have a low risk of modern slavery occurring in our workplace and we do not directly cause or contribute to modern slavery practices.

SCAPH does recognise that suppliers we use and the business operations that we invest in are exposed. We understand that the environmental, social and governance (ESG) risks relating to suppliers will vary depending on their industry, geographic location and company size. Therefore, the scope of our suppliers, vendors and partners’ policies, processes and systems are expected to reflect their specific ESG risks.

Some of the services procured and some of the goods invested in, either directly or indirectly, are linked to high-risk industries and/or high-risk goods. In some instances, investment in these goods or procurement of services, take place in high-risk countries.

DUE DILLIGENCE

Throughout FY21 SCAPH continued to adhere to our legal and governance requirements and maintained our ethical approach to business practices.

We are pleased to advise that during our internal assessment, no breaches in Modern Slavery were identified and we continue to apply our policies and procedures relating to corporate governance and modern slavery.

This involved:

- Risk assessments to be completed on all new suppliers to identify the potential for breaches or abuses of fundamental human rights;
- Conducting additional due diligence on “red flagged” suppliers;
- Negotiating to incorporate modern slavery clauses in new supplier contracts and on renewal of contracts where possible; and
- Applying our anti-bribery and corruption checks sheets prior to signing new contracts and appointing new vendors.

SCAPH further conducted diligence on our medium and high-risk vendors/suppliers, (red flags) identified in year one.

These risks are:

- High risk Services that include: Corporate Services (computers, laptops, mobile phones)
- High risk industries: Extractive/Mining and Basic Metal Production.
- High risk countries include: China, Turkey, Indonesia and India.
- The high-risk goods include: Coal
- The goods themselves containing components of high-risk goods or being from a high-risk industry or manufactured in a high risk country;
- Possible engagement of low skilled migrants within property management such and office services.

During FY21 SCAPH Staff were not able to conduct physical onsite audits due to restrictions surrounding Covid-19.

Our Modern Slavery Committee did however review Modern Slavery Reports, updated and created fit-for-purpose questionnaires for high and medium risk vendors and worked collaboratively with identified suppliers to establish:

- If existing suppliers had any changes in their Modern Slavery Act reporting requirements.
- If new suppliers were required to comply to the reporting requirements of the Modern Slavery Act.
- If existing suppliers did conform to compliance requirements.
- If suppliers achieved their previous year commitments.
- If suppliers were conducting third party due diligence.
- What mitigating actions were put in place to eliminate breaches.
- If any breaches were identified and what steps were taken to correct the breaches.
- If COVID-19 has affected suppliers Modern Slavery due diligence process.

INTERNAL COMMITMENT AND RISK MANAGEMENT

OUR POLICIES:

SCAPH shares the wider SC Group’s Corporate Mission Statement (Management Principles and Activity Guidelines) based on the business philosophy of SC’s founder, Masatomo Sumitomo (1585-1652) passed down and followed faithfully for more than 400 years. This philosophy represents the fundamental and ultimate value standard of the SC Group.

The Corporate Mission Statement clearly states that the SC Group respects the personality of each individual and places prime importance on integrity and sound management.

SCAPH has the following documents in place to assist in mitigating human rights/modern slavery risks in our business and supply chains:

- Compliance Policy and Compliance Manual;
- Whistle-blower Policy and Whistle-blower Procedure; and
- Modern Slavery Policy and Modern Slavery Procedure

TOOLS:

As part of our continued efforts to strengthen our whistleblower program we have added additional ways for staff members or the public to “speak up” (including if they have human rights concerns pertaining to SCAPH).

No instances of modern slavery were reported through SCAPH’s independent whistle blowing reporting process for 3 Years.

SCAPH is satisfied with assessing modern slavery risks and responses by collaboration and undertaking desktop due diligence and believe that no further external compliance support tools are considered necessary at this stage.


CREATING AWARENESS:

- Shared relevant updates on Modern Slavery progress with the SCAPH team.
- Shared modern slavery articles and continued to create awareness within the SCAPH team.
- Re-communicated familiarisation of the Governance Documents with Team members which include the Modern Slavery Policies and Procedures as well as the Whistleblower Policy and Procedure.

ASSESSMENT AND EFFECTIVENESS:

SCAPH conducted due diligence on 20 suppliers during FY21 and received responses from 18 of the suppliers/vendors.

To date we have not identified any instances of modern slavery within our supply chain.

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The outcome of our due diligence and questionnaires:

- All Australian reporting suppliers/vendors confirmed their compliance with the requirements of the Act and provided the necessary responses and evidence to support this.
- Notification from Australian Reporting suppliers of application of mitigation actions/checks to ensure that supply chains and third-party suppliers adhere to compliance requirements.
- Australian non-reporting entities advised us if there were changes in their reporting requirements and advised that they are aware of modern slavery risks and commit to continue to monitor their supply chains in the best interests of their business.
- International Suppliers that are not required to report within Australia but have confirmed that they are aware of Modern Slavery and currently have responsible sourcing policies, as well as standards in place to mitigate risks.
- As well as international suppliers advising that they comply with the relevant Modern Slavery Acts within their jurisdiction.

Due to the changing business environment SCAPH believes in continuous improvement and growth, to demonstrate progress with addressing modern slavery risks in its operations and supply chain.

We strive to implement effective measures to eliminate risks, should they arise. In the instance where a potential occurrence of modern slavery is identified, either internally or externally, then appropriate corrective action will be taken in line with the Company's response plan.

PLAN FOR REMEDIATION:

No remediation process was required to be implemented in Year 3.

SCAPH is committed to continued work with suppliers to remain compliant and to eliminate any possible occurrence of modern slavery from its supply chain.

CONSULTATION:

The SCAPH Modern Slavery Compliance commitments have been allocated to various team members that have shared responsibility to complete work across various subsidiaries.

An external legal team was consulted as and when required and further awareness was created by sharing information on modern slavery. The Modern Slavery Committee established meetings and provided feedback to Management on an ad-hoc basis.

A modern slavery data base for responses and compliance requirements of all Vendors and Suppliers is kept up to date. This includes information on due diligence actions and responses for reference.

WAY FORWARD:

SCAPH is committed to continue to work collaboratively with vendors and suppliers to eliminate any possible occurrence of modern slavery within our business and supply chain. We aim to:

- 1) Increase our communication, awareness and verification program, which confirms that suppliers have received and understood our position regarding modern slavery.
- 2) Continue to use recognised accredited suppliers where possible.
- 3) Create further internal awareness by making human rights programs available to employees.
- 4) Continued reviewing of supplier contracts to include a modern slavery clause at the next available opportunity (for example during contract renewal) if practicable and appropriate, and introduced the inclusion of a modern slavery clause in all new contracts and agreements, as per our Procedural requirements.
- 5) Further assess and support low risk suppliers.
- 6) Work with and conduct ongoing investigation on high and medium risk suppliers to further review Tier 2 vendors/suppliers.
- 7) As part of our continuous improvement commitment, we will ensure our smaller non reporting entities are aware of the Modern Slavery Act and ensure support and provide further information as required.
- 8) Our team will remain vigilant and continue to adhere to our legislative requirements by consulting with partners, suppliers, vendors and workers

COVID-19:

Although the Global Covid-19 Pandemic continued to have a major impact on businesses and entities during FY21, our company focus was to ensure the safety of our workers and to adhere to the Government requirements in the various States.

SCAPH's ability to conduct due diligence was not affected, there was however an impact on accessibility of certain suppliers.