

# Modern Slavery Statement 2019

## Sojitz Development Pty Ltd (ACN 063 050 680)

### 1. INTRODUCTION

We are committed to reducing the risk of modern slavery in our supply chains or in any part of our business and improving our practices to combat slavery. As a member of the Sojitz Group (please see paragraph 2 of this statement), we are focused on sustainability and creating value and prosperity for society in conducting our business operations. As part of the Sojitz Group's medium and long-term management plans and commitment to complying with the *U.N. Guiding Principles on Business and Human Rights (2011)*, we will be involved in greater risk assessment and the expansion of a step by step approach to improving and promoting human rights due diligence.

### 2. OUR OPERATIONS AND STRUCTURE AND SUPPLY CHAINS

We are an Australian proprietary limited company and form part of the Sojitz Group with our ultimate parent company being Sojitz Corporation. Sojitz Corporation has its head office in Japan. As a general trading company, the Sojitz Group is engaged in a wide range of businesses globally, including buying, selling, importing, and exporting goods, manufacturing and selling products, providing services, and planning and coordinating projects, in Japan and overseas. The Group also invests in various sectors and conducts financing activities. The broad range of sectors in which Sojitz operates includes those related to automobiles, plants, aerospace, medical infrastructure, energy, mineral resources, chemicals, foodstuff resources, agricultural and forestry resources, consumer goods, and industrial parks.

We are a holding company for various incorporated entities and unincorporated joint ventures operating in the coal mining industry in Australia. Specifically, we own or otherwise control various Australian proprietary companies which:

1. hold an interest in an unincorporated joint venture (UJV) corresponding to a particular coal mining project in Australia;
2. carry out specific operations for the Sojitz Group's Australian operations, for example marketing, mine site managing entities and rehabilitation and bulk pushing services.

We also hold minority interests in other similar entities.

We have 415 employees across all of our Australian operations, consisting of 34 employees in the Brisbane corporate office and 381 employees on site across our various projects.

We have acted in consultation with the entities which we own or control in the preparation of this statement as they all operate under the ultimate direction and governance of the board of Sojitz Development Pty Ltd in Australia.

Our tier one suppliers in our supply chain are limited to Australian based providers of fuels, oils, grease, explosives, coal, labour hire, mine management services, heavy mobile equipment, parts and maintenance services, tyres, transport, rail services, port services, onsite cleaning services, onsite rubbish removal services and professional services including legal, financial and IT services.

### 3. KEY MODERN SLAVERY RISKS

We have undertaken a risk assessment of our operations and supply chains, including a more detailed assessment of our major tier one suppliers (based on spend) for the financial year ending 31 March 2020 ("FY19/20"). Although we recognise

that spend is not the sole factor in assessing modern slavery risk, we consider that it is a useful assessment tool which will assist us in working with our major suppliers to address the key modern slavery risks in our supply chains. We determined that only one of our tier one major suppliers for FY19/20 operated in a higher risk modern slavery industry in Australia, being construction<sup>1</sup>. This is because the construction industry has two elements with a high risk of involving modern slavery: labour and procurement of building materials and products. The engagement of this supplier was on a one-off basis and in line with current supplier engagement processes as described in this statement. Notably, the supplier has a human rights policy in place and, to our knowledge, is compliant with this policy.

As part of our commitment to the continuous improvement of our assessment and mitigation of modern slavery risks in our supply chain (as further set out in paragraph 5 of this statement), we plan to introduce further more detailed tools to assess modern slavery risks with our (tier one and) tier two suppliers.

#### 4. HOW WE ASSESS AND ADDRESS MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

##### **OUR POLICIES ON SLAVERY**

We are committed to reducing the risk of modern slavery in our supply chains or in any part of our business. The Sojitz Group's human rights policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to mitigate risks of slavery taking place in our supply chains.

The Sojitz Group strives to create value and prosperity by connecting the world with a spirit of integrity. We believe that respect for human rights is an integral foundation for creating what we call "Two Types of Value" —value for both our company and society, and for meeting the expectations of our stakeholders. In undertaking these business activities, we recognize our responsibility to avoid causing or contributing to adverse human rights impacts and of seeking to prevent or mitigate such adverse impacts. We commit to respecting human rights as set out in the *International Bill of Human Rights* and the *International Labour Organization's Declaration on Fundamental Principles and Rights at Work*, and to carry out our business in accordance with the *United Nations Guiding Principles on Business and Human Rights*.

The Sojitz Group's Human Rights Policy can be found on our website at <https://www.sojitz.com/en/csr/priority/humanrights.php>.

Our commitment to reducing the risk of modern slavery in our supply chains is further supported by the Sojitz Group's Code of Conduct and Ethics (a set of decision making standards established to act as the foundation for all Sojitz Group business activities) and broader CSR policies, such as the:

- CSR Action Guidelines for Supply Chains ("**Action Guidelines**");
- Environmental Policy;
- Anti-Corruption Rules; and
- Anti-Bribery Policy,

available on our website at <https://www.sojitz.com/en/>. In complying with the Code and CSR policies, not only are we able to promote vital Sojitz Group CSR initiatives, but we are also able to gain greater visibility in our supply chains (and therefore any associated modern slavery risks in our supply chains).

##### **DUE DILIGENCE PROCESSES**

As part of our initiative to identify human rights abuses (including modern slavery) and mitigate associated risks in our business and supply chains, we undertake assessments of the members of our supply chain to identify any risk areas, which

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<sup>1</sup> Respecting human rights. Guidance to assist mining companies to identify and manage modern slavery risks associated with the COVID-19 pandemic. OCTOBER 2020. Viewed 15 November 2020.

take into consideration the reputation of and any historical human rights breaches of the supplier, the location of the supplier and (where possible) where the goods or services it is providing are sourced from, as well as the nature of the products the supplier provides or the particular industry the supplier is involved in. Additionally, we aim to engage only with suppliers that uphold our standards and values in relation to human rights and anti-modern slavery practices through their operations and supply chains.

### **SUPPLIER ADHERENCE TO OUR VALUES**

The business activities of the Sojitz Group are possible due to the cooperation of various stakeholders including suppliers and other business partners. For the Group to meet our responsibility to respect human rights, their understanding and cooperation are indispensable. The Sojitz Group is committed to working with and encouraging our business partners to uphold the principles in our Human Rights Policy. In the event that we identify an alleged human rights abuse outside of the Sojitz Group but linked to our business activities, including in our suppliers and other business partners, upon confirming the situation the Group will ask relevant parties such as suppliers and other business partners to take measures to address the human rights issues. For further information on our expectations of our suppliers and other business partners, including our policy concerning cases of material breach, please see our Action Guidelines.

In the event of a material breach of the Action Guidelines, the Sojitz Group shall, upon verifying the facts, request that the supplier or other business partner improve the situation. If no improvement has been made after a specified period, we will take measures which may include a reconsideration of the contract with the supplier or partner. If necessary, the Sojitz Group shall, along with experts designated by the Group, visit the site concerned for investigation.

### **TRAINING**

To ensure a high level of understanding of the risks of modern slavery in our supply chains and our business, the relevant information as learning material has been communicated to our staff as a part of training.

## **5. OUR EFFECTIVENESS IN COMBATING MODERN SLAVERY**

We did not identify any modern slavery practices within our operations or within our supply chain during FY19/20. We also identified the following initial targets to be used in improving our effectiveness in identifying and managing modern slavery risks in our supply chain:

### **Employee Training**

Ensuring that all relevant employees that have the ability to identify or otherwise manage modern slavery risks in our supply chain are given modern slavery training. As part of this process, our online training materials and resources in relation to human rights are being updated and expanded to ensure that we are providing the most up to date training on human rights and modern slavery risks and processes to our relevant employees. The Employees will be required to undertake e-learning training and questionnaires to confirm their understanding of modern slavery risks at the time of onboarding and on an annual basis.

### **Supplier Engagement and Audit**

In order to improve our due diligence of new suppliers and review our existing suppliers' adherence to our values and policies, we are seeking to:

- A. introduce a more detailed due diligence process for our major suppliers, which will include a desktop assessment of relevant suppliers, taking into consideration management capability, industry risk, workforce risk, contract value and country risk (if applicable); and
- B. pursue contractual acknowledgement and agreement to our policies and values (or an equivalent standard) in relation to human rights and modern slavery with all of our suppliers.

In working towards these goals, we aim to build knowledge across our operations, have better visibility of our supply chains and potential modern slavery risks in such supply chains and meet our commitment to reducing the risk of modern slavery in

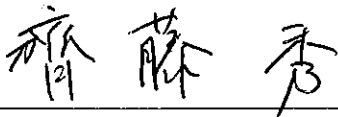
our supply chains or in any part of our business.

## 6. REMEDIATION

We respect the human rights of people involved in our operations. This applies not only to our employees, but also to everyone affected by our operations throughout its supply chains. Should there be any instances of modern slavery, we will seek to rectify them.

This modern slavery statement is made for Sojitz Development Pty Ltd (ACN 063 050 680) for the 2019/2020 financial year ending 31 March 2020.

This statement was approved by our Board of Directors on 18 December 2020.

Handwritten signature of Shigeru Saito in black ink, consisting of three characters: 齋藤 秀.

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Shigeru Saito, Managing Director

Sojitz Development Pty Ltd (ACN 063 050 680)

Date: 18 December 2020