

Modern Slavery Statement FY20



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Introduction

This Modern Slavery Statement (**Statement**) is made on behalf of Coal Services Pty Limited and its subsidiaries including Coal Mines Insurance Pty Ltd and Mines Rescue Pty Limited (**Coal Services**).

This is our first Statement made in fulfilment of the requirements of the *Modern Slavery Act 2018* (Cth) (**the Act**) and the Coal Services Modern Slavery Policy. This Statement outlines our approach to ensuring that Coal Services has robust frameworks and processes in place to identify and manage the risk and prevent modern slavery in our business operations and supply chain.

Our commitment

Coal Services has zero tolerance for any form of modern slavery. We are committed to conducting business responsibly and ethically and to ensuring that all aspects of our business practices, including our supply chains, are free from any form of slavery. We reject any and all forms of modern slavery which can take the form of unpaid or underpaid servitude, human trafficking and forced labour. We aim to identify and manage any risks related to human rights across our own business and through our supply chain relationships.

We are committed to implementing and enforcing effective systems and controls to prevent the occurrence of modern slavery and human trafficking within our own business; within our supply chains; or through any other business relationship, regardless of their locations. We are only interested in working with suppliers that are aligned to our values.

Our structure and supply chain

Coal Services Pty Limited is jointly owned by the New South Wales Minerals Council and the Construction, Forestry, Maritime and Mining and Energy Union in equal shares and has two wholly-owned subsidiary companies, being Coal Mines Insurance Pty Ltd and Mines Rescue Pty Limited (collectively known as Coal Services). These are private companies, created by the *Coal Industry Act 2001* (NSW) with statutory responsibilities, which are administered by the Minister for Regional New South Wales, Industry and Trade. Coal Services' core operations are governed by the *Coal Industry Act 2001* (NSW) and the *Corporations Act 2001* (Cth).

Coal Services is a specialised Health and Safety Scheme that provides an integrated suite of services to help identify, assess, monitor and control many risks inherent in the NSW coal mining industry. Our preventative and responsive services in the areas of workplace health and safety, workers compensation, emergency response and training help to deliver on our purpose, 'to protect'.

We are taking a proactive approach to identify modern slavery and other labour rights risks and demonstrate to our stakeholders, customers and the wider community how we are monitoring our operations and supply chains to ensure compliance with the Act.

The majority of our suppliers are based in Australia. Our supply chain relationships include suppliers from the following sectors: information, communications and technology, employment and training of staff, machinery and equipment, property services (including facilities management, utilities, cleaning, waste management and security); consulting services; marketing; office supplies and corporate clothing. In FY 2020, Coal Services did not identify any instances of modern slavery associated directly through its own operations, or through sourcing related risk assessments in relation to its supply chain.

Responsibility

Coal Services' Risk, Compliance and Legal function, through its Head of Risk Compliance & Legal, reporting to the Managing Director/CEO and Coal Services' Board is responsible for the development and implementation of Coal Services' modern slavery initiatives. Accountability for addressing modern slavery and human rights risk is cross-functional and our internal business units work together, to embed our initiatives and supporting processes.

The Head of Risk, Compliance & Legal is responsible for the preparation of this Statement, which must be approved by the Coal Services Board on the recommendation of the Board Risk Management Committee and signed by the Chairperson of the Board.

Our policy and procedures

Coal Services is committed to high standards of governance and operating our business lawfully and ethically. Our Board and its Committees provide the necessary leadership to implement a robust corporate governance framework and systems across Coal Services so that our decisions are based on integrity, ethical conduct, responsibility, transparency and accountability which promote the long-term sustainability and success of our business.

Underpinning this framework are Coal Services' policies and procedures, several of which are relevant to modern slavery and human rights. These include our Code of Conduct, the Modern Slavery Policy, our Procurement Policy and Procedures and our Protected Disclosure Policy.

We continue to articulate our expectations to suppliers through our Modern Slavery Policy and our risk-based compliance approach, through due diligence, standard contractual terms including a requirement to comply with these policies, and the Act and by embedding bilateral modern slavery compliance clauses into our supplier contracts. We have also updated our procurement procedure to ensure procurement is conducted in a responsible and sustainable manner and developed a Supply Chain Assurance program to ensure due diligence is undertaken prior to supplier onboarding, contract award or any commercial agreement. Our procurement framework governs supplier arrangements and assists to manage our enterprise risk in our dealings with suppliers, Supplier risk assessments are undertaken in accordance with our risk and compliance framework to identify the level of risk inherent in the potential procurement,

We have policies in place to promote ethical and compliant business conduct. We have a robust procurement framework, which includes policies, guidelines and procedures. The framework facilitates the supply risk mitigation and ensures transparent and fair procurement processes. In addition, our supply contracts are managed in accordance with our risk and compliance framework, including but not limited to our Modern Slavery Policy, which requires a periodic documented review of the suppliers' performance against the contractual provisions in relation to modern slavery and human rights.

We acknowledge and recognise that Coal Services only seeks to do business with suppliers that have similar values, ethics and sustainable business practices, including those related to human rights.

Our risk assessment and due diligence

We assess the risk of modern slavery taking place in our business by identifying and managing any areas of concern within our business operations and any external suppliers through the Risk, Compliance and Legal and Procurement function.

Our operations are located in Australia. We have assessed our modern slavery risk based on workforce and supplier profile; the type of labour involved in the delivery of services or production of goods. Due to the nature of our business, we do not make use of high-risk supply chains, which are susceptible to modern slavery risks. We have taken the following actions to manage those risks:

- Undertaken a risk-based segmentation of our suppliers to identify suppliers who may pose greater risks associated with modern slavery;
- Conducted due diligence and screening on third party suppliers prior to selection to consider modern slavery risk and to identify the level of risk inherent in the supply chain
- Enhanced our risk management processes to identify, assess, mitigate and monitor potential risks areas where Coal Services could be exposed to modern slavery and human rights concerns;
- Enhanced our supplier agreements to ensure our commitment globally to managing modern slavery and human rights risks. Embedded bilateral modern slavery compliance clauses in supplier contracts to ensure compliance with the Act, and compliance with our policies and procedures in relation to our modern slavery and any other applicable laws and regulations;
- Engaged with suppliers who share our stance on modern slavery and human rights
- Undertaken due diligence processes when contracting with external suppliers to identify and assess the suppliers' level of risk. We will not engage high-risk suppliers unless we have conducted the appropriate assessment, so that our standards are not compromised;
- In FY20, completed a risk assessment of 18 key suppliers and suppliers in the 'at risk' categories of modern slavery risks. The suppliers were issued and completed our Modern Slavery Assessment Questionnaire Based on the completed responses, a risk assessment was undertaken which identified follow-up actions for some of the suppliers;
- Suppliers appointed through our procurement and contract management procedures are required to complete a Modern Slavery Assessment Questionnaire prior to their appointment;
- Where a request for tender process is applied, tenderers must provide details of their supply chain risk and business practices in relation to modern slavery, human rights and ethical business practices by completing the Modern Slavery Assessment Questionnaire and the Ethical Business Practices Self-Assessment Questionnaire.
- Request for tender evaluation process includes a specific modern slavery requirement with key deliverables.

How we assess the effectiveness of such actions

To date we have found no incidents of modern slavery in our supply chain. We demonstrate effectiveness of our actions, by:

1. The Head of Risk, Compliance and Legal annually reviewing and reporting Coal Services' response to modern slavery.

2. Reviewing and collating the number of actions and risk mitigation controls that have been implemented, the number of high-risk suppliers engaged, and raising levels of awareness and training amongst employees.
3. Prequalification and due diligence checks and controls for local and global suppliers has been expanded to include a Modern Slavery Assessment through the procurement framework and function. This process is to be audited annually, and to include a determination if risk mitigation measures have been consistently actioned.
4. Factory and supplier visits are proposed but due to the restrictions posed by COVID-19 this has been postponed. All factory and supplier visit reports will be required to include observations and the result of any discussions relevant to modern slavery. Pre-trip briefings will include a section on modern slavery-what to look for, key risks, site inspection and what to ask.
5. Review the identified key or 'at risk' suppliers and review their progress with any actions they have put in place to address any modern slavery risks.

Feedback and Grievance

We are committed to the protection and respect of human rights across our business and supply chain. In FY20, no modern slavery concerns or grievances were raised with Coal Services.

We have established reporting procedures and mechanisms where employees and third parties can report any concerns regarding unethical or illegal conduct, including in relation to modern slavery and human trafficking. Employees can report to their manager or, if they wish to remain anonymous, employees and third parties are able to report through our independently operated whistleblower system via phone, email or an online portal. Where issues are investigated and substantiated, we take appropriate action. Further information regarding the whistleblower process is available in the Protected Disclosure Policy and on our corporate website. We have also established internal grievance resolution guidelines which outline procedures and resolution options for our employees.

Awareness and Training

We are committed to training our employees and have provided them with information on modern slavery and risk awareness. We want to ensure that our employees have a proper understanding and respect for basic human rights globally. We have made the training resources provided by Anti-Slavery Australia available and our training will continue to focus on targeted areas. Our Modern Slavery Policy is available on our corporate website.

Planning Ahead

We aim to create a comprehensive understanding of modern slavery and human rights issues within our business and supply chains. Over the next year, our key focus areas include:

1. Conduct training and webinars for all Coal Services employees on modern slavery.
2. Continue to encourage all suppliers to make their own modern slavery commitment.
3. Develop a set of key performance indicators to identify and measure how effective we have been in ensuring that modern slavery is not taking place across our business or supply chains.
4. Look for continual improvement opportunities.

We will continue to identify and evaluate risks relating to human rights and develop our policies, procedures, and training to help combat modern slavery.

Signatories

This Statement was approved by Coal Services' Board of Directors on 28 October 2020.

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Chairman

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