

# MM Resources Pty Ltd and Nippon Coke & Engineering Co., Ltd.'s Joint Modern Slavery Statement

This Modern Slavery statement is jointly made by MM Resources Pty Ltd (ACN: 063 853 903) (“**MMR**”) of Suite 7.07, Level 7, 109 Pitt Street, Sydney, NSW 2000 and Nippon Coke & Engineering Co., Ltd (ARBN: 623 166 290) of Suite 7.07, Level 7, 109 Pitt Street, Sydney, NSW 2000 (“**NCE Co**”) (together “**NCE**” “we” “us” or “our”) , pursuant to the *Australian Modern Slavery Act 2018* (Cth) (“**Act**”), to address modern slavery risks in our business in Australia and its supply chain for the financial year 1 April 2022 to 31 March 2023.

## About us, our business and supply chains

### **About NCE Co**

NCE Co is a publicly listed company incorporated in Japan in the form of *kabushiki kaisha* headquartered in Tokyo, Japan with branches in Japan and Australia (Sydney). NCE Co's registered address is 3-3-3 Toyosu, Koto-ku, Tokyo, 135-6007, Japan. As of 31 March 2023, NCE employs over 1,000 employees worldwide. NCE Co owns 8 subsidiaries in Japan, the United States and Australia.

### **About MMR**

MMR is NCE Co's 100% owned subsidiary, incorporated and domiciled in Australia. The address of the MMR's registered office is Suite 707, Level 7, 109 Pitt Street, Sydney NSW 2000.

MMR is a for-profit entity and its business is primarily investment in the coal industry in Australia, though MMR is currently not actively engaged in any business.

MMR has a 5% interest in the Togara North Joint Venture ('the Joint Venture'). The Joint Venture is established to develop, work and use the Togara North site for the purpose of exploration and coal mining operations. The Joint Venture has previously completed a pre-feasibility study, but it has not yet been developed nor become an operating project.

The Joint Venture is not a separate legal entity. It is a contractual arrangement between the participants for the sharing of costs and outputs that does not generate revenue or profit in and of itself.

The Joint Venture's major participant and manager is Glencore plc. Glencore manages the risk of modern slavery in the Joint Venture as part of the Glencore group entity. NCE has been reviewing Glencore's modern slavery statement on a regular basis, assessing their policies, processes, and practices, and has determined that the risk of modern slavery is low.

### **Operations and supply chain**

NCE mainly engages in the stable supply of high-quality coke and coal resources and promotes manufacturing through developing powder and granule machines with advanced techniques.

NCE has three main business segments: “Coke Business”, “Fuel and Resources Recycling Business” and “Other Business”.

The Coke Business controls all processes from receiving to production and shipment of high-quality coke products. The Fuel and Resources Recycling Business involves the distribution of coal, coal ash and petroleum coke, as well as the operation of a coal center business using the coal storage yard, in addition the process and recycle of industrial waste, primarily coal ash. The Other Business includes integrated manufacturing of powder and granule machines.

NCE and its group companies engage in the business mainly in Japan. The Australian branch of NCE is located in Sydney under the Fuel Sale Business segment and provides necessary supports in relation to the exportation of coals from Australia to Japan.

### ***Supply chain***

NCE has a supply chain consisted of approximately 30 suppliers mainly in Australia, China, Indonesia, Russia, US, Canada, New Zealand in the sectors including coal, coke, biomass fuel, professional services and information technology.

NCE has not been aware of any allegations in relation to any modern slavery activities brought against any of its suppliers. NCE will continue to closely monitor such allegations and take necessary actions if it becomes aware of any such activities.

## **Risk and actions taken**

### ***Risks of modern slavery practices in the operations and supply chain***

NCE recognises the importance of ethics and compliance including the potential risks of modern slavery. NCE selects a limited number of direct suppliers which are mainly Australian based businesses and NCE considered to be reputable, therefore NCE considers that the level of risk of modern slavery is low.

Whilst NCE is not directly operating a mine, it is involved in the production of coke which consumes coal as a raw material and the coal industry. NCE imports coal from Australia and sells it to general industries in Japan for coal power generation. The majority of the NCE’s coal trading volume is secured in leading suppliers in Australia where risks are generally lower. NCE continues focusing on modern slavery as a compliance issue, so as not to contribute or directly link to modern slavery in the sector.

NCE also recognises the potential risks associated with the chartered vessels used for the import and export of the products in relation to the exploited labour. NCE mainly uses leading and reputable Japanese shipping companies where NCE undertakes a risk assessment of each company’s modern slavery approach. Therefore the risk is considered to be low.

### ***Actions taken to assess and address the risks***

In order to assess and address the modern slavery risks, NCE has taken the following measures: due diligence; internal training; and screening of new suppliers.

### ***Due diligence***

NCE reviewed the suppliers' websites or other publicly available information and communicated them to check their modern slavery related policies and their risk assessments and confirmed that there were no modern slavery activities involved in their operations.

### ***Policies***

Although NCE currently does not have a formal modern slavery policy in place for maintaining its supply chain business, it is considering implementing one. However, in accordance with NCE's corporate philosophy, NCE has developed a Sustainability Initiatives Policy in April 2022 to contribute to the sustainable growth of society and actively fulfill our social responsibilities. These initiatives focus on the following key issues:

- (1) Dealing with environmental issues
- (2) Dealing with social and human rights issues
- (3) Governance enhancement

In particular, in (2) above, NCE respects all human and racial rights, works to create a better social environment, and plays a part in the sustainable development of society as a responsible corporate citizen.

### ***Governance***

NCE is committed to building corporate governance in order to establish the trust of society through its corporate activities.

In view of the importance of environmental and social issues associated with sustainability, the Board of Directors of NCE raises the awareness of its officers and employees regarding the social responsibilities that we must fulfil and strives to ensure the sustainable development of society and the enhancement of our corporate value through the promotion of proactive initiatives to resolve issues while taking stakeholders into account.

The organisational structure includes the Risk Management Committee, which deliberates on company policies and matters relating to our risk management activities, and the Sustainability Promotion Committee, which deliberates and monitors matters relating to our sustainability initiatives.

Furthermore, the Risk Management Office, which is responsible for NCE's internal control system, promoting compliance, and assessing business execution, has enhanced NCE's overall governance.

NCE values fair relationships with all parties involved, including suppliers, and aims to improve its reputation and trust through stronger governance and transparent management.

The abovementioned sustainability initiatives support our efforts on the ground in various aspects of modern slavery issues.

NCE considers that, with the addition of the new sustainability initiatives, current operational procedures are appropriate to mitigate the risk of modern slavery within our supply chain. NCE's operational processes include the following:

- Conducting on going review and assessment of appropriateness of our approach to modern slavery risk management in our supply chain processes;
- Reviewing and improving existing procedures, including supplier codes of conduct, sourcing policies;
- Reviewing publicities available annually by the majority participants in relation to modern slavery which includes modern slavery statements lodged with Australian Border Force; and
- Undertaking regular review for suppliers other than Australian business for their business operations through information available on their website or other publicly available information.

Our Risk Management Committee and Sustainability Promotion Committee ensure that the above items are properly implemented.

### ***Internal training***

NCE has been providing internal training sessions in Japan for its employees and expats assigned in Australia. The sessions' coverage includes addressing practices in operations and supply chains that may lead to modern slavery, such as charging recruitment fees for workers, tying workers' accommodation to their employment status, sham contracting, unmanageable lead times and purchasing practices, unlawful wage deductions or underpayment involved in the business.

NCE has also provided an online training course on respecting human rights based on the Sustainable Development Goals (SDGs) to all NCE's managers.

The Risk Management Office conducts periodic audits to ensure that training programs are being implemented.

NCE plans to develop the existing internal training sessions to enhance their understandings of worldwide modern slavery issues and the company's stance and actions towards the prevention of modern slavery.

## **Consultation**

As explained in the governance structure above, NCE operates and is managed as a group based on a comprehensive set of policies, systems, and processes.

The consultation process within the entities to which the Joint Modern Slavery Statement applies includes the reporting entities covered by this Joint Modern Slavery Statement and all companies we own or control.

In the consultation and review of this statement, we discussed matters relating to the reporting requirements of the Modern Slavery Act 2018 and our intended actions to address the requirements.

The final draft of this statement was made available to each reporting entity and other owned and controlled entities prior to publication.

## Effectiveness of our actions

### *Assessment of effectiveness*

NCE continues to monitor and improve its actions toward combatting modern slavery activities by:

- Proactively communicating our operation and supply chains;
- monitoring global modern slavery risks and trends to identify any emerging risks or trends and to ensure its operation or supply chains are properly managed;
- updating and amending internal policies as necessary to ensure they are up-to-date; and
- providing training to its employees.

### *Consultation with subsidiaries*

NCE is committed to enhancing its anti-modern slavery regimes throughout its group companies by collaborating with them. NCE Co engaged with MMR to identify any potential modern slavery risks in their operations or supply chains in preparing this statement and to ensure they are aware of the internal policies.

### *Approval of the statement*

This statement was approved by the board of directors of MMR on September 2023.



Takahiro Ohta  
Managing Director  
MM Resources Pty Ltd

Date: / / Sep / 2023



Hiroaki Matsuoka  
President  
Nippon Coke & Engineering Co., Ltd

Date: / / Sep / 2023