



MODERN SLAVERY STATEMENT

Reporting year ended 31st March 2021

1 Introduction

This modern slavery statement is for Mitsui Coal Holdings Pty Ltd ACN 002 373 588 (**MCH**) and the following wholly-owned subsidiaries, each of which is a reporting entity under the *Modern Slavery Act 2018* (Cth) (the **Act**):

- Mitsui Moura Investment Pty Ltd ACN 088 091 356;
- Mitsui German Creek Investment Pty Ltd ACN 100 736 990;
- Mitsui Moranbah North Investment Pty Ltd ACN 106 018 268;
- Mitsui Kestrel Coal Investment Pty Ltd ACN 002 429 763; and
- Mitsui Bengalla Investment Pty Ltd ACN 056 823 780],

(together, the **MCH Group**).

This is a joint statement by each of the reporting entities under the Act, and the first modern slavery statement of the MCH Group under the Act.

The MCH Group is committed to combating the risk of modern slavery in our supply chains and in any part of our business. As one of the goals of the MCH Group is to act with integrity, we strive to act fairly, ethically and openly in everything that we do.

This modern slavery statement is prepared in accordance with the Act and describes the risks of modern slavery in the MCH Group's business, the steps we have taken during the financial year ended 31 March 2021 to identify, manage and mitigate the risks in our operations and supply chains and how we evaluate the effectiveness of our responses.

For the purposes of this statement, references to 'MCH Group', 'we', 'us' and 'our' collectively refers to MCH and each of its reporting entities covered by the statement.

2 The MCH Group's structure, operations and supply chains

2.1 Structure

MCH is an Australian proprietary company that was established in 1982 and is headquartered in Brisbane, Queensland.

MCH is jointly owned by Mitsui & Co. (Australia) Ltd. ACN 004 349 795 (**Mitsui Australia**) (30%) and Mitsui & Co., Ltd (**Mitsui Tokyo**) (70%), and is the holding company for Mitsui Tokyo's investments into Australian coal developments.

Mitsui Tokyo, the ultimate holding company of MCH, is a true global conglomerate and one of the largest trading companies in Japan. Mitsui Tokyo is listed on the Tokyo stock exchange (TYO:8031) and has multiple businesses operating across different industries (including finance, energy and resources, machinery, chemicals, food, textiles and logistics) under the one corporate group. With nearly 44,500 employees and 514 affiliated companies, Mitsui Tokyo does business in 64 countries from 132 offices around the world.

MCH, through its below listed wholly-owned subsidiary companies, holds the following minority non-operator joint venture interests in operating coal mines located within the Bowen Basin in Central Queensland:

- Mitsui Moura Investment Pty Ltd – 49% interest in the Dawson Joint Venture;
- Mitsui German Creek Investment Pty Ltd – 30% interest in the German Creek Joint Venture;
- Mitsui Moranbah North Investment Pty Ltd – 4.75% interest in the Moranbah North Joint Venture; and
- Mitsui Kestrel Coal Investment Pty Ltd – 20% interest in the Kestrel Joint Venture.

Mitsui Bengalla Investment Pty Ltd is controlled by MCH but is a dormant entity of MCH.

More information on MCH is available at https://www.mitsui.com/au/en/group/1216673_9223.html.

2.2 Operations

At the date of making this statement, MCH has 25 employees based in our Brisbane office. Employees are employed under individual contracts and some of them are covered by industrial agreements.

Set out below are the MCH Group's non-operated joint ventures which form the MCH business:

- 1 The Dawson Joint Venture is operated by Australian group companies of Anglo American Plc (**Anglo**), which also holds the remaining 51% interest in the joint venture. The Dawson mine is an open cut metallurgical coal mine consisting of three operating pits (North, Central and South) that began operations in 1963. It produces coking coal and primarily exports from Gladstone Port, Queensland. In CY21 the Dawson Joint Venture will employ approximately 1,400 people with targeted total saleable product of approximately 7.4 Mt.
- 2 The German Creek Joint Venture is operated by Anglo, which also holds the remaining 70% interest in the joint venture. The German Creek mine (which forms part of the Capcoal complex) is both an underground coal mine and an open cut coal mine, that produces hard coking coal, pulverised coal injection coal and thermal coal. The German Creek Joint Venture is a major employer in the Middlemount community and has a history of supporting sustainable developments initiatives in the local community. In CY21 the German Creek Joint Venture will employ approximately 1,500 people with a targeted saleable product of 9.3 Mt.

As part of the Capcoal project, the joint venture is progressing the development of the Aquila longwall mining project. The Aquila project is a medium seam longwall operation targeting the Aquila and Aquila Lower coal seams to produce hard coking coal. It will include construction of surface infrastructure, development of longwall panels and underground infrastructure to support the operation. Aquila is on target to commence longwall operations in Q1 2022.
- 3 The Moranbah North Joint Venture is operated by Anglo. Anglo holds a 88% interest in the joint venture, with Mitsui holding 4.75% and the remaining 7.25% interest held by other Japanese joint venture participants. The Moranbah complex includes both Moranbah North and Grosvenor longwall coal mines, with Moranbah initially commencing operations in 1998 to produce hard coking coal. The Moranbah Joint Venture will employ approximately 2,100 people with a targeted saleable product of 12.9 Mt.
- 4 The Kestrel Joint Venture is operated by Kestrel Coal Resources Pty Ltd (**Kestrel**), a joint venture between EMR Capita and Adaro Energy. which also holds the remaining 80%



interest in the joint venture. The Kestrel mine began operations in 1992 and is one of the world's largest producing underground metallurgical coal mine.

The Kestrel Joint Venture employs approximately 700 people and in the financial year ended 31 March 2021, the Kestrel Joint Venture had a total saleable product of 5,005kt.

In addition to our minority joint venture interests, the MCH Group contributes to the sustainability of the local communities in which we operate. Our contributions to the community focus on education, the environment and international exchange programs for students (although planned scholarships have been cancelled for this reporting period due to COVID-19).

In this reporting period, our contributions included monetary donations to recognised charities, a Japanese language and cultural education program and the donation of equipment to community organisations and schools in the local communities in which we operate.

The non-operated joint venture interests outlined above form the key investments of the MCH Group's business. The MCH Group does not engage in external lending activities, except intra-Group lending.

2.3 Supply Chains

Given that the MCH Group's business comprises of non-operated joint venture interests, the MCH Group has a limited number of direct suppliers. Our direct supply chains relate to the procurement of goods and services needed to manage and administer our non-operated joint ventures.

The MCH Group has processes that aim to ensure that we only work with appropriate suppliers who can meet the standards that we expect. The majority of our direct suppliers [by value] are from Australia.

The MCH Group's direct supply chains include the procurement of the following goods:

- staff uniforms;
- IT equipment;
- business cards and promotional materials such as coffee mugs bearing the MCH Group logos;
- office stationery; and
- coffee and tea for the staff breakout area.

In addition to goods, the MCH Group's direct supply chains include the procurement of the following services:

- banking services from leading Australian banks;
- legal, accounting and engineering services from professional services firms;
- software licences (such as Bloomberg) and subscriptions to industry publications and alerts;
- travel; and
- cleaning and indoor gardening services.

3 Modern Slavery Risks in Operations and Supply Chains

The nature of the MCH Group's business relates to the administration of non-operated joint ventures. As outlined above, our direct supply chain is narrow and is limited to goods and services procured for the administration of our non-operated joint ventures. Mitsui Tokyo assessed its global supply chains and MCH considers the following to be potential risk areas:

- banking, legal, accounting and engineering services;
- software licences (such as Bloomberg) and subscriptions to industry publications and alerts;
- travel; and
- cleaning and indoor gardening services.

In relation to the MCH Group's operations, we have a limited footprint which relates to our interests in and exposure to our non-operated coal mining joint ventures. We do not operate the joint ventures and therefore we do not have control or oversight over our joint venture partner's identification and management of modern slavery risks. However, we seek to manage our exposure to modern slavery risks by selecting joint venture partners with strong governance and human rights practices and ensuring they have adequate risk mitigation processes. This is further discussed in section 4.

4 The MCH Group's actions

4.1 What are the MCH Group's actions?

The MCH Group monitored and oversaw risk management (including with respect of modern slavery risks) within direct supply chain and operations, through implementing policies and guidelines, having a remediation process and undertaking due diligence on our suppliers.

Policies and guidelines

The MCH Group has adopted Mitsui Australia's policies, including its Business Conduct Guidelines (the **Guidelines**), which require the MCH Group and its people to conduct our business in a manner that respects human rights and does not involve modern slavery practices. The Guidelines also prohibit discrimination on the basis of any protected attribute under the law. The Guidelines are MCH Group's principal code of conduct for employees and contractors, who are required to understand and adhere to the Guidelines throughout their employment or engagement.

Remediation – grievances/complaints

The MCH Group has a Whistleblower Policy in place with the reporting route available for both internal and external reports to raise concerns about compliance obligations, corporate governance, bullying and harassment, including any complaint or concern regarding our modern slavery obligations. The Whistleblower Policy is regularly considered and updated to ensure an effective and transparent grievance process and compliance with relevant laws.

Supply chain management and supplier on-boarding processes

For the financial year ending 31 March 2021, the MCH Group updated its Standard Purchase Contract (General Terms and Conditions) to include modern slavery compliance obligations for our direct suppliers and sub-suppliers. The MCH Group acquires the majority of its goods and services under the Standard Purchase Contract.

Moving forward, any new suppliers deemed to be within higher risk industries or locations under our reporting framework will be required to complete the MCH Group's supplier questionnaire, therefore giving the MCH Group the opportunity to assess their supply chain and potential modern slavery risks before purchasing goods.

4.2 Joint ventures

As described above, MCH holds minority, non-operator interests in several joint ventures in Queensland and relies on the guidance and actions of its joint venture partners to review and respond to modern slavery risks within its supply chains. The way in which we seek to manage our risk exposure is through our selection of joint venture partners. We seek to partner with high quality joint venture mining operators with strong governance and risk management processes when it comes to human rights and environmental, social and governance issues.

Both Anglo and Kestrel have reporting periods of 31 December 2021 and we understand that they will lodge a modern slavery statement prior to 30 June 2022. Once these statements are lodged, MCH will review each of these statements and may include relevant statements when compiling forward looking statements in relation to Modern Slavery.

While the MCH Group understands that, as a non-operator joint venture partner, it is not required to monitor or supervise Anglo or Kestrel in relation to their actions, we continue to take the risk of modern slavery seriously.

The MCH Group is aware that we must be continually assess this risk and, where appropriate, raise concerns.

5 Effectiveness

The MCH Group relies on Mitsui Tokyo and its joint venture partners to assess the effectiveness of actions undertaken to respond to modern slavery risks with respect to our supply chain and operations.

MCH undertakes the following actions to ensure the effectiveness of its own actions:

- Discussions with JV partners on their reporting identified risks of modern slavery within the JV operations supply chain and how this is managed;
- Review our JV partners modern slavery statements;
- Review the minutes of the Modern Slavery working group held by Queensland Resources Council to identify risks;
- Conduct an annual review of the supply risk assessment and assessment of controls within MCH.

6 Consultations

MCH consulted with the directors of each of its subsidiaries, which include each of the reporting entities, in preparing this modern slavery statement and circulated a draft of this statement for review and comment, prior to it being put to the Board of MCH for final review and approval.

7 Looking ahead

The MCH Group is continuing to develop and implement a framework in line with Mitsui Tokyo and Mitsui Australia to assess and monitor the modern slavery risks in our operations and supply chain.

The MCH Group will continue to work with its joint venture partners to identify areas within their supply chains where further assessment may be required.

The MCH Group recognises that the risks of modern slavery are complex and evolving. We will continue to work to address these risks in our business and engage with a range of stakeholders to assess the effectiveness of our actions and enhance our approach.

I, Ken Ito, hereby certify that this Modern Slavery statement 2021 has been approved by the Board of MCH on 29 September 2021.


Ken Ito
Chief Executive Officer
Mitsui Coal Holdings Pty Ltd

29 September 2021