



# Modern slavery statement

for the financial year 1 January 2023 - 31 December 2023

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# 1 Introduction

We are constantly working to reinforce and communicate our values to our employees, shareholders, customers, suppliers and the broader community.

This modern slavery statement is made by JCD Australia Pty Ltd (ACN 002 017 209) (JCDA).

References to 'our' and 'we' in this Statement are references to this entity.

This is JCDA's first modern slavery statement and sets out information required by the *Modern Slavery Act 2018* (Cth) (the Act) describing the risks of modern slavery in our business and actions we have taken to address those risks during the reporting period 1 January 2023 - 31 December 2023 (FY23).

## 2 Our structure, operations and supply chains

### Our structure

JCDA is an Australian registered proprietary limited company and is a subsidiary of Japanese company Japan Coal Development Co., Ltd (JCDC). JCDA is headquartered in Brisbane, Australia, and holds a series of minority unincorporated joint venture interests in a number of thermal coal projects in Queensland and New South Wales that are managed by its majority joint venture partners. Each of these unincorporated joint venture interests are discussed in further detail below.

JCDA's interests and project involvement extend across Queensland and New South Wales. JCDA employs approximately 4 full and part-time employees across Australia.

### Our operations

JCDA is the Australian subsidiary of JCDC and has been involved in the Australian thermal coal market since 1980. JCDA has acquired minority equity stakes in a number of thermal coal projects during this time. JCDA is also indirectly involved in logistics chains associated with these thermal coal projects and nominates alternate directors to the board of Port Waratah Coal Services on behalf of its shareholder JCDC. JCDA's current joint venture interests relate to the following projects:

- Clermont Open Cut Coal Mine;
- Valeria Coal Project (following the disposal of its interest in the Blair Athol Coal Mine); and
- Mt Pleasant Coal Mine.

Consistent with the usual structure for unincorporated joint ventures in Australia, JCDA (and each other participant) is entitled to take in kind its percentage share of the coal produced by each joint venture. However, the participants have agreed to jointly sell the relevant coal through the use of common marketing agents. Similarly, procurement for each joint venture is undertaken on a "whole of joint venture" basis by the relevant joint venture manager.

#### Clermont Coal Mine

The Clermont Open Cut mine is an unincorporated joint venture with the majority participant being GS Coal Pty Ltd (a joint venture between Glencore and Sumitomo (who each have a 37.1% stake)). The other participants are J-Power Australia Pty Ltd (22.235%) and JCDA, which holds a 3.5% interest. Glencore manages the onsite operations at the mine, which is an open cut truck-and-shovel operation. After the coal is initially processed onsite, it is transported 13 kilometres by way of an overland conveyor to a train load out facility. The coal is then primarily exported to Japan through the Dalrymple Bay Coal Terminal and Abbot Point Terminal.

#### Blair Athol Coal Mine / Valeria Coal Project



The Blair Athol coal mine was acquired by TerraCom in 2017 and it continues to supply thermal coal for export purposes. Following the disposal of its interest in the Blair Athol Coal Mine, JCDA has retained a 3.4167% interest in certain undeveloped coal tenements known as the "Valeria Coal Project". The Valeria Coal Project is not currently in development.

#### Mt Pleasant Coal Mine

In 2018, JCDA purchased a 5% interest in the Mt Pleasant Coal Mine from MACH Energy Australia Pty Ltd (MACH). MACH owns 95% of the project and is the manager of the project. It is located west of Muswellbrook in the Hunter Valley of NSW and started production in late 2018. Thiess is currently contracted to operate the mine and has been since 2017. Coal mined from the Mt Pleasant Coal Mine is processed on site and exported from the Port Waratah Coal Services facilities and the Newcastle Coal Infrastructure Group facilities in the Port of Newcastle.

#### Port Waratah Coal Services

JCDA is also indirectly involved in the operation of the Port Waratah Coal Services facilities in Newcastle, which operates one of the world's largest coal handling operations located in the Port of Newcastle by appointing alternate directors on behalf of its shareholder JCDC. The two separate terminals receive, assemble, and load coal for international export. JCDC is a shareholder of Port Waratah Coal Services Limited.

Our key operations		
	<b>direct employment of workers</b>	As at the end of FY24, JCDA employed 4 employees across its business (3 who are full-time and located in Brisbane and 1 who is part-time and located in Sydney). JCDA’s employees are predominantly involved in managing the interests of JCDA in its active projects.
	<b>scope of operations and products</b>	JCDA’s involvement in each of its thermal coal projects assists to secure coal assets for the shareholders of its ultimate holding company, JCDC, who are predominantly Japanese power utility companies.

### Financial Arrangements and Joint Venture Agreements




JCDA has considered at a high level whether it may be exposed to modern slavery risks vicariously through any of its involvements with other entities in its joint venture agreements. JCDA notes that MACH Energy, Glencore and Port Waratah Coal Services have each released modern slavery statements examining each of their operations and outlining their respective strategies for addressing modern slavery. This is particularly important given that each of MACH Energy and Glencore hold the majority/controlling stake in the operations in which JCDA is involved and Port Waratah Coal Services manages the operation of Port Waratah.

## Our supply chain

JCDA combines direct involvement in the procurement of coal through its ownership of minority interests in mining operations with a flexible use of third-party distribution and transportation networks. Coal from the mining operations is sold directly by the joint venture marketing agents (on behalf of the joint venture participants, including JCDA) to end users and marketers (including JCDC) and JCDA does not on-sell or otherwise market the coal directly.

We seek to have long-term relationships with our joint venture partners and third-party operators, a strong control process and an ability to effectively manage inventory risk.

Our supply chain is not complex but it does involve multiple international stakeholders. It is broadly divided into the segments below.

Our key supply chain segments		
	<b>Active Mining Operations</b>	JCDA plays an active role in the operations of mines and development projects across Queensland and New South Wales through its minority joint venture interests and associated voting rights / participation in management committees. Procurement for mining operations is undertaken on a ‘whole of joint venture’ basis by the relevant joint venture managers and their contractors.
	<b>Head Office Services</b>	JCDA procures certain goods and services directly for its own “head office” purposes on a relatively small scale (e.g. legal and accounting services, office supplies and IT equipment etc.).
	<b>Logistics and Haulage</b>	JCDA does not undertake any logistics and haulage activities directly.  Logistics and haulage is instead outsourced to third party shipping and transportation companies, who are responsible for transporting coal from each of the mines. This is undertaken on a ‘whole of joint venture’ basis (coordinated by the joint venture managers) for the transport from each of the mines to the relevant port (in Australia).  Coal from the mining operations is sold directly by the joint venture marketing agents (on behalf of the joint venture participants, including JCDA) to end users.

## 3 Modern slavery risks in operations and supply chain

JCDA recognises the importance of protecting human rights, in particular through combatting risks of modern slavery. Our direct workforce, being small and largely involved in company administration (e.g. office engagement/hire, legal and accounting functions), is low risk to modern slavery from the view of both operations and supply chains. JCDA predominantly procures services, including legal, accounting, tax and IT arrangements, from Australian-based providers which is generally considered to be a low modern slavery and human rights violation risk.

Whilst JCDA is both a 'buyer' and an indirect 'seller' of coal as part of the joint venture arrangements, it does not have direct control of the supply chain, which is undertaken on a 'whole of joint venture' basis (coordinated by the joint venture managers). JCDA is of the view that its onshore Australian mining operations and supply chains have a relatively low risk of being directly involved in forms of modern slavery. This view has been formed on the basis of due diligence undertaken at the time of JCDA's investment in each project, ongoing monitoring of joint venture operations and because each of the joint venture partners that are currently responsible for the active operation of the mine sites and supply chains in which it has an ownership interest have consistently prepared their own modern slavery statements, each with a distinct and comprehensive strategy to combat modern slavery.

## 4 What have we done to assess and address modern slavery risks?

### Actions taken

#### Due diligence

Like most investors, JCDA has a practice of undertaking a due diligence on prospective investments and joint venture partners and undertook such an exercise prior to its investment in the Australian mining operations referred to in this document. JCDA takes a significant level of comfort from the identity, reputation and strategies/procedures of its joint venture partners (particularly where those partners are responsible for the active operation of the mine sites and supply chains in which it has an ownership interest).

In addition to the historical due diligence exercise which JCDA currently undertook on its current investments, and the benefit of its regular joint venture reporting, JCDA is also considering improvements to our due diligence processes.

#### Governance and Internal Policies

JCDA has an internal Whistleblower Policy in place which outlines the applicable reporting procedures which would be available should any part of the business or supply chain pose a threat of violating the Modern Slavery Act. The Whistleblower Policy establishes a number of mechanisms where employees and third parties can report concerns of suspected or actual illegal activity.

JCDC also has a comprehensive compliance program to ensure compliance with laws and regulations, company rules and corporate ethics.

#### Training

Whilst JCDA undertakes general training for each of its employees, one of the additional measures currently being considered by JCDA is the introduction of specific training for all relevant employees on modern slavery matters. The aim of implementing this training is to equip employees with the necessary knowledge to understand and comply with the requirements of the Modern Slavery Act. Any such training is proposed to be delivered to all roles that have direct responsibility and accountability for procurement and supplier engagement and focus on identifying and responding to modern slavery risks that may arise within JCDA's operations.

This awareness will support employees with the knowledge and tools to play their part in helping to address modern slavery across business operations and supply chain.



## 5 How have we measured effectiveness of actions taken?

JCDA currently assesses the effectiveness in identifying and managing modern slavery risks by:

- regularly reviewing current business practices and third-party operations to determine where any modern slavery risks may have been identified;
- reviewing and improving learning and development courses to include modern slavery training (see above);
- listening and responding to concerns raised by customers and other stakeholders on a wide range of issues in a responsible manner (including in relation to operations and the supply chain);
- reviewing any reports regarding material breaches of the Code of Conduct and reports of material incidents under our reporting and Whistleblowing Policy; and
- considering any trends in, modern slavery related instances reported through grievance mechanisms.

### Training and development

JCDA acknowledges the vital role that internal training and development plays in promoting awareness of modern slavery risks and responses. JCDA's current scope of training includes outlining governance mechanisms including allocation of responsibilities, reporting and communication, complaints and grievance mechanisms but is proposed to be expanded to specifically include modern slavery training, as outlined above.

## Approval

This statement was approved by the Board of JCD Australia Pty Ltd on 17 September 2024 on behalf of itself.

Signed,



Yuzuru Aizawa

Managing Director, JCD Australia Pty Ltd

17 September 2024