AUSTRALIA

MODERN SLAVERY

FINANCIAL YEAR 01 JANUARY 2023 TO 31 DECEMBER 2023

JOINT STATEMENT FROM:

- Thungela Resources Australia Pty Limited ACN 665 159 759 (**TRA**);
- Sungela Holdings Pty Ltd ACN 665 229 336 (**Sungela Holdings**);
- Sungela Pty Ltd ACN 665 234 739 (**Sungela**);
- Ensham Coal Sales Pty Ltd ACN 050 411 713 (**ECS**); and
- Nogoa Pastoral Pty Ltd ACN 060 243 914 (**Nogoa**),

together referred to in this Statement as **Thungela Australia Group**, **we** or **our**.

Thungela Australia Group is committed to upholding the human rights of all those who work with us and for us ensuring that they are able to work freely and receive fair pay in return. Thungela Australia Group supports the principles set out in the United Nations Universal Declaration of Human Rights and the *Modern Slavery Act 2018* (Cth) (the **Act**) and requires its suppliers and supply chains to do the same. We are committed to identifying and addressing the risk of modern slavery practices in our operations and supply chains.

1. Reporting entities – Section 16(1)(a) of the Act

This Statement is a joint statement made by Thungela Resources Australia Pty Limited (ACN 665 159 759), Sungela Holdings Pty Ltd (ACN 665 229 336), Sungela Pty Ltd (ACN 665 234 739) Ensham Coal Sales Pty Ltd (ACN 050 411 713), and Nogoa Pastoral Pty Ltd (ACN 060 243 914), in accordance with the requirements of the Act. This Statement outlines the actions taken by the Thungela Australia Group during the financial year ending 31 December 2023 to assess and address the risks of modern slavery in its operations and supply chains. Four of the members of the Thungela Australia Group are reporting entities under the Act.

Following the acquisition by the Sungela of the assets and undertakings constituting the Ensham coal mining operations during 2023, the reporting entities undertook a review of their obligations under the Act, including the preparation of a joint statement covering the newly acquired group structure. The reporting entities have elected to prepare and submit this Statement to ensure transparency regarding modern slavery risks and governance arrangements during the first reporting period following the acquisition and integration of those operations. The Statement should be read in the context of the significant corporate restructuring and asset acquisitions that occurred during 2023.

2. Structure, Operations and Supply Chains – Section 16(1)(b) of the Act

Structure: TRA is the parent company of, and has five subsidiaries, three of which (Sungela Holdings Pty Ltd, Sungela Pty Ltd and Ensham Coal Sales Pty Ltd) also meet the revenue threshold for reporting entities under the Act. This Statement covers the collective efforts of all reporting entities and their subsidiaries.

On or about 26 July 2023, TRA acquired control of Sungela Holdings and Sungela after the further issue of shares to it took its percentage shareholding from 33.3% to 90%.

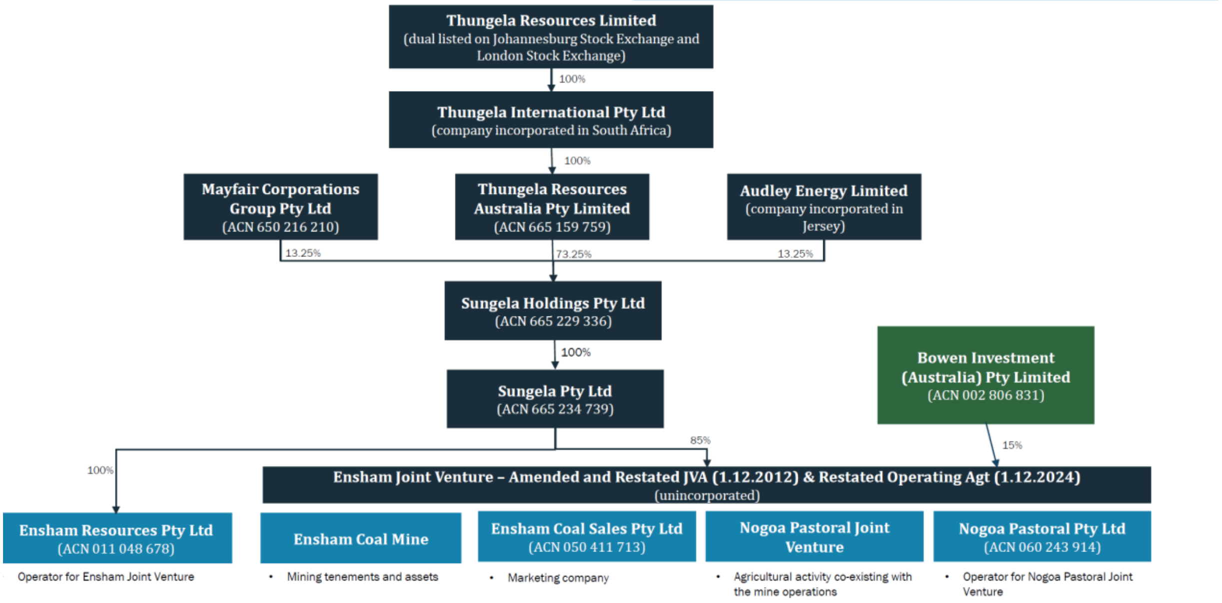
Subsequently, on or about 31 August 2023, Sungela acquired 85% of all of the assets and undertakings of Ensham Resources Pty Ltd (which became a subsidiary of TRA but not a reporting entity under the Act) and Nogoa, from Idemitsu Australia Pty Ltd ACN 010 236 272 and Bligh Coal Limited ACN 010 186 393.

Prior to completion of those transactions, TRA did not own or control the Ensham mining operations and therefore did not have responsibility for the management of modern slavery risks associated with those operations or their supply chains. For the period prior to acquisition, those operations were managed under the governance frameworks, policies and procedures of Idemitsu Australia Pty Ltd. In preparing this Statement, TRA has considered publicly available modern slavery disclosures made by Idemitsu Australia Pty Ltd in respect of its ownership of ECS and Nogoa before they were acquired by Sungela late in 2023.

As control of the Ensham operations was obtained late in the reporting period, the information contained in this Statement relating to those operations is necessarily focused on the period from 1 September 2023 to 31 December 2023. Consistent with the Australian Government's Modern Slavery Act Guidance, TRA has adopted a continuous improvement approach and acknowledges that its visibility of inherited operations and supply chains was developing during the initial post-acquisition integration period. Further information regarding risk assessments and mitigation measures implemented following acquisition is addressed elsewhere in this Statement.

Below is a diagram of the corporate structure of TRA and its subsidiaries as at 21 December 2023.

CORPORATE STRUCTURE



<u>Operations:</u> Thungela operates one coal mine located in the Bowen Basin in Central Queensland, approximately 35 km northeast of Emerald. Our operations primarily involve the extraction, processing, and transportation of thermal coal for both domestic and international markets. Our workforce consists of 700 employees and contractors based locally in the Central Queensland region as at Financial Year End 2023.

Our operational activities include:

- underground mining;
- coal handling and preparation (crushing);
- rehabilitation of open-cut areas;
- logistics and transportation;
- maintenance of mining equipment and infrastructure; and
- administrative and support functions.

<u>Supply Chains:</u> our supply chains are diverse, supporting our mining operations. They include, but are not limited to, the procurement of:

- civil machinery and spare parts;
- underground equipment;
- operational consumables;
- fuel and energy;
- construction materials;
- IT equipment and software;

- office supplies;
- Personal Protective Equipment (**PPE**) and uniforms;
- specialised mining services;
- logistics and transportation services; and
- catering, cleaning, and facilities management services.

Most of our direct suppliers are locally based within Queensland and Australia. For certain mass-produced low-value items, such as PPE and uniforms, raw materials or components may originate from broader global supply chains.

3. Risks of Modern Slavery Practices in Operations and Supply Chains - Section 16(1)(c) of the Act

The Thungela Australia Group maintains a zero-tolerance approach to modern slavery. Based on the nature of our operations and supply chains, we assess the overall risk of modern slavery practices within the Thungela Australia Group to be low. This assessment is primarily driven by the following factors:

Operational Risks (Very Low): the risk of modern slavery within our direct operations is considered very low due to:

- **Location**: our operations are entirely based in Australia, a country with robust legal frameworks, strong labour protections and a high level of governance.
- **Workforce**: our employees and direct contractors are primarily locally based individuals, protected by Australian industrial relations laws, including minimum wage, workplace health and safety standards, the coal mine operator's safety health management system, *Coal Mine Health and Safety Act 1999* (Qld), *Coal Mine Health and Safety Regulations 2001* (Qld) and access to grievance mechanisms.
- **Direct Employment and Local Engagement:** our workforce is largely composed of direct employees and established local contractors, further mitigating direct operational risks.

Supply Chain Risks (Low with Specific Higher Risk Areas): while the majority of our supply chain is locally sourced, which significantly reduces overall modern slavery risks, we recognise that inherent risks can exist, particularly for certain product categories manufactured in global supply chains.

Our risk assessment has identified mass-produced low-value products, specifically PPE and uniforms, as the areas with the highest potential modern slavery risks within our supply chain. These items often have complex, multi-tiered supply chains that can extend into jurisdictions with weaker labour laws or where vulnerable populations are prevalent, making them a focus for our due diligence efforts and processes. The direct suppliers for these items may be Australian, but their own sourcing could extend globally.

We conduct assessments guided by the context of our supply base and the widely acknowledged risks associated with specific product types.

4. Actions Taken to Assess and Address Risks – Section 16(1)(d) of the Act

Given our assessment of low overall risk, the Thungela Australia Group has taken limited but targeted steps to address modern slavery risks during the reporting period:

- Human rights considerations are entrenched in our Values and our **Code of Conduct**.
- **Vendor Pre-qualification and Onboarding:** as a part of our modern slavery strategy, we include a specific modern slavery questionnaire in our vendor pre-qualification and onboarding process for all suppliers, to identify and assess modern slavery risks in our supply chains and to ascertain, specifically, the extent of each supplier's due diligence, prevention and mitigation of modern slavery risks within their business and supply chains. This helps to exclude suppliers with no demonstrable understanding of the issue.
- **Contractual Provisions**: we include contractual provisions in our agreements with suppliers to comply with all applicable laws, including specific clauses requiring compliance with the Act and warranties to identify and address modern slavery risks in supply chains. Further, our Responsible Sourcing Policy specifically addresses our commitment to business integrity as a core value which includes respect for human rights and requires strategies in supply chains and recruitment processes to combat modern slavery, human trafficking, child labour and forced labour.
- **Due Diligence for High-Risk Products**: for suppliers of identified higher-risk products such as PPE and uniforms, we systematically undertake inquiries to understand supplier sourcing approaches. This has primarily involved direct communication with our Tier 1 suppliers to request assurance regarding their compliance with labour laws.
- **Internal Awareness:** we communicate our commitment to ethical conduct and compliance with all laws, including the Act, through internal communication channels to relevant employees and contractors, particularly those in procurement functions.
- **Policies and Procedures:** human rights (including modern slavery) considerations are embedded in our policies and procedures relating to safety, employment practices, projects, environmental practices, social performance and security, procurement, contractor management and governance. Our policies apply throughout all phases of operations lifecycle, to all Thungela employees, directors, contractors, business partners, suppliers, service providers and advisors acting for and on behalf of Thungela. Our Human Rights Policy and Code of Conduct describe Thungela's commitment to respect human rights in line with its Values and explicitly declares its commitment to the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, including:
    - respect for the right to freedom of association;
    - recognition of collective bargaining;
    - zero tolerance of forced labour;

- zero tolerance of child labour;
- avoidance of acts of unfair discrimination including the recognition of equal remuneration for equal work; and
- access to grievance mechanisms to raise related issues which are investigated in accordance with policy.

5. How the Reporting Entity Assesses the Effectiveness of its Actions - Section 16(1)(e) of the Act

We assess the effectiveness of our actions through the following measures:

- **Supplier Feedback**: we closely monitor responses and general engagement from suppliers regarding our pre-qualification questions and contractual clauses.
- **Absence of Red Flags**: a key indicator of effectiveness is the absence of any reported or observed instances of modern slavery within our operations or directly identified within our Tier 1 supply chain.
- **Review of Standard Clauses**: we conduct an annual review of our contractual templates to ensure the continued inclusion of up-to-date, relevant compliance clauses.

6. Consultation Process – Section 16(1)(f) of the Act

This joint Modern Slavery Statement has been prepared through consultation within the Thungela Australia Group. Key personnel involved in procurement, human resources, and operations have contributed to the understanding of our activities and supply chains.

7. Other Relevant Information – Section 16(1)(g) of the Act

The Thungela Australia Group is committed to upholding human rights and maintaining ethical business practices. We remain vigilant and continue to review and update our approach as necessary to respond to any changes in our risk profile or in the evolving legal and regulatory landscape.

This Statement for the Financial Year 2023 is published pursuant to section 14 of the *Modern Slavery Act 2018* (Cth) and was developed in consultation with each reporting entity. This Modern Slavery Statement was approved by the principal governing body of Thungela Resources Australia Pty Ltd on 20 July 2026 and has been signed by a responsible member of that principal governing body in accordance with section 14(2)(e).

Daniel Reynolds

Dan Reynolds

Executive Head – Thungela Australia

CEO - Thungela Resources Australia Pty Limited