



2020 MODERN
SLAVERY
STATEMENT

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Our Values



We will not compromise on safety



We act ethically and with integrity



We strive for synergy through collaboration



We strive to improve our performance and encourage innovation



OUR APPROACH

We believe in ethical business practices and transparency in all we do and are committed to improving our processes with respect to modern slavery. Our Company values underpin our constancy to the safety and wellbeing of our people, our community and the environment.

This Modern Slavery Statement (Statement) is for the financial year ended 31 December 2020, made pursuant to the Modern Slavery Act 2018 (Act). This joint Statement is for the reporting entities (as defined in the Act) listed below. It describes the steps taken to identify and respond to modern slavery risks in our operations and supply chain during the reporting period.

OUR STRUCTURE, OPERATIONS & SUPPLY CHAINS

Banpu Australia Company Pty Ltd (BPA) is the Australian head company of a consolidated group of companies, of which Centennial Coal Company Pty Ltd and its subsidiaries and managed joint ventures (Centennial) form the main operating entities. Accordingly, this Statement essentially describes and references Centennial's activities.

The Board of BPA is the principal governing body of Banpu plc's activities in Australia and in a position to directly or indirectly influence or control each reporting entity covered by this Statement. While Centennial is made up of a number of reporting entities, it operates as a combined group run by a unified management team, allowing for consultation between reporting entities covered by this Statement.

The following are the reporting entities covered by this Statement:

- Banpu Australia Company Pty Ltd
- Centennial Coal Company Pty Ltd

Established in 1989, Centennial is an Australian energy company based in New South Wales. We employ approximately 1,570 people and have five operating coal mines together with a variety of projects, including new mining projects and rehabilitation projects. Our coal is used in

power generation both domestically and internationally. Our website <https://www.centennialcoal.com.au/> provides further detail on our operations.

Centennial's commitment to ethical practices in our own operations and our supply chain begins at the highest level - from the Board of Directors, through our Managing Director and CEO, with each employee expected to adhere to our Company values and code of conduct.

The Board, the Health, Safety, Environment and Community (HSEC) and Audit and Risk Board sub-committees review policies and are kept informed of risk factors, strategies, activities and progress from a team of Executives, with input as required from a Sustainability Steering Committee.

While our operations and supply chains are complex, our aim is to ensure that human rights are understood, respected and upheld and that no employee or contractor is exploited. We recognise the risk of modern slavery occurring in our supply chain and we are taking active, practical steps to address this universal issue within our circle of influence.

We support globally recognised declarations, principles and goals, including UN Guiding Principles on Business and Human Rights (UNGPs), the



UN Global Compact (UNGC) and the UN Sustainable Development Goals (UNSDGs). In March 2020, our ultimate parent company, Banpu plc, was accepted as a participant in the UNGC. Accordingly, Centennial has formally incorporated these principles into our strategy and goals, and so align with our parent company's objectives.

Our supply chain includes providers across Australia and around the world, equipping us with everything from steel, mining equipment, fuel, personal protective equipment and a variety of services. We aim to play a positive role in the communities in which we operate through sourcing products, where we can, from local suppliers and service providers.

1,315 direct suppliers

\$782 million spend with suppliers

60% of total spend with local suppliers

Consultation with Entities

A consultative approach to modern slavery has been established across the Centennial Group and Joint Venture entities, with ongoing dialogue, inclusive of Management briefings on strategy, policy, activities and initiatives provided.



RISKS OF MODERN SLAVERY

Our Operations

Centennial has determined, through a human rights assessment, that the risk of human rights infringements in our operations is low, with all employees employed directly on permanent contracts or agreements, compliant with Australian law.

Contracted labour or third-party labour providers are considered a higher risk, as Centennial has less visibility and control over these workers and their employment terms. We aim to consider this group further in future Statements.

Our Suppliers

At this time, we consider that the higher risk lies with our suppliers rather than our employees and contractors. Accordingly, the focus of this Statement is on our external supply chain.

All of our direct suppliers are located in Australia. The products we require are sourced from many countries including products manufactured in Australia, Malaysia, China, Thailand, Indonesia, India, South Africa, and Italy.

How we determine who our high-risk suppliers are

Modern slavery risks are associated with supplies, linked to vulnerable populations. We categorise our suppliers as high risk for modern slavery based on a range of factors. These include geography, identified hot spots, product category, critical suppliers and spend. We have used this to analyse our supplier spend data and conducted internal workshops within our Modern Slavery working group. We have focussed on suppliers of goods (not services) in this Statement.

We have adopted a risk-based approach to due diligence and have focussed on human rights within our high-risk Tier 1 suppliers. Tier 1 suppliers are suppliers that directly supply a company with goods and services. Tier 2 suppliers are the key suppliers to Tier 1 suppliers. We aim to do a deeper dive into our remaining Tier 1 and sub tier suppliers in future statements.

100% of Centennial's Tier 1 suppliers are 'based' in our country of operation, Australia. According to 2018 Global Slavery Index (GSI) data¹, Australia is a low risk for modern slavery, ranked 163 out of 167 (low prevalence). We have used the GSI data as a tool to provide us with an insight into where modern slavery risks may occur in our supply chain. As 100% of our Tier 1 suppliers are based in Australia, in order to further identify where potential supply chain modern slavery risks lie, we identified Tier 1 high risk supplier product country of origin with respect to product at risk.

Key potential modern slavery risks have been identified as below:

Potential Risk	How we identified Modern Slavery Risk
Non-compliance with our labour standards in the supply chain (excluding recruitment and labour providers) with the potential for forced labour, child labour or poor working conditions.	Identified through supplier self-assessment questionnaires that there is a potential risk of some level of human rights infringements where the risk of modern slavery has not yet been identified/ or there is a lack of process aimed at identifying the risk of modern slavery in supply chains. We expect this to be addressed in line with our Supplier Code of Conduct and relevant Contract clauses, enabling us to review our suppliers' practices.
Non-compliance with our labour standards in our operations	Conducted a human rights assessment for our operations, confirming the potential human rights risks as low.



ACTIONS TO ADDRESS RISKS

Key Achievements this year

- Three-year Modern Slavery roadmap
- Anti-Modern Slavery/Sustainable Supply Chain working group
- Updated Employee Code of Conduct and Ethics
- Updated Procurement Policy
- Updated Whistleblower Policy
- Supplier Code of Conduct developed and deployed to all suppliers
- Contract clauses addressing modern slavery
- ESG Questionnaire to high-risk/key suppliers
- Set Human Rights targets as part of 2021-25 HSEC Strategy.

Policies and Approach

The policies and frameworks that support Centennial's daily operations aim to ensure globally recognised fundamental human rights are safeguarded. Our Employee Code of Conduct and Supplier Code of Conduct set minimum expectations. Centennial is committed to making positive economic, social and environmental contributions to society within the principles of ethical business practices, integrity, transparency and accountability. Ensuring a sustainable and socially responsible approach to our procurement is at the heart of our commitment.

To this end we have established an active Anti-Modern Slavery/Sustainable Supply Chain working group, which regularly briefs the Board of Directors and Senior Management. The working group comprises

representatives from:

- Company Secretariat, Legal, Risk and Compliance
- Corporate Affairs
- Human Resources
- Strategic Sourcing/Procurement
- Sustainability

Centennial's requirements for our employees are contained in our Employee Code of Conduct, recently reviewed to address modern slavery risks. The Code sets out minimum standards for employee and business conduct and how we practically apply our beliefs and values when addressing modern slavery and worker exploitation.

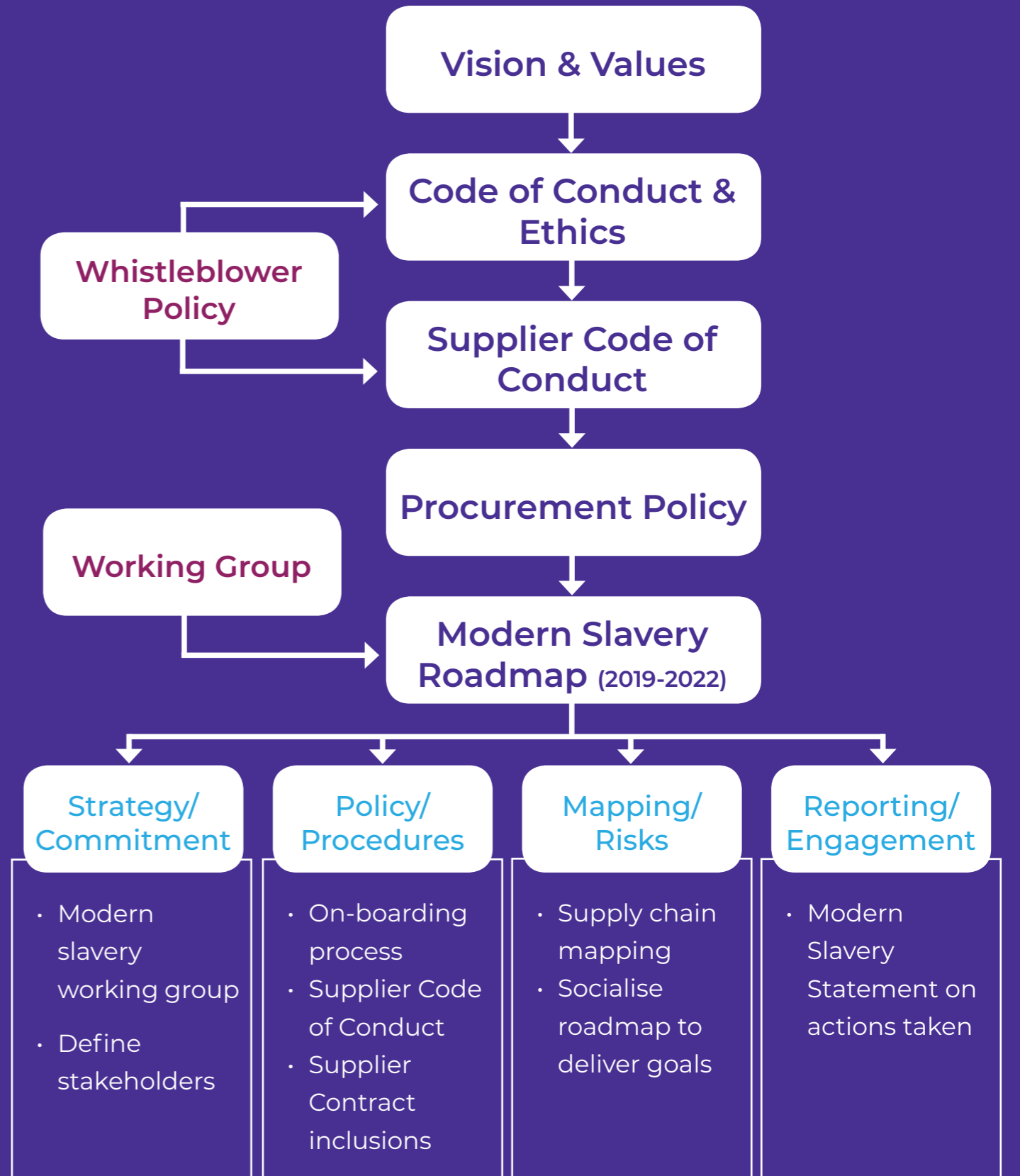
Supporting policies, such as our Whistleblower Policy and Procurement Policy have also been reviewed to address human rights. These policies and frameworks support Centennial's daily operations and are designed to ensure globally recognised human rights and liberty are protected.

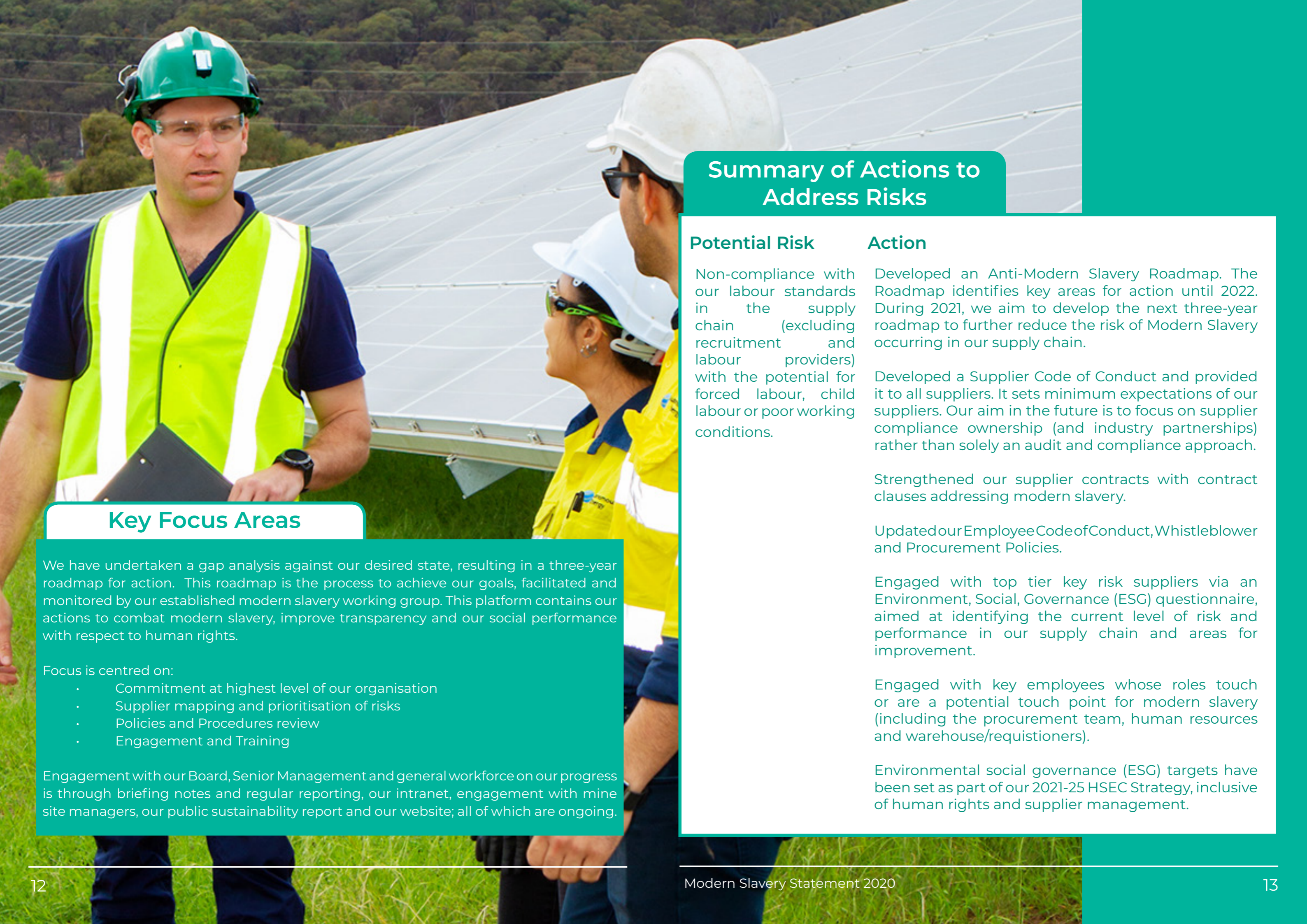
Centennial communicates its human rights and labour expectations to suppliers through contract clauses, with provisions setting out a requirement for suppliers to comply with all expectations, including its Supplier Code of Conduct, and through direct engagement.

Our suppliers are required to adhere to our Supplier Code of Conduct, which is provided to all suppliers as part of the contract engagement process and

consequent on-boarding documentation and process thereof. The Supplier Code of Conduct sets out our expectations and requirements for all third-party suppliers with whom we engage. While we have not yet begun an audit programme of these key suppliers, we are committed to

working with our suppliers to advance our understanding and remove the potential for modern slavery practices from our supply chain.





Key Focus Areas

We have undertaken a gap analysis against our desired state, resulting in a three-year roadmap for action. This roadmap is the process to achieve our goals, facilitated and monitored by our established modern slavery working group. This platform contains our actions to combat modern slavery, improve transparency and our social performance with respect to human rights.

Focus is centred on:

- Commitment at highest level of our organisation
- Supplier mapping and prioritisation of risks
- Policies and Procedures review
- Engagement and Training

Engagement with our Board, Senior Management and general workforce on our progress is through briefing notes and regular reporting, our intranet, engagement with mine site managers, our public sustainability report and our website; all of which are ongoing.

Summary of Actions to Address Risks

Potential Risk	Action
Non-compliance with our labour standards in the supply chain (excluding recruitment and labour providers) with the potential for forced labour, child labour or poor working conditions.	<p>Developed an Anti-Modern Slavery Roadmap. The Roadmap identifies key areas for action until 2022. During 2021, we aim to develop the next three-year roadmap to further reduce the risk of Modern Slavery occurring in our supply chain.</p> <p>Developed a Supplier Code of Conduct and provided it to all suppliers. It sets minimum expectations of our suppliers. Our aim in the future is to focus on supplier compliance ownership (and industry partnerships) rather than solely an audit and compliance approach.</p> <p>Strengthened our supplier contracts with contract clauses addressing modern slavery.</p> <p>Updated our Employee Code of Conduct, Whistleblower and Procurement Policies.</p> <p>Engaged with top tier key risk suppliers via an Environment, Social, Governance (ESG) questionnaire, aimed at identifying the current level of risk and performance in our supply chain and areas for improvement.</p> <p>Engaged with key employees whose roles touch or are a potential touch point for modern slavery (including the procurement team, human resources and warehouse/requisitioners).</p> <p>Environmental social governance (ESG) targets have been set as part of our 2021-25 HSEC Strategy, inclusive of human rights and supplier management.</p>



Responding to COVID-19

Centennial recognises that the COVID-19 pandemic may have heightened the vulnerability of workers globally and increased their exposure to modern slavery. COVID-19 has led to significant challenges, ranging from the ability of supply chains to deliver goods in the face of factory shutdowns and workforce reductions, to excessive overtime at the other end of the spectrum in order to supply products.

Operations

Centennial is a critical energy supplier to the State of NSW, with our activities deemed essential by the NSW Government. From the outset of the pandemic, we sought to safeguard our key asset, our people, in order that we could continue to provide the energy needs of NSW. Our COVID-19 Incident Management Team (IMT) co-ordinated a myriad of processes and procedures to keep our people safe, both at mine sites and offices alike. These key actions included:

- Staggered shift commencement times, temperature checks and strict physical distancing procedures;
- Working from home for those not in critical mine-site roles, with a staged return to work process;
- Investment in COVID-19 related safeguards, including hand sanitisers and other PPE to help protect employees (and their families); and communications on accepted health practices;
- Team members with compromised immune systems or chronic illness working from home for longer periods.

Unsurprisingly, COVID-19 impacted some

of our modern slavery roadmap actions, such as initial direct engagement with our key suppliers, as we responded to immediate business priorities, such as continuity of supply of critical supply items. We also delayed some engagement with our team members to raise awareness of modern slavery internally and socialisation of our roadmap actions.

Supply Chain

As part of our business continuity management response to COVID-19, we undertook a review of our critical supply items and engaged with these suppliers to ascertain whether ordered goods could be supplied in accordance with agreements. We did not seek to vary contracts that would pressure our suppliers to provide goods or services in unreasonable timeframes. We engaged with all our suppliers seeking evidence of a COVID-19 plan to ensure the safety of their employees, and our own, and worked collaboratively with them as required.

Lessons Learned

We have used the COVID-19 experience to refocus on business continuity and incident management. This remains a material issue for us and one which will continue to be appraised. Through our working group, we are categorising our critical suppliers in terms of modern slavery screening and broader environmental, social, governance targets.

We have recognised the need to keep regular dialogue and partner with our (key) suppliers to address emerging and ongoing risks of COVID-19 and look to our suppliers to seek local manufacturing of critical items such as dust masks.

Case Study Dust Masks

The availability of suitable fit for purpose personal protective equipment (PPE) that meets Centennial's expectations and Australian Standards is critical for our business continuity. A particular PPE item, a P2 dust mask and other respiratory protective equipment, was identified as a critical item in our supply chain and most at risk of supply and an increased risk of modern slavery due to exponential demand. Centennial uses 10,000 P2 masks each month. Traditional suppliers of respiratory protective equipment could not sustain delivery to Centennial due to global demand.

Our team worked to:

- engage directly with our suppliers and their direct global supplier(s) and Government bodies, working collaboratively to ensure maintenance of supply;
- collaboratively pursue other options - half and full-face masks, removing the P2 masks from our normal vending machine options at site to better manage stock flow;
- communicate with our workforce on the critical supply issue we were facing;
- assess the risk associated with alternative products and eliminating them where required to maintain our standards;

- maintain ongoing IMT management, with PPE a priority agenda item;
- engage with manufacturing processes, these were revisited by the indirect supplier and some product lines were dropped to allow greater production numbers of critical PPE, including dust masks.

We did not require additional dust mask supply as a consequence of COVID-19 and maintained a partnership approach to supply of PPE.

Our indirect supplier is a global entity, with well established documented anti-modern slavery processes and labour standards.



MEASURING EFFECTIVENESS

This is our initial report within the context of Modern Slavery. Centennial is committed to delivering on the actions identified within our Modern Slavery roadmap within 1-2 years, ensuring we have processes in place, and conducting initial due diligence on existing suppliers, as described in this Statement.

As we develop our approach to modern slavery, we will review the effectiveness of these initiatives and build upon them through further stakeholder engagement to raise awareness, training, supplier compliance ownership, ethical sourcing audit programmes and grievance mechanisms in future periods, in line with our roadmap goals. The steps we have taken thus far will allow us to reduce the risk of modern slavery occurring in our supply chain and improve our social performance. Our working group will continue to provide a process for regular engagement

and feedback across key areas of our business and Senior Management, given the important role that communication and engagement play in developing our response to Modern Slavery.

We recognise the importance of building capacity and a greater understanding of modern slavery risks and we aim to partner with our suppliers for mutual benefit so that no person is subjected to exploitation.

In order to combat the risk of modern slavery, we commit to taking continual steps to identify those areas of our business where there may be a risk of modern slavery and work to understand the effectiveness of the initiatives detailed. Accordingly, we expect to be better positioned to measure the effectiveness and impact of our actions in future Statements.

LOOKING FORWARD

The next iteration of our anti-slavery roadmap will be developed during 2022, further facilitating our understanding and identification of modern slavery risks within our supply chain, inclusive of digital tools to improve systems and processes.

Environment, social, governance (ESG) targets, inclusive of human rights and supplier management, have been set as part of our 2021-25 HSEC Strategy. ESG leading and lagging indicators of performance will be tracked and reported to both the Centennial and Banpu Boards from 2021.

We respond to ESG ratings as part of Banpu. The feedback we receive (via Banpu) as a member of the Dow Jones Sustainability Index represents opportunity for improvement, which can then be included for consideration with the business's broader strategy.

Information pertaining to progress with respect to modern slavery can be found in our 2020 Sustainability Report on our website <https://www.centennialcoal.com.au/>



MODERN SLAVERY STATEMENT APPROVAL

As required by the Act, this Statement has been reviewed and approved by the BPA Board, as the principal governing body of the reporting entity.

For and on behalf of:

Tanarat Chaisiri
Director
Banpu Australia Company Pty Ltd

Craig Gillard
Director
Centennial Coal Company Pty Limited

15 June 2021

