

Modern Slavery Statement

*'Founded by
the
community of
Christmas
Island, we
recognise the
inherent
dignity of all
people and
are
committed to
respect and
promote
human rights,
including the
rights of any
community
where we
operate.'*

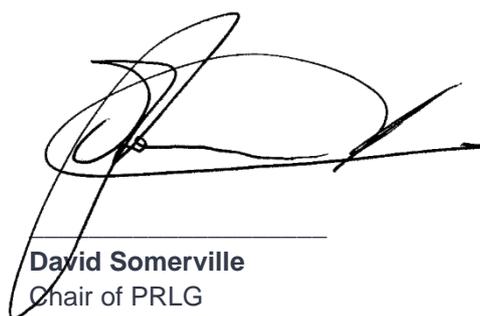
Reporting Entities

This Modern Slavery Statement (**Statement**) is made jointly by PRL Global Limited (formerly CI Resources Limited) ACN 006 788 754 (**PRLG**) and its wholly owned subsidiary, Phosphate Resources Limited ACN 009 396 543 (**PRL**), for the financial year ending on 30 June 2023 (**Reporting Period**).

PRLG and PRL are both reporting entities pursuant to the *Modern Slavery Act 2018 (Cth)* (**Act**).

Unless the context otherwise requires, a reference to 'we' or 'our' in this Statement refers to both PRLG and PRL.

This Statement has been approved as a standalone document by the board of directors of PRLG on behalf of PRLG and PRL and is hereby signed by the Chair of the board of directors.



David Somerville
Chair of PRLG

Introduction

Why do we make this Statement?

The Act came into force on 1 January 2019 and established a national modern slavery reporting requirement. The reporting requirement recognises the need for Australian businesses to identify and address their modern slavery risks and maintain responsible and transparent supply chains.

This Statement is the fourth such statement PRLG and PRL are making in compliance with that reporting requirement and sets out our actions to assess and address modern slavery risks in our operations and supply chains.

What is Modern Slavery?

Modern slavery is broadly defined by the Act to describe serious exploitation of people and situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom. This includes trafficking in people, slavery, slavery-like practices (such as forced labour, forced marriage and debt bondage) and the worst forms of child labour.

It does not include practices such as substandard working conditions or underpayment of workers, but it is acknowledged that these practices may also be harmful and illegal and may be present in some situations of modern slavery.

How do we respond?

PRLG and PRL are all about community. Modern slavery has no place in any community.

We are a product of the community of Christmas Island coming together in a fight to sustain its existence, and that of four generations of Christmas Islanders. Risking everything, the community put their own savings and sweat into creating PRL.

The extraordinary circumstances of our establishment resulted from a powerful social force – the desire to create a company which could economically sustain the community and future generations of Christmas Islanders. Today, we have grown from humble origins to become an integrated and diversified business in mining, agriculture, transport and logistics, energy, asset management and maintenance.

Since our inception in 1990, we have been the reliable employer and economic driver for Christmas Island, creating jobs and supporting the Island's rich and diverse cultures. We have remained resilient and enduring, and with the increased diversification of our business, we are helping prepare the way for a more sustainable and diversified economy for the Christmas Island community. We have always taken seriously our role as a good corporate citizen and through the 'Our Community, Our Future' program we continue to support the Island's community.

In supporting the communities where we operate, we recognise that we have a responsibility to respect human rights in our operations and supply chains, and this includes taking steps to assess and address modern slavery risks.

As a business we recognise that modern slavery is not responsible business and can pose significant legal and reputational risks to corporations

In responding to the requirements of the Act, we have paid careful attention to the *Modern Slavery Act 2018 Guidelines for Reporting Entities (Guidelines)*.

Our structure and operations

PRLG is an ASX-listed company and has its head office in Perth, Australia.

PRLG is a diversified industrial company with various interests, which it holds through its wholly owned subsidiary, PRL. Those interests include phosphate mining, infrastructure, fuel services, properties and agricultural interests spread across Christmas Island, Western Australia, Singapore and Malaysia.

In addition we have established diversified subsidiaries that are focused on supporting Christmas Island, along with our customers in offshore markets. Those wholly owned subsidiaries are registered in Australia, Singapore and Malaysia.

We have also recently added a new logistics business unit with the acquisition of a controlling interest in Liven Nutrients Pte Ltd and Kemoil SA registered in Singapore and Switzerland respectively.

Our operations and that of our subsidiaries include:

- operating a phosphate mine on Christmas Island, including mining, processing and selling phosphate rock and phosphate dust.
- producing, sourcing, trading and selling fertiliser products.
- managing shipping for mining operations and ancillary services.
- fuel services for Christmas Island, including diesel supply, bunkering services, operating a fuel station, and maintain fuel infrastructure.
- marine pilotage services.
- producing, processing and selling of palm oil products.
- asset management services including fire protection, pest control, cleaning grounds maintenance, facility management and project management.
- ownership of residential, commercial and agricultural properties supporting our operations.
- logistics and supporting the movement of products between suppliers and customers.

Further details of our group structure is available in our most recent Annual Report¹.

With the completion of the acquisition of the logistics business unit during the Reporting Period, PRLG recorded profit attributable to members of CIR of \$25.3 million compared to \$7.6 million for the prior year.

As always, we continued to be a key driver of economic activity for Christmas Island, providing jobs and supporting the island's rich and diverse cultures. Our improved performance has provided us with the ability to continue to increase our base workforce in the Reporting Period, with staff numbers as follows:

	PRLG and PRL	
	Previous Reporting Period	Current Reporting Period
Full-time employees	186	203
Part-time employees	3	2
Casual employees	30	33
Contractor personnel	6	18
Percentage of women	24%	29%
Percentage on Christmas Island	85%	86%
Percentage on mainland of Australia	8%	6%

¹ Available at <https://prlgroup.com.au/investors/announcements-and-reports/reports/>

We pride ourselves in the diversity of our people, with an overwhelming majority of our workforce being of Malay or Chinese descent.

We are committed to engaging with our staff in relation to their terms of employment and, to that end, we have in place two enterprise agreements, which are registered with *Fair Work Australia*, which cover the majority of our employees.

For further information about us, please see our website².

Our supply chain

To assist us, we work with an extensive network of suppliers. In many cases we have long-standing relationships with these businesses to allow us time to build trust in our supply chain.

In the Reporting Period, we had approximately 1,282 tier 1 suppliers. Approximately 53% of tier 1 suppliers were based in Australia, with the residual mainly coming out of our operations and activities in South East Asia and Europe.

Our largest categories of procurement spend comprise energy, fertiliser, shipping, maintenance and agricultural products.

Risks of modern slavery

We have been built on strong social and environmental foundations with a track record of supporting the local communities where we operate.

However, we recognise that there is a risk of Australian businesses being exposed to modern slavery, as Australian businesses can have a strong presence in high-risk sectors and industries and many Australian businesses have supply chains that extend throughout the Asia-Pacific, which is identified as being a 'high risk' region³.

In our operations

Taking into account the nature and location of our operations and that of our subsidiaries, we accept that there is a risk – particularly in relation to supply chains – of causing or contributing to modern slavery through the use of labour in vulnerable communities, high-risk locations or through the engagement of personnel through labour hire arrangements.

Although some of our controlled entities operate in Malaysia and China, more than 90% of our entire group's personnel in the Reporting Period were Australian, Singaporean or Swiss-based, which significantly reduces the geographical risk. However, as our business continues to grow both locally and globally, we are aware of the risks and the need to address these in an appropriate manner.

In our supply chain

We and our controlled entities operate using an extensive network of suppliers including in Malaysia China, Hong Kong, Indonesia, Egypt, Dubai, Oman, Bahrain, Qatar, Vietnam, UAE, Brunei, South Korea, Benin and Senegal. These countries are higher risk than Australia in relation to modern slavery⁴.

² For further information about PRLG and PRL refer to <https://prlgroup.com.au/>

³ *Global Slavery Index*, <https://www.globallslaveryindex.org/2018/findings/regional-analysis/asia-and-the-pacific/>

⁴ *Global Slavery Index*, <https://www.globallslaveryindex.org/2018/data/country-data/malaysia/>

The actions we have taken

We take seriously our role as a good corporate citizen and supporting the social fabric of the communities in which we operate, as illustrated by our Sustainability Report 2023, which is part of our Annual Report⁵. The report demonstrates our continued commitment to contribution positively to Christmas Island's community and economy in everything we do.

In dealing with the specific risk of modern slavery, we have continued our work to identify areas of greatest risk and we continue to review of our policies and procedures to ensure they reflect our commitment to minimise the risk of modern slavery in our operations and supply chains.

In doing so, we have assessed the risk of modern slavery practices based on the potential to cause, contribute to or be directly linked to modern slavery through our operations and supply chains, as defined in the Guidelines.

We have developed an Ethical Procurement Policy which reflects our commitment to be socially responsible in the way we source goods and services through our supply chain. We have also developed a Supplier Code of Conduct which provides practical guidance to PRLG and PRL's suppliers in supporting our pursuit of minimising the risk of modern slavery in our supply chains.

In 2023 we have reviewed and updated our general trading terms to include obligations on suppliers to comply with the Supplier Code of Conduct and otherwise comply with the Modern Slavery Act.

We have also prepared modern slavery training materials which we will use to educate our workforce about the risks of modern slavery.

In our operations

We have assessed that our risk of modern slavery in our overall operations as low.

Recruitment for Australian entities of PRLG and PRL is managed centrally in our Perth and Christmas Island offices and we perform checks to ensure that all new personnel have the necessary right to work in Australia. We also have strong human resources controls in place for engaging new personnel, reviewing wages and salaries and verifying payments in accordance with the relevant laws of the country of employment and our enterprise agreements in Australia.

As we are diversifying and investing in new businesses and in new regions, our due diligence processes have included steps to identify the risks of modern slavery in those new ventures. Liven Nutrients Pte Ltd and Kemoil SA retain small workforces predominantly based in offices in Singapore and Switzerland and so we have initially assessed that the risk of modern slavery in these controlled entities as also low.

We maintain a set of policies and procedures which influence our behaviour towards modern slavery, including:

- Our Code of Conduct, in which we commit to being a responsible corporate citizen and recognise our responsibilities to the communities in which we operate.
- Our Ethical Procurement Policy and related Supplier Code of Conduct which governs our supply chain, including establishing obligations in relation to managing the risk of modern slavery.
- Various employment policies, including our Diversity Policy which recognises our responsibility to ensure all employees are treated with fairness and respect.
- Our Whistleblower Policy, which encourages the reporting of any instances of suspected unethical, illegal, fraudulent or undesirable conduct involving our businesses, including modern slavery, and we commit that those persons who make a

⁵ Available at <https://prlgroup.com.au/investors/announcements-and-reports/reports/>

report shall do so without detriment or the fear of intimidation, disadvantage or reprisal.

The responsibility for developing, maintaining and implementing these policies and overseeing compliance is assigned to relevant departments including People & Culture, Finance and Legal.

During the reporting period we completed a comprehensive review of the Company's corporate governance policies and charters. In this context the Environmental Social and Governance Sub-Committee Charter was amended so as to provide the Sub-Committee with responsibility for oversight of the preparation of Modern Slavery Statements.

Our intention for the next reporting period includes implementing an internal education program and continuing the review of our policies to ensure all relevant policies reflect our commitment to identify and eliminate modern slavery. In addition, we intend to undertake some targeted auditing of key suppliers in respect of modern slavery risks.

We have previously assessed that our highest risk of modern slavery exists in our palm oil operations in Malaysia. As previously reported, our plantation assets in Malaysia fully comply with the Malaysian Sustainable Palm Oil (**MSPO**) Certification Scheme, which is a national scheme in Malaysia for oil palm plantations, independent and organised smallholdings, and palm oil processing facilities to be certified against the requirements of the MSPO Standards. The MSPO Standards emphasise compliance with the Malaysian *Anti-Trafficking in Persons Act 2007 and Anti-Smuggling of Migrant Act 2007*⁶.

We have also obtained Responsible Sustainable Palm Oil (**RSPO**) accreditation and Bureau Veritas Certification for our production of crude palm oil and palm kernel at our Cheekah-Kemayan Palm Oil Mill.

The RSPO sets environmental and social criteria which companies must comply with in order to produce Certified Sustainable Palm Oil (**CSPO**). These criteria can help to minimise the negative impact of palm oil cultivation on the environment and communities in palm oil-producing regions, including modern slavery. RSPO is committed to the protection of human rights through its Human Rights Working Group⁷. RSPO is the highest international standard in palm oil, one which only a very small proportion of plantations currently adhere due to its stringent standards. The RSPO has more than 4,000 members worldwide who represent all links along the palm oil supply chain. They have committed to produce, source and/or use sustainable palm oil certified by the RSPO.

Subsequent to the end of the reporting period we have entered into a transaction to divest our palm oil operations in Malaysia. We expect the transaction to complete in December 2023. The divestment of the palm oil assets will materially reduce the Company's exposure to modern slavery and related ESG risks.

In our supply chain

We previously reported that we conducted an initial desktop assessment of our potential modern slavery risks in Tier 1 of our supply chain. This assessment included identifying the relative risk of the countries in which we operate using the Global Slavery Index (GSI).

We have updated our assessment⁸ of country-of-origin risk of our material Tier 1 supply chain following the acquisition of Liven Nutrients Pte Ltd and Kemoil SA on a high-level basis as follows:

⁶ Available at <https://toolsfortransformation.net/wp-content/uploads/2017/03/Malaysian-Law-Anti-Trafficking-in-Person-Smuggling-of-Migrants-ATIPSOM-2.pdf>

⁷ <https://rspo.org/human-rights-and-social-standards>

⁸ Based on the *Modern Slavery Index*, <https://www.globalslaveryindex.org>

Risk of modern slavery	Country-of-origin
Unlikely	Australia, Singapore, Japan, Denmark, Netherlands, Estonia, France, UK, Switzerland
Possible	Malaysia, China, Hong Kong, Indonesia, Egypt, Dubai, Oman, Bahrain, Qatar, Vietnam, UAE, Brunei, South Korea, Benin
Likely	Senegal
Almost certain	-

We will continue to review our supply chain during the next Reporting Period and assess the effectiveness of our updated policy framework and compliance with our Supplier Code of Conduct.

The effectiveness of the actions we have taken

We recognise the importance of monitoring how effective our anti-modern slavery processes. The processes we have put in place have been our initial steps, but we recognise that work will continue to be required to ensure the effectiveness of our efforts eliminate any risk of modern slavery.

From the next reporting period, the Modern Slavery Team will continue to implement and review:

- our policies and procedures that impact on modern slavery risk and how best to monitor compliance.
- our assessment of suppliers, including compliance with our Supplier Code of Conduct.
- training for our procurement and human resources staff.
- embedding modern slavery risk assessment and policies in our controlled entities, including regular review.
- communications to further develop awareness and understanding of modern slavery.

Our consultation with controlled entities

PRLG is the holding company of PRL and the two entities have consulted directly in relation to modern slavery risk.

It is noted that we have consulted extensively with our controlled entities in relation to one of our highest risk category and region, being palm oil production in Malaysia, which has now resulted in RSPO accreditation.

Furthermore, in the past year, as we have continued our diversification, we have taken care to assess modern slavery risk in the new investments the group has made in Swiss logistics company Kemoil SA and Singapore fertiliser trader Liven Nutrients Pte Ltd.

During the reporting period we conducted initial high-level surveys of both Kemoil SA and Liven Nutrients Pte Ltd as to the risks of modern slavery in relation to their respective operations and supply chains.