

Modern Slavery Statement 2023

U&D Coal Ltd (ACN 165 894 806)

1. GROUP STRUCTURE

U&D Coal Ltd (**UDC**) is a consolidated group of companies that includes:

- U&D Mining Industry (Australia) Pty Ltd (**UDM**) (ACN 152 892 638),
- Endocoal Limited (**EOC**) (ACN 132 183 281), and
- Resource Portfolio Partners Pty Ltd (**RPP**) (ACN 138 215 255),

collectively, the **U&D Group** or the **Group**.

This Modern Slavery Statement is for the U&D Group and is made pursuant to the *Modern Slavery Act 2018 (Cth)* (**Act**) covering the financial year ending 30 June 2023. This is a joint statement made on behalf of the U&D Group who share the same policies and processes and operate in the same sector, often sharing the same suppliers. This statement on modern slavery is therefore a consolidated description of the actions taken to address modern slavery risks by each reporting entity and company within the U&D Group.

The U&D Group is opposed to all forms of modern slavery and this statement describes the risks of modern slavery practices in the operations and supply chains of the U&D Group and the actions taken to assess and address those risks.

2. INTRODUCTION

As a Group, we are committed to reducing the risk of modern slavery in our supply chains or in any part of our business. We are also committed to improving our practices to combat slavery. We are committed to complying with the UN Guiding Principles on Business and Human Rights (2011). We will undertake greater risk assessments and due diligence activities to improve and promote human rights.

3. OUR OPERATIONS AND STRUCTURE

UDC is a holding company. UDC owns 100% of UDM, and UDM owns 100% of EOC and RPP. There are two operating companies in the U&D Group, UDM and EOC. In particular:

- UDM looks after corporate activities and costs. UDM holds an 80% share in Exploration Permit for Coal (**EPC**) EPC818. UDM's expenditure is generally in relation to the corporate staff, and the corporate office, and is primarily locally sourced.
- EOC holds a 50% interest in an unincorporated joint venture (**UJV**) that owns the operating coal mine in Queensland called 'Meteor Downs South' (**MDS**) and holds a number of EPCs in the Bowen Basin in Queensland. EOC has oversight of the UJV but is not the operator of MDS.

All 9 of the group's employees are employed by UDM.

We have acted in consultation with the entities which we own or control in the preparation of this statement as they all operate under the ultimate direction and governance of the board of directors of UDC in Australia.

4. KEY MODERN SLAVERY RISKS AND OUR SUPPLY CHAIN

Risk management and due diligence processes are undertaken on an ongoing basis to assess, prioritize and address the risks of modern slavery across U&D Group's operations and supply chains. These processes

involve assessing risk factors associated with third party spend, including across country of operations, categories or sectors and resources. These assessments are then used to inform appropriate due diligence activities when sourcing suppliers and improvement plans associated with managing modern slavery risks.

We have determined that labour hire in consultancy is our primary risk. We therefore commit to introducing a confirmation from consultancy providers that they are compliant with the Act and to understand their human rights policies to mitigate further risk.

We have undertaken a risk assessment of our operations and supply chains, through a detailed analysis of the Creditors in the group for the financial year ended 30 June 2023 (**FY23**). This identified our primary suppliers.

Our primary supplies (accounting for more than 95%) of the U&D Group's expenditure are through the operator of the UJV, Sojitz MDS Mining Pty Ltd ACN 610 971 027, which has (through Sojitz Development Pty Ltd (can 063 050 680)) provided a 'Modern Slavery Statement 2021' dated September 2022.

We rely on the Sojitz statement and have separately sought their confirmation of compliance with the Act. As part of the UJV Management Committee, and through regular MDS site visits, the U&D Group has undertaken a level of due diligence to support Sojitz's compliance under the Act. The U&D Group is not aware of any issues with Sojitz compliance.

The other suppliers in our supply chain are generally limited to Australian based consultants in the provision of legal, professional, accountancy or geotechnical services. The services are provided from Australian suppliers using local employees.

We are confident from our risk assessment that the operator of the UJV is managing their supply chain in a compliant manner. This is based on the modern slavery statement provided to us by Sojitz, their confirmation of compliance and our own internal due diligence through regular MDS site visits and engagement with MDS site staff. To date, no material risks or known modern slavery practices have been identified across the U&D Group's operations and supply chain activities.

5. HOW WE ASSESS AND ADDRESS MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

We are committed to reducing the risk of modern slavery in our supply chains or in any part of our business.

Due Diligence - As part of our initiative to mitigate modern slavery risk associated in our business and supply chains, we undertake risk assessments of our creditors and suppliers, on an ongoing basis to identify, assess, prioritize and address risk areas of modern slavery across the U&D's group's operations. Where high risk suppliers are identified, we request copies of their own modern slavery statements and request that they complete a questionnaire to identify and mitigate risks to modern slavery practices.

We take into consideration the following matters:

- the reputation of and any historical human rights breaches of the supplier;
- the location of the supplier;
- where possible, where the goods or services it is providing are sourced from;
- the nature of the products the suppliers provide or the particular industry the supplier is involved in; and
- we aim to engage only with suppliers that uphold our standards and values in relation to human rights and anti-modern slavery practices through their operations and supply chains.

Supplier adherence to our values - The U&D Group relies on its suppliers to meet our responsibility under the Act. We rely on our suppliers' own practices and processes (as identified in the questionnaire) to ensure further compliance with relevant human rights practices.

Remediation - We respect the human rights of people involved in our operations. This applies not only to our employees, but also to everyone affected by our operations throughout its supply chains. Should there be any instances of modern slavery, we will seek to rectify them, including by commercial means where they exist in our supply chain, so far as reasonably practicable.

We are committed to working with and encouraging our business partners to uphold the principles of the Act

and take all allegations of any type of unethical or illegal behaviour (**Behaviour**) very seriously. If we identify Behaviour or practices from a supplier that are inconsistent with the requirements of the Act, we will request the supplier to address the Behaviour or remedy the practice in a timely fashion. If the supplier fails to stop engaging in the Behaviour or fails to remedy the practice within a reasonable timeframe, we will take appropriate measures to end any arrangements with the supplier.

Training - To ensure a high level of understanding of the risks of modern slavery in our supply chains and our business, the relevant information as learning material has been communicated to our staff as a part of ongoing awareness training.

6. CONTINUED IMPROVEMENT IN ADDRESSING MODERN SLAVERY RISKS

Activities undertaken during the reporting period focused on identifying high risk suppliers and building understanding and capabilities within our systems and suppliers. We did not identify any modern slavery practices within our operations or within our supply chain during FY23.

The U&D Group acknowledges that identifying and addressing modern slavery risks and practices across our supply chain requires continuous commitment, assessment, adjustment, and improvement. The effectiveness of the actions and initiatives, including risk management processes, described in this document, are continually assessed through audits, compliance monitoring and supplier requirements to report on compliance initiatives.

Over the next reporting period, the U&D Group will continue to improve how we address modern slavery risks. We have identified the following areas as part of our continuous approach to review and strengthen controls and mature processes and systems to address modern slavery risks.

Employee Training - The U&D Group continues to build understanding and capability across its group entities and supply chains by continuing to develop and provide a modern slavery training strategy to upskill people across the business. This will include developing and providing an annual update and training program to our staff on human rights and modern slavery to ensure greater awareness amongst our small team.

Supplier engagement and audit – We are focused on enhancing our engagement with Suppliers. As part of our risk strategy, we aim to look more closely at the risks within our supply chain and (in particular) our high-risk suppliers. We propose to consider a higher level of due diligence for high-risk and new suppliers. This could include the following:

- confirmation from the supplier that they have a modern slavery statement, that they supply us with a copy of the statement (where applicable), and that they provide us with a compliance statement;
- increased communication with the suppliers, and their staff with regards to compliance and modern slavery; and
- considering an audit of the supplier.

This modern slavery statement is made for U&D Coal Ltd (ACN 165 894 806) and the U&D Group for the 2023 financial year ending 30 June 2023.

This statement was approved by the Board of Directors of UDC on 30 November 2023.

Mr Qian Yu
Director
U&D Coal Ltd and its subsidiaries