

SQUARE RESOURCES

Modern Slavery Statement

Year Ending 30 June 2024



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1. INTRODUCTION

Square Resources is committed to combat modern slavery in all its forms and takes its obligations under the Modern Slavery Act very seriously.

In our daily operations, we take great pride around the way we treat people and organisations around us.

Our purpose is “We will make everyone around us happy through respectfully supplying raw materials where and when needed”, while our operating philosophy and mission is “*We prove in the commodities trading industry that nice people can finish first*”.

Our values underpin and set the foundation of how we deliver and do things at Square and our Modern Slavery Statement is aligned with our mission, our purpose and our values.



This is Square’s third modern slavery statement.

In our 2023 statement, we committed to starting a conversation with our suppliers in high risk areas on the topic of modern slavery. We have done so in FY2024 by submitting a questionnaire on the modern slavery risks in their own supply chains and they have provided their feedback to us and we are having ongoing dialogue.

We also committed to developing training and education to our employees and contractors and we can confirm that all our employees have attended training in the 2024 calendar year and training on modern slavery risks is now part of the induction process of new employees.

Square implements a risk-based approach to managing modern slavery and we are committed to continuously improving our processes. We also continue to refine the process for supplier prequalification and investigate strategies to safeguard against risks in international sourcing.

Square’s exposure to modern slavery risks in our supply chain is relatively low as most of our sourcing is from low risk countries or we have a clear insight in the origin as our supplier is also the producer. Approx. 13% of our sourcing from Colombia is potentially subject to modern slavery risks, and we have specifically focused on these supply chains. Indonesia is also a higher risk country however managed through the supplier being a leader in managing these risks to be more acceptable level.



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Although we are satisfied by the outcome of our assessment, we must remain alert to any actual or potential risk, and we will continue to focus on improving our mechanisms to protect human rights across our operations and supply chain, particularly in those countries with lower regulation of modern slavery.

Our governance processes will continue to evolve to ensure we meet the required standards set by Government and to “live our values” and meet our purpose and mission. A part of this is developing long term mutually rewarding relationships with our customers, communities and suppliers to successfully deliver our services. People are at the heart of this philosophy, and we are committed to ensuring the fair and equal treatment of everyone in everything we do.



2. PREAMBLE

This Modern Slavery Statement ("MSS") documents the approach the Square Group shall adopt to meet the mandatory criteria in the Modern Slavery Act 2018 (Cth) ("the Act").

3. MODERN SLAVERY DEFINITION

The term Modern Slavery refers to "situations where coercion, threats or deception are used to exploit victims and undermine their freedom". Eight types of exploitation are identified under the Act:

- **Trafficking in persons:** *the recruitment, harbouring, and movement of a person for expected exploitation through modern slavery.*
- **Slavery:** exercise of power over a victim, including the power to make a person an object of purchase and use their labour in an unrestricted way.
- **Servitude:** where the victim's personal freedom is significantly restricted, and they are not free to stop working or leave their place of work.
- **Forced labour:** where the victim is either not free to stop working or not free to leave their place of work.
- **Forced marriage:** where coercion, threats or deception are used to make a victim marry or where the victim does not understand or is incapable of understanding the nature and effect of the marriage ceremony.
- **Debt bondage:** where the victim's services are pledged as security for a debt and the debt is manifestly excessive or the victim's services are not applied to liquidate the debt, or the length and nature of the services are not limited and defined.
- **The worst forms of child labour:** where children are exploited through slavery or similar practices, including for sexual exploitation, or engaged in hazardous work which may harm their health, safety or morals, or used to produce or traffic drugs.
- **Deceptive recruiting for labour or services:** where the victim is deceived about whether they will be exploited through a type of modern slavery.

4. REPORTING ENTITY AND SUBSIDIARIES

Square Resources Holding Pty Ltd ACN 142 476 631 ("SRH"), a Brisbane-based proprietary Australian company is the parent company of the Square Group and is the reporting entity for this MSS. The other entities owned or controlled by SRH within the Square Group are:

Intermediate holding companies:

- Square Resources Holding (No. 2) Pty Ltd ACN 623 713 682
- Square Investment Holding Pty Ltd ACN 626 752 725



- Square Resources Holding Singapore Pte. Ltd. (Singapore) Registration 201810303G

Exploration entities:

- Square Exploration Pty Ltd ACN 147 787 451 ("SQX")
- Square Eastern Pty Ltd ACN 147 828 626 ("SQE")
- Square Boyne Pty Ltd ACN 147 828 448
- Eastern Coal Unincorporated Joint Venture, ACN 163 729 262 ("ECJV")
- Eastern Coal Management Pty Ltd, ACN 150 584 418

Trading and Marketing entities:

- Square Trading Pty Ltd ACN 147 788 663
- Square Marketing Pty Ltd ACN 615 813 226
- Square Trading Singapore Pte. Ltd. (Singapore), Registration no. 201815808R
- Square Resources Colombia S.A.S. (Colombia), Registration no. 03509479
- Square Resources US LLC, Registration no. 2547561
- Square Resources Agri Pty Ltd ACN 671791585
- Octagon Marine Pte Ltd, Registration no. 202345100H.

5. STRUCTURE, OPERATIONS AND SUPPLY CHAINS

The Square Group entities are involved in a range of different business activities that are described below:

a. Activities:

- The exploration entities are involved in exploration of potential resources within Queensland.
- The marketing and trading entities are involved in the marketing and trading of natural resources (mainly coking coal), metal derivatives and agricultural commodities that we purchase from producers globally and sell to consumers around the globe, with a focus on Asia.
- The Square Group did not held a major equity stake nor participated in the management of any of the mining operations or any supply chain downstream activities or services. Neither were there any investments in companies that participate in mining operations during the 2024 financial year.
- The majority of Square Group employees are based in Brisbane, Queensland involved in resources marketing and trading activities, while a small team is based in Singapore to support the Singapore trading hub. Several country representatives based in some of the Square Group's major overseas sourcing and sales countries



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have been engaged to communicate with suppliers and customers such as Indonesia, Colombia, China, US and Brazil.

b. Operations:

Square Resources has several operating entities, with the two main entities, being:

- Square Trading Pty Ltd, located in Brisbane (14 employees Australia wide)
- Square Trading Singapore Pte Ltd, located in Singapore (4 employees based in Singapore and 3 in China).

The total number of employees in the global group is 21 at the end of June 2024. All Square Group employees are engaged on employment agreements and all are paid in accordance with market and customary salaries or retainers for work performed in the jurisdictions they are employed/contracted.

Other than employees, Square Resources works with several agents, contractors and consultants that either have contracts with Square Trading Pty Ltd or with Square Trading Singapore Pte Ltd and are paid customary market rates for. the jurisdictions they operate in.

The operating entities manage all day-to-day activities of marketing and trading, such as negotiating with counterparties on purchases and sales, preparing contracts, invoices, arranging shipping documents, managing treasury and risk as well as general management.

c. Supply Chains:

Our supply chains are predominantly focused on the purchase of raw materials and to a limited extent, freight. We do not engage in labour hire or any production activities.

Coal:

The origination of coal is distributed among the following countries:



We purchase the majority of coal directly from large mining companies on a FOB basis at specifications from the mine.



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Our sales are for the vast majority to large steel production companies, of which some of them are exchange traded or government owned. Occasionally we purchase and sell to other trading companies, however in all cases the origin is known (as coal is mostly branded) and the delivery/shipment is mostly directly to the steel producer, so in most cases we know the destination and the user. Accordingly, we do not purchase coal that we do not know the origin of.

The coal is shipped directly from origin to destination countries, that include the following destinations:

- a) Japan
- b) China
- c) Korea
- d) Singapore
- e) Brazil
- f) India

Metal Alloys:

Nickel briquettes are purchased from a global trading house and delivered at our Buyer's site in Germany.

Agri Commodities:

We source and sell grains including wheat, barley, sorghum and corn. All commodities traded are sourced in Australia and sold domestically.

6. POTENTIAL MODERN SLAVERY RISKS

We have performed an organisation-wide assessment of the risks of modern slavery in our supply chains through the following steps:

1. We have identified, assessed and mapped our supply chains; we have full insight in who our suppliers are, and we do not purchase goods we do not know the origin of.
2. The Square Group generally has stable longer-term arrangements with its significant suppliers and enters formal contracts with all its suppliers.

Following consultation of both Walk Free and Responsible Sourcing websites and available tools and reports, we have identified *Colombia and Indonesia* as countries with a higher risk of modern slavery.

a) *Indonesia:*

- Our Indonesian supplier Adaro is one of the frontrunners in Indonesia to combat human trafficking and modern slavery and has been one of the organisers of the Bali Process Government and Business Forum in August 2023, bringing together government ministers and senior business leaders to determine methods of addressing human trafficking, forced labour, modern slavery and the worst forms of child labour in the Asia Pacific region.
- The Bali Process leaders met in Sri Lanka in June 2024 to address modern slavery in the Indo-Pacific region through the Colombo Commitment to raise



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awareness and take action to address human trafficking, forced labour and child labour.

- In view their participation and support to address human trafficking and modern slavery, we are comfortable that the risk in our Indonesian supply chain is low.

b) Colombia:

- In regard to responsible sourcing, Colombia is identified as a potential country of risk regarding human trafficking and more specifically child labour.
- We are working with 2 different suppliers, one since 2018 and another one since 2024 albeit we have been in discussion with them for a number of years.
- Our local representatives are in almost daily contact with general and day-to-day management and are visiting the company on a frequent basis. Our extensive due diligence and our monitoring of the operations of the respective supplier, has not given any indication or evidence that they are involved in child labour or human trafficking.
- During 2024 we have engaged with our two suppliers and have requested them to respond to a questionnaire we have sent them about awareness of modern slavery in their own supply chains.
 - Both suppliers confirmed that they have high level of visibility over their own supply chain given that supply is from their own mines as well as authorised minders with whom they have long term relationships with, or they service the full supply chain.
 - They have also confirmed that any purchases of coal under purchase and sale contracts require compliance with Colombian labour rights.
 - No policies however are in place or designated persons are responsible to manage potential modern slavery risks, but internal awareness programs are in development for 2025.
- We aim to play our part in increasing awareness for 2025 and are confident that the risk of modern slavery with our Colombian suppliers is low/acceptable.

MODERN SLAVERY RISK ASSESSMENT AND MITIGATION

The Square Group recognises that monitoring and addressing modern slavery risks in its supply chains is a continuous process. We are proud to state that during the financial year 2024, we have made substantial steps to manage the risk of modern slavery in our supply chains by the following measures:

- developed and provided dedicated (and compulsory) training to all our staff globally and will support continuous education about this subject for existing and new employees, contractors and agents
- Commenced a process to include specific clauses in our purchase contracts in relation to human trafficking and modern slavery to further increase awareness of the importance of this topic
- The acceptance of any new supplier in a potential country of risk, is subject to an extensive due diligence process that includes the answering of a questionnaire by the supplier regarding its awareness of any modern slavery risk on its own supply chain
- Consistent with this Statement, reports of known or suspected modern slavery within the Square Group's operations or supply chains should be referred to the Square Group



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management, who will be required to investigate and assess the potential issue against the relevant country's laws as well as Australian laws.

- Such assessments shall then be referred to the Board of SRH for review and risk mitigation and/or remediation action as deemed appropriate.

MODERN SLAVERY RISK MANAGEMENT EFFECTIVENESS

Management shall report to the SRH Board on the Square Group's Modern Slavery risk management activities and the Board will assess effectiveness based on evaluation criteria that may include:

- The level of awareness of modern slavery risks within Square Group and initiatives taken by employees how to combat modern slavery
- The number of labour exploitation issues identified, assessed, and actioned by Square Group management
- Continued dialogue, with our suppliers to assist and support them by the development of an awareness program.

CONSULTATION PROCESS

Square Resources Holding Pty Ltd (SRH) manages and operates its subsidiary companies (the Square Group) through a common management structure and the SRH Board has been responsible for preparation and approval of this Statement. Square Group management will consult with its stakeholders as required to ensure that the Square Group meets its obligations as outlined in this Statement.

MODERN SLAVERY STATEMENT APPROVAL

This Modern Slavery Statement was approved and ratified by the Directors of Square Resources Holding Pty Ltd at a Board meeting of Square Resources Holding Pty Ltd on 18 December 2024.

Kevin Kanamori
Chief Executive Officer
Square Resources Holding Pty Ltd

18 December 2024