

Modern Slavery Statement

30 June 2021



Contents

Mandatory Criteria for Modern Slavery Statements	1
About this Statement	2
Our commitment	2
Our structure and supply chain	2
Responsibility	3
Our policy and procedures	4
Our risk assessment and due diligence	4
How we assess the effectiveness of such actions	6
Feedback and Grievance Mechanisms	6
Awareness and Training	7
Planning Ahead	7
Signatories	8
Contact us	8

Mandatory Criteria for Modern Slavery Statements

Criterion	Page Number
Identify the reporting entity.	2 and 3
Describe the reporting entity’s structure, operations and supply chains.	2 and 3
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	2, 3, 4 and 5
Describe the actions taken but the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation process.	3, 4 and 5
Describe how the reporting entity assesses the effectiveness of these actions.	6 and 7
Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement)	2
Any other information that the reporting entity, or the entity giving the statement, considers relevant.	7

About this Statement

Our Modern Slavery Statement (**Statement**) is published in accordance with the *Modern Slavery Act 2018* (Cth) (**Act**).

This Statement is a joint statement made on behalf of:

- Coal Services Pty Limited (ABN: 98 099 078 234); and its subsidiaries including
- Coal Mines Insurance Pty Ltd (ABN: 70 000 011 727); and
- Mines Rescue Pty Limited (ABN: 15 099 078 261)

(collectively the 'Coal Services Group Reporting Entities' referred to throughout this Statement as **Coal Services**, pursuant to the requirements of the Act). This is our second Statement and it relates to the reporting period commencing 1 July 2020 and ending 30 June 2021.

This Statement addresses the steps and outlines the approach that Coal Services has taken to identify and to manage the risk of modern slavery and to prevent modern slavery in our business operations and supply chains. This Statement also outlines the measures that the Coal Services will take to continue to improve our practices to prevent and combat modern slavery.

In preparing this Statement, we engaged and consulted with the relevant stakeholders of the Coal Services Group Reporting Entities as referred to above. This was undertaken by the Head of Risk, Compliance and Legal in collaboration with the Coal Services' business units. This collaboration and consultation involved training with regards to an overview of the Act, sharing of relevant supplier and financial information, raising awareness of the reporting and due diligence requirements and providing information regarding the risk assessment to and to mitigate modern slavery risks through our procurement process. Information was also provided in relation to contractual requirements, supplier warranties, audit rights and actions we intend to take to ensure compliance with the Act.

Our commitment

Coal Services has zero tolerance for any form of modern slavery. We are committed to conducting business responsibly and ethically and to ensuring that all aspects of our business practices, including our supply chains, are free from any form of slavery. We reject any and all forms of modern slavery which can take the form of unpaid or underpaid servitude, human trafficking and forced labour. We aim to identify and manage any risks related to human rights across our own business and through our supply chain relationships.

We are committed to implementing and enforcing effective systems and controls to prevent the occurrence of modern slavery and human trafficking within our own business; within our supply chains; or through any other business relationship, regardless of their locations. We are only interested in working with suppliers that are aligned to our values.

Our structure and supply chain

Coal Services Pty Limited is jointly owned by the New South Wales Minerals Council and the Construction, Forestry, Maritime and Mining and Energy Union in equal shares and has two wholly-owned subsidiary companies, being Coal Mines Insurance Pty Ltd (CMI) and Mines Rescue Pty Limited (Mines Rescue). These are private companies, created by the *Coal Industry Act 2001* (NSW) with statutory responsibilities, which are administered by the Minister for Regional New South Wales, Industry

and Trade. Coal Services' core operations are governed by the *Coal Industry Act 2001 (NSW)* and the *Corporations Act 2001 (Cth)*.

Coal Services is a specialised Health and Safety Scheme that provides an integrated suite of services to help identify, assess, monitor and control many risks inherent in the NSW coal mining industry. Our preventative and responsive services in the areas of workplace health and safety, workers compensation, emergency response and training help to deliver on our purpose, 'to protect'.

Coal Services has more than 400 employees across NSW. Procurement for Coal Services is undertaken by our business units and the procurement framework is managed by the Coal Services' Procurement and Contracts Manager based in Sydney. The Procurement and Contracts Manager oversees the procurement activities and maintains our Procurement Policy and Procedure.

We are taking a proactive approach to identify modern slavery and other labour rights risks, and to demonstrate to our stakeholders, customers and the wider community how we are monitoring our operations and supply chains to ensure compliance with the Act.

To improve our understanding of this risk, we have undertaken an initial assessment of our supply chain. In calendar year 2021 we mapped our supply chain and identified our direct Tier 1 suppliers. Tier 1 in the supply chain represents suppliers with whom we have a direct relationship. The assessment established that the total spend across our supply chain for FY21 was A\$18.9m. The spend included A\$8.2m with Tier 1 suppliers.

The majority of our suppliers are based in Australia. Our supply chain relationships include suppliers from the following sectors: information, communications and technology, employment and training of staff, machinery and equipment, property services (including facilities management, utilities, cleaning, waste management and security); consulting services; marketing; office supplies and corporate clothing.

Our assessment process provided an estimate of the modern slavery risk in our supply chain, based on the following factors:

- industry type,
- relative spend amounts,
- global positioning of the supplier,
- supplier's use of labour, and
- supplier's reliance on outsourced production or services.

In FY21, Coal Services did not identify any instances of modern slavery associated directly through its own operations, or through sourcing related risk assessments in relation to its supply chain.

Responsibility

Coal Services' Risk, Compliance & Legal function, through its Head of Risk Compliance & Legal, reporting to the Managing Director/CEO and Coal Services' Board, is responsible for the development and implementation of Coal Services' modern slavery initiatives. Accountability for addressing Coal Services' modern slavery and human rights risk is cross-functional and our internal business units work together, to embed our initiatives and supporting processes.

The Head of Risk, Compliance & Legal is responsible for the preparation of this Statement, which must be approved by the Coal Services Board on the recommendation of the Coal Services' Board Risk Management Committee and signed by the Chairperson of the Coal Services' Board.

Our policy and procedures

Coal Services is committed to high standards of governance and operating our business lawfully and ethically. Our Board and its Committees provide the necessary leadership to implement a robust corporate governance framework and systems across Coal Services so that our decisions are based on integrity, ethical conduct, responsibility, transparency and accountability which promote the long-term sustainability and success of our business.

Underpinning this framework are Coal Services' policies and procedures, several of which are relevant to modern slavery and human rights. These include our Code of Conduct, the Modern Slavery Policy, our Procurement Policy and Procedure and our Protected Disclosure Policy.

We continue to articulate our expectations to suppliers through our Modern Slavery Policy and our risk-based compliance approach, through due diligence, standard contractual terms including a requirement to comply with these policies, and the Act and by embedding bilateral modern slavery compliance clauses into our supplier contracts.

We have policies in place to promote ethical and compliant business conduct. We have a robust procurement framework, which includes policies, due diligence assessments, audit provisions, guidelines and procedures. The framework facilitates the supply risk mitigation and ensures transparent and fair procurement processes. Supplier risk assessments are undertaken in accordance with our risk and compliance framework to identify the level of risk inherent in the potential procurement.

In addition, our supply contracts are managed in accordance with our risk and compliance framework, including but not limited to our Modern Slavery Policy, which requires a periodic documented review of the suppliers' performance against the contractual provisions in relation to modern slavery and human rights. We have also developed a Supply Chain Assurance program to ensure due diligence is undertaken prior to supplier onboarding, contract award or any commercial agreement.

We acknowledge and recognise that Coal Services only seeks to do business with suppliers that have similar values, ethics and sustainable business practices, including those related to human rights.

Our risk assessment and due diligence

We assess the risk of modern slavery taking place in our business by identifying and managing any areas of concern within our business operations and any external suppliers through the Risk, Compliance and Legal and Procurement function. We base our assessment of our modern slavery risks that may be applicable to the operations and supply chain of Coal Services, by referring to modern slavery data such as the Global Slavery Index and resources published by non-government organisations and international organisations such as the International Labour Organisation and the Walk Free Foundation.

During the FY21 reporting period, the Head of Risk, Compliance & Legal with the Risk, Compliance and Legal and Procurement work units, conducted an internal review of Coal Services' suppliers in relation to its operations and global supply chain with respect to modern slavery risks.

Coal Services' operations are located in Australia. We have assessed our modern slavery risk based on workforce and supplier profile; the type of labour involved in the delivery of services or production of goods. Due to the nature of our business, we do not make use of high-risk supply chains (being those suppliers identified as having modern slavery risks due to industry, product or country of operation), which are susceptible to modern slavery risks. We have taken the following actions to manage those risks:

- Enhanced our risk management processes to identify, assess, mitigate and monitor potential risks areas where Coal Services could be exposed to modern slavery and human rights concerns;
- Undertaken, in FY21, a risk-based segmentation of our existing suppliers to identify who may pose greater risks associated with modern slavery.

We completed a risk assessment of 13 Tier 1 suppliers and suppliers in the 'at risk' categories of modern slavery. The suppliers were issued and completed our Modern Slavery Assessment Questionnaire, which includes sections requiring information on the supplier's company structure, policies, relationships, compliance and training process.

Based on the returned responses, a risk assessment was undertaken which identified follow up and/or remediation actions for some of the suppliers;

- Conducted mandatory due diligence and screening of new suppliers with respect to modern slavery risk, prior to the suppliers' selection and appointment. Suppliers are required to complete a Modern Slavery Assessment Questionnaire and disclose documents relating to their modern slavery risks, including their policies and procedures, in order that any identified modern slavery risks can be timely addressed;
- Where a Request for Tender process is conducted, invited suppliers must provide details of their supply chain risk and business practices in relation to modern slavery, human rights and ethical business practices by completing the Modern Slavery Assessment Questionnaire and the Ethical Business Practices Self-Assessment Questionnaire. The Request for Tender also includes our specific modern slavery contractual requirements.

Additionally, the tender evaluation process includes a weighted modern slavery evaluation criterion;

- Engaged by preference with suppliers who share our values and stance on modern slavery and human rights. We will not engage high-risk suppliers unless we have conducted the appropriate assessment, so that our standards are not compromised;
- Enhanced our supplier agreements to ensure our commitment globally to managing modern slavery and human rights risks.

During the FY21 reporting period, we included in all supplier agreements a clause where the supplier provides a warranty to Coal Services that they themselves do not engage in modern slavery practices, that they have conducted due diligence on their own suppliers and operations, and that they have addressed and identified risks and are reasonably satisfied that there are no instances of modern slavery in their supply chains for the purposes of the agreement with Coal Services. Our supplier agreements also include rights to audit a supplier's direct subcontractors.

The embedded bilateral modern slavery compliance clauses in supplier contracts ensure compliance with the Act and compliance with our policies and procedures in relation to modern slavery and any other applicable laws and regulations; and

- Coal Services will continue, in subsequent reporting periods, to work with our suppliers in assessing modern slavery risks and any actions to address such risks.

How we assess the effectiveness of such actions

To date we have found no incidents of modern slavery in our supply chain. We demonstrate effectiveness of our actions, by:

1. The Head of Risk, Compliance & Legal annually reviewing and reporting Coal Services' response to modern slavery.
2. Reviewing and collating the number of actions and risk mitigation controls that have been implemented, the number of suppliers engaged, and raising levels of awareness and training amongst employees.
3. Prequalification and due diligence checks and controls for local and global suppliers has been expanded to include a Modern Slavery Assessment through the procurement framework and function. This process is to be audited annually, and to include a determination if risk mitigation measures have been consistently actioned.
4. Factory and supplier visits are proposed but due to the restrictions posed by COVID-19 this has been postponed. All factory and supplier visit reports will be required to include observations and the result of any discussions relevant to modern slavery. Pre-trip briefings will include a section on modern slavery-what to look for, key risks, site inspection and what to ask.
5. Review the identified Tier 1 or 'at risk' suppliers and review their progress with any actions they have put in place to address any modern slavery risks.

Feedback and Grievance Mechanisms

We are committed to the protection and respect of human rights across our business and supply chain. We acknowledge that addressing modern slavery risks, within all of our supply chain is an on-going process. We are responsible for the continuous improvement of our processes and actions. We measure effectiveness through our governance, risk management and feedback and grievance mechanisms. In FY21, no modern slavery concerns or grievances were raised with Coal Services

We have established reporting procedures and mechanisms where employees and third parties can report any concerns regarding unethical or illegal conduct, including in relation to modern slavery and human trafficking. Employees can report to their manager or, if they wish to remain anonymous, employees and third parties are able to report through our independently operated whistleblower system via phone, email or an online portal. Where issues are investigated and substantiated, we take appropriate action, including remediation such as continuous improvement opportunities and corrective action plans if any issues are identified. Further information regarding the whistleblower process is available in the Protected Disclosure Policy and on our corporate website. We have also established internal grievance resolution guidelines which outline procedures and resolution options for our employees.

Awareness and Training

We regularly review our modern slavery approach conducted through the Risk, Compliance and Legal function, reporting to the Coal Services general management team, Coal Services' Risk Management Committee and Coal Services Board.

We are committed to training our officers and employees, and have provided them with information on modern slavery and risk awareness. We want to ensure that our officers and employees have a proper understanding and respect for basic human rights globally. To help manage the risk and increase awareness of modern slavery, we made available, Safetrac's modern slavery on line training e-Learning module to help foster positive change towards this issue more broadly. We will continue to focus this training and make it compulsory for new starters and for existing employees.

Our Code of Conduct reiterates how we expect our employees and officers to conduct business in a way that promotes and respects human rights. Our Modern Slavery Policy guides our approach to modern slavery and details our commitment to responsible decision making and procurement and our requirement that our suppliers and their supply chains operate in a manner consistent with the Act, our values, objectives and all relevant legislation. Our policy has been communicated to all of Coal Services, its stakeholders and to suppliers. Our policy is also supported by our modern slavery due diligence processes and modern slavery legal compliance precedent clause in all agreements. Our policy is available on our corporate website we will continue to focus this training both for new starters and for existing employees.

Planning Ahead

We are committed to further improving our response to modern slavery risks in Coal Services' operations and supply chain. We will continue to will aim to create a comprehensive understanding of modern slavery and human rights issues within our business and supply chains. We will continue to identify and evaluate risks relating to human rights and develop our policies, procedures, and training to help combat modern slavery.

- In our next reporting period our key focus areas will include undertaking a review of the effectiveness of the steps we have taken in this reporting period;
- Engaging with internal and external stakeholders and experts to continuously improve and evolve our response to modern slavery;
- Continuing to enhance existing Coal Services training materials both for new starters and for existing employees as part of mandatory annual training. This is to foster awareness of modern slavery risks and the skills required to effectively identify and report on instances of risks of modern slavery, wherever they may occur in our operations or supply chain;
- Continuing to identify trends across our supplier base to develop collaborative improvement opportunities;
- All suppliers required to formally acknowledge or reconfirm their commitment and understanding of modern slavery and human rights issues.

Signatories

This Statement was approved by the boards of directors of each of the Coal Services Group Reporting Entities on 28 October 2021.



David Moulton
Chairman



Lucy Flemming
Managing Director/CEO

Contact us

For more information about this statement please contact:

Madeleine Love

Head of Risk, Compliance & Legal

T. +61 2 8270 3269

M. 0429 977 981

E. madeleine.love@coalservices.com.au

www.coalservices.com.au

Coal Services Pty Limited

A.B.N. 98 099 078 234

Corporate Office

T +61 2 8270 3200

F +61 2 9262 6090

Level 21, 44 Market Street
SYDNEY NSW 2000

GPO Box 3842
SYDNEY NSW 2001

Hunter Valley | Illawarra | Lithgow | Mackay |
Mudgee | Newcastle – Central Coast

www.coalservices.com.au

