



**2021
MODERN SLAVERY STATEMENT**



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Message from Our Chairman

Chanin Vongkusolkit

"Respecting human rights and taking steps to prevent modern slavery in our business's sphere of influence are important parts of our commitment to be a responsible corporate entity."



Banpu Australia Co Pty Ltd (Banpu Australia) and its subsidiaries are energy businesses that are proud to support and sustain our local communities, predominantly regional centres, by delivering coal and operating solar farms.

Respecting human rights and taking steps to prevent modern slavery in our business's sphere of influence are important parts of our commitment to be a responsible corporate entity.

Modern slavery is a global concern with ensuing negative effects on impacted individuals and communities. As a participant in the global community, we recognise our responsibility to work collaboratively with suppliers, customers, our workforce (both direct employees and via contractors) and other stakeholders to raise awareness of any prevalent modern slavery risks. All employees are expected to abide by Banpu's Beliefs and Values, Code of Conduct, and Corporate Governance Principles and Policies.

This publication is the joint Modern Slavery Statement for the financial year ending 31 December 2021. This Statement is made pursuant to the Modern Slavery Act 2018 (Cth) and has been approved by the Board of Banpu Australia on Wednesday 29 June 2022 on behalf of the reporting entities listed in the body of this Statement.

Chanin Vongkusolkit
Chairman
Banpu Australia

A handwritten signature in white ink, which appears to read "Chanin Vongkusolkit". The signature is written in a cursive style and is positioned above a decorative graphic of overlapping, curved shapes in shades of blue, purple, and teal.

Our Structure, Operations and Supply Chains

Banpu Australia — Who we are

Banpu Australia is a wholly-owned subsidiary of Banpu Public Company Limited, an energy company founded in 1983 and listed on the Stock Exchange of Thailand.

While Banpu Australia has no direct employees, its subsidiaries have significant local operations, comprising Centennial Coal Company Pty Ltd and its subsidiary reporting entities (together Centennial) and Banpu Energy Australia Pty Ltd (Banpu Energy Australia). For a full list of reporting entities, please see Page 6.

About Centennial

Established in 1989, Centennial owns and operates five coal mines in the Lake Macquarie and Western Regions of New South Wales, alongside several care and maintenance mines, with other potential projects in various stages of development. These operating mines — Mandalong, Myuna, Springvale, Clarence and Airly — produce coal for local energy production and for export markets.

Centennial was listed on the Australian Securities Exchange between 1994 and 2010, after which it was acquired by Banpu Public Company Limited and delisted.

Centennial is proud to be a locally-oriented organisation. Its approximately 1,600-strong workforce is drawn primarily from the regional centres home to its mine sites, and it is committed to strengthening local economies by engaging with suppliers within its communities.

About Banpu Energy Australia

Banpu Energy Australia owns two key operating assets: solar farms at Beryl and Manildra, in the Central Tablelands region of New South Wales. Banpu Energy Australia does not have day-to-day management of these solar farms, instead utilising contractors to conduct operations, manage commercial arrangements and perform maintenance.

Centennial and Banpu Energy Australia collaborate on renewable energy projects, such as a solar farm at Centennial's Airly mine site and a gas power station at Centennial's Mandalong mine.

Banpu Australia's commitment

While Banpu Australia's operations and supply chains are complex, its aim is to ensure that human rights are understood, respected and upheld and that no employee or contractor is exploited. Banpu Australia recognises the risk of modern slavery occurring in its supply chain and it is taking active, practical steps to address this universal issue within its circle of influence.



Full list of reporting entities

Banpu Australia Co. Pty Ltd
Centennial Coal Company Pty Limited
Centennial Airly Pty Limited
Centennial Mandalong Pty Limited
Centennial Springvale Holdings Pty Limited
Centennial Springvale Pty Limited
Coalex Pty Ltd

Case Study — Labour Hire Risk Assessment

One facet of Banpu Australia's business that could be vulnerable to modern slavery risks is labour hire. In addition to its direct employees, Banpu Australia accesses the labour hire market for workers at various sites across its organisation.

Banpu Australia conducted a risk assessment of its labour hire arrangements and protocols to determine what, if any, modern slavery issues were present or had the potential to arise.

The highest level of risk identified was moderate, which was for 'Labour hire worker not provided with minimum workplace health and safety (WHS) provisions'. This might be caused by, for example, the labour hire company not complying with its own Health Safety Management Systems (HSMS), or the HSMS at the relevant Banpu Australia site, around factors like fatigue and fitness for work, a labour hire worker not being provided with the appropriate tools for a task (for example, equipment and personal protective equipment), or a labour hire worker not receiving appropriate training for planned tasks.

All the other risks were identified as low. The risks assessed were:

- **Labour hire worker exploitation with regard to child labour.**
- **Labour hire worker exploitation with regard to forced labour.**
- **Labour hire worker exploitation with regard to wages and benefits.**
- **Labour hire worker exploitation with regard to association and collective bargaining.**

This low risk rating is underpinned by several considerations.

Banpu Australia maintains detailed contractual arrangements with its labour hire companies. These are fundamentally based on the same procurement processes used for other vendors. This brings the contractor into the same pool of supply chain organisations obliged to align with our standard of conduct, which is regularly explored and monitored through modern slavery questionnaires, surveys and analysis.

All Banpu Australia labour hire workers are based in Australia and, accordingly, are subject to Australian laws concerning employment condition. This is an effective control against modern slavery risk.

Furthermore, Banpu Australia has various controls in place that help to reduce modern slavery risk, such as the age of employees being verified through pre-employment medical checks and on-site WHS policies ensuring a safe workplace with availability of correct equipment.

Banpu Australia remains committed to preventing modern slavery in its labour hire arrangements and will continue to revisit and assess the risk factors in line with our three-year roadmap.

Risks of Modern Slavery

Banpu Australia has determined, through ongoing assessments, that the risk of human rights infringements in our operations is low. One reason for this is that arrangements for staff employed directly by companies in the Banpu Australia Group are required to be compliant with Australian law. Contracted labour, or third-party labour hire, providers are considered a higher risk, though still at the low end of the spectrum (see Labour Hire Case Study on Page 7), due to Banpu Australia having less visibility and control over these workers and their employment terms. This is something Banpu Australia intends to monitor over the coming years, in line with its three-year modern slavery risk roadmap.

Banpu Australia has identified that there is potential for some modern slavery risks to emerge in Banpu Australia's supply chain. During calendar 2021, Banpu Australia spent just over \$1 billion with around 1,540 suppliers.

While broadly committed to accessing goods and services from organisations near Banpu Australia's operational sites in New South Wales regional centres, Banpu Australia's supplier list also includes vendors based internationally. Furthermore, Banpu Australia has both Australian and international suppliers that utilise global manufacturing chains to assemble goods.

Banpu Australia can be reasonably confident in the low modern slavery risk of the local operations of its Australian suppliers, as these organisations are expected to be compliant with Australian laws and regulations. There is, however, the higher potential for modern slavery risk for international suppliers and manufacturers, due to Banpu Australia's relative lack of visibility of their operations and the varying legal and regulatory environments these companies operate under.

Actions to Assess and Address Risks

Having defined its major suppliers and mapped the supply chain across top tiers (with all but the most complex mapped through to source) Centennial has been in regular contact with its major suppliers to discuss modern slavery and inform them of their obligations to the Supplier Code of Conduct.

For the purposes of modern slavery supply chain exploration and mitigation, Centennial defines a major (or Tier 1 supplier) as one in the Top 20 by annual gross spend. In addition to this Top 20, Centennial also analysed its supplier pool to determine if any vendors were at a higher risk of modern slavery due to variables such as geography, identified hot spots and product category. This analysis identified three further organisations to be studied in detail via surveying, bringing the total to 23 companies.

This covers organisations working across a range of industries, including mining products and equipment, electrical and general hardware, IT products, clothing and personal protective equipment (PPE) and building equipment. Where these suppliers are ultimately not Australian-owned, Centennial engages directly with Australian-based subsidiaries or distributors.



Measuring Effectiveness

Across the course of its review into the 23 suppliers, Centennial discovered these vendors utilised manufacturers based internationally including in China, Malaysia, Italy, South Africa, Indonesia and India.

This international element was incorporated into Centennial's risk-based approach in undertaking due diligence of suppliers through the use of a bespoke modern slavery questionnaire. The survey queried Centennial's 23 Tier 1 suppliers to ensure appropriate risk factors were being considered in their internal modern slavery practices and being reported back to Centennial in their responses.

Some of the questions posed to the 23 suppliers during this survey period were:

- **Do you prepare a Modern Slavery Statement?**
- **What steps do you take, or plan to take, to ensure compliance with (Banpu Australia)'s Supplier Code of Conduct?**
- **Are you included in any ethical indices (such as those published by stock or security exchanges)?**
- **What jurisdictions are your operations located in?**
- **Please describe how well you know your supply chain and your suppliers' labour practices.**
- **Are you compliant with all local, national and other applicable laws and regulations of the jurisdictions in which your company operates?**
- **Do you provide training to your employees in relation to identifying modern slavery practices and minimising relevant risks?**
- **Have you taken steps to ensure you do not engage in fraud, bribery or corrupt conduct, and comply with applicable anti-bribery, anti-corruption and anti-money laundering laws and regulations?**
- **Have you set performance improvement targets in relation to health and safety?**

From the answers to these questions and others in its comprehensive modern slavery supplier survey, Centennial analyses and determines any actions required to address emerging risks.

The results of this survey indicate low risk of modern slavery within the wider Banpu Australia supplier chain.

Looking Forward

In order to assess and mitigate modern slavery risks, Banpu Australia has devised and implemented a three-year modern slavery roadmap to ensure risks are continuously monitored. Beyond the immediate controls and actions already outlined in this Modern Slavery Statement, Banpu Australia is working on a number of other initiatives.

Mid-term actions include researching and benchmarking industry peers, developing modern slavery awareness training for employees, working with human resources to scrutinise labour practices for emerging risks (for example, vulnerable migrant workers), and further increasing visibility of supply chain data.

Going forward, the roadmap has established several longer-term ambitions that will unlock even stronger modern slavery response capabilities. These include affiliating with local anti-slavery networks; strengthening already robust audit, whistleblowing and ethical sourcing policies; exploring technology solutions to increase risk assessment efficiency; and collaborating closely with parent company Banpu Public Company Limited to enhance proficiency from a global perspective.

Taking this all into account, Banpu Australia has pride in its direction and is confident it is on the right strategic pathway to assessing and addressing modern slavery throughout its business and supply chain.

Consultation Between Reporting Entities

Although ostensibly separate, both Centennial and Banpu Energy Australia share a commitment to modern slavery principles and are determined to further develop processes for dealing with modern slavery issues as their businesses develop. Both retain a commitment to ethical practices in their own operations (both direct and through asset managers) and in their supply chains. Employees across both businesses are expected to adhere to Banpu's global company values and code of conduct.

A strategic component of the Banpu Australia three-year modern slavery roadmap is to ensure all Banpu Australia reporting entities are aware of the threat presented by modern slavery. Departments with direct or indirect exposure to supply chains now have a unified anti-modern slavery strategy. To achieve this ambition, a working group has been created, comprising key individuals across the organisation, to ensure coordination and consultation between reporting entities and those entities owned and controlled by reporting entities. This group meets periodically to review modern slavery mitigation efforts, discuss emerging threats and plan future actions.

Transparency is a central tenet of this modern slavery roadmap. Centennial and Banpu Energy Australia have Codes of Conduct, inclusive of modern slavery descriptions and human rights obligations, and these are easily accessible for employees. Centennial also has a Suppliers Code of Conduct.



Conclusion

This is Banpu Australia's second Modern Slavery Statement and it represents a reaffirmation of our commitment to prevent the insidious practice from encroaching on our business, both directly and indirectly.

Banpu Australia is proud to have delivered on the first set of actions identified in its three-year roadmap and the working group is dedicated to achieving the next set of actions.

As Banpu Australia develop its approach to modern slavery, it 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 programs and grievance mechanisms, all aligned 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. Banpu Australia's Modern Slavery Working Group will continue to provide a process for regular engagement and feedback across key areas of the business and will regularly report its progress to management and the Board.

Banpu Australia and its workforce recognise the importance of building capability 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, Banpu Australia is taking continual steps to identify those areas of our business where there may be a risk of modern slavery and working to understand the effectiveness of the initiatives detailed.

Banpu Australia looks forward to further reporting on its progress in future Modern Slavery Statements.

