

# Modern Slavery Statement



## Jellinbah Group Pty Ltd – June 2020

This statement covers the activities of Jellinbah Group Pty Ltd (ABN 54 010 754 793) (**Jellinbah**) and its owned and controlled entities during the financial year ended 30 June 2020.

This is Jellinbah's first modern slavery statement under the *Modern Slavery Act 2018 (Cth)* and sets out the actions it has taken to assess and address modern slavery risks in its operations and supply chains.

### **About us**

At Jellinbah, we recognise that respecting the human rights of those affected by our business activities is essential and reflects the "Jellinbah Way" in terms of what matters to us and how we behave.

Jellinbah is a company incorporated in Australia and our registered office is located at Level 7, 12 Creek Street, Brisbane City Queensland 4000.

Jellinbah has a number of subsidiary entities in its corporate group: Lake Vermont Resources Pty Ltd (ABN 28 114 286 841), QCMM (Lake Vermont Holdings) Pty Ltd (ABN 22 114 286 878), Lake Vermont Marketing Pty Ltd (ABN 30 114 286 850), QCMM Finance Pty Ltd (ABN 79 059 230 992), Tremell Pty. Ltd. (ABN 86 010 949 774), Jellinbah Mining Pty Ltd (ABN 63 052 251 000), Jellinbah Resources Pty Ltd (ABN 60 010 825 215), Bowen Basin Coal Pty. Ltd. (ABN 22 065 321 440) and JG Land Company Pty Ltd (ABN 20 114 286 869).

Established in 1988, Jellinbah is a privately owned independent Queensland based coal company, with operations in Central Queensland's Bowen Basin. The group has two operating mines, Jellinbah East Mine and Lake Vermont Mine, with a combined production capacity of 14 million tonnes per year. The mines produce metallurgical coals, which is all exported to be used in the steel making process. The head office for the business is in Brisbane.

As at January 2021, Jellinbah engages a combined workforce of around 1,267, of which 253 are direct employees and 1,014 are employed through site contractors. This can be broken down between our mining operations at Jellinbah Mine and Lake Vermont (operated by Thiess) as follows:

<b>Mine</b>	<b>Permanent Employees</b>	<b>Contractors</b>
Jellinbah	250	140
Lake Vermont	3	874

### **Our supply chain**

Jellinbah works with many suppliers that source mining equipment and goods from a number of countries. Its suppliers are all located in Australia. However, they import mining equipment and consumables from overseas, including Japan, the USA, China, and Europe. Jellinbah does not directly source goods from overseas.

Jellinbah's business model is to contract directly with Australian based entities and source from the Australian market if possible. As a result, the majority of its service providers are covered by Australian industrial relations legislation, which, overall, reduces the risk of employee underpayments. We will engage with our major suppliers on this issue during the next reporting period.

The main types of goods and services that Jellinbah procures include mobile mining equipment and associated parts, fuel and explosives, general industrial, logistics and freight, energy and utilities, general supplies, professional services and information technology. The supply chain also includes the services provided by contractors and consultants, and their respective supply chains.

Jellinbah generally seeks to engage suppliers on long term, stable contracts, but depending on business needs, it also has short term purchasing arrangements.

### **Modern slavery risks**

Jellinbah recognises that modern slavery may impact its business activities and it endeavours to take responsibility for reducing the risk that it might inadvertently contribute to modern slavery through its operations and supply chains.

### ***Risk assessment methodology***

The Company has developed a risk assessment methodology, which considers a number of indicators of modern slavery risks, including sector and industry, the type of products and services, geographical location and specific entity risk.

The initial risk assessment indicated that Jellinbah's operations and supply chain have a low potential for modern slavery risks. Key aspects of the risk profile are summarised in the table below.

### ***Risk profile***

<b>Risk</b>	<b>Description of risk</b>
Sector /Industry level risk	The mining industry in Australia is generally considered a low risk because its industrial environment is highly regulated and monitored by independent parties. There is, however, a presence of labour-hire employment arrangements, which have potential to conceal risks and might reduce employment certainty. All wage-based workers at both mine sites are engaged under enterprise agreements, approved by the Fair Work Commission, and, as a result, there is low risk in terms of the employment arrangements.
Product / Service risk	Some services procured (for example, minor maintenance; office cleaning; freight delivery; international cargo ship charter) pose an elevated risk, due to the prevalence of unskilled workers.  Some products procured (for example, explosives, safety supplies and electrical supplies) pose an elevated risk, due to cost pressures and delivery timeframes, which may force suppliers to impose excessive working hours and low wages. We are also conscious that some of our products may be developed in countries where there is a risk of labour exploitation (see below).
Geographic risk	Every country has modern slavery risks. Some products used may originate from countries where there is a higher risk of labour exploitation. We are continuing to improve the traceability of goods and services in our supply chain, with a focus on countries with an elevated risk, due to the increased slavery risks there.
Specific Entity risk	We are not aware of any suppliers in our supply chain with modern slavery practices. However, we are continuing to engage with our suppliers to maintain confidence in their supply chain and to ensure that they understand Jellinbah's policies and expectations.
COVID 19 risks	COVID-19 may have exposed areas of the supply chain to elevated modern slavery risks, due to some workers being more desperate to secure / retain work.

### **Actions to assess and address risk**

During this first reporting period, Jellinbah introduced a number of measures to assess and address modern slavery in its operations and supply chains.

## ***Due diligence and remediation***

An initial risk assessment was undertaken to identify any key risks that existed within the operations and supply chains. This process will continue to maintain focus on those areas of the business that are most 'at risk'.

Jellinbah maintains long term relationships with trusted suppliers. These relationships increase transparency and reduce the modern slavery risk in our supply chain. Jellinbah is committed to continuing to invest in these types of lasting relationships.

Jellinbah is implementing a process of screening for all new suppliers and re-screening existing suppliers, when it is identified that circumstances may have changed.

If modern slavery is suspected or identified in Jellinbah's supply chain, Jellinbah will work with the supplier and the supplier's management team, to seek to remedy any non-compliances.

## ***Governance and accountability framework***

Jellinbah is in the process of developing an action plan for modern slavery compliance, over the next three reporting periods, designed to focus and prioritise our action in each reporting period. This will be driven by our modern slavery compliance working group, which is in the process of being established.

## ***Policies and procedures***

During FY2020 Jellinbah confirmed that it has in place a number of policies and procedures to serve as a strong governance foundation, upon which to base a framework for addressing modern slavery risks including:

- The Jellinbah Way – Our Code of Conduct: This makes it clear that Jellinbah is committed to do business in a way that earns respect for our business within our communities and that we are appreciative and supportive of the communities in which our business operates. This includes doing everything we can to avoid modern slavery risk in our supply chain.
- Grievance procedures: The business has in place mechanisms for employees and contractors to raise concerns, without fear that their future employment prospects will be adversely affected.
- Jellinbah's contracting and procurement standards include ethical business practices, to ensure that decisions are not just based on supply costs.

Jellinbah is also committed to preparing a Modern Slavery Policy that establishes its commitment to addressing modern slavery risks and driving an accountability for ethical business practices.

## ***COVID-19***

The COVID-19 pandemic has brought further challenges to modern slavery and highlighted social and economic inequalities worldwide. Jellinbah has assessed the impact of the COVID-19 pandemic on its practices. It is mindful of the risks on vulnerable workers and those needing to travel to our mining operations. Further, a key part of our strategy to protect our workforce was ensuring necessary PPE for our workforce and conducting increased cleaning of workplaces.

## ***Other matters***

Jellinbah has communicated about modern slavery risks with workers and has a plan to update its training programs, both at head office and mine sites, to include information regarding ways to reduce modern slavery risks.

We also remain active in the mining industry, in relation to identifying and managing modern slavery. For example, the Minerals Council of Australia has provided a guide in relation to modern slavery and COVID-19, which Jellinbah has used in regard to assessing its own risks and it will continue to do so.

## Assessing our effectiveness

We are committed to reviewing the effectiveness of our actions by regularly reviewing our modern slavery processes. Modern slavery will be added to our risk register in the next reporting period and will be considered by the Risk Committee and senior management on an annual basis.

Jellinbah is also in the process of establishing a modern slavery compliance working group, with representatives from legal, mining operations and business operations, with a key aim for the next reporting period, of establishing a Modern Slavery Policy for Jellinbah.

We also plan to monitor our performance against a number of key performance indicators including:

- the percentage of workers who have completed training addressing modern slavery
- the number of contracts with suppliers which provide controls to manage modern slavery risks
- the number of complaints received, and the proportion resolved, by our grievance management procedures.

## Consultation

Prior to being put to the Board of Jellinbah for review and approval, this statement was considered and reviewed by the Company Secretary of each owned and controlled entity listed in this statement, as well as the General Counsel, Chief Financial Officer and the Chief Executive Officer of Jellinbah.

## FY2021 focus

This document is Jellinbah's inaugural statement. The Company recognises that there are further steps to be taken to assess and address the risks of modern slavery in our operations and supply chains.

In the next reporting period, we will continue to use a range of data sources to continually decrease the risks of modern slavery in our operations and supply chains. We will further develop our in-house training to educate and raise awareness relating to modern slavery and to further develop a Modern Slavery Policy. We will also include modern slavery provisions in our new supply chain contracts.

This statement was approved by the Board of Jellinbah Group on 26 February 2021.



Greg Chalmers  
Chief Executive Officer