

## Modern Slavery Statement Year ended 31 December 2021

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### Reporting entities covered by this statement

This Modern Slavery Statement, issued pursuant to the *Modern Slavery Act 2018 (Cth)* (the **Act**), for the financial year ended 31 December 2021, is in respect of the following entities, each of which is a reporting entity under the Act:

- Mitsui Matsushima International Pty Limited (ACN 100 874 600) (**MMI**); and
- Mitsui Matsushima Australia Pty Limited (ACN 050 054 398) (**MMA**) (collectively the **MM Australia Group**).

MMI and MMA are both incorporated in Australia. The registered office for MMI and MMA is Level 5, 115 Pitt Street, Sydney NSW Australia.

This is a joint statement by each of the reporting entities and is the second Modern Slavery Statement of the MM Australia Group under the Act.

This Modern Slavery Statement describes the risks of modern slavery in the MM Australia Group's business as well as the actions taken by the MM Australia Group to assess and address modern slavery risks in its operations and supply chains during the year ended 31 December 2021.

### Structure, operations and supply chains

#### Structure

Mitsui Matsushima Holdings Co., Ltd. (**MM Group**) headquartered in Fukuoka, Japan is the head entity of the group. MM Group is involved in a wide range of businesses, including:

- Fuel (Coal Production and Sales)
- Renewable Energy
- Coal-related Engineering
- Beverage & Food Packaging
- Fashion
- Electronic Parts
- Office Equipment
- Pet Food
- Nursing Care
- Joiner

For the past century, ever since MM Group's inception as a coal mining company in Matsushima, Nagasaki in 1913, the MM Group has played a vital role in providing stable energy supplies to Japan. The MM Group continues to develop its businesses based on its corporate philosophy "Serving people and society" toward more prosperous communities.

The MM Group's management vision is based on the following four goals:

1. We aim to be a company that is vital to society.
2. We aim to be known for fairness, openness and trustworthiness.
3. We aim to be a company that quickly adapts to changing environments and flexibly undergoes transformation.
4. We aim to be a company that rewards hard and valuable work.

In addition to the above goals, as part of the MM Group's environmental, social and governance responsibilities, there is also a Basic Sustainability Policy which is aligned with the MM Group's corporate philosophy of "Serving people and society".

Headquartered in Sydney, Australia, MMI manages the MM Group's international operations and has developed a strong network around the Pacific Rim through investments and loans in many of the world's prime coal production areas in Australia, North America, Indonesia, and other regions. This network provides stable supplies of coal marketed by Mitsui Matsushima Co., Ltd, a subsidiary of MM Group. The expertise and contacts built up through many years of investment activities also provides a foundation for the development of coal mine projects overseas.

### *Operations*

Whilst MMI is the head entity of the MM Australia Group, it is MMA that is the employing entity with two local Directors who are based in Sydney. These two local Directors are responsible for having oversight and reporting of the coal mining project interests held by the MM Australia Group.

The coal mining project interests held by the MM Australia Group are summarised below:

- **Liddell Joint Venture**  
MMA, which is a wholly owned subsidiary of MMI, holds a 32.5% interest. This is a coal mining operation in the Hunter Valley, NSW which is operated by Glencore Plc, who holds a 67.5% interest. This is an unincorporated joint venture in which MMA holds a non-operating interest.
- **PT Gerbang Daya Mandiri**  
MMI Indonesia Investments Pty Ltd (**MMIII**), which is a wholly owned subsidiary of MMI, holds a 20.1% interest. This is a coal mining project in Indonesia which is operated by PT Mitrausaha Tuluspratama, who holds a 54.9% interest. This is an incorporated joint venture in which MMIII holds a non-operating interest.
- **Eastern Coal Joint Venture**  
MMI holds a direct 56.225% interest. This is a coal mining exploration project in Queensland which is operated by Square Eastern Pty Ltd, who holds a 43.775%. This is an unincorporated joint venture in which MMI holds a non-operating interest.

### *Supply chains*

Based on the limited business activities of the MM Australia Group as described above, the MM Australia Group consequently has a limited number of direct suppliers.

The MM Australia Group's direct supply chains relate to the sourcing of goods and services to support it with undertaking its oversight and reporting activities. In this regard, the MM Australia Group procures the following general types of goods and services:

- professional services (legal, accounting/taxation, engineering)
- financial services (banking and insurance)
- office rental
- travel services
- office equipment and supplies

The MM Australia Group generally has stable longer-term arrangements with its significant suppliers. Where appropriate, the MM Australia Group enters into formal contracts with its suppliers. Outside of services procured from MM Group related entities in Japan, most of the MM Australia Group's direct suppliers are from Australia.

### **Risks of modern slavery practices**

The MM Australia Group has assessed its direct supply chains. Taking into account that the MM Australia Group has a limited number of direct suppliers, the following are considered to be potential risk areas:

- professional services (legal, accounting/taxation, engineering)
- financial services (banking and insurance)
- office rental
- travel services

For these potential risk areas, the level of risk continues to be considered low. This is because the MM Australia Group either engages with MM Group related entities in Japan or with Australian based suppliers which operate under Australian laws and regulations that the MM Australia Group considers to be reputable.

The MM Australia Group has also considered its coal mining project interests, as outlined above, and its indirect exposure to the risks of modern slavery. As the MM Australia Group is not the operators for these projects, the operators for these projects are responsible for these projects being undertaken in accordance with relevant laws and regulations. However, The MM Australia Group is therefore reliant on the operators in respect of the identification and management of the potential risks of modern slavery.

### **Actions taken to address modern slavery risks**

#### *Actions at group level*

The MM Group recognises the importance of corporate ethics and compliance, and positions corporate social responsibility, including potential risks of modern slavery, as one of its most important management tasks. The MM Group believes that faithfully discharging these duties is one of the ways of increasing shareholders' value. To realise these aims, the MM Group believes it is necessary to build strong and friendly relationships with shareholders, suppliers, local communities, employees and other stakeholders and also to enhance and improve the statutory functions of the General Meeting of Shareholders, Board of Directors, Board of Auditors, accounting auditors, and other bodies so as to improve corporate governance.

The MM Group has a policy of working to increase the transparency of management and providing shareholders and investors with disclosures of information in a timely and accurate manner. In this regard, the MM Group does report on societal initiatives as part of its formalised reporting to stakeholders.

The MM Group principles are adhered to by all Mitsui Matsushima group entities, which includes the MM Australia Group.

#### *Actions at an entity level*

MMA as the main operating entity in Australia, monitors and oversees risk management of the MM Australia Group entities, including the risks of modern slavery. Based on the size and nature of operations, as explained earlier, the MM Australia Group does not have a formal policy in place for directly procuring goods and services. However, the MM Australia Group considers that the processes in place continue to be appropriate given the activities and risks to the business. The MM Australia Group also leverages the policies and measures that have been implemented globally by MM Group as appropriate.

The MM Australia Group participates in joint ventures with well-known and reputable organisations as participants, which the MM Australia Group considers mitigates its exposure to modern slavery risks. Further details on these joint venture arrangements and approach to modern slavery is set out below.

### Liddell Joint Venture

As majority participant and manager of Liddell Joint Venture, Glencore manages risks to the joint venture through the supply chain on behalf of the joint venture participants, including the MM Australia Group. In respect of modern slavery, the following is a link to Glencore's most recent formal statement:

<https://www.glencore.com/dam/jcr:031b5c7d-b69d-4b66-824a-a0d5aff4ec91/2020-Modern-Slavery-Statement.pdf>

### Eastern Coal Joint Venture

The other participant in this project, Square Eastern Pty Ltd, is the manager for this project. Square Eastern Pty Ltd manages risks to the joint venture through the supply chain on behalf of the joint venture participants, including the MM Australia Group. In this regard, on 26 February 2020, the joint venture participants resolved that all development work be suspended other than that relating to Exploration Permit for Coal maintenance. Given the limited activities being undertaken by the joint venture at this time, the exposure to modern slavery risks is considered low. In respect of modern slavery, the following is a link to Square Group's most recent formal statement:

<https://modernslaveryregister.gov.au/statements/5101/>

### PT Gerbang Daya Mandiri

As majority participant and manager of PT Gerbang Daya Mandiri, PT Mitrausaha Tuluspratama manages risks to the joint venture through the supply chain on behalf of the joint venture participants, including MM Australia Group. PT Mitrausaha Tuluspratama is ultimately owned by Mr Sohat Chairil who has significant investments in companies in Indonesia. PT Mitrausaha Tuluspratama does not have a publicly available statement in respect of modern slavery, however PT Mitrausaha Tuluspratama has made representations to the MM Australia Group that the operations of PT Gerbang Daya Mandiri are undertaken in line with relevant laws and regulations in Indonesia.

## **Assessing the effectiveness of actions taken**

The MM Australia Group is reliant on MM Group and the majority participants for its coal projects to assess the effectiveness of actions undertaken to respond to modern slavery risks with respect to the MM Australia Group's supply chain and operations.

The MM Australia Group recognises that monitoring and addressing modern slavery risks in its supply chains is a continuous process. In this regard, the MM Australia Group has undertaken the following actions during the year:

- Reviewing internal reporting prepared by the majority participants and participating in joint venture meetings to understand the actions they have taken on behalf of the joint venture participants to manage modern slavery risks.
- Reviewing information that is made publicly available by the majority participants for its coal interests in relation to modern slavery, including statements lodged with Australian Border Force.
- Ensuring that the procurement process for goods and services directly obtained by the MM Australia Group is in accordance with MM Australia Group policies and consulting with MM Group as required.
- Identifying by value the significant direct suppliers to the MM Australia Group and seeking to understand what policies they have in place with respect to modern slavery.
- Local management for the MM Australia Group has undertaken a refresher on modern slavery awareness by completing all relevant online training made available by Australian Border Force.

Based on these actions, no significant concerns were identified during the year ended 31 December 2021.

## Process of consultation

MMI actively engaged and consulted with the entities comprising the MM Australia Group during the reporting period and in preparing this statement. This included the Board of Directors of MMA and MMIII approving this statement prior to it being finalised by MMI.

## Other information

The MM Australia Group continues to assess the potential impacts of COVID-19 on its operations and supply chain as it relates to modern slavery and its associated risks. The MM Australia Group acknowledges the elevated risks of COVID-19, however the MM Australia Group's ability to enforce its principles as outlined in this statement was not impacted during the reporting period.

The MM Australia Group is committed to continuing to address the risks in its business and to refine its approach and risk management policies. Whilst no significant changes were required during the year ended 31 December 2021, the MMA Australia Group will continue to consider the appropriateness of its processes and procedures in terms of exposure to risks of modern slavery.

This modern slavery statement was approved by the Board of Directors of each of the two reporting entities covered by this statement on 30 June 2022.

This modern slavery statement is signed by Hiroshi Morita as Director of Mitsui Matsushima International Pty Limited on 30 June 2022.



**Hiroshi Morita**

Director - Mitsui Matsushima International Pty Limited