

Modern Slavery Statement

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1 Introduction

This Modern Slavery Statement is for Abbot Point Operations Pty Ltd ABN 58 605 852 060 (APO) and Abbot Point Bulkcoal Pty. Ltd. ABN 23 010 183 534 (APB) (together APO Group) which are reporting entities under the Modern Slavery Act 2018 (Cth) (the Act). This is the joint statement for the APO Group.

The APO Group is committed to the highest levels of ethical business practices and is devoted to understanding and combating the risk of modern slavery in our supply chains and in any part of our business.

This Modern Slavery Statement is prepared in accordance with the Act and describes the risks of Modern Slavery in APO Group's business, steps we have taken and planning of the next steps to be taken during the financial year, ended 31 March 2023, to identify manage and mitigate the risks in our operations and supply chains and how we evaluate the effectiveness of our responses.

For the purposes of this statement, references to 'We', 'Us', and 'Our' collectively refers to APO Group and each of its reporting entities covered by the statement.

2 Modern Slavery Law

The Act identifies seven relevant mandatory criteria which APO Group's Modern Slavery Statement must address, as follows:

- a) identify the reporting entity.
- b) describe the reporting entity's structure, operations, and supply chains.
- c) describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls (under draft guidance, 'operations' includes 'investments').
- d) describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address these risks, including due diligence and remediation processes.
- e) describe how the reporting entity assesses the effectiveness of these actions.
- f) describe the process of consultation with any entities that the reporting entity owns or controls.
- g) any other information the reporting entity considers relevant.

3 The APO Group Structure, Operations and Supply Chains

3.1 Structure

APO is an Australian Proprietary Company that was established in 2015 and is based in Bowen, Queensland. Adani Ports and Special Economic Zone Ltd is the ultimate holding company of APO. APO is controlled by Adani Ports and Special Economic Zone Ltd.

APB is an Australian Proprietary Company that was established in 1980 and is based in Bowen. Adani Ports and Special Economic Zone Limited is the ultimate holding company of APB. APB is 100% owned and controlled by APO.

3.2 Operations

North Queensland Export Terminal (NQXT) is the owner of the North Queensland Export Terminal (Terminal). The Terminal is the most northern coal port in Australia, located within the port of Abbot Point approximately 25 kilometres north of Bowen, at the northern end of the Bowen and Galilee Coal Basins.

The Terminal is a dedicated coal export terminal comprising a dual rail in-loading facility, coal handling and stockpiling areas comprising three bunds capable of being serviced by six stacker reclaimers and a 2.8-kilometre trestle jetty and conveyors connecting to two off-shore berths and two ship-loaders.

APO has been contracted by NQXT to manage the operations at the port of Abbot Point (O&M Contract). APB performs services for the management of operations at the terminal pursuant to a sub-contract (OMC Subcontract). Whilst APO derives revenue through the sub-contract with APB, it does not perform any operational role nor engage any third-party contractors. This is exclusively done by APB. Whilst this statement is made as a joint statement because of the combined revenue of both entities, all modern slavery risks and controls are contained within APB.

As at the date of making this statement, APO Group has 187 employees based in the port of Abbot Point. Employees are employed under individual contracts or an enterprise agreement which has been approved through Fair Work Australia processes.

Our website (<https://www.abbotpointoperations.com.au/>) provides more detailed information about our business, including our strategy, philosophy, and operations, as well as our approach to sustainability.

3.3 Supply Chains

As the owner of the Terminal, NQXT have entered long term contracts with users of the Terminal (User Agreements) which provides the users with a right to access and present coal for handling at the Terminal. APO works collaboratively with the users to build long term partnerships to achieve the user's expectations of responsiveness, flexibility, and reliability of port operations for handling of their coal.

APO Group continues to enhance its processes and implement new processes aimed at ensuring that we only work with appropriate suppliers who can meet the standards that we expect. We are committed to utilising local suppliers and procuring goods and services from local businesses as much as practically possible. Over 98.36% by spend of our direct suppliers are in Australia, with the remainder primarily from the United Kingdom and the USA.

Based on our current processes, we believe our exposure to Modern Slavery Risk is low.

4 Modern Slavery Risks in Operations and Supply Chains

In the reporting statement from last year, APO Group committed to:

- Update its template contracts to include terms and conditions to provide APO Group with due diligence rights to examine the procurement practices of counterparties in relation to their modern slavery obligations; and
- Strengthen its tender response schedules to include details on the contractor's supply chain relating to modern slavery.
- Continue to engage with its suppliers to further understand the risks of modern slavery practices within APO Group's supply chain and, where necessary take action to reduce those risks.

During the year, APO Group have updated its terms and conditions contract templates to provide APO Group with due diligence rights to examine the procurement practices of counterparties in relation to their modern slavery obligations and act where the counterparty is deficient and have included a modern slavery assessment as part of its vendor prequalification process.

To assist APO Group better understand the risks of modern slavery within its supply chain, an expert third party consultant was engaged to assess potential modern slavery risks and advise on opportunities to mitigate those risks. This included a desktop and data review, stakeholder engagement and supplier self-assessment questionnaire and evaluation relating to approximately 480 suppliers used by APO Group. Overall, the immediate modern slavery risk levels across direct suppliers have been found to be relatively low. The supplier self-assessments found that suppliers were aware of modern slavery and were early in their implementation of strategies to reduce modern slavery risks.

Internal workshops were also conducted with relevant APO Group personnel to provide training in the identification and management of modern slavery risks within its supply chain.

The expert third party report has recommended additional actions for APO Group to further embed modern slavery risk management into its processes and systems to ensure the prevention or minimisation of risks, demonstrate continuous improvement and meet regulatory requirements moving forward. Key actions that APO Group will take over the next financial year in this regard are:

- Improving APO Group processes to engage, manage and monitor high and medium risk suppliers.
- Enhancing the risk management framework to address modern slavery risks.
- Enhancing internal capability by providing ongoing training and support to identify and manage operational modern slavery risks.

APO Group will continue over the next reporting period to engage with its suppliers to further understand the risks of modern slavery practices within APO Group's supply chain and where necessary take action to reduce those risks.

5 The APO Group's Actions

5.1 What are the APO Group's Actions?

5.1.1 Policies and Guidelines

The APO Group takes guidance from the Adani Group policies and code of conduct (the Guidelines). Adani Group policies require the entities and its people to conduct business in a manner that respects human rights, employees and contractors treat each other with dignity, respect, and consideration always and does not involve modern slavery practices. All procurements for the business are required to demonstrate that the spending of the company funds is justified, transparently procured, achieve the best value for money and be fit for purpose.

The Guidelines also prohibit discrimination, based on any protected attribute under the law. The Guidelines and the Employees and Contractors who are required to understand and adhere to the Guidelines, throughout their employment or engagement.

The objective of the Guidelines is to ensure that the procurement of all goods and services is conducted in an honest, competitive, full, fair, reasonable, transparent, and ethical manner.

5.1.2 Effectiveness

To date, APO Group has not become aware of any occurrences where a supplier has engaged in practices in breach of their modern slavery obligations.

5.1.3 Consultations

APO Group consulted with the Directors in preparing this modern slavery statement and circulated a draft of this statement for review and comment, prior to it being put to the Board of Directors for final review and approval.

5.1.4 Looking Ahead

APO Group is continuing to develop and implement an improved framework to assess and monitor the Modern Slavery Risks in our operations and supply chain.

APO Group recognises that the risks of modern slavery are complex and evolving. We will continue to work to identify and address these risks in our business and engage with a range of stakeholders, to assess the effectiveness of our actions and enhance our approach.

This Modern Slavery Statement was approved by the Board of Directors, on behalf of itself and the other reporting entities covered by the statement.

On behalf of APO Group

Allan Brown

Allan Brown (Sep 29, 2022 17:00 GMT+10)

Allan Brown

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