

# Modern Slavery Statement

June 2024

# Contents

|                                                    |          |
|----------------------------------------------------|----------|
| <b>1. Introduction</b>                             | <b>2</b> |
| 1.1 What is Modern Slavery?                        | 2        |
| 1.2 Commitment to action                           | 2        |
| 1.3 Applicable reporting entities                  | 3        |
| <b>2. Who we are</b>                               | <b>4</b> |
| 2.1 Ownership                                      | 4        |
| 2.2 Operations                                     | 4        |
| <b>3. Risk of Modern Slavery in our operations</b> | <b>5</b> |
| <b>4. Supply Chain Areas</b>                       | <b>5</b> |
| <b>5. Actions to Address Modern Slavery Risks</b>  | <b>6</b> |
| <b>6. Assessing Effectiveness of Actions</b>       | <b>7</b> |

# 1. Introduction

The Commonwealth *Modern Slavery Act 2018* (**the Act**) entered into force on 1 January 2019. The Act established a national Modern Slavery Reporting Requirement (**Reporting Requirement**).

This Modern Slavery Statement by Kestrel Coal Resources Pty Ltd (Kestrel) applies to the calendar year 2023.

## 1.1 What is Modern Slavery?

Modern slavery describes situations where offenders use coercion, threats, or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery can include:

- Human trafficking,
- Slavery and related practices,
- Servitude,
- Severe discrimination,
- Forced labour,
- Barriers to free association,
- Debt bondage,
- Forced marriage, and
- Child labour.

Any business entity has a responsibility to respect human rights in their operations and supply chains, as outlined in the United Nations Guiding Principles on Business and Human Rights, and the Australian Commonwealth Modern Slavery Act 2018 (the Act).

## 1.2 Commitment to action

Working against modern slavery in all forms aligns to core values of Kestrel, as:

- We are respectful – acting with honesty, integrity and aiming to be the team everyone else wants to work with; and
- We are committed – whether its safety, hitting our targets, caring for our people, community or environment, we’re committed to doing it right.

Kestrel has a zero tolerance approach to any form of modern slavery within their business and supply chain.

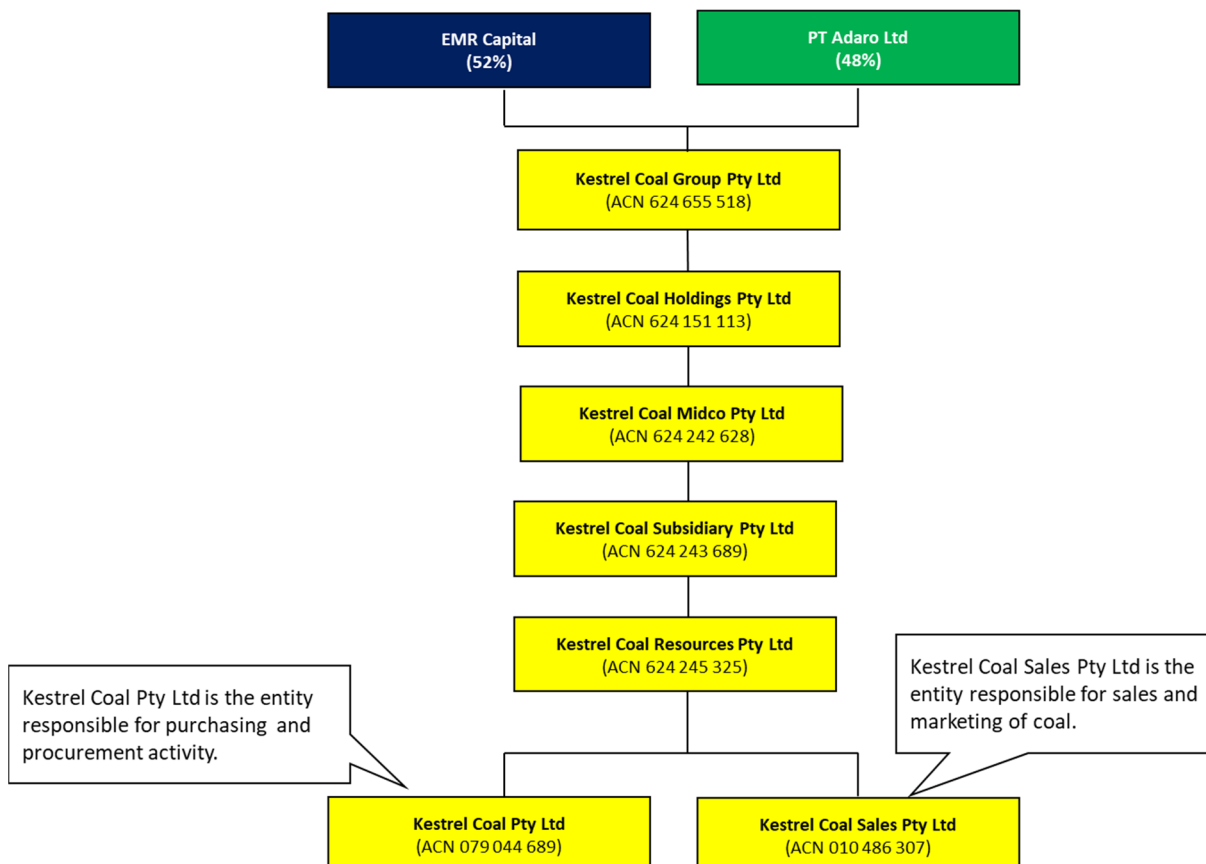
Effective management of Modern Slavery is an ongoing process. Kestrel is dedicated to develop continually improve its Modern Slavery practices.

### 1.3 Applicable reporting entities

This Modern Slavery Statement is made pursuant to the Act by Kestrel in respect of Kestrel and its related bodies corporate (the Group) and relates to the calendar year 1 January 2023 to 31 December 2023. Related entity structure is shown below and includes:

- Kestrel Coal Group Pty Ltd;
- Kestrel Coal Holdings Pty Ltd;
- Kestrel Coal Midco Pty Ltd;
- Kestrel Coal Subsidiary Pty Ltd;
- Kestrel Coal Pty Ltd; and
- Kestrel Coal Sales Pty Ltd

Kestrel and its related entities within the Group each share the same Board members and executive management and accordingly operate under the same policies, processes and procedures.



## 2. Who we are

### 2.1 Ownership

Kestrel is an Australian proprietary company established in 2018 and is based in Queensland, Australia. We operate to produce metallurgical coal for global sales for steel production. We employ approximately 800 people (including contractors) across our site and offices.

Kestrel is jointly owned by EMR Capital (52%) (EMR) and PT Adaro Energy (48%) (Adaro). EMR is a global private equity firm with offices in Australia, Hong Kong, Singapore and the Cayman Islands. It invests in mining companies and projects around the world in the copper, gold, potash and metallurgical coal sectors.

PT Adaro Energy is a publicly listed coal mining development and production group based in Jakarta, Indonesia. Adaro is a significant producer of energy coal, and aspires to grow its energy coal and metallurgical coal businesses in Indonesia and selected international investments.

### 2.2 Operations

Kestrel is an underground metallurgical coal miner and operates the Kestrel Coal Mine, one of the world’s largest producing underground coking or metallurgical coal mines and produces around 8 million ROM tonnes annually. The Kestrel Coal Mine is located approximately 45 kilometres north-east of Emerald, Queensland, and Kestrel has offices in Emerald and in Brisbane. The Kestrel Coal Mine is owned in a joint venture between Kestrel (80%) and Mitsui Kestrel Coal Investments Pty Ltd (20%).



### 3. Risk of Modern Slavery in our operations

The Australian Human Rights Commission has identified the risk for modern slavery in the resources sector primarily relate to geographies in operations and supply chains such as the presence of militias, criminal organisations and corrupt governments in countries that are conflict affected or prone to instability.

Kestrel’s mining operations are limited to Australia which has a low risk of modern slavery as an industry. Kestrel has identified that its primary exposure is through its supply chain.

As one of the largest underground coal mining operations in Australia, Kestrel purchases from hundreds of suppliers and sub-contractors every year. Given the complexity of these supply chains, Kestrel undertakes numerous activities to manage Modern Slavery risk.

### 4. Supply Chain Areas

Our workforce is predominantly sourced from our local region: employees and contractors alike, managed through a formal payroll and contractor management system.

Procurement expenditure is related to underground coal mining goods and services.

---

#### Technology

- Software Licenses
- Computer Hardware
- Electronic Equipment – mobile phones, tablets
- Office supplies/Printing

---

#### Services

- Labour services
- Professional services – engineering, legal, finance, project management
- Maintenance services
- Fabrication services
- Drilling services

---

#### Bulk materials (oils, fuels, acids, raw materials)

- Diesel
  - Oils
  - Greases
  - Magnetite
  - Stone dust and cement
-

|                                          |                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Maintenance, Repair and Operations (MRO) | <ul style="list-style-type: none"> <li>• Mining equipment</li> <li>• Fixed Plant equipment</li> <li>• Conveyors</li> <li>• Pumps</li> <li>• Hydraulic equipment and components</li> <li>• Industrial supplies/Tools</li> <li>• Electrical Consumables and HVAC Systems</li> <li>• Strata Control</li> <li>• Filter media</li> <li>• Pipe, valves and fittings</li> <li>• Piping, casing and chemicals</li> </ul> |
| Personal Protective Equipment            | <ul style="list-style-type: none"> <li>• Uniforms</li> <li>• Respiratory safety equipment</li> <li>• Auditory and sight safety equipment</li> </ul>                                                                                                                                                                                                                                                              |
| Facilities Management                    | <ul style="list-style-type: none"> <li>• Accommodation services including catering</li> <li>• Facilities services – cleaning, cleaning chemicals and equipment</li> </ul>                                                                                                                                                                                                                                        |
| Energy & shipping                        | <ul style="list-style-type: none"> <li>• Retail Electricity Supply</li> <li>• Shipping activities of product and consumables</li> </ul>                                                                                                                                                                                                                                                                          |

## 5. Actions to Address Modern Slavery Risks

### Contract Terms

All of Kestrel’s contract terms (standard long form contract and Purchase Order T&C’s) include modern slavery compliance obligations.

### Supplier registration

Kestrel requires new suppliers are required to complete a modern slavery questionnaire which helps in providing supply chain transparency but also modern slavery awareness for new suppliers.

### Assurance Program

Kestrel has reviewed its highest risk and highest spend supplier’s Modern Slavery statements to monitor activities and processes for managing Modern Slavery risk.

We have implemented a formal process with suppliers to review current status of risk registers and control verification.

## **Modern Slavery Training**

Ongoing commitment to ensure that key personnel are trained and competent.

## **Ways of Work**

Modern Slavery provisions have been included in our Code of Conduct detailing our commitment to working to ensure the integrity of our supply chain both internally and with our contracting partners.

## **6. Assessing Effectiveness of Actions**

Kestrel is committed to continually improve our systems, processes and to address the effectiveness of these actions. Some of the steps we have undertaken are as follows:

- Validating the level of understanding of Modern Slavery with key personnel in the business;
- Compliance of Modern Slavery Questionnaire by all newly inducted suppliers – 100% compliance;
- Acceptance of Modern Slavery clauses in our standard contract and Purchase Order Terms & Conditions – 100% compliance;
- Annual review of contractual terms and conditions by an external party to ensure they comply to regulatory requirements;
- Implementation of an assurance program that assesses both current and potential suppliers; and
- Through consultation with common board members and senior leaders throughout all entities of the Group.

---

This Statement is made in accordance with the Modern Slavery Act 2018 (Cth) and constitutes our Modern Slavery Statement for the reporting year commencing 1 January 2023 and ending 31 December 2023. This statement has been approved by the Board of Kestrel Coal Resources Pty Ltd.



Shane Hansen

**Chief Executive Officer**

**07/06/2024**





**WE ARE  
RESPECTFUL**



**WE ARE  
ONE**



**WE ARE  
COMMITTED**



**WE ARE  
AGILE**