

SQUARE GROUP

Modern Slavery Statement

Year Ending 30 June 2023



Square Group Modern Slavery Statement (MSS)

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PREAMBLE

This Modern Slavery Statement (“**MSS**”) documents the approach the Square Group shall adopt to meet the mandatory criteria in the *Modern Slavery Act 2018 (Cth)* (“**the Act**”).

INTRODUCTION

Square’s purpose is, ‘We will make everyone around us happy through respectfully supplying raw materials where and when needed’. Square’s operating philosophy and mission is “We prove in the commodities trading industry that nice people can finish first” and our Modern Slavery Statement for FY23 is aligned to our mission and purpose.

Our values, underpin and set the foundation of how we deliver and do things at Square, which are:

We are humble **We care about others** **We are tenacious** **We always do the right thing** **We work hard as a team**

We implement a risk-based approach to managing modern slavery and are committed to continuously improving our processes. This will include commencing engagement with our direct suppliers to educate, assess and encourage improvement in their own capacity to manage modern slavery risks within their broader supply chains. Our governance processes will continue to evolve to ensure we meet the required standards set by Government but also to “live our values” and meet our purpose and mission.

Our people create lasting relationships with our customers, communities and suppliers to successfully deliver our services. People are at the heart of this philosophy, and we are committed to ensuring the fair and equal treatment of everyone in everything we do.

This is Square’s second modern slavery statement and we are making progress.

In 2023, we committed to our first modern slavery statement and have commenced education of employees and developed processes to address modern slavery risks within our operations and supply chain. In 2024, we will develop and train all our employees on Square’s modern slavery framework, to ensure our people have the knowledge to detect and report modern slavery risks. We will also continue to refine the process for supplier prequalification and investigate strategies to safeguard against risks in international sourcing.

Square’s exposure to the risk of modern slavery in our supply chain is considered low, however, we understand we must remain alert to any actual or potential risk, and we will continue to focus on improving our mechanisms to protect human rights across our



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operations and supply chain, particularly in those countries with lower regulation of modern slavery.

MODERN SLAVERY DEFINITION

The term Modern Slavery refers to “situations where coercion, threats or deception are used to exploit victims and undermine their freedom”. Eight types of exploitation are identified under the Act:

- **Trafficking in persons:** the recruitment, harbouring, and movement of a person for expected exploitation through modern slavery.
- **Slavery:** exercise of power over a victim, including the power to make a person an object of purchase and use their labour in an unrestricted way.
- **Servitude:** where the victim’s personal freedom is significantly restricted, and they are not free to stop working or leave their place of work.
- **Forced labour:** where the victim is either not free to stop working or not free to leave their place of work.
- **Forced marriage:** where coercion, threats or deception are used to make a victim marry or where the victim does not understand or is incapable of understanding the nature and effect of the marriage ceremony.
- **Debt bondage:** where the victim’s services are pledged as security for a debt and the debt is manifestly excessive or the victim’s services are not applied to liquidate the debt, or the length and nature of the services are not limited and defined.
- **The worst forms of child labour:** where children are exploited through slavery or similar practices, including for sexual exploitation, or engaged in hazardous work which may harm their health, safety or morals, or used to produce or traffic drugs.
- **Deceptive recruiting for labour or services:** where the victim is deceived about whether they will be exploited through a type of modern slavery.

REPORTING ENTITY AND SUBSIDIARIES

Square Resources Holding Pty Ltd ACN 142 476 631 (“**SRH**”), a Brisbane-based proprietary Australian company is part of the Square Group and is the reporting entity for this MSS. The other entities owned or controlled by SRH within the Square Group are:

- Square Resources Holding (No. 2) Pty Ltd ACN 623 713 682

Exploration entities:

- Square Exploration Pty Ltd ACN 147 787 451 (“**SQX**”)
- Square Eastern Pty Ltd ACN 147 828 626 (“**SQE**”)



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- Square Boyne Pty Ltd ACN 147 828 448
- Eastern Coal Unincorporated Joint Venture, ACN 163 729 262 (“**ECJV**”)
- Eastern Coal Management Pty Ltd, ACN 150 584 418

Marketing and Trading entities:

- Square Trading Pty Ltd ACN 147 788 663
- Square Marketing Pty Ltd ACN 615 813 226
- Square Investment Holding Pty Ltd ACN 626 752 725
- Square Resources Holding Singapore Pte. Ltd. (Singapore) Registration 201810303G
- Square Trading Singapore Pte. Ltd. (Singapore), Registration 201815808R
- Square Resources Colombia S.A.S. (Colombia), Registration 03509479.

STRUCTURE, OPERATIONS AND SUPPLY CHAINS

The Square Group entities are involved in a range of different business activities that are described below.

Activities:

- The exploration entities are involved in resource exploration within Queensland.
- The marketing and trading entities are involved in the marketing and trading of natural resources (mainly coking coal) that we purchase from and manage on behalf of various producers in Australia and overseas and sell to steel producers around the globe, but with a focus on Asia.
- The Square Group does not currently hold major equity nor participate in the management of any of the mining operations nor any supply chain downstream activities or services. Neither are there any investments of companies in Square Group that participate in mining operations.
- The majority of Square Group employees are based in Brisbane, Queensland, involved in resource marketing and trading activities, while a small team is based in Singapore to support the Singapore trading hub. A number of country representatives based in some of the Square Group’s major overseas sourcing and sales country have been engaged to communicate with suppliers and customers such as Indonesia, China, Colombia, Brazil and London.

Operations:

Square Resources has two main operating entities:

- Square Trading Pty Ltd, located in Brisbane (14 employees)
- Square Trading Singapore Pte Ltd, located in Singapore (4 employees).

Other than employees, Square Resources works with a number of agents/



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contractors/consultants that either have contracts with Square Trading Pty Ltd or with Square Trading Singapore Pte Ltd.

The operating entities manage all day to day activities of marketing and trading, such as negotiating with counterparties on purchases and sales, preparing contracts, invoices, arranging shipping documents, managing treasury and risk as well as general management.

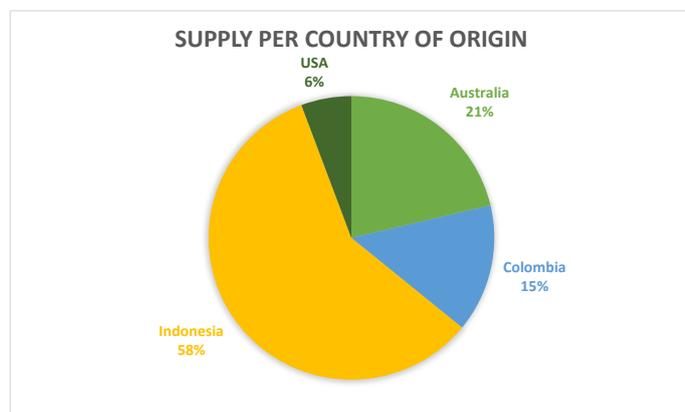
Supply Chains:

The majority of origination of goods (predominantly metallurgical coal) is from the following countries:

- a) Australia
- b) Indonesia
- c) Colombia
- d) Other

Square purchases goods directly from large mining companies, generally on a FOB basis at specifications from the mine. Square does not purchase goods where the origin is not known. The Global Slavery Index has been used as a basis to consider vulnerability risk to modern slavery in Square's procurement practices and areas of origination of supply.

Using this index as a guide, 27% of goods were purchased in countries with a low prevalence of modern slavery (Australia/US), while 73% of goods were purchased in countries with a medium prevalence of modern slavery (Indonesia/Colombia).



The goods are shipped directly from origination to destination countries, being:

- a) Japan
- b) China
- c) Singapore
- d) Brazil
- e) India

Most of our sales are to large steel production companies, of which some are exchange traded or government owned. Occasionally we sell through other trading companies,



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however the delivery/shipment is predominantly direct to the steel producer, and accordingly, in most cases we know the destination and the user.

POTENTIAL MODERN SLAVERY RISKS

The risk of modern slavery within the Square Group direct business operations has generally been determined to be low:

- All Square Group employees and contractors are engaged on employment contracts and paid above standard salaries, in addition to performance bonuses.
- The Square Group generally has stable longer-term arrangements with its significant suppliers, and enters into formal contracts with its suppliers.
- An assessment of supply chains and countries of origin was undertaken, resulting in:
 - The two countries that may have a higher risk of modern slavery according to Walk Free and Responsible Sourcing are Colombia and Indonesia.
 - Both suppliers are established companies that have been operating for many years and very well known in the market and are in possession of all licenses required to operate under local laws. Both are also leading exporters of coal in Colombia and Indonesia.
 - The Indonesian supplier is one of the front runners in Indonesia to combat human trafficking and modern slavery and has been one of the organisers of the Bali Process Government and Business Forum in August 2023, bringing together Government Ministers and senior business leaders to determine methods of addressing human trafficking, forced labour, modern slavery and the worst forms of child labour in the Asia Pacific region.
 - In regards to responsible sourcing, Colombia is identified as a potential country of risk regarding human trafficking and more specifically child labour. SRH has been working with one and the same supplier since 2018. Our local representatives are in almost daily contact with general and day-to-day management and are visiting the company on a frequent basis. Our due diligence and monitoring of the operations of the respective supplier, has not given any indication or evidence that they are involved in child labour or human trafficking.
 - Overall, we consider the risk of modern slavery on our Colombian and Indonesian supply chain also low.

MODERN SLAVERY RISK ASSESSMENT AND MITIGATION

The Square Group recognises that monitoring and addressing modern slavery risks in its supply chains is a continuous process:

- All Square Group employees will be required to undergo briefing sessions on Modern Slavery and to be familiar with the contents of the Square Group MSS.



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- Consistent with this Statement, reports of known or suspected modern slavery within the Square Group's operations or supply chains should be referred to the Square Group management, who will be required to investigate and assess the potential issue against the relevant country's laws as well as Australian laws.
- Such assessments shall then be referred to the Board of SRH for review and risk mitigation and/or remediation action as deemed appropriate.

MODERN SLAVERY RISK MANAGEMENT EFFECTIVENESS

Management shall report to the SRH Board on Square Group's Modern Slavery risk management activities and the Board will assess effectiveness based on evaluation criteria that may include:

- Roll-out of MSS knowledge including tools to identify and assess the risk of modern slavery as publicised on <https://modernslaveryregister.gov.au> to all Square Group employees
- The number of labour exploitation issues identified, assessed, and actioned by Square Group management.

CONSULTATION PROCESS

Square Resources Holding Pty Ltd manages and operates its subsidiary companies and related JV entities (the Square Group) through a common management structure and the SRH Board has been responsible for preparation and approval of this Statement. Square Group management will consult with its stakeholders including related JV Boards as required to ensure that the Square Group meets its obligations as outlined in this Statement.

MODERN SLAVERY STATEMENT APPROVAL

This Modern Slavery Statement was approved and ratified by the Directors of Square Resources Holding Pty Ltd at a Board meeting of Square Resources Holding Pty Ltd.

Kevin Kanamori

Kevin Kanamori
Chief Executive Officer
Square Resources Holding Pty Ltd

21 December 2023

Signature Certificate

Reference number: HG5NX-JPCWR-7SCNC-ANSE7

Signer

Timestamp

Signature

Yutaka Kanamori

Email: kkanamori@mailsql.com

Sent:

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05 Jan 2024 02:01:40 UTC



Recipient Verification:

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