Byerwen Group Modern Slavery Statement 2023

Scope

As an Australian business generating annual consolidated revenue in excess of $100 million, Byerwen Group is required to prepare and publish annual Modern Slavery Statements in accordance with the requirements of the *Modern Slavery Act 2018 (Cth)* ('**Modern Slavery Act**' or '**The Act**').

Reporting Entities

This Modern Slavery Statement ('**Statement**') has been prepared for the compliance period 1 July 2022 to 30 June 2023 and is a joint statement made under section 14 of the Modern Slavery Act on behalf of the following entities that qualify as reporting entities under the Act (i.e. minimum annual revenue of $100 million):

- **Byerwen Coal Pty Ltd** (ABN 64 133 357 632)

This Statement sets out the actions Byerwen Coal Pty Ltd and its subsidiary reporting entities (collectively '**Byerwen Group**' or '**the Group**') have taken to identify, assess and mitigate any actual or potential modern slavery risks in Byerwen Group's operations and supply chains for the 12 months ended on 30 June 2023.

Consultation With Subsidiaries

Byerwen Group is affiliated with the QCoal Group and operates under QCoal Group policies and processes. All QCoal Group subsidiaries and related entities operate under common policies and processes, including in relation to modern slavery and human rights. The subsidiaries within the Group also have at least one common Director. Accordingly, there is common oversight of all Byerwen Group activities.

The FY23 Modern Slavery Statement was developed in consultation with our Modern Slavery Working Group with cross-functional collaboration between various teams including Finance, Procurement, Legal, Marketing and relevant operations personnel. These teams operate across all business functions for Byerwen Group and QCoal Group subsidiaries.

During the year, our ESG management team conducted a briefing and information exchange with representatives from each functional team to raise awareness and to enquire of modern slavery risk factors within our subsidiary operations. These representatives were also given the opportunity to review and comment on the Statement.

Compliance

This Statement has been reviewed for internal legal compliance, however, has not been subject to external assurance or review.

This statement was approved on 6 December 2023 by the board of Byerwen Coal Pty Ltd which is the principal governing body for the reporting entities named in this statement for the purposes of the *Modern Slavery Act 2018 (Cth)*.

Acknowledgement of Country

Byerwen Group acknowledges Australia's Indigenous peoples, particularly the Traditional Custodians of the lands on which we operate, where our products are sourced and the local communities we support.

We extend this recognition to Indigenous peoples and communities around the world and acknowledge the unique cultural and spiritual relationships that Traditional Owners have to the land, waterways and seas.

We pay our respects to Elders, past, present and emerging. We also recognise those Aboriginal and Torres Strait Islander peoples who make an important contribution to the ongoing success of the Group.

Artwork by indigenous artist Chantelle Cooktown, a proud Yidinji woman and member of the Byerwen Sodexo team. Reproduced with permission.

Managing Director's Message

Byerwen Group is pleased to present its fourth annual Modern Slavery Statement which outlines our actions to identify, assess and mitigate modern slavery risks within our operations and supply chains during FY23.

Modern slavery is a global challenge for all industries and sectors, underscored by the complexity of international supply chains and the need for ongoing engagement with suppliers and procurement stakeholders. The effects of modern slavery have long-lasting implications on individuals and communities around the world which makes combating modern slavery in all its forms a key priority of the Group.

As a business, we are committed to a zero-tolerance policy as part of our ongoing management of modern slavery risks and we have taken steps during FY23 to strengthen our governance and decision-making processes in relation to human rights and modern slavery accountability.

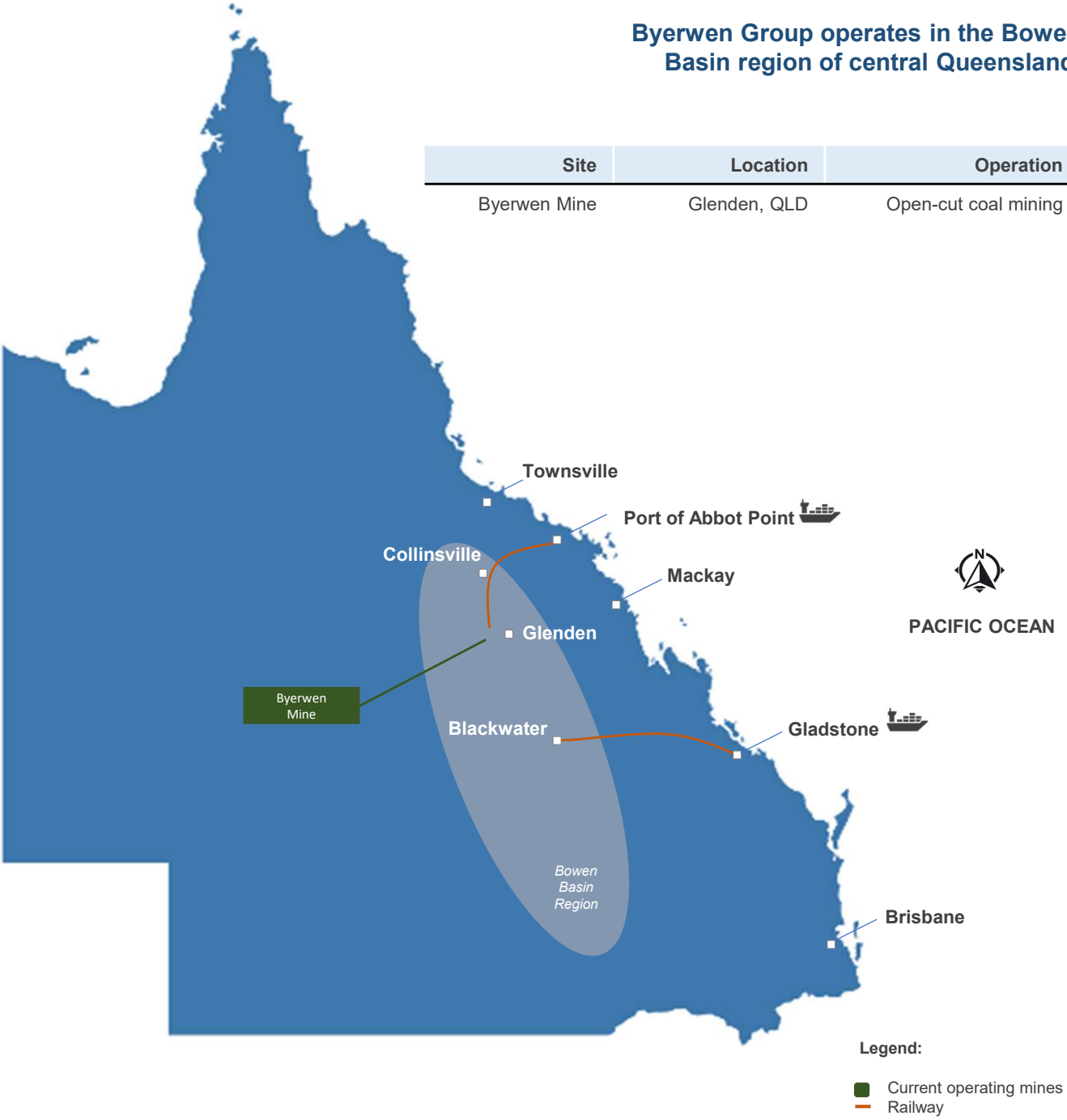
As we look ahead, we recognise that continuous improvement and strengthening of our approach to modern slavery governance remains a key priority for the Group. We aim to develop an even deeper understanding of our key risks through greater stakeholder engagement and developing our internal capabilities.

Christopher Wallin
Managing Director

1 Structure, Operations and Supply Chain

Byerwen Group operates in the Bowen Basin region of central Queensland.

Site	Location	Operation
Byerwen Mine	Glenden, QLD	Open-cut coal mining



The Byerwen Group is a Queensland-based, privately owned coal producer. The Group's operations consist of the Byerwen Mine which is located in Queensland's Bowen Basin, west of the town of Glenden.

Byerwen Mine is a contract mining operation. The majority of Byerwen's coking coal and by-product thermal coal is exported to foreign markets in Asia, Europe, the Middle East and South America. Over 88 per cent of Byerwen's sales in FY23 (by tonnage) were to the Asian region.

In FY23, the Byerwen Mine exported 3.3 MT of coking and thermal coal from its operations. This excludes coal exported from QCoal Group mines during the year[1] (please refer to the *QCoal Group Modern Slavery Statement* for further details).

All of the Byerwen workforce and operations are located in Queensland, Australia with the majority located in Brisbane. Byerwen employs certain key management positions through a related party entity and indirectly employs over 1,000 employees through its key contractors at the Byerwen Mine.

The Byerwen Group's corporate head office is located in Brisbane.

The core activities within our operations include coal mining, handling, and processing and general exploration of mining assets.

1 QCoal Group mines are reported separately for Modern Slavery reporting purposes under the Act.

1 Structure, Operations and Supply Chain

During FY23, Byerwen Group conducted a review of its supplier base which included an assessment of approximately 500 suppliers. These suppliers have been categorised into a broad range of procurement categories covering goods and services relating to exploration, drilling, mining services, equipment, logistics and business support functions.

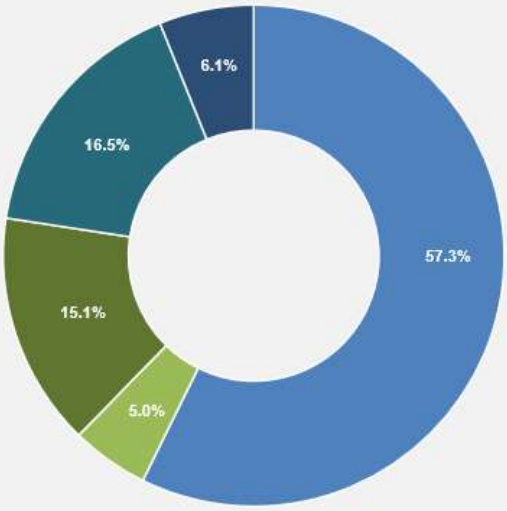
Procurement activities for the Byerwen Group are conducted through a central function based in the Brisbane head office. These activities include procurement governance, contract administration, supplier engagement, invoice processing and payments.

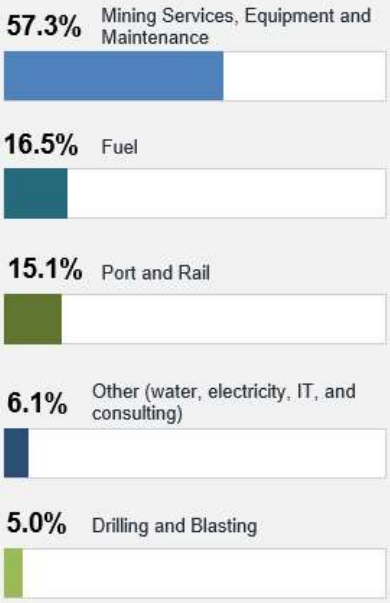
All major expenditure is procured in Australia from a small number of large contractors and suppliers who are Australian entities with sophisticated procurement policies and procedures.

1,056 Contractors employed across our operations as at 30 June 2023 [1]

149 Suppliers paid during the period ended 30 June 2023 [2]

Summary of percentage spend by procurement category [3 4]





1 Excludes contractors employed at QCoal Group mines (Northern Hub and Cook Colliery).
2 Excludes suppliers paid relating to procurement by QCoal Group mines (Northern Hub and Cook Colliery).
3 Excludes government, tax and other regulatory payments.
4 Excludes intercompany payments between QCoal Group entities and other related parties.

2 Risks of Modern Slavery

Risks in Operations

During FY23, the operations of the Byerwen Group were carried out entirely within Queensland, Australia. Accordingly, we have assessed that risks of modern slavery are more significant in our supply chains than in our operations. All individuals employed through related party entities are engaged on terms and conditions which comply with Australian employment law. Our contractors are also required to comply with these employment standards.

Risks in Supply Chains

Sourcing and procurement of goods and services through sustainable supply chain practices is a key priority of the Byerwen Group. In doing so, we are committed to maximising local industry participation and our contractors give preference to suppliers of Australian-sourced goods, services and equipment that is competitively priced and complies with Group procurement policies and vendor purchasing requirements.

Despite this, we recognise that even if a supplier is based in Australia, it may have supply chains and/or related entities in foreign jurisdictions which may increase the risk of modern slavery. Byerwen Group's risk assessment therefore incorporates a holistic approach to supplier risk management that considers a range of factors such as procurement category, country of origin, supplier governance and total spend metrics. This is important as a supplier operating in a higher-risk jurisdiction, for example, may have robust and effective control frameworks in place to mitigate risks of modern slavery. It also highlights the need for effective ongoing engagement with suppliers to ensure risk assessments are up-to-date and that emerging risks are identified in a timely manner.

Our ongoing due diligence processes include an annual assessment of both Tier 1 suppliers and other potential higher-risk suppliers within our value chain. Extensive supplier due diligence is also undertaken on all new and prospective vendors.

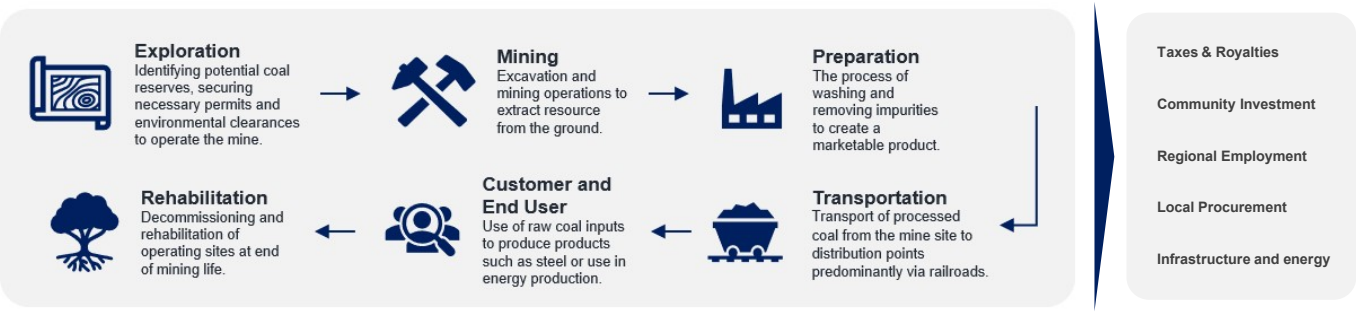
Higher-Risk Supplier Categories

We have identified the following supplier categories which are considered higher-risk in relation to modern slavery practices in our supply chains.

Risk Category	Key Risk Factors
Facility management	• This category encompasses office, site and mining support such as cleaning, catering, on-site security and other mining support involving manual or low-skilled labour. • This workforce is often structured through sub-contract arrangements with the risk of misleading and exploitative recruitment and retention practices.
Blasting supplies	• Blasting explosives and chemicals are used throughout various stages of Byerwen's mining operations and in our coal handling and preparation plants. • Key risks relate mainly to the materials and inputs used to manufacture the chemical and explosives which are often extracted and refined in high-risk countries.
Shipping	• The majority of Byerwen's product is exported to foreign markets. Our customers are responsible for utilising shipping agents and port services for ship loading and other logistics. • Ports and shipping agents generally don't have operational control or oversight of conditions onboard vessels, resulting in limited visibility on labour practices.
Personal protective equipment (PPE)	• PPE and other apparel used on site is often manufactured in higher-risk jurisdictions utilising a lower skilled and lower paid workforce. • Key risks relate to vulnerable and at-risk migrant workers where supply chains are long and complex.
Information Technology	• Byerwen Group utilises a range of technology that enables us to operate our business across multiple operating sites (including head office). • Technology supply chains can be complex, and hardware products are often manufactured in multiple locations and higher-risk jurisdictions with potential for forced and/or child labour.

Byerwen's Mine to Market Lifecycle

The mine to market lifecycle for Byerwen Group involves several stages from the extraction of coal to its ultimate delivery to end users and rehabilitation of operating sites.



Case Study

As part of its ongoing consultation with QCoal Group entities, Byerwen was made aware of a potential modern slavery incident involving conditions onboard a bulk carrier transporting product sourced from QCoal Group mines to a foreign port. According to a published news article, an investigation by the *Australian Maritime Safety Authority* (AMSA) had found instances of modern slavery conditions involving wage theft and worker mistreatment onboard a foreign vessel.

Following an assessment of the transaction and parties involved, it was determined that the supply chain relationship was between the foreign customer and the ship operator (being a purchase of coal product by the foreign customer).

In responding to QCoal's enquiries, the foreign customer confirmed that the transaction was a free-on-board sale to another third-party customer and therefore was not involved in the chartering or vetting of the vessel. This exercise was undertaken by an external vetting organisation arranged by the third-party customer themselves. In these cases, a ship operator has the responsibility to ensure the welfare and working conditions of seafarers on board.

Although QCoal assessed the responsibility for compliance to be with the ship operator in this case, QCoal proactively sought to identify potential deficiencies in risk assessment processes with the responsible parties involved. To prevent recurrence, the foreign customer provided assurances that they would implement a policy where all future free-on-board sales would require their own customers to comply with maritime employment regulations that meet the *International Transport Workers Federation* requirements. This also included further steps to ensure vessels are not subject to any outstanding issues or disputes which may affect berthing and loading.

Additional remedial action saw the seafarer crew reimbursed for their lost income, while the ship operator received a short-term ban from Australia and was ordered by AMSA to implement a corrective action plan to prevent recurrence.

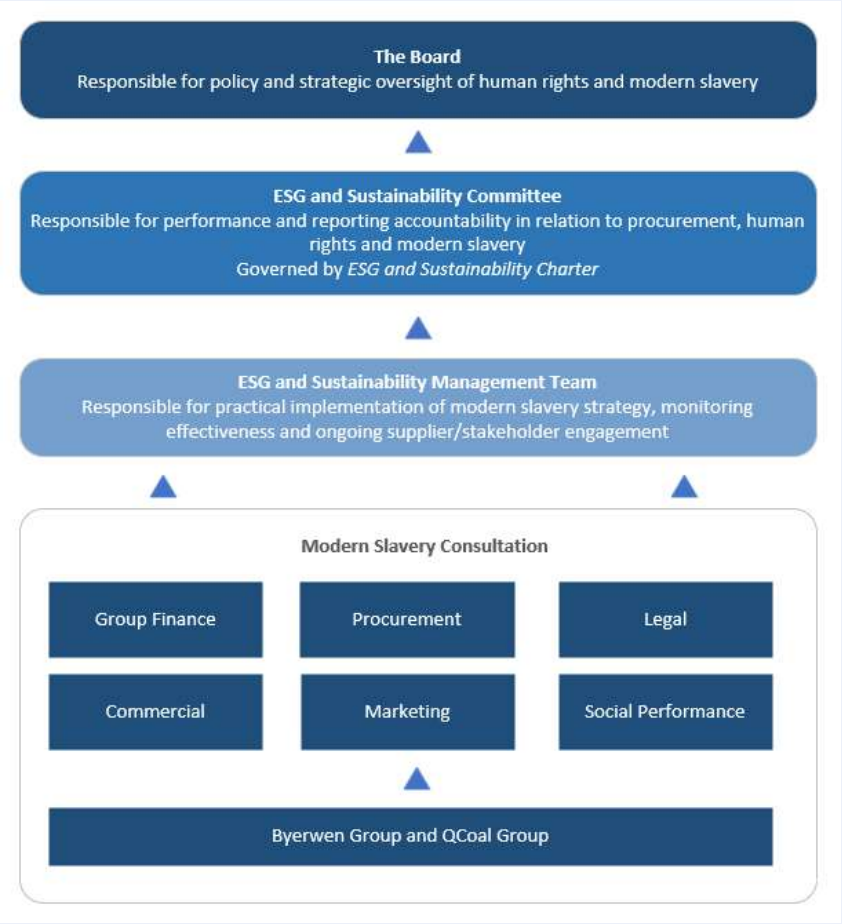
The above case study outlines the complexity of international supply chains and the need for effective and ongoing engagement with stakeholders to identify and address modern slavery risks, regardless of fault or responsibility. It further highlights the importance of ongoing consultation with subsidiaries and related party groups to embed shared learnings and experiences.

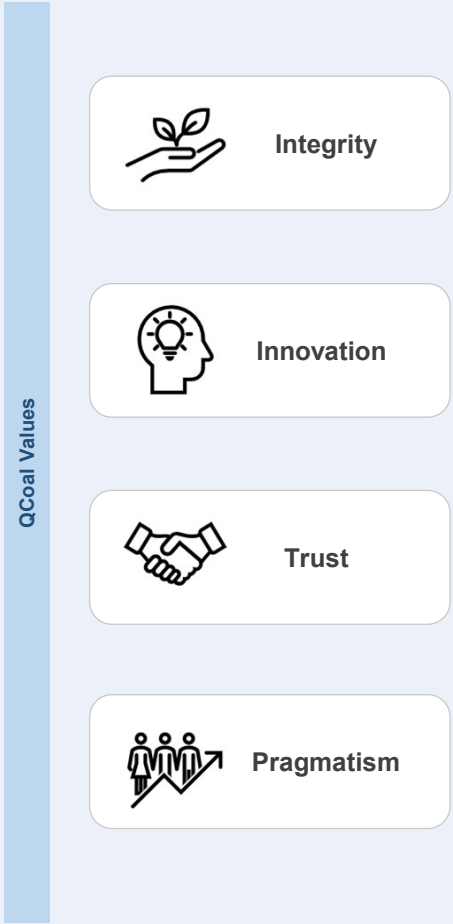
3 Assessing and Addressing Modern Slavery Risks

Sustainability Governance at Byerwen is underpinned by a robust risk management and corporate governance framework to ensure effective oversight of our human rights and modern slavery risks.

Strong sustainability governance plays a critical role in ensuring all human rights and modern slavery risks are appropriately identified and addressed throughout our operations and supply chains.

Leveraging the shared governance and policy framework as QCoal Group, a detailed review of our sustainability governance structures was performed in FY23 to ensure performance and reporting accountability across the Group. Through the establishment of an ESG and Sustainability Committee we are able to manage the oversight, monitoring and review of material risks with the view to embedding our modern slavery approach across the business.





3 Assessing and Addressing Modern Slavery Risks

2023 Achievements	2024 Priorities
1 Formalised a Corrective Action Protocol outlining the framework and processes for responding to identified modern slavery risks within our operations and supply chain.	Enhance our new supplier onboarding process to ensure greater visibility and assessment of modern slavery risks.
2 Conducted extensive desktop audits of key Tier 1 suppliers and suppliers in identified higher-risk industries through risk questionnaire responses and review of publicly available governance documents.	Investigate and assess options for implementing a modern slavery assessment tool across our business for evaluation of modern slavery risks and supplier risk profiling.
3 Established an ESG & Sustainability Committee and corresponding Charter to oversee the ongoing development and implementation of strategies in relation to human rights and modern slavery.	Gap analysis to identify opportunities for improvement in the way we assess and address modern slavery risks in line with the *UN Guiding Principles on Business and Human Rights* (UNGPs).

Supplier Engagement

As part of our ongoing supplier engagement process, Tier 1 suppliers and other suppliers considered to be in a higher-risk procurement category were asked to complete a Supplier Assessment Questionnaire ('SAQ'). The questionnaire is designed to determine the effectiveness of governance and controls of key suppliers with the view to mitigating risks of modern slavery in our supply chains. This includes obtaining an understanding of areas such as:

- Utilisation of technology to assess supply chain visibility;
- Existence of modern slavery policy and/or frameworks to assess modern slavery compliance;
- Internal resourcing to monitor and address modern slavery risks;
- Processes for supplier engagement and collaboration on supply chain issues;
- Key sources of inputs for manufacture or delivery of products and services;
- Strategies for internal training and awareness of modern slavery risks; and
- Frameworks in place for identifying, assessing and responding to instances of modern slavery.

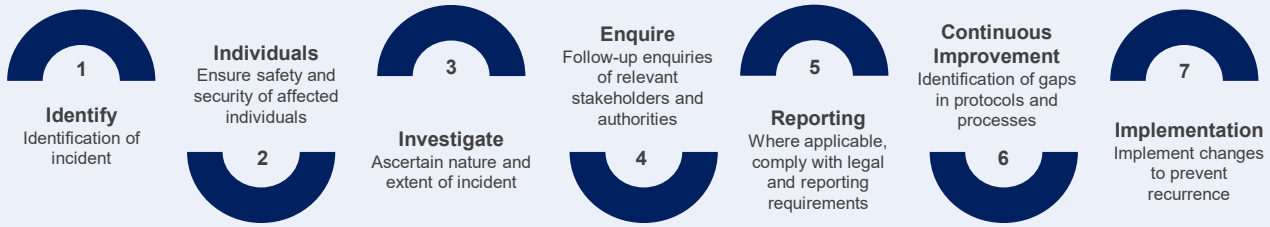
Upon receipt of supplier responses, an internal review is conducted to assess the suitability of information provided. Where necessary, subsequent follow up and additional information is requested to ensure Byerwen Group is able to make a thorough determination of the risk profile of each supplier. A further review of publicly available governance documents (where available) is also conducted.

Awareness Training

Byerwen Group is committed to ensuring all key personnel are appropriately trained and aware of modern slavery risk factors within our operations and supply chains. Targeted training ensures that the Group is able to address the risks of modern slavery and equips our workforce with the capacity to respond appropriately where required. In FY23, the QCoal and Byerwen ESG management team conducted 11 separate training workshops involving relevant teams from across the business. These sessions were delivered as part of the Group's broader efforts to raise internal capability on ESG and sustainability matters, with a focus on modern slavery awareness, regulatory reporting requirements, human rights trends and application to the mining industry.

Corrective Action Protocol

During the compliance period, the Group formalised its Modern Slavery Corrective Action Protocol which provides guidance in responding to instances of modern slavery identified within our operations and supply chains. The protocol also informs the actions required to investigate potential modern slavery risk factors as part of the Group's broader efforts around supplier engagement and ensuring appropriate supply chain visibility. The steps in the Protocol are summarised below:



4 Assessing Effectiveness

Byerwen Group is committed to the ongoing improvement of our modern slavery risk management approaches including measuring the effectiveness of risk mitigation initiatives. We acknowledge that measuring effectiveness of our actions is an evolving process that requires careful consideration of the growing complexities of our supply chains.

Byerwen Group will continue to mature our modern slavery risk management framework and assess effectiveness through the following:

Assessment Area	Actions
Monitoring and assessment	• Ongoing monitoring and assessment of industry best practice and keeping up to date with emerging regulatory changes and compliance requirements.
Peer review	• Evaluating our own processes, procedures and governance frameworks against peers within the mining industry and other related sectors.
Cross-functional engagement	• Continuing cross-functional engagement across the business to ensure risks are mitigated and driving operational awareness of modern slavery risks.
Training and awareness	• Ongoing training and awareness sessions for targeted teams to embed modern slavery in decision-making processes and fostering a culture of continuous improvement where gaps and opportunities are identified and addressed.
Complaints and grievances	• Monitoring of any modern slavery related complaints or grievances received through our whistleblower mechanism and other channels as they arise.
Due diligence	• Continuing to ensure targeted due diligence is undertaken across our Tier 1 supplier group and other higher-risk suppliers through ongoing engagement and evaluation of supply chain visibility.

Modern Slavery Act Reporting Criteria

This Modern Slavery Statement was prepared to comply with the mandatory reporting criteria outlined in *the Modern Slavery Act 2018 (Cth).* The table below identifies where each mandatory criterion of the Act is disclosed within this Statement.

Legislative Reference	Mandatory Criteria	Page No.
Section 16 (1)(a)	• Identify the reporting entity.	1, 2
Section 16 (1)(b)	• Describe the reporting entity's structure, operations and supply chains.	4, 5
Section 16 (1)(c)	• Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns.	6
Section 16 (1)(d)	• Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address those risks, including due diligence and remediation processes.	8, 9
Section 16 (1)(e)	• Describe how the reporting entity assesses the effectiveness of these actions.	10
Section 16 (1)(f)	• Describe the process of consultation with any entities that the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement).	2
Section 16 (1)(g)	• Provide any other relevant information.	7

Approval of this statement

This statement has been approved by the board of Byerwen Coal Pty Ltd which is the principal governing body for the reporting entities named in this statement for the purposes of the *Modern Slavery Act 2018 (Cth)*.

Corporate Directory

Country of incorporation and domicile

Australia

Business address

Level 15, 40 Creek Street
Brisbane, Queensland 4000
Australia

Telephone: +61 7 3002 2900

We are open to receiving input on how we can further enhance our strategies in this domain. Feel free to share your feedback by sending an email to **info@qcoal.com.au**

For more information, visit
www.qcoal.com.au

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