

stanmorecoal



Stanmore Coal Limited
ACN 131 920 968

Modern Slavery Statement 2020
Modern Slavery Act 2018 (Cth)

Contents

Introduction	1
About Stanmore	1
Our Commitment	2
Our Policies and Governance	2
Our Supply Chain	2
2020 Performance	3
Future Commitments	4

Introduction

This Modern Slavery Statement is published as required by the *Modern Slavery Act 2018 (Cth)* (**the Act**). This statement outlines the progress to date to address requirements of the Act and our future commitments.

This Statement outlines Stanmore's ongoing approach to developing robust frameworks and processes to minimise the risk of modern slavery in our business operations and supply chain. As identified by the Act, slavery and human trafficking can occur in many forms including slavery, servitude, human trafficking, forced marriage, forced labour, debt bondage, child labour, and deceptive recruiting for labour or services. Stanmore recognises this and is developing procedures to identify, assess and address all possible practices of modern slavery and human exploitation in its operations and supply chain.

Stanmore is committed to operating responsibly and adhering to the highest ethical standards and will not tolerate any forms of slavery or human trafficking in its business or supply chains.

About Stanmore

Stanmore Coal Limited (**the Company** or **Stanmore**), is an Australian coal mining, development and exploration company headquartered in Brisbane, Queensland and listed on the Australian Securities Exchange (ASX: SMR). The Company's operations and exploration projects are operated through a number of wholly owned subsidiaries and are located in the Bowen and Surat Basins in Queensland.

Stanmore, together with its subsidiaries (**the Group**) is a subsidiary of Golden Investments (Australia) Pte. Ltd. (**Golden Investments**). Golden Investments is a subsidiary of Singapore listed entity Golden Energy and Resources Limited (**GEAR**). The ultimate parent company of Stanmore is Indonesian based PT Sinarindo Gerbangmas.

The Company's foundation asset is the Isaac Plains Complex which comprises:

- Isaac Plains and Isaac Plains East open-cut coal mines have a current product coal output of approximately 2.4Mtpa, will have a staged reduction in opencut operations as the next key development projects ramp up.
- The Isaac Downs opencut metallurgical coal project was acquired by Stanmore in 2018 and has now been integrated into the Isaac Plains Complex. A Bankable Feasibility Study was completed in 2020 on the basis of a an opencut dragline operation. This project will transport ROM coal to the existing CHPP and rail loading facilities at the Isaac Plains mine 12km north of Isaac Downs. An EIS was completed in 2020 and the project is scheduled to be fully approved in 2021.
- Isaac Plains underground development project - a Bankable Feasibility Study has been completed for the planned Isaac Plains underground project which is developed to the east of an existing Isaac Plains opencut highwall in the eastern portion of the Isaac Plains Mining Lease. The timing for the development of the underground project is dependent on the production profile of the Isaac Downs project and is likely to be developed within the next 2-3 years.
- Operating infrastructure owned by Stanmore includes a BE1370 dragline, a CAT6060 excavator, coal handling and preparation plant, site infrastructure and train load out facility.

Approvals are currently being sought for the Isaac Downs development project, a new open-cut metallurgical coal pit that is expected to produce approximately 35 million tonnes over 15 years. Isaac Downs is located to the south of the adjoining Isaac Plains Complex. The mine will utilise the existing Isaac Plains Complex infrastructure.

In addition to its operations and development projects, Stanmore has a portfolio of more than 2,000km² of prospective, granted exploration tenements located in the Bowen and Surat Basins. These exploration projects include:

- The Range
- Belview
- Lilyvale
- Mackenzie
- Clifford

Our website www.stanmorecoal.com.au provides more information on our projects and operations.

Our Commitment

Stanmore recognises its role in protecting the human rights of all people involved in, or impacted by, our business practices. Stanmore is committed to ensuring compliance with human rights principles and to acting ethically, and with integrity in conducting our business. As part of these commitments, Stanmore will endeavour to ensure through its contractual terms and conditions that it engages suppliers and contractors who are actively aligned with these principles and opposed to any form of slavery and human trafficking.

GEAR's corporate values of Integrity, Loyalty, Positiveness, Innovation, Commitment and Continuous Improvement are aligned with Stanmore's commitment.

Our Policies and Governance

Stanmore believes that corporate governance is essential to sustainable value creation. As such, Stanmore is committed to maintaining high standards in all aspects of reporting and corporate governance. Stanmore's commitment to good governance practices, operating ethically and with integrity is guided by our policies which are available to all internal and external stakeholders on our website (www.stanmorecoal.com.au).

Stanmore's approach to corporate governance is explained more fully in the Corporate Governance Statement, available from <https://stanmorecoal.com.au/corporate-governance>.

Stanmore's Audit and Risk Management Committee is responsible for assisting the Board in relation to the risk of modern slavery in the operations and supply chain.

Stanmore's Code of Conduct and broad range of Policies set out the standards which the Board, Management and Employees of the Company are required to comply with when dealing with each other, shareholders, and the broader community. This required conduct extends to dealings with our business partners, customers and suppliers, who must demonstrate similar ethical and responsible business practices.

Stanmore has mechanisms for employees and third parties to anonymously report suspected or actual illegal activity or breaches of Company Policies. An externally managed whistleblower service is accessible to employees and third parties (who fit the definition of whistleblower under the *Corporations Act 2001 (Cth)*) with material incidents being disclosed to the Board.

Our Supply Chain

Given the nature, location and source of the Group's procurement spend, as described below, it is considered that the risk of modern slavery in its supply chain is low, however, Stanmore is committed to maintaining a high standard of supply chain management. This includes working with our suppliers and including contractual obligations to use reasonable endeavours to eliminate the risk of modern slavery and human trafficking from our supply chains.

The Group's suppliers, service providers and customers are contractually required to comply with relevant Stanmore policies and procedures, including demonstrating that they do not have modern slavery and human trafficking in their operations or supply chain. The Group procures services and products from a broad range of industries. The external supply chain is summarised as follows:

Exploration – specialised drilling contractors, geophysical contractors, assay laboratories, consultants etc.

Mining – open pit mining equipment, hire and maintenance contractors, open pit drilling & blasting contractors, fuels, lubes, and explosives suppliers etc.

Processing – grinding media, reagents, shutdown contractors etc.

Delivery – coal product transport for export by rail and ship (for export – ships are contracted by the purchasing party for FOB delivery, not by Stanmore) etc.

The Company has a principal contract arrangement with Golding Contractors Pty Ltd (**Golding**), a subsidiary of NRW Holdings Limited (ASX: NWH) for the Isaac Plains Complex. Golding has responsibility for both mining and coal handling and preparation plant operational activities on site and engages additional subcontractors to enable contract fulfilment. As a result of this arrangement, the majority of the Group's procurement expenditure is indirectly undertaken by Golding.

The Group's direct suppliers are predominantly located in Australia. The Group had over 280 active suppliers in FY2020 with procurement expenditure of over \$360 million, with over 99 percent of expenditure paid to suppliers registered in Australia.

2020 Performance

During the 2020 financial year, Stanmore established a Modern Slavery Working Group to help with future development training programs for employees and establishment of risk assessments processes for suppliers.

The nature of the Modern Slavery Act requires implementation of a continuous feedback loop to ensure best governance is practised and additionally to provide a mechanism to assess the effectiveness of Stanmore's Modern Slavery Policy Statement.

During the 2020 financial year, Stanmore included provisions in the Golding contract to address compliance with the Act. Consultation continued with Golding to review and confirm their approach was aligned with Stanmore's requirements, noting Golding's parent NRW Holdings Limited is also required to comply with the Act.

Stanmore's standard form contracts and purchase order terms and conditions were also reviewed and updated to include specific reference to compliance with the Act.

All Stanmore staff undertook training in relation to existing policies and procedures.

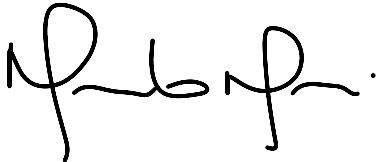
Future Commitments

Stanmore is committed to further enhancing governance and empowering management to address the risks of modern slavery in our operations and supply chains. The Modern Slavery Working Group will set priorities for the 2021 financial year which are anticipated to include:

- Policy reviews to ensure current policy frameworks meet best practice.
- Engagement with suppliers to ensure they understand their requirements and assist them to build capabilities.
- Delivery of modern slavery training to staff to increase capability and ensure they can assist suppliers in building their capabilities.
- Review and implementation of assurance processes to ensure they meet best practice.

This Statement is approved by the Board of Directors.

Signed for and on behalf of the Board of Stanmore Coal Limited.



Marcelo Matos
Director
Stanmore Coal Limited

31 March 2021