

# Modern Slavery Statement

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Dalrymple Bay Infrastructure Limited

for the period ended 31 December 2020

Adopted by the Board on 24 June 2021

## Table of Contents

<b>1. Introduction .....</b>	<b>3</b>
<b>2. Structure .....</b>	<b>3</b>
<b>3. Operations and Coal Supply Chain .....</b>	<b>3</b>
<b>4. Risks of modern slavery practices in DBI’s operations and supply chain .....</b>	<b>5</b>
<b>5. Actions taken by DBI to assess and address these risks .....</b>	<b>6</b>
<b>6. Assessment of effectiveness of actions being taken to assess and address modern slavery risks...</b>	<b>8</b>
<b>7. Consultation within DBI Group .....</b>	<b>8</b>
<b>8. Board Approval .....</b>	<b>9</b>
<b>Annexure 1 – Corporate Structure – DBI Group .....</b>	<b>10</b>

## Modern Slavery Statement<sup>1</sup>

### 1. Introduction

Dalrymple Bay Infrastructure Limited (ACN 643 302 032) (DBI), through its foundation asset, the Dalrymple Bay Terminal (DBT), aims to provide safe and efficient port infrastructure and services for producers and consumers of high quality Australian coal exports. DBT, as the world's largest metallurgical coal export facility, serves as a global gateway from the Bowen Basin and is a critical link in the global steelmaking supply chain.

Modern slavery is used to describe a range of exploitative practices including human trafficking, servitude, slavery, forced labour, forced marriage, debt bondage and child labour. DBI is committed to taking steps to assess and address modern slavery risks within its business and within the supply chains it uses.

The Modern Slavery Act 2018 (Cth) (the Act) requires DBI to outline the risks of modern slavery in DBI's operations and supply chain, the actions taken during the financial period ended 31 December 2020<sup>2</sup> to minimise those risks and to outline a framework for the assessment of the effectiveness of its actions. This Modern Slavery Statement is prepared pursuant to the requirements of the Modern Slavery Act 2018 (Cth) (the Act) jointly by DBI, an Australian listed company headquartered in Queensland on its own behalf and on behalf of its subsidiary, Dalrymple Bay Infrastructure Management Pty Ltd (ACN 097 698 916) (DBIM), each a reporting entity for the purposes of the Act.

### 2. Structure

The Corporate Structure of the DBI Group is attached at Annexure 1 to this statement.

### 3. Operations and Coal Supply Chain

DBI is an Australian infrastructure company and asset manager that owns, through its wholly-owned subsidiaries, the 99 year lease of DBT located in North Queensland<sup>3</sup>. DBT is a regulated multi-user export terminal with a nameplate capacity of 85Mtpa located within the Port of Hay Point, approximately 38 km south of Mackay and 900km north of Brisbane in Queensland. The terms and conditions of access to the terminal are regulated by the Queensland Competition Authority, with access currently fully contracted with current users who mine and transport coal to DBT from the Bowen Basin in Queensland.

As the asset manager of DBT the key functions DBI is responsible for are:

- Regulatory compliance;
- Non-expansionary and expansionary capital works;
- Terminal expansion and associated approvals;
- Managing User and Access seeker relationships;
- Insurance (business interruption; certain public liability; motor and travel);
- Managing the contractual relationship with the Operator; and
- Financing.

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<sup>1</sup> In this statement, unless expressly mentioned otherwise, references to DBI and the Group, the Company, we, us and our, refer to DBI and its 100% owned subsidiaries

<sup>2</sup> Dalrymple Bay Infrastructure Limited (DBI) was incorporated on 7 August 2020. It was listed on the Australian Securities Exchange on 8 December 2020. This statement relates to DBI for the period from 7 August 2020 to 31 December 2020 and for Dalrymple Bay Infrastructure Management Pty Ltd (DBIM) for the reporting period ending 31 December 2020.

<sup>3</sup> The lease is structured with a 50 year initial lease period (commencing on 15 September 2001) and a 49 year extension option at the option of Dalrymple Bay Investor Services Pty Ltd as trustee of the DBT Trust. The option to extend may be exercised at any time between September 2045 and September 2047.

At 31 December 2020, DBI employed approximately 30 people, located both at the head office in Brisbane, and on site at the terminal at Hay Point.

The day-to-day operation and maintenance of DBT is outsourced to Dalrymple Bay Coal Terminal Pty Ltd (ACN 010 268 167) (the Operator) under an evergreen Operations and Maintenance Contract (OMC). The Operator is jointly owned by a number of Queensland's coal producers, who are a majority of DBT's users (by contracted tonnage). The Operator employs approximately 370 employees and a similar number of contractors, which varies depending on the maintenance works being undertaken at any one time.

The key roles and responsibilities of the Operator are:

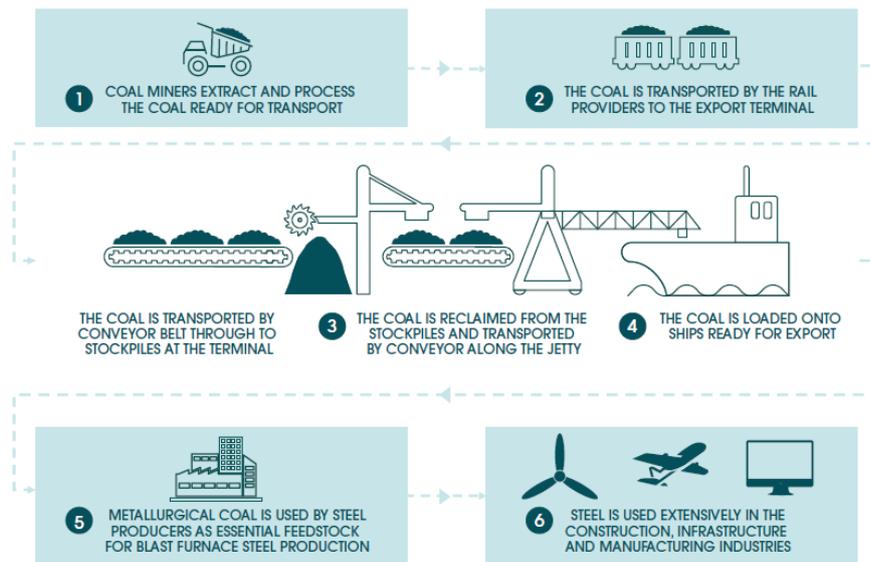
- Day-to-day operation and maintenance of DBT including train scheduling and ordering, train unloading, stockpile management and reclamation, coal blending (if required) and vessel loading;
- Maintenance and repair (scheduled and unplanned);
- Asset Management and condition monitoring;
- Insurance (e.g. industry special risk – property);
- Managing safety at the terminal (as principal contractor);
- Obtaining and maintaining key operational and environmental licences and approvals (excluding licenses and approvals specific to expansions);
- Obtaining and maintaining utilities connections;
- Vessel towage;
- Berth pocket maintenance; and
- Minor capital expenditure.

In this role, the Operator is responsible for the engagement of suppliers and procurement of goods and services to meet the day to day operational requirements of DBT.

DBT is a globally significant export facility. In 2019, DBT handled more than 30% of Queensland coal exports and 15% of global export metallurgical coal volumes. Metallurgical coal is used to produce steel, an essential product in the world's industrialised economy, making DBT a critical link in the global steelmaking supply chain and the global economy. Approximately 82% of coal shipped through DBT in 2020 was metallurgical coal.

Neither DBI or the Operator own or consume the coal that is handled and shipped through DBT. Users contract with the rail haulage providers for transportation of coal from the Bowen Basin mines to DBT and retain legal ownership of the coal until it is loaded onto vessels. The coal is sold by DBT's users to export customers who arrange contracts with vessel owners for marine transportation to ports of destination.

Figure 1 – Coal Supply Chain



### Scope of Modern Slavery Assessment

DBI’s assessment of modern slavery risk for the purpose of preparing this statement is of its direct suppliers of products and services in performing its key functions as an infrastructure manager and owner.

In its direct supply chain, DBI’s largest supplier is the Operator which has published its own Modern Slavery Statement in respect of its assessment of and approach to minimising its modern slavery risks in its operation of DBT. DBI works with approximately 140 suppliers who are predominately Australian based. Measured by value, the majority of payments are made to suppliers in Australia.

In performing its key functions, DBI procures goods and services from a range of suppliers across a variety of sectors including construction, consulting services, information technology, supply of uniforms, corporate services and office supplies.

### 4. Risks of modern slavery practices in DBI’s operations and supply chain

In 2020 and 2021, DBI undertook its first review of potential modern slavery risks utilising its risk management framework to identify the potential for the DBI Group to cause, contribute to, or be directly linked to modern slavery through its operations and supply chain.

To facilitate this, DBI has developed processes to identify sectors and industries, goods and services, and geographic locations which may have a higher inherent risk of modern slavery. This risk assessment approach has been used to perform a review of DBI’s operations and supply chains to identify potential modern slavery risks.

DBI’s initial risk assessment indicated its operations and supply chain have an overall low potential for modern slavery risks. DBI’s modern slavery risk assessment is summarised in the table below:

Category	Risk Assessment
DBI Operations	<p>Minimal</p> <p>As an asset manager with a small workforce employed solely in Australia, there is minimal risk of modern slavery within our direct business operations.</p> <p>All DBI employees have employment contracts in place detailing employment conditions and are in accordance with applicable laws and industrial elements where applicable.</p>

Category	Risk Assessment
Terminal Operator	<p>Low to Medium</p> <p>The Operator’s operations and maintenance employees are covered by an Enterprise Agreement, and the company engages with the unions that cover front-line employees.</p> <p>The direct workforce is supplemented by a labour hire provider whose employees are also covered under an Enterprise Agreement. The Operator has a long relationship with its exclusive labour hire provider but recognises that labour hire arrangements may be open to exploitation.</p>
Construction Contractors	<p>Low</p> <p>DBI engages principal contractors to undertake the capital works for which it is responsible.</p> <p>Each of the organisations which are currently engaged as principal contractors are locally based (Mackay and/or Queensland). Workers are engaged as employees of the contractor and are typically local to Mackay.</p> <p>Companies which tender for projects are pre-qualified across a range of areas, including safety management, anti-bribery and corruption practices and this is to be extended to modern slavery practices.</p>
Other Suppliers Including professional services (consultants, information technology, financial services, insurance and legal services) and other corporate office suppliers.	<p>Low</p> <p>Other suppliers are predominantly based in Australia. Those that are not based in Australia were not identified as being from high-risk countries. Additional due diligence has been undertaken on corporate goods and services linked to industries generally considered high risk.</p>

## 5. Actions taken by DBI to assess and address these risks

DBI is committed to achieving the highest standards of ethical behaviour in the conduct of its business.

### **Review and Update Vendor Due Diligence to Assess Potential Modern Slavery Risks**

DBI has comprehensive vendor onboarding processes, including risk-based screening questions which allow DBI to assess the risk associated with a potential vendor. Additionally, DBI uses the services of an online compliance platform to screen potential vendors and to provide ongoing monitoring.

In 2020, DBI updated its initial screening processes for vendors to include questions which are designed to flag indicators of modern slavery risk and to understand suppliers’ modern slavery compliance capability. Where an indicator is present, the supplier is now required to complete DBI’s Modern Slavery Questionnaire to assist DBI in understanding the business practices of the supplier and to gauge the level of modern slavery risk associated with partnering with a particular supplier.

### **Review and Update of Key Procurement and Contracting Provisions for Modern Slavery Obligations**

DBI has updated its suite of standard consultancy services and construction contracts for key suppliers to incorporate clauses specifically addressing modern slavery risks and the standards which DBI expects suppliers to adhere to. The clauses relating to modern slavery ensure suppliers comply with all applicable legislation relating to anti-slavery and human trafficking including the Modern Slavery Act 2018 (Cth), along with having in place reasonable policies and programs aimed at preventing any conduct in breach of modern slavery obligations in any of the supplier’s operations or subsequent supply chains. The clause also allows for DBI to request information to undertake further due diligence regarding the supplier’s

operation or supply chains. DBI is implementing a progressive program for negotiating the inclusion of modern slavery clauses in its existing contracts on renewal or amendment over time.

### **Governance Framework**

DBI takes a proactive approach to risk management and manages risk through Board approved policies and procedures. Risk management is the responsibility of all DBI employees. DBI's risk management is supported by an overarching assurance program. This framework is designed to promote the responsible management and conduct of DBI and will govern the way in which DBI will address modern slavery risks.

DBI's commitment to human rights is also supported by policies and processes that assist to identify, assess and mitigate risks of modern slavery. These include:

- **Purchasing and Procurement Policy:** sets out the standards that DBI has implemented for the procurement of goods and services.
- **Vendor Risk Management Procedure:** outlines the steps taken when onboarding new vendors and ongoing monitoring of active vendors.
- **Code of Conduct:** sets out how employees are expected to conduct themselves and provides a framework to guide actions, including by carrying out activities in a manner that respects and supports the protection of human rights through:
  - the elimination of discrimination in employment;
  - the prohibition of modern slavery, including child and forced labour; and
  - the eradication of harassment and physical or mental abuse in the workplace.

These practices extend to interactions with key suppliers and other business partners.

- **Risk Management Manual:** incorporates DBI's Risk Management Policy, Framework and Procedure setting out the foundation for DBI's approach to risk management.
- **Speak up Policy:** encourages people to speak up if they become aware of potential misconduct, and to promote a workplace environment in which everyone feels safe, supported and encouraged to speak up.
- **Grievance Policy:** outlines the process for resolving complaints of inappropriate behaviour by people who work at DBI.
- **DBT Sustainability Strategy:** developed to underpin decision-making and future planning, to balance core business goals with responsibilities. Principles identified in DBT's Sustainability Strategy include ensuring the safety and wellbeing of its people and conducting its business according to the highest ethical and performance standards.

### **Impact of COVID-19**

The outbreak and spread of COVID-19 had a significant impact on global economic activity in 2020. The metallurgical coal market saw a deterioration in demand due to governments enforcing closures of non-essential businesses and weaker industrial activity due to COVID-19.<sup>4</sup> The Queensland mining industry, including operating mines, rail providers and DBT were excluded from non-essential business closure directions issued by the Queensland Government<sup>5</sup> and therefore, exempt from government enforced closures implemented to stop the spread of COVID-19.

DBI and the Operator implemented a comprehensive COVID-19 response plan which supported continuity of DBT's operations and safety of the workforce while having limited operational impact on

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<sup>4</sup> Australian Mineral Economics Pty Ltd (ACN 004 013 030)

<sup>5</sup> Pursuant to non-essential businesses, activities and undertakings closure directions issued by the Chief Health Officer under s 362B of the *Public Health Act 2005 (Qld)*.

DBT and its users. Importantly, DBI has managed the issues arising from the COVID-19 outbreak and has continued to deliver on its business strategy without financial impact. DBI expects this to continue in 2021 enabling DBI to continue its efforts to assess and address its modern slavery risks as outlined in this statement.

## **6. Assessment of effectiveness of actions being taken to assess and address modern slavery risks**

DBI is committed to assessing the effectiveness of its identified actions through regular review and continuous improvement of its modern slavery processes.

In 2021 and 2022, DBI plans to continue to enhance its approach to assess and addressing modern slavery by:

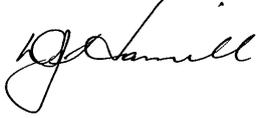
- Developing and implementing a Modern Slavery Policy to integrate with DBI's Governance Framework. The Modern Slavery Policy will set out the requirements for the way in which DBI is to conduct its business to ensure the risks of modern slavery are minimised;
- Continuing to assess new suppliers through the onboarding process and monitor existing suppliers;
- Ongoing review and update of its policies and procedures along with raising awareness with staff and dedicated training on modern slavery risk;
- Establishing and monitoring its performance against a number of key performance indicators (KPIs). These KPIs will include:
  - The number of contracts with suppliers which provide controls to manage modern slavery risks; and
  - The percentage of employees who have completed training on modern slavery.
- Incorporating reviews of modern slavery practices in the internal audit program; and
- Ensure oversight of modern slavery risks in its operations and supply chain and the effectiveness of its actions through periodic reporting to the Compliance, Risk and Sustainability Committee of the DBI Board.

## **7. Consultation within DBI Group**

As outlined in paragraph 1 above, DBI has prepared this joint statement for DBI and DBIM as reporting entities for the purposes of s 14 of the Act. Prior to approval of the statement by the DBI Board, this statement was reviewed by the Company Secretary for DBI's subsidiaries (including DBIM), together with the Chief Executive Officer and the Chief Financial Officer, each of whom are common directors appointed to DBI's subsidiaries, including DBIM.

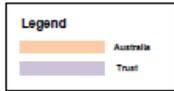
## 8. Board Approval

This statement was approved by the Board of Dalrymple Bay Infrastructure Limited on 24 June 2021.

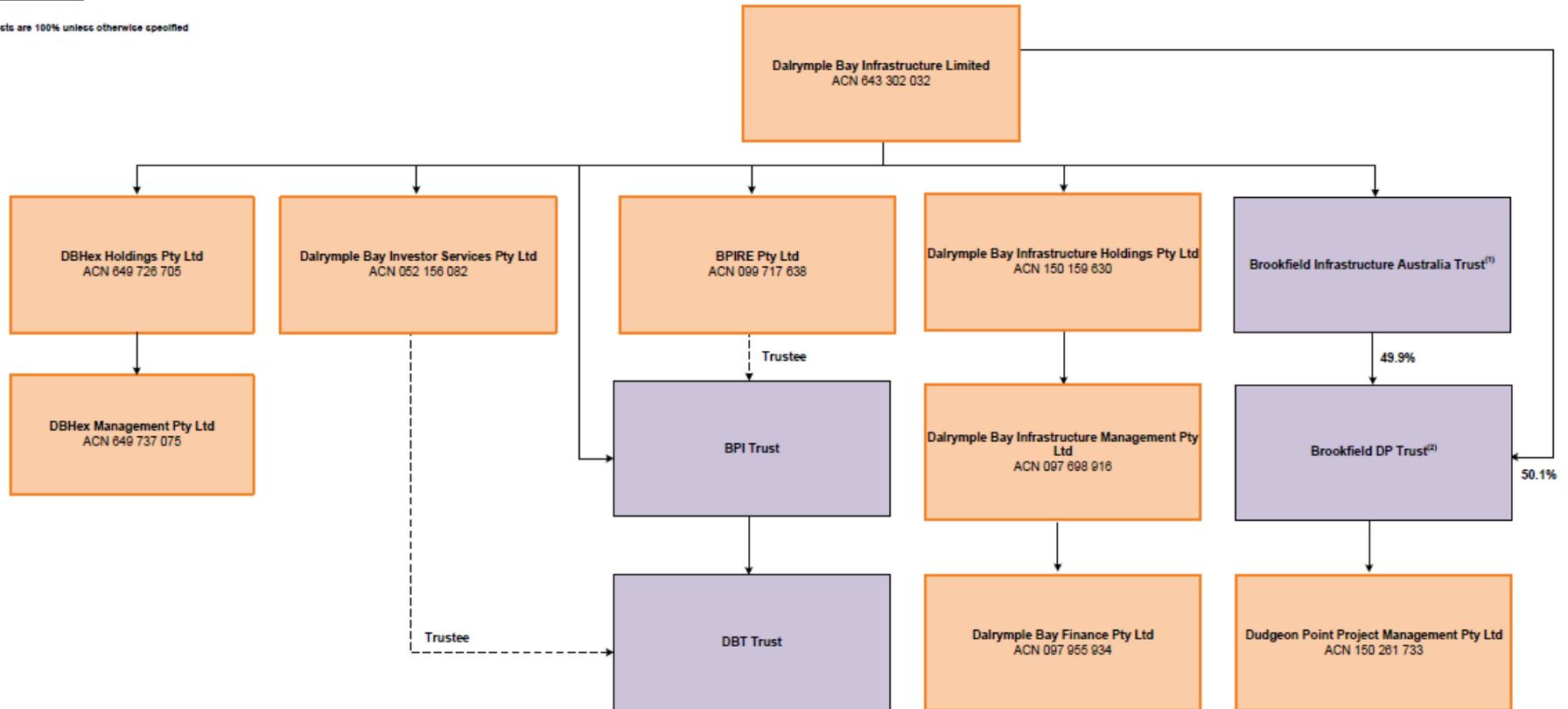


**David Hamill**  
Chairman  
Dalrymple Bay Infrastructure Limited  
24 June 2021

### Annexure 1 – Corporate Structure – DBI Group



NB: All Interests are 100% unless otherwise specified



<sup>(1)</sup> BPIRE Pty Ltd acts as the trustee of the Brookfield Infrastructure Australia Trust.

<sup>(2)</sup> BPIRE Pty Ltd acts as the trustee of the Brookfield DP Trust.