

YN ENERGY PTY LTD
Modern Slavery Statement 2024

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YN Energy Modern Slavery Statement

1. Reporting Entity

This Modern Slavery Statement is made by YN Energy Pty Ltd (YN Energy) ACN 611 692 451 in accordance with the Modern Slavery Act 2018 (Cth).

Following an internal company review conducted at the end of calendar year 2024, YN Energy identified that it has to submit a Modern Slavery Statement in relation to the 2024 reporting period (1 January 2024 to 31 December 2024). This Statement outlines the actions taken in 2025 in response to YN Energy's 2024 business activities.

It documents the governance measures, risk assessments, and policy improvements initiated to strengthen YN Energy's modern slavery risk management framework as part of its ongoing commitment to ethical and responsible business conduct.

2. Structure Operations and Supply Chains

Structure:

YN Energy Pty Ltd is an Australian-incorporated proprietary company operating as a joint venture between:

Shikoku Electric Power Co., Inc. (Japan), a Japanese power utility company and

Noble Resources International Pte Ltd (Singapore) a global independent commodities trading company.

YN Energy was established in 2016 to streamline and centralise the coal procurement function for Shikoku via an integrated JV structure that leverages market agility and blending expertise.

The Board of Directors comprises representatives from both parent companies, with corporate governance guided by jointly agreed principles and shareholder agreements.

Operations:

YN Energy's principal activity is the procurement, blending, and sale of thermal coal, specifically tailored to meet the fuel specifications required by Shikoku's power stations in Japan. Key operational characteristics include:

Trading Only: YN does not engage in coal mining, exploration, or extraction activities. Its role is limited to commercial procurement and sales.

Blending Capability: Coal from multiple sources is blended to meet required calorific values, ash content, sulphur levels, and other technical specifications of Japanese utilities.

Supply Chains:

YN Energy's supply chains are structured across three key categories:

Coal Procurement:

Coal is sourced from well-established producers in the Hunter Valley region of New South Wales.

Purchases are made Free on Board (FOB) Newcastle under a combination of long-term and spot purchase agreements.

Major suppliers are producers that uphold formal commitments to anti-slavery, environmental, and social governance (ESG) standards. Of the eight major coal suppliers contracted in 2024, all eight had modern slavery statements in place.

Logistics and Port Services:

Rail haulage from mines to port is contracted by YN's Suppliers with national freight operators such as:

- Pacific National Pty Ltd
- Aurizon Operations Ltd

Port and stevedoring services are delivered at the Port of Newcastle by

- Port Waratah Coal Services (PWCS)
- Newcastle Coal Infrastructure Group (NCIG)

These logistics providers also operate under regulated frameworks and maintain modern slavery, safety, and environmental policies.

Corporate Procurement:

YN Energy's Newcastle-based corporate office sources goods and services such as:

- IT equipment and software (via Australian distributors)
- Office supplies (from Officeworks or similar vendors)
- Professional services (including accounting, legal, and IT support)

All procurement is conducted through Australian-based suppliers who are expected to uphold modern slavery compliance obligations. Supplier selection includes a review of publicly available Modern Slavery Statements and ethical sourcing policies where applicable. Where applicable, contractual terms are periodically reviewed to ensure alignment with the Modern Slavery Act 2018 (Cth) and broader human rights and ethical sourcing expectations.

3. Risks of Modern Slavery in Our Operations and Supply Chains

YN Energy has conducted a preliminary risk assessment of modern slavery exposure across its operations and supply chains and categorises risk levels based on the nature and geography of each activity.

Low Risk – Direct Operations and Coal Procurement

YN Energy assesses the risk of modern slavery within its direct operations as low. The company operates solely within Australia and maintains a small corporate office based in Newcastle, with no direct involvement in mining, extraction, or on-site labour activities.

Coal is sourced exclusively from major Australian producers that are subject to strong corporate governance frameworks and domestic legal obligations, including prohibitions against slavery, servitude, forced labour, and human trafficking under Australian law. These producers are primarily publicly listed entities with formal commitments to environmental, social, and governance (ESG) standards.

Following the 2024 business activities assessment, YN Energy developed a coal supplier register to consolidate and record modern slavery statements, human rights policies, and other relevant ESG documentation from its major suppliers. This initiative supports greater visibility into supplier compliance practices and reflects YN Energy's intention to enhance YN Energy's risk oversight processes.

Each major supplier demonstrates a structured approach to modern slavery due diligence, including public ESG disclosures and internal compliance systems. These measures contribute to YN Energy's assessment that the risk of modern slavery in its coal procurement activities remains low.

Moderate Risk – Third-Party Logistics and Stevedoring

Modern slavery risks in YN Energy's logistics and transportation supply chain are considered moderate, given:

Rail haulage and port services are subcontracted to third-party logistics providers. These providers may rely on subcontracted labour or casual workforces, including seasonal or migrant workers.

While these companies also operate within a regulated environment and have modern slavery policies in place, their broader labour supply chains may introduce residual risk.

YN Energy does not directly engage or manage transport staff but remains vigilant in reviewing counterparties' compliance frameworks.

Low to Moderate Risk – Corporate Procurement of Goods and Services

YN Energy's procurement of goods and services for its Newcastle office carries low to moderate risk, including:

IT Procurement:

YN Energy acknowledges that IT hardware (e.g., laptops, accessories) may be produced through global supply chains involving countries with a higher prevalence of modern slavery risks, including forced and child labour. While hardware is procured through Australian-based authorised resellers, YN recognises that upstream manufacturing processes may still pose human rights risks.

To address this, YN Energy engages with reputable suppliers that maintain robust modern slavery statements and ethical sourcing policies, and prioritises those with transparent reporting on their global supply chains.

- Office Consumables and Services Risk Assessment

YN Energy considers that office consumables and services—including stationery, cleaning, and software pose a lower modern slavery risk, as these goods and services are typically sourced or delivered within Australia under regulated workplace laws and standards. Nevertheless, YN Energy applies a risk-based due diligence process to corporate procurement, including:

- Screening key suppliers for ethical sourcing practices,
- reviewing supplier modern slavery disclosures (where applicable), and
- seeking transparency and accountability in the supply chain.

Ongoing Vigilance

YN Energy recognises that modern slavery risks exist in global supply chains. As such, the company is committed to:

- Continuously reviewing supplier practices,
- increasing staff awareness and training,
- aligning procurement decisions with its modern slavery policy, and
- maintaining and reviewing its Company Supplier Register

4. Actions to Assess and Address Modern Slavery Risks

YN Energy acknowledges its responsibility to identify, assess, and mitigate modern slavery risks within its operations and supply chains. While the overall risk remains low due to the nature of its business and reliance on established Australian suppliers, the company is committed to strengthening its governance and due diligence framework over time. Key actions undertaken include:

Supplier Risk Assessments:

Following the 2024 reporting period, YN Energy undertook an initial review of its key suppliers across coal procurement, logistics, and corporate services to better understand potential exposure to modern slavery risks. The assessment considered factors such as sector, geographic location, and the nature of goods and services provided. It noted that major suppliers, such as coal producers and logistics providers publicly maintain commitments to human rights and ethical sourcing through published policies and reporting mechanisms.

Supplier Engagement and Questionnaires:

YN Energy intends to engage with major logistics partners in 2025 to reinforce expectations regarding modern slavery compliance. As part of this process, the company plans to issue targeted supplier questionnaires to gather information on labour practices and supply chain monitoring. Follow-up engagement may be undertaken where responses identify areas for improvement or require clarification.

Contractual Commitments:

YN Energy seeks, where practicable, to include provisions in supplier agreements that promote awareness of modern slavery risks and encourage transparency, ethical conduct, and appropriate reporting channels. These provisions are part of the company's overall approach to responsible contracting and supplier engagement.

Internal Training and Awareness:

In 2025, all employees completed initial training on modern slavery awareness, including how to identify red flags and respond appropriately. This training has been integrated into onboarding for all new staff and will be repeated annually as part of the company's compliance calendar.

Supply Chain Visibility:

In 2025 YN Energy began mapping its supply chains beyond major suppliers, with an initial focus on higher-risk procurement categories such as IT hardware. This analysis provides improved visibility into country-of-origin and labour practices, allowing the company to prioritise areas for further due diligence.

Alignment with Shareholder Standards:

YN Energy aligns its approach with the human rights and compliance frameworks of its shareholders—Noble Resources and Shikoku Electric. These include internal grievance mechanisms, whistleblower protections, and codes of conduct that promote respect for international human rights standards.

5. Measuring Effectiveness of Our Actions

To assess the effectiveness of its actions, YN Energy will implement the following measures in 2025:

- **Training Completion Rates:** Monitoring the percentage of staff completing modern slavery training and incorporating knowledge checks to assess understanding.
- **Supplier Questionnaire Compliance:** Tracking response rates and the quality of information received from suppliers, with follow-up actions recorded where gaps are identified.
- **Review of Grievance Mechanisms:** Monitoring usage and awareness of internal grievance channels to ensure they are functioning as intended and accessible to all staff.
- **Policy and Contract Audits:** Periodically reviewing supplier contracts and internal policies to confirm inclusion of relevant modern slavery clauses and alignment with ethical sourcing standards.
- **Board and Management Oversight:** Including modern slavery risk as a standing item in ESG and risk management discussions at board and executive meetings.

These assessment methods will enable YN Energy to evaluate the impact of its efforts and guide improvements in its modern slavery risk management practices over time.

6. Consultation

In preparing this Modern Slavery Statement, YN Energy consulted with its shareholders, Noble Resources International Pte Ltd and Shikoku Electric Power Co., Inc., to ensure alignment on governance expectations, risk management, and corporate responsibility during the 2024 reporting period.

Regular consultation with shareholders also occurs through board meetings and strategic updates. While some initiatives commenced after the close of the 2024 reporting period, these are being monitored and will be reported in future statements, reinforcing a shared commitment to continuous improvement in ethical sourcing and modern slavery risk management.

7. Approval Process

This Modern Slavery Statement has been prepared following the conclusion of YN Energy Pty Ltd's 2024 reporting period. The policies and actions described in this statement were implemented in 2025 to build the foundation of YN Energy's modern slavery risk management approach.

The preparation of this statement involved collaboration across multiple business functions, including commercial operations, procurement, legal, and compliance. The statement was reviewed internally and verified against key records such as supplier agreements, governance documents, and policy frameworks.

The statement was then submitted to the Board of Directors for review. Upon confirming that it accurately reflects YN Energy's commitments and forward-looking actions, the Board formally approved the statement.

The statement has been signed by the Managing Director on behalf of the Board and published on the YN Energy website in accordance with the requirements of the Modern Slavery Act 2018 (Cth).

Aron Bagnall

Managing Director
YN Energy Pty Ltd