


Modern Slavery Statement 2023



TerraCom

Reporting Entity

TerraCom Limited ('**TerraCom**' or the '**Company**') (ASX: TER) is an Australian based mining resources company with a global footprint, comprising a large portfolio of operating assets in Australia and South Africa within the coal sectors. We are a renowned low-cost producer focused on delivering exceptional outcomes from our high yielding diversified asset portfolio for its investors.

This Joint Modern Slavery Statement 2023 (**Statement**) is made on behalf of TerraCom Limited (ABN 35 143 533 537) and its reporting entities under the Australian Modern Slavery Act 2018 (**Modern Slavery Act**) for the financial year ended 30 June 2023. TerraCom's Financial Statements incorporate the assets, liabilities and financial performance of material subsidiaries (Note 38 of the 2023 Financial Statements available on our website), in accordance with its accounting policies.

In this Statement, unless expressly mentioned otherwise, references to TerraCom, the Group, the Company, we, us and our, refer to TerraCom Limited, its subsidiaries and its controlled entities and TerraCom Limited operated joint operations as a whole as outlined on pages 109 to 111 of our 2023 Annual Report. The registered office for all controlled entities is Blair Athol Mine Access Road, Clermont QLD 4721, Australia.



Managing Director Introduction



We are committed to meeting regulatory requirements for responsible sourcing and supply chain due diligence.

Our foundation and our future are built on People, Performance, Passion, and Partnerships. Respecting human rights is integral to being able to deliver value for our stakeholders.

This statement has been prepared pursuant to the Modern Slavery Act 2018 (Cth) and outlines actions taken by TerraCom Limited (**TerraCom**) to identify, assess and address modern slavery risks in its operations and supply chains over the period of 1 July 2022 to 30 June 2023.

TerraCom recognises modern slavery can occur in many different forms and includes coercion, threats or deception to exploit victims and undermine their freedom, forced labour, debt bondage and human trafficking. We acknowledge our role in supporting socially responsible operational, supply chain and community engagement practices. At TerraCom, we are committed to continuously improving our approach and response to identify and mitigate modern slavery and ethical sourcing risks.

TerraCom is opposed to modern slavery occurring within our operations and supply chain and expects our employees, contractors, partners and suppliers will not tolerate any instances of adverse human rights impacts, including modern slavery.

Modern slavery is a significant global human rights issue, and TerraCom remain committed to supporting and respecting individual dignity and human rights across the full breadth of our operations.

Danny McCarthy
Managing Director
TerraCom Limited

*This Statement was approved by the TerraCom Board as the parent entity on ** 2023 in their capacity as principal governing body of TerraCom, and was signed by Mr Danny McCarthy in his role as Managing Director.*

Our vision, purpose and values

OUR VISION

To be recognised as a reliable global resources company that delivers sustainable returns to shareholders and partners.

OUR PURPOSE

To operate assets in the resources and energy sector and create long term value for shareholders by being dynamic and innovative, building on our unique internal and external relationships, caring for and investing in our people and the community and operating with integrity and respect.



OUR VALUES

Our Business

TerraCom acquired its flagship Blair Athol Coal Mine, located in Clermont Queensland, in 2017. Since the acquisition, the Company has successfully restarted operations and now exports approximately 2.2 million tonnes per annum.

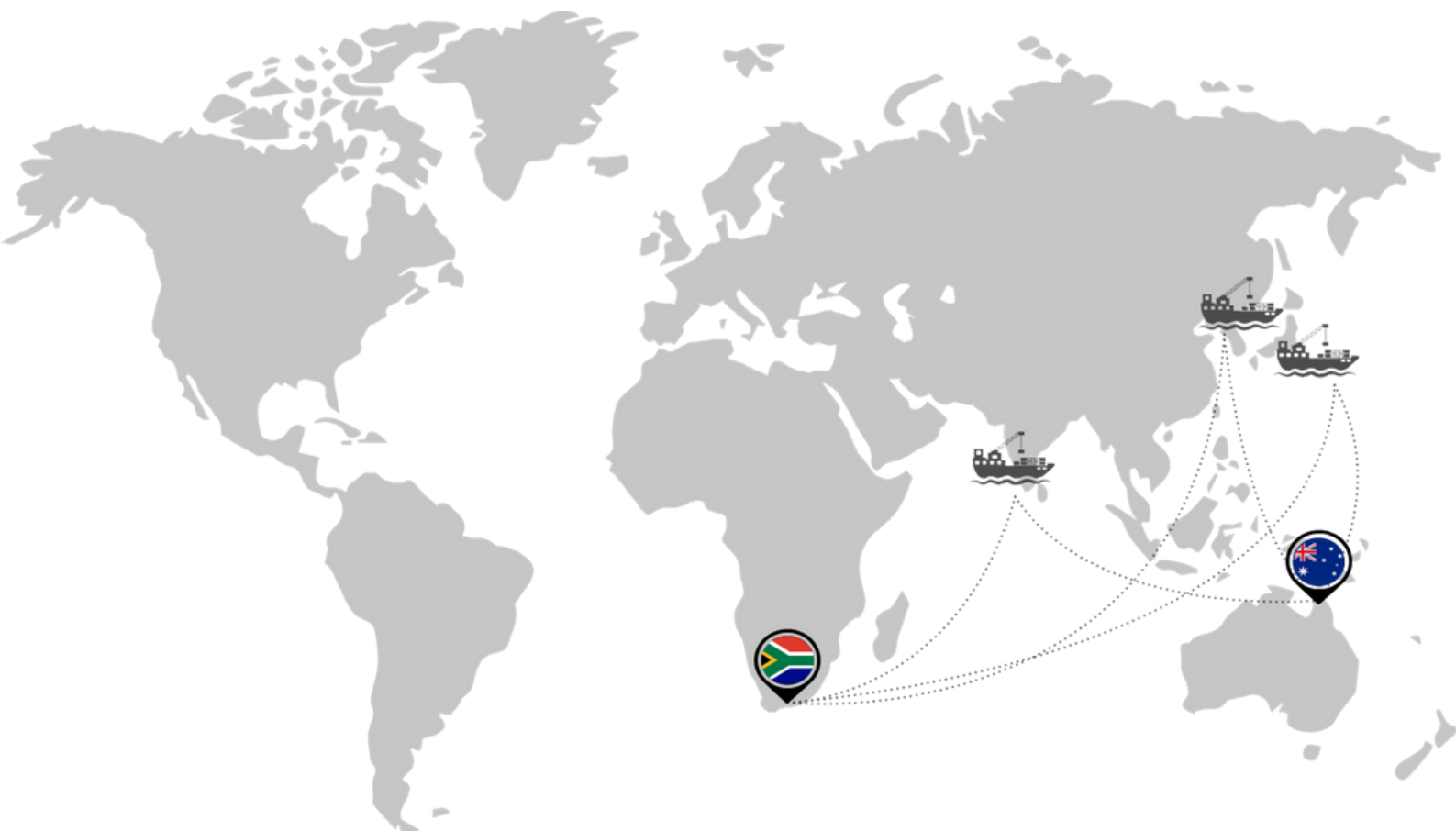
Our purpose as a company is to support and sustain regional communities by exporting high-quality thermal coal from Australia to key markets including Japanese and South Korean Power Utilities / Energy Markets and Indian Sponge iron section (process of direct reduction of iron ore into iron by an elemental carbon from thermal coal).

Our thermal coal is High Energy, Low Ash, Low sulphur, high fixed carbon coal with low trace elements.

TerraCom, via its 100% ownership of Universal Coal Plc (Universal), holds an interest in a portfolio of producing, development and exploration assets located across South Africa's major coalfields.

The South African operations provide domestic quality coal to Eskom (South Africa's government owned power utility) and also provide export coal to customers via the Richards Bay and Maputo coal terminals.

TerraCom is governed ¹ by a Board of Directors. The Board is responsible for ensuring TerraCom has an appropriate corporate governance structure and that the Company continues to grow and develop for the advancement of the mining sector and in line with its Constitution.



¹ Section 4 of the Act defines a principal governing body as: (a) the body, or group of members of the entity, with primary responsibility for the governance of the entity; or (b) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed body within the entity, or a prescribed member or members of the entity.

Our Supply Chain

All activities undertaken by TerraCom regarding procurement are subject to our Code of Conduct, which outlines the behaviour we expect from all members of the workforce. Members of the workforce also have access to an independent service to report potential misconduct as outlined in our Whistleblowing Policy.

These policies are available at <https://terracomresources.listedcompany.com/cr.html>.

Our supply chain supports the business through acquisition of the goods and services which are required to operate, and we are focused on ensuring the benefits of our operations are seen and felt locally.

Through focusing on initiatives and improvements in our response to modern slavery risks across TerraCom, our aim is to minimise the risks of modern slavery in our supply chains and operations and demonstrate our values in creating a better tomorrow.

TerraCom and its subsidiaries transport product from mine to customer by rail, train, truck and ship. Business partners that provide our supply chain services are well established, reputable businesses in the industry.



Identifying and addressing the risk of modern slavery

TerraCom is committed to identifying and addressing modern slavery risks within our operations and supply chains.

We currently assess our effectiveness in identifying the potential for TerraCom to cause, contribute to or be directly linked to modern slavery by tracking our actions and outcomes, engaging with suppliers, and undertaking internal governance checks. To build on activities undertaken to date, we are working on implementing a range of initiatives during FY24 to reflect potential risks as outlined below:

Status	Activity
Ongoing	Identify and assess parts of the business which may be subject to modern slavery risks
Complete	Conduct appropriate due diligence on suppliers and assess risks, with a focus on top level suppliers by spend value
Ongoing	Create and distribute anti-modern slavery training packages to applicable employees
Scheduled	Update website to include modern slavery information
Scheduled	Addition of modern slavery clauses in all new supplier contracts

TerraCom requires all our suppliers to operate in an ethical, responsible, open and transparent manner and be compliant with all applicable laws and regulations. Through our supply chain we recognise the potential to contribute to, or be directly linked to, the risk of modern slavery and human trafficking. To understand our potential exposure, we follow a risk-based approach to identify the types of suppliers that may have a higher risk of modern slavery practices. Suppliers who meet certain criteria that are considered potentially high-risk by TerraCom are subject to further review.

- 1

Our focus is on strengthening our understanding of third-party supply chains and raising levels of awareness of potential modern slavery issues with our suppliers, as well as strengthening supplier on-boarding processes and procedures.
- 2

TerraCom will continue to perform periodic due diligence on its suppliers, with any failure to participate or any supplier determined to be at high risk of modern slavery practices reported to senior management and appropriate further actions taken.
- 3

Our Code of Conduct and Whistleblowing policies have been reviewed and assessed in light of modern slavery risk.
- 4

Our Whistleblowing Policy encourages people to speak up if they become aware of any potential misconduct and outlines the processes for responding to such reports.

Continuing to improve our approach

We consider all reasonable measures have been implemented across our operations to identify, prevent and mitigate the risks of modern slavery, and our key recruitment and labour management processes include:

- Undertaking checks before TerraCom enters into an employment contract i.e. requesting copies of identification (such as passports and driver licences) to confirm age and identity.
- Undertaking a Visa Entitlement Verification Online (**VEVO**) check on all non-Australian citizens to ensure appropriate rights to work in Australia are in place.
- Providing all workers with a written employment contract with employment terms clearly described.
- Ensuring all workers are free to lawfully resign their employment without any penalties or restrictions.
- Paying all workers their legal pay entitlements on time and providing all employees with payslips that define wage payments, leave entitlements and deductions.
- Providing safe accommodation at our mine site or within close proximity to the mine site and ensure all workers are free to leave at will.
- Ensuring all TerraCom employees have access to the Company's Code of Conduct and other related policies and procedures which are located on our website.
- Promoting safe and respectful behaviours and ensuring our message on the need for safe and respectful behaviours is cascaded through our workplaces.

Assessing effectiveness

Currently, we assess our effectiveness in identifying and managing modern slavery and human rights risks by engaging with suppliers, undertaking internal governance and external assurance processes and reporting.

We will continue to work with both our internal and external stakeholders to address the risks associated with modern slavery within our business to strengthen our approach to supplier assurance.

Modern Slavery Act 2018 (Cth)

Statement Annexure

Mandatory Criteria

The table below outlines the page number/s of our Statement that address each of the mandatory criteria in section 16 of the Modern Slavery Act.

Mandatory Criteria	Page Number/s
(a) Identify the reporting entity	2
(b) Describe the structure, operations and supply chains of the reporting entity	5, 6
(c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	7
(d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	7
(e) Describe how the reporting entity assesses the effectiveness of these actions	8
(f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultations with the entity covered by the statement)	8
(g) Any other information that the reporting entity, or the entity giving the statement, consider relevant	7, 8

