

Senex Modern Slavery Statement

Financial Year 2021

Our commitment

This Modern Slavery Statement by Senex Energy Limited (ABN 50 008 942 827) and its controlled entities (**Senex**) is prepared as required by the *Modern Slavery Act 2018 (Cth)* for the financial year ended 30 June 2021. Senex consulted the relevant controlled entities in the development of this statement.

Senex is committed to transparency in relation to modern slavery and addressing any modern slavery risks in its operations and supply chain. Utilising the Senex risk management framework, our company undertook an initial risk assessment of modern slavery in our operations and supply chain. This statement outlines progress to date and our future commitments.

Our structure, operations, and supply chains

Senex is a growing Australian oil and natural gas explorer, developer, and producer. It is listed on the Australian Securities Exchange (ASX: SXY) and has 11 wholly owned subsidiary entities. A list of our controlled entities is available in our 2021 Annual Report, available [here](#).

During the reporting period we owned and operated a portfolio of oil and natural gas assets in the Surat and Cooper basins and employed more than 114 people. In March 2021, Senex completed the sale of its Cooper Basin business (oil), which was a critical milestone in our evolution to being a natural gas producer of scale focused on the east coast market.

Surat Basin

Senex owns and operates several natural gas supply projects in the Surat Basin in southern Queensland.

Our Atlas operation, near Wandoan, is dedicated to supplying the domestic market and provides gas to commercial and industrial customers including the state-owned power generator CleanCo, building products makers CSR and Adbri, glass packaging companies Orora and Visy Glass and, metals processor Nystar, paper maker Opal, gas to power the Southern Oil Refinery, New Century Resources and 29Metals' operations and energy wholesaler and retailer Alinta Energy.

Senex's Roma North operation, near Roma, provides important natural gas supplies to the GLNG liquefied natural gas project as well as the domestic market.

Cooper Basin

Senex held acreage on the productive flanks of the Cooper Basin, Australia's largest onshore oil and gas province, until the sale of this business in March 2021. The gas from this acreage was sold to Pelican Point Power Station in South Australia and the oil was sold to the domestic market.

Senex entered into an agreement to sell the Cooper Basin fields in November 2020, and on 1 March 2021, Senex completed that sale. The effective date for the sale of the business was 1 July 2020.

Supply chain

Predominantly, Senex contracts and partners with Australia-domiciled companies that provide specialised oil and gas services in the following areas:

- drilling and well completion services
- construction of pipelines and above-ground gas processing facilities
- logistics providers
- specialist technical services
- corporate and professional services

What we buy:

- engineering, construction, and fabrication services
- drilling, process, and wellhead equipment
- pipeline materials, including valves and fittings
- wellsite services
- maintenance spares and services
- electrical and electronic equipment
- operations support services including remote accommodation and catering services
- specialist labour, professional and corporate services

In 2021, we had 578 active vendors and suppliers and spent \$71 million with 16 Tier 1 (direct suppliers with \$1 million spend per annum) suppliers. We have established long-term relationships with many of our suppliers, the majority of which are located in Australia and the Australian suppliers comprise at least 98 per cent of our total expenditure.

In addition to our Australian suppliers, about \$1.7 million of our annual procurement spending is directly with overseas suppliers operating in six countries, primarily Canada and the United States.

Wherever it is feasible to do so, Senex actively pursues opportunities to sustain and grow local Surat Basin businesses. In 2021, the local supplier base represented 16 per cent of our total expenditure (local refers to Roma, Wandoan and neighbouring communities).

Senex released its first standalone Sustainability Report in 2021. The Sustainability Report contains information on our sustainable practices across our supply chain and our partnerships with local suppliers. The Sustainability Report can be found [here](#).

Areas of risks

Using the Enterprise Risk Management Framework, Senex conducted an initial risk assessment of modern slavery in our operations and supply chain and will continue to monitor the effectiveness of actions being taken to assess and address modern slavery risks.

As previously identified, potential areas where there may be some risks for modern slavery are held by:

- suppliers who may use products purchased or manufactured in high-risk countries; and
- products purchased which are made in high-risk countries.

In 2020, Senex investigated the risk of modern slavery in relation to our business critical and higher risk direct suppliers, with no remediation actions required regarding modern slavery.

For these reasons, Senex considers it has a low risk of modern slavery in its immediate supply chain (i.e. material suppliers are domiciled in low risk geographies and in low risk industries).

During the FY21 year, Senex commenced a review on its Enterprise Risk Management Framework, and intends on reviewing modern slavery risks once the new framework is implemented.

In following years as our supply chain matures and the business grows, Senex will extend these investigations to additional direct suppliers and critical indirect suppliers. In following years, Senex expects to extend the investigations to other suppliers and customers.

Our approach

To ensure efforts are focused appropriately in relation to preparing for modern slavery reporting, it is important for Senex to develop a *fit-for-purpose approach* based on internal cross-functional collaboration and leveraging appropriate existing processes and frameworks where possible.

During the year Senex undertook the following measures to address risks in modern slavery:

Modern slavery working group

A group of relevant Senex specialists (Risk, Legal, Contracts and Procurement, Government and Stakeholder Relations) prepared this statement and, with support from Executives, undertook tasks as required to achieve our ambition statement.

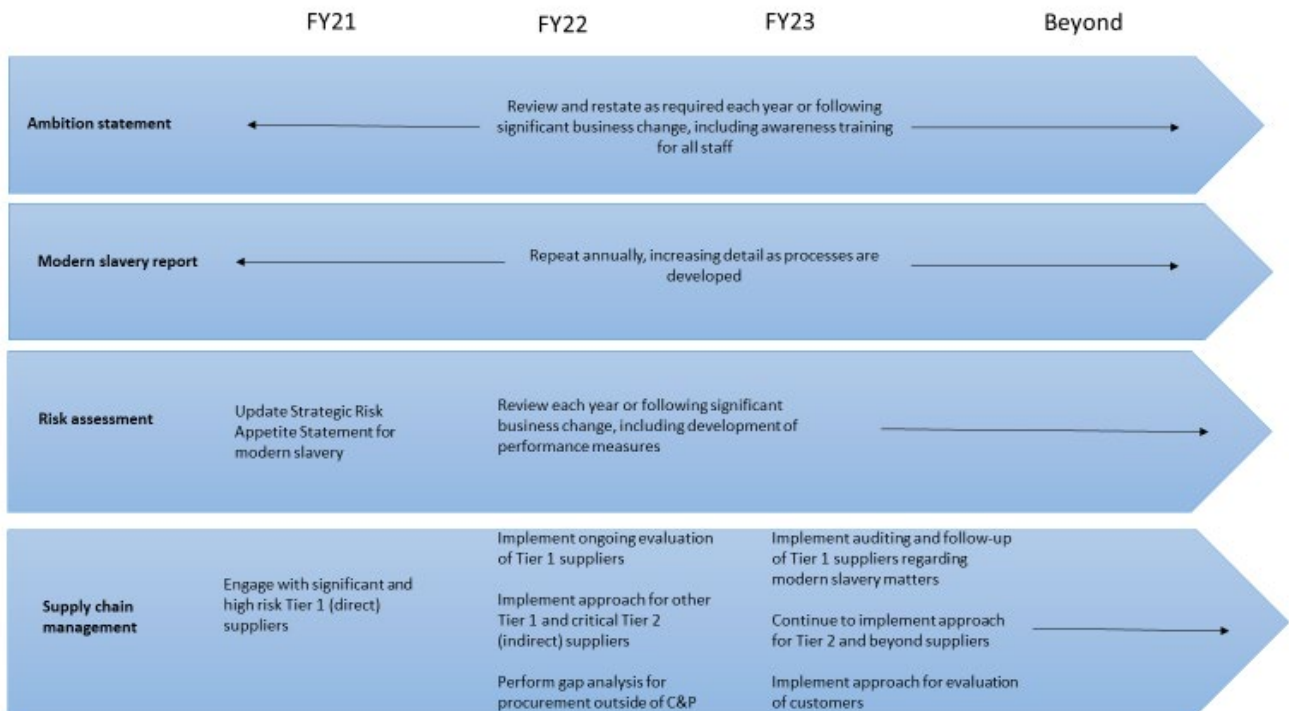
Modern slavery ambition statement and road map

Senex is committed to transparent governance and management to address the risks of modern slavery in our operations and supply chains. Senex has as to the extent practicable, continued with its modern slavery plan, and ambition statement.

Due to reduced activities and impacts from COVID-19, during the year there has been less opportunities to make significant progress against the road map.

Our road map for this reporting period included:

- conducted training to educate key staff (Legal and Contracts and Procurement) and suppliers and provide tools for staff to better identify examples of modern slavery
- encouraging staff to raise any concerns that an activity may be at risk of involving modern slavery (in line with Senex's Code of Conduct and Whistle-blower Policy) – induction
- continually reviewing Senex policies and procedures and ensure risk management of modern slavery is appropriately covered (in line with our governance standards)



Training

Training to educate key staff (Legal and Contracts and Procurement) was limited during the reporting period to those directly involved in procurement and contractual supply arrangements. This was due to impacts in the number of key staff and the reduced level of procurement during and following pek COVID disruption and the reduced commodity prices during calendar 2020.

Supply Chain Management

Senex established a centralised digital repository of contracts and agreements. Used alongside the new Stakeholder Management System, this repository facilitates better management of information and enable a higher level of strategic engagement with our suppliers.

Review of template agreements

To ensure we meet our obligations under the Act, further review of template agreements for the supply of goods and services now include provisions addressing modern slavery and the provision of information from suppliers.

COVID-19 impact

During 2021, we remained focused on the safety and wellbeing of our employees, contractors, and communities. We continued our stringent protocols and effective business continuity measures ensured Senex could continue to operate safely and effectively.

With regular lockdowns and travel restrictions due to COVID-19, coupled with a break in major development activities, there was a significant reduction in travel and activity on site, resulting in reduced spending with suppliers.

To support local businesses throughout the year, we continued with reduced payment terms and community sponsorship initiatives.

Effectiveness

We will use the existing Senex Enterprise Risk Management framework to deliver the modern slavery risk management system, including identifying, assessing, addressing, and monitoring effectiveness of risk management.

This Statement is approved by the Board of Senex on 25 November 2021.



Ian Davies
Managing Director and CEO
Senex Energy Limited