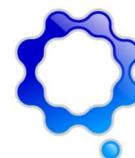




# **Modern Slavery Statement**

## **2021**



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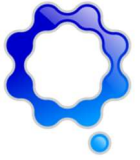
## 1. Reporting Entities

This statement is made on behalf of the reporting entity **Qenos Holdings Pty Ltd**, (ACN 086 026 968) pursuant to the Australian Modern Slavery Act 2018 (Cth) for the period ending 31 December 2021.

For the purposes of this statement, references to “Qenos”, “we” or “our” is a reference to Qenos Holdings Pty Ltd and its wholly owned subsidiaries with common directors:

Qenos Olefins Pty Ltd	ACN 004 486 453
Qenos Pty Ltd	ACN 054 196 771 (also registered in New Zealand)
Qenos Plastics Pty Ltd	ACN 006 142 196
Qenos Elastomers Pty Ltd	ACN 004 429 707
Qenos Resins Pty Ltd	ACN 074 650 034
Olefines Pty Ltd	ACN 005 625 276
Qenos Consulting Pty Ltd	ACN 608 590 272

The registered office details of Qenos Holdings Pty Ltd are as follows:  
471-513 Kororoit Creek Rd  
Altona  
VICTORIA 3018  
Australia



## 2. Introduction from the CEO

At Qenos, people are at the heart of everything we do, and our commitment to safety and to respecting human rights of all workers starts in our own operations.

Qenos is committed to high standards of corporate governance so that our decisions and actions are based on transparency, integrity, responsibility and performance. We strive to maintain a compliance and ethical culture in our business practices and are committed to respecting human rights. We reject any form of modern slavery and recognise that slavery is a criminal offence.

Qenos recognises that freedom from slavery is a human right, and that modern slavery can arise due of a myriad of external factors. Modern slavery forms part of other complex challenges and systems, including gender, religious and racial discrimination, displacement of people due to natural disasters, civil unrest and the weak rule of law.

This statement outlines the steps taken by Qenos during the reporting period to identify, address and mitigate the risks of modern slavery in our operations and supply chains.

In this statement, we outline our structure, business, and supply chains, including the policies, standards, and processes that contribute to the management of human rights within our supply chains and operations and help protect against our involvement in modern slavery.

We explain the due diligence processes we use to assess and mitigate modern slavery risks and how we engage and collaborate with stakeholders.

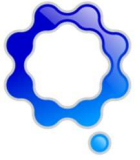
We explain how we are establishing protocols to monitor and assess the effectiveness of our actions taken and outline the process of consultation undertaken across our business, as well as our future ambitions.

Qenos is committed to improving our approaches in managing the potential risks of modern slavery. In 2022 and beyond, we are focusing on systematising and strengthening our policies, processes and controls as part of our long-term strategy in these areas.

This statement was approved by the Qenos Holdings Pty Ltd Board of Directors on 28 June 2022 and is hereby signed by the Chief Executive Officer.

**Stephen Bell**  
Director & Chief Executive Officer  
Qenos Holdings Pty Ltd

28 June 2022



## 3. Highlights in 2021

We undertook the following initiatives and actions to strengthen our modern slavery risk management program in 2021:

- Developed and implemented Qenos' Modern Slavery Policy;
- Conducted modern slavery training for key personnel; and
- Completed supply chain mapping and performed an inherent risk assessment over entire Tier 1 existing supplier base. Note, no instances of modern slavery were identified within our operations or supply chains within the year, and therefore no remediation activities were performed.

## 4. Consultation with owned and controlled entities

Qenos and its subsidiaries are operated and managed as a single integrated group with a centralised management structure and governance systems.

This unified approach extends to all key aspects of our procurement processes and due diligence systems.

The activities to address modern slavery risks described in this statement have been undertaken with the participation of representatives from key areas of our business, including Supply, Risk, Legal and Human Resources.

## 5. Our Structure, People and Operations

### Our Structure

The Qenos Board is responsible for overseeing performance and operations of Qenos Holdings Pty Ltd, setting the Group's values and governance framework. The Board is assisted by management in discharging its responsibilities.

### Our People

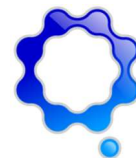
As of 31 December 2021, Qenos had 591 Full Time Equivalent direct employees based in Australia and New Zealand, a significant portion of whom are covered by Enterprise Bargaining Agreements. Our workforce also includes up to ~ 300 indirect workers (contractors) at any one time.

### Our Operations

Qenos is Australia's only manufacturer and the nation's leading supplier of polyethylene. Elements of Qenos' business have a history dating back to the early 1960's.

Qenos is a fully integrated manufacturer of various grades of polyethylene including high density polyethylene (HDPE), low density polyethylene (LDPE), linear- low density polyethylene (LLDPE), and metallocene-LLDPE (mLLDPE).

Our organisation adds value to Australia's natural resources through conversion of local ethane feedstocks into high value petrochemicals and polymers that are used by hundreds of companies in the Australian plastics and chemical industry. Qenos products are used in myriad applications both locally and abroad, including packaging, agriculture, automotive, water, mining and waste management industries, making Qenos a vital link in the Australian manufacturing chain.



Qenos operates extensive manufacturing facilities at its sites at Altona, Victoria and Botany, New South Wales.

The Altona complex began production in the early 1960s and is where Qenos currently operates two manufacturing plants, referred to as Olefins and Resins. The Olefins plant processes ethane feedstock sourced from Bass Strait into around 115 kT of ethylene per year for conversion in the downstream polyethylene (Resins) plant. The Resins plant commenced production in 1967 as Hoechst Australia and now produces around 115 kT of High Density Polyethylene per year.

The polyethylene produced by Qenos at Altona is strong, dense, versatile, hygienic and recyclable. Australian manufacturers and utilities utilise Qenos high density polyethylene in applications as diverse as dairy packaging, water and gas distribution and dangerous goods packaging. Qenos high density polyethylene is woven into shade-cloth, protects telecommunication cables, dispenses sealants and adhesives, conveys natural gas and water under pressure and keeps breakfast cereal crunchy and milk fresh.

The Qenos Botany complex is situated 17 km south of the Sydney central business district on a 37-hectare site adjacent to Botany Bay and its shipping terminal. Qenos operates four plants at Botany, identified as Olefines, Alkatuff, Alkathene and Site Utilities.

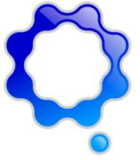
The Olefines plant processes ethane feedstock sourced from the Cooper basin in South Australia into around 250 kT of ethylene per year for the two downstream polyethylene plants and other domestic and export customers. The Alkathene plant uses a high pressure polymerisation process and is currently producing about 70 kT of low-density polyethylene per year. The Alkatuff plant requires only low pressure for production and currently produces around 125 kT of high density linear low-density polyethylene. Site Utilities provides steam and power to all Qenos Botany plants and also to the neighbouring Ixom Chlorine and Indorama Surfactants plants.

The polyethylene produced by Qenos at Botany is moisture proof, flexible, transparent, hygienic and recyclable. Qenos low-density and linear low-density polyethylene is trusted by the manufacturers of a huge range of iconic Australian brands to keep their products fresh and secure. Qenos polyethylene is used in many applications including stretch wrapping, food packaging, rotationally moulded products such as water tanks, moulded plastic products including wheelie bins and as the lining for milk and juice cartons.

Qenos trading as eXsource also supplies a range of imported specialty chemical and polymer products including resins, modifiers, rubbers, elastomers and copolymers, with sales operations in both Australia and New Zealand.

Qenos has annual revenues of approximately \$700 million and has been majority owned by Sinochem Holdings Corporation Limited (Sinochem) since 2021. Sinochem, a leading global chemical and materials company is a Chinese state-owned enterprise under the supervision of State-owned Assets Supervision and Administration Commission of the State Council. Headquartered in Beijing, Sinochem has more than 220,000 employees.

Qenos' website ([www.qenos.com](http://www.qenos.com)) provides further details regarding our operations, products and values.



## 6. Our Supply Chain

### What we buy

Qenos has a complex supply chain for the provision of services and the supply of products for our manufacturing operations. In 2021, Qenos spent \$590 million with approximately 760 tier-one suppliers. 80% of our spend is with our top 30 suppliers to supply direct materials, indirect products and services, managed by our centralised Global Procurement team based in Melbourne.

- Direct suppliers ensure that Qenos has feedstock, raw materials and energy required to manufacture polyethylene.
- Indirect suppliers provide our plants and operations with equipment, spare parts and technical trade services to provide manufacturing continuity; and
- Service providers support our logistics, distribution operations and the supply of specialty products to enable Qenos to deliver against its customer value proposition.

### Where we buy from

While the Qenos supply chain has a global reach, 96% of Qenos's supply chain spend is concentrated with Australian suppliers, however we recognise that these suppliers may manufacture and/or procure finished goods, component parts and raw materials inputs outside Australia.

The remaining international supply chain spend is spread over 26 countries within Europe, Asia and North America. Suppliers in the Philippines, United States, Qatar, and Singapore represented the majority of the overseas spend.

Our moderate risk tier-one Suppliers are manufacturers from Asia, the Pacific region and the Arab states that include but are not limited to the Philippines, Thailand, China, Qatar and UAE.

### Modern Slavery Risks in our Supply Chain

At Qenos we acknowledge that our supply chains are expansive, extending far beyond the supplier with whom we have the direct relationship. We therefore recognise there is a need to review our modern slavery risk profile regularly to ensure that we continue to identify new or emerging risks.

Prior to contracting with a supplier, Qenos undertakes a supplier pre-qualification process which assesses compliance by the supplier with applicable laws and highlights whether the supplier has values that align with those of Qenos. This is done through a cloud-based supply chain platform.

Our contracting process requires that our suppliers comply with Qenos policies and procedures and meet Qenos standards, with overarching obligations to act ethically and honestly.

Qenos also leverages our internal inherent risk due diligence tool/processes to identify, assess inherent risks of incumbent suppliers supporting our manufacturing processes and operations.

In 2021, Qenos conducted a comprehensive inherent risk assessment across our entire supply chain to identify levels of potential risk exposure based on geographic origins, supplier industry and purchase categories. We then updated this risk assessment to reflect our activities and spend over the last year.

Like all organisations, Qenos has continued to respond to the many challenges of the COVID-19 pandemic over the last two years. The COVID Steering Team, which was established in early



2020, continues to work closely with key suppliers to ensure continuity of supply of key materials and services in a safe and fair manner.

The continued disruptions caused by COVID-19 and the significant reconfiguration of the Altona manufacturing facilities in 2021 meant that Qenos paused certain due diligence activities during 2021. Some activities that were paused included the development and formal launch of the Qenos Supplier Code of Conduct and delays to the release of our secondary due diligence risk assessment program to moderate risk suppliers. However, we continued to leverage other risk mechanisms such as contractual reviews and adverse media monitoring.

In 2022, we have launched secondary supplier due diligence via detailed self-assessment questionnaires to ~31 moderate risk suppliers. We look forward to reporting upon the findings of this rigorous secondary due diligence process in our next statement.

### Modern Slavery Risks in our Operations

We consider that modern slavery risks in our direct operations are comparatively low. The vast majority of our workforce is located in Australia and a small number of employees are located in New Zealand, all of whom are employed in accordance with local workplace laws. We also have a comprehensive suite of policies and procedures in place to contribute to a safe and fair working environment for our workforce, refer to section 7. Our employees have the right to join a union and the majority of our workforce is employed under Enterprise Bargaining Agreements.

## 7. Our Policies and Governance

Qenos has an over-arching framework that emphasises the importance of governance, compliance and risk management activities to ensure that our business objectives are achieved in an ethical, controlled and sustainable manner.

### Policies

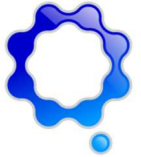
Qenos has a number of policies (some of which are outlined below) in place or under development to help us identify and mitigate the risk of modern slavery in our business and supply chains. Across Qenos and all wholly owned subsidiaries, our people and suppliers are required to follow the applicable policies and standards.

The policies have been reviewed and formally approved either by the Board or appropriate levels of management. This includes the following which apply to Qenos and all wholly owned subsidiaries:

**Modern Slavery Policy:** Qenos' Modern Slavery Policy sets out our commitment to operate in accordance with all key universal human and labour rights across each region in which we operate. This has been reviewed in 2022 to ensure it is up to date for any legislative changes.

**Qenos Guiding Policies:** The Qenos Guiding Policies, which are issued to all Qenos employees upon commencement and available on the intranet, set the foundation for the way in which Qenos and its employees conduct business. These Guiding Policies cover the areas of Safety, Health & Environment, Business Ethics, Trade Practices & Consumer Competition, Conflicts of Interest, Equal Opportunity, Bullying & Harassment, Quality and Communications. Any misconduct or deviation from these policies can lead to serious consequences not only for the business but also its stakeholders and employees, their importance cannot be understated. Later in 2022, these Guiding Policies are set to be replaced with a new Code of Conduct (Code), drafted as one single





document to reflect the ethical and behavioural requirements of employees and contractors. The Code will also oblige our people to raise concerns about breaches, which they can do directly to managers or otherwise through the process established by Qenos' Whistleblower Policy.

**Qenos Supplier Code of Conduct (under development):** This code defines the standards of behaviour which are expected from contractors, manufacturers, suppliers, service providers and business partners, and sets out our expectations for behaviour towards those with whom these parties come into contact.

Qenos seeks to embed policy commitments into company culture and broader management systems and reinforcing them with specific due diligence processes to ensure that we take a systematic and proactive, rather than ad hoc or reactive approach, to respecting human rights.

To embed our policy commitments into company culture and broader management systems the framework documents are, or where relevant, will be, communicated and accessible via the intranet and internet to Qenos personnel, business partners, suppliers and other relevant parties.

## Modern Slavery Working Group

Qenos' Modern Slavery Working Group is made up of passionate and skilled representatives from across key functions at Qenos, including Legal, Risk and Procurement & Supply Chain. The Working Group is responsible for developing policies and controls and due diligence processes to identify, assess and mitigate modern slavery risks with Qenos.

## 8. Grievance Mechanisms

Qenos offers multiple channels to enable concerned parties to register an anonymous report of concerns or potential compliance concerns, governed by Qenos' Whistleblower Policy. This current policy applies to all current and former directors, officers, employees, associates and suppliers of the Group. In 2022, we propose to undertake a review of this policy.

## 9. Training and Capacity Building

The greatest risks of modern slavery within Qenos relate to the organisation's supply chain. Whilst training has been undertaken for key staff a review of Qenos' training and capacity building is one of the 2022 continuous improvement action items.

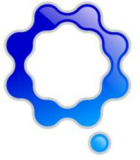


## 10. Assessing the Effectiveness of Qenos' Actions

Qenos is taking a practical approach to tackling the issue of modern slavery, recognising that its occurrence can be because of either one particular element or as a culmination of a number of factors. We further recognise that ongoing assessment of our own position and that of our supply chain is likely to identify areas for further development and lead to continuous improvement over time.

Qenos understands the importance of assessing the effectiveness of the actions we are taking to identify, assess and address modern slavery risks and is establishing KPI's to track, manage and report on the progress of our modern slavery compliance program.

As we deepen our understanding of the modern slavery risks within our supply chains, we expect to continue to refine our controls, tools and techniques to both mitigate associated risks and to assess the effectiveness of our systems.



## 11. Continuous Improvement

Qenos will continue to deepen its understanding of modern slavery risks across our operations and supply chains. For 2022, we have aligned our improvement activities with the following five key focus areas:

### Continuous Improvement Focus Areas - 2022

#### Governance

- Develop and implement a new Corporate Code of Conduct that reflects a broader set of responsibilities and expected behaviours consistent with best modern practices and to promote compliance with laws and ethical behaviour
- Develop and embed a Supplier Code of Conduct setting out the minimum standards of integrity and business conduct that we expect our Suppliers and third party's subcontractors to meet
- Inclusion of modern slavery compliance clause in purchase orders, template contracts and new and renewed supplier contracts to improve supplier onboarding
- Develop a Modern Slavery Working Group charter to define accountabilities

#### Training

- Launch secondary training for key personnel to further support our approach to identifying and addressing potential risks during the supplier vetting stage to safeguard against modern slavery in our supply chain

#### Due diligence activities

- Undertake secondary due diligence activities with suppliers identified as moderate risk via supplier self-assessment questionnaires
- Continue due diligence activities over existing suppliers leveraging our internal group-wide supplier screening process to support the identification of modern slavery risks and to inform appropriate due diligence activities

#### Remediation

- Review the existing Whistleblower Policy

#### Assessing effectiveness

- Refine controls and KPI's
- Engage an external advisor to assess the current state of our Modern Slavery Risk Program and to support the development of our response program