



Queensland Nitrates Pty Ltd
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2021 MODERN SLAVERY STATEMENT FOR QUEENSLAND NITRATES PTY LTD

Queensland Nitrates Pty Ltd (QNP) opposes slavery in all its forms. This statement is made in accordance with the Australian Modern Slavery Act 2018 (Cth). It applies to and describes the steps taken by QNP during the 2020 and 2021 financial years and plans for future years to seek to minimise the risk of modern slavery occurring in our business or supply chain.

Structure, business operations and workforce

QNP is a Queensland-based ammonium nitrate manufacturer and has been in operation since 2000 primarily serving the Queensland coal industry with ammonium nitrate based products for explosives applications. QNP operates an integrated ammonium nitrate manufacturing facility producing ammonia from natural gas feedstock, converting the ammonia into nitric acid and then combining nitric acid with more ammonia to produce ammonium nitrate. QNP is a private company being a 50/50 joint venture between CSBP Limited (a wholly owned subsidiary of Wesfarmers Limited) and Dyno Nobel Asia Pacific Pty Limited (a wholly owned subsidiary of Incitec Pivot Limited). QNP is not a part of a larger corporate group of entities and does not control or own other entities.

QNP has approximately 100 employees, all of whom are located in Queensland, Australia. Approximately 50% of our workforce are covered by collective agreements with the other 50% consisting largely of professional roles employed via individual agreements. These agreements ensure minimum pay and entitlements in compliance with legal requirements. QNP has assessed the risk of modern slavery in our operations as low, because our workforce is entirely in a low-risk jurisdiction, covered by robust human resources policies and grievance mechanisms. QNP uses minimal labour hire arrangements.

Supply chain

QNP has long term, stable relationships with key suppliers and sources over 90% of requirements domestically. Less than 0.2% of our requirements are procured directly or indirectly from higher risk countries. QNP supplies some customers with product in bags sourced from two suppliers in Thailand via domestic importers.

Our policies

Consistent with the principles in our Code of Ethics and Conduct, QNP is committed to complying with Australian laws and regulations and making positive economic, social and environmental contributions to society consistent with the principles of honesty, integrity, fairness and respect.

QNP prohibits discrimination and forced, trafficked or child labour and is committed to safe and healthy working conditions, including the right to freedom of association and collective bargaining.

QNP has an Ethical Sourcing and Modern Slavery Procedure and Policy which sets minimum standards in these areas.

Due diligence process

QNP has adopted a risk-based approach to modern slavery due diligence and has focused on tier one key suppliers in our supply chains. Given their importance to the business, QNP has also considered broader rights considerations for our own direct employees relating to equality, fair pay and safety.

QNP has used a risk-based approach to assessing the risk of modern slavery in our supply chain, assessing suppliers based on jurisdiction, product type and spend as outlined in our Ethical Sourcing and Modern Slavery Procedure. The risk-based approach references data from the Bunnings Country Human Rights Index (2020). Our aim is to ensure that human rights are understood, respected and upheld across our supply chains. QNP expects our partners and stakeholders to adhere to ethical business conduct standards which are consistent with our policies.

Modern slavery risks

QNP has assessed the risk of modern slavery in our supply chain operations as low due to the very limited interaction with higher risk jurisdictions and our long term relationships with key suppliers.

QNP has assessed the tier two suppliers based in Thailand as being at higher risk of breaching our Ethical Sourcing and Modern Slavery Policy. Potential issues include migrant worker exploitation and excessive overtime.

Actions in 2019-2020 financial year

QNP is committed to continuing to improve our modern slavery risk identification and mitigation. As part of our ongoing focus on improvement, QNP made progress in the following areas during the financial year ending 30 June 2020:

- Developed policies and procedures to support ethical sourcing practices in our supply chains;
- Developed an ethical sourcing and modern slavery supplier self-assessment questionnaire;
- Commenced obtaining Modern Slavery policies and statements from suppliers; and
- Reviewed the broader rights considerations for our direct employees relating to equality, fair pay and safety.

Actions in 2020-2021 financial year

QNP assessed the top 100 suppliers for modern slavery risk, identifying two potential high risk (tier two) suppliers in our supply chains. These two suppliers are importers of bags manufactured in Thailand. One of these suppliers has completed our modern slavery assessment questionnaire. QNP has reviewed this response and has concluded that the risk of modern slavery in this company is low based on the current assessment, however acknowledges that the risk of modern slavery in this businesses will need to continue to be monitored.

QNP obtained the modern slavery statement from two key overseas suppliers located in the UK and Spain and has assessed these as being compliant with our policies.

Standard terms and conditions for induction of QNP suppliers were updated to reflect our expectations of suppliers regarding modern slavery and ethical sourcing governance.

Future actions

With regards to the products sourced from the two higher risk suppliers QNP has developed a three stage approach:

- Ensure both importers of bags manufactured in Thailand complete our modern slavery assessment questionnaire
- Working with the importers to determine risk of modern slavery in the employment practices in overseas factories, including obtaining declarations from these suppliers regarding the working conditions in their supplier factories; and
- Third party audits of the factories, if required.

QNP will continue to assess new suppliers for modern slavery risk, including obtaining additional information and assurances where necessary. QNP is developing education and training materials for employees and contractors on ethical sourcing.

Assessing effectiveness of actions

QNP is captured as part of Wesfarmers internal audit plan which includes periodic audits of divisional ethical sourcing programs and compliance with the Wesfarmers Ethical Sourcing and Modern Slavery Policy. QNP tracks, manages and reports progress on a range of indicators used to assess the effectiveness of our business programs which includes supplier risk assessments and internal grievance mechanisms. QNP will continue to improve our understanding of modern slavery risks in our supply chains and will report annually on progress of identification, assessment and remediation of these risks.

To date, QNP has not been made aware of any modern slavery allegations in our operations or supply chains.

This statement was approved by the board of QNP on 6 December 2021.



Ian Hansen
Chairman