



## Modern Slavery Statement

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The *Modern Slavery Act 2018* (Cth) (**The Act**) came into effect on 1 January 2019 to combat modern slavery in global supply chains. The Act requires large Australian entities to submit an annual publicly available modern slavery statement which sets out how the entity assesses and addresses risks of modern slavery within its operations and its supply chain. This statement is provided for the purposes of section 14 of the Act.

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### Reporting Entity

This statement is made by **Qenos Holdings Pty Ltd** ACN 086 026 968 and its wholly owned subsidiaries with common directors in respect of the first reporting period 1 January 2020 to 31 December 2020. For the purposes of this statement, references to “Qenos”, “we” or “our” is a reference to Qenos Holdings Pty Ltd and its subsidiaries.

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 group also included Qenos Consulting (HK) Limited, a Hong Kong registered, non-trading entity which is being de-registered.

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### Consultation with Controlled Entities

Qenos has centralised management and procurement practices, with Qenos Pty Ltd providing services to the group and being the only employing entity. 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.

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### Our Approach

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 recognises that slavery is a criminal offence and includes slavery, sexual servitude, human trafficking, forced labour, debt bondage and child labour. This statement explains the actions we have undertaken to identify, assess and mitigate the risks of modern slavery in our operations and supply chain.

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### 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 produces polyethylene by adding value to Australia's natural resources through conversion 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 currently operates two ethylene units (SCAL-1 and SCAL-2) and two polyethylene plants (Plastics and Resins) in Altona, Victoria and manufactures ethylene and polyethylene at its site in Botany, New South Wales. Qenos trading as eXsource also supplies a range of specialty chemical and polymer products imported from abroad, with sales operations in both Australia and New Zealand.

Qenos currently has approximately 1,000 employees and contractors with annual revenue of approximately \$750 million and is majority owned by China National Chemical Corporation Limited.

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

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## **Our Supply Chains**

Qenos has a complex supply chain for the provision of services and the supply of products for our operations. Our supplier profile is broad and is key to ensuring that Qenos has feedstock, raw materials and energy required to manufacture polyethylene; equipment, spare parts and technical trade services to provide manufacturing continuity; and service providers for logistics, distribution and specialty products to enable Qenos to deliver against its customer value proposition.

While the Qenos supply chain has a global reach, 96% of the supply chain spend is with Australian based suppliers. The remaining international supply chain spend is spread over 26 countries within Europe, Asia and North America.

Imperative to our supply chain is the importance of upholding Qenos values and acting ethically and honestly in all of our dealings.

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## **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.

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. As 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.



Qenos also has well developed grievance procedures and a whistleblower policy which includes a telephone hotline to enable concerned parties to register an anonymous report of concerns, if so desired.

## **Modern Slavery and our procurement processes**

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 supplier's comply with Qenos policies and procedures and meet Qenos standards, with overarching obligations to act ethically and honestly.

Like all organisations, Qenos has been required to respond to the many challenges of the COVID-19 pandemic in 2020 and beyond. A diverse COVID Steering Team was established in early 2020 and worked closely with key suppliers to ensure continuity of supply of key materials and services in a safe and fair manner.

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## **Our Approach to Modern Slavery**

Qenos is taking a practical approach to tackling the issue of modern slavery, recognising that its occurrence can be as a result 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 has a robust governance and risk management framework such that the addition of formal modern slavery compliance requirements are within the business' cultural mindset as evidenced by Qenos' response to circumstances pre-dating the reporting period.

In addition to some pillars already in place, we undertook the following activities to assess our modern slavery position:

- developed a Modern Slavery policy to complement the existing Human Rights Policy;
- mapped our supply chain;
- conducted a modern slavery risk assessment;
- conducted an internal modern slavery risk information and training session; and
- engaged the Board and Executive Team.

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## **Our Due Diligence Process**

Qenos has undertaken 2 key pieces of work to assess the risk of Modern Slavery in its supply chain to date.

### **1. Map the entire supply chain for all of the goods and services which we purchase.**

This was instrumental in understanding the origin of such goods and services and the operating jurisdiction/s of the entities with whom Qenos contracts. This was then assessed against modern slavery indices (using the Global Slavery Index 2018 – "GSI") to ascertain



those suppliers that may pose a heightened risk of modern slavery practices owing to either their geographic location or the types of good or services they provide, essentially:

- highlighting hot spot areas based on vulnerability, prevalence and government response; and
- highlighting hot spot industries and imported products.

Using this methodology, the vast majority of Qenos suppliers have been initially assessed as low risk. A small number of suppliers have been deemed medium risk suggesting that further assessment of these suppliers would be prudent.

## 2. A qualitative risk assessment

This risk assessment was designed to identify the risk of modern slavery in our operations beyond the supply chain. Key internal stakeholders ranging in areas from Procurement, to Human Resources and Safety, Healthy and Environment team were engaged for this purpose.

Again, while this risk assessment did not highlight any areas of significant concern, some areas for further development and potential improvement were identified.

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### Assessing the Effectiveness of Our Actions

Qenos will use its business risk register and associated processes, including periodic risk assessments, 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 and develop tools to assess the effectiveness of our systems. The assessment will become a key feature of the program in future and enable periodic reporting.

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### Continuous Improvement

Over the next year, Qenos will continue to deepen its understanding of modern slavery risks across its business and supply chains. As a result of work done to date, the following activities have been identified going forward:

- Refreshing our Code of Conduct to reflect a broader set of responsibilities and expected behaviours consistent with good practice and to promote compliance with laws;
- Establishing and communicating a formal Supplier Code of Conduct;
- Improving our supplier on boarding process;
- Refining controls and developing tools to assess the effectiveness of systems

This statement has been approved by Qenos Holdings Pty Ltd's Board of Directors.

**Stephen Bell**  
Director & Chief Executive Officer  
Qenos Holdings Pty Ltd  
June 2021