



Modern Slavery
Statement

2022

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Introduction

In submitting this third Modern Slavery Statement, CS Energy continues to be proud to support the Australian Government's *Modern Slavery Act 2018*. This statement covers all sites owned or operated by CS Energy (as outlined on page 6) for the financial year (FY) ending 30 June 2022.

CS Energy is committed to doing all that we can to prevent modern slavery in our business and supply chain.

In 2022, our focus was on enhancing the understand of modern slavery within CS Energy and further deepening our supplier relationships. This is the first year we approached all of our suppliers, in previous years we focussed on suppliers who operated in industries or locations with a higher risk of modern slavery.

Our assessment of modern slavery risks in our supply chain continued to be considered as low and there were no instances of modern slavery concerns reported to CS Energy.

We recognise that eradication of modern slavery is an on-going journey and CS Energy will continue to undertake actions internally and externally to understand, identify and prevent modern slavery.

CS Energy's Board has approved this Modern Slavery Statement.



Jim Soorley

Chairman

25 November 2022

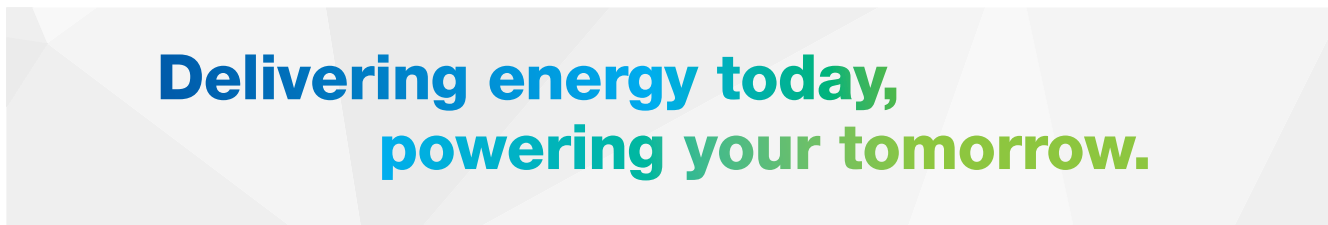
About CS Energy

CS Energy is a proudly Queensland-owned and based energy company that provides power to some of our state’s biggest industries and employers. We employ almost 500 people who live and work in the Queensland communities where we operate.

We generate and sell electricity into the National Electricity Market (NEM), we are an energy retailer to large commercial and industrial businesses, and we are investing in new energy assets, including solar and wind farms, renewable hydrogen and storage.

Our purpose

CS Energy is adapting our business to thrive in the rapidly changing energy world. Our purpose captures the dual nature of what we aim to do at CS Energy – run a successful thermal generation business and evolve into a diversified energy business.



Our values

Our values define how we work and form the foundation of the high performing culture that we are building at CS Energy. By living our values every day we are creating a culture that fosters respect for people and celebrates inclusion and diversity. In turn, we are creating an environment that encourages creativity, innovation, and opportunities for tomorrow.



Reporting criteria 1&2

Our organisational structure

CS Energy (ABN 54 078 848 745) is a Queensland Government Owned Corporation established in 1997 under the *Government Owned Corporations Act 1993 (Qld) (GOC Act)*. CS Energy is also a registered public company incorporated under, and subject to, the *Corporations Act 2001 (Cth)*.

Two Queensland Government Ministers (shareholding Ministers) hold shares in CS Energy on behalf of the people of Queensland:

- The Hon. Cameron Dick MP, Treasurer and Minister for Trade and Investment
- The Hon. Mick de Brenni MP, Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement

The CS Energy Board is accountable to our shareholding Ministers for CS Energy's performance and corporate governance.

The Chief Executive Officer is responsible for the day-to-day management of CS Energy.

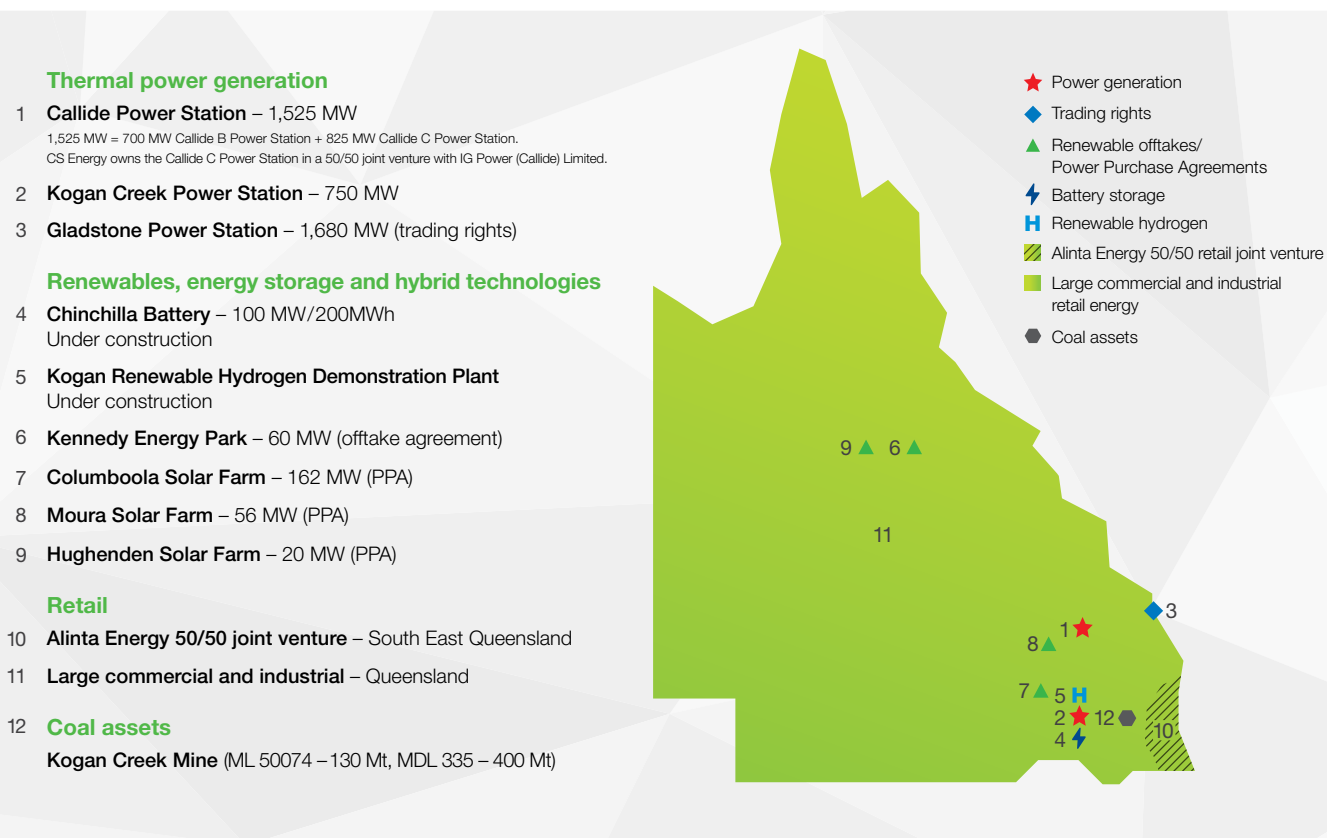
CS Energy controls the following subsidiary entities, which are covered by this group Modern Slavery Statement.

Subsidiaries	
Wholly owned subsidiaries	
Name	ABN
Callide Energy Pty Ltd	86 082 468 746
Aberdare Collieries Pty Ltd	64 009 659 367
Kogan Creek Power Station Pty Ltd	82 088 229 832
CS Energy Kogan Creek Pty Ltd	093 455 648 (ACN)
Kogan Creek Power Pty Ltd	57 088 229 789
CS Kogan (Australia) Pty Ltd	90 092 712 322
CS Energy Group Holdings Pty Ltd	79 095 322 599
CS Energy Group Operations Holdings Pty Ltd	73 095 322 508
CS Energy Oxyfuel Pty Ltd	12 128 970 034
CSE H2 Pty Ltd	74 659 177 385

Our operations

CS Energy works to build positive, long-lasting relationships with the communities that host our operations.

Our power stations deliver significant financial benefits to our local economies and we procure goods and service from local businesses wherever possible.



Where we operate

We are creating a more diverse portfolio of energy sources to meet our customers’ decarbonisation requirements and support power system security and reliability.

Our thermal generation asset are the Callide B and Kogan Creek power stations, and we have a 50 percent interest in the Callide C Power Station where we provide operations and maintenance services to the Callide C joint venture.

We have more than 310 megawatts (MW) of contracted renewables.

We are creating energy hubs at our power station sites, beginning with Kogan Creek on the Western Downs where we are developing a grid-scale battery and a renewable hydrogen demonstration plant.

CS Energy provide retail services to large commercial and industrial customers throughout Queensland. In South-East Queensland we have a 50/50 joint venture with Alinta Energy to support household and small business customers in the Energex distribution area.

We own the Kogan Creek Mine, which is operated on our behalf by Golding Contractors.

Our corporate head office is located in Brisbane.

Our people

At 30 June 2022 we had 494 employees across three sites and a range of technical, trade and professional roles.

The majority of our employees live in the communities where we operate. We call Biloela, Chinchilla and Brisbane home, and we are committed to building positive, lasting relationships with the communities that host our operations.

CS Energy is building a safe, constructive and high performance culture, and has established a suite of benefits and initiatives to create a more inclusive work environment and diverse workforce.

We provide competitive remuneration and employee leave conditions including:

- gender pay parity
- flexible working arrangements
- paid parental leave
- superannuation payments during paid and unpaid parental leave
- study assistance
- remote area benefits
- free counselling
- relocation assistance
- discounted health cover
- domestic and family violence leave
- workplace giving.

We are a WORK180 Endorsed Employer for Women. WORK180 pre-screens employers to ensure they have policies and benefits in place to support women's careers.

In FY2022 we developed a revised inclusion and diversity strategy for implementation in FY2023. This strategy continues the work undertaken since 2016 to create a culture that builds respect, fosters inclusiveness, promotes diversity and embraces the unique qualities of all our employees.

Targets have also been created for culturally and linguistically diverse, disability, neurodiversity, LGBTQIA+ and generational groups, in addition to our existing Indigenous targets.

Non-operational sites

CS Energy's portfolio also includes the mining, trading rights, retail, and renewable energy offtakes listed below. CS Energy is not required to report on modern slavery risks at these sites as they are not under our operational control.

- **Gladstone Power Station** – We trade energy generated by Gladstone Power Station, in excess of the requirements of the Boyne Island aluminium smelter. Gladstone Power Station is operated by NRG Gladstone Operating Services on behalf of the Station owners.
- **Alinta Energy retail joint venture** – We have a 50/50 retail joint venture with retailer Alinta Energy to supply electricity to customers in the Energex Distribution Area in South East Queensland. Under the agreement CS Energy generates and supplies wholesale electricity, and Alinta Energy manages the retail business.
- **Renewable energy offtakes** – We have renewable energy offtake arrangements at various Queensland locations, including the Kennedy Energy Park, Moura Solar Farm, Columboola Solar Farm, and the Hughenden Solar Farm.

Our supply chain

CS Energy’s procurement expenditure is predominantly in Australia, in addition to the fundamental local supplies of coal and water to sustain operations, CS Energy is proud to support local, state and Australian businesses.

The operations of CS Energy during FY2022 was supported approximately 1,000 vendors, as follows:

Vendor analysis				
Vendor geographic location	FY2022 spend		Vendors	
	\$ Value Orders AUD	% \$ Value	Number	% of number
Australian based	\$523M	99.8%	983	98.3%
Overseas based	\$1.0M	0.2%	18	1.7%
Total	\$524M		1,001	

While most expenditure is with Australian entities, some items are sourced either directly or indirectly from overseas with our supply chain reaching into:

- Canada
- China
- Denmark
- Europe
- India
- Indonesia
- Italy
- Japan
- Korea
- Malaysia
- New Zealand
- Philippines
- Singapore
- South Africa
- South Korea
- Sweden
- Taiwan
- Thailand
- United Kingdom
- USA

All suppliers to CS Energy were requested to undertake a modern slavery questionnaire to understand both the application of the legislation to them, and their awareness of modern slavery. Key facets identified were:

- >600 vendors responded to the questionnaire, being >60% of vendors;
- Approximately half of our suppliers have staff undertake modern slavery training or are planning to introduce modern slavery training;
- 63% have supplier pre-screening already as part of their supplier on-boarding procedures or in the process of establishing pre-screening; and
- 17% are reportable entities under the Modern Slavery Act.

Reporting criteria 3

Modern slavery risks in our operations and supply chain

During the year we again analysed our supply chain in relation to modern slavery risks. Our analysis has found the risk of modern slavery in our supply chain continued to be low and is outlined in further detail below.

CS Energy operations

As noted in Reporting Criteria 1 and 2, CS Energy employs 494 people, including a People & Culture Team incorporating industrial relations. We strive to ensure that our business complies with all relevant employment laws in Australia, including endeavouring to make our workplace free of harassment, discrimination and bullying.

Our values (as outlined on page 4) define how we work at CS Energy. We have various policies, procedures and governance in place that demonstrate our commitment to be a responsible employer, including:

- Code of Conduct
- Equal Employment Opportunity and Appropriate Behaviour Standard
- Gender pay parity
- Diversity & Inclusion Program and
- Employee Assistance Program.

We maintain separate enterprise agreements for each of our power station sites and the Brisbane Office. More than half of our employees are employed under enterprise agreements and the remainder under Alternative Individual Agreements, which are underpinned by a enterprise agreement. A small number of senior roles are covered by non-enterprise agreement arrangements.

When hiring contractors, CS Energy utilises a panel of registered specialist labour hire organisations.

Our supply chain

When assessing the modern slavery risks in our supply chain, CS Energy referred to the following recommended resources in the Federal Government's guidelines for reporting entities:

- The 2018 Global Slavery Index;
- The US Department of Labour 2020 List of Goods Produced by Child or Forced Labour; and
- 'Hidden in Plain Sight': Report of the 2017 Parliamentary Inquiry into establishing a Modern Slavery Act in Australia.

These sources identify products and services with a high risk of modern slavery. High risk products/services of relevance to CS Energy's operations are:

- Cotton/Garments/Footwear;
- Cement
- Bricks
- Electronics
- Furniture
- Iron/metals
- Locks
- Rubber
- Copper
- Cleaning
- Hospitality (and products such as cocoa, coffee and tea)
- Construction and
- Temporary Work.

Reporting criteria 4

Actions taken to assess and address our modern slavery risks

CS Energy retains a zero-tolerance approach to modern slavery within our business and supply chain. We seek to only work with suppliers who are aligned with the values of our business.

In 2022, our focus was on continuing to expand our understanding of potential modern slavery risks in our supply chain.

Actions undertaken by CS Energy included:

Understanding and creating awareness in our supply chain

As an action from the FY 2021 Modern Slavery Statement, CS Energy increased our Modern Slavery vendor engagement to include all vendors.

This enabled discussions to occur with a broader range of vendors as to the risks of Modern Slavery and CS Energy's desire to ensure that Modern Slavery is prevented in our supply chain.

Supplier expectations statement and reporting

CS Energy has a Supplier Expectations Statement, which clearly articulates CS Energy's expectations of our suppliers to prevent modern slavery. This document includes a mechanism for reporting modern slavery concerns that initiates a CS Energy investigation into those concerns.

The Supplier Expectations Statement is available on our website at www.csenergy.com.au/suppliers.

No report was made during the year in relation to modern slavery within the CS Energy supply chain.

Standard terms and conditions

CS Energy uses a suite of standard terms and conditions when we engage suppliers. These documents include the requirement for suppliers to comply with all relevant legislation, including modern slavery and employment legislation.

CS Energy Code of Conduct

CS Energy is committed to instilling an organisational culture that conducts all business activity with integrity and in compliance with relevant laws and standards.

Our key governance policies to promote ethical and responsible decision making include a Code of Conduct as well as various policies to ensure legislative compliance.

Our Code of Conduct applies to CS Energy's Board of Directors and employees as well as contractors, consultants and visitors to CS Energy sites.

Queensland Government Supplier Code of Conduct

Vendors are required to provide formal verification of their compliance with the Queensland State Government Supplier Code of Conduct (www.hpw.qld.gov.au/__data/assets/pdf_file/0023/3938/procurementsuppliercodeofconduct.pdf). This Supplier Code of Conduct provides an additional conduit for individuals to notify any modern slavery concerns.

Vendor engagement

We maintain procurement category management and engagement by allocating an employee with accountability for managing each procurement category. This approach provides us with a better understanding of industry issues and enable greater contact between CS Energy, the vendors, and their industry.

Dedicated Human Resources/Industrial Relations function

CS Energy maintains separate enterprise agreements for each of our power station sites and the Brisbane Office. The majority of employees, with the exception of senior managers, are employed under collective enterprise agreements or Alternative Individual Agreements (the latter of which is underpinned by a enterprise agreement).

Temporary workforce engagement

If CS Energy has a requirement for temporary personnel, this is undertaken through a standing panel of pre-qualified and registered labour hire providers.

All workers, including those engaged by CS Energy contractors, are subject to competency and qualification checks prior to commencing work on site.

Joint Ventures

CS Energy also undertook modern slavery engagement with our joint venture operators where we do not control these operations. Each of the counterparties to these joint ventures is a reporting entity under the Modern Slavery Legislation.

Warehouse Stock

Beyond our modern slavery assessment of purchasing in FY2022, in FY2021 CS Energy undertook an analysis of the country of origin of our warehouse stock by engaging with suppliers who provide some 80 per cent of the stock held in warehouses. This enhanced the visibility in our current and potential supply chain.

Reporting criteria 5

Assessing the effectiveness of our actions

CS Energy views our modern slavery risk assessment as an on-going journey of education and improvement in collaboration with our suppliers.

CS Energy assesses the effectiveness of our actions against the following criteria:

- a) Continued improvement in understanding our modern slavery risks;
- b) Enhancement of vendor understanding of modern slavery risk management in their supply chain;
- c) Assisting our suppliers to implement changes in their business to identify and manage modern slavery risks. A number of vendors have started to implement improvements in their systems and CS Energy will continue to engage on their progress; and
- d) Investigations undertaken in relation to modern slavery concerns raised. No reports or concerns were raised during the year of modern slavery in the CS Energy supply chain.

The FY2021 Modern Slavery Statement include the following actions for FY2022:

FY2021 planned actions	Outcome
Expansion of Internal Training for the understanding and identification of modern slavery risks.	Complete
Expansion of the warehouse country of origin information.	Ongoing
Utilising warehouse country of origin information.	Complete
Review and update the supplier modern slavery questionnaire.	Complete

Planned actions for FY2023

- Reinforcement of internal training for the understanding and identification of modern slavery risks; and
- Further embedding country of origin information in inventory processes.

Reporting criteria 6

Consultation with owned or controlled entities

CS Energy operates a group of wholly owned subsidiaries (identified in Reporting Criteria 1 & 2). These entities are subject to CS Energy group policies, procedures and practices, including modern slavery expectations.

