

# Senex Modern Slavery Statement

Financial Year 2020

## 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 2020. This statement is submitted within the temporary extension of reporting deadlines provided under the Act.

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 10 wholly owned subsidiary entities. A list of our controlled entities is available in our 2020 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 150 people.

### 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 maker CSR, glass packaging companies Orora and Visy Glass 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 holds acreage on the productive flanks of the Cooper Basin, Australia's largest onshore oil and gas province. Our gas is sold to Pelican Point Power Station in South Australia and the oil is sold to the domestic market.

On 3 November 2020, Senex announced that we would be selling the Cooper Basin business.

### 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 2020, we had ~750 active vendors and suppliers and spent \$134 million with 45 Tier 1 (direct) suppliers. We have established long-term relationships with many of our suppliers, the majority of which are located in Australia and comprise at least 95 per cent of our total expenditure.

In addition to our Australian suppliers, about \$2 million of our annual procurement spending is directly with overseas suppliers operating in nine 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, some examples of which can be located [here](#).

## Areas of risks

Using the Senex Enterprise Risk Management Framework, Senex has undertaken 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.

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.

Senex has 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. In the next financial year, Senex intends to 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.

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).

## 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

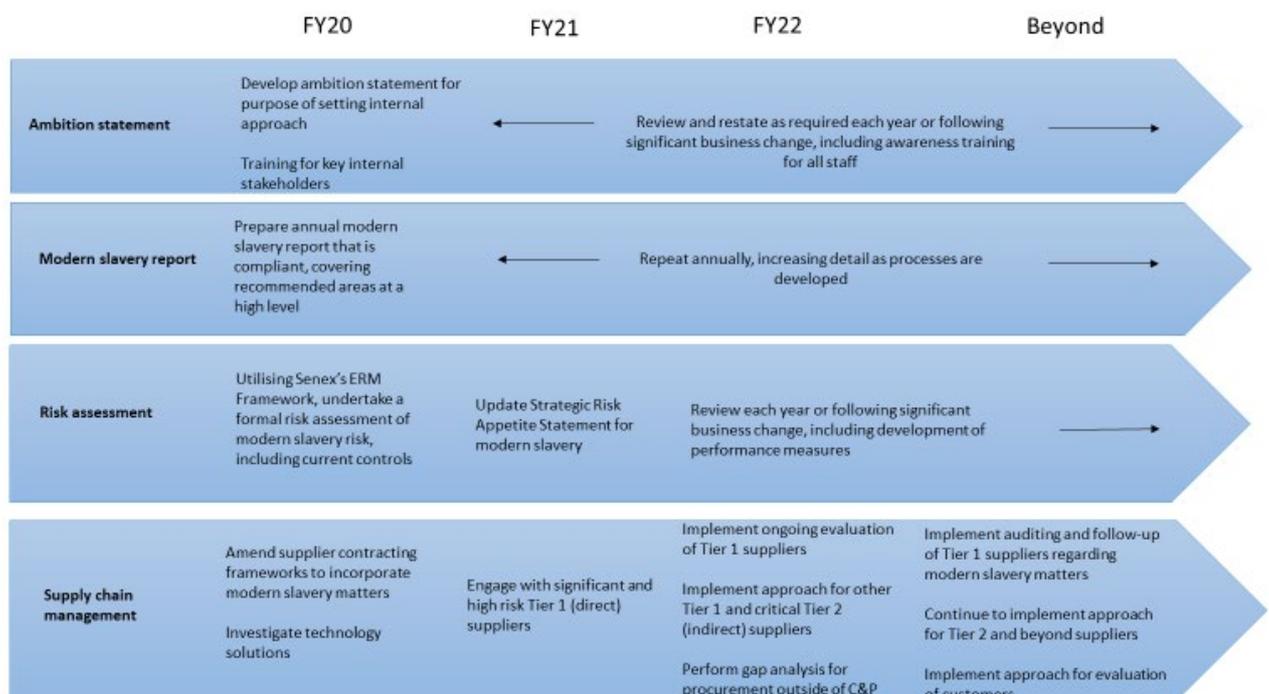
A group of relevant Senex specialists (Risk, Legal, Contracts and Procurement, Government and Stakeholder Relations) prepared this statement and, with support from Senior Executives, undertook tasks required to achieve our ambition statement.

### Modern slavery ambition statement and road map

Senex is committed to further enhancing governance and management to address the risks of modern slavery in our operations and supply chains. Senex has developed a modern slavery plan, or ambition statement, for the purpose of setting the principles and internal approach to modern slavery risk management at Senex.

This ambition statement led to the creation of a road map, which includes:

- conducting 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)
- reviewing all suppliers and service providers not included as “high risk”
- reviewing current Senex policies and procedures and ensure risk management of modern slavery is appropriately covered (in line with our governance standards)
- work with our JV partners to mitigate the risk of modern slavery in joint venture operations and supply chains



### Supplier risk identification

We reviewed and identified our Tier 1 suppliers against modern slavery risk indicators. This has enabled us to focus our supplier due diligence processes on these suppliers.

### *Due diligence*

We set due diligence requirements for suppliers by:

- amending supplier pre-qualification and onboarding processes to incorporate modern slavery risk management expectations. This was introduced to raise awareness and engage open discussions and encourage compliance/improvements where identified with our suppliers.
- engaging with Tier 1 (direct) suppliers who are business critical (based on spend value higher than \$2 million in a financial year and an assessment on ability to be replaced, cultural alignment and cost/time to replace) and higher-risk Tier 1 suppliers (based on geography and industry) to obtain additional information, including the source origin for manufactured goods.

### *Supply chain management*

To ensure we meet our obligations under the Act, all template agreements for the supply of goods and services now include provisions addressing modern slavery.

### *Whistle-blower Policy*

We updated our Whistle-blower Policy to expand potential misconduct to include modern slavery and ensure Senex has an appropriate grievance process.

### *COVID-19 impact*

During 2020, we remained focused on the safety and wellbeing of our employees, contractors, and communities. The introduction of stringent protocols and effective business continuity measures ensured Senex could continue to operate safely and effectively. COVID-19 also had a significant impact on oil prices and oil and gas demand generally. To ensure readiness for these difficult macro-economic conditions, we undertook an organisational restructure and some activities, such as additional training for all staff and supplier engagement activities were delayed.

Senex also considered how the impacts of COVID-19 may affect our supply chains. We also launched initiatives to support communities during COVID-19, including shortening payment terms for more than 400 smaller business in Queensland and South Australia, speeding up the payment of millions of dollars.

## **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 17 February 2021.



Ian Davies  
Managing Director and CEO  
Senex Energy Limited