



Modern Slavery Statement

2022



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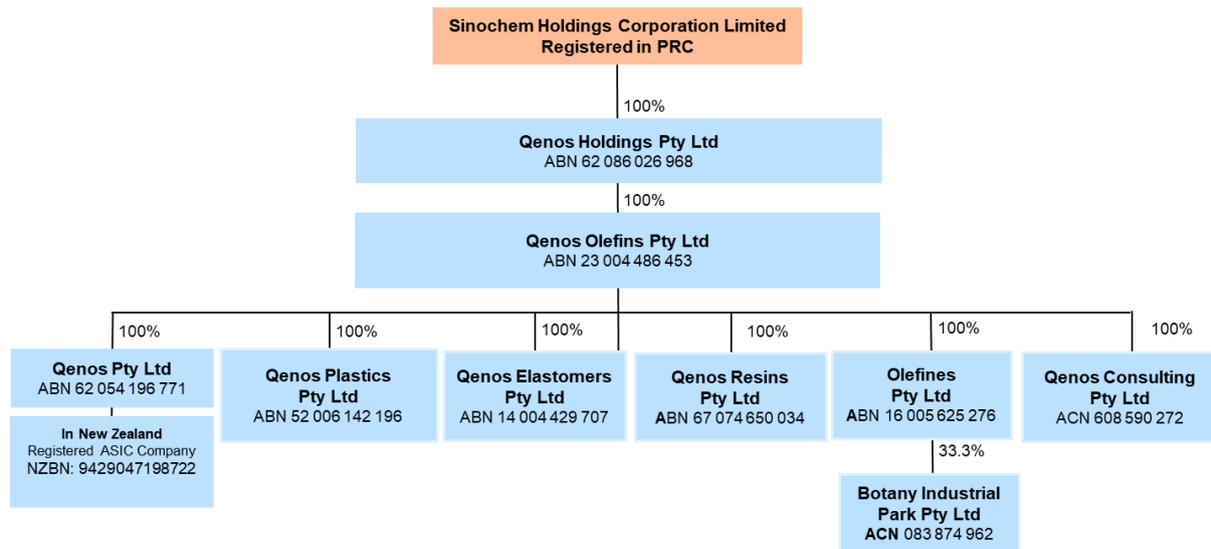
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1. Reporting Entities

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 2022.

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:



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 continually maturing our approach to modern slavery risks and in the 2023 financial year we will focus on continuing third party due diligence and assessments, training and further developing our response protocols to manage the risk of any identified instances of modern slavery.

This statement was approved by the Qenos Holdings Pty Ltd Board of Directors on 15 June 2023 and is hereby signed by the Chief Executive Officer.

Stephen Bell
Director & Chief Executive Officer
Qenos Holdings Pty Ltd

20 June 2023



3. Highlights in 2022

We are pleased to share the key actions we have undertaken throughout the 2022 financial year to continue to develop our response to this serious issue:

- Developed a draft 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.
- Developed a new Corporate Code of Conduct to reflect a broader set of responsibilities and expected behaviours consistent with best modern practices and to promote compliance with laws and ethical behaviour.
- In order to strengthen supplier on boarding and contract management processes, updated all purchase orders, template contracts, new and renewed supplier contracts to include a modern slavery compliance clause.
- Conducted a review of our existing whistle-blower policy and remediation processes, to assess their effectiveness as an operational grievance mechanism to serve the needs of all rights holders.
- Conducted a second round of modern slavery training for key personnel across all our divisions.
- Completed enhanced due diligence via a supplier self-assessment questionnaire across moderate / highest risk suppliers and developed corrective and preventative action plans which serve to increase supplier awareness and address areas of minor non-conformance in controls and governance. Note, no incidences of modern slavery were identified within our operations or supply chains within the year.

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 risk 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 Chain, Risk, Legal and Human Resources.

During the reporting period Qenos management actively engaged and consulted across the subsidiary companies we own or control in the development of this statement (subsidiaries outlined in section 1). We discussed details of the Modern Slavery Act's reporting requirements, information regarding the actions we intend to take to address these requirements and provided targeted personnel with relevant training, materials and updates.



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 2022, Qenos had 560 Full Time Equivalent direct employees based in Australia and New Zealand, 59% 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 1960s.

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 feed stocks 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 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 the downstream polyethylene (Resins) plant and other domestic customers. 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 rely on Qenos' high density polyethylene in applications as diverse as dairy bottles, 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 linear low-density polyethylene. Site Utilities provides steam and power to all Qenos Botany plants and also to the neighboring 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 and elastomers and copolymers, with sales operations in both Australia and New Zealand.

Wholly owned by Sinochem Holdings Corporation Limited, Qenos has annual revenues of approximately A\$700m. Sinochem Holdings Corporation Ltd is a leading state-owned enterprise under the supervision of State-owned Assets Supervision and Administration Commission of the State Council. Headquartered in Beijing, Sinochem Holdings has annual revenues of approximately US\$160 billion and more than 220,000 employees.

Qenos' website (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 2022, Qenos spent \$594 million with approximately 769 tier-one suppliers. 80% of Qenos' addressable spend is with our top 30 suppliers to supply direct materials, indirect products and services, all managed by our centralised 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, industrial consumables and technical trade services to provide manufacturing continuity, this includes:
 - Fixed plant and equipment maintenance services, including consumables;
 - Energy & utilities;
 - Personal protective equipment (PPE), including clothing and footwear;
 - Office-based equipment including IT hardware and systems, furniture, merchandise, office stationery; and
 - Support services including cleaning, security and catering services, IT services and professional services.
- 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 Qenos' supply chain has a global reach, in the reporting period 91% of spend was concentrated with Australian suppliers. However, we recognise that these suppliers may manufacture and/or procure finished goods, component parts and raw material inputs outside Australia.

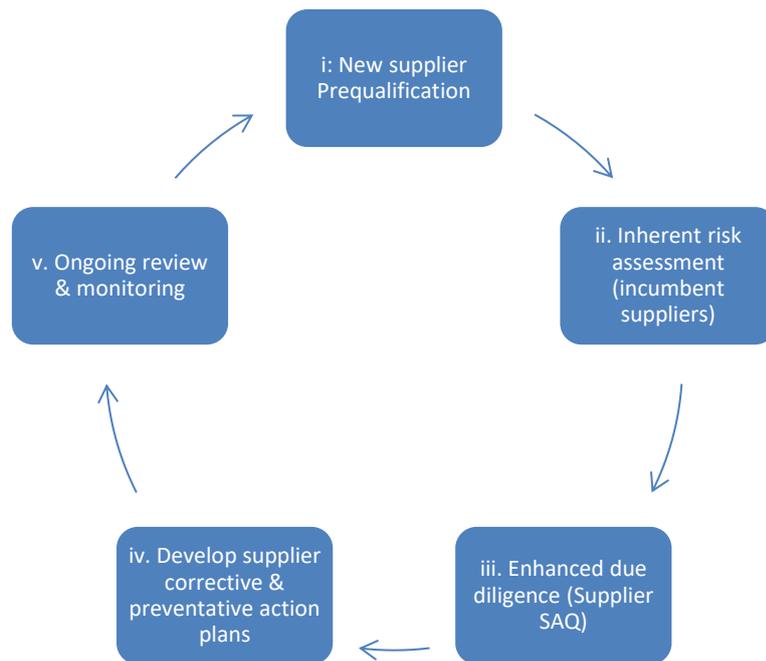
The remaining international supply chain spend is spread over 24 countries within Europe, Asia and North America. Suppliers in the Philippines, United States, Qatar, and Singapore represented the majority of the overseas spend. Our moderate risk tier-one suppliers are manufacturers from Asia, the Pacific region and the Arab states that include but are not limited to China, Philippines, Thailand, Qatar and UAE.

7. Modern Slavery Risks in our Supply Chain

We understand that modern slavery risks exist throughout the manufacturing sector due to the extended and globalised nature of supply chains. We also acknowledge that our supply chains are not immune to these risks, recognising that Qenos supply chains extend far beyond the tier one suppliers with whom we have the direct contractual relationship. This section outlines how we assess and manage modern slavery risks that may be present in our operations and supply chains.

Supplier Risk Assessment Approach

Modern slavery is a material risk to our business and is managed by supply chain, risk, operations and legal teams across Qenos. We adopt a group wide approach to supply chain risk management, adopting a risk based due diligence approach to support our teams to identify, assess and mitigate modern slavery risks in our supply chains whilst leveraging our resources judiciously, as illustrated below.



Qenos Supplier Risk Assessment Framework

- i. New supplier pre-qualification to assess supplier's compliance with all applicable laws, Qenos policies and procedures and meet Qenos' standards with overarching obligations to act ethically and honestly conducted via Avetta, a cloud-based supply chain platform.
- ii. Internal inherent risk due diligence tool and processes assess modern slavery risks across all incumbent suppliers supporting Qenos' manufacturing processes and operations. The tool uses multiple criteria to identify and assess inherent modern slavery risks, relating to country, workforce, industry, and category risks and the contracting model.
- iii. Based on inherent risk assessment outcomes, enhanced due diligence is prioritised across moderate and highest risk suppliers via a supplier self-assessment questionnaire (SAQ)
- iv. Supplier SAQ responses inform the development of individual supplier corrective and preventative action plans to address areas of non-conformance.
- v. Corrective and preventative action plans are subject to ongoing review and monitoring.



Progress in the reporting period

After reviewing modern slavery indicators, we concluded that our higher risk goods and services categories are:

- | |
|---|
| <p>Goods:</p> <ul style="list-style-type: none"> • Raw materials • Packaging • Electronics (hardware) and Electronics – specifically those sourced / originating from China and Malaysia • Consumables including garments & PPE – specifically those sourced / originating from China and India <p>Services</p> <ul style="list-style-type: none"> • Shipping & Transportation • Cleaning services • Security services |
|---|

In the reporting period, as an outcome of our supply chain risk assessment processes, Qenos prioritised *enhanced due diligence* with 33 suppliers who were assessed as having moderate or high inherent risk ratings. Potential vulnerabilities related to risks of forced and bonded labour, child labour and/or the use of migrant workers in higher risk geographies or higher risk industries.

Whilst no incidences of modern slavery were identified within our supply chains in the reporting period, based on the SAQ outcomes we developed corrective and preventative action plans to increase supplier awareness and address areas of non-conformance in respective suppliers' risk controls and governance. Supplier action plan focus areas include:

- Governance and policy commitments: strengthening human rights related policy commitments, including governance and controls of those commitments.
- Human rights due diligence: strengthening sub tier supplier due diligence to embed policy commitments into management systems and risk due diligence processes and providing assurances that governance and controls are in place to integrate risk assessment findings internally to take appropriate action and monitor effectiveness of those actions.
- Operational grievance & remedy mechanisms: strengthening processes to ensure existence of publicly accessible, easy to use grievance mechanisms to receive complaints or concerns from workers and external parties, including formal systems and controls to investigate grievances, to provide for/or cooperate in remediation when actual human rights impacts have occurred.

Over this reporting period Qenos also made positive progress in strengthening internal controls and implementing actions to assist in addressing potential modern slavery risks associated with our direct supply chains. These initiatives included:

- Development of a draft Supplier Code of Conduct which sets out the minimum standards of integrity and business conduct that we expect our Suppliers and third party's subcontractors to meet in all dealings with Qenos; and
- To strengthen supplier on-boarding and contract management processes all purchase orders, template contracts, new and renewed supplier contracts were updated to include a modern slavery compliance clause.



We look forward to providing further updates on the effective implementation of these initiatives and controls in our next statement.

8. Modern Slavery Risks in our Operations

In the reporting period we undertook risk assessments of modern slavery risks in our operations to consider the risk that we are causing, contributing, or directly linked to modern slavery practices.

Based on our assessments we consider that modern slavery risks in our direct operations are comparatively low. Our two manufacturing site operations and corporate offices are located in Australia, which has the strongest response to modern slavery in the Asia Pacific, and the second strongest response globally¹.

At the end of the reporting period Qenos employed 560 direct employees across our operating geographies in Australia and New Zealand, comprising 531 full time employees, 15 part time employees and 14 casual employees (59% of our workforce is employed under Enterprise Bargaining Agreements). All individuals are employed in accordance with local workplace laws and Qenos respects the rights of all workers to form and join (or not join) a trade union of their choice without fear of intimidation or reprisal and recognises workers' rights to engage in collective bargaining.

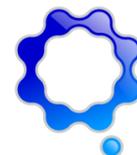
Whilst no incidences of modern slavery were identified within our operations in the reporting period, we acknowledge the employment of casual and indirect workers across some of our operating activities presents an inherently higher risk of modern slavery. Areas of potential vulnerability in our operations include outsourced services such as cleaning, catering, security and facilities management, and use of 3rd party labour hire contractors, noting our workforce includes up to ~ 300 indirect workers (contractors) at any one time.

However, we are confident that the strong regulatory environments in which we operate, coupled with our robust policy environment, our culture of creating a safe and fair working environment for our workforce mitigates the risk of modern slavery occurring within our operations.

Over this reporting period Qenos also made positive progress in strengthening internal controls and implementing actions to assist in addressing potential modern slavery risks in our operations. These initiatives included:

- A second round of modern slavery training for key personnel across all our divisions to embed a culture that minimises the risk of modern slavery within our organisation.
- Development of a new Corporate Code of Conduct to reflect a broader set of responsibilities and expected behaviours consistent with best modern practices and to promote compliance with laws and ethical behavior.
- A review of our existing whistle-blower policy and remediation processes, to assess their effectiveness as an operational grievance mechanism to serve the needs of all rights holders.

¹ Walk Free 2023. The Global Slavery Index 2023, Minderoo Foundation



9. 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 robust framework of governance policies in place or under development to support the Group to 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:

Policy	Outline
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. Last 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. The new Qenos Code of Conduct (Code) ties these policies together to provide a clear overview of expectations placed on employees' behaviour and the behaviour of those with which Qenos does business.
Supplier Code of Conduct (CoC)	This draft 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 accessible to Qenos' personnel via our intranet and communicated externally to Qenos' business partners, suppliers and other relevant parties at appropriate times.

Going forward, we propose to formalise and strengthen policy framework supporting the Modern Slavery Risk Program by implementing:

- our new Qenos Code of Conduct (which supersedes Qenos' Guiding Policies; and
- our new Supplier Code of Conduct.



Modern Slavery Risk Program Governance

Qenos' Modern Slavery Working Group includes appropriate cross-functional representation at a leadership level. Comprised of representatives from Finance, Supply Chain, Legal, the group leads the overarching longer-term strategy, develops policies, controls and due diligence processes to identify, assess and mitigate modern slavery risks.

Going forward we propose to formalise and strengthen the governance of the Modern Slavery Risk Program by:

- Expanding the working group to include appropriate geographic and cross functional membership, to include representatives from Risk and Human Resources.
- Establishing a Modern Slavery Working Group Charter to include terms of reference to define and maintain clear accountabilities, and to establish a clear action plan to drive continuous improvements in our program.
- Conducting a review of current controls and KPIs to assess program effectiveness.

10. 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 the reporting period we conducted a comprehensive external review of our existing whistleblower policy and remediation processes, to assess their effectiveness as an operational grievance mechanism to serve the needs of all rights holders.

The review findings presented a series of recommendations to improve the whistle-blower policy and operational grievance mechanism. Key recommendations to be reviewed and considered for implementation in 2023 to promote greater awareness and trust with all right holders include:

- Updates to the Whistleblower Policy to communicate key process milestones, with indicative timeframes for each stage of the process (a) when the complaint is lodged, (b) when a proposal for a remediation is made, and (c) when an outcome is agreed. Timeframes should allow for flexibility, subject to the nature of the disclosure.
- Implementation of a feedback mechanism to seek agreement on proposed action and at the conclusion of the process to assess if agreed actions have been effectively implemented, thus allowing for assessment of effectiveness of the remedy.
- Revisions to Whistleblower Policy and process to make provisions for an appeals process.

We look forward to providing relevant updates in our next statement.

11. Training and Capacity Building

Over this reporting period Qenos made positive progress in strengthening internal controls and implementing a second round of modern slavery training for key personnel to assist in building capacity and awareness of potential modern slavery risks in our operations.

In 2023 Qenos' Learning and Development team propose to develop a new e-learning module for new starters and refresher training.



12. Assessing the effectiveness of Qenos' Actions

Qenos understands the importance of assessing the effectiveness of the actions we are taking to identify, assess and address modern slavery risks. In 2024 we propose to conduct a review of the current controls and KPIs to assess program effectiveness and establish new metrics and KPIs to track, manage and report on the progress of our modern slavery risk 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 management systems.



13. Continuous Improvement

Qenos will continue to deepen its understanding of modern slavery risks across our operations and supply chains. For 2023, we have aligned our improvement activities with the following five key focus areas:

Continuous Improvement Focus Areas - 2023

<p>Governance</p> <ul style="list-style-type: none"> • Roll out the new corporate Code of Conduct. • Finalise, implement and embed the Supplier Code of Conduct with all Suppliers and third parties' subcontractors. • Develop a Modern Slavery Working Group charter to define accountabilities and establish an operational working committee to drive further progress on roadmap initiatives. • Once the roll out of the Code of Conduct and the Supplier Code of Conduct is finalised, establish a Governance section on Qenos' external facing website and publish the framework policies. 	<p>Training</p> <ul style="list-style-type: none"> • Continue Modern Slavery training as a component of new starter induction training. • Develop Modern Slavery e-learning module 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. • Training on the new corporate Code of Conduct
<p>Due diligence activities</p> <ul style="list-style-type: none"> • Continue / commence consultation with moderate/highest risk suppliers to implement corrective and preventative action plans to remediate areas of minor non-conformance identified through enhanced due diligence. • 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. 	
<p>Remediation</p> <ul style="list-style-type: none"> • Review and consider the implementation of key recommendations in relation to the effectiveness of the existing Whistleblower Policy. 	<p>Assessing effectiveness</p> <ul style="list-style-type: none"> • Commence the process to, review and refine controls, metrics and KPIs to support assessment of Modern Slavery Program effectiveness (to be continued into 2024).