

# SEPL

## **Modern Slavery Statement**

31 March 2021

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## Introduction

The Modern Slavery Act 2018 (Cth) (**MSA**) requires entities with annual consolidated revenue over \$100m to disclose their efforts to address the issue of modern slavery in their operations and supply chains.

We are proud to publish our first Modern Slavery Statement (**Statement**) as part of our compliance with Australia's MSA.

This joint Statement is made on behalf of the following three reporting entities (collectively, **SEPL, Reporting Entities, we** or **our**):

- SEPL Pty Ltd as trustee for SFT ABN 75 492 874 033 (**SFT**);
- Peregrine Energy Pty Ltd ABN 80 615 822 065; and
- Reliable Petroleum Pty Ltd ABN 54 602 197 375.

Any type of human exploitation is contrary to our values and codes of conduct.

We expect our suppliers to meet the expectations required under the MSA and to share these expectations with their own suppliers so that the expectations are communicated throughout the supply chain to drive greater transparency on this issue.

SEPL understands that compliance takes time and so we encourage ongoing collaboration with our suppliers to identify challenges and opportunities for continuous improvement.

This Statement reflects our work on this initiative over the past year.

We have made progress on raising awareness on this global issue and to improve transparency around the risks in our supply chain and operations nationally equally across all Reporting Entities.

Our intention is to continually strengthen and refine our processes to identify any new modern slavery risks that may arise in our supply chains and operations into the future.

**31 March 2021**

## **1. Identity of the Reporting Entities**

- 1.1. This joint Statement is prepared and issued by SEPL on behalf of the Reporting Entities which share many of the same policies, procedures and systems.
- 1.2. Each Reporting Entity operate in similar industry sectors and, in some cases, share suppliers for various goods and services in product and service delivery.
- 1.3. Management teams of each Reporting Entity have been engaged and consulted in the preparation of this Statement and understand that ongoing future work will be required to address modern slavery risks in their supply chains and operations going forward.
- 1.4. SEPL was first incorporated in 21 August 1987 and its head office is located at 270 The Parade, Kensington South Australia 5068.
- 1.5. As at March 2021, SEPL employs approximately 5,000 employees, with annual revenue in excess of \$2.5bn.

## 2. Reporting Entities’ structure, operations and supply chain

- 2.1. The Reporting Entities’ principal operations are in retailing (including fuel, convenience, tobacco and gift items) and wholesale fuel sales. These operations commenced in South Australia, however in recent years have expanded nationally.
- 2.2. SFT ultimately owns the On the Run retail, fuel, convenience and QSR business (as franchisee), and owns and operates the Smokemart and Gift Box retail tobacco and gift business.
- 2.3. Peregrine Energy operates a wholesale fuels business under the Mogas brand.
- 2.4. Reliable Petroleum operates a wholesale fuels business under the Reliable Petroleum brand.
- 2.5. Our supply chain is spread locally and internationally with various longer-term commercial service agreements governing the relationships with our relatively stable core supplier base.
- 2.6. Contract management is centralised at the head office of SEPL for all Reporting Entities.
- 2.7. SEPL has developed a consistent basis for the assessment of modern slavery across the supplier base, which is an ongoing process.
- 2.8. A team has been assembled to work with the Reporting Entities to project manage compliance with the MSA.
- 2.9. Our supply chain of over 2,000 suppliers includes:

Category	Supply Chain	Country of origin
Operations and Administration	Commercial leasing, marketing and communications, property management, professional consultants, staffing and	Australia

Category	Supply Chain	Country of origin
	recruitment, energy management, finance, legal, office services and equipment.	
Materials and Equipment	<p><u>Information technology:</u> hardware, software and infrastructure sourced direct from Australian vendors</p> <p><u>Building Materials and Fuel Equipment:</u> sourced from Australian vendors. We do not have clear visibility of country of origin.</p>	Australia, China, India, USA and EU.
Buying and procurement	<p><u>Motor spirit, diesel fuel:</u> sourced from Australian vendors.</p> <p><u>Food, beverages and non-food consumer goods:</u> largely sourced from Australian vendors who potentially source internationally.</p>	Australia, China, India, USA, Singapore, EU and Japan

### 3. Risks of modern slavery practices

- 3.1. According to the International Labour Office it was estimated that over 40m people were living in modern slavery in 2016. We acknowledge that risks of modern slavery may be present at some indirect stage within the supply chain of products sourced mainly from outside of Australia.
- 3.2. SEPL supports the protection of fundamental human rights and the global fight against modern slavery and will be proactive in ensuring suppliers are made aware of the risks of modern slavery where possible.
- 3.3. SEPL has assessed its overall risk of modern slavery within its operations and direct supply chain as being low.
- 3.4. Risk assessments continue to be carried out on suppliers based on audit and questionnaire findings and responses to inform our direct supplier risk assessments and provide guidance to management.
- 3.5. The following table summarises the core categories used as part of our modern slavery risk assessment framework and methodology:

Risk Category	Modern Slavery Risk	Risk Rating
Manufacturing	The Department of Home Affairs outlines that certain sectors and industries have higher modern slavery risks because of their characteristics, products and processes. For example, extractives, textiles, fashion, fishing, electronics, cleaning, construction and agriculture are recognised as high-risk industries globally. SEPL utilises electronics as part of its operations, however, does not	Low

Risk Category	Modern Slavery Risk	Risk Rating
	engage in any direct manufacturing activities. SEPL imports a range of consumer goods for retail sale through its outlets. Category teams have in place due diligence checks to work with suppliers to mitigate reasonably foreseeable concerns of modern slavery.	
Commodity	According to the Global Industry Classification Sectors, particular commodities carry greater risk of modern slavery and human rights violations due to the way that they are produced. Risk is determined by the presence of the commodity, country of origin of the commodity and relevant certification.	Low
Country-based labour	With an increased global supply chain, SEPL recognises the importance of combatting modern slavery and in turn supports localised supply. SEPL's direct suppliers operate within Australia. According to the 2020 Trafficking in Persons Report, and ILO's country data, Australia's modern slavery risk is deemed to be very low.	Very Low
Entity engagement	SEPL will not knowingly engage any suppliers with a record of treating	Low



Risk Category	Modern Slavery Risk	Risk Rating
	workers poorly or with human rights violations.	
Labour	The work profile of SEPL attracts a very low labour risk. SEPL complies with all applicable Australian labour laws and conducts regular workforce audits to ensure ongoing compliance which in turn ensures no employees are enslaved.	Low

#### **4. Actions taken to assess and address modern slavery risks**

Utilising the categorisations above, SEPL (collectively across the three Reporting Entities) has created a modern slavery framework to assess and address our modern slavery risks and have undertaken the following actions:

- 4.1. mapped out our supply chain;
- 4.2. developed modern slavery questionnaires which have been sent to suppliers in consultation with relevant business units;
- 4.3. assessed modern slavery risks based on certain categorisations such as labour risk and country risk;
- 4.4. undertaken due diligence (including issuing questionnaires and company research) on our suppliers to enable us to “get to know” our supply chain and to assess modern slavery risks;
- 4.5. worked with our suppliers to help them understand their own modern slavery risks within their direct and indirect supply chains and have incorporated modern slavery questions into our annual supplier review;
- 4.6. updated policies, procedures and codes of conduct to include modern slavery risk considerations as well as drafting a specific modern slavery policy;
- 4.7. set up an anonymous method for stakeholders to raise any concerns that they have about modern slavery risks as part of our whistleblower program which are reportable;
- 4.8. created a framework to embed modern slavery controls into our compliance program;
- 4.9. provided ongoing training and education to staff and stakeholders around modern slavery in both face to face format and through online training modules;

- 4.10. integrated modern slavery risk analysis into our processes and undertake regular Environmental, Social and Governance (**ESG**) assessments of each asset; and
- 4.11. considered manager skill in identifying, engaging and managing ESG risks (of which modern slavery risk is one) as a key control in mitigating this type of risk.

## **5. Assessment of the effectiveness of these actions**

- 5.1. While we have has assessed our modern slavery risk within our operational and direct supply chain as low, we recognise that modern slavery risks can be hidden by indirect suppliers or caused by strict contract terms that inadvertently push solely for the lowest possible prices or rapid delivery times that indirectly cause modern slavery risks.
- 5.2. Ongoing education and training will form part of our compliance program as we consider this to be central to informing the workforce of the Reporting Entities to mitigate the risks of such instances occurring. Education and training seminars are scheduled to be conducted annually.
- 5.3. SEPL will assess the effectiveness of its actions in response to modern slavery by continually monitoring the actions taken by:
  - working with suppliers to monitor and assess how they are progressing with any actions that they have put into place to address modern slavery risks – this is undertaken with material suppliers in our annual supplier review process as well as supplier due diligence questionnaires;
  - undertaking a periodic review of our modern slavery risk assessment framework to ensure that it remains up to date;
  - tracking internal compliance with modern slavery obligations including training;
  - undertaking analysis and reporting on modern slavery risks in our supply chain portfolio;
  - including specific modern slavery contractual obligations as warranties in support of our modern slavery framework across commercial agreements;

- monitoring any medium to high-risk suppliers; and
  - reviewing cases reported through publicly available reporting services and internal reporting mechanisms such as the anonymised whistleblower hotline across the Reporting Entities.
- 5.4. As at the date of this Statement there have been no reports of modern slavery concerns in the reporting period across the Reporting Entities and, as such, no remediation action has been required.
- 5.5. SEPL adopts a continuous improvement approach to the assessment of modern slavery risks in our supply chain and aims to develop our existing framework and actions on an ongoing basis.

## **6. Consultation process with Reporting Entities**

- 6.1. This Statement reflects the position of each of the Reporting Entities.
- 6.2. During the course of 2021 and beyond, SEPL intends to further enhance its capabilities and processes to address modern slavery risk across the Reporting Entities and refine the abilities of our internal resources to take actions to mitigate such risks.

## 7. Other relevant information

- 7.1. Risk assessments continue to be carried out on suppliers based on audit and questionnaire findings and responses to inform and provide guidance to management of SEPL of any direct supplier risk.
- 7.2. Ongoing education and training will form part of our compliance program to ensure the ongoing risk of modern slavery is reiterated to our workforce.
- 7.3. This joint Statement will be uploaded to the Australian Border Force Online Register for Modern Slavery Statements.
- 7.4. This Statement was approved pursuant to resolutions of the Boards of Directors of the Reporting Entities on 30 March 2021.



**Yasser Shahin**  
Executive Chairman