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2023 MODERN SLAVERY STATEMENT FOR QUEENSLAND NITRATES PTY LTD

Queensland Nitrates Pty Ltd (QNP) opposes slavery in all of its forms. This statement is made in accordance with the *Australian Modern Slavery Act 2018 (Cth)*. It applies to and describes the steps taken by QNP during the financial year ending 30 June 2023 and plans for future years to seek to minimise the risk of modern slavery occurring in its business or supply chain.

Structure, business operations and workforce

QNP is a Queensland-based ammonium nitrate manufacturer and has been in operation since 2000 primarily serving the Queensland coal industry with ammonium nitrate based products for explosives applications. QNP operates an integrated ammonium nitrate manufacturing facility producing ammonia from natural gas feedstock, converting the ammonia into nitric acid and then combining nitric acid with more ammonia to produce ammonium nitrate. QNP is a private company being a 50/50 joint venture between CSBP Limited (a wholly owned subsidiary of Wesfarmers Limited) and Dyno Nobel Asia Pacific Pty Limited (a wholly owned subsidiary of Incitec Pivot Limited). QNP is not a part of a larger corporate group of entities and does not control or own other entities.

QNP has approximately 100 employees, all of whom are located in Queensland, Australia. Approximately 60 per cent of its workforce are covered by an Enterprise Agreement with the other 40 per cent consisting largely of professional roles employed via individual contracts. These agreements and contracts ensure minimum pay and entitlements in compliance with legal requirements. QNP has assessed the risk of modern slavery in its operations as low, because its workforce is entirely in a low-risk jurisdiction, covered by robust human resources policies and grievance mechanisms. QNP currently uses minimal labour hire arrangements.

Supply chain

QNP has long term, stable relationships with key suppliers and sources over 90 per cent of operational requirements domestically. Less than 0.2 per cent of its requirements are procured directly or indirectly from higher risk countries. QNP supplies some customers with product in bags sourced from two suppliers in Thailand via domestic importers.

QNP's top 20 suppliers represent 80% of purchases and all but two are Australian based. The Spanish supplier referred to below and an equipment supplier in Germany are the only non-domestic suppliers in this group. QNP's top 100 suppliers represent 95% of purchases.

QNP's policies

Consistent with the principles in its Code of Ethics and Conduct, QNP is committed to complying with Australian laws and regulations and making positive economic, social and environmental contributions to society consistent with the principles of honesty, integrity, fairness and respect.

QNP prohibits discrimination and forced, trafficked or child labour and is committed to safe and healthy working conditions, including the right to freedom of association and collective bargaining.

QNP has an Ethical Sourcing and Modern Slavery Procedure and Policy which sets minimum standards in these areas.

Due diligence process

QNP has adopted a risk-based approach to modern slavery due diligence and has focused on tier-one key suppliers and overseas tier-two suppliers across its supply chains. Given their importance to the business, QNP has also considered broader rights considerations for its own direct employees relating to equality, fair pay and safety.

QNP has used a risk-based approach to assess the risk of modern slavery in its supply chain, assessing suppliers based on jurisdiction, product type and spend as outlined in its Ethical Sourcing and Modern Slavery Procedure. QNP's aim is to ensure that human rights are understood, respected and upheld across its supply chains. QNP expects its partners and stakeholders to adhere to ethical business conduct standards which are consistent with its policies.

Modern slavery risk

QNP has assessed the risk of modern slavery in its supply chain operations as low due to the very limited interaction with higher risk jurisdictions and its long-term relationships with key suppliers.

Actions in 2023 financial year

QNP is committed to monitoring and continuing to improve its modern slavery risk identification and mitigation. QNP made progress in the following areas during the financial year ending 30 June 2023:

- QNP re-assessed its top 100 suppliers for modern slavery risk and concluded that two potential high risk tier-two suppliers exist within its supply chains. These two suppliers are importers of bags manufactured in Thailand.
- Both of these suppliers completed QNP's modern slavery assessment questionnaire in the 2023 financial year. QNP has reviewed these responses and concluded that the risk of modern slavery in these companies is low based on the current assessment, however acknowledges the risk of modern slavery in these businesses and the need for ongoing close monitoring.
- QNP has two tier-one suppliers located in Spain (owned by a Japanese company) and the UK respectively. QNP obtained an updated modern slavery statement from one of the two key overseas suppliers (located in the UK) and has assessed this company as being compliant with our policies. QNP had previously obtained a modern slavery statement from the Spanish (Japanese owned) supplier.
- The UK supplier has several group policies that reinforce their commitment to protecting human rights and reiterate their focus on the elimination of modern slavery and human trafficking within their business and supply chains. These include:
 - Code of Ethics;
 - Supplier Code of Conduct which covers the standards they expect from their suppliers relating to human rights (including specific modern slavery and human trafficking prohibitions);
 - Ethical and Sustainable Procurement Policy states their commitment to upholding international guidelines and principles, including addressing modern slavery risks and respecting human rights; and
 - Platinum and Palladium Supply Chain Policy Statement
- The Japanese supplier's Modern Slavery Statement states that they request their suppliers implement measures to eliminate all forms of discrimination and to ban forced labour, child labour and illegal labour and that they give priority to suppliers that accept such responsibilities. Matters relating to the preservation of the environment and respect of human rights are also specified in their supplier contracts.

- Terms and conditions in contracts with new suppliers continue to reflect QNP's expectations of suppliers around modern slavery and ethical sourcing requirements.
- QNP has reviewed the wage rates for its two local suppliers of low wage services, these being cleaning and gardening contractors. The wages paid to the employees of both of these companies are aligned with the relevant award wage rates.
- The three QNP employees involved in procurement decisions and processes completed Modern Slavery training during the year.

Future actions

With regards to the products sourced from the two high risk tier-two suppliers identified, QNP has developed a three stage approach:

- Ensure both importers of bags manufactured in Thailand complete the modern slavery assessment questionnaire annually;
- Work with the importers to determine the risk of modern slavery in the employment practices in overseas factories, including obtaining declarations from these suppliers regarding the working conditions in their supplier factories;
- Conduct third party audits of the importers' processes and their supply chain third party audits, if required; and
- Conduct third party audits of the factories, if required.

QNP will seek an updated modern slavery statement from its Spanish (Japanese owned) supplier.

QNP will continue to assess new suppliers for modern slavery risk, including obtaining additional information and assurances where necessary.

Assessing effectiveness of actions

QNP is captured as part of Wesfarmers internal audit plan which includes periodic audits of divisional ethical sourcing programs and compliance with the Wesfarmers Ethical Sourcing and Modern Slavery Policy. QNP tracks, manages and reports progress on a range of indicators used to assess the effectiveness of its business programs which includes supplier risk assessments and internal grievance mechanisms. QNP will continue to improve its understanding of modern slavery risks in its supply chains and will report annually on progress of identification, assessment and remediation of these risks.

QNP has a whistleblower mechanism for reporting, investigating and managing policy and procedure breaches that can be used if a person wishes to make a confidential complaint outside the normal management accountability structure.

To date, QNP has not been made aware of any modern slavery allegations in its operations or supply chains.

This statement was approved by the QNP board on 18 October 2023.



Ian Hansen
Chairman