



Modern Slavery Statement

2021

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Introduction

CS Energy is proud to present our second Modern Slavery Statement under the Australian Government's *Modern Slavery Act 2018*. The statement covers all sites owned or operated by CS Energy (as outlined on page 6) for the financial year (FY) ending 30 June 2021.

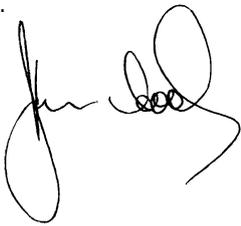
CS Energy is committed to responsible procurement practice and doing all that we can to prevent modern slavery in our business and supply chain.

In 2021, our focus was on deepening our understanding of our modern slavery risks. We increased the number of vendors approached to complete our modern slavery risk assessment and additionally sought country of origin information from suppliers for 80 per cent of our warehouse stock. Further, we also obtained a better understanding of how our joint venture partners manage their modern slavery risks.

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 there is more we can do to prevent modern slavery and this starts with increasing our employees' awareness of modern slavery. In FY2022 we will expand internal training on understanding and identifying modern slavery risks. Other focus areas for the year ahead will be engaging with warehouse suppliers from at-risk countries and conducting a review of our modern slavery vendor questionnaire.

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



Jim Soorley

Chairman

28 October 2021

About CS Energy

CS Energy is a Queensland-owned and based energy company that generates and sells electricity in the National Electricity Market (NEM).

We are proud of the contribution that we make to the economy by powering some of the state's biggest industries and employers. Our power stations also export a significant amount of energy into New South Wales and help underpin security of supply in the NEM.

Our purpose

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.

**Delivering energy today,
powering your tomorrow.**

Our values

Our values define how we work and form the foundation of the high performing culture that we are building here 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.

Be safe

Safety, driven by genuine care and concern for people and the environment, is our number one driver. This is the defining characteristic of everything we do in our business.

Make a difference

We create and sustain value through operational excellence, being productive, and exercising sound commercial judgement.

Take accountability

We accept accountability readily. We make it clear to others what we are accountable to achieve.

Act with integrity

We are uncompromising in our ethics. We inspire trust by saying what we mean, delivering on our promises, and 'walking the talk'.

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 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 and joint ventures	
Wholly owned subsidiaries	
Name	ABN
Callide Energy Pty Ltd Australia	86 082 468 746
Aberdare Collieries Pty Ltd	64 009 659 367
Kogan Creek Power Station Pty Ltd	82 088 229 832
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 Oxyfuel Pty Ltd	12 128 970 034
CS Energy Kogan Creek Pty Ltd	093 455 648
CS Energy Group Operations Holdings Pty Ltd	095 322 508

Our operations

Where we operate

CS Energy generates and sells electricity in the NEM where we have a trading portfolio of more than 3,500 megawatts (MW).

We own and operate the Callide B and Kogan Creek power stations, and we own the Callide C Power Station in a 50/50 joint venture with InterGen. CS Energy provides operations and maintenance services to the Callide C joint venture.

In FY2021 we provided operations and maintenance services to CleanCo Queensland's Wivenhoe Power Station until 1 November 2020 when CleanCo assumed the operation and maintenance of the power station.

CS Energy provides retail services to large commercial and industrial customers throughout Queensland.

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

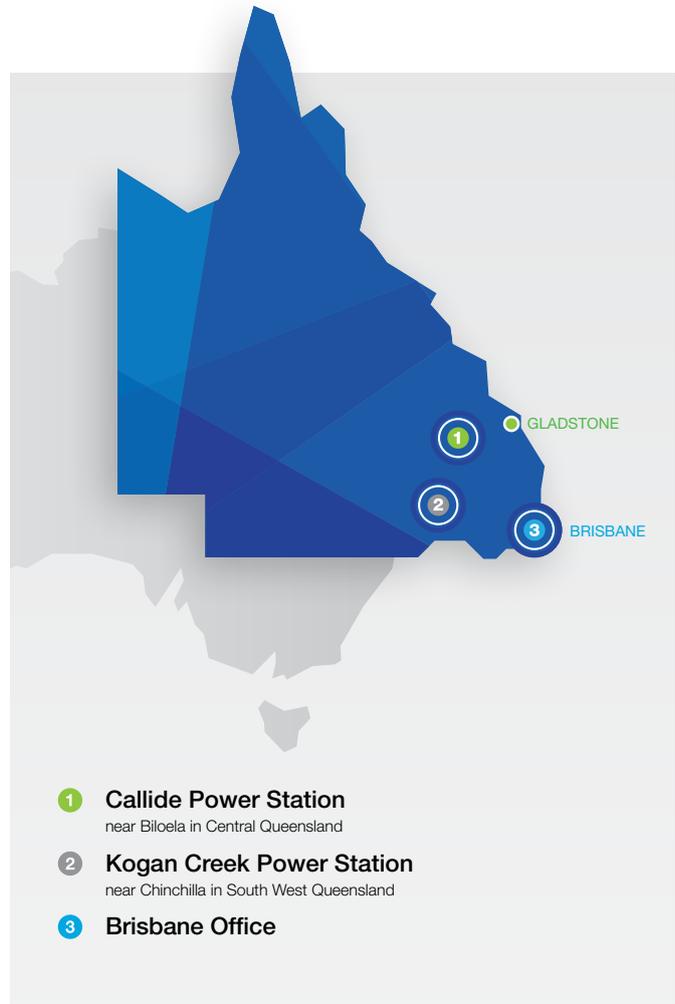
Our corporate head office is located in Brisbane.

Our people

At 30 June 2021 we employed 518 people 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 lasting and positive relationships with key stakeholders in these communities.

Since 2016, we have worked to build a more diverse and inclusive workplace at CS Energy. We have had gender pay parity since 2016 and we conduct annual reviews to maintain this standard. We are also a WORK180 Endorsed Employer for Women. WORK180 pre-screens employers to ensure they have policies and benefits in place to support women's careers.



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 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, Warwick Solar Farm and the Hughenden Solar Farm.

Our supply chain

CS Energy's procurement expenditure is predominantly in Australia. Apart from 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 FY2021 was supported by nearly 1,100 vendors, as follows:

Vendor analysis				
Vendor geographic location	FY2021 spend		Proportion of vendors	
	\$ Value	Orders AUD	Number	% of number
Australian based	\$632M		1,050	98.9%
Overseas based	\$0.6M		12	1.1%
Total	\$633M		1,062	

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

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 518 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 and
- Employee Assistance Program.

We maintain separate enterprise agreements for each of our power station sites and the Brisbane Office. The majority of our 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 collective enterprise agreement). The remaining senior managers are employed pursuant to a Common Law Contract.

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.

We reviewed our FY2021 procurement spend and identified 214 (~20.5 per cent) vendors (Australian and international based entities) who provide products/services to CS Energy in the modern slavery risk categories. These vendors represent a total procurement spend of some \$271M (43 per cent of the CS Energy total noted in Criterion 2), irrespective of the suite of services/products provided.

We contacted these vendors during the year to understand their processes for preventing and addressing modern slavery. Approximately 89 per cent of these vendors are already required to report under modern slavery legislation.

CS Energy also followed up with vendors so that we can continue to improve our understanding of our modern slavery risks, their proposed modern slavery action progress, and enhance the systems in both our Vendors and CS Energy.

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 2021, our focus was on deepening our understanding of potential modern slavery risks in our supply chain.

Actions undertaken by CS Energy included:

Understanding our supply chain

CS Energy repeated a targeted modern slavery risk assessment. Following this assessment process CS Energy completed vendor engagement, with a focus on risk segments.

As this was the second year of assessments and engagement, the focus this year was on both expanding the number of vendors involved, and following up on actions our suppliers nominated in last year's responses.

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 collective 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 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.

In the coming year CS Energy will use this new information to proactively engage with the potential warehouse suppliers from at risk countries.

Reporting criteria 5

Assessing the effectiveness of our actions

CS Energy views our modern slavery risk assessment as a 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 FY2020 Modern Slavery Statement include the following actions for FY2021:

FY2021 planned actions	Outcome
Continued focus on the higher risk suppliers.	Complete
Expanding the assessment of modern slavery risks to lower risk modern slavery suppliers	Complete – the supplier questionnaire was sent to an additional 16 per cent of suppliers
Assisting suppliers in the implementation of actions that have been advised to CS Energy	Complete
Extend modern slavery consideration to joint venture operations over which CS Energy does not have operational control	Complete

Planned actions for FY2022

- Expansion of internal training for the understanding and identification of modern slavery risks;
- Further expansion of the warehouse country of origin information beyond the initial 80 per cent level;
- Utilising warehouse stock Country of origin information in FY2022 assessments;
- Review and update the supplier modern slavery questionnaire.

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.

