



Modern Slavery Statement

2020

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Introduction

CS Energy is proud to present our inaugural 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 ending 30 June 2020.

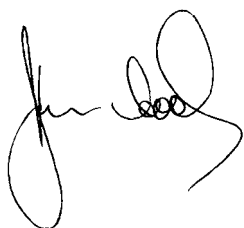
In FY2020, CS Energy spent more than \$575 million on goods and services from almost 1,200 vendors. We recognise that a business with this procurement spend has an important role to play in helping to prevent modern slavery.

Our immediate focus in FY2020 was to gain an understanding of the modern slavery risks in our supply chains and to establish processes for addressing those risks, with our analysis concluding that the risk in our supply chain is low.

In FY2021, we will increase our understanding of our modern slavery risks, particularly among vendors producing goods and services in high risk categories. We will also expand our assessment activities to include lower risk categories and assess how modern slavery risks are managed at sites operated by our joint venture partners.

CS Energy recognises that preventing modern slavery is a continuous journey in collaboration with our suppliers. We are committed to responsible procurement practice and doing all that we can to prevent modern slavery in our business and supply chain.

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



Jim Soorley

Chairman

26 March 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 electricity 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

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.

Take accountability

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

Make a difference

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

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 Australia	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

Our operations

Where we operate

CS Energy generates and sell electricity in the National Electricity Market (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 FY2020 we also provided operations and maintenance services to CleanCo Queensland's Wivenhoe Power Station. On 1 November 2020, CleanCo assumed the operation and maintenance of Wivenhoe Power Station.

CS Energy provides retail services to large commercial and industrial users in Queensland.

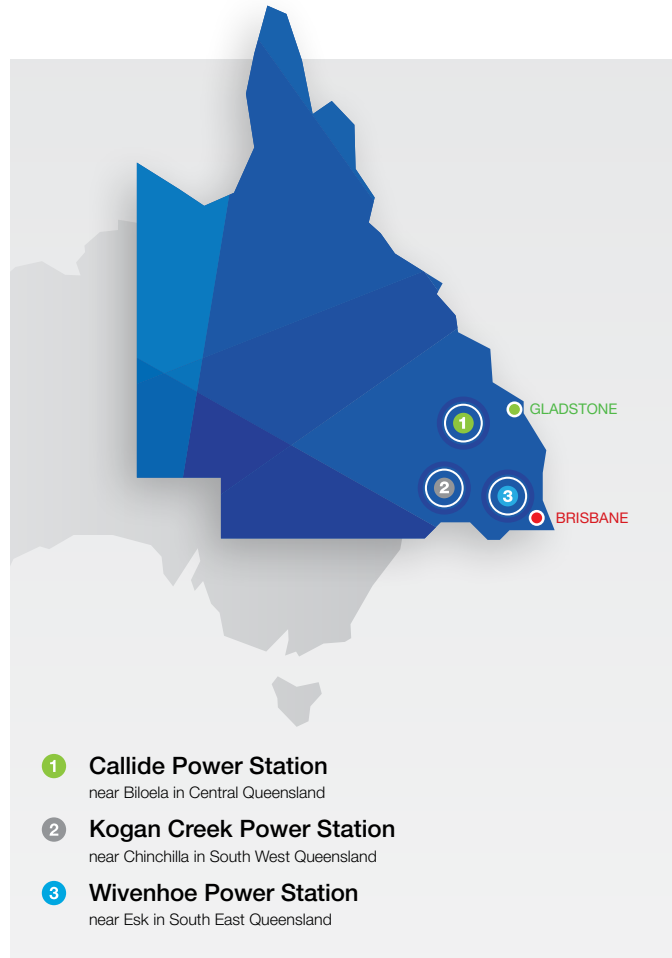
Our corporate head office is located in Brisbane.

Our people

In FY2020 we employed more than 550 people in a variety 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.



Our workforce



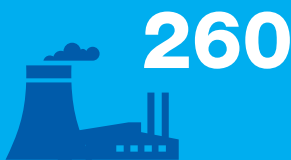
0.9%

Of employees are Aboriginal or Torres Strait Islander

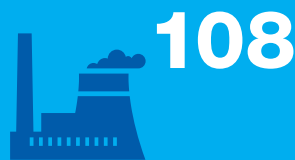


13%

Of employees come from Non English Speaking Backgrounds



Callide Power Station Employees



Kogan Creek Power Station Employees



Brisbane Office Employees



Wivenhoe Power Station Employees



54%

Leadership hires filled by women



9%

Women in Non-Traditional roles



25%

Leadership roles filled by women



6%

Men in Non-Traditional roles



Non-operational sites

CS Energy's portfolio also includes the trading rights, retail, mining 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 and Columboola 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 are supported by nearly 1,200 vendors, as follows:

Vendor analysis

Vendor geographic location	FY2020 spend		Proportion of vendors	
	\$ Value Orders AUD	% \$ Value	Number	% of number
Australian based	\$572M	99.3%	1,159	98.4%
Overseas based	\$3.8M	0.7%	19	1.6%
Total	\$576M		1,178	

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
- Europe
- India
- Indonesia;
- Japan
- Malaysia
- New Zealand
- Philippines
- Singapore
- South Africa; and
- South Korea
- Taiwan
- Thailand
- United Kingdom
- USA

Reporting criteria 3

Modern slavery risks in our operations and supply chain

During the year we analysed our supply chain to gain a better understanding of modern slavery risks. Our analysis has found the risk of modern slavery in our supply chain to be low and is outlined in further detail below.

CS Energy operations

As noted in Reporting Criteria 1 and 2, CS Energy employs more than 550 people, with the business having a People and Culture team, which includes industrial relations. We strive to ensure that our business complies with all relevant employment laws in Australia, including striving 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 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
- bricks
- electronics
- iron
- rubber
- copper
- cleaning
- hospitality
- construction and
- temporary work.

We reviewed our FY2020 procurement spend and identified 178 (~14.5 per cent) vendors (Australian and international based entities) who provide products/services to CS Energy in these high risk categories. These vendors represent a total procurement spend of some \$270M (47 per cent of the CS Energy total notes 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 80 per cent of these vendors are already required to report under modern slavery legislation.

CS Energy intends to follow up with vendors so that we can continue to improve our understanding of our modern slavery risks, 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 has 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 FY2020, our focus was on gaining an understanding of our supply chain risks in relation to high risk supplies, and establishing processes for dealing with modern slavery.

Actions undertaken by CS Energy are outlined below.

Improved understanding of our supply chain

With the assistance of a specialist external party CS Energy developed a targeted modern slavery risk assessment process, and vendor engagement process. Upon completion of this CS Energy undertook a process of vendor engagement, with a focus on the higher risk segment.

Through this development and engagement CS Energy has expanded our understanding of the multiple tiers in our supply chain.

Supplier expectations statement and reporting

We developed 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.

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

During the year CS Energy updated our vendor processes to require new vendors 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 improved our procurement category management and engagement by allocating an employee with accountability for managing each procurement category. This approach will provide 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.

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 will assess the effectiveness of our actions against the following criteria:

- a) Improved vendor understanding of modern slavery risk management in their supply chain, including consideration of the topic in vendor meetings separate to the Modern Slavery processes of CS Energy;
- b) Assisting our suppliers to implement changes in their business to identify and manage modern slavery risks. A number of vendors had commenced improvements in their systems and CS Energy will continue to engage on their progress; and
- c) Investigations undertaken in relation to modern slavery concerns raised.

Actions	Outcome
Improve our understanding of our supply chain.	Complete. CS Energy has a greater understanding of our supply chain through this process and will continue to further our understanding.
Develop our targeted modern slavery risk assessment process, and vendor engagement process, including external review.	Complete
Engage with vendors operating in the higher risk segment.	Complete
Develop and publish modern slavery prevention document, including a notification mechanism and investigation/remediation process.	Completed in latter half of 2020.
Include a supplier acknowledgement of the Supplier Code of Conduct as new vendors are appointed/and roll out to existing vendors.	Complete

Planned actions for FY2021

- Continued focus on the higher risk suppliers;
- Expanding the assessment of modern slavery to lower risk modern slavery supplies;
- Assisting suppliers in the implementation of actions that have been advised to CS Energy;
- Extend modern slavery consideration to joint venture operations over which CS Energy does not have operational control.

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.

