



  
stanwell

# Modern Slavery Statement

2022/23

Reporting period



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This statement, pursuant to Section 14 of the Commonwealth Modern Slavery Act 2018 ('the Act'), sets out the actions taken by Stanwell Corporation Limited, TEC Coal Pty Ltd and their owned and controlled entities to address modern slavery and human trafficking risks.

Stanwell Corporation Limited  
ABN 37 078 848 674  
ACN 078 848 674

## A message from our Chair and Chief Executive Officer

At Stanwell Corporation Limited ('Stanwell'), we are committed to doing business with integrity, probity and accountability and expect our suppliers to commit to the same standards. As part of this, we are focused on ensuring modern slavery does not occur in our operations and supply chains.

This Modern Slavery Statement ('Statement') is prepared in accordance with the Modern Slavery Act 2018 ('the Act'). It outlines our approach to ensuring that we have robust frameworks and processes in place to minimise the risks of modern slavery in our business operations and supply chain.

This statement is for Stanwell and TEC Coal Pty Ltd (as reporting entities) and their owned and controlled entities for the 2022-23 financial year ('the reporting period'). It outlines the steps we have taken to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chain in the reporting period.

Our actions in relation to modern slavery are also underpinned by the development of internal governance to ensure controls, processes, and capabilities exist to support our approach. We remain committed to the highest specifications of conduct and ethical behaviour in all our business activities and promote and support a culture of honest and ethical behaviour and good corporate governance.

Stanwell recognises the importance of its policies and practices being transparent, responsible and held to the highest standards of integrity.

We are committed to operating responsibly and adhering to the highest ethical standards and this is reflected in our values – 'We Care', 'We Adapt' and 'We Deliver'.

We are a values-based organisation. The application of our values not only applies to our internal operations but also extends to the broader community through our procurement practices and community initiatives. We are committed to ensuring that our procurement practices and policies address modern slavery risks.



Paul Binsted  
Chair



Michael O'Rourke  
Chief Executive Officer

## Our business

### Corporate structure and operations

Stanwell is a Queensland government owned corporation.

We are a diversified energy business – we generate electricity and we have an electricity retail business that sells electricity to large commercial and industrial customers. We also deliver operations and maintenance services to the renewable energy assets through our newly established subsidiary, Stanwell Asset Maintenance Company (SAMCo).

Stanwell has made significant progress since 2020 in increasing the ambition and scale of our transformation strategy and newbuild renewable energy project pipeline.

Our strategy leverages the continued operation of our power stations to provide reliable electricity for Queensland and the National Electricity Market, as we build a new diversified portfolio of renewable assets and energy storage.

This Modern Slavery Statement applies to Stanwell, TEC

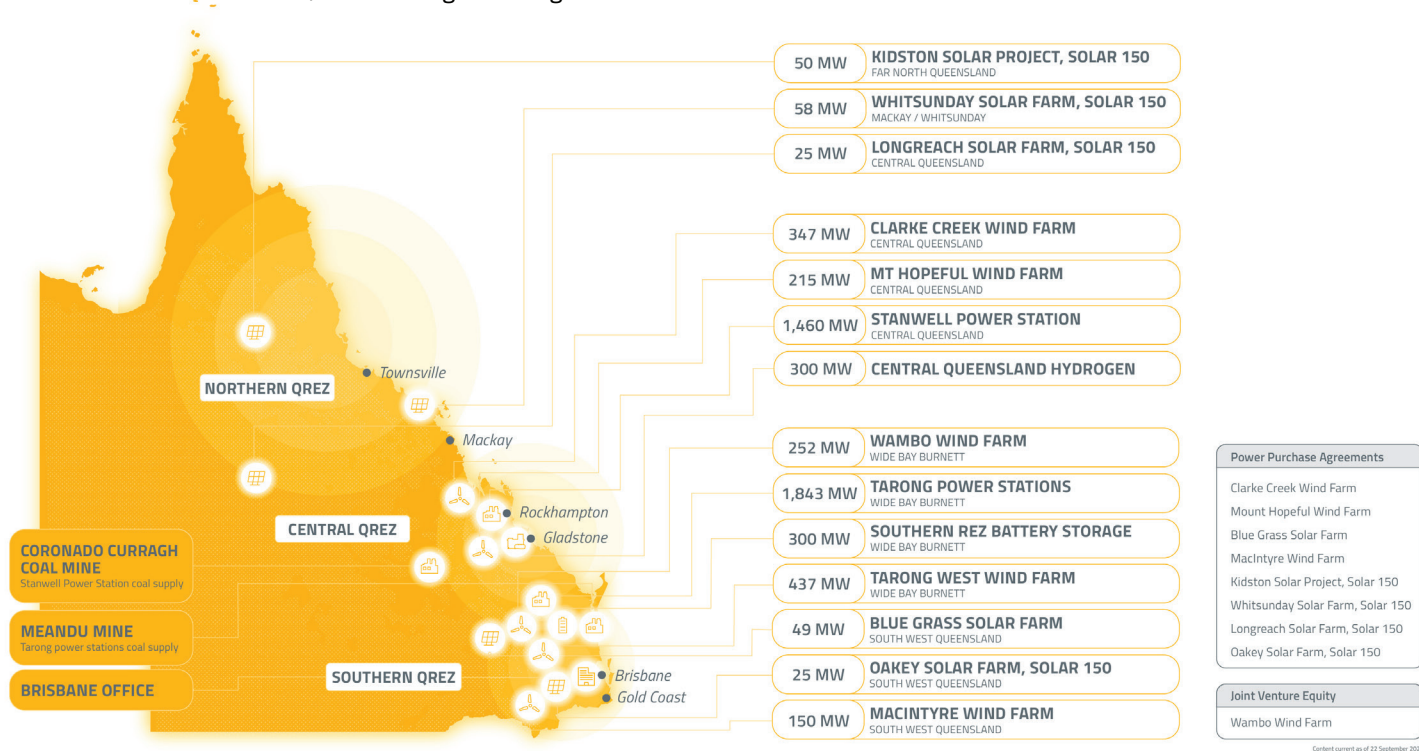
Coal Pty Ltd and their subsidiaries, of which there are 13 ('Stanwell Group'). Three of these subsidiaries are currently dormant. From a financial reporting perspective, a consolidated report is prepared taking into account all of these businesses. Stanwell holds 100% of the equity in 12 of its subsidiaries and shares a common board of directors with its subsidiaries.

We employ 772 direct employees, approximately 400 indirect employees and a number of contractors who provide support for site services and unit outages at our power stations in regional Queensland. Stanwell's power stations are situated in the Rockhampton and the South Burnett regions.

The majority of our employees live and work locally in the communities where we operate.

Stanwell's policies, procedures and procurement function oversee all activities for Stanwell and its subsidiaries.

At the end of 30 June 2023, Stanwell's generating assets were as follows:



We care We adapt We deliver

## Our supply chain

During the 2022/23 reporting period, Stanwell spent approximately \$1,494 million on direct and indirect costs.

Stanwell's expenditure consisted of \$612 million on goods and services, with the balance being on direct costs for bulk water, coal purchases and network charges.

Stanwell had business dealings with approximately 1,500 active suppliers with whom Stanwell directly procures goods or services (our Tier 1 suppliers) that cover eight product categories, including industrials, energy, materials, information technology, professional services, consumer discretionary, real estate and financials.

Stanwell's expenditure is highest in the 'Industrial' category.

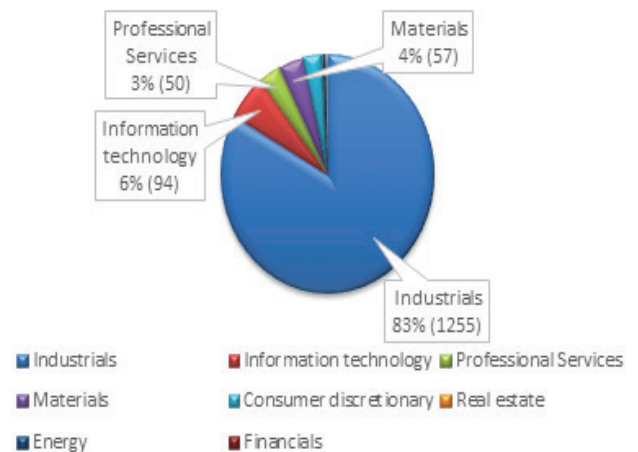
Of Stanwell's Tier 1 suppliers, 98 per cent are located in Australia and 2 per cent (35 suppliers) are located overseas (United States, Singapore, Japan, United Kingdom, Switzerland, Germany, Denmark, Canada, Ireland and New Zealand) (Table 1), and together the non-Australian based suppliers had a consolidated expenditure of \$6.7 million in the reporting period.

Table 2 describes the industries in which our suppliers operate across the 1,500 active suppliers.

Table 1 Overseas Spend by Country & Supplier Count (Top 6)

	NZ	USA	Switzerland	Singapore	Germany	Great Britain	Denmark
Expenditure	3,478,839	1,953,239	186,228	128,449	77,260	55,898	17,639
Supplier Count	2	17	1	4	1	4	1

Table 2 Supplier Industry Sector



## Governance, risk, and ethics

Stanwell's corporate governance framework ensures accountability and transparency across our business.

Governance and compliance policies are in place to support Stanwell's business performance, including with respect to addressing modern slavery risks in its practices.

These include the following policies:

- Enterprise Risk Management and Business Resilience Policy;
- Compliance and Regulatory Management Policy;
- The Way We Work at Stanwell (our Code of Conduct); and
- Stanwell's Whistleblower Protection Policy.

Refresher training is also provided to all employees and contractors on a regular basis.

The Way We Work at Stanwell (our Code of Conduct) consists of:

- Our values – our moral compass.
- Our judgement challenge – an ethical decision making tool.
- Our six guiding principles – a set of more detailed principles which provide more specific guidance on our standards and expectations:
  - We contribute to a safe and healthy work environment, which safeguards our environmental and social right to operate.
  - We act ethically at all times.

- We treat others with fairness and respect and value diversity and inclusion.
- We identify conflicts of interest and manage them responsibly.
- We respect and maintain privacy and confidentiality.
- We comply with the way we work at Stanwell, the law, Stanwell's contractual commitments and Stanwell's policies and procedures.

To support Stanwell's Code of Conduct, employees and contractors must undertake induction training prior to attending any of Stanwell's sites. This training covers health and safety, governance, compliance and now includes training on modern slavery.

In addition to supporting our overall business strategy, these policies reinforce Stanwell's commitment to creating a workplace where we maintain fair, just, and ethical standards and one where we treat others with fairness, dignity and respect and value diversity.

Stanwell's Whistleblower Protection Policy is designed to encourage employees, contractors, service providers and suppliers to raise concerns about activities or behaviour that may be unlawful or unethical. The policy formalises Stanwell's commitment to protecting the confidentiality, dignity, and career of anyone who raises serious concerns that affect the integrity of Stanwell's business operations.

## Procurement framework



Our Procurement Policy requires us to conduct our procurement practices in a transparent manner to achieve probity and accountability, based on “best practice” and alignment to the guiding principles contained within the Queensland Procurement Policy.

Stanwell’s Supplier Code of Conduct is publicly available on our website. It clearly establishes expectations of our supply chain and of our suppliers that provide goods and services to Stanwell. Our tender documents contain mandatory questionnaires on modern slavery supply chain risk and modern slavery legislation compliance to ensure supplier due diligence is undertaken prior to entering into any contractual agreement. Our contractual documents have included an express obligation on contractors to identify and reduce slavery within their sphere of supply chain control, to ensure that their suppliers bear the same obligation, and to report any actual or suspected instances to Stanwell.

Additionally, we have partnered with Informed 365 (a leading third-party modern slavery compliance solution provider) to provide us with specific modern slavery risk assessment services.

## Our modern slavery risks

During the 2022/23 reporting period, Stanwell maintained focus and gained momentum in our Modern Slavery Statement declaration and related activities supported by three key metrics:

- Supply Chain Mapping - maintaining effort to gather and analyse data to support identification of modern slavery risks in our supply chain;
- Tier 2 Risk Assessments - addressing our commitment to further interrogate our supply chain and that of key suppliers to Stanwell; and
- Education & Training - implementing a program to educate and empower our staff to recognize and respond to modern slavery.

### Supply Chain Mapping

Stanwell continued to understand its Tier 1 suppliers and map their supply chains, screening for any modern slavery risks at the onboarding or re-onboarding of supplier stages and continuously identifying, assessing and where required mitigating key risk areas for our suppliers using a multi-faceted approach, including balancing supplier declarations and risk assessment using the Informed 365 online platform.

So far 1,388 suppliers have been mapped. Of this, 756 are

operational suppliers and 632 potential suppliers (who may have future dealings with Stanwell). Amongst other things, our mapping includes a comprehensive screening and risk assessment of suppliers with the objectives of ensuring awareness of the Act and gaining an in-depth understanding of their level of compliance with modern slavery practices and processes. This screening assessment also provided Stanwell with further insight into how many of our Tier 1 suppliers have undertaken supply chain and operational risk assessments on their own suppliers (Stanwell’s Tier 2 suppliers) and what areas required further attention and improvement. This was utilised as a tool to better assess the modern slavery risks in our supply chains and used alongside our standard approach to identifying the relevant sector, industry, product / service and geographic risks with reference to objective materials such as the Global Slavery Index 2018 and International Labour Organisation (Global Estimates of Modern Slavery: Forced Labour and Forced Marriage 2022).

As a government-owned energy corporation based wholly in Queensland, we consider the risk of modern slavery in our direct business operations to be relatively low. We act in accordance with commonly accepted government owned corporation guidelines with alignment to the Queensland Procurement Policy which is a best practice, industry leading policy that puts Queenslanders first when securing value for money. While we procure goods and services from some

high-risk supplier categories, as discussed further below, we consider that any modern slavery risks existing in our direct supply chains (Tier 1) are addressed by the high standard of our procurement and supply chain procedures.

With respect to our supply chain risk assessment, key takeaways based on our analysis of the 1,388 suppliers (which also informed our assessment of risk) include:

- Stanwell received goods and services predominantly from suppliers present in Australia, who exhibited a high degree of compliance and conformity in relation to modern slavery issues;

- Vast majority of our suppliers are aware of their obligations under the Modern Slavery Act with 64% having company representatives trained to identify, assess, and respond to modern slavery risks;
- 67% screen their suppliers to assess modern slavery risks or other human rights harm that may occur within its operations and supply chains; and
- None of our suppliers reported instances of modern slavery concerns being raised within its operations and/or supply chains in the reporting period.

**We consider that the modern slavery risks present in our supply chains is low for Stanwell given that our suppliers mapped to date comply with the requirements and obligations under the Modern Slavery Act**

94% are registered Australian businesses with awareness of the modern slavery legislation and 16% being reporting entities under the Act.

64% stated their company representatives are trained to identify, assess, and respond to modern slavery risk.

67% declared that they screened their prospective suppliers to assess modern slavery risk or other human rights harm that may occur within their operations and supply chain.

66% stated that they have policies in place to mitigate modern slavery risks.

## Tier 2 Risk Assessments

Furthermore, 11 key suppliers (based on risk profile, industry risk, spend, length of contract and category of goods or services supplied) were further risk assessed for a greater in-depth understanding of their modern slavery compliance information with respect to their suppliers. These findings have been used to assist us to assess the relevant level of modern slavery risk in each of the suppliers' operations and concentrate our efforts on areas of future improvement. Key themes emerging from this detailed Tier 2 supplier risk assessment include:

- Stanwell receives goods from a few high-risk category suppliers (for example, construction and engineering, materials (PPE wear), IT & software and speciality chemicals); however, these are procured from Australian based suppliers and are, therefore, categorised as medium risk based on a country risk index;
- Stanwell has progressively, over the last few years, shifted away from direct sourcing from countries considered a high risk, with key suppliers now attracting a "very low" country risk rating;
- Considering the supply industry and geographical risk profiling during the reporting period, our Informed 365 Slavery Risk Index (ISRI) profile did not exceed a Medium rating with respect to risks present in our suppliers' supply chains;
- 70% of key suppliers had major suppliers operating out of or have had operations in countries identified as high risk for modern slavery including Bangladesh, China, Democratic Republic of Congo, Ethiopia, India, Myanmar,

Nigeria, Pakistan, Russia or Thailand. None of our key suppliers reported any instances of known or suspected modern slavery within their supply chains or claims of adverse media attention in relation to human rights practices within their supply chains;

- 100% of all our key suppliers had a person responsible for overseeing modern slavery risks within their organisations;
- 100% of key suppliers required their suppliers to conduct due diligence for modern slavery risks on their suppliers;
- 100% of key suppliers had implemented additional controls and due diligence activities to respond to modern slavery risks within their supply chains; and
- No areas of concerns were identified in the responses received from key suppliers.

## Education & Training

Stanwell continues to take proactive steps to address modern slavery and promote ethical procurement practices.

Last year, we added eLearning modules to our Learning Management System for all relevant Procurement & Supply staff. We expanded this program to key contract managers within the business this year and made available this training on demand to any employee interested. Furthermore, our Directors & Executive Leadership Team will undergo a Modern Slavery training session in February 2024, demonstrating a serious commitment to raising awareness to modern slavery risks among our most senior staff.



## Our modern slavery completed actions

During the 2022/23 reporting period, we completed all planned actions to be completed in our 2021/22 Modern Slavery Statement. We further strengthened our approach to preventing modern slavery, protecting human rights and contributing to responsible business through initiatives including:

- Implemented a three-year review and amended as necessary relevant Stanwell policies and contractual documents;
- Formalised an “on demand” modern slavery awareness presentation for our suppliers;
- Undertook Tier 2 and 3 risk assessment surveys for identified key strategic suppliers;
- Developed a modern slavery FAQ and Fact Sheet for all suppliers as part of the procurement and supply process, which is also available on our external website;
- Implemented modern slavery risk checks within the Contractor Management Framework for all key contracts;
- Expanded specialised modern slavery training to identified contract managers and relevant site representatives and facilitated a tailored modern slavery training for senior management, including the Stanwell Board;
- Continued to monitor and strengthen key performance indicators and compliance through our third-party risk assessment platform;
- Continued to map Stanwell’s supply chain in a staged manner to better understand our Tier 1 suppliers for modern slavery risks with 1,388 suppliers mapped in the reporting period;
- Actively collaborated with other government owned corporations, Queensland Chief Advisor – Procurement and private enterprise, including active participation in the Energy Procurement Supply Association (EPSA) and Queensland Government Modern Slavery Community of Practice group meetings;
- Monitored reporting obligations and metrics related to modern slavery; and
- Completed modern slavery questionnaires for our retail portfolio business as “supplier”. In the reporting period, two surveys were completed. A copy of Stanwell’s Modern Slavery Statement is provided as part of the tender response submission where requested.

## Future actions

Stanwell will continue to monitor its modern slavery compliance regarding its policies and procedures by reviewing training, supplier awareness and targeted key areas of high modern slavery risk.

During the 2023/24 reporting period, Stanwell also proposes to:

- Introduce and further embed within the organisation a stand-alone Stanwell Modern Slavery Policy;
- Further develop internal expertise around modern slavery. This will help to ensure that Stanwell employees are kept up-to-date on the latest developments in modern slavery and that they are equipped with the skills and knowledge they need to effectively manage modern slavery risks;
- Explore strategies to addressing risk of modern slavery in the renewables portfolio, including undertaking Tier 2 and Tier 3 risk assessment surveys for certain key strategic suppliers. This includes a deep dive with senior executives from a global wind turbine manufacturer with the Stanwell Executive Leadership Team;
- Continue to monitor and strengthen key performance indicators and compliance through our third-party risk assessment platform, particularly where instances of modern slavery have been identified to ensure an appropriate corrective action plan has been developed with the supplier to assess the effectiveness of our performance against our modern slavery obligations; and
- Investigate the latest practices and policy considerations around the broader human rights due diligence and responsible sourcing practices.



## Assessment of effectiveness of our actions

Stanwell has continued to take positive steps, and implemented several additional reporting regimes, to assess the effectiveness of our modern slavery actions. Our key deliverables for the reporting period, and the extent to which these were achieved and continue to be developed, is captured below:

1

### Action

Monitor modern slavery awareness training for all new employees.

### Measurement

All employees have undertaken the Modern Slavery Awareness training (which is contained within the "The way we work at Stanwell / Code of Conduct" module) as part of their onboarding and orientation process when they commence employment and/or every two years.

2

### Action

Implement targeted training for procurement and supply personnel.

### Measurement

All relevant procurement and supply personnel have completed a targeted E-Learning program as endorsed by the Department of Home Affairs. This comprised of three modules, which are now available "on demand" to all employees. This training was expanded to identified Contract Managers and key stakeholders within the business. A total of 16 have undertaken to complete the training by the end of 2023.

3

### Action

Require all suppliers to accept Stanwell's Supplier Code of Conduct prior to receiving any engagements from Stanwell.

### Measurement

1,388 suppliers have been onboarded/re-onboarded with 100 per cent acceptance of the Supplier Code of Conduct.

4

### Action

Publication of our Modern Slavery statement on Stanwell's internet site

### Measurement

Stanwell's Modern Slavery Statement is available publicly via Stanwell's internet page.

5

### Action

Survey our key suppliers that are considered a risk to Stanwell, based on the category of goods they supply, location and spend.

### Measurement

1,388 suppliers have completed Stanwell's modern slavery risk assessment. Furthermore, key suppliers have been Tier 2 risk assessed in detail for modern slavery risks.

6

### Action

Collaboration with other entities and subject matter expertise capacity building.

### Measurement

Active participant in Energy Procurement Supply Association (EPSA) and Queensland Government Modern Slavery Community of Practice group meetings. Attendance of various modern slavery forums, seminars, webinars.

7

### Action

Whistleblower or other reports of a Modern Slavery incident.

### Measurement

Nil to date.

Ongoing review and monitoring of our future actions will be undertaken by the Procurement leadership team.

## Consultation

This 2022/23 statement was developed in active engagement and consultation with Stanwell, TEC Coal Pty Ltd and the companies we each own and control. The Directors of each reporting entity and their subsidiaries have been made aware of the details of the Modern Slavery Act 2018 reporting requirements; information regarding the actions we intend to take to address these requirements and provided them with relevant materials and updates by way of this Statement and the Directors were given an opportunity to review and comment on its content prior to submission.

Internal business units including Procurement, Legal, People and Culture, and the Company Secretariat were also consulted and worked to incorporate modern slavery awareness into training and their ongoing organisational processes. We are also working collaboratively with other energy companies and attending various relevant learning opportunities (industry seminars, community of practice group discussions, etc.) to facilitate our continuous improvement journey.

## Modern Slavery Statement Approval

The Stanwell Board of Directors is the principal governing body of Stanwell Corporation Limited.

The Board of Directors approved this Statement on 7 December 2023 on behalf of Stanwell Corporation Limited, TEC Coal Pty Ltd and their subsidiaries pursuant to the Modern Slavery Act 2018.

This Statement is signed by Paul Binsted in his role as non-executive Chair of the Board of Directors of Stanwell Corporation Limited on 7 December 2023.



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Paul Binsted





