

# Modern Slavery Statement

2020/21 reporting period



# Together we create energy solutions



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 078848674

## Introduction

Stanwell Corporation Limited (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. 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 do not support modern slavery.

Stanwell will remain compliant with all applicable laws, regulations and company policies. Our Code of Conduct requires us to observe all laws and regulations that are applicable to our business.

## Modern Slavery Statement

This Modern Slavery Statement (‘statement’) was prepared in accordance with the Modern Slavery Act 2018 (‘the Act’), and outlines our approach to ensuring that we have robust frameworks and processes in place to minimise the risk of modern slavery in our business operations and supply chain.

This statement covers Stanwell and TEC Coal Pty Ltd (as a reporting entity) and its owned and controlled entities for the 2020/21 financial year (the reporting period).



## Our business

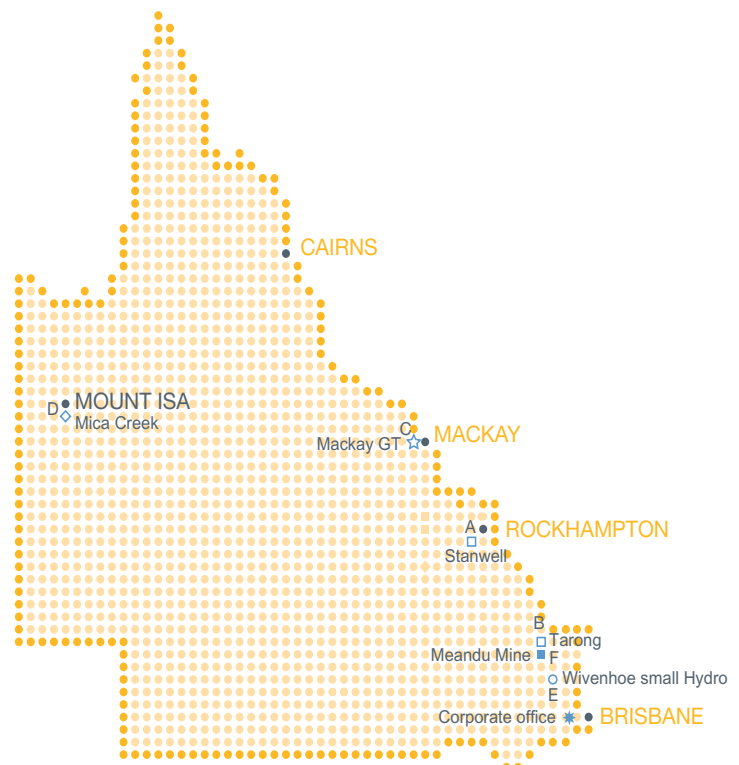
### Corporate structure and operations

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 provide services to the electricity market to keep energy secure and reliable.

This Modern Slavery Statement applies to Stanwell, TEC Coal Pty Ltd its subsidiaries, of which there are 10. 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 per cent of the equity in its subsidiaries and shares a common board of directors with its subsidiaries.

We employ 702 direct employees, approximately 400 indirect employees (Meandu Mine) and a number of contractors who provide support for site services and unit outages 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.





## Our supply chain

During the 2020/21 reporting period, Stanwell spent more than \$930 million on direct and indirect costs. Stanwell's spend consisted of \$490 million on goods and services, with the balance being on direct costs for bulk water, coal purchases and network charges. Stanwell's supply chain identified that Stanwell had business dealings with approximately 1,700 active suppliers with whom Stanwell directly procures goods or services (our tier one suppliers).

These suppliers are located in 11 countries and cover eight product categories.

Stanwell's expenditure is highest in the *industrial and energy* categories which consist of electricity transmission, distribution costs and retail services.

Of Stanwell's tier one suppliers, 96 per cent are located in Australia and four per cent (approximately 70 suppliers) are located in Asia, Europe and North America (Table 1), who together had a consolidated spend of one million dollars in the reporting period. Table 2 describes the industries in which our suppliers operate.



Table 1: Overseas spend by country and supplier count

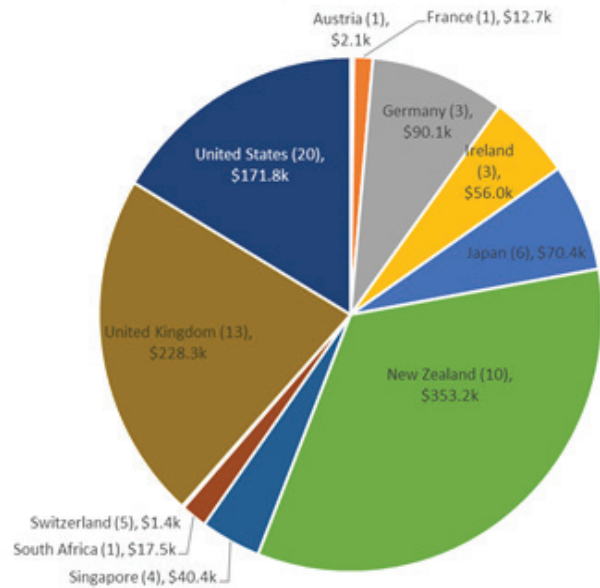
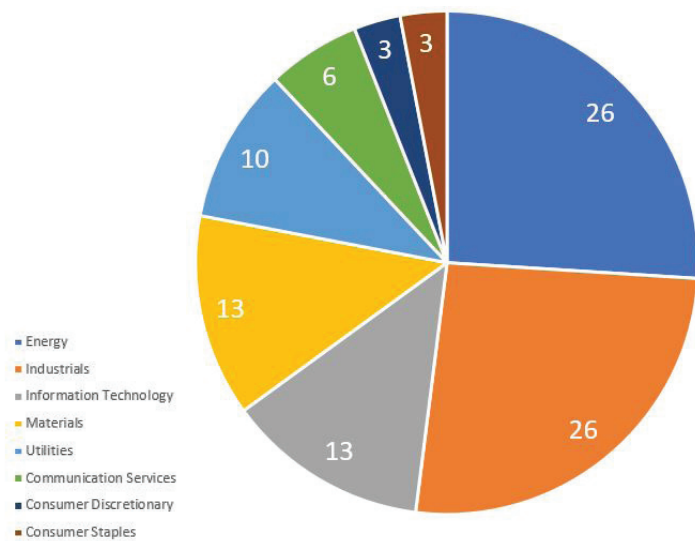


Table 2: Industry sectors our suppliers operate within





## 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.

These include the following policies:

- Enterprise Risk Management and Business Resilience Policy
- Compliance and Regulatory Management Policy
- Stanwell's Code of Conduct.

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

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.

### Stanwell's Code of Conduct requires employees and contractors to:

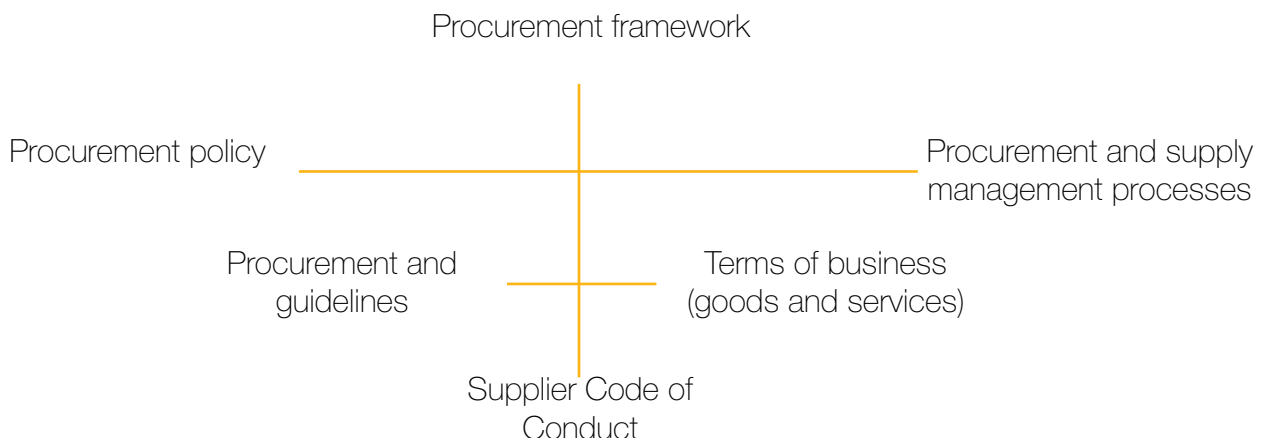
- contribute to a safe workplace and strive to achieve Zero Harm Today
- act ethically always
- treat others with fairness and respect and value diversity
- identify conflicts of interest and manage them responsibly
- respect and maintain privacy and confidentiality
- comply with the law and Stanwell's policies and procedures
- immediately report any breaches of the code, law, or Stanwell policy.

## Procurement framework

Our Procurement Policy requires us to conduct our procurement practices in a transparent manner to achieve probity and accountability.

Stanwell's Supplier Code of Conduct is publicly available on our website. It sets out to clearly establish expectations of our supply chain and of our suppliers that provide goods and services to Stanwell. Our tender documents contain 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.



## Our modern slavery risks

During the 2020/21 reporting period, Stanwell's modern slavery focus was on the implementation of training, establishing a modern slavery electronic survey and further risk assessment of our suppliers.

We conducted a risk assessment of our top 20 suppliers, based on spend and high-risk categories of goods or services supplied. This was to ensure their awareness of the Act and to gain an in-depth understanding of their level of compliance with modern slavery practices and processes.

This survey also provided Stanwell with insight into how many of our tier one suppliers have undertaken supply chain and operational risk assessments on their suppliers.

It was revealed from surveying these 20 suppliers (14 who have completed the survey) that Stanwell had five suppliers whom acquired goods/services from countries considered moderate/high risk according to the Global Slavery Index (2018). Based on the survey responses, as detailed in the below graphic, Stanwell is confident these 14 suppliers have a good understanding of the Modern Slavery Act and its requirements, and they have (or are developing) systems to monitor slavery risk within their supply chains.

### Key takeaways based on the data

Stanwell receives goods from a number of high-risk category suppliers (for example, construction and engineering, materials (PPE wear) and specialty chemicals).

Our key suppliers are generally aware of their obligations under the Modern Slavery Act.



56% have offshore operations.



62% state they have modern slavery training in place.



46% state they have 'whistleblower' procedures in place.



77% state they have undertaken supply chain and operational risk assessments.



62% are reportable entities under the Act.



50% state they have auditing and assurance processes in place.

These findings will be used to inform our modern slavery actions for the 2021/22 reporting period, which includes monitoring continuous improvement by our suppliers.



## Our modern slavery actions

### Completed actions

During the 2020/21 reporting period, we strengthened our approach to preventing modern slavery, protecting human rights, and contributing to responsible business through initiatives, such as:

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- Investigating and implementing the use of a third-party supply chain risk assessment platform which enables Stanwell to survey and risk assess its suppliers.
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- Continuing to embed modern slavery requirements into supplier onboarding, the supplier Code of conduct, tender schedules and tender evaluation criteria to enable supplier due diligence to be conducted throughout the procurement and supply process.
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- Developing and implementing a modern slavery training module into our governance and compliance training.
- 
- Establishing reporting obligations on modern slavery training.
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- Continuing to attend collaborative working groups with other government owned corporations, the Queensland Chief Advisor – Procurement and private enterprise companies, to facilitate best practice governance arrangements.
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### Future actions

Stanwell will continue to monitor its modern slavery compliance in regard to its policies and procedures, by reviewing training and supplier awareness. It has become apparent to Stanwell that collaboration with other entities is where the greatest opportunities reside. Stanwell has joined a consortium of companies, operating in a similar marketplace, as a way of increasing Stanwell's influence in seeking to improve standards in common supply chains.

During the 2021/22 reporting period, Stanwell will:

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- Investigate the provision of an awareness presentation on modern slavery to key suppliers.
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- Continue to work collaboratively with other government owned corporations, the Queensland Chief Advisor – Procurement and private enterprise companies on supplier risk and to explore opportunities for change.
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- Establish a procurement and supply-specific training module.
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- Undertake a tier two supply risk assessment survey.
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- Explore opportunities identified through supplier surveys to increase supplier awareness, compliance and understanding of modern slavery risk.
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- Continue to monitor compliance through our third-party supplier platform.
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- Investigate the development of key performance indicators (KPI) metrics to assess the effectiveness of our performance against our modern slavery obligations.
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## Assessment of effectiveness of our actions and consultation

Stanwell has implemented several reporting regimes to assess the effectiveness of our modern slavery actions.

Our key deliverables for the reporting period were:

# 1

### **Establishing modern slavery awareness training for all new employees.**

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Training was implemented in March 2021.

All new employees have undertaken the Modern Slavery Awareness training.

# 2

### **Requiring all new suppliers to accept Stanwell's Supplier Code of Conduct prior to receiving any engagements from Stanwell.**

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Ninety-two new suppliers have been onboarded, with 100 per cent acceptance of the Supplier Code of Conduct.

# 3

### **Requiring all tenderers to lodge a modern slavery survey as part of their tender submissions.**

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Completed.

# 4

### **Publishing of our Modern Slavery Statement on Stanwell's website.**

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Stanwell's Modern Slavery Statement is available publicly via [www.stanwell.com](http://www.stanwell.com)

# 5

### **Surveying our top 20 suppliers that are considered a risk to Stanwell, based on the category of goods they supply, location and spend.**

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Of the 20 suppliers surveyed:

- Fourteen have completed the survey
- Two have started but not completed
- Four are yet to commence the survey.

# 6

### **Collaborating with other entities.**

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Stanwell joined a consortium of other government owned corporations, the Queensland Chief Advisor – Procurement and private enterprise companies.

Several modern slavery forums were also attended.

# 7

### **No whistleblower or other reports of modern slavery incidents.**

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Nil to date.



This 2020/21 statement was developed in consultation with companies we own and control. 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 webinars to facilitate our continuous improvement journey.

In 2021/22, we will develop key performance metrics to assess our performance against our modern slavery obligations. These metrics will include:

- Mandatory employee compliance training in modern slavery, including refresher training.
- The number of suppliers completing Stanwell's modern slavery survey.
- The number of suppliers who have proven continuous improvement in modern slavery.
- The number of modern slavery whistleblower alerts.

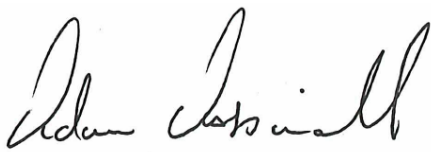
Ongoing review and monitoring of our future actions will be undertaken by Stanwell's Procurement leadership team.

## Modern Slavery Statement approval

The Stanwell Board is the principal governing body of Stanwell Corporation Limited and has approved this submission as required by the Act.

The Board of Directors of Stanwell Corporation Limited approved this statement on 26 August 2021.

This statement is signed by Adam Aspinall in his role as a board director of Stanwell Corporation.

A handwritten signature in black ink, appearing to read 'Adam Aspinall', written in a cursive style.

**Adam Aspinall**  
**Director - Stanwell Corporation**

