

# Modern Slavery Statement 2021/22







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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

「 We care 「 We adapt 「 We deliver 「

## 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 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.

Stanwell will remain compliant with all applicable laws, regulations and company policies.

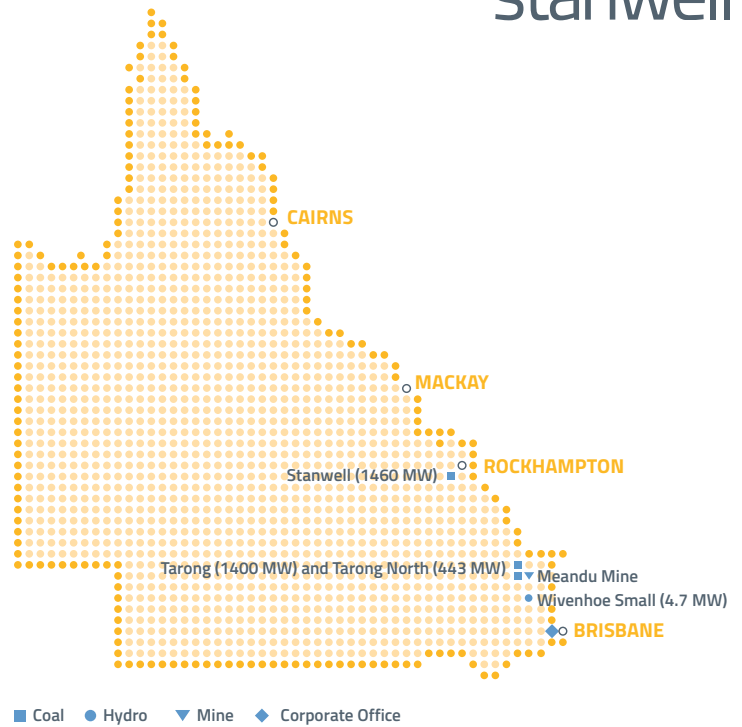
Our Code of Conduct requires us to observe all laws and regulations that are applicable to our business.

## Modern Slavery Statement

This Modern Slavery Statement ('statement') prepared in accordance with the Modern Slavery Act 2018 ('the Act'), 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 2021/22 financial year ('the reporting period').

## Our assets



## 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.

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 10 ('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 its subsidiaries and shares a common board of directors with its subsidiaries.

We employ 719<sup>1</sup> direct employees, approximately 400 indirect employees (Meandu Mine) 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.

<sup>1</sup> As at 26 September 2022

## Our supply chain

During the 2021/22 reporting period, Stanwell spent approximately \$998 million on direct and indirect costs. Stanwell's spend consisted of \$439 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' and 'Energy' categories which consist of electricity transmission, distribution costs and retail services.

Of Stanwell's Tier 1 suppliers, 98 per cent are located in Australia and 2 per cent (26 suppliers) are located overseas (United States, Singapore, Japan, United Kingdom, Germany, Ireland and New Zealand) (Table 1), and together the non-Australia based suppliers had a consolidated spend of \$1.23 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 and Supplier Count (Total \$1.23m)

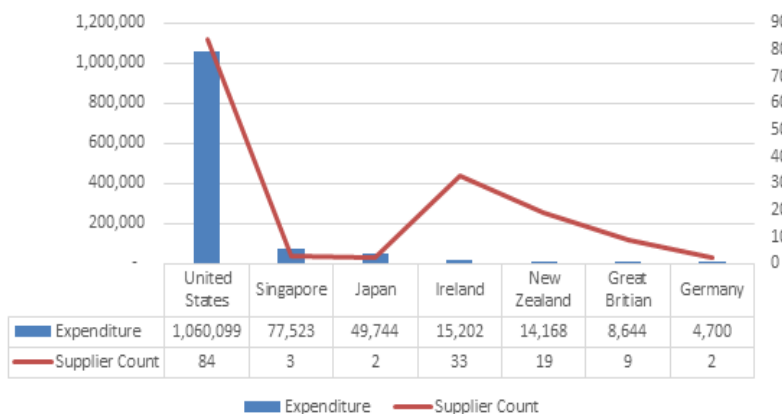
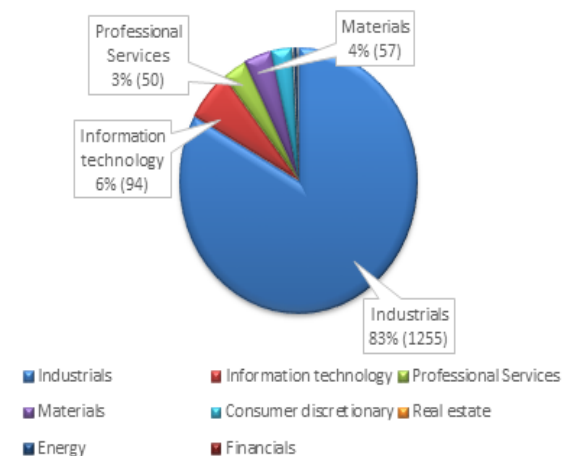


Table 2

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;
- ▶ Stanwell's Code of Conduct; and
- ▶ Stanwell's Whistleblower Protection Policy

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

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;
- 4 ▶ respect and maintain privacy and confidentiality;

- ▶ comply with the law and Stanwell's policies and procedures; and
- ▶ immediately report any breaches of the code, law, or Stanwell policy.

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 specific modern slavery risk assessment services.

## Our modern slavery risks

During the 2021/22 reporting period, Stanwell’s modern slavery focus was on the implementation of a structured training program for relevant procurement and supply chain personnel; mapping Stanwell’s supply chain, including a comprehensive modern slavery screening and risk assessment process for suppliers at the onboarding or re-onboarding stage; and continuing to identify, assess and where required mitigate key risk areas for our suppliers using the Informed 365 online platform.

We started mapping our supply chain in a staged manner to better understand our Tier 1 suppliers and have so far mapped 435<sup>2</sup> active suppliers with a program to map our entire supply chain by the end of 2023. Amongst other things, our mapping included 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<sup>3</sup> 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 Australia, 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.

### CASE STUDY:

#### Protecting at risk workers in the commercial cleaning sector

Workers in the cleaning sector in Australia were identified to be more vulnerable to modern slavery because of a high concentration of low-skilled, migrant workforce with typically insecure working rights and conditions, further exacerbated by the impact of COVID-19.

As a result, we conducted an informal anonymous audit of our cleaning services provider.

Confidential interviews with the cleaning personnel indicated that they understood the terms and conditions of their employment, were satisfied with their employer and were remunerated on a timely and reasonable basis.

Additionally, the respective cleaning services provider voluntarily completed our modern slavery questionnaire and we did not find any areas of concern.

<sup>2</sup> As of 30 June 2022.

<sup>3</sup> Tier 2 definition: a supplier that supplies materials/services to another company who then supplies those services/goods to Stanwell.



With respect to our supply chain risk assessment, key takeaways based on our analysis of the 435 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 day slavery issues;
- ▶ Vast majority of our suppliers are aware of their obligations under the Modern Slavery Act with 62% having company representatives trained to identify, assess, and respond to modern slavery risks; and
- ▶ 59% screen their suppliers to assess modern slavery risks or other human rights harm that may occur within its operations and supply chains.

Furthermore, 17 key suppliers (based on risk profile, industry risk, spend, length of contract and category of goods or services supplied) were further risk assessed using the online tool provided by Informed 365 for a greater in-depth understanding of their modern slavery compliance information. 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 in the 2022/23 reporting period.

Key themes emerging from this detailed key 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 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; and
- ▶ Two of our key suppliers reported instances of modern slavery concerns being raised within its operations and/or supply chains. In both cases, these instances were not as a result of any internal supplier conduct and were raised only as part of broader reports regarding modern slavery risk in particular supply chains (from both an individual company and geographical/sector perspective).

Both suppliers took appropriate action to determine the extent of the risk and whether any action needed to be taken.

In each case, we consider that the risk was adequately investigated, addressed, resolved, and reported accordingly within their respective modern slavery statements such that the relevant risk has been identified and managed accordingly.

Based on the outcomes of these investigations, we consider that this adds no risk to Stanwell's risk profile.

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

**100%** are registered Australian businesses with awareness of the modern slavery legislation and 81% being reporting entities under the Act

**96%** state they have training in place to address any modern slavery risk

**94%** stated that either the Executive Leadership Team or its Board were responsible for ensuring the requirements under the Modern Slavery Act are implemented and reported

**81%** state that their company continues to screen their suppliers to assess modern slavery risks or other human rights harm that may occur within its operations and supply chains and continue to monitor, measure and assess the effectiveness of these actions to find/prevent modern slavery



## Our modern slavery completed actions

During the 2021/22 reporting period, we completed all identified items indicated in our 2020/21 Modern Slavery Statement. We further strengthened our approach to preventing modern slavery, protecting human rights and contributing to responsible business through initiatives including:

- ▶ Establishing a centralised procurement governance and compliance role with access to internal and external resources for further advice or assistance;
- ▶ Mapping of Stanwell's supply chain in a staged manner to better understand our Tier 1 suppliers for modern slavery risk with 435 active suppliers mapped in the reporting period with a program to complete the entire supply chain by Q4, 2023;
- ▶ Our insights into modern slavery risks continue to improve with the expansion of the suppliers being assessed with Informed 365;
- ▶ Active collaboration 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;
- ▶ Embedding modern slavery assessment requirements into Stanwell's supplier onboarding/re-onboarding process to ensure Stanwell assesses an entity's modern slavery risk before entering into a relationship with that entity. For new suppliers being onboarded, the modern slavery checklist is mandatory and for existing suppliers onboarded prior to 22 January 2021, the modern slavery checklist becomes mandatory when they edit their profile within our Source to Contract platform. This information is validated by suppliers on an annual basis;
- ▶ Rolling out a targeted procurement and supply specific training program (three E-Learning modules endorsed for use by the Department of Home Affairs), which covered modern slavery in public procurement, identifying and assessing modern slavery and managing modern slavery risks. A total of 30 relevant personnel from the procurement and supply department completed this program. The program is also available on demand from our Learning Management System for all employees;
- ▶ Further reinforcement of 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;
- ▶ Monitoring of reporting obligations and metrics related to modern slavery; and
- ▶ Completing modern slavery questionnaires for our retail portfolio business as "supplier". In the reporting period, four surveys were completed, however, we are seeing an increase in clarifications related to modern slavery during the tendering process for tenders that we are participating in. A copy of Stanwell's Modern Slavery Statement is sent as part of the tender response submission where requested.

## Our modern slavery 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 2022/23 reporting period, Stanwell also proposes to:

- ▶ Formalise an "on demand" awareness presentation for our suppliers;
- ▶ Undertake Tier 2 and 3 risk assessment surveys for certain key strategic suppliers;
- ▶ Develop a modern slavery FAQ and Fact Sheet for all suppliers as part of the procurement and supply process;
- ▶ Implement modern slavery risk checks within the Contractor Management Framework for all key contracts;
- ▶ Expand specialised modern slavery training to contract managers and relevant site representatives and implement a tailored modern slavery training for senior management, including the Stanwell Board;
- ▶ Implement a three-year review and amend as necessary relevant Stanwell policies and contractual documents;
- ▶ 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, including alignment to the UN Guiding Principles on Business and Human Rights and International Bill of Human Rights.

## 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 in the following table:

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.

### 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.

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### Action

Implement targeted training for procurement and supply personnel.

### Measurement

All relevant (30) 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.

### Action

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

### Measurement

435 suppliers have completed Stanwell's modern slavery risk assessment. Furthermore, 17 key suppliers have been risk assessed in detail for modern slavery risks by Informed 365 tool.

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### Action

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

### Measurement

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

### 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.

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### Action

All tenderers are required to lodge a modern slavery survey as part of their tender submissions.

### Measurement

Part of the requirements for tender submission where applicable.

### Action

Whistleblower or other reports of a modern slavery incident.

### Measurement

Nil to date.

8

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



## Consultation

This 2021/22 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's 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 is the principal governing body of Stanwell Corporation Limited and has approved this submission as the parent entity and as required by the Act.

The Board of Directors [of Stanwell, who are also the board of Directors of TEC Coal Pty Ltd,] approved this Statement on 8 December 2022 on behalf of Stanwell Corporation Limited, TEC Coal Pty Ltd and their subsidiaries pursuant to the Modern Slavery Act 2018 (Cth).

This Statement is signed by Paul Binsted in their role as a board director of Stanwell Corporation on 8 December 2022.

  
Paul Binsted



