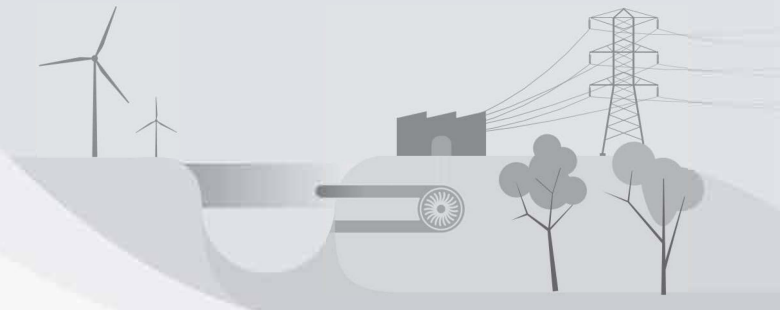


We provide the spark for a **bright future**

Sustainability Report 2022/23



Sustainability Report



Our approach to sustainability

While sustainability has been a long-standing focus for Stanwell and a key element of our strategy and values, it is important that we continually challenge and adapt our approach to achieve better outcomes for our people, communities, stakeholders and the environment.

In the past financial year, we put a formal Sustainability Strategy in place and began the development of our Sustainability Roadmap. Our strategy, which was approved by our Board in March 2023, sets out five commitments which sit at the heart of everything we do.

Information on our five commitments is on page 4.

Our Sustainability Strategy provides a framework for all of our sustainability and climate-related work, including the initiatives we put in place and the resources we dedicate, our analysis and management of climate-related risk and our annual sustainability disclosures. It addresses the environmental and social risks and opportunities inherent in our Corporate Strategy.

In the coming years, we will continue implementing and adapting this strategy, ensuring it reflects the expectations of our people, communities, customers, neighbours, business partners and insurers as well as being consistent with the objectives of the Queensland Government.

The approach used to develop Stanwell's Sustainability Strategy, including the process to assess materiality, is aligned with the Global Reporting Initiative (GRI).

The Taskforce on Climate-Related Financial Disclosures (TCFD) was used to guide disclosure on Stanwell's sustainability and climate-related risks and opportunities.

Our Sustainability Roadmap

We are developing a roadmap to support our Sustainability Strategy. Our roadmap will set out the targets to which we will hold ourselves to account and the flagship initiatives we will implement to achieve our sustainability commitments.

The roadmap consists of projects, activities, and initiatives that will be the plan for how to realise the Sustainability Strategy.

We anticipate that we will complete our roadmap in late 2023, and will report against the targets in future Annual Reports.

Our material issues



Understanding our material sustainability issues

In 2022, we conducted our first materiality assessment to understand the highest-priority sustainability issues for our stakeholders.

A sustainability issue is material to Stanwell if it:

- has the potential to significantly impact our business or performance; and
- is of significant importance to our stakeholders.

We gathered insights from our customers, shareholders, insurers, suppliers, unions, other key stakeholders and our people to gain a deeper understanding of their expectations of us, in relation to emissions reduction and sustainability more broadly.

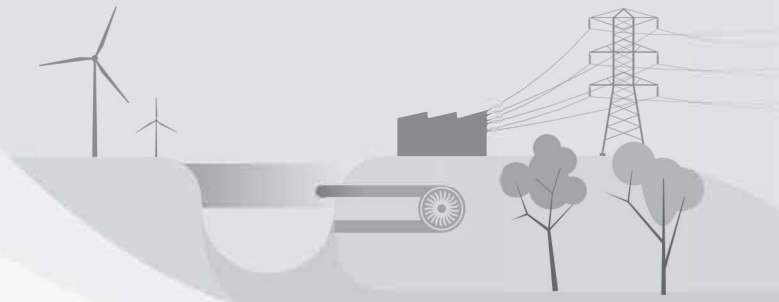
Our stakeholders were clear about their expectations that we provide our decarbonisation roadmap, including how Stanwell will transition to renewables while looking after our people and communities. The broader perspectives our stakeholders shared with us provided valuable insights that we will use to grow our business in ways that are mutually beneficial.















By understanding what matters to them, and what is most important to our business, we are able to identify opportunities where we can have the greatest impact.

We have used the issues identified in our 2022 materiality assessment to inform our Sustainability Strategy and roadmap and will use these issues to prioritise our activities in the coming years. We will also review our material issues annually and use them to evolve our Sustainability Strategy as well as to shape the disclosures in our sustainability reports.

Our 2022 materiality process was aligned with the requirements of the GRI standards.

Our material issues



Material topic	Location of disclosure in Sustainability Report	Relevant United Nations Sustainable Development Goals
Commitment one: Reduce the emissions intensity of our portfolio		
Energy transformation: renewables, storage and hydrogen	Pages 5 to 7	 
Energy transformation: technology viability		
Carbon emissions reduction		
Air pollution		
Commitment two: Safeguard the flora and fauna, land and waterways around our sites		
Water management	Pages 7 to 9	   
Land and biodiversity management		
Circular economy and waste management		
Commitment three: Work with suppliers who help achieve our sustainability c		
Responsible procurement	Pages 9 to 11	
Supply chain dependency		
Human rights and modern slavery		
Commitment four: Create transformative economic and social opportunity for our host communities as well as First Nations people		
Energy transformation: community and regional impacts	Pages 11 to 13	  
Social investment and community engagement		
Regional economic growth		
Landholders engagement		
Relationships with First Nations people		
Commitment five: Ensure our people realise opportunities from the energy transition. Ensure our workplace is safe, inclusive and diverse		
Workforce transition	Pages 13 to 15	   
Employee attraction and development		
Health, safety and wellbeing		
Equity, diversity and inclusion		
Material topics addressed through Stanwell’s business as usual activities and Corporate Strategy		
Climate resilience	Pages 18 to 25	
Affordability	Page 6	
Reliability	Page 6	
Government policy and regulation	20 23 24 Annual Report	
Corporate governance and risk management	20 23/ 24 Annual Report	
Transparency	Throughout document	
Cyber security	20 23 24 Annual Report	

Our sustainability commitments

Our Sustainability Strategy incorporates five environmental and social commitments that sit at the heart of how we work at Stanwell:

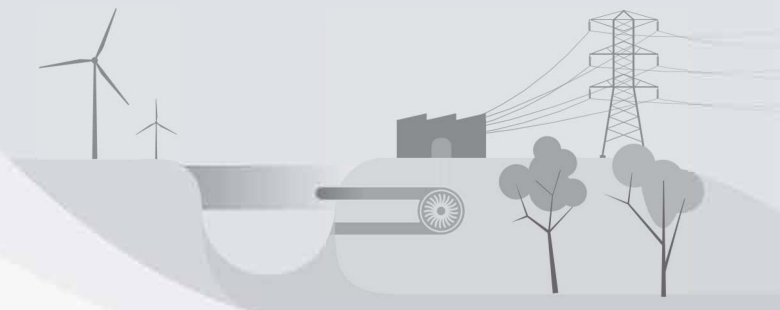
- Reduce the emissions intensity of our portfolio;
- Safeguard the flora and fauna, land and waterways around our sites;
- Work with suppliers who help achieve our sustainability commitments;
- Create transformative economic and social opportunity for our host communities, as well as First Nations people; and
- Ensure our people realise opportunities from the energy transition and that our workplace is safe, inclusive and diverse.

The five commitments we have made reflect the most material environmental, social and governance issues affecting our stakeholders and our business, as identified in our 2022 materiality assessment.

They also address the environmental and social risks and opportunities that flow from Stanwell's Corporate Strategy and set a framework for how we do business at Stanwell.



Our sustainability commitments



Commitment one: Reduce the emissions intensity of our portfolio

Stanwell is growing its portfolio of renewable and storage projects, driving our new energy solutions and offerings for our customers, and contributing to the Queensland Government's appropriately ambitious renewable generation and electricity emissions reduction targets. We are significantly increasing our pipeline of projects over the coming years and, in keeping with the Queensland Energy and Jobs Plan, we will aim to have 9 to 10 GW of renewable energy and between 3 and 3.4 GW of energy storage in place.

The State Government has committed to net zero emissions by 2050 with an interim target of 30 per cent emissions reduction below 2005 levels by 2030. Our new renewable generation and energy storage portfolio, along with the gradual repurposing of our power stations to clean energy hubs, will play a key role in helping achieve Queensland's electricity emissions reduction targets.

Powering towards Queensland's renewable energy targets

In a show of support for the growth of our portfolio, this year we welcomed the Queensland Government's announcement of \$776.1 million towards our ownership of the proposed Tarong West Wind Farm through the Queensland Renewable Energy Hydrogen and Jobs Fund (QREHJF) (total announced QREHJF funding to date: \$983.6 million).

Stanwell is working with global renewable energy developer RES to develop the proposed Tarong West Wind Farm which, when operating, will generate up to 500 MW. Once built, Stanwell proposes to take 100 per cent ownership and operation of the wind farm which is located south-west of Kingaroy.

We expect to make a final investment decision on the Tarong West Wind Farm in quarter three 2024. Construction of the wind farm is expected to commence in 2024, with anticipated commercial operations from 2026.

In November 2022, we began generating renewable energy certificates from our pipeline of projects through our power purchase agreements with X-Elio, as the Blue Grass Solar Farm officially achieved commercial operation status. The renewable energy from Blue Grass Solar will be on-sold to our commercial and industrial customers, through our retail arm, Stanwell Energy.

Construction of the Clarke Creek Wind Farm in Central Queensland is progressing, with the 800 MW project set

to become one of the largest wind farms in the southern hemisphere upon completion. The first stage of the project is planned to export 450 MW of electricity into the NEM in 2024. Stanwell's 346.5 MW long-term offtake agreement from stage one of the project will be on-sold to our commercial and industrial customers.

We also announced a landmark investment in February 2023, with Stanwell purchasing a 50 per cent ownership share of the Wambo Wind Farm in the Western Downs. Stage one of the 252 MW wind farm is being developed in a joint venture with Cubico Sustainable Investment. Under the joint venture arrangements, Stanwell will also dispatch the other 50 per cent of the power generated under a power purchase agreement with Cubico.

In June 2023, we reached another significant milestone for stage one of the project, turning the first sod, to mark the official commencement of construction.

Wambo is also the first project in which SAMCo, Stanwell's newly-formed asset maintenance and services company, has secured an asset maintenance contract. SAMCo will be a sub-contractor to Vestas, which is manufacturing the turbines and blades. Once the site becomes operational in 2025, this asset maintenance contract will offer our people new job opportunities.

We also continued to build strategic partnerships to help deliver low cost, new energy projects, signing a 15-year deal with renewable energy producer, Neoen⁵, for a 215 MW offtake from the Mount Hopeful Wind Farm in Central Queensland. The project is one of a number of strategic partnerships Stanwell is pursuing to support the diversification of our portfolio and contribute to the objectives of the Queensland Energy and Jobs Plan.

Integrating energy storage into our portfolio

As Queensland's renewable energy projects come online, the energy system will require short, medium and deep duration storage to provide firming alongside dispatchable technologies.

Large-scale battery energy storage systems will play an increasingly important role in the National Electricity Market as it moves to a predominantly renewable-based energy system.

In 2022/23, we continued the development of 300 MW of batteries with two hours storage that will be co-located with our existing assets. Site preparation works progressed during the past year and are expected to be operational in 2024.

⁵ www.stanwell.com/our-news/media/new-partnership-with-neoen-drives-the-winds-of-mount-hopeful/

In order to manage medium duration storage requirements, Stanwell is considering a range of options, including pumped hydro energy storage and flow batteries. Stanwell has commenced a pilot iron-flow battery project (1 MW, eight hours storage) with Energy Storage Industries Asia Pacific Pty Ltd. This will form part of the Future Energy Innovation and Training Hub (FEITH) adjacent to the Stanwell Power Station.

Our role as the market transforms

As the energy industry transforms away from coal-fired generation, our Stanwell and Tarong stations are continuing to play a critical role in the National Electricity Market, helping to ensure the reliability and affordability of electricity.

To support the electricity market as other coal generators exit the market or go offline, we are generating more energy from our coal-fired power stations and therefore greater emissions, both in absolute and relative terms. As a result it is likely that Stanwell will remain one of Australia's largest emitters (as ranked under the National Greenhouse and Energy Reporting Scheme (NGERS) in the short to medium term.

Our aim is to gradually transition our sites to clean energy hubs by 2035, as our pipeline of renewable energy projects progressively comes online and in keeping with the Queensland Energy and Jobs Plan.

Monitoring our emissions

Air emissions at our power stations and mine are monitored to ensure they stay within environmental authority limits. Emissions are tracked on a monthly basis and are reported to the Department of Environment and Science annually through the National Pollutant Inventory (NPI), and to the Clean Energy Regulator through the NGERS.

In 2022/23, we continued to implement processes to ensure that we meet our licence conditions and minimise the impact of our operations on surrounding communities. This included:

- continuous emission monitoring from our power stations' stacks;
- ongoing equipment performance optimisation to improve efficiency, reduce coal consumption and reduce emissions intensity; and
- ongoing coal quality monitoring.

Stanwell's operations (carbon emissions from Stanwell, Tarong and Tarong North power stations) produced a total of 18,172 kt CO₂-e (scope 1) during the 2022/23 financial year (2021/22: 17,226 kt CO₂-e).

Carbon emissions from Stanwell generation assets* - 2022/23	
Site	Carbon emissions (kt CO ₂ -e)
Stanwell Power Station	8,077
Tarong power stations	10,095
Total	18,172

* Stanwell assets includes emissions from Stanwell generation assets (e.g. our coal fired power stations and renewable energy assets). Where Stanwell has less than 100 per cent equity in the asset, the calculations are proportionate to Stanwell's equity). Stanwell's total scope 1 emissions are reported annually via the National Greenhouse and Energy Reporting Scheme in October each year.

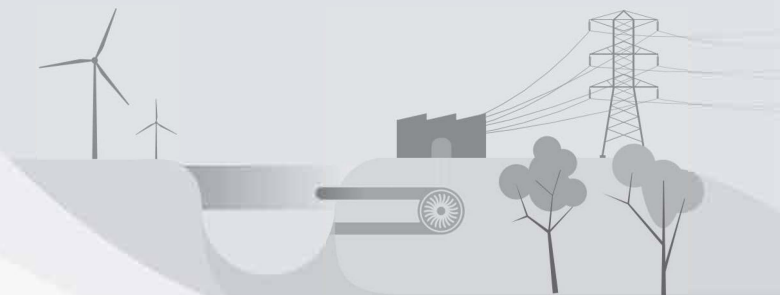
Meandu Mine: The operator of Meandu Mine, BUMA Australia, has overall control of mining operations and is responsible for emissions generated. Stanwell Corporation Limited reports these emissions on behalf of BUMA Australia via a reporting transfer certificate as agreed with the Clean Energy Regulator. Meandu Mine's total scope 1 emissions are reported annually via the National Greenhouse and Energy Reporting Scheme in October each year.

Carbon emissions linked to assets under power purchase agreements - 2022/23	
Blue Grass Solar Farm**	0

** 49 MW power purchase agreement.

Total emissions of both Stanwell generation assets and assets under power purchase agreements	18,172
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Our sustainability commitments



Emissions intensity of Stanwell generation assets (Kg Co ₂ -e per MWh)	
2021/22	2022/23
945	936
Emissions intensity of both Stanwell generation assets and assets under power purchase agreements (Kg Co ₂ -e per MWh)	
2021/22	2022/23
945	931

Emissions intensity refers to the kilograms of carbon dioxide released per megawatt hour of energy sent out.

Commitment two: Safeguard the flora and fauna, land and waterways around our sites

Stanwell recognises the various challenges related to the environment, biodiversity and conservation across the areas in which we operate. We prioritise undertaking meaningful and sustainable initiatives that will safeguard and, wherever possible, improve the quality of flora and fauna, land and waterways in the regions that surround our sites.

Our [Health, Safety and Environment Policy](#)⁶ is supported by standards related to water, land use and disturbance, biodiversity, waste and hazardous materials.

Our environmental management systems at each site are based on our internal standards, aligned with the principles of ISO 45001:2018 and ISO 14001:2016 and Stanwell's Health, Safety and Environmental Management System.

Water management at our sites

When it comes to making decisions about our water use, we take a balanced approach, considering the needs and priorities of other users, the community and our operations, as well as National Electricity Market conditions.

Water is a valuable resource that we all share and a critical input for electricity generation. In the regions where we operate, water can be scarce, so we carefully manage our use to avoid negative impacts on its availability and quality.

We are investigating further water saving initiatives, and engaging with our neighbours, downstream water users, host communities and the Queensland Government to ensure our responsible and sustainable use of water.

Waste management

Our approach to waste management is guided by the National Waste Policy Action Plan, Queensland's Waste Management and Resource Recovery Strategy, the Queensland New Industry Development Strategy and associated legislation.

Our two most significant waste-generating activities are electricity generation and overhauls.

The main by-product from burning coal at our sites is [coal combustion products](#)⁷ (fly ash, bottom ash and cenospheres). The coal combustion products we produce are either reused or deposited in site storages.

The regular overhauls we carry out on our plant involve significant work across our sites, generating large amounts of scrap metal. In 2022/23, we produced 467 tonnes of scrap metal waste (2021/22: 738 tonnes), approximately 467 tonnes (2021/22: 731 tonnes) of scrap metal was recycled.

Other sustainable waste management initiatives implemented across our sites include:

- diversion of organic waste to onsite vermicomposting;
- installation of permanent weighbridges which accurately capture data on the types of waste and the total waste leaving site;
- donation of untreated timber to local community groups;
- the reuse and recycling of intermediate bulk containers (IBCs); and
- the reuse and recycling of cooking oil from the canteens at our sites.

We continue to proactively engage with the Department of Environment and Science to explore alternative processes

⁶ www.stanwell.com/wp-content/uploads/HSE-POL-01-Health-Safety-and-Environment-Policy.pdf

⁷ www.stanwell.com/energy-assets/new-energy-initiatives/coal-combustion-products/



that increase recycling options for waste generated across our sites.

Once we have finalised our sustainability roadmap, in late 2023, it is intended our future sustainability reports will include relevant metrics to report our waste management performance against specific targets.

Coal combustion products

Coal combustion products⁸ (CCPs) include fly ash, furnace bottom ash and cenospheres resulting from the burning of coal at our power stations. CCPs are a resource widely used in concrete, construction and building products, instead of natural quarry materials. The use of CCPs reduces our waste legacy, the use of natural resources and emissions traditionally associated with concrete production, as well as the use of heavy machinery to quarry and transport natural materials.

In 2022/23, we continued to collaborate with industry to identify innovative and sustainable ways to increase CCP utilisation as follows:

- In March 2023, we officially opened the new weighbridge at Stanwell Power Station in partnership with Cement Australia. The weighbridge has streamlined CCP offtake and provided the ability to monitor and weigh other loads, such as waste material.
- In June 2022, Stanwell and Cement Australia signed a new, five-year offtake agreement for fly ash, consolidating Cement Australia's ability to manufacture cement and concrete using Stanwell's ash.
- Continued working in partnership with the Ash Development Association of Australia (ADAA) to identify and facilitate increased CCP utilisation in major infrastructure projects.
- Stanwell and Boral are working together to ensure full-scale utilisation of the new fly ash offtake facility at Tarong Power Station.

In 2022/23, 14.29 per cent of our ash by-product was reused (compared to 10.81 per cent in 2021/22).

Rehabilitation at our Meandu Mine

Rehabilitation is an essential part of responsible mining and ensures a positive legacy remains for the community and a range of stakeholders after mining activities are finished.

At Meandu Mine, located adjacent to our Tarong power stations in the South Burnett, our approach involves rehabilitating and restoring mined land progressively and in accordance with the life-of-mine plan. Rehabilitation is an integral part of planning and production operations at the mine, minimising the active area of our mining operations at any point in time. It also ensures that land can be effectively returned to a sustainable post-mining land use, such as native ecosystem, beef cattle grazing or water storage.

In 2022/23, more than 28 hectares of native ecosystem rehabilitation was completed, taking the total land area rehabilitated to 665 ha since the 1980s. This is 41 per cent of the land area intended to be returned to native ecosystem over the life-of-mine, and more than 26 per cent of the total rehabilitation area required for the life-of-mine mining disturbance.

Stanwell's environmental team works closely with regulators to restore a native ecosystem consisting of species such as ironbark, spotted gum, acacia and casuarina. The rehabilitation seed mix that is planted is made up of 25 native tree, shrub and groundcover species, and 10 native grass species which are best suited to Meandu's climate and conditions. More than 64 per cent of the total rehabilitation area will be native ecosystem post-mining.

Meandu Mine's Progressive Rehabilitation and Closure Plan (PRCP)

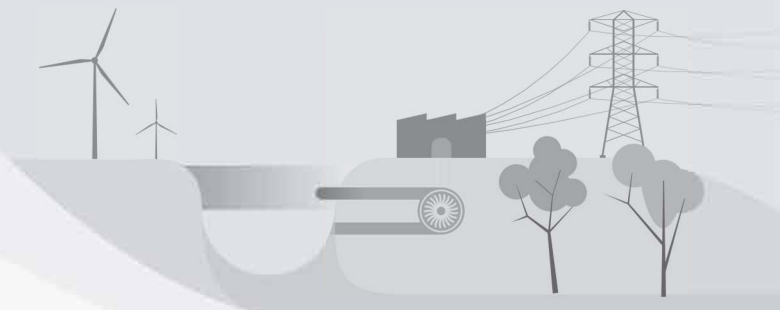
Community and landholder consultation is a large part of our rehabilitation process because it is important that future uses of the land provide ongoing benefits to the region.

After three years of completing supporting sampling, test work and studies, liaising with internal and external stakeholders, consulting the administering authority and specialist environmental consultants, Stanwell's final PRCP was submitted to Queensland's Department of Environment (DES) and Science in May 2022.

Following an information request from DES, a revised PRCP was submitted in January 2023. Our Meandu Mine PRCP is in the DES decision phase and is expected to be approved in 2023/24.

⁸ www.stanwell.com/energy-assets/new-energy-initiatives/coal-combustion-products/

Our sustainability commitments



Opportunities for carbon neutrality and income diversification for Central Queensland farmers



In late 2022, a study examining silvopastoral systems (systems incorporating trees and livestock grazing) in sub-tropical and tropical systems, and opportunities for the farming industry to achieve carbon neutrality commenced at Stanwell Power Station.

Stanwell has provided land within our 100 ha hardwood tree plantation for the project team to use. The five-year project is being led by the Queensland Department of Agriculture and Fisheries (DAF) and co-funded by Meat and Livestock Australia (MLA).

The project's objective is to quantify the productivity and ecosystems services of silvopastoral systems, as a potential pathway for emissions reduction for livestock and farming businesses.

We have set up different trial plots on our land, so that the research team can understand the optimum density of trees and pasture in the central Queensland bioregion.

The project is providing data that will be used to develop decision-making and support tools for local cattle farmers on the species, numbers, configurations and locations of trees on farming land to deliver carbon and other benefits.

Farming and specifically cattle grazing is the most prominent land use activity in the region surrounding our Stanwell Power Station, so we are pleased to be able to support this study. As results from the five-year study emerge, an open day will take place in 2024, to enable surrounding landowners to come and see the trial sites, speak to DAF forestry scientists, and benefit from the shared learnings of the project.

Development of our sustainability framework

In mid-2023, Stanwell began development of a sustainability framework which will set out our practices and decision-making processes in relation to the environmental and social aspects of new energy projects. The framework will refer to established external frameworks (such as the [Clean Energy Council Best Practice Charter⁹](https://assets.cleanenergycouncil.org.au/documents/advocacy-initiatives/community-engagement/best-practice-charter.pdf)) to which Stanwell is a signatory. We expect to finalise this framework by the end of the calendar year.

Kilotonnes per annum of coal combustion products which were reused	293 kt
Hectares of land rehabilitated to date at Meandu Mine	666.6 ha
Number of environmental compliance breaches/incidents (formal notification)	2

Commitment three: Work with suppliers who help achieve our sustainability commitments

Commitment to the Queensland Procurement Policy

Stanwell confirms its commitment to comply with the Queensland Procurement Policy 2023 (QPP) and conducts its procurement arrangements accordingly.

Stanwell requires all of its suppliers to comply with its Supplier Code of Conduct, which closely reflects the obligations contained in the Queensland Government Supplier Code of Conduct.

With respect to Best Practice Principles (BPP), as Stanwell transforms its asset portfolio with the development of new renewable energy assets and firming technology, it will have projects which may be over the value of \$100 million for which BPPs will be required to be implemented.

Where applicable, Stanwell includes terms and conditions in its contracts with project proponents that require those proponents to comply with the QPP and BPP.

Responsible procurement practices

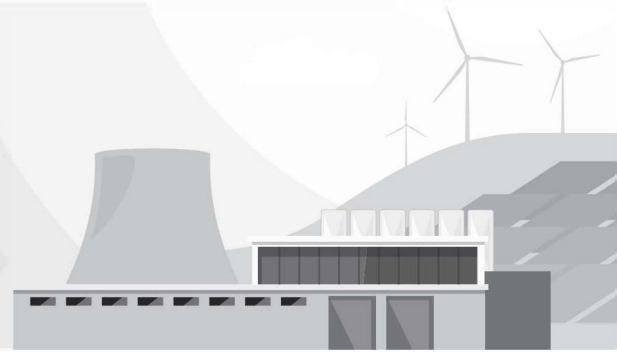
Stanwell places a high priority on working with suppliers whose sustainability frameworks and commitments support ours.

Our procurement activities are conducted transparently, ethically, honestly and with fairness to all parties. They are based on standards that align with the QPP 2023.

We prioritise working with Queensland businesses, support local jobs in regional Queensland, and invest where possible in local economies. We transact with approximately 1,500 suppliers on an annual basis, with 98 per cent of these suppliers located within Australia.

We are working with our suppliers to better understand their sustainability footprint, with an onboarding program that captures this information.

⁹ <https://assets.cleanenergycouncil.org.au/documents/advocacy-initiatives/community-engagement/best-practice-charter.pdf>



We apply local benefits tests for specified tenders and seek opportunities through our tendering process to benefit Queensland businesses, particularly in our host communities.

When evaluating tenders and new business ventures or partners, our standard screening and evaluation criteria considers responsible procurement practices. This ensures the businesses we work with are also ethical, socially, and environmentally responsible, operate safely and prioritise a Queensland workforce.

For our major project procurement, we have developed specific criteria which requires tenderers to submit detailed information about how they meet environmental, social and governance requirements. This includes topics such as contributing toward local communities, modern slavery, environmental management, sustainability frameworks or policies and scope one and two emissions. This ensures that we work with suppliers whose approach to sustainability supports our own.

Where possible, we support small and medium-sized enterprises and Indigenous business.

In 2023/24, we intend to further align our procurement activities to the commitments outlined in our Reconciliation Action Plan, by expanding our partnerships with Indigenous and diverse vendor groups and supporting emerging Indigenous vendors.

Securing a key link in the local supply chain

In late 2022, Stanwell put out an open market tender for a new supplier of the ball and ring castings that are used inside the coal pulverisers at our power stations. In keeping with Stanwell's local procurement policy, local manufacturers were sought out and invited to participate in the process.



White Industries, a family-run business in Dalby, Queensland was successful in the tender process, and is now responsible for manufacturing the castings, which play a key role in pulverising the coal.

Securing these components locally eliminates risk at a time when the global supply chain continues to experience unprecedented disruptions and delays.

White Industries recently acquired the Ipswich foundry that was used by a previous Stanwell supplier to manufacture both cast ball and ring castings, before it took its manufacturing operation offshore.

Having re-established the manufacturing process to produce the balls and rings for Stanwell, White

Industries has now begun to offer the product to the broader market. At a time when many regional foundries are closing, it has been able to grow and employ more staff. White Industries' relationship with Stanwell also includes recycling opportunities in the form of a buy-back scheme for decommissioned castings. Once castings have been used at Stanwell and Tarong power stations, they are loaded onto White Industries' trucks and sent to the Ipswich foundry to be melted down. That material is then used for the next batch of castings.

Read more about Stanwell and White Industries partnership on our [website](#)¹⁰.

Circularity and reusability

Our portfolio category plans, (which document how a range of commodities or services are procured across different areas of the business), consider circularity and reusability. Both circularity and reusability are incorporated into our works program as "business as usual".

In 2022/23 we continued to drive reusability and circular practices throughout the business. Some examples include:

- reprocessing of waste oil into an oil substitute for blasting services at our Meandu Mine;
- the recycling of our hard hats in collaboration with Recycling Solutions Australia (nominated for the 2022 Buy Queensland Awards); and
- preparing a proposal to commence site recycling from Meandu Mine and Tarong power stations (including cardboard, plastics, and glass) in partnership with the Cherbourg Material Recovery Facility.

Other projects currently being scoped include recycling of uniforms and PPE and elimination of all single use plastics across Stanwell sites.

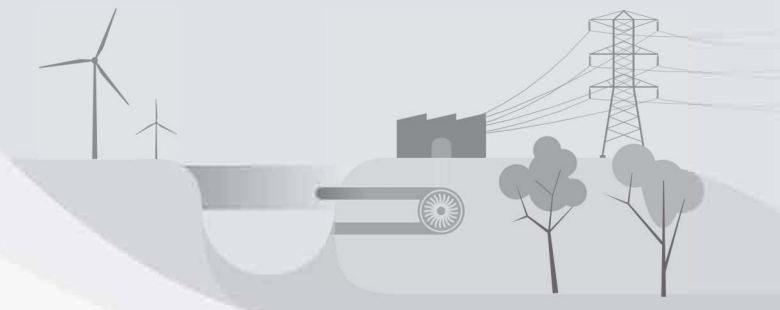
Modern slavery

The Australian Government's *Modern Slavery Act 2018 (Cth)* highlights the reality that modern slavery can occur in any industry. We recognise that the way we do business has the potential to impact not only our people, but also our customers and communities.

As a corporation registered under the *Corporations Act (Cth)* with an annual consolidated revenue exceeding \$100 million, the modern slavery reporting obligations under the Act apply to Stanwell.

¹⁰ www.stanwell.com/our-news/stanwell-secures-a-key-link-in-the-local-supply-chain/

Our sustainability commitments



In 2023, we extended our supply chain mapping process, with approximately 2,000 suppliers fully mapped for modern slavery risks screening. This included undertaking deeper analysis on risks for identified high risk strategic suppliers.

We continued rolling out specialised modern slavery training to contract managers and site representatives. We also completed a three year review of all policies which traversed modern slavery, with modifications made to our existing policies and practices to reflect current approaches to curb modern slavery.

To read more about the actions we have taken to identify and mitigate modern slavery within our operations, take a look at our [2021/22 Modern Slavery Statement](#)¹¹.

Ethical Supplier Mandate

In early 2023, Stanwell implemented all requirements of the Queensland Government's Ethical Supplier Mandate. These requirements are now part of business as usual processes within Stanwell, and this work supports the responsible procurement approach outlined in the Queensland Procurement Policy 2023.

To date, we have statements from 663 suppliers affirming that they comply with the Ethical Supplier Mandate requirements. Stanwell does not contract with any supplier that does not pass the Ethical Supplier Threshold and Mandate requirements.



Commitment four: Create transformative economic and social opportunity for our host communities as well as First Nations people

We advocate for the development of our regions and work closely with community leaders, near neighbours and other stakeholders in our communities to build a long-term future together. We make it our business to understand their priorities.

As we transition our business and the broader energy sector in Queensland, it is also important to us that we continue to strengthen our relationships with First Nations peoples and Traditional Owners through listening, learning and responding to their diverse perspectives and priorities.

Our engagement activities are designed to align with identified community priorities and support existing regional strategies, such as local government economic roadmaps.

This approach, which includes participation on various advisory committees, active promotion of supply chain opportunities at our operational sites, and targeted social investment programs, works to enhance the economic, environmental and social values of the areas in which we operate, or seek to operate.

Supporting communities to thrive in the future

In 2022/23, we continued our involvement in and supported the long-term economic planning of our host communities, particularly in relation to the economic impacts and opportunities of the energy transformation.

In November 2022, the Queensland Government released the draft Regional Energy Transformation Partnerships Framework. Since its release, we have used the principles of the draft framework to guide and inform our social performance in the South Burnett and Rockhampton regions.

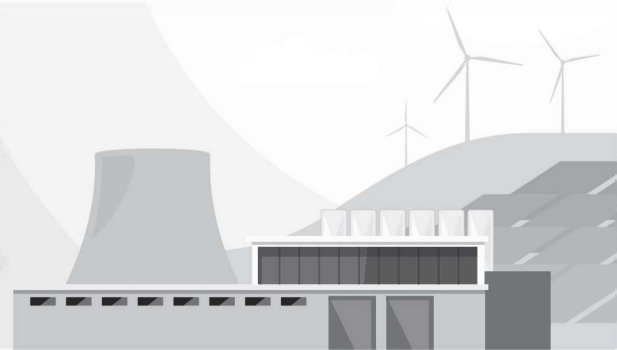
Throughout 2022/23, we continued working with the Toowoomba and Surat Basin Enterprise to support our communities to attract new business, industry and investment to the South Burnett region. This included providing sponsorship to the 2022 Surat Basin Energy Summit and the local content category at the 2023 Surat Basin Energy Awards. Both of these events focused on highlighting local supplier capacity and the emerging opportunities for local businesses in Queensland's energy industry transformation.

In April 2023, we were a major sponsor of the inaugural Horizon Educational Hydrogen Grand Prix (H2GP) in Gladstone. H2GP is a school-based STEM program that saw 20 teams (17 from Queensland) from across Australia design, build, and race hydrogen powered remote controlled cars.

Supporting the development of a renewable energy and hydrogen industry talent pipeline is important to the success of the State's energy transformation, and also supports our ambition to drive the development of the hydrogen industry in Queensland, and we look forward to continuing our support of the event in 2024 and 2025.

It is important that we continue to play an active role in the planning which will ensure our host communities thrive in the future. Alongside other regional contributors, Stanwell will participate in stakeholder advisory groups which are currently being established to help deliver the Department of State Development, Infrastructure, local Government and Planning's Regional Economic Futures Fund.

¹¹ www.stanwell.com/wp-content/uploads/ARMC-22-11-4.1-Modern-Slavery-Statement-attachment-1.pdf



Increasing First Nations participation in our supply chain

In line with the Queensland Procurement Policy 2023, and in support of Advance Queensland's Deadly Innovation Strategy, Stanwell is working to understand the opportunities that exist to increase First Nations participation in our supply chain.

In 2022/23, we hosted and attended local events that provide an opportunity for Indigenous-owned business to showcase their products and services.

In March 2023, Stanwell hosted the first Capricornia Chamber of Commerce and Waka Gubulgan (Indigenous business network) coffee catch-up event. This initiative saw both Indigenous and non-Indigenous business owners from across the Rockhampton region meet at our Stanwell Power Station for an informal business networking event.

In March and May 2023, we co-hosted two events in partnership with Black Coffee to further develop our understanding of how we can benefit from the breath and experience of Indigenous business in Queensland.

During May 2023, Stanwell provided sponsorship for, attended, and spoke at the inaugural First Nations Chamber of Commerce and Industry (FNCCI) event in Gladstone. The FNCCI was established in 2022, and aims to improve First Nations peoples' engagement with major economic development activity through government and industry supply chain participation. As part of the work we are undertaking in the Gladstone region with the CQ-H₂ Project, we have created a Development Officer role for Indigenous participation that will be responsible for developing and implementing place-based strategies to ensure Traditional Owners and First Nations community members are actively engaged in shaping the development, operations and benefits of the project.

Over the past financial year, through the employment and engagement of First Nations groups, we continued to evolve our pest management practices. Stanwell Power Station engaged Trackers Traps, a 100 per cent Indigenous-owned family business from Central Queensland, to assist with feral pig management on Stanwell-owned land.



Reconciliation Action Plan

In September 2022, our Reflect Reconciliation Action Plan (RAP) received formal endorsement by Reconciliation Australia and Stanwell was officially recognised as a member of its RAP network.

Our Reflect RAP provides a framework to realise our organisation's vision for reconciliation and continue strengthening our relationships with Traditional Owners. It focuses on the actions Stanwell will commit to undertaking to establish foundations for sustainable change, including:

- maintaining an effective RAP Working Group to drive governance of Stanwell's RAP;
- increasing the understanding, value and recognition of First Nations' cultures, histories, knowledge and rights through cultural learning;
- creating opportunities to engage Aboriginal and Torres Strait Islander employees, suppliers and contractors; and
- continuing to strengthen and expand mutually beneficial relationships with First Nations stakeholders and organisations.

In early-2023, we launched our Reflect RAP across the business. Since the launch, we have worked to progress the key actions and deliverables under the RAP. We expect to finalise our Reflect RAP in August 2023 and will then register to undertake a second Reflect RAP.

Energising our communities

Whilst we are working hard to develop our renewable energy portfolio throughout Queensland, we recognise the importance of contributing to the economic and social advancement of our current communities, as well as those that will host our new renewable energy projects.

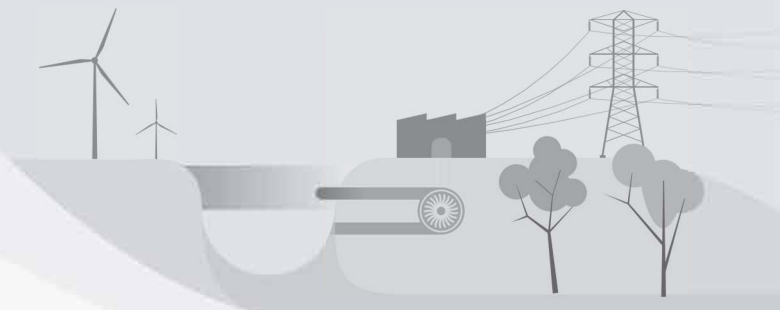
In 2022/23, we continued to support long-term and impactful projects in our host communities. This included providing \$471,180 (2021/22: \$429,999) in social investment funding, including significant support for 90 (2021/22: 76) community groups in the South Burnett and Central Queensland in the areas of health and wellbeing, community resilience, First Nations engagement, education and training, arts and culture, and sport.

We work closely with community leaders to understand the needs of our host communities and provide funding for the things that are most important to them. We prioritise projects that make a genuine quality of life contribution to our communities in the South Burnett and Central Queensland.

Three examples from the past financial year include:

- The Bunya Mountains Association Inc was provided funding for its 'Dinner under the stars' event. The event brought local communities together to raise funds to develop a community information centre that will be used by the local community for socialising, educational activities and support services.

Our sustainability commitments



- Benarkin State School received funding for its 2022 science, technology, engineering and math (STEM) Small Schools Challenge. The initiative provides students interested in STEM subjects with opportunities to develop their skills and support their future career ambitions.
- The Fitzroy Community Hospice – a not-for-profit organisation establishing a hospice in Rockhampton to provide palliative care and support services for Central Queenslanders with an incurable illness - received funding from the Stanwell Power Station Community Partnership Fund to purchase commercial grade kitchen equipment.

Commitment five: Ensure our people realise opportunities from the energy transition. Ensure our workplace is safe, inclusive and diverse.

Creating pathways to a bright future

As the energy transformation progresses, our Future Pathways plan provides us with a blueprint for ensuring our people are positioned to take advantage of new opportunities as they become available, both inside our business and – where it is their preference – outside the business, in the regions where they live.

As we transform our business, we are identifying skills gaps and leveraging the strengths of our people. In line with the directions of Queensland's Energy Industry Council, we will ensure we have processes in place to develop individual transition plans ahead of operational changes to our existing assets. This will include engagement with employees to understand their capabilities and skills (outside what is already captured in our systems) and importantly, understand their career aspirations and identifying how we can support them to achieve their goals.

We are equipping our people with skills for the future through long-term investments in training and development. In August 2022, we facilitated a number of processes inviting our people to express their interest in developing new technical skills on renewable projects, including windfarm training. In January 2023, five of our tradespeople began a 12-18 month wind farm development pathways program, traveling to six wind farm sites across four states, working on approximately 200 turbines.

We also progressed the establishment of Stanwell's renewable maintenance services business (SAMCo) as we work to ensure future opportunities for our workforce, in line with the Queensland Energy and Jobs Plan. When operational, it is intended that our people, under SAMCo, will operate and

maintain the renewable and dispatchable assets in the regions surrounding our Stanwell and Tarong power stations.

Developing future energy industry talent

Creating opportunities for our people is key to future-proofing our business and ensuring we have the workforce in place to meet the needs of the energy transition. The recruitment of apprentices, trainees and graduates through our Early Career Program allows us to continue to bring new and innovative minds into to business.

Through our Early Career Programs, in February 2023, we welcomed 10 new apprentices, trainees and seven graduates to our business – investing in the workforce of the future and creating new employment opportunities in the communities where we operate. In 2022/23 Stanwell's Executive Leadership Team endorsed the expansion of Stanwell's Early Career Programs. This included an increase of graduate full time equivalent positions from 13 to 20 as well as an increase in apprentice and trainee full time equivalent positions from 48 to 50.

Throughout 2022/23, we provided industry feedback and support to skills and workforce programs including the Future Energy Workforce Roadmap for the Department of Enterprise, Small Business and Training, Energy Skills Queensland's hydrogen awareness training, Inglis Training, and hydrogen programs for schools through Central Queensland University.

The health and safety of our people

While we are bringing about important and necessary changes in our business, our focus on health and safety remains the same. As we transition our business, we will maintain a thriving work environment for our people by upholding and promoting the highest standards of health, safety and wellbeing in everything we do.

Our holistic approach to the management of health and safety is about ensuring we are identifying, considering and managing the hazards and risks associated with physical and psychosocial safety. We take a proactive approach to health and wellbeing through the application of our Health and Wellbeing Strategy.

In 2022/23, we did this by:

- providing access to Stanwell's Employee Assistance Program (Benestar) and by championing the proactive education and engagement programs of Bunyarra Wellbeing Co. and Mates in Energy through our mental health services program.



- in 2022/23, 50 people completed Mates in Energy's (MIE) general awareness training and three people became MIE connectors, providing them with the skills to assist others in times of crisis and connect them to professional help;
- working to ensure Stanwell aligns with Queensland's new Code of Practice (the code) – *Managing the risk of psychosocial hazards at work* through the completion of a gap analysis, risk assessment and development of an action plan to ensure alignment with the requirements of the code; and
- participating in several regulator and industry driven health and safety forums to ensure that we are staying informed and involved in relevant issues and strategies. These forums included chairing and hosting the Queensland Generator Safety Forum, chairing the Australian Energy Council (AEC) Health and Wellbeing Forum, and attending the AEC's battery and environmental working groups;
- continuing to work with our contract business partners to improve safety processes, and a specific focus on identifying and learning from events that have the potential to cause injury; and
- continuing to target the key health risks of our people through the implementation of proactive health initiatives such as body composition scans, skin checks, recognition of national health days and improving our mental health services.

Our Respect Framework

Stanwell created a Respect Framework for the prevention and management of discrimination, harassment and bullying in 2021. Since then, we have held a number of workshops to introduce the Respect Framework to our people and increase understanding of psychological safety principles.

To strengthen and improve our policies and procedures, cultural initiatives and learning and development opportunities that underpin the Respect Framework, in October 2022 we undertook a review of the framework. We asked our people to share their workplace experiences in the Respect Review. The feedback we gained from the review continues to shape the Respect Framework and the actions we are taking to create a more inclusive workplace.

Reviewing our suite of conduct policies and training forms the foundation of our respect review response. These changes, along with the work we are doing to strengthen our approach to governance, leadership accountability, our complaints

framework and our response to psychosocial hazards, supports our ability to continue building a work environment where our people feel safe, respected and included.

We identified five key actions from the review of our Respect Framework in:

- demonstrate courageous, authentic and accountable leadership;
- have a common understanding of disrespectful behaviours across our business;
- build a human centred approach in our processes;
- establish controls that build safe and respectful work environments for our people; and
- deliver our Equity, Diversity and Inclusion Strategy.

We have progressed the delivery of these key actions in 2022/23 by:

- defining cultural metrics to drive leader accountability and identify teams or departments that need support;
- progressing the development of a revised code of conduct that is clearer and emphasises that our values are the cornerstone to the way that we work at Stanwell;
- commencing the develop of a Respectful Workplace Policy and Procedure (still in progress); and
- launching our Equity, Diversity and Inclusion Strategy in February 2023.

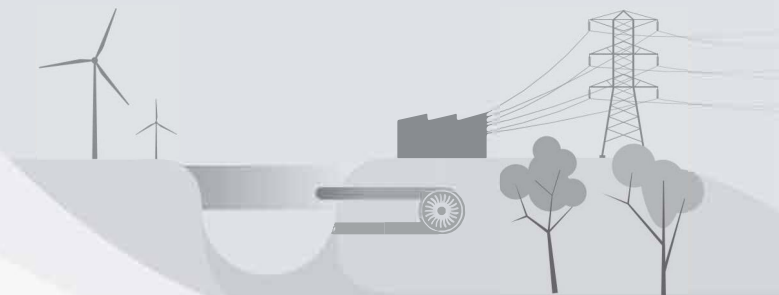
Equity, diversity and inclusion

We believe in the inherent strength of a diverse and inclusive workforce in which the backgrounds, perspectives and life experiences of our people help us to forge stronger connections with our customers, communities, business partners and regulators and to make better decisions for our business.

In February 2023 we launched our new Equity, Diversity and Inclusion Strategy for 2023 to 2025, with reconciliation, age diversity, gender equity, respect and an inclusive and diverse culture as Stanwell's five main focus areas.

As part of the development of the new strategy, we engaged with external research and advisory partners, consulted our people, and gained insights from the Office of the Special Commissioner, Equity and Diversity work plan and the Australian Government's Respect@Work Council. We also reflected learnings from industry reports including the Queensland Public Sector Inclusion and Diversity Strategy (2021 to 2025) and the Minerals Council of Australia Respect@Work Industry Toolkit.

Our sustainability commitments



The aspirational targets in our 2017 to 2022 strategy were based on public sector diversity data (including the health and education sectors) which have different operating environments to the energy and utilities industry. It was important that we changed our targets to align with similar industries for a more meaningful comparison and to enable diversity in the composition of our board, senior executives and workforce generally.

The metrics that were developed for our 2023 to 2025 strategy underpin each of our five focus areas and were designed to demonstrate both quantitative and qualitative improvements

in each area. One of the gender equity metrics we have changed is the percentage of women in senior roles.

Stanwell's new strategy instead seeks improvement to the percentage of female employees in leadership roles. This metric allows us to measure a wider group of employees, identify the pipeline for senior leader roles and provide opportunities to further develop women via our talent review and succession planning process.

Our quarterly progress against the targets in our new Equity, Diversity and Inclusion Strategy is provided below.

Metric	December 2022 (baseline) (%)	March 2023 (%)	As at June 30 2023 (%)	2022/23 target (%)
Percentage of Aboriginal and/or Torres Strait Islander employees	0.99	0.95	1.05	1.38
Gender pay gap*	5.30	NA	3.05	6.20
Percentage of female employees in technical roles**	3.09	4.15	5.31	4.12
Percentage of female employees in trade roles***	6.72	7.03	7.14	8.40
Percentage of female employees in leadership roles****	23.68	24.38	24.36	27.40
Percentage of female employees in individual contributor roles*****	26.96	27.32	28.36	28.09
Percentage of employees aged 25 and under	8.73	9.42	8.70	9.70
Progress towards a respectful culture			We identified five key actions from the review of our Respect Framework in October 2022. More information on how we have progressed the delivery of these key actions in 2022/23 is available on page 14.	Qualitative

*Gender pay gap is reported on a six monthly basis (as at June and December each year).

**Technical roles include roles with 'technical' or 'engineer' in title. There are 205 technician roles at Stanwell.

***Trade roles includes roles with 'trade' or 'apprentice' in title. These roles require a Certificate III or IV trade certificate. There are 128 trade roles at Stanwell.

****Leadership roles include all leadership roles with direct reports (includes senior leadership).

*****Individual contributor roles include all employees that are not in a leadership role.

In May 2023, Stanwell participated in the first meeting of the implementation leads for the Champions of Change (CCC) Energy Group. CCC is part of a broad national coalition of industry-based Chief Executive Officer forums, built to pursue and promote gender equity, as well as share learnings across organisations. The CCC includes a CEO group and an implementation leads group, and Stanwell is involved in both.

Governance

Delivering on our sustainability commitments

In early-2023, we developed a governance framework to define key roles and accountabilities in relation to the integration of the Sustainability Strategy across Stanwell. Our governance framework defines the accountabilities and responsibilities for implementing our sustainability commitments and initiatives and is a key part of Stanwell's ongoing maturity in its approach to sustainability.

The following information discloses how Stanwell's governance enables oversight, assessment and management of sustainability, particularly climate risks and opportunities, and is aligned to the Taskforce on Climate-Related Financial Disclosures (TCFD).

Oversight

While many teams across Stanwell have responsibilities with respect to climate-related risk and opportunity, the key governance and decision making responsibilities to enable oversight, assessment and management of Stanwell's sustainability commitments and initiatives, particularly climate-related risks and opportunities, lie with the groups outlined below.

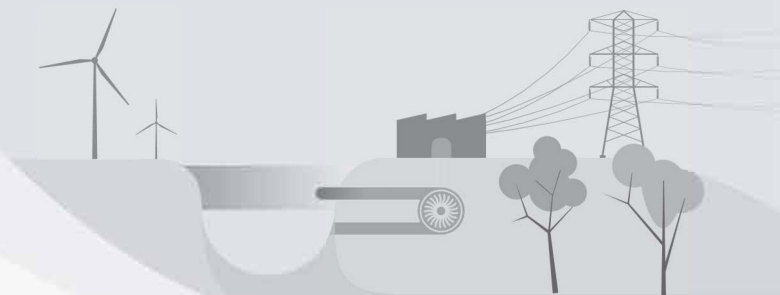
Board oversight	
Stanwell's Board, with the support of the Board committees, is ultimately responsible for the oversight of Stanwell's Sustainability Strategy (and eventual roadmap), and its treatment of climate-related risks and opportunities. Input and approval of the annual review of Stanwell's Sustainability Strategy, annual disclosure statement and corporate incentive targets also falls under the Stanwell Board's responsibility.	
Audit and Risk Management Committee	People and Safety Committee
Oversight and assessment of Stanwell's sustainability progress from a climate and risk management perspective.	Review and approval of sustainability reporting and relative metrics and targets (which will be finalised in the 2023/24 financial year).
Executive Leadership Team	
Initial review and endorsement of all sustainability submissions to Board and Board committees.	

Embedding sustainability across Stanwell

While the development and management of Stanwell's Sustainability Strategy is the responsibility of management, it is also integrated throughout our business, so that a sustainability lens can be applied to all decision-making. This includes meaningful engagement with employees, business partners, our customers and communities, and other stakeholders to help embed sustainability within our day-to-day activities.

We hold our people accountable for aligning our business practices with our sustainability commitments. The sustainability measures within our corporate incentive target encourage our people to consider the positive influence they can have in contributing to areas of health, safety and wellbeing, inclusion and diversity and Stanwell's renewable energy development.

Strategy



Stanwell understands the need for bold action on climate change, and we are delivering our Corporate Strategy.

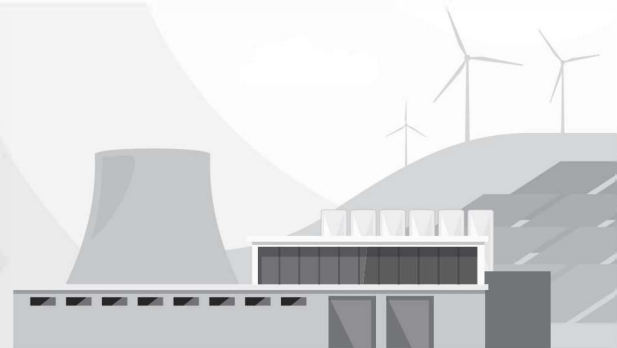
Our Corporate Strategy is the blueprint for our future. It is a long-term plan which sets out the work we need to do between now and 2035, to create a new, clean energy portfolio, help the State to achieve Queensland's emissions reduction targets and create future opportunities for our people, our communities and the State of Queensland.

Our strategy is centred around four strategic goals, which describe the most important things we need to achieve between now and 2035. Our goals help us focus our efforts on the things that matter most, including how we will deliver on our commitments under the Queensland Energy and Jobs Plan.

In keeping with recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD) we will undertake scenario analysis work to understand the physical and transitional climate-related risks and opportunities that may impact our operations in the future.

We will 'stress test' our (current and future) assets, as well as our strategy, against various medium to long term climate scenarios.

Risk and opportunity management



Risk management is fundamental to maximising the value of our business and informing its strategic direction.

Stanwell embeds risk management principles and practices into its strategy development and day-to-day business processes to achieve robust and responsible commercial outcomes. Our enterprise risk management framework includes climate change risks.

The climate-related risk and opportunity analysis which we have carried out will be reviewed and updated annually and will form the basis of more comprehensive reporting in future years.

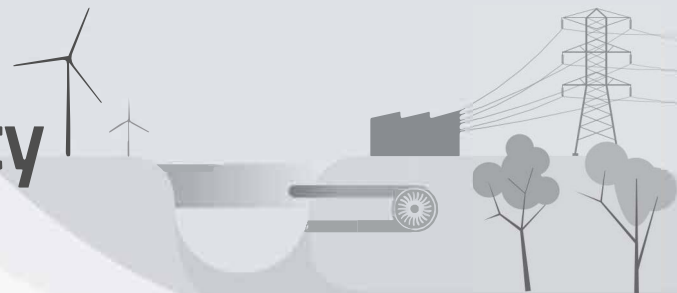
Stanwell is working to ensure we are prepared to include an analysis of the financial impact of climate-related risks, in line with future International Sustainability Standards Board (ISSB) requirements that are likely to become mandatory in the coming years.

Stanwell's climate-related risk profile (both physical and transitional) will change over time as we transition our portfolio away from coal and towards renewable energy sources. Outputs from this work will be reported in future sustainability reports.

Specific climate-related risks and opportunities for Stanwell's business operations are detailed below.

Transition risks				
TCFD transition risk category	Risk	Timeframe	Description	Mitigation activities
Policy and legal Technology Market	New backbone transmission and firming infrastructure	Medium-to-long term	Unexpected changes in market conditions in Queensland could slow down the energy transition, creating uncertainty in the allocation of Stanwell's resources.	<ul style="list-style-type: none"> • Continue to evolve our strategy and business planning in response to our external environment and to implement the Queensland Energy and Jobs Plan. • Ongoing consultation with relevant stakeholders to understand the timing and availability of new energy infrastructure. • The Queensland Energy System Advisory Board will advise on the transition process for the State's energy portfolio, and provide updates to the Infrastructure Blueprint every two years from 2025. Stanwell will monitor the outcomes of this process and engage with the Advisory Board. • Planning for clean energy hubs at Stanwell's coal fired power station sites.

Risk and opportunity management

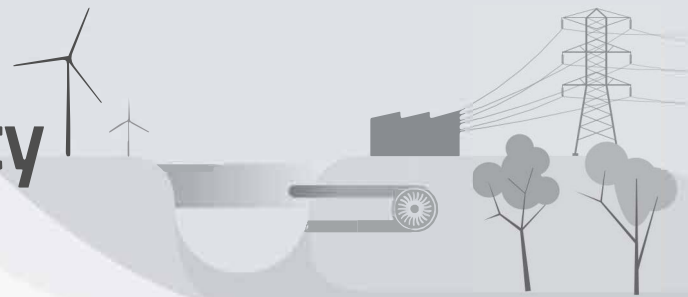


Transition risks				
TCFD transition risk category	Risk	Timeframe	Description	Mitigation activities
Policy and Legal Market Technology	Availability of dispatchable energy provided by existing thermal facilities, until renewable storage is in place	Short-to-medium term	Generation from Stanwell's thermal plant may continue to be required as the energy mix shifts towards renewables, in order to maintain dispatchability within the Queensland grid.	<ul style="list-style-type: none"> • Investigate emerging dispatchable capacity and alternative firming solutions, including concentrated solar thermal and hydrogen-ready gas peaking plant. • Actively seek learnings from other coal generation businesses (both national and international) to understand what commercially viable technologies or approaches might exist to reduce emissions intensity at coal power stations, whilst maintaining generation (including technical and engineered solutions to optimise generating assets). • Continue to progress the development of Stanwell's battery projects. • Pilot medium duration storage technologies, with a view to incorporating them in our portfolio in order to increase our dispatchable capacity. • Continue to focus on the flexible, secure and reliable operation of our power stations and mine, adapting our approach in response to the rapid and dynamic changes that occur in the market. • Continue running thermal units efficiently by optimising boiler combustion. • Utilising low NOx burners which are installed in all nine of Stanwell's coal-fired operating units. • Provide input into regulatory processes relating to energy reliability and security initiatives. • Ongoing consultation with the Queensland Government to understand the timing and availability of firming infrastructure.



Transition risks				
TCFD transition risk category	Risk	Timeframe	Description	Mitigation activities
Market	Workforce continuity and skills readiness	Short, medium and long term	A lack of effective workforce planning could lead to capability risks, with flow on effects to operations.	<ul style="list-style-type: none"> • Adherence to the Queensland Energy Workers' Charter (the Charter) and associated Jobs Security Guarantee. • Commence a skills mapping process aligned with our strategic workforce plan and the directions of the Queensland Energy Industry Council. This will include an action plan detailing training requirements, delivery methods and internal opportunities. • Develop plans to work with our people to create individual learning pathways and employee transition plans (in line with the Charter). Encourage and support employees to make their own choices, and provide the platforms for them to do so during the energy transition (in line with the Charter). • Continue implementing programs that help employees explore the opportunities of the energy transition and ensure knowledge sharing. • Engage and retain younger talent (25 years and under) through our Early Career Program (graduates, apprentices and trainees). • Continue supporting pathways for those transitioning to retirement (55 years and over). • Continue creating a respectful, inclusive and diverse working environment that ensures we attract, retain and develop existing and new talent.

Risk and opportunity management



Transition risks				
TCFD transition risk category	Risk	Timeframe	Description	Mitigation activities
Reputation	Reputational	Short, medium and long term	Failure to respond appropriately to changing stakeholder expectations could lead to costs associated with reputational risk.	<ul style="list-style-type: none"> • Implement Stanwell's Sustainability Strategy in consultation with shareholders. • Continue demonstrating our progress on our transformation to renewable energy, as well as progress on sustainability commitments to manage risk and opportunity for investors and other key stakeholders. • Ensure consistent employee engagement and communication with our workforce, as well as key contractors to attract and maintain employees. • Stanwell's strong focus on local relationships will extend to new energy communities once our ownership, power purchase agreement and/ or service and maintenance of a project is publicly announced (tailored engagement approaches will be designed to support projects where Stanwell has partial ownership or a power purchase agreement). This approach will allow Stanwell to have stronger and more direct communication with its communities.



Physical risks

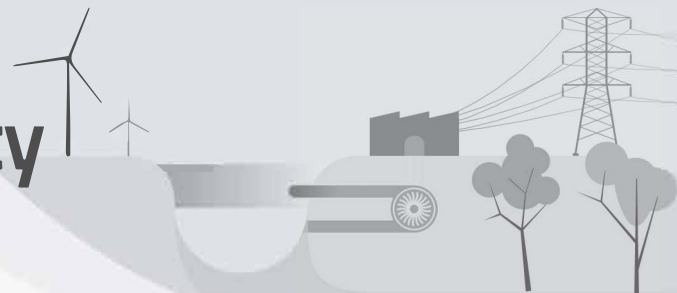
Note: Timeframes have not been allocated to physical risks, as this will be determined through climate scenario analysis work, which Stanwell will undertake in line with relevant, internationally recognised scenarios.

Physical risk category (defined by TCFD)	Risk	Impact of risk to Stanwell	Adaption activities
Acute	Increased rainfall	Stanwell's operations may be impacted by significant rain events as wet weather frequency and severity increases.	<ul style="list-style-type: none"> • Business continuity plans are in place for Stanwell's critical functions and plant. • Natural hazards management plans and business continuity plans are in place with key service providers with quarterly performance meetings and frequent management meetings. • Summer readiness asset planning is undertaken ahead of high demand periods. • Stanwell's risk management framework is reviewed on an annual basis and/or after the occurrence of a trigger event. • Asset strategies and maintenance plans were updated in 2020 to increase focus on asset reliability. • Continue to complete additional mitigation activities in preparation for summer/storm seasons as appropriate. • Stanwell's pipeline of new renewable assets will be geographically-decentralised, reducing the impact of location-specific extreme weather.
Acute	Increased rainfall	Stanwell's operations may be impacted by significant rain events as wet weather frequency and severity increases.	
Acute	Drought conditions	Prolonged heat waves or drought conditions can cause operational impact for Stanwell.	
Acute	Cyclones/ major storms	Cyclones and severe storms pose safety and operational threats to Stanwell.	
Chronic**	Increased temperatures	Increase in average temperatures over the long term has the potential to cause ongoing impact to operations.	

* Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods.

** Chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.

Risk and opportunity management



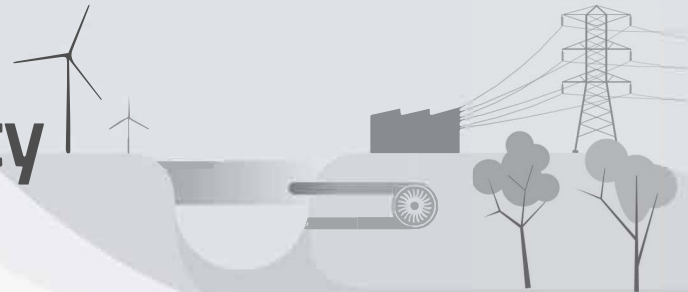
Stanwell climate-related opportunities

TCFD opportunity category	Opportunity	Timeframe	Description	Strategic planning activities
Products and Services Markets	Build a renewable portfolio	Short, medium and long term	<p>Opportunity to provide affordable, reliable and low emissions energy to our customers and the NEM.</p> <p>Stanwell will help enable an orderly transition by developing renewable energy projects and reducing the emissions intensity of our portfolio, while ensuring energy generation meets Queensland's demand.</p>	<ul style="list-style-type: none"> • Deliver our pipeline of renewable generation and energy storage projects. • Build strategic partnerships to help deliver low cost, new energy projects. • Work with our customers to help them achieve their business and sustainability goals. • Invest in our plant, to generate reliable energy through our Stanwell and Tarong power stations while Queensland's clean energy portfolio is developed. • Develop repurposing plans and projects for Stanwell and Tarong power stations to clean energy hubs in line with the Queensland Energy and Jobs Plan. • Contribute to the establishment of a market for essential system services. • Work alongside our people to ensure they realise opportunities from the energy transition. • Establish and grow our renewable energy services and maintenance business to operate and maintain renewable and dispatchable assets in the regions surrounding our Stanwell and Tarong power stations. • Deliver on our Queensland Energy Workers' Charter commitments. • Implement Stanwell's Sustainability Strategy. Develop and implement our Sustainability Roadmap in consultation with shareholders.



TCFD opportunity category	Opportunity	Timeframe	Description	Strategic planning activities
Markets Resilience	Realise long-term shared value with our communities	Medium-to-long term	Opportunity to enhance long-term shared value through effective landholder, community and First Nations engagement, while transitioning our sites to clean energy hubs that deliver social and economic benefits to our current and future communities.	<ul style="list-style-type: none"> • Play an active role in the long-term social and economic planning that will enable our host regions to seize opportunities from the energy transition. • Ensure both our current operations and new projects meet the environmental and social expectations of our customers, communities, neighbours, and key stakeholders. • Engage with communities that will host new energy projects, to maximise regional benefits and address any concerns. • Deliver on commitments made in Stanwell's Reconciliation Action Plan. • Implement Stanwell's Sustainability Strategy in consultation with shareholders. • Introduce a targeted local content procurement plan, negotiated with the business on an annual basis.
Resource efficiency	Develop a circular economy strategy	Medium-to-long term	Opportunity to create circular economies where one organisation's waste and by-products are another's resources as we transition to clean energy hubs (low embodied carbon materials, minimal waste and recycling solutions, local procurement).	<ul style="list-style-type: none"> • Develop a responsible sourcing framework focusing on stronger tender requirements, circular economy creation, carbon reduction and identified inclusive groups. • Investigate opportunities to recycle or repurpose materials from coal assets as we transform them into clean energy hubs.
Markets	Drive the development of Queensland's hydrogen industry and the use of other new technologies	Medium-to-long term	Opportunity to drive the commercialisation of hydrogen and other new technologies through partnerships and research and development.	<ul style="list-style-type: none"> • Drive the development of Queensland's renewable hydrogen industry by working with our partners to access hydrogen opportunities (e.g. undertake the Central Queensland Hydrogen project subject to approval and funding). • Investigate emerging dispatchable capacity and alternative firming solutions, including concentrated solar thermal and hydrogen-ready gas peaking plant. • Pilot new energy technologies at our Future Energy Innovation and Training Hub (FEITH) adjacent to Stanwell Power Station.

Risk and opportunity management



TCFD opportunity category	Opportunity	Timeframe	Description	Strategic planning activities
Resilience Energy Source	Build a climate resilient business	Medium-to-long term	Opportunity to enhance climate resilience through development of a diversified portfolio, increasing business resilience and leveraging new technology.	<ul style="list-style-type: none"> • Deliver our pipeline of renewable generation and energy storage projects. • Build strategic partnerships to help deliver low cost, new energy projects. • Continue offering resilience training, as well as other health and wellbeing offerings to all employees to support our employees through ongoing change. • Stanwell's pipeline of new renewable assets will be geographically-decentralised, reducing the impact of location-specific extreme weather. • Undertake climate scenario analysis work in line with Government requirements and relevant, internationally-recognised scenarios.



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