

Note: This statement has been submitted but has not been approved by the AGD or published on the Modern Slavery Statements Register



Attorney-General's Department
Via <https://modernslaveryregister.gov.au>

Date: 30 June 2025

Modern Slavery Statement

Iberdrola Australia Limited – Modern Slavery Statement covering the period 1 January 2024 to 31 December 2024

1. Reporting entity and overview

This is a joint modern slavery statement submitted by Iberdrola Australia Limited (IAL) on behalf of the subsidiary entities it owns or controls (collectively, **Iberdrola Australia**). IAL and Iberdrola Australia Energy Markets Pty Limited (**IAEM**) are the only reporting entities required to report in accordance with section 5 of the *Modern Slavery Act 2018* (Cth) within the Iberdrola Australia group.

IAL and IAEM are both indirectly wholly owned subsidiaries of Iberdrola, S.A., which is the parent company of the global Iberdrola group (**Iberdrola Group**). References to “we”, “us” and “our” in this statement are references to Iberdrola Australia.

This statement describes:

- the structure, operations and supply chains of Iberdrola Australia;
- the risks of modern slavery practices in our operations and supply chains;
- the actions we are taking to assess and address these risks, including due diligence and remediation processes;
- our assessment of the effectiveness of these actions;
- the process of consultation with subsidiary entities of IAL; and
- the details of approval by the principal governing body of IAL.

This statement is made pursuant to the *Modern Slavery Act 2018* (Cth) (the **Act**) with respect to the period 1 January 2024 to 31 December 2024 (the **Reporting Period**).

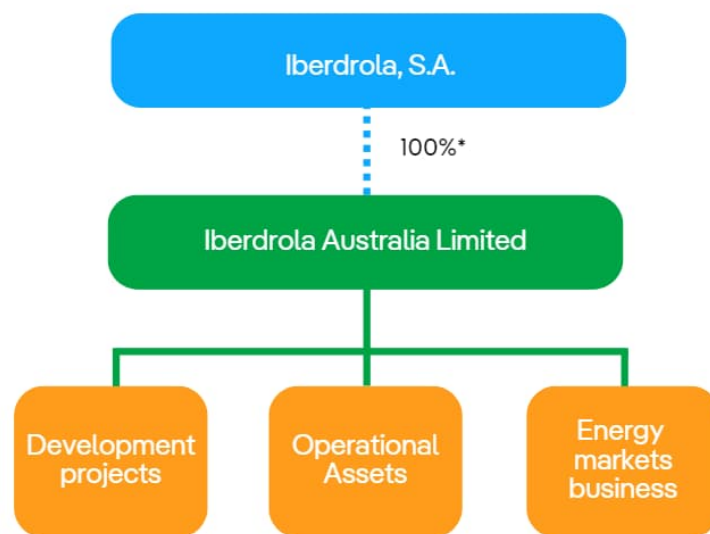
2. Structure, operations and supply chains

2.1. Our structure

The Iberdrola Group is the world's largest producer of wind power by volume, and the third largest electricity utility in the world by market capitalisation.^{1,2} It is globally recognised as a sustainability leader and prides itself on its commitment to an energy model that prioritises the well-being of people and the preservation of the planet. The Iberdrola Group's Governance and Sustainability System, which includes its Code of Ethics and Policy on Respect for Human Rights, amongst other key corporate policies, applies to Iberdrola Australia and plays a central role in ensuring the integrity of its business operations.

IAL is an Australian public company originally incorporated in June 2003. IAEM is a wholly owned subsidiary of IAL. IAL is incorporated in Australia and is the Australian parent entity of a number of subsidiary entities it owns or controls through which it holds its energy generation and development assets, as well as conducting its energy markets business through IAEM.

Figure 1 – Reporting Entity's Structure



* Iberdrola Australia Limited is an indirect, wholly owned subsidiary within the Iberdrola Group, with the parent company of the group being Iberdrola, S.A. based in Spain

Over the Reporting Period, IAL's consolidated revenue was \$809m and IAEM's consolidated revenue was \$776m.

1. Iberdrola S.A, <https://www.iberdrola.com/about-us/our-company/our-history>

2.2. Our operations

Iberdrola Australia develops, constructs and operates renewable energy facilities that generate renewable electricity. We also source renewable energy from third parties where we contract to purchase their output under Power Purchase Agreements. With more than 2.5GW total installed capacity in SA, NSW, VIC and WA, it is one of the largest renewable energy fleets in Australia.

Because renewable energy is inherently intermittent, and customers need electricity on demand, Iberdrola Australia utilises its additional fast-start (firming) assets to manage intermittency risks. By combining a diversified fleet of renewable generators with a portfolio of flexible, fast-start assets, we provide customers with firm supplies of clean energy in Australia.

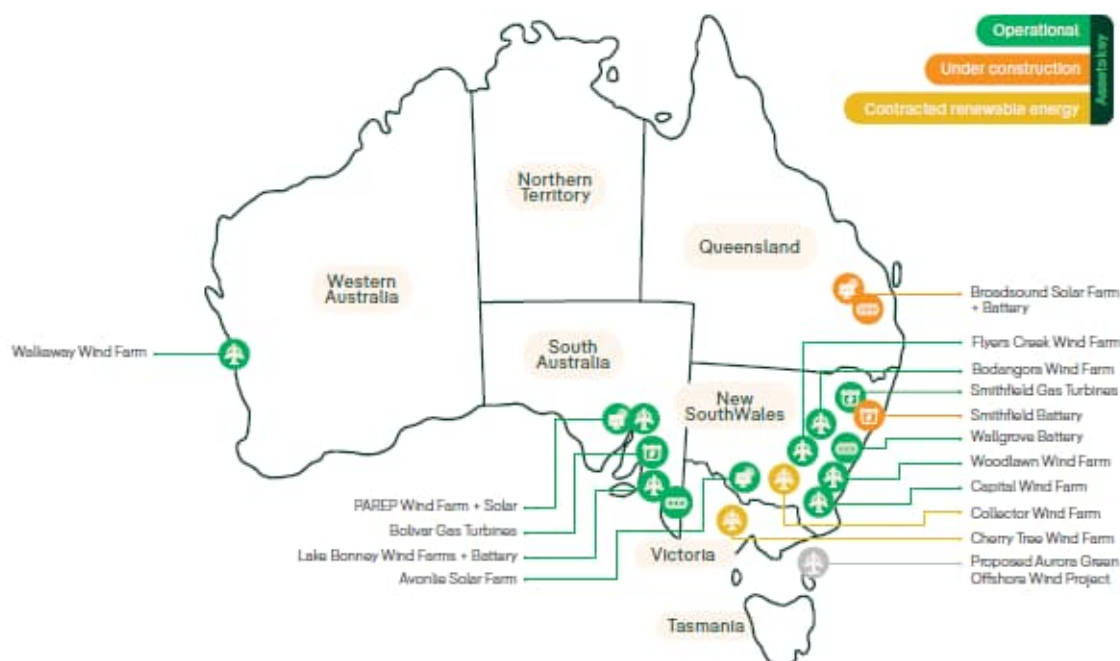
During the Reporting Period, construction commenced on the Broadsound Solar Farm and Battery, 150 Km north-west of Rockhampton in QLD. When complete, the project will have an installed capacity of up to 377 megawatts (MW) for the solar farm, and 180MW (2-hour) for the Battery Energy Storage System.

Iberdrola Australia continues to develop a pipeline of energy generation and storage assets and plans to continue the growth of this portfolio for many years. Our portfolio includes:

- 1.75GW of wind and solar capacity;
- Approximately 570MW of fast start firming capacity (including batteries and open cycle gas turbines); and
- 194MW of contracted renewable energy capacity.

Our assets are shown in Figure 2 below. Note, the status of assets is as of June 2025.

Figure 2: Location of Iberdrola Australia's Assets



As of 31 December 2024, Iberdrola Australia employed approximately 240 staff located across Sydney, Melbourne, Brisbane and regional towns. This included staff working on construction of the Avonlea, Flyers Creek and Broadsound assets and also staff at our operational sites, in NSW, SA and WA.

2.3. Our supply chains

The products and services Iberdrola Australia uses to contribute to our own products and services include:

- power generation and storage technology, such as wind turbines, solar panels, batteries, gas turbines and the various civil, structural, mechanical and electrical components that comprise a generation or energy storage facility;
- services for the development, construction and maintenance of power generation and storage facilities such as the design, construction, procurement, installation, testing and commissioning; and
- products and services to support Iberdrola Australia's operations (e.g., information technology, office management, business management etc.).

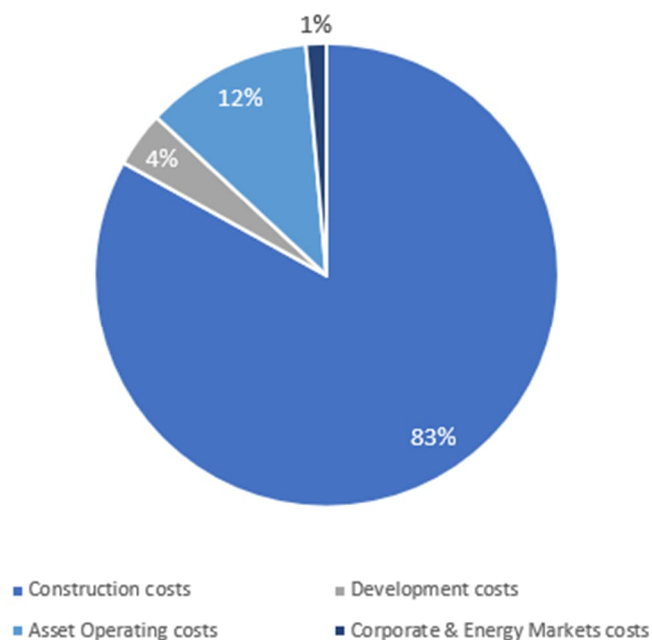
The various suppliers, contractors, consultants and other service providers within Iberdrola Australia's supply chain also procure their own products and services from their own supply chains. Combining our direct and indirect supply chains results in a global supply chain footprint.

The majority of the products we purchase are sourced from European countries and China, while most services are sourced from within Australia. The contractual arrangements within the Iberdrola Australia supply chain varies from, for example, small consultancy agreements through to larger transactions, for example, Turbine Supply Contracts.

The sourcing and purchasing of all products and services from our direct suppliers is led by the relevant team within the business in line with Iberdrola Australia's compliance and governance standards. Depending on the business need, suppliers are engaged on either an ad hoc basis or under longer-term contractual arrangements, sometimes just on one project and sometimes across a range of projects.

The spend profile across our operations and supply chain for 2024 is shown in Figure 3 below.

Figure 3: Iberdrola Australia's 2024 spend profile



3. Risks of modern slavery practices in our operations and supply chains

Iberdrola Australia's operations are limited to Australia (a country considered low risk under the Walk Free Global Slavery Index.)³ Several of our activities (which comprise the development, construction, operation and maintenance of electricity generation and firming assets) are outsourced to service providers under long-term contracts. As at the end of the Reporting Period, our staff were also largely office-based, with only 13 staff based permanently at our operational assets. Most of our staff are employed directly and are on permanent contracts in skilled roles. This lowers the modern slavery risks within the Iberdrola Australia workforce.

Due to the nature of supply chain engagement across our operations, products and services, we have also considered whether there is a risk we may be directly linked to modern slavery practices. We engage a substantial supply chain for the supply of parts, services, equipment and labour, particularly for the construction of energy and storage projects, and these suppliers in turn also engage many different tiers of supplier including through to raw material extraction. We conducted a risk assessment of our Tier 1 suppliers against the key risk indicators and identified the following potential risk areas:

3.1. Sector and industry risks

Iberdrola Australia procures construction services from civil and electrical contractors who may employ temporary or contract workers to construct our energy projects.

The Walk Free Global Slavery Index 2023 identified the Australian construction sector as one of the high-risk sectors for modern slavery, particularly in relation to forced labour exploitation. This risk is largely attributed to the sector's reliance on migrant workers, many of whom enter Australia through temporary visa programs.

3.2. Geographic, product and services risks

Iberdrola Australia procures equipment (such as wind turbines, solar panels and large electrical components, as well as IT equipment such as laptops, computers and mobile phones) from a small number of global suppliers who may source, manufacture, or assemble these items (and the materials that comprise them) in countries considered higher risk under the Walk Free Global Slavery Index.^{4,5} The import of electronics is listed as a risk of modern slavery to Australia by Walk Free's Global Survey Index country study with China and Malaysia being the key source countries. China and Malaysia have large electronics manufacturing industries which have been identified as at risk of using modern slavery practices in the production of these goods.⁶

2. Walk Free's Global Slavery Index country study of Australia: <https://www.walkfree.org/global-slavery-index/country-studies/australia/>

3. Refer to: <https://www.walkfree.org/global-slavery-index/2018/findings/country-studies/australia/>

4. *The Global Slavery Index is a ranking of the number of people in modern slavery, including in the hardest to access countries. Refer to:* <https://www.walkfree.org/global-slavery-index/>

5. See n. 2 above

6. Refer to: <https://www.walkfree.org/global-slavery-index/2018/findings/country-studies/australia/>

Iberdrola Australia is aware of the modern slavery implications in the manufacturing of solar modules in the Xinjiang region in China. There are claims that Uyghur Muslims are victims of some form of forced labour in the production of polysilicon that is a key material for solar panels. The world's four biggest manufacturers of polysilicon are implicated in the allegations and the major panel suppliers in the world source polysilicon from at least one of them.⁷ Accordingly, there is a risk that Australian businesses may purchase solar panels from a panel manufacturer that sources polysilicon from this location.

This particular risk is linked to the purchase of elements for photovoltaic plants in a complex context that prevents traceability. To identify the origin of the materials and the components of the solar modules and in particular, the polysilicon, Iberdrola Group is implementing measures and is seeking to increase the visibility of suppliers in relation to forced labour risks and the use of polysilicon or other components purchased in China.

The Iberdrola Group, including Iberdrola Australia, continues to work on different avenues to minimise this risk, including the possibility of carrying out audits and the study of component traceability mechanisms, as well as participating in the sector initiatives.

Although the circumstances in the region make it very difficult to adopt due diligence measures to ensure responsible management of human rights risks, in relation to large-scale solar panel procurement, to identify the origin of the materials and components of solar modules (in particular, polysilicon), the Iberdrola Group, including Iberdrola Australia, is implementing the following measures:⁸

- Express declarations from suppliers rejecting forced labour (in addition to acceptance of the Iberdrola Code of Ethics).
- Sought confirmation by suppliers as to whether they use polysilicon or other components originating from the Xinjiang province.
- Traceability mechanisms of the components incorporated in the solar panels.
- Request for the codes of conduct and ethics that suppliers apply to their company and suppliers.
- By year-end 2024, a total of 118 social and sustainability audits had been carried out on the Group's main suppliers at the global level.

3.3. Entity risks

Iberdrola Australia's growth plans will result in new suppliers being engaged for our operations and services. Although our prequalification and onboarding processes are thorough, we recognise the risk remains that these processes may not appropriately assess the risk of our suppliers and their approach to modern slavery practices, particularly with any new risks that have not been apparent in the industry. To monitor and manage these risks, Iberdrola Group has set a new objective of Reinforcing the Supply Chain Human Rights Due Diligence System which is described further in [4.2 Future Actions](#).

7. Murphy, L. and Elimä, N. (2021). *"In Broad Daylight: Uyghur Forced Labour and Global Solar Supply Chains."* Sheffield, UK: Sheffield Hallam University Helena Kennedy Centre for International Justice.

8. Iberdrola, S.A. [Consolidated Non-Financial Information Statement \(NFIS\) and the Sustainability Reporting, 2024](#), p 262.

4. Actions taken to assess and address these risks

4.1. Completed actions

The following actions have been undertaken to **prevent** and **mitigate** modern slavery risks during the Reporting Period:

- Our Group Purchasing Division has included among its priorities an ambitious multi-year objective to reinforce the Human Rights Due Diligence System in the Supply Chain. To this end, it has defined an action plan that establishes certain actions, including updating the Code of Ethics and the General Terms and Conditions, ensuring a focus on the application of Human Rights clauses to critical suppliers for the company and/or those with a higher level of risk in terms of human rights, further developing the systems to assess the specific human rights risk level associated with the different suppliers, strengthening the system of social audits and traceability implemented by the Group, and updating the internal action procedure in the event of identification of Code of Ethics non-conformities.
- The Purchasing Division has carried out a “Proof of Concept” project analysing different Tier-n mapping platforms that evaluate different risk perspectives and to develop new screening capabilities, based on AI algorithms, focused on Tier 1, 2 and 3 potential risks. This project has evaluated the convenience of integrating these tools in the purchasing process and reinforce the supply chain due diligence capabilities
- By year-end 2024, a total of 118 social and sustainability audits had been carried out on the Group's main suppliers at the global level.
- At a Group level, a new due diligence initiative has been launched to evaluate the risks in our potential supplier's supply chains, by carrying out social and sustainability audits beyond the Tier-1 level critical suppliers including Tier 2 and Tier 3 audits.
- Iberdrola Australia continued to include modern slavery clauses in relevant supplier and service provider contracts that require the counterparty to, amongst other things, comply with the modern slavery laws; implement and maintain appropriate measures to assess and address modern slavery risks; and to cooperate with Iberdrola Australia to reduce and mitigate modern slavery risks in its activities related to the contract.
- We continued to be a member of the Risks of Modern Slavery Working Group within the Clean Energy Council (CEC). Key areas of focus for the Working Group during the Reporting Period were on:
 - awareness raising through information sharing by members about modern slavery risks in the supply chain; and
 - consultation with the NSW Anti-Modern Slavery Commissioner about the development of measures to encourage continuous improvement as a means of preventing modern slavery risks in the sector;
- We appointed additional local procurement resources to assist in the coordination of the pre-qualification due diligence process of new and existing suppliers;
- Ongoing liaison with Iberdrola Group about the conduct of supplier questionnaires and risk assessments incorporating modern slavery considerations;
- At Iberdrola Group, a multi-disciplinary working group was established to follow up on the issue of forced labour in the solar panel supply chain and has extended the scope to other main equipment.
- Iberdrola Group's Code of Ethics for Suppliers was updated; and
- Renewal of the Certification of Iberdrola Group's Sustainable Purchasing Strategy, in recognition of the promotion of sustainability throughout the company's supply chain. The AENOR certification (Asociación Española de Normalización y Certificación) certifies

that purchasing processes by the company are carried out to have the greatest positive environmental, social and economic impact throughout the lifecycle of the service of product.

The following actions have been undertaken to **remediate** modern slavery risks during the Reporting Period:

- Continued implementation of a Remediation Action Plan for modern slavery risks; and
- Evaluation of the new set of Modern Slavery diligence questions in the Iberdrola Group's supplier onboarding process. During the Reporting Period, Iberdrola also evaluated the adequacy of the supplier onboarding process and performed specific analysis over those suppliers with higher risks.

4.2. Future actions

During the next reporting period, we intend to implement several initiatives that complement and strengthen our modern slavery policy and procedures. Future actions proposed to **prevent** and **mitigate** modern slavery risks include:

- Ongoing participation as a member of the CEC's Risks of Modern Slavery Working Group to advance industry efforts for continuous improvement addressing modern slavery issues;
- Refresh employee training and awareness on modern slavery and what it means for Iberdrola Australia;
- Recognising the introduction of the Prohibited Employer Register by the Australian Border Force in July 2024, to further address the potential risks associated with migrant workers in the construction sector, we will investigate the inclusion of the register - through our internal working group - as part of our ongoing screening of third party onboarding of contractors; and
- Identifying opportunities for sustainability audits for Australian suppliers.

At the Group level, Iberdrola introduced a new objective in 2024 to address the risks associated with modern slavery: *Reinforcing Supply Chain Human Rights Due Diligence System*. This is a comprehensive multi-year project to reinforce the Supply Chain Human Rights Due Diligence System.

In 2025, a new action plan will be defined to establish different actions to be undertaken during that year, as well as in the coming years.

Actions to be undertaken as part of this plan in 2025 include:

1. Include Iberdrola Group's Supplier's Code of Ethics in tender processes;
2. Define a new criterion and create a new methodology to assign human rights risk levels to suppliers based on various criteria, for example: country specific risk, sector specific risk, commodity specific risk;
3. Define a differentiated management method for suppliers based on the level of risk identified;
4. Continuous improvement in the methodology used in the Sustainability Audits to ensure they reinforce human rights risks; and
5. Update and standardise contractual clauses on human rights/forced labor for major equipment.

Iberdrola Australia will continue to liaise with our counterparts across the Iberdrola Group about this action plan to: (a) foster collaboration; (b) learn from their experiences; and (c) leverage procedures and processes that we may be able to use in Australia.

Future actions proposed to **remediate** modern slavery risks during 2025 include:

- The review of the "Guide to action and penalties against practices that contravene the Code of Ethics"; and
- The conduct a proof of concept by the Group whereby the Sustainability Risk Model will be reviewed and new options analysed to establish new capabilities in Tier 1 supplier Sustainability Risk Model.

5. Assessing effectiveness

The measures taken during the Reporting Period to assess the effectiveness of the steps taken to address the risk of modern slavery practices in our operations and supply chains included the following:

- Liaising with our counterparts across the Iberdrola Group to: (a) foster collaboration; (b) learn from their experiences; and (c) leverage procedures and processes that we may be able to use in Australia; and
- Actively engaging with the CEC's Risks of Modern Slavery Working Group to ensure that our processes and procedures are in line with industry best practices.

6. Process of consultation and approvals

Iberdrola Australia employees manage and operate all entities that IAL own or control, including IAEM. Consultation with these entities is undertaken by ongoing internal communication.

Senior management of IAL and IAEM were consulted and involved in the preparation of this joint statement.

The Board of Directors of Iberdrola Australia Limited approved this statement on 30 June 2025.

A handwritten signature in black ink, appearing to read "Ross Rolfe".

Ross Rolfe
Chairman & CEO
Iberdrola Australia