

Energy Queensland Modern Slavery Statement

Energy Queensland
2020 - 2021



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About this Modern Slavery Statement

This Modern Slavery Statement has been prepared in accordance with the requirements of the *Modern Slavery Act 2018* (Cth).

This is the second joint Modern Slavery Statement made by Energy Queensland Limited and its wholly owned subsidiaries Energex Limited, Ergon Energy Corporation Limited, Ergon Energy Queensland Pty Ltd and Yurika Pty Ltd (the **EQL Group**).

As the EQL Group use the same policies and processes, operate in the same sector and share many suppliers, this Statement provides a consolidated description of the actions taken to assess and address the risk of modern slavery in the operations and supply chains of the EQL Group for the financial year ending 30 June 2021.

Who we are

Energy Queensland is a Government Owned Corporation reporting to the Queensland Government, via two shareholding Ministers, on behalf of the communities across Queensland.

We deliver electricity across Queensland through our 'poles and wires' businesses Energex and Ergon Energy Network.

Our retailer, Ergon Energy Retail, sells this electricity to customers throughout regional Queensland.

These essential service activities are supported by a range of innovative infrastructure-related services delivered through Yurika.

The Energy Queensland Group (EQL Group), formed in June 2016, energises Queensland communities from Tweed River to Torres Strait and from Brisbane across to Birdsville. We also deliver services across Australia.

Our Structure, Operations and Supply Chain



Structure and Operations

The EQL Group is shown in **Figure 1** and includes:

- **Energy Queensland** - the parent company which provides administrative, corporate and management functions to the EQL Group and operates in Queensland
- **Energex** - the distribution network service provider operating in south east Queensland
- **Ergon Energy Network** - the distribution network service provider operating in regional Queensland
- **Ergon Energy Retail** – provides retail services to regional Queensland customers
- **Yurika** – is an integrated solutions provider in energy, infrastructure, metering, telecommunications and digital services and operates Australia wide. Yurika has two subsidiaries:
 - **Yurika Metering** - which provides contestable metering services across the National Electricity Market
 - **Yurika Telecoms** - which provides telecommunications services in Queensland.

All companies in the EQL Group are separate legal entities registered with the Australian Securities Investment Commission, each with its own board of directors.

We employ a diverse range of people in operational, technical and professional roles. The majority are engaged through direct employment contracts on permanent or fixed term contracts.

All our employees are based in Australia, with the majority located across Queensland. A small number who perform services for Yurika are based interstate.



Figure 1: EQL Group of companies

Energy Queensland has a minority shareholding in Redback Technologies Holdings Pty Ltd ACN 634 626 538, a Brisbane based clean-tech company that manufactures smart solar storage and network management solutions.

Energy Queensland also holds a minority investment in Queensland Capacity Network Pty Ltd ACN 633 081 517 (trading as QCN Fibre), a communications company set up for the purpose of enabling faster and more reliable internet services in regional Queensland.

Ergon Energy Retail holds an interest in EnergyOS Pty Ltd (formerly Habidapt Pty Ltd) a software company that delivers energy management and portfolio services.

Supply Chain

We procure goods and services through:

1. contracts established and managed by our Procurement and Supply Group
2. short form contracts established and managed by relevant business divisions
3. purchase orders and credit cards.

We have established Procurement Business Rules to govern any procurement, and these Rules apply to all employees and contractors.

Risks of Modern Slavery in Our Operations and Supply Chain

Methodology

During the reporting period we performed reviews of our operations and supply chains to assess the risk that we are causing, contributing, or directly linked to modern slavery practices.

We assessed the risk of modern slavery by considering the four well known and widely used key risk indicators (refer to the adjacent aqua box) and applying these against our operations and supply chain.

Operational Risks Identified

We did not identify any risk indicators in our operations. We are Queensland Government owned, have a strong corporate governance framework and practices, operate in a highly regulated environment, and our activities and offices are located within Australia.

With regards to our employees specifically, there are not any indicators that we are causing, contributing, or directly linked to modern slavery. This risk is mitigated through our People Strategy, which is supported by resourcing and recruitment policies and processes.

Modern Slavery Risk Indicators

- **Sector and industry risks** - Certain sectors and industries may have high modern slavery risks because of their characteristics, products and processes.
- **Product and services risks** - Certain products and services may have high modern slavery risks because of the way they are produced, provided or used.
- **Geographic risks** - Some countries may have higher risks of modern slavery, due to poor governance, weak rule of law, conflict, migration flows and socio-economic factors like poverty.
- **Entity risks** - Some entities may have modern slavery risks because they have poor governance structures, a record of treating workers poorly or a track record of human rights violations.

Most of our employees are governed by one of two Enterprise Agreements, with the rest employed on individual contracts. The Enterprise Agreements are negotiated with employees and approved by the Fair Work Commission.

Employee rights are also protected through a comprehensive set of policies and procedures. Labour hire workers are covered by these policies whilst performing work for us.

Recruitment of employees follows a thorough process which is supported by specialists in the Human Resources team. Our recruiters require validation of identity and qualifications, and work directly with the candidate through the recruitment process. This ensures that we only employ candidates whom we consider are working of their own free will.

Where labour hire or temporary staff are required, they are sourced from either the Queensland Government Contingent Resource Panel or our own labour hire contract panel of appropriately licensed agencies. Any amounts payable to the agencies under these contracts are in addition to

modern award hourly rates and minimum superannuation contributions paid to the worker.

The Careers and Procurement teams regularly review the rates and wages paid to temporary staff to ensure they meet all legislative requirements. Consequently, we have assessed that our use of labour hire staff does not cause or contribute to modern slavery practices in any way.

Supply Chain Risks Identified

We have taken steps to identify modern slavery risk indicators within our direct suppliers. We particularly focussed on suppliers of those products, industries and countries of origin risks already identified as high-risk areas for the goods and services we procure, and those in our top spend category. Of the suppliers we assessed, we did not identify any modern slavery risk indicators.

There may be risk indicators within the supply chains of our suppliers, in particular, the supply chains of providers of facilities management, materials manufactured overseas, building and construction work, workwear and personal protective equipment, and ICT equipment such as laptops, desktops, and smartphones.

Our procurement framework and contractual documents play a significant role in reducing the risk of modern slavery in our supply chain.

It is a requirement for all tenderers on materials contracts to provide supply chain mapping which details the materials, manufacturing locations, country of origin and any alternative supply arrangements.

These details, provided by successful tenderers, are compiled into a master document to provide us with a holistic view of the supply chains for a large number of products.

All contracts include robust modern slavery clauses that outline the obligations our suppliers and contractors commit to when working with us. These obligations include a requirement for

suppliers to have adequate and reasonable policies, controls, procedures and training in place designed to detect, assess, manage and remedy modern slavery in its operations and supply chains.

We also retain the right to request information about their compliance with the modern slavery contract clause and to undertake due diligence on their supply chain.

Non-contract purchasing is governed by the Purchase Order Terms and Conditions which also reflects our commitment to identifying and remediating modern slavery in our supply chain.

Lastly, we expect organisations that we do business with to operate safely, ethically and in compliance with all governing legislation.

Actions Taken

We take a group wide approach to assessing and addressing the risks of modern slavery in our operations and supply chain. Below we have outlined the actions we have taken during the reporting period:

Increasing awareness and training

- One of our main priorities this financial year was to increase our employees' awareness and understanding of modern slavery, particularly for customer facing employees and the procurement team.
- Our internal communication channels were used to provide awareness of modern slavery practices to all our employees. Scenarios and tips on what to look out for were provided, as well as advice on how to report any concerning behaviour they may come across when performing their duties.
- Procurement employees received tailored training in recognition of their importance in eliminating modern slavery in our supply chain and identifying slavery risks in our suppliers' procurement practices.

- A dedicated modern slavery intranet site was created to provide detailed information on modern slavery practices and educate our employees on what to do if they suspect modern slavery practices in either our operations or supply chain. The website also describes the steps we are taking to address the risk of modern slavery, and invites interested employees to assist the modern slavery working group.

Improving our assessment processes

- We developed a clear methodology for identifying modern slavery risk indicators within our operations. Our reporting entities undertook the modern slavery risk assessment which contributed to the overall picture of modern slavery risk for the EQL Group, as detailed in this Statement.
- To improve the process of assessing of our supply chain, we implemented Informed 365. Informed 365 is a tailored data management platform used to map and track environmental, social, and governance data, and supplier assessments.

Members of the Energy Procurement Supply Association (EPSA) have signed on to using the Informed 365 platform, with the view of reducing the duplication of effort in assessing the modern slavery risk in common suppliers. By using the platform, only one self-assessment questionnaire per supplier needs to be completed and assessed.

Assessing our suppliers

- During the period we used Informed 365 to send the self-assessment questionnaire to 150 of our suppliers. These were picked from the top 200 suppliers based on spend.

Whilst we did not identify risk indicators of modern slavery with our direct suppliers (our tier one suppliers), we recognise there may be risks present in their supply chains. We are

currently exploring options to facilitate the assessment of these tier two suppliers.

Collaboration and engagement with third parties

- Collaboration with organisations both within and outside of the electricity industry continued to be a key strategy to not only improve our knowledge of modern slavery risks that we may cause, contribute or be directly linked to, but also to identify additional actions we could be taking to address the risks and assess the effectiveness of our actions.
- We continued to be a member of EPSA and consult with the consortium on the Informed 365 platform to facilitate the ongoing modern slavery risk assessment of our supply chain.
- We also continued our collaboration with the Modern Slavery Community of Practice attended by other Government agencies to share experiences, resources and learnings.

Improving internal governance

- Other actions included updating each of our external facing websites to include a reference to the confidential reporting mechanism which is available for the public to report any concerns about employee conduct, corruption or modern slavery through an externally administered 24/7 Integrity Line.
- The modern slavery working group was also expanded to include further representation across the EQL Group. The group was responsible for monitoring the actions we committed to completing this financial year, identifying areas of improvement and our next steps on our journey to eradicate modern slavery practices from our operations and supply chains.

Effectiveness of Our Actions

We are continuing to evolve the ways in which we assess the effectiveness of the actions we have taken to assess and address the risk of modern slavery in our operations and supply chain.

So that we can start measuring our performance in the next reporting period, we have started tracking:

- the actions we commit to in our Modern Slavery Statements
- the number of suppliers completing our modern slavery questionnaires
- the number of reports made to our 24/7 integrity line
- the number of modern slavery cases in our operations and supply chain that are identified and remediated

While we are not aware of any instances of modern slavery in our operations or supply chain, we are committed to immediate remediation should any be identified. If made aware of modern slavery, our priority will be to ensure the safety of affected individuals by engaging the appropriate emergency response agencies.

We will investigate and determine remediation actions based on the severity, impact, and risk to those involved. The outcome of the investigation will include a documented plan with key learnings and actions assigned to accountable parties.

Next Steps

We will continue to increase awareness of modern slavery with our employees and suppliers with a focus on how to identify instances in our operations and supply chain. We will also explore the ways in which we can accurately measure the effectiveness of this training, as we recognise the importance that knowledge plays in eradicating modern slavery practices globally.

We also recognise transparent and detailed supply chain mapping plays an important role. We will review our current process with the view to identify improvement opportunities, particularly in regard to assessing Tier 2 suppliers and below.

In terms of our procurement documentation, we will be reviewing the tender schedules and including additional modern slavery requirements.

One of these requirements will be the successful tenderer's completion of the modern slavery self-assessment questionnaire on the Informed 365 platform.

Another requirement will be for the tenderer to indicate that if awarded the contract, they will comply with the Queensland Government Supplier Code of Conduct. This code explicitly states that the Government wants to do business with suppliers who support the welfare of both their employees and the community generally, which can be shown by taking all reasonable efforts to ensure their supply chain participants are not engaged in, or complicit with, human rights abuses.

With regard to our current suppliers, we will continue to work with them to understand the steps they have taken, or will take, to conduct due diligence on their supply chain.

Engagement will continue with outside organisations to share ideas and information, and to identify improvement opportunities in both the identification and remediation of modern slavery processes.

We will continue to collaborate with EPSA members on the Informed 365 platform to improve the risk assessment process, and to encourage more suppliers to register and complete the modern slavery self-assessment questionnaire.

Impact of Covid-19

We have continued to respond to the impacts of COVID-19 during the reporting period.

When lockdowns were announced, all of our people who were able to safely transition to working from home arrangements did so. Our field based employees responsible for performing essential services to maintain Queensland's electricity network and respond to emergencies, continued to work throughout lockdowns in accordance with COVID safe practices, Government directions and with additional personal protective equipment to ensure their safety.

Whilst there were no initial impacts to the delivery of materials during the reporting period as we were able to work with our suppliers to understand any issues they are experiencing and where required, we identified additional suppliers to mitigate any potential shortfalls.

Consultation and Approval

Energy Queensland and its wholly owned subsidiaries Energex Limited, Ergon Energy Corporation Limited, Ergon Energy Queensland Pty Ltd and Yurika Pty Ltd Limited are each reporting entities under the *Modern Slavery Act 2018* (Cth).

To prepare this joint statement, we actively engaged and consulted with each reporting entity in the EQL Group. The Executive Leadership Team that is shared across the EQL Group was involved in the review and the endorsement of this Statement for approval by the Energy Queensland Board of Directors.

This statement was approved pursuant to the *Modern Slavery Act 2018* (Cth) by the Board of Energy Queensland Limited as the parent entity on 18 November 2021.

A handwritten signature in black ink, appearing to read "P. Garling".

Phil Garling
Chairman

Corporate Directory

Energy Queensland Limited

ABN 96 612 535 583
420 Flinders Street
Townsville Queensland 4810

Energex Limited

ABN 40 078 849 055
26 Reddacliff Street
Newstead Queensland 4006

Ergon Energy Corporation Limited

Trading as Ergon Energy Network
ABN 50 087 646 062
420 Flinders Street
Townsville Queensland 4810

Ergon Energy Queensland Pty Ltd

Trading as Ergon Energy Retail
ABN 11 121 177 802
420 Flinders Street
Townsville Queensland 4810

Yurika Pty Limited

ABN 19 100 214 131
26 Reddacliff Street
Newstead Queensland 4006

Metering Dynamics Pty Ltd

Trading as Yurika Metering
ABN 58 087 082 764
26 Reddacliff Street
Newstead Queensland 4006

Ergon Energy Telecommunication Pty Ltd

Trading as Yurika Telecoms
ABN 34 106 459 465
420 Flinders Street
Townsville Queensland 4810