



# Modern Slavery Statement 2020/2021



# INTRODUCTION

This Modern Slavery Statement has been developed and submitted by Powerlink Queensland, in accordance with the requirements of the Commonwealth *Modern Slavery Act 2018*.

This Statement describes the actions taken by Powerlink and its consolidated subsidiary entities to address the risks associated with modern slavery and human trafficking within Powerlink's business and supply chain for the financial year ending 30 June 2021.

Powerlink's core business is transporting electricity from generators through our transmission grid to distribution networks to supply customers.

Powerlink procures goods and services across the high voltage transmission lifecycle. This includes high voltage equipment, construction works, plant maintenance, plant spares, labour hire, IT equipment/consumables, and professional services.

Across businesses and industries as a whole, supply chains that have been identified via global modern slavery indexes as containing or being high risk are:

- personal protective clothing
- fabrication and textiles
- technology equipment manufacturing
- maintenance services and/or labour/contingent workforce contracts.

Powerlink's Modern Slavery Statement will:

1. Identify Powerlink as the reporting entity;
2. Describe Powerlink's structure, operations and supply chains;
3. Describe the risks of modern slavery practices in Powerlink's operations and supply chains and any entities which Powerlink owns or controls;
4. Describe the actions taken by Powerlink and any entities that it owns or controls to assess and address these risks, including due diligence and remediation processes;
5. Describe how Powerlink assesses the effectiveness of these actions;
6. Describe the process of consultation with any entities Powerlink owns or controls; and
7. Discuss other information which Powerlink considers to be relevant.

The term 'modern slavery' is used to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom or exposes them to serious exploitation. It does not include practices like sub-standard working conditions or underpayment of workers. However, these practices are also illegal and harmful, and are considered under the Ethical Supplier Mandate and Ethical Supplier Threshold activities, managed within Powerlink's supply chain processes in line with the Queensland Government Procurement Policy 2021.

Apart from the obvious human impact on those directly affected by modern slavery, it can also significantly impact Powerlink in other ways. It distorts global markets and undercuts responsible business. If not addressed, modern slavery in Powerlink's operations and supply chains can pose substantial reputational and legal risks, and damage commercial relationships.

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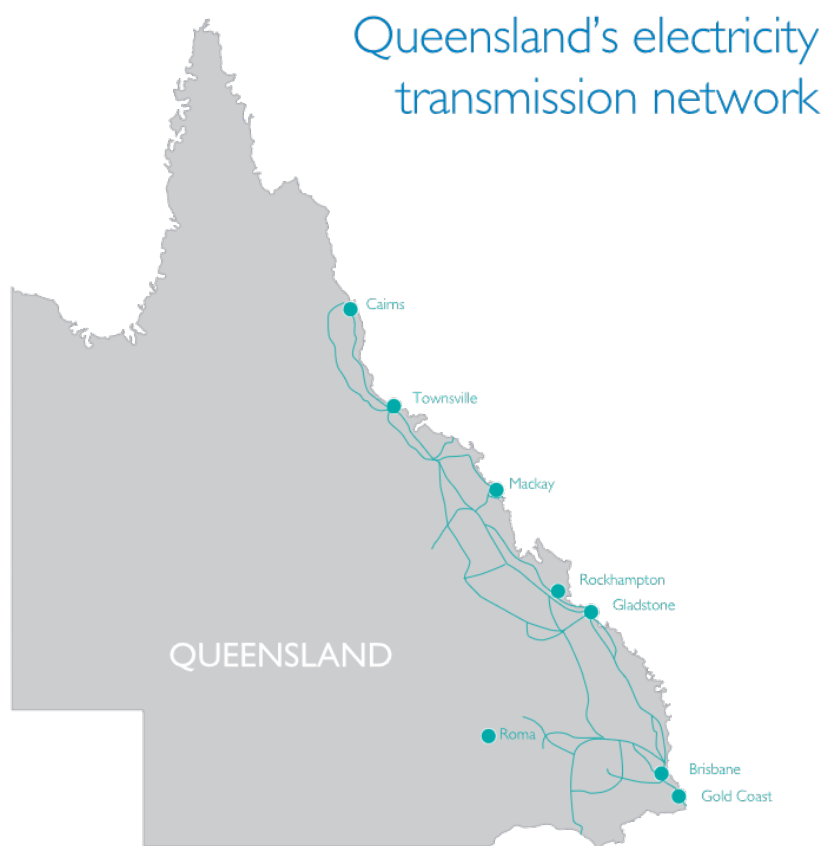
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# ABOUT POWERLINK

## Reporting Entities

This Modern Slavery Statement (**Statement**) has been developed by Queensland Electricity Transmission Corporation Limited, ABN 82 078 849 233, trading as Powerlink Queensland (**Powerlink**) of 33 Harold Street Virginia Queensland, demonstrating the actions taken to assess and address modern slavery risks within the Powerlink supply chain for the reporting period July 2020 to June 2021, as defined in the Commonwealth *Modern Slavery Act 2018* (**the Act**). As the majority shareholder of Queensland Capacity Network Pty Ltd, ABN 75 633 081 517, trading as QCN Fibre (**QCN**), this Statement produced by Powerlink includes the activities of the subsidiary QCN. QCN has been engaged during the process of implementing the Modern Slavery Strategy, and has contributed data included in this Statement.

Powerlink meets the threshold for Modern Slavery Reporting Requirements, having an annual consolidated revenue of at least AUD\$100 million. Powerlink does not have employees based in NSW, therefore is not required to submit a separate Statement for the NSW Act.





# OPERATIONS

## The Role of Powerlink

Powerlink is a leading Australian provider of high voltage electricity transmission network services, combining innovation with insight to deliver safe, cost effective and reliable solutions.

Powerlink is a Queensland Government Owned Corporation (**GOC**) which owns, operates and maintains the transmission network that extends 1,700km from north of Cairns to the New South Wales border, and comprises 15,345 circuit kilometres of transmission lines and 147 substations.

Powerlink's role in the electricity supply chain is to transport high voltage electricity from large generators through our transmission grid to the distribution networks owned by Energex and Ergon Energy (both part of the Energy Queensland Group) and Essential Energy (in northern New South Wales) to supply customers.

We also transport electricity to large industrial customers such as rail companies, mines and mineral processing facilities, and to New South Wales via the Queensland/NSW Inter-connector transmission line.

## Powerlink Modern Slavery Policy

Powerlink has a Modern Slavery Policy (**the Policy**) establishing a zero tolerance to modern slavery, which applies to all employees, suppliers and contractors engaged by Powerlink.

The Policy defines the prevention, detection and reporting of modern slavery in any part of Powerlink's business or supply chains as the responsibility of all those working for, or engaged by Powerlink.

Where appropriate, and with the welfare and safety of workers as a priority, Powerlink will give support and guidance to our suppliers to help them address coercive, abusive and exploitative work practices in their own business and supply chains.

If unsure about whether a particular act, the treatment of workers more generally, or their working conditions within any tier of our supply chains contravenes this Policy, staff are encouraged to raise it with their manager. Alternatively, they may choose to access the Whistleblower hotline with any concerns.

## The Role of QCN Fibre

QCN Fibre is a telecommunications company, jointly owned by Powerlink and Energy Queensland. Powerlink is the majority shareholder of QCN Fibre. Its mission is to improve telecommunications connectivity across the whole of Queensland, through leveraging spare capacity in the government-owned fibre network.

QCN Fibre is a carrier-agnostic wholesale telecommunication backhaul provider. QCN Fibre utilise over 12,000 kilometres of optical fibre network stretching west from Brisbane to Toowoomba and beyond, and north through regional townships to Cairns, supplying high capacity wholesale backhaul services to telecommunication service providers who use large volumes of voice, data and video traffic.

# STRUCTURE

## Powerlink's Structure

Powerlink's structure has been designed to meet the service delivery needs of our customers. The Powerlink Board and Executive Team establish the overall corporate governance of Powerlink, as well as the strategic direction, policies and operational framework. The Board and management work together to establish and maintain a legal and ethical environment and framework that ensures accountability throughout Powerlink that is in the best interests of shareholders and the corporation.

Powerlink is structured into six distinct business divisions assigned with the responsibility of providing end-to-end delivery of Powerlink's services, including:

- transmitting electricity from generators to distributors/customers;
- network operations, asset management, and asset maintenance; and
- installing and maintaining new network infrastructure.

### Powerlink Board

Responsible for the overall corporate governance of the corporation and its subsidiary companies, setting the organisation's strategic direction, setting goals for management, and establishing the policies and operational framework for the corporation.

### Chief Executive

The Board and management work together to establish and maintain a legal and ethical environment and framework that ensures accountability throughout Powerlink, that is in the best interests of shareholders and the corporation.

#### Network Business Development

Bringing together Powerlink's Strategy and Network Portfolio Groups, which both focus on strategy development, providing an overall integrated strategy for the future.

#### Energy Futures

Responsible for developing the integrated Electricity Pathways work to inform Queensland policy development around future energy policy and help transform Queensland electricity transmission system.

#### Operations & Service Delivery

Delivering Powerlink's state-wide operations, field maintenance, telecommunication services, operational technology, laboratory and warehousing services.

#### Delivery & Technical Solutions

Will safely plan and deliver infrastructure and provide technical solutions to enable cost effective and reliable electricity transmission services.

### Finance & Governance

Ensuring Powerlink builds a strong focus on finance, cost management, risk and governance, while maintaining management of Board and GOC matters.

### People & Corporate Services

Includes Business IT, People and Culture (P&C), Health, Safety and Environment (HSE), as well as Communications.

# SUPPLY CHAINS

## Powerlink Supply Chain Model

The supply chain for Powerlink is not complex. Powerlink's business activities across Queensland are delivered directly by Powerlink without the use of agencies, distributors or franchising.

These business activities involve the procurement of goods and services. The sourcing of goods and services are managed through robust procurement activities conducted in alignment with the Queensland Government Procurement Policy 2021.

The types of goods and services sourced by Powerlink include:

- IT services, software and hardware
- Transport and storage
- Vehicles
- Clothing PPE
- Telecom equipment
- Business services, professional services
- Travel and catering
- Control equipment
- Overhead lines and equipment
- Substation materials
- Switchgear
- Cables and accessories
- Building, civil and construction
- Repairs - primary plant, and secondary systems
- Energy, lubricants and gases

Approximately 97 per cent of Powerlink's total addressable spend of all goods and services are sourced within Australia, however goods may have some or all components manufactured globally. The remaining sourcing activities are spread across numerous countries including:

- Great Britain
- United States of America
- Austria
- Germany
- Ireland
- Canada
- Netherlands
- India
- New Zealand
- Singapore
- Bahrain
- France
- Italy

The below graphic depicts a high-level view of Powerlink's supply chain.

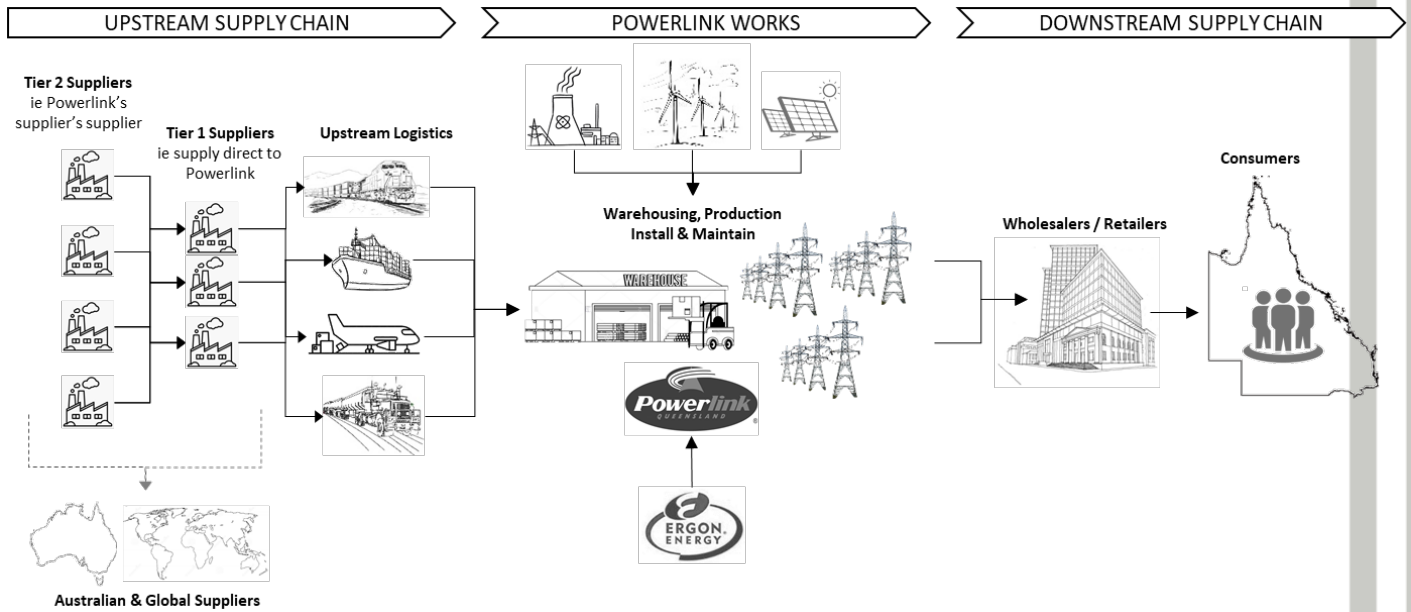
The **upstream** portion of the supply chain includes Powerlink's suppliers and the processes for managing those relationships.

The **Powerlink works** portion consists of the operational activities required to transmit electricity from power generators to customers.

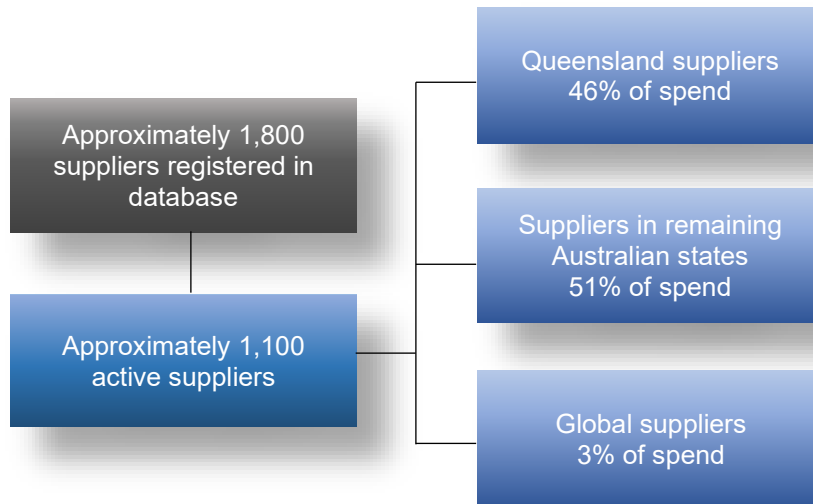
The **downstream** portion consists of the electricity retailers managing the direct linkage to end-use customers.

# SUPPLY CHAINS

## Powerlink's Supply Chain



## Powerlink's Supplier Base Profile





# **POWERLINK'S APPROACH**

## **Identifying and Assessing the Risks of Suppliers**

Powerlink's risk of modern slavery is considered in two parts – the internal operations and the supply chains.

### **Powerlink's Internal Operations**

Powerlink is a GOC with more than 950 employees, the vast majority of which are based in Brisbane. The risk of modern slavery in Powerlink's internal operations is managed by the People and Culture team through the implementation of various policies and procedures reflecting legislative and regulatory requirements. Queensland Government approved, three-year Enterprise Agreements for working conditions and a number of policies and procedures such as a Code of Conduct and Employee Complaints Procedure which protect the rights of staff in line with Queensland and Australian legislation are in place.

There are two Enterprise Agreements in place at Powerlink - the Working at Powerlink Union Collective Agreement 2020 (WAPA) and the Powerlink Managers Agreement 2021.

Powerlink does engage labour hire workers when necessary, however, the risk of modern slavery practices is mitigated through the use of compliant suppliers engaged under a supplier panel, with strict industrial relations terms and conditions applied.

Powerlink has a strong industrial relations presence within the business and relevant unions are engaged regularly as part of applicable sourcing activities. There have been no identified issues with suppliers, trade unions, or other bodies representing workers, in relation to modern slavery risks in the execution of activities across the Powerlink supply chain.

Powerlink has a clearly understood and articulated Industrial Relations Strategy, consistently applied by our leaders, that focuses on:

- relationship management;
- constructive workplace culture;
- a safe, engaged, skilled workforce.

### **Powerlink's Suppliers**

Powerlink has measures in place to identify and reduce the risk of modern slavery in Powerlink's supply chain. Powerlink's Supplier Code of Conduct is available on the Powerlink website and contains expectations of suppliers to act against human rights abuses in the supply chain and to commit to high ethical standards. One avenue open for complaints relating to breaches of the Supplier Code of Conduct is the Whistleblower process. The Supplier Code of Conduct applies to all suppliers engaged to provide goods or services to Powerlink.

Tender packages released to market contain a detailed description of Powerlink's position regarding the intent to comply with the Act and other Government policies or mandates, including the Ethical Supplier Mandate listed within the Queensland Government Procurement Policy 2021 (**QPP**). Powerlink's tender packages detail the expectation of Powerlink's supply chain to be equally compliant. A tender schedule requires all tenderers to provide relevant information regarding their business practices and how these support meeting Powerlink's Supplier Code of Conduct including Modern Slavery requirements.

Powerlink has over 1,800 suppliers in our database of which approximately 1,100 are active. Powerlink has information available via the internal Enterprise Resource Planning (**ERP**) systems regarding Powerlink's supplier's office locations, and has been able to extrapolate limited information on commodities and industries. However, in order to accurately identify the risks posed by each supplier, it is necessary to delve into their operations and supply chains to

## ***POWERLINK'S APPROACH***

identify the country or region where goods are manufactured, the raw materials used and where they are sourced, and the composition of the supplier's labour force.

Powerlink has commenced surveying its suppliers requesting information on the supplier's operations and supply chains. This information will be used to determine the modern slavery risk profile of each supplier. The risk profile of suppliers will be based on a number of factors including:

- country or region of origin;
- commodity being procured;
- industry of origin for the product or service;
- procurement of raw materials;
- employment of vulnerable workforces.

This analysis will be ongoing over the coming years on existing suppliers as well as new suppliers engaged by Powerlink and/or QCN through the use of a survey tool and responses to all tender/ quote processes.

Initially, in identifying and assessing modern slavery risks, Powerlink will focus on the first tier in the supply chain – direct suppliers and contractors. The second and subsequent tiers in Powerlink's supply chain will be investigated in the future when a modern slavery baseline has been set for all potentially high-risk tier one suppliers, and as these suppliers begin investigating their own supply chains.

# ***DUE DILIGENCE PROCESSES***

## **Monitoring and Reporting**

### **High Risk Indicators**

The following known high-risk indicators help identify modern slavery risks in Powerlink's operations and supply chains.

- Sector and industry risks: Certain sectors and industries may have high modern slavery risks because of their characteristics, products and processes. For example, extractives, textiles, and electronics are among those recognised as high-risk industries globally.
- Product and services risks: Certain products and services may have high modern slavery risks because of the way they are produced, provided or used. For example, bricks, cobalt and rubber are recognised as high-risk products globally. Similarly, services such as cleaning that often involve lower wages and manual labour may have high modern slavery risks.
- 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 particular modern slavery risks because they have poor governance structures, a record of treating workers poorly or a track record of human rights violations.

Powerlink will commence internal reporting in the 2021-22 financial year to monitor progress with the assessment of suppliers and status of engaged suppliers against the requirements of the Act (conforming / non-conforming). Internal reporting will be reviewed annually to ensure continued relevance against the Act's definition of modern slavery and high-risk indicators.

Internal reporting will include, but is not limited to:

- Number of suppliers profiled;
- Number of suppliers identified as high risk and engaged;
- Number of action plans developed;
- Effectiveness of action plans.

## **Business Involvement**

The implications of the Act touch on many areas of Powerlink's business. It is important that all relevant areas of the business understand the Act and share responsibility and accountability for meeting Powerlink's obligations. The broader business will be informed and involved in the ongoing vigilance and monitoring of the Act requirements in all dealings with Powerlink's suppliers. Action Plans put in place with high risk / non-conforming suppliers will be monitored and checked by Powerlink's contract managers.

To facilitate this business-wide approach, a Modern Slavery Working Group consisting of representatives from relevant areas of the business are involved in the integration of the Act requirements into Powerlink's operations and supply chains.

## **Role of the Working Group**

The Working Group is responsible and accountable for:

- Development of a Communication Plan to raise awareness of the Act, including leading communication of modern slavery related information to / from and within their division;
- Leading the discussions with identified high risk / non-conforming suppliers, working with Powerlink contract managers and suppliers to develop Action Plans;
- Reviewing and updating documentation to reflect Powerlink's Modern Slavery Policy;
- Developing initiatives aimed at reducing the risk of modern slavery in Powerlink's operations and supply chains;
- Developing responses to potential customer enquiries relating to Powerlink's assessment and actions regarding modern slavery in Powerlink's operations and supply chains.

## ***PROGRESS IN 2020/21***

### **Energy Procurement Supply Association (EPSA)**

Powerlink is a member of the Energy Procurement Supply Association (EPSA) which is a not-for-profit association made up of representatives from energy industry corporations from the Asia-Pacific region.

The EPSA Modern Slavery sub-committee was formed to facilitate collaboration between EPSA member organisations and develop a standardised approach to supplier engagement on modern slavery. The EPSA Modern Slavery sub-committee is working with a third-party to develop a web-based Modern Slavery supplier assessment tool. The EPSA Modern Slavery Platform is based on a standardised Self-Assessment Questionnaire (SAQ) developed by the EPSA Modern Slavery sub-committee. The benefits of the EPSA Modern Slavery Platform include:

- A reduction in duplication of effort by suppliers. When an invited supplier completes the SAQ online, there is an option to make the responses available not only to the organisation that invited the supplier, but also to other EPSA member organisations.
- Standardised industry approach provides suppliers with greater certainty of industry expectations for assessing and addressing modern slavery risks in their operations and supply chains.
- A reduction in duplication and effort by EPSA member organisations. When a supplier elects to share their SAQ responses, it allows EPSA member organisations to gain access to risk assessments and remedial action plans for a larger number of suppliers than would have been otherwise possible.
- Collaboration with other EPSA member organisations to enhance continuous improvement opportunities.

Powerlink as part of this collaboration has worked with the other EPSA member organisations to review and update the supplier SAQ and develop a risk allocation system for supplier responses.

Powerlink has migrated all of its suppliers over into the EPSA Modern Slavery assessment tool and sent the SAQ out to over 1100 suppliers with over 150 suppliers completing the online assessment.

### **Effectiveness Assessment**

The focus for the reporting period ending 30 June 2021 has been on engaging with the EPSA Modern Slavery sub-committee. The development of the SAQ and the transfer of Powerlink's suppliers onto the EPSA Modern Slavery platform has set the basis for more detailed engagement of suppliers identified as having high risk of potential for modern slavery in their operations and supply chains.

The work completed within the reporting period ending 30 June 2021 has set the platform for future activities to be monitored and measured for effectiveness. Powerlink is now positioned to assess effectiveness over the next 12 month reporting period in relation to:

- the level of engagement with our suppliers once the risk profiling and prioritisation work has been completed;
- improvements of the risk profile levels where achieved;
- the level of proactive involvement from within Powerlink to work with suppliers.



## Supplier Action Plans

The intent to engage with suppliers listed as having a high-risk profile will include:

1. Open communication with the supplier, explaining their status as having a high-risk profile;
2. Working with the supplier to gain an understanding of their current mitigation processes, policies and procedures;
3. Request copies of any relevant documentation, such as a Modern Slavery Policy;
4. Request details of their upstream supply chains to gain an understanding of potential high-risk materials or products used in their manufacturing processes or services provided;
5. Discuss options they are considering, or have considered, to further mitigate modern slavery risk based on our engagement with them;
6. Request the supplier to develop an Action Plan containing their strategy and actions to address any concerns raised;
7. Request the supplier communicate on an agreed schedule to provide updates on progress against their Action Plan;
8. Report back to Powerlink regarding progress made with high risk suppliers including any reduction in the risk profile from high to medium or low.

## WHAT'S NEXT

### Looking ahead

As Powerlink is still in the early stages of implementing our Modern Slavery Strategy, there is great opportunity in the coming financial year to build on the progress made in 2020/21.

The planned actions include:

- Continue analysis of survey responses and risk profiles of Powerlink's supplier base;
- Continue to identify high risk suppliers, engage with those suppliers and develop action plans;
- Raise a higher level of awareness across Powerlink's business;
- Evolve due diligence and risk assessment processes to help identify risk;
- Collaborate with our energy industry partners to identify and address common challenges;
- Refine internal reporting including establishing measures aligned to effectiveness of action plans;
- Provide further support to QCN Fibre to raise a higher level of awareness.

### Conclusion

Powerlink will continue to refine and evolve:

- The approach to identifying and managing the risk of modern slavery in our supply chain;
- The methodology applied in working with high risk suppliers;
- Stakeholder engagement with both Powerlink employees and external suppliers engaged to provide goods and services;
- Reporting of actions and measures over specified time periods, and determine appropriate actions to continuously improve outcomes;
- Raising awareness across the business through discussions, appropriate training, and broad communications via the Working Group;
- Monitoring our progress with suppliers engaged under an agreed action plan to mitigate risks within their own businesses and supply chains;
- Supplier relationship management, to ensure open and constructive communication, as well as identifying early warning signs of potential modern slavery risks.

As an organisation, Powerlink recognises the seriousness of identifying modern slavery risks across the globe and will continue to manage those risks within our sphere of influence, and within our own business and supply chains.

# APPROVAL

## Modern Slavery Statement Approval

The principal governing body of Powerlink is the Powerlink Board which is responsible for the overall corporate governance of the corporation and its subsidiary companies, setting the organisation's strategic direction, setting goals for management, and establishing the policies and operational framework for the corporation.

All Board members are fully committed to actions that address modern slavery risks. We have reviewed and verify this Statement to be true and correct. As per the requirement of the Act, a Director on the Board has approved the submission of this Statement for the period 1 July 2020 to 30 June 2021.



Kathy Hirschfeld AM  
Chair

