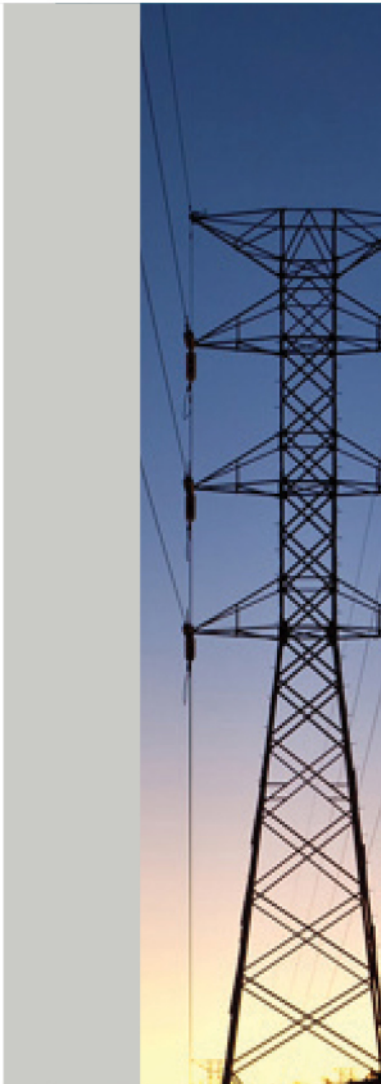
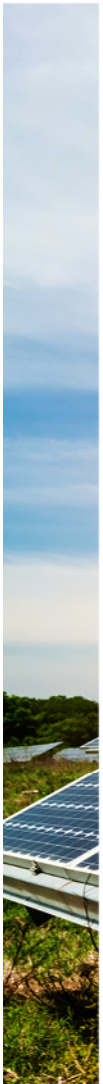




Modern Slavery Statement 2019/2020



INTRODUCTION

This Modern Slavery Statement is the first Statement to be developed and submitted by Powerlink Queensland, in accordance with the requirements of the Commonwealth *Modern Slavery Act 2018*.

This Statement describes the actions taken to date by Powerlink and its consolidated subsidiary entities to address the risks associated with modern slavery and human trafficking within our business and supply chain for the financial year ending 30 June 2020.

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 2019.

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.

Key highlights of 2019/2020:

- Implemented Powerlink internal Modern Slavery Working Group
- Developed a Modern Slavery Policy
- Included expectations within Supplier Code of Conduct
- Updated tendering and contracting documents with inclusion of modern slavery clauses and references
- Surveyed over 150 suppliers

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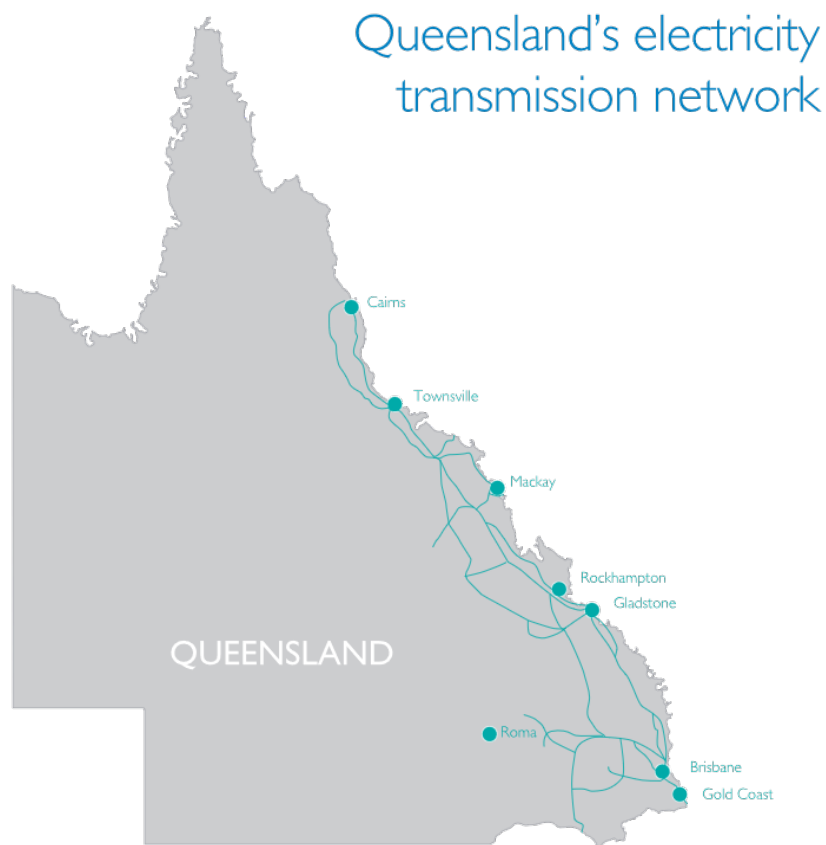
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ABOUT POWERLINK

Reporting Entities

This Modern Slavery Statement (**Statement**) has been developed by Powerlink Queensland (**Powerlink**), ABN 82 078 849 233 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 2019 to June 2020, 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 has a consolidated revenue of at least AU\$100 million over its 12 month reporting period and is an Australian entity for the entire reporting period. 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 15,338 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 (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 developed 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 newly formed 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 telecommunications backhaul provider. QCN Fibre utilise over 10,000 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.

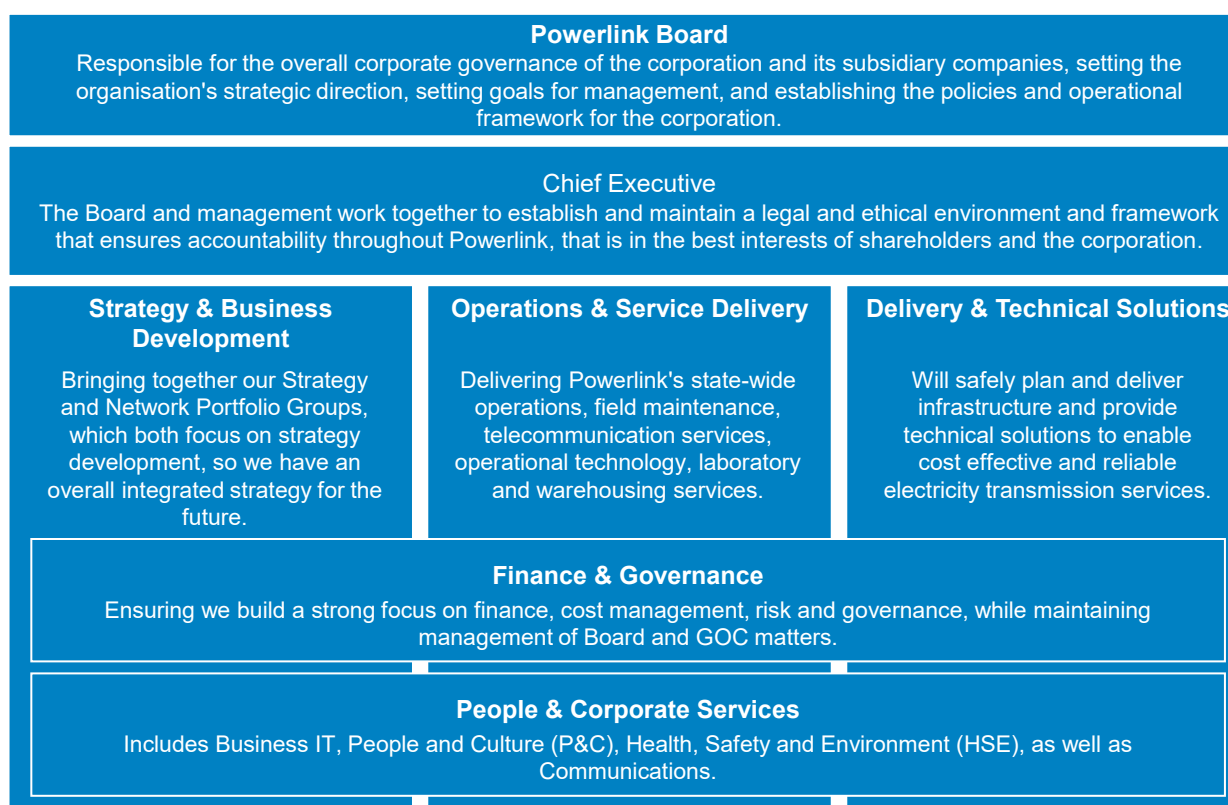
STRUCTURE

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 five 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.



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 2019.

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 98 per cent of Powerlink's total addressable spend of all goods and services are sourced within Australia, however some goods, in particular specialised power system equipment, may have some or all components manufactured globally.

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

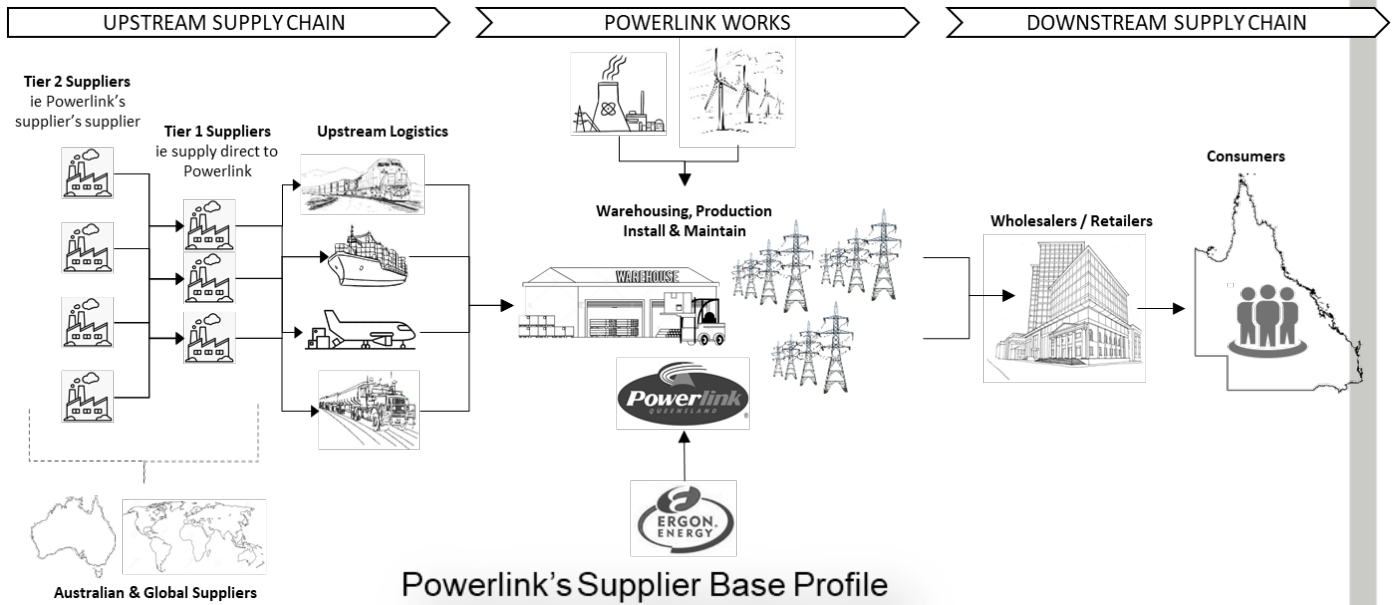
The **upstream** portion of the supply chain includes Powerlink's suppliers and the processes for managing those relationships.

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

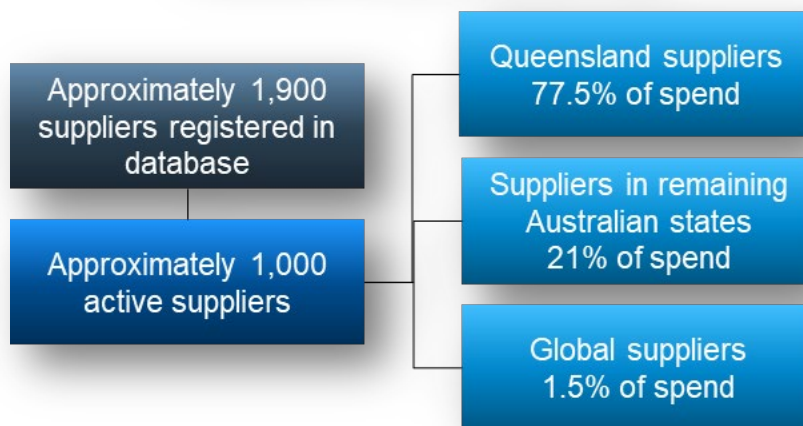
The **downstream** portion consists of the electricity retailers managing the direct linkage to end-use customers.

SUPPLY CHAINS

Powerlink's Supply Chain



Powerlink's Supplier Base Profile



OUR 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 900 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 Enterprise Agreement 2020.

Powerlink does engage labour hire workers, 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.

We have 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 our supply chain. Our 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.

Initially, in identifying and assessing modern slavery risks, Powerlink has focused on the first tier in our supply chain – our direct suppliers and contractors. The second and subsequent tiers in our 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.

Powerlink currently has approximately 1,000 active suppliers covering some of the areas that have been identified as having a higher potential for modern slavery risks. Identifying the potential risk of modern slavery practices in Powerlink's supply chains is based on a number of risk factors including the:

- country or region of origin;
- commodity being procured;
- industry of origin for the product or service;

- procurement of raw materials;
- employment of vulnerable workforces.

Powerlink currently has information available via the internal Enterprise Resource Planning (**ERP**) systems regarding our 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 was necessary to delve into their operations and supply chains to 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. This analysis has commenced and will be ongoing over the coming years on existing suppliers as well as new suppliers engaged by Powerlink through the use of a survey tool and responses to all tender/quote processes.

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 2019 (**QPP**). Our tender packages detail the expectation of Powerlink's supply chain to be equally compliant. A tender schedule is included requiring all tenderers to respond to a number of criteria by providing relevant information regarding their business approach.

A comprehensive survey has been developed and deployed to Powerlink's supplier database, including the suppliers used by QCN Fibre.

Based on survey responses received, a provisional risk analysis of Powerlink's suppliers has commenced. It is anticipated this will identify the modern slavery risk profile of each supplier. Based on the risk profiles, Powerlink will then prioritise those suppliers required to be engaged in further action.

In determining the suppliers Powerlink will focus on, a number of factors have been considered, including:

- risk profile based on supplier's survey responses;
- spend profile;
- frequency of engagement.

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, electronics, cleaning 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 2020-21 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 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 have an understanding of 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 has been established with representatives from relevant areas of the business to be involved in the integration of the Act requirements into Powerlink's operations and supply chains.

DUE DILIGENCE PROCESSES

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 our operations and supply chains.

Working Group Actions

The Working Group within Powerlink was established in January 2020. Outcomes of the group include:

- Developed a Powerlink Modern Slavery Policy;
- Determined suppliers to contact in the first round of surveys;
- Updated internal documentation, including tendering clauses and response schedules;
- Delivered presentations to various teams across the business to raise awareness of modern slavery and Powerlink's response to the Act.

Initial analysis was conducted on Powerlink's supplier base. This included analysis of the:

- Country and region of supplier;
- Spend profile with Powerlink;
- Products / services provided to Powerlink;
- Last engagement timeframe.

Following the analysis, a survey was developed based on internationally accepted criteria to identify the risk profile of each supplier. Approximately 150 survey responses have been received from suppliers nominated by both Powerlink and QCN Fibre.

Analysis of the responses has commenced, with work ongoing to assign applicable risk profiles to all respondents.

PROGRESS IN 2019/20

Modern Slavery Management Strategy

A strategy comprising the following actions was developed and implemented in 2019/20.

- Undertook extensive internal and QCN Fibre consultation.
- Commenced an awareness campaign across internal stakeholders to increase broader knowledge of the Act and what will be required of Powerlink.
- Amended standard procurement contracts to impose an express obligation on contractors to identify and reduce slavery within their sphere of supply chain control (and ensure their suppliers bear the same obligation), to report any actual or suspected instances of slavery, and to have relevant procedures in place (including training).
- Updated tender response schedules to include a question seeking to identify suppliers' awareness/understanding of the legislation.
- Updated the Supplier Code of Conduct (**SCC**) which details expectations of suppliers to align values, behaviours and obligations across Powerlink's supply chain. The SCC aligns with the Queensland Government's Supplier Code of Conduct (**QGSCC**), an inclusion in the Queensland Procurement Policy, which outlines what is expected of suppliers providing goods and services to the Queensland Government. Relevantly, the QGSCC addresses acting against human rights abuses in the supply chain and requires that all reasonable efforts are made to ensure that businesses within the supply chain are not engaged in, or complicit with, human rights abuses such as forced child labour.
- Convened a Modern Slavery Act Working Group within Powerlink, with representatives from relevant business areas to support the integration of requirements into Powerlink's operations and supply chains.
- Commenced supply chain mapping and risk assessment analysis of the supply chain, including the development and issue of a supplier survey.

Effectiveness Assessment

The implementation of all activities scheduled to date, as outlined in our Modern Slavery Strategy, have been successfully embedded within the Powerlink processes aligned to engaging suppliers.

The work completed within the initial reporting period 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. Requesting copies of any relevant documentation, such as a Modern Slavery Policy;

PROGRESS IN 2019/20

4. Requesting 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. Discussing options they are considering, or have considered, to further mitigate modern slavery risk based on our engagement with them;
6. Requesting the supplier to develop an Action Plan containing their strategy and actions to address any concerns raised;
7. Requesting the supplier communicate on an agreed schedule to provide updates on progress against their Action Plan;
8. Reporting 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 process commenced in 2019/20.

The planned actions include:

- Continued analysis of survey responses and risk profiles of Powerlink's supplier base;
- Continuing to identify high risk suppliers, engage with those suppliers and develop action plans;
- Raising a higher level of awareness across Powerlink's business;
- Evolving due diligence and risk assessment processes to help identify risk;
- Collaborating with our energy industry partners to identify and address common challenges;
- Refining internal reporting including establishing measures aligned to effectiveness of action plans;
- Providing 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, consisting of six members. The Powerlink Board 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 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 2019 to 30 June 2020.



Kathy Hirschfeld AM
Chair

