

Energy Queensland Modern Slavery Statement

Energy Queensland
2019 - 2020



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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 first 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 Limited (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 single, consolidated description of the actions taken to assess and address the risk of modern in the operations and supply chains of the EQL Group for the period July 2019 to June 2020.

Who we are

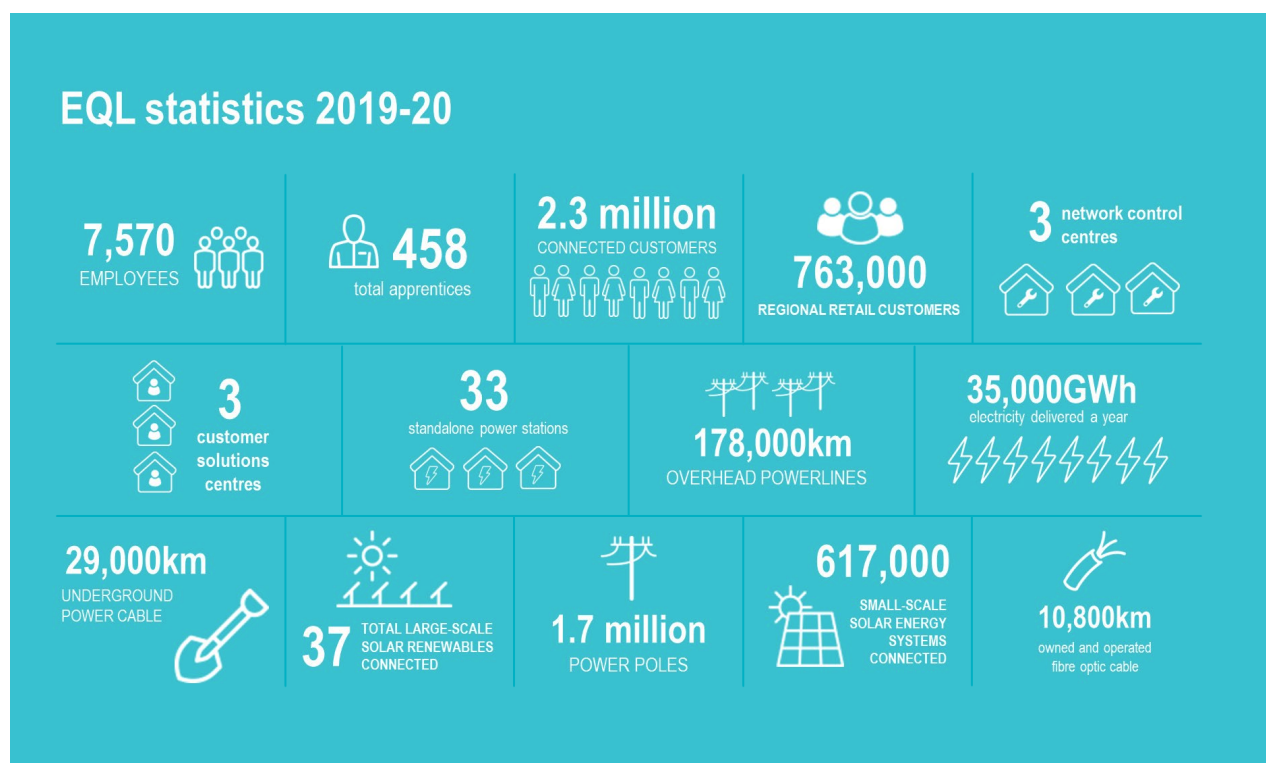
Energy Queensland Limited (**Energy Queensland**) is a Government Owned Corporation reporting to the Queensland Government via two shareholding Ministers – the Treasurer and Minister for Investment, and the Minister for Energy Renewables and Hydrogen and Minister for Public Works and Procurement – on behalf of the communities we serve across Queensland.¹

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 also supported by a range of innovative products and services delivered through Yurika and our other market brands.

The 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 Chains



¹ 2019-20 Shareholding Ministers were:

- Hon Cameron Dick MP, Treasurer and Minister for Infrastructure and Planning (from 11 May 2020)
- Hon Anthony Lynham, Minister for Natural Resources, Mines & Energy
- Hon Jackie Trad MP, Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships (until 11 May 2020)*

* The Honourable Annastacia Palaszczuk MP, Premier, temporarily assumed shareholding Ministerial responsibilities for the period 9 to 10 May 2020 until 11 May 2020 when a new Minister was appointed.

Structure and Operations

The EQL Group of companies on behalf of which this Statement is made is shown in **Figure 1** and includes:

- **Energy Queensland Limited** - the parent company which provides administrative, corporate and management functions to the EQL Group and operates in Queensland;
- **Energex Limited** - the distribution network service provider operating in south east Queensland;
- **Ergon Energy Corporation Limited** - the distribution network service provider operating in regional Queensland;
- **Ergon Energy Queensland Pty Ltd** - provides standard retail contracts to regional Queensland customers; and
- **Yurika Pty Ltd** - focused on the introduction of renewable energy sources and emerging technology and currently operates in Queensland, New South Wales, Tasmania, Victoria and South Australia. It has also successfully consulted on projects in the Northern Territory and continues to explore new opportunities throughout the Australian Renewables Market. It has two subsidiaries:
 - **Metering Dynamics Pty Ltd** - (formally known as Metering Dynamics and now trading as Yurika Metering) which provides contestable metering services across the National Electricity Market; and
 - **Ergon Energy Telecommunication Pty Ltd** - (formally known as Nexium and now trading as 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.



Figure 1: Energy Queensland Group of companies

Investments

During the reporting year, Energy Queensland acquired 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 setup for the purpose of enabling faster and more reliable internet services in regional Queensland.

Employees and representation

Most of our employees are employed directly and on permanent contracts. Employees are located across Queensland, with a small number based interstate who perform services for Yurika.

There were two Enterprise Agreements in place during the reporting period; Energy Queensland Union Collective Agreement 2017 and the Energy Queensland Retail Union Collective Agreement 2017.

Employee rights are also protected through a comprehensive set of policies and procedures. The following are the most relevant to preventing modern slavery in our operations:

- Code of Conduct
- Grievance and Dispute Settlement Procedure
- Public Interest Disclosure and Whistleblower Policy
- Fraud and Corruption Prevention Policy
- Domestic and Family Violence Policy
- Prevention of Sexual Harassment Policy
- Investigation and Discipline reference document
- Access to a 24/7 integrity line to report suspected or actual inappropriate or corrupt behaviours.

Where additional resources are required, these are engaged through established supplier panels with robust terms and conditions in place.

These approaches and mechanisms mitigate the risk of modern slavery within our operations.

Supply Chains

Our supply chain consists of local, national and international organisations who provide a range of materials and services.

Our largest categories of spending are Services and Information & Communication Technology (ICT). These activities are used to maintain the

electricity network, provide data services, developing and programming software and to provide technology support to our customers and employees.

Significant and strategic purchases are procured under long terms contracts. These are established and managed by the Strategic Procurement Group. Small value purchases are covered by template short form contracts and are managed by the responsible business division.

Modern Slavery Risk Assessment and Response

Several actions were taken by the EQL Group to understand our obligations under the Act as well as assess the modern slavery risks in our operations and supply chains.

A major achievement was collaboration with Energy Procurement Supply Association (EPSA) members to develop and jointly issue a modern slavery questionnaire to an agreed list of suppliers. EPSA brings together supply chain and procurement professionals from utility companies operating in the Asia Pacific region.

Responses to the questionnaire were assessed based on the risk of modern slavery in the supplier's organisation and supply chains, and were rated either High, Medium or Low.

It was identified we have suppliers who may procure materials or components from countries known as a having a higher risk of modern slavery. We are working with suppliers to gain a better understanding of their supply chain.

Impact of Covid-19

The questionnaires were distributed to suppliers before the end of the reporting period. Due to the impacts of COVID-19, additional time to complete the questionnaire was granted. Not all the returned questionnaires were able to be assessed during the reporting period.

Several organisations indicated they would not be able to complete the questionnaire due to several reasons, including reduced capacity in their business due to COVID-19 impacts. These companies will be invited again to complete the questionnaire.

The initial assessment of the EQL Group operations resulted in a low risk of modern slavery practices, given our Government ownership, strong corporate governance practices, the regulatory environment in which we operate, and our activities and offices being located within Australia. While we did not identify any modern slavery risks in our operations, we intend to explore the potential for modern slavery risk in the next reporting period.

Review of our Procurement Framework during the period resulted in a number of improvements being actioned. Key improvements included updating of tendering and template documents to reinforce our commitment to identifying and reducing the risk of modern slavery in our supply chain. Contracts now require suppliers to provide requested information in relation to modern slavery.

Initial awareness training for key stakeholders across the EQL Group was undertaken. Increasing awareness and delivering further training to employees will be undertaken in the next reporting period.

A gap analysis of our policies and processes was undertaken and an action plan developed. A cross-functional working group was established to progress these actions and take a business wide approach to compliance.

Collaboration with organisations both within and outside of the electricity industry improved our knowledge of the implementation requirements of the Modern Slavery Act and methods to identify the potential for modern slavery risks.

Engagement activities performed during the reporting year included:

- Participating in industry dialogues;
- Attending several webinars provided by legal organisations with modern slavery experts;
- Attending Community of Practice meetings with Queensland Government agencies and Government Owned Corporations to share experiences and discuss improvements;
- Collaborating with Energy Procurement Supply Association (EPSA) member organisations to create a Modern Slavery Supplier Self-Assessment Questionnaire and assessment process; and
- Regular meetings with members of the EPSA to discuss the implications of COVID-19 and actions taken to assesses and addresses modern slavery risks in supply chains.

Effectiveness of Actions and Looking Ahead

We understand that strong policies, procedures and effective systems are essential in identifying and managing human rights risks, including modern slavery, within our operations and supply chains.

During the reporting period we have continued the modernisation of our digital platforms, with the view to reducing duplication and improving the way we work.

The implementation of two procurement related solutions will provide a streamlined platform for strategic sourcing, procure to pay, supplier lifecycle and performance management, as well as enable opportunities to improve governance and compliance across our various buying channels. It will also assist the EQL Group in the ongoing monitoring of the effectiveness of our actions.

The implementation of a Governance Risk and Compliance (GRC) Tool to manage, measure and monitor our risk and compliance obligations was also progressed. The benefits of this GRC tool in second line risk and compliance monitoring will be realised for the next reporting year.

While initial indications are that there is low risk of modern slavery in our operations and supply chains, assessments are ongoing and will improve over time as our modern slavery risk assessment processes mature.

We will be developing a process to perform supply chain risk assessments at the project planning stage. The intent is to align with government policy and ISO20400 Sustainable Procurement to deliver sustainable procurement outcomes that support positive social, environmental and economic outcomes, including addressing modern slavery risks in our supply chains.

Further engagement with our suppliers to increase awareness of modern slavery practices and

identify modern slavery risks in supply chains will be a focus area in the year ahead.

The working group will be expanded to include further representation across the entities. It will continue to provide support on activities, assign accountability and monitor the action plan to assess the effectiveness of actions taken.

Our whistleblowing process and supporting materials will be improved to specifically refer to human rights concerns. This will be a mechanism to help us identify risks of modern slavery and take remediation action.

In conjunction with implementing several digital tools across the EQL Group, we have been exploring digital solutions for conducting modern slavery risk assessments of our supply chains. This will allow us to assess a larger number of suppliers each reporting year and receive earlier notification of any identified risks or instances of modern slavery.

Modern Slavery Risk Indicators

The following risk indicators will continue to be used to help identify modern slavery risks in our 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;
- **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; and
- **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.

Consultation and Approval

Energy Queensland consulted with key stakeholders of each reporting entity of the EQL Group to compile this Statement. Our Executive Leadership Team is shared across the EQL Group and has been involved in the endorsement of this Statement for approval.

The Energy Queensland Board of Directors is the principal governing body of the Energy Queensland Group. The primary role of the Board is to provide effective governance, oversight and strategic direction of the affairs of the EQL Group.

The Board of Directors has approved this Statement on behalf of Energy Queensland Limited and its subsidiaries that are reporting entities pursuant to the *Modern Slavery Act 2018* (Cth). The Directors of the subsidiaries have been made aware of this Statement and its contents.

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

ABN 50 087 646 062
420 Flinders Street
Townsville Queensland 4810

Ergon Energy Queensland Pty Ltd

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

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Newstead Queensland 4006

Ergon Energy Telecommunication Pty Ltd

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