

Powerlink Queensland

Modern Slavery Statement

2022/2023

November 2023

This Modern Slavery Statement (Statement) has been developed by Queensland Electricity Transmission Corporation Limited, ABN 82 078 849 233, trading as Powerlink Queensland (Powerlink) in accordance with the requirements of the Commonwealth Modern Slavery Act 2018 (the Act). This Statement demonstrates the actions taken to assess and address modern slavery risks within Powerlink's operations and supply chains for the reporting period July 2022 to June 2023. 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.

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 operations and supply chains for the financial year ending 30 June 2023.

Powerlink acknowledges the Traditional Owners and their custodianship of the lands and waters of Queensland and in particular, the lands on which we operate. We pay our respects to their ancestors, Elders and knowledge holders and recognise their deep history and ongoing connection to Country

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MESSAGE FROM THE BOARD

Modern slavery is a crime and a violation of fundamental human rights. Powerlink is committed to working to eliminate modern slavery. Our business dealings and relationships are founded on acting ethically and with integrity. Effective systems and controls are in place at Powerlink to reduce the risk of modern slavery in our business arrangements.

We are working collaboratively with our suppliers to identify, assess and address the risks of modern slavery within our supply chain. This approach is supported by continued engagement with the Energy Procurement and Supply Association's modern slavery sub-committee, to share knowledge and improve our effectiveness.

This Statement outlines our actions to assess the risk of modern slavery in our operations and supply chain, as well as our continued efforts to raise the awareness of modern slavery.

The Powerlink Board as the principal governing body has formally endorsed this Statement and verify it 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 2022 to 30 June 2023.

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Kathy Hirschfeld AM Chair





1 INTRODUCTION TO POWERLINK

Powerlink is a Government Owned Corporation (GOC) that owns, develops, operates and maintains the high voltage electricity transmission network in Queensland.

Powerlink procures goods and services required to meet the needs of the end-to-end high voltage transmission lifecycle. This includes high voltage equipment, construction works, plant maintenance, plant spares, labour hire, IT equipment/consumables, and professional services.

Powerlink's Modern Slavery Statement:

- 1. Identifies Powerlink as the reporting entity;
- 2. Describes Powerlink's structure, operations and supply chains;
- 3. Describes the risks of modern slavery practices in Powerlink's operations and supply chains and any entities which Powerlink owns or controls;
- 4. Describes 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. Describes how Powerlink assesses the effectiveness of these actions;
- 6. Describes the process of consultation with any entities Powerlink owns or controls; and
- 7. Discusses other information, which Powerlink considers 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 expose 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 2023.

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



2 ABOUT POWERLINK

Connecting Queenslanders to a world-class energy future





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 seven 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 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, the Chief Executive and management work together to establish and maintain a legal and ethical environment and framework that ensures accountability throughout Powerlink, which is in the best interests of shareholders and the corporation. **Energy Futures Major Projects** Network **Operations & Delivery &** Technical Business Service Delivery Responsible for Plays a critical role Solutions Development developing the in upgrading and Delivering expanding the Integrated Powerlink's state-Plans and optimises Will safely plan and Electricity Pathways power grid wide operations. the portfolio of deliver work to inform and infrastructure in field maintenance, network infrastructure and guide Queensland Queensland to investments and telecommunication provide technical policy development services. ensure a reliable delivers commercial solutions to enable around future and efficient flow of network operational cost effective and energy policy and electricity. technology and opportunities reliable electricity help transform the considering whole laboratory services. transmission of life strategies. Queensland services. electricity transmission system. Finance & Governance Ensuring Powerlink builds a strong focus on supply chain, 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, Customer and Engagement.



OPERATIONS

The role of Powerlink

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 Interconnector transmission line.

Electricity supply chain



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 on the governmentowned fibre network and access to infrastructure to host telecommunications equipment.

QCN Fibre is a carrier-agnostic wholesale telecommunication carrier providing backhaul and colocation access to over 20,000 towers. QCN Fibre utilises over 13,000 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.





Modern Slavery Policy

Powerlink has a Modern Slavery Policy (the Policy) committing to identifying and eliminating the risk of 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 operations 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 gives support and guidance to our suppliers to help them address coercive, abusive and exploitative work practices in their own operations 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 Whistle-blower hotline with any concerns.

Powerlink has internally published process maps providing clear guidance to employees for the procedures to follow for each of the following activities:

- End-to-end process for Managing Modern Slavery
- Modern Slavery Supply Chain Risk Assessment
- Manage Uncooperative Suppliers
- Modern Slavery Incident Response
- Modern Slavery Customer Survey Response

Internal operations

Powerlink is a GOC with approximately 1312 workers, 1161 of which are permanent employees. The remaining 151 workers are non-permanent employees and/or labour hire engaged in non-permanent roles.

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 chains.

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.



SUPPLY CHAINS

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.

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 maintenance and construction activities required to transmit electricity from power generators to customers.

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



Powerlink's 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 2023.

The types of goods and services sourced by Powerlink include:

- IT Services, Software and Hardware
- Transport and Storage
- Vehicles
- Clothing & Personal Protective Equipment
- Telecommunications Equipment
- Business services, professional services
- Travel and catering
- Protection & Control Equipment

- Overhead Lines Equipment
- Substation Materials
- High Voltage Equipment
- Cables and Accessories
- Building, Civil and Construction Services
- Repairs Primary Plant & Secondary Systems
- Energy, Lubricants & Gases
- Tools & Specialist Equipment



Approximately 96 per cent of Powerlink's supplier base is located within Australia, however goods may have some or all components manufactured globally. The remaining 4 per cent of Powerlink's supplier base are located globally.

Suppliers by geographic location



Approximate percentage of spend by category

Category	Australia	Global
Assets & Infrastructure	69%	1%
Maintenance & Repairs	12%	<1%
Corporate & Other	10%	<1%
IT Equipment & Services	6%	<1%
Building & Civil	<1%	-

NB: Spend percentages based on monies paid FY2022/23 – not total order value.



3 Risks of Modern Slavery Practices

OUR SUPPLY CHAINS

Powerlink has measures in place to identify and reduce the risk of modern slavery in its supply chains. 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 chains and commit to high ethical standards. One avenue for complaints relating to breaches of the Supplier Code of Conduct is the Whistle-blower 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 and mandates listed within the Queensland Government Procurement Policy 2023 (QPP). Powerlink's tender packages detail the expectation of Powerlink's supply chains 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.

External factors impacting Powerlink's supply chains

There has been significant disruption of supply chains globally over the last few years. Powerlink has been monitoring these disruptions, assessing the impacts on Powerlink's operations, and putting in place measures to mitigate these impacts. The factors affecting Powerlink's supply chains throughout the reporting period include:

- Global uptake of Electric Vehicles has led to supply shortages, affecting suppliers' ability to source the raw materials and components required for high voltage electrical equipment, telecommunications, protection and control equipment;
- Volatility in prices of commodities such as steel, copper, aluminium and other minerals; and
- Geopolitical tensions arising, leading suppliers and sub-suppliers to seek alternative supply chains.

Global freight and logistics has seen some improvements in FY 2022-2023 compared to the peak Covid-impact period, eg

- A decrease of approximately 20 per cent in the cost of ocean freight and marginal improvements in the cost of global air freight with a decrease of approximately 4% by the end of FY2022-2023; and
- An increase up to 60 per cent reliability of ocean freight delivery times. Improvement can be attributed to eased congestion and better port conditions. This now aligns to pre-Covid reliability.

The global renewable energy boom has resulted in increased demand for materials across numerous countries resulting in increased competition as manufacturing, supply, and logistics struggle to keep up. The rising demand and prices for components and raw materials increases the potential for modern slavery risks in our suppliers' supply chains, particularly global suppliers. However, when viewed in relation to global demands, Powerlink's requirements are only a small portion of our



suppliers' business, which limits our ability to influence supplier policies and behaviours with respect to assessing and addressing the risks of modern slavery in their operations and supply chains.

The impacts of these external factors on Powerlink's supply chains include:

- Increased prices for equipment and materials;
- Increased lead times for equipment and materials;
- Increased risk of quality issues with equipment and materials;
- Reluctance of suppliers to commit to long-term pricing arrangements; and
- Suppliers seeking reviews of commercial terms and pricing for existing contracts.

In order to increase our resilience and mitigate the potential for an increased risk of modern slavery in our supply chains, Powerlink has taken the approach of being flexible in engaging with our suppliers over existing arrangements (including recognising genuine cost increases), so as not to increase pressures on their operations and supply chains.





4 TAKING ACTION

ACTIONS 2022/23

Targets achieved

- Process and guidance materials for staff and decision makers relating to the management of high-risk and non-cooperative suppliers have been developed and are available for use.
- Completed and published (internally) process mapping of all applicable Modern Slavery procedures utilised by Powerlink, providing all staff clarity for actions to be taken if/when modern slavery practices are identified within our supply chain.
- Internal reporting on modern slavery initiatives and activities has been incorporated into monthly reporting submitted to the Executive Team.
- Raising awareness across the business through discussions, appropriate training, and broad communications. Internal technology platforms have been used to establish noticeboards to share updates and articles across the business.
- Ongoing collaboration with our energy industry peers to identify and address common challenges, including other government owned corporations, Queensland Government Procurement, as well as active participation in the Energy Procurement Supply Association (EPSA) and Queensland Government Modern Slavery Community of Practice group meetings.
- Completed a review and reinforced Powerlink's tendering schedules relating to Modern Slavery where required, to
 - o ensure tenderers provide sufficient information in their responses; and
 - o support Powerlink's due diligence processes.
- Conducted reviews of the risk assessments for suppliers identified as being in the highrisk category. Note – to date, no action has been required.
- Provided Powerlink's online Modern Slavery Awareness training to QCN (Powerlink subsidiary) employees involved in procurement activities and decision making.



FUTURE ACTIONS

Ongoing targets

- Establish a centralised procurement governance and compliance role to provide support and advice to Powerlink and our suppliers in relation to our Modern Slavery Policy and response activities.
- Continue to monitor and report on Australian, and Australia-based suppliers in the Powerlink supplier database regarding their completion of the supplier risk assessment. 77% of suppliers provided a response during the reporting period FY22/23.
- List, prioritise and work with our suppliers in each business area that have yet to complete the supplier risk assessment.
- Continue to monitor and update key performance indicators used in our third-party risk assessment platform, based on the compliance of our suppliers in minimising modern slavery risks within their respective supply chains.
- Investigate industry best practice in the application of procedures for:
 - Monitoring compliance and breaches of modern slavery practices; and
 - Development and implementation of corrective action plans
- Identification of tools and guidance materials in the support of Powerlink's response activities.



OUR APPROACH

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

Powerlink's internal operations

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.

Powerlink ensures that all employees are afforded working conditions meeting or exceeding legislative requirements through Queensland Government approved, three-year Enterprise Agreements. The Enterprise Agreements in place at Powerlink throughout the reporting period were the Working at Powerlink Union Collective Agreement 2020 (WAPA) and the Powerlink Managers Agreement 2021. These Agreements are currently under negotiation.

Powerlink does engage contractors and 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 number of policies and procedures including an Employee Code of Conduct, Employee Complaints Procedure and Complaints Management Framework (including external integrity/whistleblowing hotline) designed to protect the rights of staff in line with legislation.

Modern Slavery Awareness training

Modern Slavery is a complex issue. Powerlink has recognised the need to provide dedicated training to increase the awareness of the potential for modern slavery in our supply chains and provide guidance for staff in the event that they identify a potential instance of modern slavery.

The online training module is available to all staff who are directly or indirectly involved in procurement activities. This includes staff:

- who engage an external business on behalf of Powerlink to provide goods (tangible items) or services (tasks performed for the benefit of Powerlink);
- doing business on behalf of Powerlink who come into contact with current or potential suppliers;
- who commit to, or expend money on behalf of Powerlink through the use of credit cards, purchase requisitions, purchase orders, or contracts;
- dealing with or managing a supplier on behalf of Powerlink including:
 - seeking quotes or tenders
 - overseeing delivery of supplier deliverables
 - o liaising with suppliers on operational, technical or commercial activities
 - o contract management activities; or
- in a role within Powerlink that has authority to make purchasing decisions through either endorsement or approval of procurement activities conducted within their business area.



The key themes of the training package include:

- Introduction why we need to identify and assess modern slavery risks in procurement;
- Understanding modern slavery a detailed overview of:
 - what is modern slavery
 - the scale of exploitation
 - o signs of modern slavery
 - modern slavery in procurement;
- Compliance with modern slavery legislation;
- Understanding the risks; and
- Further information and resources Powerlink's Policy, processes and contacts.

Modern Slavery Working Group

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 has been established and in place for over two years to facilitate the integration of the requirements of the Act into Powerlink's operations and supply chains.

The Working Group is responsible and accountable for:

- Communication to raise awareness of the Act, including leading the communication of modern slavery related information to/from and within their respective divisions;
- Contribute to the analysis of Powerlink's suppliers to determine risk profiles for each supplier;
- Support, consult, and influence suppliers within their business areas to participate/respond to:
 - Modern Slavery Act tender schedules
 - Modern Slavery Act survey requests
 - Action Plan development
- Contributing to the development of Powerlink's annual Modern Slavery Statement;
- Leading the discussions with identified high risk/non-conforming suppliers engaged by their divisions and working with contract managers and those suppliers to develop Action Plans where required;
- Maintaining Powerlink's Modern Slavery Act Standard;
- Reviewing and updating Divisional documentation to reflect Powerlink's Modern Slavery Act

 Standard and the requirements of the Act;
- Developing initiatives aimed at reducing the risk of modern slavery in Powerlink's operations and supply chains; and
- Responding to customer enquiries relating to Powerlink's assessment and actions regarding modern slavery in our operations and supply chains.



5 EFFECTIVENESS ASSESSMENT

The continuing focus for the reporting period ending 30 June 2023 has been on increasing the number of supplier risk assessments completed via the EPSA Modern Slavery platform.

There have been improvements in the EPSA Modern Slavery platform reporting which have allowed Powerlink to implement internal reporting on the progress of supplier risk assessments and our supplier base risk profile. This information is now reported monthly through management up to the executive level, increasing the awareness of our modern slavery efforts throughout the business.

SUPPLIER RISK ASSESSMENT

Powerlink has approximately 1,800 suppliers in our database of which 1,225 are active. Powerlink has information available via the internal Enterprise Resource Planning (ERP) systems regarding Powerlink's suppliers' 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 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 utilises a third-party web-based platform developed in conjunction with the Energy Procurement Supply Association (EPSA) Modern Slavery sub-committee to assess and report on the risk of Modern Slavery in our suppliers' operations and supply chains.

All of Powerlink's 1,225 currently active suppliers have been invited to register on the EPSA Modern Slavery Platform and complete the Self-Assessment Questionnaire.

The supplier responses to the Self-Assessment Questionnaires are used to provide a supplier risk profile 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; and
- Employment of vulnerable workforces.

DUE DILIGENCE PROCESSES

Monitoring and reporting

Internal monthly reporting is produced to monitor and report progress in relation to the assessment of Powerlink's supplier base. The EPSA Modern Slavery Platform provides downloadable data on the Self-Assessment Questionnaires status and risk profiles of suppliers. Powerlink uses this data to follow up with suppliers to increase participation in completing the Self-Assessment Questionnaires.



INDUSTRY PARTICIPATION

Queensland Government Entities Community of Practice

Powerlink is an active member of the Queensland Government Entities Modern Slavery Community of Practice (CoP) to share knowledge, experiences and information relating to Modern Slavery. The goals of the CoP are to:

- collaborate and promote the sharing of ideas, knowledge and information;
- build and develop people's knowledge and understanding of Modern Slavery;
- identify opportunities for shared resources and cost savings;
- assist in facilitating tangible business benefits and opportunities; and
- reduce duplication of effort.

Membership of the CoP is open to Queensland Government Owned Corporations, Statutory Bodies and Budget Sector Agencies. The Department of Energy and Public Works participates in the CoP as a key stakeholder responsible for Queensland Government Procurement Policy development and implementation.

Energy Procurement Supply Association (EPSA)

Powerlink is a member of the Energy Procurement Supply Association (EPSA) which is a not-forprofit association consisting 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 has worked with a third party to develop a web-based Modern Slavery supplier risk assessment tool. The EPSA Modern Slavery Platform is based on a standardised Self-Assessment Questionnaire 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 Self-Assessment Questionnaires 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 Self-Assessment Questionnaires 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; and
- Collaboration with other EPSA member organisations to enhance knowledge sharing and continuous improvement opportunities.

Throughout the year the EPSA member organisations have continued to enter their suppliers and assessments into the EPSA Modern Slavery Platform and there are now close to 10,000 organisations registered.



6 CONSULTATION

The following business units were consulted in the development of this Modern Slavery Statement 2023:

- QCN Fibre (Powerlink subsidiary)
- Operational, Infrastructure & Service Delivery units
- Legal and Risk units
- People and Culture
- IT and Technology Solutions units
- Internal and External Communications units
- Supply Chain units

