

## PURPOSE

This Policy and associated practices are designed to provide consistency and control over procurement and purchasing activities which support the execution of the overall group business strategy.

Energy Queensland Limited (EQL) and its subsidiaries (collectively the “EQL Group”) supports regulated and non-regulated business operational and commercial strategies and objectives with innovative, responsive procurement solutions, systems and processes.

### Scope

This Policy applies to all members of the EQL Group, their officers, employees, contractors (where applicable) and any other person notified that this Policy applies to them, including any person who procures or purchases goods or services on behalf of the EQL Group. This Policy covers all activities falling within an overarching procurement framework and may be supported by various additional documents.

## POLICY STATEMENT

This Policy provides direction in procurement and purchasing activities that support the EQL Group’s business strategies. Activities will be undertaken in accordance with all applicable state and federal legislation with established probity and governance standards. Decision making will be aligned with the EQL Group’s Strategic Plan, including operational and commercial objectives.

A Corporate Procurement Plan will be maintained, reviewed, updated and approved annually and published on the EQL website. It is acknowledged that emergent or extenuating circumstances arise from time to time that may stretch the boundaries of compliance with this Policy such as dealing with natural disasters.

The EQL Group will respond to these situations in a manner that is fully compliant with the AER Ring Fencing Guidelines as they apply to procurement activities.

The EQL Group commits to work with Queensland state government agencies on joint sustainable procurement initiatives and leverage government agency procurement initiatives, where it is determined to be commercially beneficial to do so.

## IMPLEMENTATION

### Achieve value for money

The EQL Group will seek to obtain value for money in its procurement. The value for money assessment must include consideration of; non-cost factors such as fitness of purpose, quality, delivery, service and support;

- i. secure contractor resources through consolidation of contracts and optimisation of value (commercial tension/sufficient suppliers of product) through its supplier base;
- ii. identify and establish long term relationships with ‘best fit’ suppliers to improve commercial outcomes for all parties;
- iii. sustainability application of the Queensland government’s Best Practice Principles that meet Health, Safety and Environment systems and standards, commitment to local benefits, best practice industrial relations legal, statutory, environmental, safety, Queensland Procurement Policy (QPP) and social obligations;
- iv. cost related factors including up-front cost, whole-of-life costs and transaction costs associated with acquisition, use, holding, maintenance and disposal;

- v. advancing relevant government objectives and outcome being sought.

When identifying value for money priorities during category planning activities, category managers will pursue opportunities to advance relevant economic, environmental, and social outcomes and objectives of the government. This includes factoring the achievement of targets set by government into planning and subsequent procurement activities.

## **Ensure integrity, probity and accountability for outcomes**

The EQL Group will undertake procurement with integrity, ensuring probity and accountability are integral in all aspects of the procurement function and decisions will be transparent and defensible.

The EQL Group will:

- i. observe all applicable legislation;
- ii. ensure that appropriate governance mechanisms are in place to maintain the integrity of the procurement decision-making process. As part of this, systems for conflicts of interest and complaints management for procurement are in place;
- iii. ensure all stages of the procurement process are defensible and appropriately documented relative to the value and risk associated with the procurement. Decisions will withstand public scrutiny and preserve confidence in the procurement process;
- iv. conduct all procurement activities ethically, honestly and with fairness to all participants, including maintaining standards that are transparent and consistent with the community expectations of a Government Owned Corporation;
- v. when requested, be able to demonstrate how particular activities were performed. This can include explaining how accountability is managed through the application of appropriate procedures and instructions; and
- vi. effectively manage contracts to realise all potential benefits and act in the balanced interests of the EQL Group, customers and the community.

The EQL Group will ensure that probity and accountability are integral in all aspects of the procurement function. The EQL Group Employee Code of Conduct outlines various fundamental requirements, e.g., responsibility to our customers, integrity in our behaviour, responsibility for our actions, social obligation to improve our environment, responsible use of our assets, commercial and legal compliance, and preserving the interests and reputation of the EQL Group.

## **Advancement of economic, environment and social objectives**

The EQL Group is dedicated, through its operations and the operations of its subsidiaries, to ensuring the provision of a safe, reliable and economic supply of electricity using a sustainability framework that is embedded in our day-to-day operations to deliver balanced business outcomes. The EQL Group is committed to supporting local Queensland industry development, by working and encouraging local suppliers to tender where practicable.

The EQL Group will use procurement activities to advance the Government's economic, environmental and social objectives and support the long-term wellbeing of our community by:

- i. ensuring full, fair and reasonable opportunity for Queensland suppliers, including local suppliers and small and medium enterprises;
- ii. doing business with ethically, environmentally and socially responsible suppliers;
- iii. pursuing Government's objectives from a whole-of-government and category perspective, prioritising these in our decision-making;

- iv. applying these principles to procurement;
- v. conducting a local benefits test for all significant procurement where a weighting of up to 30 per cent may be applied; and
- vi. ensuring that at least one regional and one Queensland supplier, where possible, is invited to submit a tender or quote for a procurement for significant procurement activities.

## **Sustainable procurement behaviours**

The EQL Group demonstrates its commitment to sustainable procurement practices through:

- i. utilising carbon management and environmental offsets as appropriate;
- ii. acting at all times with integrity and providing superior service in our business activities;
- iii. balancing the environmental, social and economic impacts of the goods and services we procure;
- iv. operating in accordance with the requirements of any EQL Group environmental management systems or policies;
- v. maintaining open and regular communication with our customers, stakeholders and communities;
- vi. maintain a high performing workforce that has the skills, productivity and flexibility to deliver strong, sustainable results;
- vii. championing sustainable behaviour by minimizing our resource consumption, maximising the re-use, recycling and recovery of waste and efficient use of electricity; and utilising carbon management and environmental offsets as appropriate; and
- viii. acting at all times with integrity and providing superior service in our business.

## **Support Indigenous business**

The EQL Group's Indigenous Procurement Strategy (EQL IPS) seeks to increase the participation of Indigenous businesses to effectively compete for future Energy Queensland business.

The business will:

- i. provide advice to Indigenous companies on what they can do to increase their opportunities when tendering to the EQL Group;
- ii. increase the capability and opportunity of Indigenous businesses to tender competitively for EQL Group contracts;
- iii. increase the representation of Indigenous suppliers across our preferred supplier panels;
- iv. increase the visibility of Indigenous suppliers across the business; and
- v. promote the growth and development of a sustainable Indigenous business sector by increasing the capacity and capability of Indigenous businesses to supply to the EQL Group.

## **Developing and sustaining professional relationships with suppliers**

The EQL Group will work with suppliers and contractors in a consistent and professional manner and build effective relationships while supporting the principles of open and effective competition.

All suppliers are expected to take reasonable steps to respect human rights in their operations and supply chains and to adhere to all applicable laws and regulations in their countries of operation.

## Human Rights

Under this Policy, the EQL Group will identify and manage risks in respect to human rights, arising in the context of procurement and purchasing undertaken by our employees and contractors.

The EQL Group enters into relationships with a wide variety of businesses, suppliers, service providers, and others and is committed to protecting and promoting human rights through its procurement practices.

Practical benefits of adopting a socially responsible procurement approach include:

- Meeting community expectations regarding corporate responsibility.
- Avoidance of supply chain issues relating to potentially unlawful practices.
- Cost savings through procurement of more efficient goods and services.

## Modern Slavery

'Modern slavery' refers to a range of serious human rights violations that are also crimes in Australia: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour.

The EQL Group submits an annual modern slavery statement to the Australian Modern Slavery Register that outlines the activities that are conducted to ensure our operations and supply chain are assessed for modern slavery and remediated if identified.

## GOVERNANCE AND ACCOUNTABILITY

Specific roles and responsibilities for ensuring this Policy is implemented are set out in the table in Annexure A.

## EXTERNAL REFERENCES

The following legislation, regulation and documents apply to this Policy:

*Competition and Consumer Act 2010* (Cth)

*Disability Discrimination Act 1992* (Cth)

*Fair Trading Act 2009* (incorporating the Australian Consumer Law (Queensland))

*Financial Accountability Act 2009* (Qld)

*Financial and Performance Management Standard 2019* (Qld)

Government Information Technology Contracting (GITC) Framework

*Integrity Act 2009* (Qld)

*Modern Slavery Act 2018* (Cth)

*Public Sector Ethics Act 1994* (Qld)

Queensland Procurement Policy

## REFERENCE DOCUMENTS

This Policy should be read in conjunction with the following documents:

# PROCUREMENT POLICY



Employee Code of Conduct Policy  
Procurement Business Rules  
Corporate Card Business Rules

## DEFINITIONS

In this Policy and any related documents:

Term	Definition
Board	The board of directors of EQL.
Contractor	A contractor is any external third party contracted to provide services to the Group under terms specified in a contract (for example, a consultancy agreement).
Procurement	The acquisition of goods and/or services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of corporations, generally via a contract. For the purpose of this policy, "purchasing" has the same meaning.
Sustainability	The development and implementation of strategies that meet the needs of the present, without compromising the ability of future generations to meet their own needs.
This Policy	This policy and any related documents.

## ENFORCEMENT

The EQL Group will not tolerate breaches of this Policy. Any instances of non-compliance with this Policy will be investigated and appropriate action taken. A breach of this Policy may also constitute a breach of other EQL Group policies and procedures and should be reported to your line manager (i.e., direct supervisor, workgroup manager or the Chief Executive Officer) or where this is not appropriate, to your manager once removed or the Enterprise Risk and Compliance team. Breaches are also to be reported to the person responsible for managing enquiries regarding this Policy.

## VARIATION

This Policy is not intended to detract from, or add to, any rights held by a person covered by this Policy under a contract of employment or enterprise agreement. Subject to any consultation obligations, the EQL Group may vary, add to, withdraw, or replace this Policy, at its discretion, at any time.

This Policy should be reviewed at least every two years. This Policy may only be varied by the Board.

The CEO or the Company Secretary can approve administrative changes to Board approved policies (i.e., minor updates, amendments or corrections not involving changes to delegations or the provisions of the policy).

Approved by the EQL Board on 17 November 2022.

## ANNEXURE A – ROLES AND RESPONSIBILITIES

The table below sets out specific roles and responsibilities for ensuring this Policy is implemented. These responsibilities are in addition to those that apply to everyone as set out in the Policy.

Role / Position	Responsibilities
Chief Executive Officer and ExCom	The CEO or Company Secretary can approve minor updates, or amendments or corrections to this policy that do not involve delegations or the provisions of the policy.
General Managers, Managers and Supervisors	Managers, supervisors and team leaders are to advise their teams of this policy and the requirement to comply with it for all procurement activities.
Employees	Must ensure they are aware of and comply with their responsibilities under this policy.