

## 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

All purchasing and procurement activities are to be conducted in accordance with the six principles of the Queensland Procurement Policy to ensure:

1. value for money is achieved;
2. integrity, probity and accountability are maintained;
3. the Queensland government’s economic, environmental and social objectives are advanced;
4. capability in procurement is built;
5. savings and benefits are maximised through collaboration; and
6. integrated planning and governance build stakeholder confidence.

When identifying value for money priorities during category planning activities, category management teams 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:

1. observe all applicable legislation;
2. 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;
3. 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;
4. 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;
5. 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
6. 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 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:

1. ensuring full, fair and reasonable opportunity for Queensland suppliers, including local suppliers and small and medium enterprises;
2. doing business with ethically, environmentally, and socially responsible suppliers ensuring compliance with the Ethical Supplier Threshold and Ethical Supplier Mandate;
3. pursuing Government's objectives from a whole-of-government and category perspective, prioritising these in our decision-making;

4. conducting a local benefits test for all significant procurement where a weighting of up to 30 per cent may be applied; and
5. 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:

1. balancing the environmental, social, and economic impacts of the goods and services we procure;
2. operating in accordance with the requirements of any EQL Group environmental management systems or policies;
3. maintaining open and regular communication with our customers, stakeholders and communities;
4. Exploring circular procurement practices that promote resource efficiency, extend product lifecycle and adopt supplier take-back systems;
5. supporting environmental performance reporting and compliance.

## **Support First Nations businesses and communities**

The EQL Group's First Nations Procurement Strategy 2024 sets out how EQL will increase the participation of First Nations businesses to effectively compete for future EQL business through the following initiatives:

1. Communicate with employees the benefits of working with First Nations owned businesses and increase the visibility of current First Nations suppliers across the business;
2. Engagement with First Nations businesses on existing panels to seek feedback, understand experiences and identify barriers;
3. Continue to develop commercial relationships with First Nations businesses to increase the representation on our preferred panels through engagement with Supply Nation;
4. Continue to adapt procurement practices to remove barriers to procuring goods and services from First Nations businesses.

## **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:

1. Queensland Procurement Policy
2. Queensland Renewable Energy Procurement Policy 2024
3. Competition and Consumer Act 2010 (Cth)
4. Right to Information Act 2009 (Qld)
5. Financial and Performance Management Standard 2019 (Qld)
6. Building Industry Fairness (Security of Payment) Act 2017
7. Queensland Code of Practice for the Building and Construction Industry
8. Queensland Information Technology Contracting (GITC) Framework
9. Modern Slavery Act 2018 (Cth)
10. Security of Critical Infrastructure Act (2018) (Australia)
11. Disability Discrimination Act 1992 (Cth)
12. Qld Energy and Jobs Plan

## REFERENCE DOCUMENTS

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

- Employee Code of Conduct Policy
- Procurement Business Rules
- Corporate Card and Employee Reimbursement Business Rules
- First Nations Procurement Strategy

## DEFINITIONS

In this Policy and any related documents:

Term	Definition
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).
First Nations business	A first nations business is one that is a least 51% owned, managed and controlled by indigenous Australians.

## 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 20 November 2024.

## 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.