



empowering



The Essential Energy

Statement of Business Ethics

Foreword

Our industry is changing and so are we. Essential Energy wants to be at the forefront of innovation for electrical distribution in Australia, reducing costs for our customers, removing complexity and creating a sustainable, safe business.

The *Statement of Business Ethics* is not a barrier to providing us with the best technology, highest quality product, or services to achieve our plan: it is a set of principles that forge the right practices, products and services that our customers expect from us all.

We recognise that we cannot do this alone and seek the most up-to-date solutions to achieve our strategy. Your support in abiding by the relevant laws and our corporate values contained within the *Statement of Business Ethics* will ensure a competitive, safe and sustainable business. In return, we will provide the same level of service and respect to you, our business partners. If we do appear out of step with our corporate values, then you are encouraged to notify us.

For additional information about this *Statement of Business Ethics*, please contact our Manager Procurement on 13 23 91.

John Cleland
Chief Executive Officer



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Our values

Essential Energy employees are required to understand and support our corporate values. These five values and their target behaviours are the basis for everything we do.

We expect that our business partners, suppliers and contractors will act according to these same values.



**Make safety
your own**



**Be easy to do
business with**



**Make every
dollar count**



**Be courageous,
shape the future**



**Be inclusive,
supportive and honest**

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About us

Essential Energy operates and maintains an electricity network that delivers essential network services to homes and businesses across 95 per cent of NSW and parts of southern Queensland.

Essential Energy also provides water and sewerage services through its operating division, Essential Water, to more than 10,000 homes and businesses in far west NSW.

Procurement decisions are based on guiding principles that ensure we continue to deliver value-for-money solutions and remain accountable to our customers and shareholders. These principles are further explained in the Guiding Principles section of this *Statement of Business Ethics*.



Our code of conduct

Our employees are expected to abide by our code of conduct. Our *Code of Conduct* booklet is available at:

essentialenergy.com.au



Guiding principles

In addition to reviewing supplier business practices in line with our corporate values, Essential Energy uses the following guiding principles when assessing suppliers' proposals before awarding contracts:

Safety

Health and safety is Essential Energy's number-one priority. Working in a high risk industry means we must be vigilant about helping our employees, communities, contractors and suppliers remain safe during their work and dealings with us. We require our contractors and suppliers to have a similar commitment to health and safety.

Value for money

Value for money does not always mean selecting the lowest price. Essential Energy will balance all relevant factors including ethical business practice, compliance with specifications, quality, whole-of-life costs (including disposal), reliability and timeliness when selecting suppliers.

Open, fair and honest

Essential Energy operates as an open, fair and honest business partner and, as a State-Owned Corporation, our business dealings are open to public scrutiny. As such, the NSW Auditor-General, the Independent Commission Against Corruption (ICAC) and the NSW Ombudsman have the power to examine our operations.

Essential Energy procurement

Performing your duties

All procurement activities are conducted through strict policies and procedures.

We expect transparency by all stakeholders in the procurement cycle, including:

- > obtaining sources of supply
- > obtaining quotations or proposals covering price, availability and capability from suppliers
- > placing orders for goods and services
- > receiving and accepting the goods and services
- > authorising payments to suppliers.

In the interest of a fair and competitive marketplace, we apply the same evaluation and selection process to all prospective suppliers.

Further information on the Essential Energy procurement principles can be found at: essentialenergy.com.au/procurement

What you can expect from us

Essential Energy requires its tendering (through requests for quotes/proposals/tenders, expressions of interest and requests for information), contracting and purchasing policies, procedures and practices to be generally consistent and in line with NSW Government guidelines and reflect high standards of ethical conduct.

How we will engage you

- > Goods and services are ordered using an approved method such as a purchase order.
- > If a contract is awarded, we will include information on the preferred ordering method. You should question any order that does not refer to a purchase order.
- > You may receive confidential or proprietary information in your dealings with us. This should not be released to other parties unless specifically authorised by Essential Energy.



What we expect from you

Be committed to safety

Being an Essential Energy supplier means that you are required to maintain compliance with the Work Health and Safety Act 2011, the Work Health and Safety Regulation 2017 and any other relevant laws, regulations, codes or standards, as they relate to Essential Energy's network operation.

This means you must:

- > demonstrate and maintain an outstanding and measurable safety record
- > provide evidence of your safety excellence and a Health and Safety (H&S) management system
- > advise us of H&S risks for activities undertaken for Essential Energy, and your methods for effectively managing them
- > notify Essential Energy of any incidents and H&S performance issues associated with activities undertaken for Essential Energy
- > adhere to Essential Energy's alcohol and drugs policy, which applies to all workers¹ on our sites. No worker is permitted to be impaired by the use of alcohol or illicit drugs while working on Essential Energy sites and all workers may be subject to our drug and alcohol testing regime while on our sites
- > maintain adequate insurance coverage including workers' compensation, public liability, professional indemnity and motor vehicle as applicable.

Adhere to our corporate values

When doing business with, or responding to a tender from, Essential Energy we expect all suppliers, potential suppliers, contractors and potential contractors to operate in a manner that is in line with our corporate values.

This means that you must:

- > follow our stated policies and procedures
- > provide accurate and reliable information when required/requested
- > comply with the NSW Government Supplier Code of Conduct including by responding to reasonable requests for information, including from your employees or contractors in response to safety incidents or investigations of misconduct
- > declare conflicts of interest (actual, potential or perceived) as soon as you become aware of them
- > act ethically, fairly and honestly in all dealings with Essential Energy
- > take all reasonable measures to prevent the disclosure of confidential information
- > help us prevent unethical practices in our business dealings including slavery and human trafficking as outlined in Essential Energy's Modern Slavery Statement
- > treat Essential Energy employees and customers with respect.

Comply with NSW Government lobbying protocols

All Essential Energy employees and in-house contractors are considered 'NSW Government officials' in the NSW Lobbyist Code of Conduct 2014, as set out in the Lobbying of Government Officials (Lobbyists Code of Conduct) Regulation 2014. This means they have specific obligations, which include only dealing with lobbyists who are on the Electoral Commission's Register of Third- Party Lobbyists. Details can be found on the website lobbyists.elections.nsw.gov.au

¹ A worker is an employee, contractor, supplier, trainee or volunteer.

Consequences of not complying

Comply with the NSW Code of Practice for Procurement, which includes a new section on Building and Construction. This can be located online at: procurepoint.nsw.gov.au

Demonstrated corrupt or unethical conduct could lead to:

- > termination of contracts
- > loss of future work
- > loss of reputation
- > investigation for corruption
- > matters being referred for criminal investigation.

A lobbyist is any person or organisation whose business includes being contracted or engaged to represent the interests of a third party to a NSW Government official. If you feel that your potential communication with Essential Energy may place you in this category you are advised to consult the Electoral Commission Register of Third-Party Lobbyists website lobbyists.elections.nsw.gov.au and ensure you are registered, prior to making contact with Essential Energy.

Comply with the Competition and Consumer Act 2010

The Competition and Consumer Act 2010 is in place to ensure that organisations do not engage in business practices that will restrict or limit competition.

In particular, you must:

- > never discuss or reach an understanding or arrangement with a competitor about supplies, prices, terms, tenders, other competitors or other competitive factors
- > never try to influence another supplier's or competitor's dealings with Essential Energy
- > never offer gifts, inducements or incentives to Essential Energy employees
- > not take advantage of others' disadvantage by acting unfairly or unconscionably
- > not supply goods and services in a manner that contravenes the Competition and Consumer Act 2010 or other legislation
- > not mislead or deceive through your advertising, predictions, opinions or other material that you either supply or omit to supply us.

Modern Slavery

Essential Energy is committed to maintaining and improving systems and processes to avoid complicity in modern slavery or human rights violations related to our own operations, our supply chain, and our services. Any concerns regarding slavery and human trafficking as outlined in Essential Energy's Modern Slavery Statement should be reported to ethics@essentialenergy.com.au



Guidance notes

Gifts and benefits

Essential Energy employees are permitted to accept gifts and benefits in a limited number of circumstances.

Examples include token gifts and benefits, such as small office or business accessories, or gifts of hospitality where the hospitality is incidental to an official business-related function.

You must never offer inducements or incentives to Essential Energy employees.

You must immediately report to us any instance in which our employees seek or induce a gift or benefit from you.

Communication between parties

To minimise the risk of a perceived inappropriate influence being brought to bear on the business relationship, all communication should be clear, direct and accountable.

You are not permitted to discuss Essential Energy's business or information publicly in the media, online or in any other publication or at any event without prior approval.

Essential Energy's employees and assets

Essential Energy's *Code of Conduct* addresses secondary employment. You must never try to engage Essential Energy's employees to provide services to your organisation that would not normally be provided under the agreement by which you are operating.

The same is true for Essential Energy's assets. Inappropriate or unapproved use of any of Essential Energy's equipment may result in the termination of your services.

Conflicts of interest

Customers, suppliers and Essential Energy employees need to be confident that all decisions made by Essential Energy are impartial.

All Essential Energy employees are required to avoid conflicts of interest and to disclose any actual, perceived or potential conflicts of interest. Essential Energy extends this requirement to its suppliers. Some examples of conflicts of interest are:

- > knowing that an Essential Energy employee (or their friends or relatives) stand to benefit from a matter in which you are involved
- > having a personal relationship with an Essential Energy employee that goes beyond a normal professional working relationship
- > using business information that you have acquired through your work with Essential Energy for personal gain
- > engaging in party political activities or making adverse political comments that relate to Essential Energy's business.

Confidentiality

Essential Energy expects each of its suppliers to take all reasonable steps to protect any confidential information received, unless required to disclose it by law.

Contractors

All contractors and sub-contractors are required to comply with this *Statement of Business Ethics*. If you engage sub-contractors in your work for Essential Energy, you must make them aware of this *Statement of Business Ethics*.

Intellectual property rights

In business relationships with or for Essential Energy, parties will respect each other's intellectual property rights and will formally negotiate any access, licence or use of intellectual property.

Who to contact

Questions about this *Statement of Business Ethics*

For additional information about this *Statement of Business Ethics* or Essential Energy's procurement process, please contact:

**Essential Energy
Manager Procurement by phone: 13 23 91.**

Reporting possible wrongdoing

If you wish to provide information about suspected wrongdoing, please contact Essential Energy directly, as set out below.

Instances of wrongdoing include corrupt conduct, maladministration, serious and substantial waste of public money, and breaches of the Government Information (Public Access) Act 2009.

Corrupt conduct includes conduct that impairs, or that could impair, public confidence in a number of ways, including collusive tendering. If you honestly believe on reasonable grounds that this conduct has occurred, it can be reported in any of the following ways:

If you voluntarily make a report about wrongdoing, you may be entitled to protection under the Public Interest Disclosures Act 1994. This law makes it a criminal offence for any person to take detrimental action in reprisal against a person who has made a public interest disclosure. Essential Energy is committed to ensuring that employees and independent contractors (i.e. a person engaged by Essential Energy to provide services) are not victimised as a result of such a disclosure.

You should be aware, however, that protection is not available for disclosures that question the merits of government policy, or are considered to be an attempt to avoid dismissal or disciplinary action. It is a criminal offence under the Public Interest Disclosures Act 1994 to wilfully make a false or misleading statement when reporting wrongdoing.

Phone: Corruption Hotline 1800 808 322

Email: ethics@essentialenergy.com.au

Online: essentialenergy.whispli.com

Mail:
Chief Risk and Compliance Officer
Essential Energy
PO Box 5730
Port Macquarie NSW 2444





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