



# Supplier Code of Conduct

June 2020

## AGL's commitment to responsible and sustainable principles in our supply chain practices

This Supplier Code of Conduct (Code) outlines the minimum environmental, social and governance (ESG) standards of behaviour that AGL expects from its suppliers. This Code covers ethical business, privacy, environment, health and safety, human rights, labour practices, modern slavery, emergency preparedness and business continuity, supply chain and supplier diversity and community engagement.

AGL recognises that its operations and social licence can be significantly impacted by the actions of its supply chains. To mitigate and minimise the ESG impacts of AGL's supply chains, AGL is committed to:

- engaging with suppliers that share similar values and commitments as AGL;
- supporting our suppliers and their supply chains to reduce the ESG impact of the goods and services they provide to AGL, while maintaining financial competitiveness;
- contributing to the development of local communities affected by AGL's operations by engaging local and indigenous suppliers where possible and practicable; and
- providing training to all employees engaged in supply chain management on company expectations for responsible sourcing.

Achieving these commitments forms part of the broader context of achieving value for money for AGL.

This Code aligns with the [United Nations Global Compact \(UNGC\) principles](#) and [the International Labour Organisation's \(ILO\) Declaration on the Fundamental Principles and Rights at Work](#).

## What AGL expects from its supply chains

AGL is committed to the fair, transparent and equitable treatment of its suppliers and maintaining high ethical standards to support the creation of lasting relationships with suppliers that share similar values. The principles set out below establish AGL's expectations of its suppliers.

By supplier, AGL is referring to any entity that supplies goods or services to AGL Energy Limited and any of its controlled subsidiary companies. Where this Code refers to workers, this includes directors, employees, contractors, agency, migrant, student and temporary staff of the supplier and of its related entities.

AGL expects its suppliers to:

- read and understand this Code;



- ensure their business and supply chain meet the requirements of this Code;
- comply with all laws applicable to their business;
- adhere to the principles set out in this Code when conducting business with AGL; and
- communicate this Code to all related entities, suppliers and subcontractors who form part of their supply chain in providing goods or services to AGL, so that they are aware of, understand and comply with this Code.

## AGL's sustainable supply chain principles

- 1. Ethical Business Practices & Corporate Governance**
- 2. Privacy & Confidentiality**
- 3. Environment**
- 4. Workplace Health & Safety**
- 5. Human Rights**
- 6. Labour Practices**
- 7. Modern Slavery**
- 8. Emergency Preparedness, Business Continuity and Disaster Recovery**
- 9. Supply Chain**
- 10. Supplier Diversity and Community Development**

AGL's ten responsible and sustainable supply chain principles apply to all suppliers and contractors engaged to provide goods or services to AGL and its controlled entities, irrespective of the geographical location of their operations and supply chains.

The ten principles are not intended to conflict with any other obligations a supplier may have as a result of any applicable contract, law, regulation or otherwise.

AGL may amend or update the principles from time to time to ensure they remain current and relevant.

### **1. Ethical Business Practices & Corporate Governance**

AGL is committed to upholding high standards of integrity, fairness and ethical business conduct within a strong corporate governance framework. AGL recognises that robust corporate governance provides the foundation for professional, responsible and ethical business practice. AGL expects its suppliers to act ethically, honestly and professionally in all their dealings with AGL, related entities, suppliers and subcontractors.

We expect all suppliers who work with or for AGL to:

- 1.1 Comply with all relevant laws and regulations in the country the supplier operates;
- 1.2 Comply with all applicable international laws and regulations, including those relating to international trade (sanctions, export controls and reporting obligations), data protection and privacy and antitrust/competition laws;

- 1.3 Read, understand and comply with the sections outlined in [Anti-Bribery, Corruption and Fraud Policy](#), including those relating to the offering and accepting of gifts, entertainment, travel or hospitality;
- 1.4 Conduct business without bribery, corruption, or any type of fraudulent behaviour including extortion, facilitation payments to government or commercial organisations, or embezzlement, and have adequate policies and procedures in place to prevent bribery in all business dealings undertaken in compliance with AGL's [Anti-Bribery, Corruption and Fraud Policy](#);
- 1.5 Promptly advise AGL of any and all actual, potential or perceived conflicts of interest that may affect decisions made by the supplier in connection with their dealings with AGL;
- 1.6 Implement risk management systems and practices to identify, assess and manage risks associated with their business operations;
- 1.7 Encourage innovation and competition and not act in a manner that involves a misuse of their market power; and
- 1.8 Comply with all anti-bribery obligations (to the extent applicable) set out in their contracts with AGL.

## 2. Privacy & Confidentiality

AGL's [Privacy Policy](#) outlines AGL's privacy commitment and explains how it collects, uses, discloses and protects information. The Policy also outlines how AGL handles personal information and credit-related information.

We expect all suppliers who work with or for AGL to:

- 2.1 Comply with all relevant local and national privacy laws and regulations, including in relation to data quality and security;
- 2.2 Read, understand and comply with AGL's [Privacy Policy](#);
- 2.3 Manage personal information appropriately and in line with confidentiality agreements and any policies; and
- 2.4 Comply with all privacy, data security and confidentiality obligations set out in their contracts with AGL.

## 3. Environment

AGL is committed to minimising its environmental footprint and promoting environmental responsibility. Suppliers are expected to minimise the environmental impacts of their operations and maintain environmentally responsible policies and practices.

We expect all suppliers who work with or for AGL to:

- 3.1 Comply with all relevant local and national environmental laws and regulations, including in relation to environmental management and reporting;
- 3.2 Read, understand and comply with AGL's [Health Safety and Environment Policy](#) and AGL's [Greenhouse Gas \(GHG\) Policy](#);
- 3.3 Identify, monitor and minimise GHG emissions and energy consumption from their own operations;
- 3.4 Minimise the risk of environmental incidents and respond quickly and effectively to manage environmental incidents from operations;
- 3.5 Reduce environmental harm by maximising the efficient use of natural resources, energy, water and raw materials and minimise pollution (inclusive of greenhouse gas pollution) and waste;
- 3.6 Continuously improve their environmental performance through developing and reviewing effective management systems, measurements and targets; and

- 3.7 Comply with all environmental obligations set out in their contracts with AGL.

#### 4. Workplace Health & Safety

AGL is committed to providing a safe environment for workers including employees, contractors, visitors and suppliers by implementing safe systems of work, providing appropriate training where required and supporting individuals to raise concerns.

We expect all suppliers who work with or for AGL to:

- 4.1 Comply with all relevant local and national workplace health and safety laws and regulations, including regularly reviewing and managing workplace hazards;
- 4.2 Read, understand and comply with AGL's [Health Safety and Environment Policy](#);
- 4.3 Provide a healthy and safe workplace for all workers, and take reasonable steps to identify workplace hazards, eliminate or minimise the risk of workplace injury, illness and disease, implement safe systems of work and provide appropriate training for staff and visitors;
- 4.4 Proactively communicate and consult with their employees, contractors, AGL and other relevant industry bodies on identifying and managing workplace hazards;
- 4.5 Have knowledge of and comply with AGL's [Life Saving Rules](#); and
- 4.6 Comply with all workplace health and safety obligations set out in their contracts with AGL.

#### 5. Human Rights

AGL is committed to respecting and promoting human rights in its operations and supply chains. AGL aims to create positive contributions to the realisation of a range of human rights by living its values.

We expect all suppliers who work with or for AGL to:

- 5.1 Comply with all relevant local and national human rights laws and regulations;
- 5.2 Read, understand and comply with AGL's Human Rights Policy, AGL's [Diversity and Inclusion Policy](#) and AGL's [Whistleblower Protection Policy](#);
- 5.3 Treat all workers equally, and with dignity and respect, while providing a fair and ethical workplace;
- 5.4 Not discriminate against any worker based on age, disability, ethnicity, gender, gender identity, marital status, political affiliation, race, religion, sexual orientation, union membership or any other status protected by law;
- 5.5 Respect the rights and title to property and land of individuals, indigenous peoples and local communities. All negotiations with regard to their property or land, including the use or transfers of it, must adhere to the principles of free, prior and informed consent, contract transparency and disclosure;
- 5.6 Encourage employee diversity and inclusion and commit to a workplace free of harassment, unlawful discrimination, and bullying, including, but not limited to, abuse and harassment which is verbal, physical, sexual or psychological; and
- 5.7 Have written workplace management policies and standards inclusive of equal opportunity, anti-discrimination and anti-harassment, bullying principles and employee grievance resolution.

#### 6. Labour Rights

AGL is committed to upholding high labour standards across its business operations and supply chains. AGL recognises the importance of employment that is productive and delivers a fair income. AGL respects and values the diversity of its

workforce, customers and stakeholders and is committed to finding ways to actively support and encourage an inclusive workplace now and in the future.

We expect all suppliers who work with or for AGL to:

- 6.1 Comply with all relevant labour laws and regulations, including giving workers their legal entitlements with respect to wages, working hours and workers compensation insurance;
- 6.2 Respect their worker's workplace rights and entitlements, including respecting workers' freedom of association, right to collective bargaining, and right to form, join and administer workers' organisations;
- 6.3 Convey all relevant employment conditions clearly to their workers, including providing employment contracts in relevant languages for workers;
- 6.4 Ensure that they do not use forced labour in the form of work that is performed involuntarily and under the menace of any penalty. This refers to situations where individuals are mentally and physically coerced to work, or are forced through the means of trafficked labour, indentured labour, bonded labour or other forms;
- 6.5 Ensure that they do not employ any person under the age of 15 or under the local legal minimum age for work or mandatory schooling, whichever is higher, or employ anyone under the age of 18 to engage in hazardous work. When young workers are employed, they must not do work that is mentally, physically, socially or morally dangerous or harmful or interferes with their schooling by depriving them of the opportunity to attend school;
- 6.6 Ensure that they are not using or engaging external service providers who use deceptive hiring practices, including but not limited to the use of illegal recruitment fees; and
- 6.7 Provide workers with access to AGL's [Whistleblower Protection Policy](#) and establish an effective grievance procedure to ensure their workers and supply chain can submit a grievance without suffering any prejudice or retaliation and without fear of disciplinary action, dismissal or discrimination.

## 7. Modern Slavery

AGL respects and upholds the human rights of its workers in its operations and supply chains, including ensuring compliance with the *Modern Slavery Act 2018* (Cth). AGL recognises that the term modern slavery covers a range of exploitative practices including human trafficking, slavery, forced labour, child labour, removal of organs and slavery-like practices and adopts the *Modern Slavery Act 2018* (Cth)'s definition of modern slavery.

We expect all suppliers who work with or for AGL to:

- 7.1 Comply with all relevant modern slavery laws and regulations;
- 7.2 Proactively identify, address and, where required by legislation, report on the risks of modern slavery practices in their business operations and supply chains;
- 7.3 Make all reasonable efforts to ensure their business operations and supply chain are not engaged in, or complicit with, slavery;
- 7.4 Immediately inform AGL if they identify, are informed of, or become aware of instances or allegations of slavery or human rights abuses in their operations and supply chains and work to provide just remediation; and
- 7.5 Comply with modern slavery obligations set out in their contracts with AGL.

## 8. Emergency Preparedness, Business Continuity and Disaster Recovery

AGL seeks to safeguard people and the environment from harm through its emergency preparedness plans, while focusing on the continuation of key business operations.

We expect all suppliers who work with or for AGL to:

- 8.1 Have a documented and tested business continuity plan to minimise business disruption that may result from unplanned events that may threaten their normal operations; and
- 8.2 Have a clear escalation process within their business continuity plan to communicate with AGL in the event a disruption to their normal operations will or could impact supply to AGL.

## 9. Supply Chain

AGL recognises that engaging and collaborating with its suppliers is key to its long-term, sustainable success. AGL communicates this Code to all its suppliers.

We expect all suppliers who work with or for AGL to:

- 9.1 Communicate this Code to their direct suppliers and throughout supply chains of goods and services that are supplied to AGL;
- 9.2 Use their leverage and business relationships with suppliers to influence and guide their own supply chain to ensure they comply with the principles outlined in this Code; and
- 9.3 Monitor their supply chain's compliance to this Code, notify AGL of any breaches and work with AGL to remedy any breaches.

## 10. Supplier Diversity & Community Development

AGL recognises that supplier diversity promotes innovation through the entrance of new products, services and solutions, creates multiple channels from which to procure goods and services and drives competition. In line with our [Diversity and Inclusion Policy](#), AGL considers suppliers' diversity policies, programmes and initiatives in the procurement process.

We expect all suppliers who work with or for AGL to:

- 10.1 Contribute to the development of local communities affected by their operations, through the creation of employment opportunities and the development of skills at a local level;
- 10.2 Actively seek to engage suppliers, contractors and sub-contractors owned or operated by minority groups;
- 10.3 Make an effort to ensure that candidate shortlists are gender balanced where possible, and are inclusive of a diverse mix of suitably skilled candidates; and
- 10.4 Make an effort to ensure that if an interview panel (three or more interviewers) is convened, that they are gender balanced.

# Compliance with this Code of Conduct

AGL monitors compliance to this Code and reserves its right to verify a supplier's compliance to this Code. AGL works closely with suppliers to ensure that they are aligned to this Code. AGL expects suppliers to cooperate and provide supporting evidence as may be reasonably required to help AGL monitor compliance with this Code. AGL may carry out verifications via supplier self-assessments (Supplier Questionnaires), requests for further information, desktop reviews or on-site audits. AGL will work with its suppliers to identify and correct issues on a timely basis.

We expect all suppliers who work with or for AGL to:

- Monitor their compliance to this Code and provide information to AGL on request about their compliance with this Code (which may be achieved through the Supplier Questionnaire);



- Where the supplier becomes aware of any actual or suspected breaches of this Code by the supplier or by their supply chain, they must immediately notify, cooperate and willingly participate with AGL to remedy the breach in a timely and effective manner; and
- Provide workers with access to AGL's [Whistleblower Protection Policy](#).

A handwritten signature in blue ink, appearing to read 'B. Redman', followed by a long horizontal line.

**Brett Redman**

**CEO and Managing Director**

**AGL Energy Limited**

**18 June 2020**