

Our Statement of Business Ethics

Guidance Notes

Incentives, gifts, benefits

Ausgrid expects its staff to decline offers of gifts, benefits, travel, accommodation, hospitality or other incentives if they think that the person offering the gift, or a fair observer, might think that they would be influenced in the way they do their job as a result of the gift.

You should refrain from offering any such 'incentives' to Ausgrid staff.

Cash gifts are never acceptable, and staff are not permitted to accept any gifts, benefits or incentives of any value when they are involved in evaluating tenders/ expression of interest, or in the process of awarding a contract.

Conflicts of interest

All Ausgrid staff are required to disclose any potential conflicts of interest. Ausgrid extends this requirement to all our business partners, contractors and suppliers.

Confidentiality

All Ausgrid information should be treated as confidential unless otherwise indicated.

Communication between

parties

All communication should be clear, direct and accountable to minimise the risk of perception of inappropriate influence being brought to bear on the business relationship.

Use of Ausgrid equipment, resources and information

All Ausgrid equipment, resources and information should only be used for its proper official purpose.

Contracting employees

All contracted and sub-contracted employees are expected to comply with Ausgrid statement of business ethics. If you employ sub-contractors in your work for Ausgrid you must make them aware of this statement.

Intellectual property rights

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

Who to Contact

If you have any questions regarding this statement please contact Ausgrid's Manager – Corporate Procurement and Credit on **13 15 35** or, to provide information about suspected corrupt or unethical conduct, please contact Ausgrid's Executive Audit Manager on (02) 9283 4244, or in writing (fax and postal address details below).

Information may also be lodged on Ausgrid's website www.ausgrid.com.au

Employees reporting corrupt conduct, maladministration or serious waste of public funds are protected by the Protected Disclosures Act. This Act protects public officials disclosing corruption-related matters from reprisal or detrimental action and ensures disclosures are properly investigated and dealt with.

HEAD OFFICE

570 George Street
Sydney NSW 2000
Telephone 13 15 35
Facsimile (02) 9269 2830

Postal address:
GPO Box 4009
Sydney NSW 2001

Ausgrid offices are open between 8.30 am and 5.00 pm Monday to Friday.

Emergency services are available 24 hours a day.

Telephone **13 13 88**.
Website www.ausgrid.com.au

POQ9227/0311



Managing Director's Foreword



This statement provides guidance for all external goods and service providers when doing business with Ausgrid.

It outlines Ausgrid's ethical standards and our expectation that goods and service providers and contractors will comply with these standards in all their dealings with us.

The Statement also outlines what all providers and contractors can expect of Ausgrid.

The protection of the public interest and the prevention of breaches of public trust are among Ausgrid's primary concerns.

Our procurement policies and business ethics are designed to be consistent with Government

policy and we aim to provide an example to the public sector through our own work practices and standards.

Our staff are expected to maintain high standards of integrity and ethical conduct, consistent with the positions of trust they hold and we expect no less of the service providers and contractors that undertake work for us.

This Statement is designed to ensure that business relationships between Ausgrid and service providers and contractors are fair and productive for all.

If you require additional information about this statement or any ethical issue, please contact Ausgrid via the contact details shown.

George Maltabarow
Managing Director

Our key business principles.

The principle of best value for money is at the core of all Ausgrid's business relationships with its suppliers of goods and services.

Best value for money does not automatically mean the lowest price. Rather, Ausgrid will balance a range of relevant factors including but not limited to initial cost, whole-of-life costs, quality, reliability, and timeliness in determining true value for money.

Part of obtaining best value for money also includes ensuring all our business relationships are honest, ethical, fair and consistent.

Our business dealings will be transparent and open to public scrutiny wherever possible.

We are committed to the purchase of all goods, equipment and services through Ausgrid established contracts or NSW Government contracts where possible and reasonably practical.

What you can expect from us.

Ausgrid will ensure that all its policies, procedures and practices relating to tendering, contracting and the purchase of goods or services are consistent with best practice and the highest standards of ethical conduct.

Our staff are bound by Ausgrid's comprehensive Code of Conduct. When doing business with its

suppliers of goods and services Ausgrid staff are accountable for their actions and are expected to:

- Use public resources effectively and efficiently.
- Deal fairly, honestly and ethically with all individuals and organisations.
- Avoid any conflicts of interest (whether real or perceived).

In addition, all Ausgrid procurement activities are guided by the following core business principles:

- Potential suppliers will be treated with impartiality and fairness and given equal access to information and opportunities to submit bids.
- Procurement activities and decisions will be fully and clearly documented to provide an effective audit trail and to allow for effective performance review of contracts.
- Energy efficient equipment, products containing recycled materials and environmentally friendly products will be purchased wherever reasonably possible.
- Tenders will not be called unless Ausgrid has a firm intention to proceed to contract.
- Ausgrid will take all reasonable measures to prevent the disclosure of confidential or proprietary information.

What we ask of you.

We require all providers of goods and services to observe the following principles when doing business with Ausgrid:

- Provide accurate and reliable advice and information when required.
- Declare actual or perceived conflicts of interest as soon as you become aware of the conflict.
- Act ethically, fairly and honestly in all dealings with Ausgrid.
- Take all reasonable measures to prevent the disclosure of confidential Ausgrid information.
- Refrain from engaging in any form of collusive practice, including offering Ausgrid employees inducements or incentives designed to improperly influence the conduct of their duties.
- Refrain from discussing Ausgrid business or information in the media without first seeking permission from Ausgrid.
- Assist Ausgrid in preventing unethical practices in its business relationships.

Why is compliance important?

By complying with our statement of business ethics, you will be able to advance your business objectives and interests in a fair and ethical manner. As all Ausgrid suppliers of goods and services are required to comply with this statement, compliance will not disadvantage you in any way.

Complying with Ausgrid's principles will also prepare your business for dealing with the ethical requirements of other public sector agencies, should you choose to do business with them.

You should also be aware of the consequences of not complying with Ausgrid's ethical requirements when doing business with us. 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.

