

AEMO Supplier Code of Conduct

Effective 1 September 2023





Important notice

Purpose

AEMO has prepared this document to provide information about AEMO's Supplier Code of Conduct which applies to all procurement activities regardless of their value from 1 September 2023.

Disclaimer

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Version control

Version	Release date	Changes
#001	01/09/2023	Initial Draft

Supplier Code of Conduct

AEMO is committed to responsible and ethical business practices and operating in line with best practice. We want to do business with ethical, environmentally, and socially responsible Suppliers.

Our Supplier Code of Conduct (Code) outlines the minimum requirements we expect from suppliers that want to sell their goods or services to AEMO (Supplier) and outlines what constitutes a responsible Supplier.

Our Code supports the integrity, probity, and accountability of AEMO's end-to-end Supply Chain, and advances our contribution to support a positive impact on the environment and society in which our Supply Chain operates.

This expectation of our Suppliers extends beyond meeting Regulatory Obligations of the energy industry to ensuring Suppliers meet, and work to exceed, the minimum requirements of this Code, including a shared commitment to deliver against the following standards:

- Labour and Human Rights
- Workplace Health and Safety
- Diversity, Equity & Inclusion
- Sustainability
- Ethical Business Practices
- Information Security
- Business Resilience,

as described in this Code.

Suppliers must read, understand, and ensure that their business and supply chain, including any related entities, their own suppliers, and subcontractors (who support them in supplying to AEMO) meet the standards in this Code.

Suppliers with questions on how this Code is applied to any procurement activity should contact the AEMO Procurement team.

In this Code, 'Supplier' means any organisation or person who provides AEMO with goods or services, including their employees, subcontractors, agents, related entities, and consultants.

'Supply Chains' mean the products and services (including labour) that contribute to AEMO. This includes products and services sourced in Australia or overseas and extends beyond direct Suppliers to include a Supplier's own supply chain that contribute to AEMO.

Compliance and Review

AEMO is committed to maintaining compliance with all relevant laws, rules, regulations and standards (referred to as 'Regulatory Obligations'). The ability to meet or exceed standards detailed in this Code will be a key consideration when AEMO makes procurement decisions, and we reserve the right to do business with Suppliers which demonstrate compliance with this Code.

AEMO expects its Suppliers to pro-actively self-assess their compliance against this Code. AEMO may at any time review or audit a Supplier's compliance against this Code through its Supplier management program and expects Suppliers to co-operate, be transparent and timely in their response to any such requests, including facilitating information, documents and/or site access to support due diligence and ongoing Supplier monitoring activities.

If AEMO has reasonable grounds to suspect a breach of this Code by a Supplier, we may require the Supplier to provide additional information and, in serious cases, conduct an immediate independent audit at the Supplier's cost.

If the Supplier identifies, at any time, that it is unable to meet the expectations of our Supplier Code of Conduct, the Supplier should take action to remedy any shortcomings and notify AEMO immediately of any identified risks or issues.

Our Suppliers are our partners, and we care about the way we do business together now and into the future.

Labour and Human Rights

We expect Suppliers to respect and uphold the protection of the human rights of workers in their operations and supply chains, as well as individuals and communities affected by their activities.

Suppliers must:

- comply with the [United Nations \(UN\) Universal Declaration of Human Rights](#) and the [Modern Slavery Act 2018 \(Cth\)](#);
- comply with [AEMO's Modern Slavery Policy and proactively identify and address any Modern Slavery risks in the Supplier's operations or supply chain](#);
- treat employees fairly and with respect and dignity by complying with the [Fair Work Act 2009 \(Cth\)](#) to provide workplace protection; and
- abide by all Regulatory Obligations including without limitation, those related to anti-corruption, anti-bribery, labour, health and safety, and environmental protection.

Workplace Health & Safety

AEMO is concerned with the management of risks to the health and safety of everyone in its Supply Chain, including the health and safety of contractors and Suppliers performing work for AEMO, and customers and visitors.

Our Suppliers play a significant role in our business, and we want to do business with Suppliers that are committed to providing a positive workplace environment and culture for their workers and anyone that could be impacted by their activities.

As well as complying with all workplace health and safety laws and regulations, Suppliers should proactively engage in workplace matters with employees, industry bodies and unions.

Suppliers must ensure their workers:

- understand and follow all relevant workplace, health, safety and environmental practices;
- have the necessary training at reasonable intervals to do their jobs safely and competently.
- feel empowered to cease work if it is unsafe; and
- understand and report incidents and hazards to eliminate or mitigate risk.

Background Checks

Prior to Suppliers commencing work with AEMO, they may be required to participate in pre-employment background checks, including, but not limited to drug and alcohol screening, police checks, qualification checks and verification of their right to work in Australia. Identification documents are required to be produced.

If an employee, intern, contractor, or subcontractor will have any access, control, or management of our Critical Infrastructure Assets including core components of, or sensitive information on an asset, further criminal and national security background checking may be required by law under the *Security of Critical Infrastructure Act 2018*.

Drug & Alcohol Policy

AEMO has a zero (0.00%) tolerance of drugs and alcohol in the workplace (Drug & Alcohol Policy) and expects all AEMO employees and Suppliers to comply with our Drug & Alcohol Policy whilst they are performing work for AEMO.

We expect that our Suppliers will:

- Not have an alcohol reading greater than 0.00%;
- Not use, possess, manufacture, sell, purchase, or transfer illegal drugs; and
- Inform their manager or AEMO contact if their performance is, or may be adversely affected by, prescription or non-prescription medication.

On occasion, AEMO may have cause to suspect drug or alcohol use in the workplace. Anyone identified for targeted or random testing will be directed to take a drug and alcohol test and may be tested on-site, or at an accredited agency's testing facility.

Suppliers who refuse testing or intentionally avoid testing will have their access to AEMO workplaces removed and their contract reviewed.

Diversity, Equity & Inclusion

To help achieve our vision: to be a workplace of choice through being fair, equitable, respectful, safe and rewarding, AEMO values businesses that have policies and practices in place to encourage diversity, equity and inclusion and ensure equal employment opportunity for all people no matter what their gender, age, cultural

background, disability, religion, life experience, or sexual orientation, may be.

AEMO's Reconciliation Action Plan symbolises a move towards a much broader and deeper commitment to reconciliation and building relationships across our business and with First Nations communities.

We value opportunities to incorporate First Nations Supplier diversity within our organisation and Supply Chain, and welcome Supplier actions that support achieving this outcome.

Sustainability

AEMO plays a critical role in helping Australia ready its systems and markets to meet the energy challenges of the future. We do this by collaborating with industry, government, regulators, academia, and consumer groups to design fit-for-purpose energy systems and markets to achieve a net-zero emissions economy in Australia by 2050.

We expect that:

- our Suppliers will comply with all relevant environmental laws, regulations, and standards.
- Identified Suppliers are expected to work with AEMO to identify and implement approaches that help reduce our environmental footprint and improve environmental outcomes.

Ethical Business Practices

AEMO expects its Suppliers to conduct their business dealings in an ethical manner, applying high standards of probity in their dealings, and without conflicts of interest. Suppliers must not engage in any forms of corruption, extortion, bribery (including facilitation payments), or embezzlement, or act in a manner which, by association, causes disrepute or reputational damage to AEMO.

We expect that our Suppliers will:

- comply with any relevant anti-corruption or anti-bribery laws and regulations;
- not engage in any fraud, bribery or corrupt conduct (including facilitation payments), or associate with criminal organisations or activity, or sanctioned entities;

- act in a fair, honest, transparent and professional manner in all dealings with AEMO employees and associated contractors and consultants;
- ensure it has no actual or potential conflicts of interest when supplying to AEMO;
- immediately report a conflict of interest or breach of this Code, whether actual, potential or perceived, via email to: suppliers@aemo.com.au so that appropriate steps can be taken to manage the conflict or breach, and will any directions for managing the conflict that AEMO may, acting reasonably, make; and
- adhere to the above even if it is permitted in other jurisdictions.

Information Security

AEMO's systems and the information they contain are assets of significant strategic and commercial value and contain confidential information. They are fundamental to both the core operations of AEMO, as well as the operation of the markets operated by AEMO, and must be protected and used in an appropriate manner – not only to ensure the security and reliability of energy supply, but also for our economic stability and national security.

In all instances AEMO seeks to prevent loss of system supply and/or market suspension due to preventable cyber incidents impacting AEMO systems, and our systems are subject to regular and extensive monitoring to protect the integrity of our technology, information and operations. AEMO is also subject to statutory confidentiality obligations that apply to the information we hold.

This necessitates that our Suppliers maintain strong information and physical security controls to protect the confidentiality, integrity and availability of technology, information, operations and/or services between AEMO and the Supplier.

We expect that our Suppliers will:

- where the Supplier has any access, control, or management of our Critical Infrastructure Assets including core components of, or sensitive information on an asset, satisfy the required cyber security standards below, as directed by AEMO's Cyber Security team:
 - Australian Standard AS ISO/IEC 27001:2015;

- Essential Eight Maturity Model published by the Australian Signals Directorate - meeting maturity level one; and
- The 2020-21 AESCSF Framework Core published by AEMO – meeting security profile one.
- If the Supplier becomes aware that a cyber security incident has occurred, or is occurring, and the incident has had, or is having, a significant impact (whether direct or indirect) on the availability of a Critical Infrastructure Asset, the Supplier must:
 - provide AEMO's Cyber Security Team with immediate verbal notification; and
 - follow up by providing a written report in the approved form that outlines all required details about the incident; and
 - do so as soon as practicable after the Supplier becomes aware, and in any event:
 - within 12 hours for a critical cyber security incident; or
 - within 72 hours for any other cyber security incident.
- where required, implement and maintain appropriate practices, procedures and systems to protect the confidentiality and integrity of any sensitive, confidential or personal information and to prevent unauthorised access or disclosure;
- ensure that any authorised collection, use, disclosure and disposal of personal information is in accordance with the Privacy Act 1988 (Cth) and any other applicable privacy and data laws;
- when requested, undertake information technology (IT) controls testing and freely provide necessary information to inform assessments by AEMO;
- where required, provide independent IT assurance reports and/or certificates covering the design and operating effectiveness of IT controls;
- report cyber security breaches, issues, risks or concerns in line with AEMO's policies and procedures and co-operate with cyber security incident investigations; and
- always use AEMO's IT systems in accordance with AEMO's Cyber Security Policy.
- Cyber Security can be reached on 0455 725 219 or email cybersecurity@aemo.com.au

Business Resilience

AEMO's Business Continuity Plan supports the effective planning and response of the organisation to an unplanned disruption to our operations and systems.

We expect that our Suppliers will:

- have appropriate and effective business continuity and disaster recovery management plans and processes in place for their operations or systems that can be relied upon in the event of a disaster, disruption, or pandemic (Business Disruption); and
- have communication protocols in place that ensure AEMO is notified in a timely manner, in the event of:
 - a Business Disruption that impacts or is likely to impact critical operations or systems of AEMO; and/or
 - an incident with a facility, resource, system, application, or supply chain which inhibits or is likely to inhibit AEMO (or AEMO employees) ability to operate effectively.

Raising Concerns

AEMO is committed to achieving the highest standards of corporate compliance and ethical business conduct and requires Suppliers to report any known or suspected organisational misconduct within, or involving, AEMO, or that may, or will, impact AEMO, through:

- their main business contacts at AEMO; or
- an email to AEMO Procurement at suppliers@aemo.com.au

If the Supplier is not comfortable with these options, concerns can be raised directly with AEMO's authorised independent integrity hotline – STOPline.

STOPline can be contacted 24/7 by telephone on 1300 304 550, facsimile on 03 9882 4480 or email at aemo@stopline.com.au. Disclosures can be posted to C/- STOPline, PO Box 403, Diamond Creek, Victoria 3089.

Disclosures can also be made via the STOPline website at <https://aemo.stoplinereport.com>