

# Modern Slavery Statement

2022-2023



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## A MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

On behalf of the Board of Water Corporation, I am pleased to present our 2022-23 Modern Slavery Statement, which has been prepared in accordance with the requirements of the Modern Slavery Act 2018.

We are committed to delivering safe and sustainable water services to Western Australia, personified through our long-term strategy - Thrive2035. The strategy has renewed our focus on delivering maximum value to our customers, communities and state so they may continue to thrive.

Recently, we have also developed an Environmental, Social and Governance Strategy to bring our actions in these three areas together. This will allow our actions, including those around modern slavery concerns, to be prioritised, managed and reported centrally.

We have commenced taking active steps to ensure we have an ethical supply chain. Some of our key actions for 2022-23 include:

- Increasing our visibility and understanding of our supply chain
- Enhancing the quality of our supplier data
- Developing a tiered supplier due diligence process
- Committing to bi-annual key performance indicator reporting to our Audit & Risk Committee
- Developing training for our people to increase awareness of modern slavery risks and impacts.

I look forward to what we have planned for the coming year and to sharing our progress with you in future statements.

This statement is signed by Pat Donovan in his role as Chief Executive Officer of Water Corporation on 13 December 2023.



**Pat Donovan**  
Chief Executive Officer



# WHO WE ARE

## MODERN SLAVERY STATEMENT

This statement has been prepared on behalf of Water Corporation (ABN 28 003 434 917), pursuant to the *Modern Slavery Act 2018* (the "Act") for the 2022-23 financial year.

We are a government trading enterprise within Australia. In accordance with the requirements of the Act, this statement was approved by our Board of Directors in their capacity as the principal governing body of Water Corporation on 13 December 2023.

Since our previous statement, Water Corporation has established the Flat Rocks Wind Farm Stage 2 Pty Ltd subsidiary. The subsidiary is required to operate in accordance with the policies and procedures of Water Corporation and thus continues to ensure deep focus and consideration of modern slavery in all aspects of the project.

## ABOUT US

Water Corporation is the principal supplier of water, wastewater, drainage and bulk irrigation services in Western Australia (WA) to hundreds of thousands of homes, businesses and farms. Directly employing more than 4,000 people, we provide a high level of expertise and a strong commitment to our customers, community and state. We manage \$46 billion (replacement value) of assets to deliver water services across 2.6 million square kilometres.

We are owned by the Western Australian Government and accountable to the Minister for Training and Workforce Development; Water; and Industrial Relations, the Hon. Simone McGurk MLA, for the delivery of our services. Working across government and supporting state development is essential to a well-functioning public sector.

Our head office is located in Leederville, Western Australia and our regional offices are located in Bunbury, Albany, Karratha, Geraldton, Kalgoorlie and Northam.

Since our last statement, Water Corporation has become the proud developer of the Flat Rocks Wind Farm Stage 2, one of the largest wind energy projects in WA being built 30km from Kojonup. This will produce renewable energy to help meet the clean energy needs of our Perth and Peel seawater desalination plants. Once commissioned, this asset will generate around a quarter of the total renewable energy required to achieve our target of net zero emissions across all operations by 2035.

We entered into an agreement to purchase the entire share capital of the wind farm from Moonies Hill Energy Pty Ltd, which was finalised on 11 November 2022. The transfer of shares was completed on 22 December 2022. Modern slavery has and will continue to be a central consideration of this project throughout the construction and operational phases, and monitoring of the wind energy supply chain will persist as the project progresses.

## OUR PURPOSE AND VISION

We exist to sustainably manage water services to make Western Australia a great place to live and invest. Our vision is for our people, communities and state to thrive.

Guiding our future direction is our corporate strategy - Thrive2035. Our strategy objectives and goals are woven into the work we do every day.

## OUR VALUES

Guided by our values, it is our people who enable us to deliver on our purpose and vision.

- **One team.**
- **Think safe, act safe.**
- **Customer focussed.**
- **Value every dollar.**
- **Future thinking.**
- **Take personal ownership.**



# WHO WE ARE

## OUR OPERATIONS

As of 30 June 2023, we employed 4,043 employees directly. Our operations also included indirect workers, with approximately 1,301 service contractors, as well as sub-contractors and labour-hire resources, who supported our business during the reporting period.

The construction phase of Flat Rocks Wind Farm Stage 2 will create a number of local jobs, with contractors and subcontractors to be engaged to undertake the construction works. There are no staff currently in the subsidiary, and only Australian consultants and contractors have been engaged to date.

The nature of the roles across our organisation remains diverse. We have office-based roles in our customer service and corporate services teams, technical expert roles in our engineering services and information technology teams and fieldwork and manual labour roles in our operations teams who work within our communities.

We continue to create opportunities for young people through our career entry programs. These include trainees, apprentices, graduates, customer centre trainees, engineering apprenticeship trainees, vacation program graduates and school-based trainees. During the reporting period, 352 people participated in Water Corporation career entry programs.

## OUR SUPPLY CHAIN

We procure goods and services which primarily relate to the delivery of water, wastewater, drainage, and bulk irrigation services, and the maintenance of our water and sewer assets. Within the reporting period, we sourced goods and services from approximately 2,524 suppliers, which are made up of a diverse range of industries, including, among others, construction, asset maintenance, chemicals, information technology, customer management and facilities management.

Approximately 98.5% of our Tier 1 suppliers within the year were based in Australia. The remaining 1.5% of suppliers were based in Canada, China, Denmark, Ireland, Israel, Italy, Lithuania, Netherlands, Norway, Singapore, Spain, Switzerland, the United Kingdom and the United States of America.





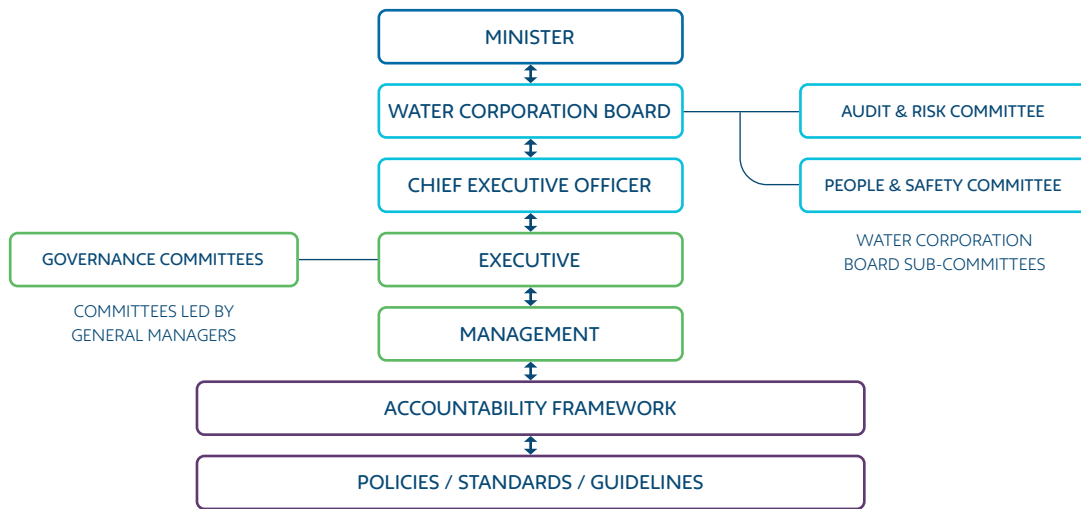
# WHO WE ARE

## OUR GOVERNANCE STRUCTURE

Our Board is responsible for overseeing and reviewing the management, administration and governance of Water Corporation and has overarching accountability for modern slavery. Our Audit and Risk Committee is principally responsible for establishing and maintaining our risk profile, including oversight of modern slavery risks.

The Chief Executive Officer and Executive Leadership Team are responsible for

implementing modern slavery measures and managing our modern slavery risks. Responsibility for driving our modern slavery program lies with our Chief Financial Officer and Head of Procurement and Property, supported by other relevant parts of our business including Risk and Assurance, Legal Services and People and Safety.



# MANAGING MODERN SLAVERY RISKS

## OUR POSITION

Respecting and promoting the human rights of our people, and the people in our supply chain, is important to us. Anchored in our Code of Conduct, we are committed to environmental and social governance. We take care and diligence to ensure we act to identify, prevent and mitigate adverse impacts.

We recognise modern slavery risks exist within our operations and supply chain. As such, we have a role to play in preventing and addressing modern slavery practices that we may contribute to as a result of our business activities and relationships.

We are committed to developing a modern slavery program that seeks to contribute to the prevention, identification and remediation of modern slavery practices in our supply chain. We want to ensure no one suffers harm as a result of our business activities, including our people and those we interact with through our activities and business relationships.

Our position and commitment to upholding human rights align with our vision and values. We act in the best interest of our people and the community, put safety first, and take accountability for our actions to ensure our people, communities and state can thrive.

Responsible conduct is important to us. We work to ensure we are operating our business with integrity and value safety for all. We nonetheless recognise there is a risk of human rights violations within our operations and supply chain.

*"We act with the best intent, diligence and social conscience ensuring we... preserve human rights and freedoms of law [and] conduct business with third parties that embed respect for human rights into culture and practice (identifying severe risks to human rights including modern slavery)"*

**Water Corporation Code of Conduct**

## RISKS IN OUR OPERATIONS

We consider the risk and likelihood of modern slavery within our operations to be low. This is based on our workforce composition and the controls we have in place.

We have developed appropriate corporate governance to ensure equity and fair treatment of everyone working at Water Corporation. Our Code of Conduct, Recruitment Policy, Ethics and Fair Dealing Policy, Equity and Diversity Policy, Occupational Health and Safety Policy, employee policies and standard practices in place, mitigates the modern slavery risks for our direct employees.

We have a Water Corporation Enterprise Agreement approved by the Fair Work Commission, which sets out employee entitlements and terms and conditions for direct employment. Our employment agreements communicate working rights and the terms of employment, including remuneration and working hours. We also confirm the appropriate visa status for employees and ensure we comply with workplace relations laws.

Direct employees are a significant part of our workforce and many are represented by unions. This further supports our employees and ensures labour-related risks are minimised through a collective bargaining position and forum for discussion of issues for workers.

# MANAGING MODERN SLAVERY RISKS

## MANAGING RISKS IN OUR OPERATIONS

When considering the inherent risks of modern slavery within our workforce, apprentices, trainee employees and workers engaged through labour hire arrangements were identified as potentially vulnerable workers. We have mitigation measures in place to minimise these risk factors.

Workforce Category	Details
Apprentices and trainees	The age and level of experience of apprentices and trainees increases their inherent vulnerability to exploitative practices. However, this risk is mitigated by the suite of policies and procedures outlined above as well as a number of specific control measures. We provide training and require our apprentices and trainees to reach a level of proficiency prior to progressing. This ensures we have provided our apprentices and trainees with the background, experience and competency to work within our operations safely and effectively. Furthermore, apprentices and trainees are covered by our Enterprise Agreement, which sets out working hours and pay rates. Apprentices and trainees are made aware of the channels available to them to report any concerns or grievances.
Labour hire and agency contractors engaged through third parties	While using labour hire and agency contractors has an inherently higher modern slavery risk profile, we have a panel of contracted labour hire providers, with formally established terms and conditions, including the requirement that our contractor payment rates are aligned with the payment rates of workers directly engaged by us. We also maintain regular contact and have the ability to complete checks over contracted suppliers, where required. There is limited use of labour hire contractors outside of Australia.





# MANAGING MODERN SLAVERY RISKS

## RISKS IN OUR SUPPLY CHAIN

While our Tier 1 suppliers are predominantly Australian based, we recognise modern slavery practices exist within Australia, and therefore there are still risks present. We are cognisant certain categories of goods and services provided by our Australian Tier 1 suppliers may have a higher inherent risk of modern slavery due to the nature of the industry and the modern slavery risks upstream in their supply chain.

In the table below, we have identified a set of higher risk industries and sectors in which our Tier 1 suppliers operate. These industries were identified by conducting a risk assessment based on methodology from the Global

Slavery Index, as well as considering the supplier criticality and level of spend.

The nature of these industries, products and services lends themselves to a common set of modern slavery risk factors. There is a heightened vulnerability and therefore risk of incidents of labour exploitation, such as forced labour, bonded labour, and child labour, within these industries. This is due to the presence of risk factors such as the low-skilled nature of work, employment of migrant workers, lack of industry regulation, high labour intensity and presence of sub-contracting and multi-tiered supply chains.

Higher Risk Categories	Types of products and services procured
Cleaning	Services for cleaning of dams, depots, panels, pipes and office buildings
Clothing and Personal Protective Equipment (PPE)	Staff uniforms and PPE
Construction	Contracted services to build assets
Energy	Solar and wind
Freight and Logistics	On-road couriers and waste transportation
Information Technology (IT)	Hardware supply, operational technology and maintenance and IT services
Manufacturing	Industrial parts (e.g. Steel pipes, plastic pipes, copper pipes, ductile iron pipes, cement and mild steel valves, rubber valves, steel disc washer) and Chemicals

### PROCUREMENT POLICY

The procurement function is guided and underpinned by internal policy and standards which ensure ethical and equitable procurement processes are followed.

The objectives of the procurement policy are to:

- act ethically and exercise due fairness, equity and probity in all facets of the process, while exercising our marketplace influence responsibly and with due care and consideration.
- manage the occupational safety and health process in all procurement activities and through the actions of our suppliers to the extent that our decisions can influence these behaviours.

# MANAGING MODERN SLAVERY RISKS

## MANAGING RISKS IN OUR SUPPLY CHAIN

### 1. NEW MODERN SLAVERY SUPPLIER DUE DILIGENCE FRAMEWORK

We developed the modern slavery framework in the FY23 period and will commence implementation of the framework in FY24. The framework was developed to support both the internal establishment of the modern slavery due diligence program and continuous improvement of the framework. The framework was designed using international standards and guidance, including, among others, the United Nations Guiding Principles on Business and Humans Rights and OECD Due Diligence Guidance for Responsible Business Conduct, to ensure alignment to global best practices in human rights and modern slavery. We believe this is a quintessential step in managing risks which may exist in our supply chain and lays the foundation for us to prioritise efforts and more effectively respond to identified risks and impacts through targeted due diligence activities.

### 2. MODERN SLAVERY TRAINING DEVELOPMENT

To ensure people across Water Corporation are aware of our collective importance surrounding being strong corporate citizens, we developed organisation wide modern slavery training which details the inherent risks which may exist in our supply chains, what to look out for and where to report any instances they may encounter in their operations. This training was developed in FY23 to be rolled out in FY24.

### 3. COMPLIANCE WITH OUR TERMS AND CONDITIONS

We have included modern slavery considerations in contract terms and conditions with new suppliers since 2019.

We manage our suppliers in line with our Procurement Policy and corporate standards to promote ethical practices within our supply chain.

All agreements with suppliers require compliance with modern slavery laws, including reporting any modern slavery instances identified in their business or supply chains.

### 4. NEW SUPPLIER SCREENING

Modern slavery considerations are integrated into our tender processes to understand suppliers' modern slavery risk profiles prior to engaging with them. During the tender processes, potential suppliers are required to answer modern slavery questions and provide details about ethical purchasing and modern slavery policies and actions taken to assess and address risks.

As part of further enhancing the gathering of data when engaging suppliers, we have developed an initial risk categorisation approach. This categorisation will be utilised when onboarding suppliers.

### 5. DUE DILIGENCE OF EXISTING SUPPLIERS

We did not undertake any additional due diligence activities during the reporting period. We recognise this risk and have identified an opportunity to improve our approach to managing modern slavery risks in our supply chain. In the FY23 period, we began engagement with our suppliers that were identified to have a high inherent risk of modern slavery during a high-level risk review. The suppliers selected were from the manufacturing, logistics, information technology, waste and energy industries.

The intention was to build our understanding of the suppliers' modern slavery risks and their approach to managing these risks. Over the financial year, we progressed additional targeted due diligence activities by developing a modern slavery supplier due diligence procedure to identify any supply chain risks coming from our Tier 1 suppliers. This process involves an initial risk categorisation of suppliers in tender documentation (phased prioritisation approach for existing suppliers), issuing of a STRT (Slavery & Trafficking Risk Template) modern slavery questionnaire and a final supplier due diligence activity involving direct work with suppliers and specified remediation activities.

# MANAGING MODERN SLAVERY RISKS

## GRIEVANCE MECHANISM AND REMEDIATION

We have embedded grievance mechanisms and whistle-blower protection processes available to our employees, suppliers and stakeholders.

Our Whistleblowing Policy outlines how we receive, investigate and address grievances. All matters raised are reported to the Board via the Audit and Risk Committee. The policy is communicated to employees through the annual Code of Conduct acknowledgement, whereby employees are required to acknowledge they have read and understood the Code of Conduct.

There are two channels available to raise a grievance. The channels include an internal complaints process and an anonymous telephone number managed by a third party. This hotline is run by an independent external organisation to ensure confidentiality and allow for anonymous reporting. A whistle-blower can make their disclosure anonymously, confidentially, and outside of business hours and receive updates on their disclosure status while retaining anonymity.

We are committed to investigating all instances of actual or suspected modern slavery reported through our grievance mechanisms. Where an investigation confirms the presence of modern slavery in our supply chain or business operations, we will take action as detailed in our Misconduct Guideline. Our Head of Risk and Assurance is responsible for investigating and responding to any reports received through the hotline or internal processes.

During the reporting period, our Head of Risk and Assurance advised that no reports of modern slavery practices have been received.



## MEASURING THE EFFECTIVENESS OF OUR ACTIONS

We have identified an opportunity to measure the effectiveness of modern slavery actions by improving internal reporting for modern slavery considerations. We introduced key performance indicators (KPIs) for managing risks of modern slavery. Our KPIs relate to reports of modern slavery, supplier assessment and testing, training, and remediation actions. Since our last statement, the KPIs have been reported on bi-annually to our Audit and Risk Committee.

We are also developing a framework for the ongoing management of modern slavery risks. This process enhances supplier due diligence and modern slavery training for our employees. Our KPIs will continue to evolve as we mature our approach and develop a more robust modern slavery framework. This will enable us to better measure the effectiveness of our future actions.

## LOOKING AHEAD: FUTURE REPORTING PERIOD

We are continuing to develop our modern slavery program and strengthening associated policies and practices. As part of our evolving approach to identifying, mitigating, and remediating modern slavery risks, we are continuing to focus on the activities set out below.

### MODERN SLAVERY FRAMEWORK

We have completed the establishment of our modern slavery framework and will progressively roll it out over the next financial year. This is a major step in our management and reporting of modern slavery risks in our supply chain.

### DEVELOPMENT OF MODERN SLAVERY TRAINING

During the period, we commenced development of modern slavery awareness training, and anticipate rollout in early FY24 to all Water Corporation employees.

### TIERED SUPPLIER DUE DILIGENCE

We will implement a tiered supplier due diligence process. This process will enable us to prioritise efforts and respond to identified risks through targeted due diligence activities.

### ENHANCE SUPPLIER DATA CAPTURE

We will review our supplier data collection processes to improve how we capture supplier information. This will enable us to review and improve the way we capture supplier data collection.

### ESTABLISH A MODERN SLAVERY WORKING GROUP

We will establish a modern slavery working group to ensure adequate governance and accountability in managing modern slavery risks. The working group will oversee the design, evaluation and review of our due diligence processes and will monitor and support the business in addressing modern slavery risks.

### COLLABORATION

We will continue to explore collaboration and partnership opportunities with other entities to focus efforts on identifying and addressing modern slavery risks and impacts. We will report on our progress in future modern slavery statements.



## APPENDIX

### PRINCIPAL GOVERNING BODY APPROVAL

This modern slavery statement was approved by the principal governing body of Water Corporation as defined by the *Modern Slavery Act 2018* (Cth) ("the Act") on 13 December 2023.

### SIGNATURE OF RESPONSIBLE MEMBER

This modern slavery statement is signed by a responsible member of Water Corporation as defined by the Act.



Water Corporation's Modern Slavery Statement was prepared in accordance with the mandatory criteria listed in s16(1) of the *Australian Modern Slavery Act 2018*. The table below lists the criteria and the sections in our statement that address each.

Reference	<i>Australian Modern Slavery Act 2018</i> (Cth) mandatory reporting requirement	Location of information
s 16(1)(a)	Identify the reporting entity	Modern Slavery Statement Pg. 4
s 16(1)(b)	Describe the structure, operations, and supply chains of the reporting entity	About Water Corporation Pg. 4-5
s 16(1)(c)	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	Managing modern slavery risks in our operations Pg. 7-8 Managing modern slavery risks in our supply chain Pg. 9-10
s 16(1)(d)	Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	Managing modern slavery risks in our operations Pg. 7-8 Managing modern slavery risks in our supply chain Pg. 9-11
s 16(1)(e)	Describe how the reporting entity assesses the effectiveness of such actions	Measuring the effectiveness of our actions Pg. 12
s 16(1)(f)	Describe the process of consultation with: i) any entities that the reporting entity owns or controls; and ii) in the case of a reporting entity covered by a statement under section 14 - the entity giving the statement	Do not own or control any other entities
s 16(1)(g)	Include any other information that the reporting entity, or the entity giving the statement, considers relevant	Looking Ahead: Future reporting period Pg. 12



