

Modern Slavery Statement

for the period 1 July 2021 to 30 June 2022

Table of contents

	Page
Criteria 1 and 2: Identify the reporting entity and describe the reporting entity's structure, operations and supply chains	4
Criteria 3: Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity	6
Criteria 4: Describe the actions taken by the reporting entity to assess and address these risks, including due diligence and remediation processes	7
Criteria 5: Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	9
Criteria 6: Describe the process of consultation with any entities the reporting entity owns or controls	10

This statement, made pursuant to section 13 of the *Modern Slavery Act 2018* (Cth), sets out the actions taken by Sunwater Limited to address modern slavery risks in its business and supply chain for the period 1 July 2021 to 30 June 2022.

Criteria 1 and 2: Identify the reporting entity and describe the reporting entity's structure, operations and supply chains

Sunwater Limited (Sunwater) is a Queensland Government-Owned Corporation, which provides 40 per cent of all water used commercially in Queensland. We support regional growth and prosperity through the provision of water solutions and bulk water supply for irrigation, industrial, and urban customers.

Sunwater was established on 1 October 2000 under the *Government Owned Corporations Act 1993* (Qld) and has two Shareholding Ministers: the Queensland Treasurer and Minister for Investment and the Minister for Water. Sunwater is governed by an independent board.

Sunwater wholly-owns three subsidiaries: Burnett Water Pty Ltd; Eungella Water Pipeline Pty Ltd; and North West Queensland Water Pipeline Pty Ltd. It does not own or control any other entities. These subsidiaries are operated as a part of the Sunwater business and do not have separate employees or supply chains.

At 30 June 2022, Sunwater had a total of 556 full-time equivalent workers, which included 70 contractors and 8 apprentices/trainees. Almost half our people work from the 31 offices and depots across regional Queensland. The remainder are based at the Brisbane head office and Rocklea Hydraulics Laboratory, providing support and services to regional operations. When tendering for subcontractors and suppliers in the regions, we use local labour and materials wherever possible.

Sunwater is committed to working with our employees and business partners to ensure we have a positive impact on eliminating modern slavery practices in all forms within the local and global community.

Our purpose

'Delivering water for prosperity'.

Our values

Sunwater is a values-based organisation. Everything we do and say is guided by our three key values. At Sunwater, we:



VALUE PEOPLE

Everyone matters, and we are committed to zero harm for all our people



WORK TOGETHER

We are our best when we work together as one Sunwater and with our customers front of mind

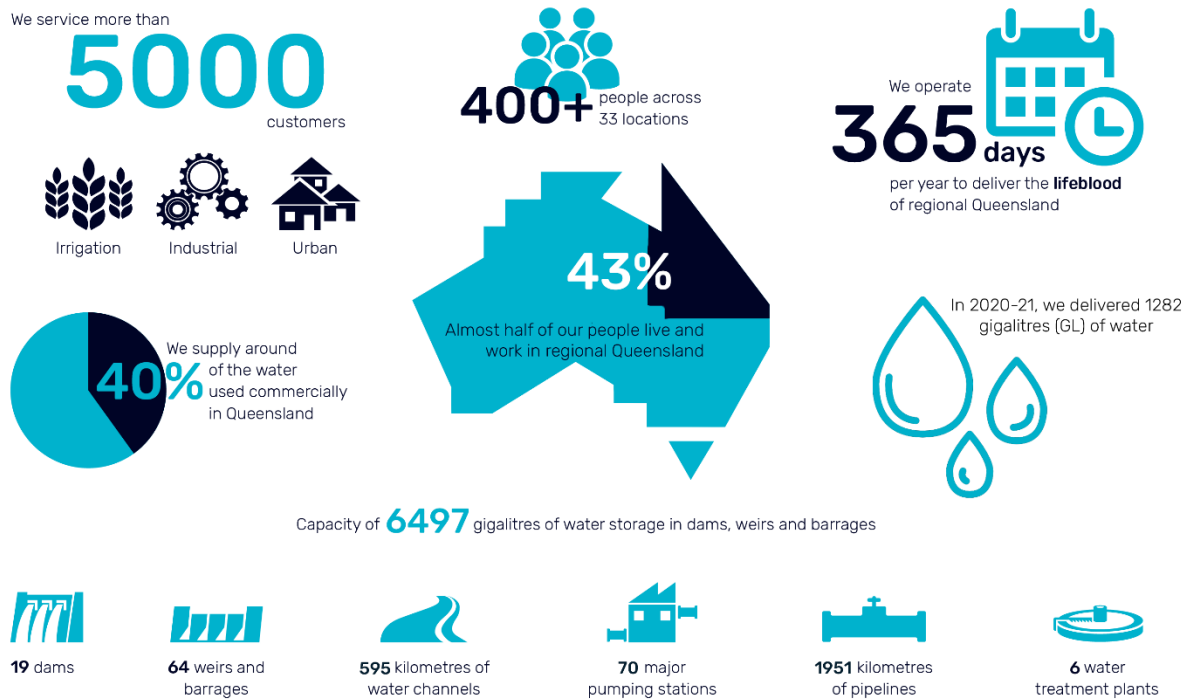


TAKE RESPONSIBILITY

We all have a part to play to deliver on our promises and challenge our thinking

Operations

Sunwater's operations can be summarised as presented in the following diagram.



The majority of Sunwater's assets and operations are located within Queensland, with a small operational footprint in northern New South Wales.

Our operations can be categorised as:

- bulk water infrastructure design, development, and delivery
- water infrastructure operations and maintenance (including management of water supply schemes, pump stations, and pipeline)
- customer service and stakeholder management of our irrigation, industrial, and urban customers; communities; and recreational users of our assets
- supporting corporate and business services
- water trading services.

Sunwater is currently undertaking an infrastructure development and delivery program. During the reporting period, major works undertaken included completion of the Paradise Dam Essential Works Project, as well as progressing the construction of the Rookwood Weir. These projects are being delivered with external partners and stakeholders, including major construction firms.

Supply Chain

Sunwater has an active supply base of 1280 suppliers and a historical annual procurement expenditure of approximately \$155 million. Most of this expenditure is with Tier 1 suppliers in Australia. Sunwater maintains a strong focus on supporting Queensland and its regional community-based suppliers, with 92 per cent of suppliers located in Queensland.

As an infrastructure developer and water utility, Sunwater sources goods and services across a wide range of supply chain categories. These include:

- infrastructure and construction services, primarily focused on water storage and distribution assets

- infrastructure maintenance services, also focused on water storage and distribution assets
- construction materials, such as cement, pipe, steel and fabricated components
- fixed and mobile plant, equipment and associated parts and consumables
- chemicals
- contract labour and professional services
- safety equipment, services, uniforms and PPE
- ICT equipment and services.

Sunwater's procurement expenditure is growing substantially to support the infrastructure development and delivery program. Capital spend is forecast to be approximately \$1.5-2 billion for the next five years. Major projects, including Rookwood Weir, and the Paradise Dam and Burdekin Falls Dam improvement projects are currently progressing. This commitment to infrastructure development and delivery is expected to drive increased expenditure on supply chains in several categories, including construction materials, infrastructure delivery services and contract labour.

Criteria 3: Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity

Operations

Sunwater's main potential risks for modern slavery within operations relate to potentially vulnerable workers. These include:

- work resources engaged on a labour hire arrangement in the corporate office and regional locations
- apprentices and other work resources engaged via a traineeship
- cleaners at regional offices (these are generally sourced from the local community).

Supply chain

Sunwater undertakes an annual strategic scan of modern slavery risk exposure in its supply chain. The primary purpose of this process is to identify significant areas of potential risk, that would warrant further detailed investigation and, if indicated, targeted risk management measures.

Sunwater uses the following metrics as part of its strategic scan:

- exposure to higher risk industries.
- geographic exposure to higher risk regions through our supply chain.
- scale of exposure to individual suppliers based on expenditure during the reporting period.

Sunwater identified labour-hire, information communication and technology and heavy civil and construction to be our main higher risk industries. We did not identify any direct expenditure in higher risk regions. However, some of our suppliers source from regions known to have a higher risk of modern slavery.

The strategic scan indicated that, whilst overall risk exposure appears to be relatively low, there are some suppliers (representing approximately four per cent of Sunwater's active Tier-1 supply base) that Sunwater could not conclude were low risk. Formal surveys were sent to these suppliers regarding modern slavery risk management practices and policies across their operations and supply chains.

Sunwater will follow up on higher risk suppliers in the next reporting period regarding collaborative opportunities to improve identification and mitigation of risks in our supply chains.

Criteria 4: Describe the actions taken by the reporting entity to assess and address these risks, including due diligence and remediation processes

Sunwater is committed to working with employees and business partners to ensure we have a positive impact on eliminating modern slavery practices in all forms within the local and global community.

We take a holistic approach to addressing modern slavery risks. Actions to address modern slavery during the reporting period are included in this section.

Note that Sunwater has not identified any modern slavery matters or risks that require remediation actions.

Governance

Sunwater's corporate governance framework ensures accountability and transparency across the business. A number of policies and frameworks are in place to support ethical and responsible conduct, including our Code of Conduct, compliance and risk management frameworks. Additionally, during the reporting period, Sunwater:

- updated and refreshed our Modern Slavery Policy, which outlines a commitment to reducing the risk of modern slavery occurring within supply chains and operations
- maintained a Whistleblower 'hotline' to provide the general public, employees, and vendors an avenue for reporting concerns. Details for the hotline are available on the Sunwater website. No reports regarding modern slavery have been made to the hotline to date.

In accordance with our Modern Slavery Policy, a leadership group provides management oversight and guidance over Sunwater's response to modern slavery.

Procurement and Supply Chain

During the reporting period, Sunwater:

- developed a Supplier's Code of Conduct which, in addition to setting the ethical expectations of Sunwater, includes a commitment to working with employees and business partners to ensure a positive impact on eliminating modern slavery practices in all forms within the local and global community.
- reviewed and updated all contract terms and conditions and contracting templates to reflect a commitment to monitoring and managing modern slavery risk in its supply chain.
- undertook market research and early-stage procurement for a range of market intelligence services and risk monitoring systems and deep supply chain mapping services; as well as exploratory discussions with modern slavery intervention organisations.
- undertook a two-step strategic scanning process, incorporating a desktop risk assessment of all active Tier 1 suppliers followed by a formal survey and information gathering process, focused on the modern slavery risk management practices and policies of suppliers where higher potential exposure was indicated (refer response to Criteria 3).
- considered general local exposure, particularly with respect to higher-risk services and contract labour categories. A range of awareness and passive scanning strategies have been applied to develop Sunwater's ability to detect risk at a transactional and tactical level.

Operations

Sunwater is committed to ensuring the health, safety and wellbeing of our workforce. A suite of policies informed by, and compliant with, Australian workplace and occupational health and safety law are maintained and updated via a controlled governance review cycle. During the reporting period we:

- maintained an internal working group with representation from across Sunwater to engage with multiple facets of the business, understand risk environments and progress education and awareness activities.

- developed and implemented a modern slavery communications plan to provide knowledge to workers.
- progressed a request for offer to establish a panel arrangement for labour hire and recruitment services throughout Sunwater to cover ICT, trades, infrastructure, engineering, technical and corporate services.

Training and awareness

Awareness and training during the reporting period included:

- developing and implementing modern slavery risk management training for procurement team members, and the internal working group members.
- developing modern slavery awareness training, to be rolled out to all Sunwater workers during FY23.
- self-serve awareness material for workers providing guidance on Sunwater actions to reduce modern slavery risks, and guidance for workers if they become aware someone is at risk of, or is affected by, modern slavery practices.

Sector collaboration

During the period Sunwater:

- participated in a Queensland Modern Slavery Community of Practice (COP) with other government-owned corporations, statutory authorities and agencies, as well as an industry working group sponsored by the Water Services Association of Australia (WSAA). These groups facilitate sharing ideas and implementation activities, including the consideration of modern slavery technology solutions to assist with supplier engagement and reporting. Sunwater is considering these options in conjunction with its own technology solution review.
- engaged with the Queensland Government (Department of Energy and Public Works) to assist the development and review of the whole-of-Queensland-government response to modern slavery.

Future commitments

Building on Sunwater's actions undertaken to date, the following commitments have been identified for review and/or implementation:

- an enterprise procurement, contracting and supply chain management system with integrated ESG risk mapping, including modern slavery capability.
- collaborative risk assessment and solution work with suppliers in the target group, identified via the strategic risk scan process.
- continue to review and update Sunwater processes and procedures as related to modern slavery risks, including to support Queensland Government-led ethical initiatives such as the ethical supplier mandate and best practice industry conditions.
- continue delivering awareness activities to ensure Sunwater workers are aware of the existence of modern slavery, and relevant workers can identify and report modern slavery risks and breaches.
- seek external expert advice (as necessary) should high-risk supplier profiles be identified, to work with these suppliers on reducing their modern slavery risk profile.

Criteria 5: Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks

Sunwater recognises that assessing the effectiveness of our actions to identify and address modern slavery risks in operations and across our supply chains will be an ongoing and evolving process.

Actions and effectiveness assessments have focused on frameworks, procurement processes and worker awareness, as well as assessing progress against the planned actions in our FY21 statement.

During the reporting period, Sunwater commenced assessing the immediate awareness impact from modern slavery training on procurement and supply-chain topics for Sunwater workers. This approach uses self-reported awareness/engagement surveys and qualitative feedback.

In FY23, Sunwater will continue to develop lead-indicator assessments and, leveraging the system and process improvements mentioned above, also continue to add additional intermediate and outcome indicators.

In relation to the actions contained in our FY21 Modern Slavery Statement, we have achieved the following.

Planned actions from FY21 statement	Outcome	Effectiveness
Continue to review and amend applicable policies to further strengthen our response to modern slavery	Modern Slavery Policy reviewed and updated.	Modern Slavery Policy review identified changes to increase practicality of implementation.
Continue to develop and implement guidance materials, training, and awareness sessions to allow relevant staff across Sunwater to identify and report modern slavery risks and breaches	Training sessions and awareness material developed and implemented, as discussed under Criteria 4. This action will continue into FY23 to support increasing and ongoing awareness across Sunwater.	Training material tested on internal working group members from across various functions to ensure relevance to business before roll-out. Positive feedback received.
Continue to review and update procurement procedures to ensure ethical sourcing, including modern slavery risks, are fully integrated into our procurement processes and remain at the forefront of the minds of employees, contractors, and suppliers	The suite of procurement and contract documentation was reviewed and updated.	Consideration of modern slavery risks now embedded into procurement and contract documentation.
Seek external expert advice (as necessary) should high-risk supplier profiles be identified, to work with these suppliers on reducing their modern slavery risk profile.	No high-risk supplier profiles identified	N/A

Criteria 6: Describe the process of consultation with any entities the reporting entity owns or controls

While Sunwater's three subsidiaries own some water infrastructure and water entitlements, the subsidiaries do not operate as separate businesses. We consulted the three subsidiaries in the development of this statement.

This statement was approved by the Sunwater Board of Directors on 6 December 2022.

A handwritten signature in black ink that reads "L. Caffery". The signature is written in a cursive style with a large, looped 'L' and a long, sweeping tail for the 'y'.

Dr Lisa Caffery

Chair

Sunwater

Green Square North

Level 9, 515 St Pauls Terrace

Fortitude Valley, Queensland, 4006

Head Office: (07) 3120 0000

Customer enquiries: 13 15 89

www.sunwater.com.au

Delivering water
For prosperity