

Modern Slavery Statement 2023-24

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Foreword by the Board Chair and CEO

Power and Water and its wholly owned subsidiary, Indigenous Essential Services Pty Ltd (IES) recognise that modern slavery practices are a serious violation of human rights. We do not tolerate any form of modern slavery in our operations or supply chains. We believe all workers across the supply chain should be treated with dignity and respect and recognise each person's rights to freedom, justice and fair work conditions and we seek to emulate the outstanding corporate citizenship of our peers and partners in relation to this ethical sourcing consideration by making it part of our business.

We are proud of our progress on our commitments towards analysing and mitigating the risk of modern slavery in our operations and supply chains to date and raising awareness within our sector and region. With this statement, we declare our continued commitment to upholding our ethical and legislative obligations by taking action to ensure that our sector wide operations throughout the Northern Territory do not encourage or support the enactment of modern slavery.

This modern slavery statement is signed and lodged with the authority of the Power and Water Corporation Board.



Peter Wilson AM
Board Chair
Power and Water and IES

Date: 5 December 2024



Djuna Pollard
Chief Executive Officer
Power and Water and IES

Date: 13 December 2024



The reporting entity

This joint statement has been prepared and made in accordance with *Modern Slavery Act 2018 (Cth) (Act)* for the financial year ending on 30 June 2024 relating to the activities of the reporting entity Power and Water Corporation (ABN 15 947 352 360) and its wholly owned, not-for-profit subsidiary Indigenous Essential Services Pty Ltd (ABN 50 105 269 636). While both entities operate under separate board structures, we share a common board chair and chief executive officer.

Our business

Structure

Power and Water is established under the *Power and Water Corporation Act 2002* and is a Northern Territory government-owned corporation, established under the *Government Owned Corporations Act 2001*. We have a shareholding minister and a portfolio minister, with the former holding Power and Water's shares on behalf of the Northern Territory Government.

Our board of directors is responsible to the shareholding minister for the Corporation's operational and financial performance and is required to provide a Statement of Corporate Intent each financial year.

Operations

Power and Water is a complex multi-utility business with many competing priorities. Our operations span the entire supply chain of the energy, water and wastewater industries, plus a gas business.

With close to 850 employees, Power and Water is one of the largest employers in the Territory and our essential services of gas, water and sewerage makes us a key enabler in reaching the Northern Territory Government's target of a \$40 billion economy by 2050. We are a key responder after a natural disaster, helping to restore essential services to the community safely.

The principal activities of Power and Water and IES are the distribution of electricity, the provision of water and sewerage services to the people of the Northern Territory, and gas supply to third parties.

Power and Water also manages the provision of electricity, water and wastewater services to remote Aboriginal communities and outstations on behalf of the Department of Territory Families, Housing and Communities. These arrangements are through IES under agreement with the Northern Territory Government.

As a multi-utility we recognise the enormous social responsibility we have in sustaining our way of life. Territorians rely on our networks and services, placing their trust in us to make sure power and water is always there when they need it, and at a price they can afford.



Values

Everyone at Power and Water has a responsibility to do the best we can. Not only in the way we do our jobs but in how we work together as a team and interact with our customers. Our values are an essential part of our culture, reflected in everything we do.



We put
**PEOPLE
FIRST**



We value our
customers and
give them
OUR BEST



We have
pride in
ourselves and
OUR WORK



We work
better by
working
TOGETHER

Power networks and distribution

We own and operate the regulated electricity network and parts of the unregulated network in licensed areas, distributing electricity through three power networks, from the wires to the meters. We also own and operate generation plants in five minor centres in addition to plants in remote communities.

We are the system controller of the Territory's 3 power systems and ensure they are balanced, stable, safe, secure and reliable. We are also the market operator and operate the interim wholesale electricity market.

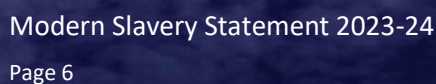
Water and wastewater

We own and operate the large dams and groundwater infrastructure that deliver water to households and industry. We remove and treat wastewater before disposing of it in an environmentally responsible manner. We are licensed to provide water and sewerage services to 5 major urban centres and 5 minor urban centres and provide water services only to the other 8 minor centres.

Gas purchase and distribution

We own and maintain numerous gas pipelines and manage the largest gas wholesale supply and transportation portfolio within the Northern Territory. This includes sales to generators and large businesses across the Northern Territory, and into the interstate markets.

Our combined operating environment provides network services to a highly dispersed, relatively low population base, spanning over 1.3 million square kilometres of the Northern Territory to some of Australia's most isolated locations.



Our supply chain

Power and Water is among the largest buyers of goods and services in the Northern Territory and our procurement and contract management activities play an important role in the health of the local economy. Within the reporting period, Power and Water procured goods and services to the value of approximately \$781 million from over 1,400 suppliers across a diverse range of industries.

Power and Water is committed to a fair and transparent procurement process, encouraging competitive tendering, cost effectiveness and proactive contract management, guided by a robust governance framework and legislative obligations.

Power and Water manages its supply chain in accordance with the following fundamental principles:

- **Best value for Territory** – achieving the best return for Power and Water and the Northern Territory – through an optimum combination of quality, quantity, risk mitigation, timeliness and whole-of-life cost effectiveness – recognising that this may not necessarily be at the lowest price.
- **Ethical and fair treatment** – conducting all dealings in an open, honest and impartial manner – through open and competitive tendering (unless impracticable and/or inefficient), equal opportunity for suppliers, clear and easy to understand assessment criteria and methodology, timely tender assessments, effective communications and complaints process, and appropriate risk allocation in contract documentation.
- **Probity, accountability and transparency** – ensuring the integrity of the procurement and contract management processes and actions taken by Power and Water employees – through established roles and responsibilities, transparency of decisions made, adherence to Power and Water’s Code of Conduct, confidentiality of all commercial information and accountability for decisions.
- **Sustainable and skilled industry partners** – supporting development of industry partners with the capability and capacity to assist in delivering Power and Water’s evolving needs - raising performance issues and user complaints early and effectively with suppliers to obtain value and create healthy, mutually beneficial relationships.
- **Environmental protection** – supporting Power and Water’s objective of promoting and protecting the environment and minimising environmental harm.
- **Promotion of Power and Water’s objectives** – to add value to Power and Water in fulfilling our vision, goals and corporate objectives as defined in our Statement of Corporate Intent.
- **Continuous improvement** – engaging with our stakeholders, building procurement and contract management capability, and maintaining effective management standards, procedures, governance, assurance and compliance to continuously improve the effectiveness of our procurement and contract management frameworks.

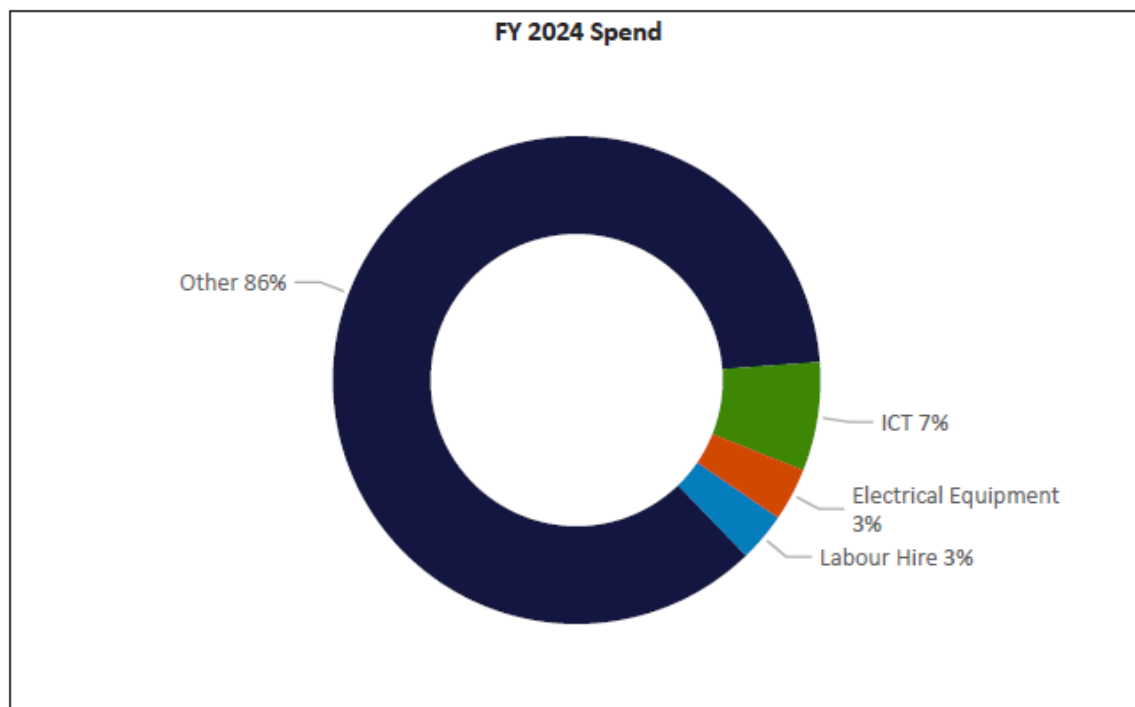
Supply chain risks

Overall, and largely due to our buy local policy resulting in the majority of our supplies and labour sourced from within the Northern Territory and domestic economy, the risk associated with modern slavery associated with our sourcing activities is considered low. Ongoing analysis and supply chain investigation across our top tier suppliers will provide increased insight into risk.

The greatest risk of the presence of modern slavery in our supply chain has been identified as being from suppliers that may rely on labour from vulnerable populations in high-risk procurement categories or high-risk geographies.

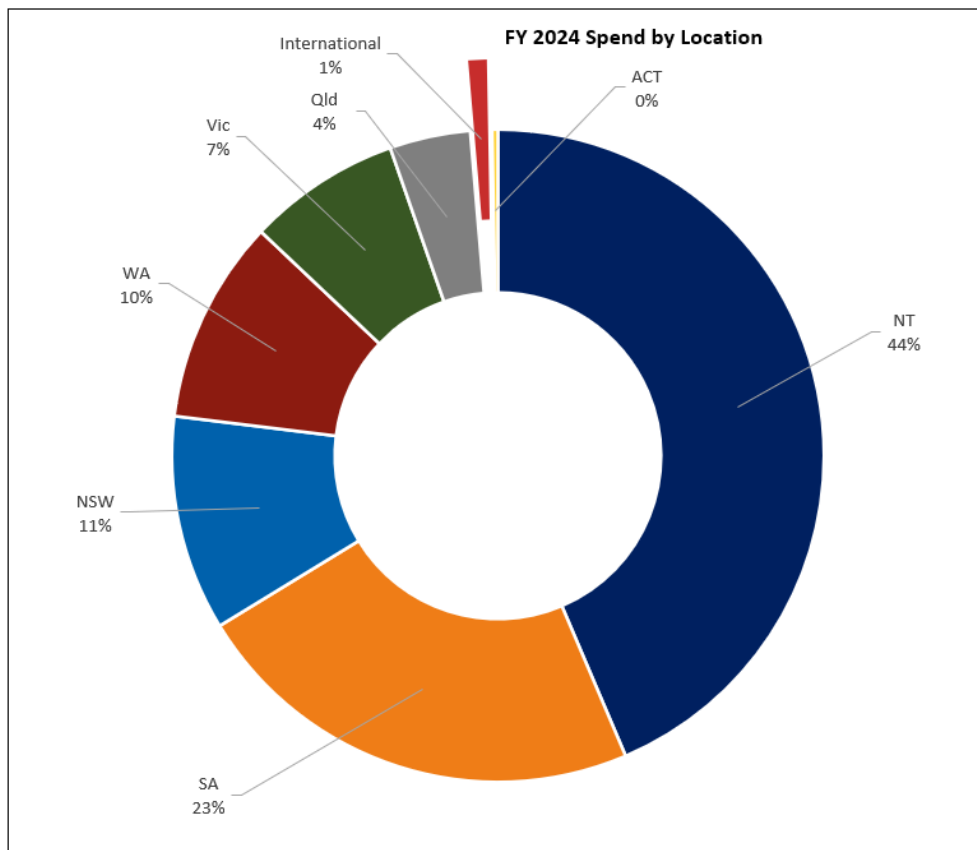
High-risk categories

Power and Water procures goods and services from a number of potentially high-risk categories, including labour hire, information and communication technology, and electrical parts and equipment. Suppliers within these categories will require further review and analysis during the 2024-2025 reporting period to determine context specific risk in supply chain in relation to modern slavery.



High-risk geographies

In FY 2024, 99% of Power and Water's spend was sourced from Australian-based suppliers. Procurement from overseas entities was approximately \$11.6 million, or 1% of our annual spend. Ongoing risk assessment of the direct and indirect supply chain sourcing activities associated with high-risk geographies require further review throughout 2024-2025.



Due diligence and addressing risks

Power and Water continues to progress its category management practices across the reporting period, to allow its procurement resources to focus on specific areas of expenditure to achieve value. This model has contributed to improved supply chain analysis with a strategic view of risk areas that can be assessed for modern slavery.

As part of Power and Water's ongoing business-wide modernisation program, we have invested in internal systems and resource alignment, which significantly impacts contract management accountability and the program delivery environment. These systematic changes provide a ripple effect into the outsourced delivery model and provide opportunity, as part of procurement and contract renewal initiatives, to embed modern slavery considerations into the procurement framework and suite of documentation.

Initiative update

The following progress was made in the reporting period against our 2023 initiatives:

INITIATIVE	2023 STATEMENT DETAILS	2024 PROGRESS UPDATE
Review of our supply chain framework	<p>We identified all underlying and supporting supply chain and operational documentation impacted by Australia's modern slavery legislation.</p> <p>We are developing our systems to identify and assess potential risk areas within our supply chain and to mitigate any identified areas of risk. Our standard procurement processes include a variety of checks and reviews designed to make sure that the suppliers we engage have the capability, capacity and credibility to comply with our policies and commercial terms. We also check that our contracts undergo appropriate legal assessment and have appropriate contract clauses in place to balance risk and outcomes.</p>	<p>A Modern Slavery Risk Assessment Tool for supply chains tool was implemented within procurement planning documentation.</p> <p>This tool is used to assist in the identification of Modern Slavery risk in our procurement and contract activities and mitigate these risks by including questions in response schedules to gain an understanding of how suppliers mitigate their risks and increase awareness.</p> <p>Reporting channels have been established and communicated to employees and contractors for the confidential disclosure of any suspected modern slavery concerns.</p> <p>Modern Slavery actions/activities were incorporated into the business unit plan and specifically within the Category Managers team plan for FY 2025.</p>
Examination of our supply chain fundamentals	<p>Our suite of procurement documentation has been reviewed and identified for updating to include modern slavery clauses, including:</p> <ul style="list-style-type: none"> ▪ Policy documentation ▪ Planning documentation ▪ Execution documentation ▪ Contractual documentation. 	<p>Supply chain documents updated and published include:</p> <ul style="list-style-type: none"> ▪ Procurement Policy and Sourcing Rules ▪ Procurement Plans ▪ Sourcing documents (Request for Tender and Response Schedules) ▪ Contract conditions <p>From an enterprise level the following documents were reviewed to consider modern slavery requirements:</p> <ul style="list-style-type: none"> ▪ Compliance management standard ▪ Work health and safety policy statement ▪ Work health and safety management standard ▪ Employee assistance program procedure

INITIATIVE	2023 STATEMENT DETAILS	2024 PROGRESS UPDATE
Awareness and training initiatives	<p>We have significantly increased our focus on modern slavery and commitment to the legislative framework and potential impact our supply chains may have towards the agenda.</p> <p>Regular discussions have been held within corporate meetings and at various governance levels across the entities in support of raising awareness.</p> <p>Initiation of training our procurement, category management and contracts management teams using the Commonwealth's standard modern slavery materials and incorporation of training modules into our standard performance achievement system.</p>	<p>A Modern Slavery Fact Sheet was developed and published to increase awareness and understanding.</p> <p>Information provided to the Executive Leadership team through monthly category performance report and the Senior Leadership Group via the Supply Chain Fundamentals updates.</p> <p>Four obligations have been created in the compliance management system dealing with matters ranging from the creation of this statement to ensuring modern slavery risks and hazards are identified. These obligations have identified key controls for the business, including our standard contracts suite used for engaging consultants, which is committed to addressing modern slavery risks through its compliance management system. It also raised actions to uplift existing controls, such as updating the Health, Safety and Environment management standard to consider modern slavery in corporate risk reviews.</p> <p>Procurement, category management and contract management teams completed initial Commonwealth developed training and have engaged with Energy Procurement Supply Association to knowledge and process share.</p> <p>Mandatory Modern Slavery Awareness training was implemented within our performance achievement system as a legislative compliance requirement for all employees and identified contractors. This was added to all profiles in the system with 1005 individuals completing the training within the period. Ongoing it is automatically added to new profiles when they are created.</p>

INITIATIVE	2023 STATEMENT DETAILS	2024 PROGRESS UPDATE
Preliminary risk analysis of our Tier 1 suppliers	<p>We have identified the sectors where we are most exposed to modern slavery risk within our supply chain, which include:</p> <ul style="list-style-type: none"> ▪ Bulk chemical sourcing ▪ Bulk chemical transportation ▪ Corporate and personal protection clothing ▪ Personal protection equipment ▪ Electrical components and equipment ▪ Labour-hire sourcing, and ▪ ICT hardware and software. 	<p>A supplier questionnaire was implemented into sourcing documentation for tenderers to complete, informing how they mitigate their risk of Modern Slavery in their supply chains to enhance analysis and assessment.</p>

Effectiveness of actions

Power and Water has a risk-based approach to investment decision-making and has adopted a risk-based approach to the assessment of modern slavery implications across its supply chain.

To date, we have not identified any instances of modern slavery directly associated with our operations. No client or supplier has raised modern slavery concerns. No modern slavery-related issue or concern has been submitted by any employee.

Raising awareness and front of mind consideration continues to be a focus over the next reporting period to ensure executive leaders, procurement professionals, asset managers and project teams consider the impact of modern slavery within the context of their operating environment.

Future focus

Acknowledging the ongoing nature with regard to the identification and mitigation of modern slavery risks and our progress to date, the key focus for the 2025 reporting period will be:

FOCUS	OBJECTIVE	2025 ACTIONS
Risk identification	To identify any modern slavery risk in our supply chain	<ul style="list-style-type: none"> ▪ Ensure supplier questionnaires are issued with tender documentation ▪ Review and assess responses for any changes in risk profiles ▪ Examine other utilities modern slavery risk identification tools and processes

FOCUS	OBJECTIVE	2025 ACTIONS
Policy and procedure review	Ensure modern slavery is appropriately addressed at an enterprise level and external facing activities with suppliers are appropriately supported by policy	<ul style="list-style-type: none"> Compliance management (using our Compliance Management System), including regular review of obligations by owners to ensure effective controls are in place. Periodically review the continued effectiveness of controls listed against obligations and raise actions were required. Ongoing review of supply chain documentation
Industry and Supplier Engagement	Supplier engagement and alignment with peers, regulators and peak industry bodies to promote two-way feedback	<ul style="list-style-type: none"> Ongoing engagement with Energy Procurement Supply Association's working group on Modern Slavery to progress our maturity or other comparable businesses Engage with the Utility Regulators Forum as represented by the Utilities Commission of the Northern Territory Share information with strategic suppliers about modern slavery risk
Education and awareness	To ensure all parts of the corporation are aware of our obligations	<ul style="list-style-type: none"> Monitor ongoing completion of training Periodic review of training module to ensure it is up to date Communicate statement approval and publishing to employees and stakeholders Inclusion of a modern slavery update within the quarterly supply chain performance report to the Audit & Risk Management Committee meeting
Oversight and planning	Embed ownership of modern slavery risk and processes into the performance management framework and document within our strategic plan.	<ul style="list-style-type: none"> Ongoing incorporation of modern slavery obligations into the business unit and supply chain strategy and operations team plan. Develop metrics or KPIs to measure effectiveness of actions.

Statement development

The formal approval process of this statement has progressed in accordance with Power and Water's governance framework, constitution and Board charter, including:

1. Executive Leadership Team endorsement on 14 November 2024
2. Board Audit and Risk Management Committee endorsement on 18 November 2024
3. Board approval on 29 November 2024.

	PWC Board	IES Board	ARMC	PSSRC	GASCO	SCMORC
Peter Wilson <small>AM</small> Chair	●	●	●	●	●	●
Trevor Armstrong	●	●		●		●
Paul Italiano	●	●	●	●		Ex officio ●
Greg Martin	●				●	●
Jodie Ryan	●	●	●	●		
Megan Corfield	●		●	●	●	
Rob Cole					◆	

Legend: ● = Chair ● = Member ◆ = Specialist (non-director) member

Contact

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