



MODERN SLAVERY STATEMENT 2022/23

ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Traditional Custodians of the land on which we connect, share and learn. We recognise the unique and continuing connection of Aboriginal and Torres Strait Islander Peoples to land, water and culture and pay respects to Elders past and present as we work towards a just and reconciled Australia. We recognise and value their traditional responsibility for the land and water and the contribution of Aboriginal and Torres Strait Islander Peoples to the South East Queensland community.

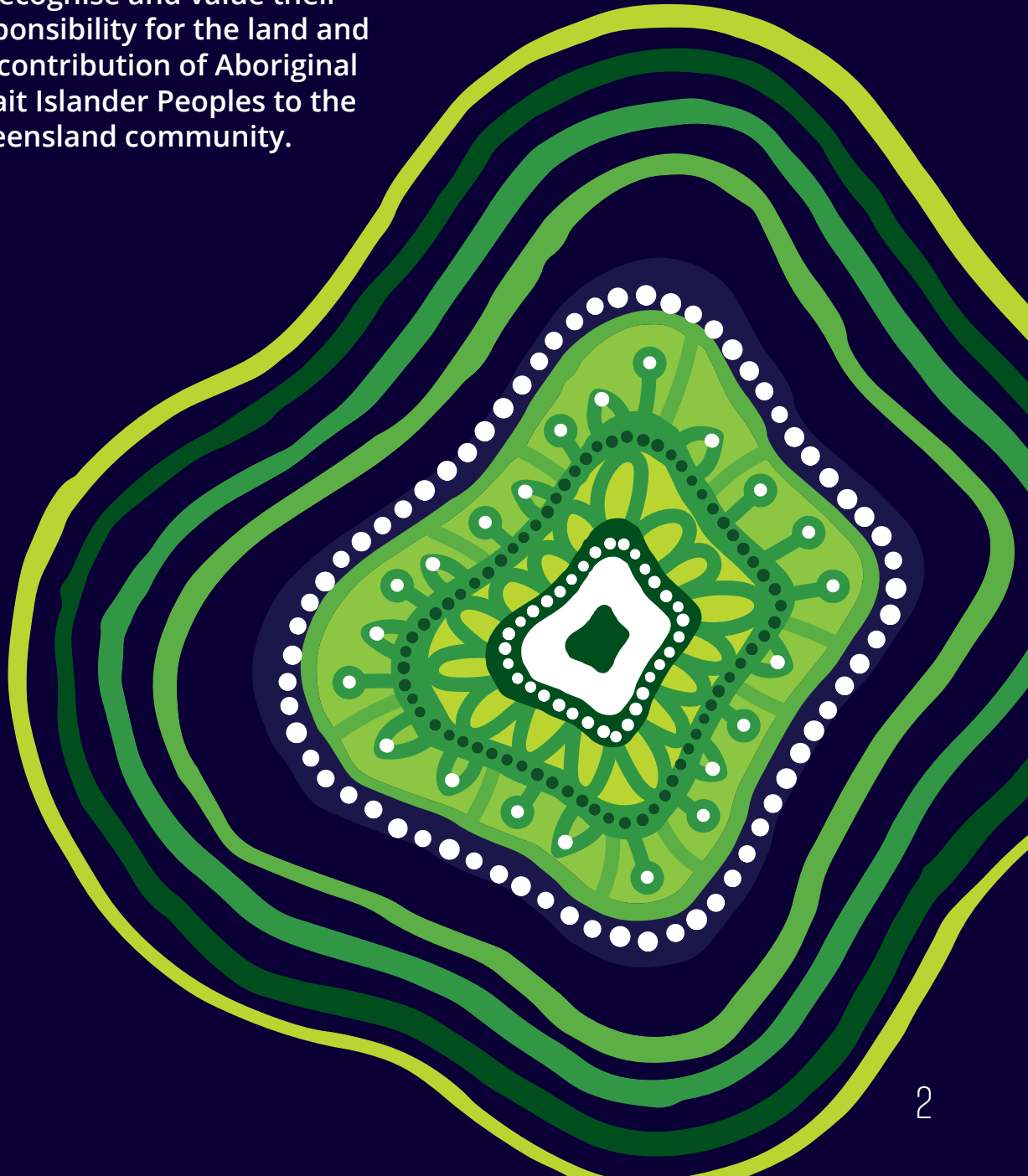


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The Central SEQ Distributor-Retailer Authority, trading as Urban Utilities (ABN 86 673 835 011), is a statutory authority under the *South-East Queensland Water (Distribution and Retail Restructuring Act) 2009* (Qld). With a revenue over \$500M, we are classified as a reporting entity for the purposes of the *Modern Slavery Act 2018* (Cth) (the Act).

This Statement sets out the actions taken by Urban Utilities to address modern slavery risks in its operations and supply chains over the financial year ending 30 June 2023 (FY23), pursuant to the Act.

All amounts expressed in this Statement are in Australian dollars.

2022/2023 SNAPSHOT

OPERATIONS

- ✔ Continued to embed the consideration of human rights impacts in our actions and decision-making processes, including in new and existing policies, procedures and standards, to align with our legislative and social obligations and risk profile.
- ✔ Continued to ensure that Modern Slavery Awareness Training is mandatory for employees occupying roles that require an understanding and awareness of modern slavery risks in our operations, supply chains or both.
- ✔ Developed and implemented a Modern Slavery Toolkit to assist procurement practitioners, contract managers and decision makers in how to identify, mitigate and respond to modern slavery risks in our supply chain.
- ✔ Continued to monitor media alerts to ensure we keep abreast of current and emerging human rights issues and modern slavery risks to our business.

SUPPLY CHAIN

- ✔ Developed a Modern Slavery Response Protocol which describes the steps to report suspected, or actual, instances of modern slavery exploitation at a local or international level.
- ✔ Developed a Modern Slavery Poster which is displayed at various Urban Utilities operational sites to continue to raise the awareness among our employees, visitors and contractors.
- ✔ Continued application of supply chain due diligence processes to ensure modern slavery risks are evaluated effectively during procurement processes, including the supplier onboarding process.
- ✔ Continued to assess and map Urban Utilities' tier one supply chains, including new and existing suppliers via the Modern Slavery Supplier Assessment Questionnaire.

I. INTRODUCTION

We are pleased to present **Urban Utilities’ Modern Slavery Statement** which describes our approach and continued efforts to manage modern slavery risks in our operations and supply chains throughout FY23.

We have continued to evolve our Modern Slavery Framework and Action Plan which guides our modern slavery risk management actions, focusing on:

- strong policies and procedures,
- risk assessment and due diligence,
- training and awareness,
- grievance and remediation, and
- collaboration and stakeholder engagement.

While we have not identified any instances of modern slavery, we have established guidance to respond to it, should it occur, including the development of a Modern Slavery Response Protocol, and acknowledge that tackling modern slavery requires an ongoing focus and commitment.

Urban Utilities remains committed to collaboration, consultation and meaningful engagement with government and our industry peers to share knowledge, discuss good practice approaches, and build on learnings to address the increasing complexity of modern slavery risk.

We are committed to delivering our products and services to the community in a manner that is consistent with our corporate values and aligned to people’s human rights. This Modern Slavery Statement reflects our purpose and core values – to enrich quality of life by caring for each other and the community. We look forward to continuing to build on our response to modern slavery, communicating our progress and helping drive meaningful change within the water industry.

I.1 OUR STRATEGIC DIRECTION

Our strategic direction outlines where we want to be and how we plan to get there.

OUR PURPOSE

Enrich quality of life.

OUR STRATEGIC GOALS

Our strategic goals are our “big picture” objectives for the business. They drive our priority setting, resource allocation, capability requirements and budgeting activities.

- **Constructive Culture** – We inspire, create and sustain a constructive culture to deliver high performance.
- **Foundational Success** – We know our business, we know our customers and we deliver value for both.
- **Environmental Leadership** – We protect and enhance our environment for current and future generations through excellence in water cycle management.
- **Social & Economic Value** – We advance the wellbeing and prosperity of society by leveraging our unique capabilities.

OUR VALUES

Our values are the foundation of how we work. To achieve our purpose and vision, we must embrace our values in all that we do.

WE CARE

- **We’re Connected.** We’re here for each other and our customers. We generously share our talent, time and knowledge.
- **We’re All In.** We’re one team. We’ve got grit, can always be counted on and love what we do.
- **We Keep It Read.** We’re good humans. We embrace real and meaningful conversations. We bring our whole self to work.
- **We’re Evolving.** We’re curious, we challenge the status quo to create change that adds value.

2. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

2.1 OUR STRUCTURE

On 1 July 2010, the Central SEQ Distributor-Retailer Authority, trading as Queensland Urban Utilities, was established as a statutory body under the *South-East Queensland Water (Distribution and Retail Restructuring Act) 2009* (Qld) and a service provider under the *Water Supply (Safety and Reliability) Act 2008* (Qld).

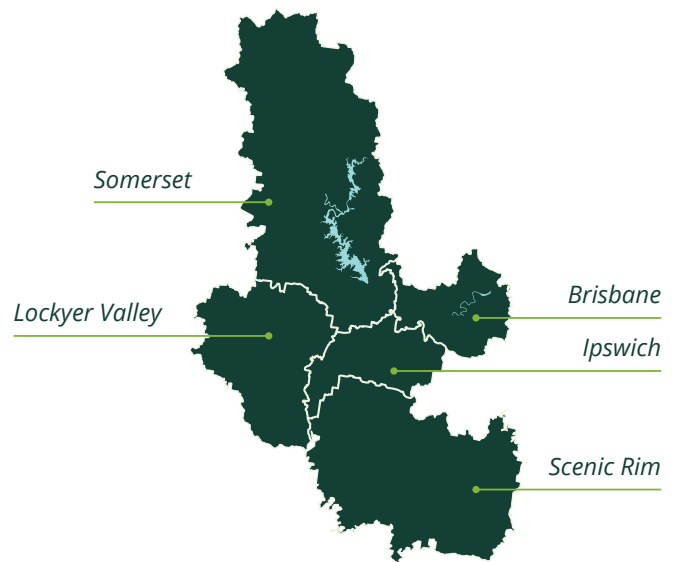
Urban Utilities is led by a Board comprising eight independent, non-executive members, including the Chair, who are responsible for setting and overseeing Urban Utilities' strategic direction.

The Board is supported by the Chief Executive Officer and eight executive leaders who are responsible for leading their functional business divisions. The Board's role includes deciding the strategies and the operational, administrative and financial policies to be followed. The Board also ensures that we perform our functions and exercise our powers in a proper, effective and efficient manner, and that we comply with planning and reporting requirements.

Our geographic area stretches from Cape Moreton in the east to the outskirts of Toowoomba in the west, up to the Yabba State Forest in the north, and down to the New South Wales border along the Scenic Rim in the south,

covering 14,384 square kilometres. This area is made up of the five local government areas of our shareholders: Brisbane, Ipswich, Lockyer Valley, Scenic Rim and Somerset.

Our head office is based in Fortitude Valley, Brisbane.



OUR BUSINESS IN NUMBERS

1.6 million
customers

\$368.8 million
invested in infrastructure

10,002 km
of wastewater mains

133,720 ML
of drinking water supplied

\$6.7 billion
asset base

28
wastewater treatment plants

3,745ML
of recycled water supplied

\$225 million
total return to shareholders

2.1 million
water meter readings

126,681 ML
of wastewater collected,
transported and treated

100%
of Customer Service
Standards achieved

2,323
water approval
applications processed

9,686 km
of water mains

123,850
drinking water quality tests

\$150,000+
invested in community
events and sponsorships

12,610 MWh
generated from waste



2.2 OUR OPERATIONS

Urban Utilities is one of the largest water service providers in Australia, supplying drinking water, recycled water and wastewater services to approximately 633,300 residential properties and 30,300 commercial properties in South East Queensland. We operate in a unique environment where we serve the same customers and communities as our shareholders.

We deliver these services via our \$6.7 billion infrastructure network, which is supported by a workforce of 1,177 permanent employees.

To enable our core services, we undertake a number of related functions, including:

- future services planning,
- asset planning and management,
- water meter management and billing,
- development assessments and approvals,
- waste management (including trade waste), and
- research and development.

Urban Utilities also operates the Scientific Analysis Services (SAS) Laboratory, which is responsible for providing water sampling services and chemical and microbiological analysis to Urban Utilities and a range of private and public sector entities.

For full details, please refer to Urban Utilities' [Annual Report FY23](#).

2.3 OUR SUPPLY CHAINS

Urban Utilities recognises that there are modern slavery risks across the goods and services we purchase and is committed to continually monitoring our supply chains to identify and address risks in an appropriate manner.

The table below shows our major categories of procurement spend to support our capital projects and core operational functions.

Table 1: Our key categories of procurement spend

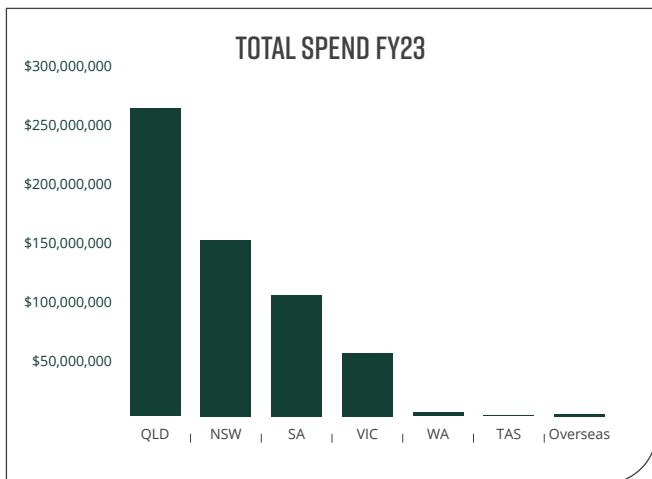
Category	Includes but not limited to:	% of total procurement spend
Infrastructure and Construction	Capital infrastructure projects	41%
Maintenance and Operations	Costs to operate and maintain infrastructure and includes maintenance services; meters, associated services and equipment; fleet; chemicals; energy; traffic management services; pipes, accessories and consumables; plant and equipment hire; waste management services.	32%
Corporate Services	Professional services; facilities and site management; contingent labour; marketing and media; logistics; freight; postage; financial services; learning and development; catering; uniforms; stationery; travel; insurance.	17%
Information Technology	Computer hardware and accessories; software and licensing (including as a service); managed services.	10%

While the diversity of the goods and services we procure can potentially expose Urban Utilities to multiple risks across a number of industry sectors, we apply a systematic approach to managing risk throughout our procurement decision-making processes, which we consider an essential element of identifying and addressing modern slavery practices.

2.3 OUR SUPPLY CHAINS CONTD.

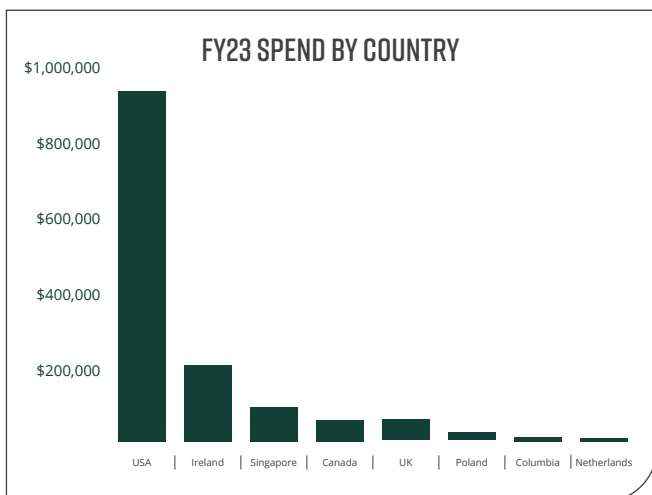
Urban Utilities managed a supply base of 839 suppliers during the reporting period. Where possible, we are committed to procuring goods from Queensland- and Australian-based suppliers and, as evidenced by the graph below, approximately 99.8% of our \$570M FY23 supplier spend¹ was with tier one/direct suppliers located in Australia.

Figure 1: Our FY23 spend at a glance



The remaining 0.2% is attributed to a total of 22 overseas suppliers located across eight countries as depicted in the graph below.

Figure 2. FY23 overseas spend at a glance



The following table identifies the prevalence of modern slavery risks according to the Global Slavery Index 2023. As identified in the table, the majority of our spend was from countries that have been identified as having a low risk of modern slavery. With regards to the suppliers located in Singapore, Poland and Colombia, these suppliers provide Urban Utilities with IT software licenses and support or professional subscriptions, both of which are industry sectors considered low risk in terms of modern slavery occurrences.

Table 2: Percentage spend per Country for FY23 and Country Risk Level

Country of Spend	% Spend for FY23 (excluding corporate card)	Country Risk Level (based on the Global Slavery Index)
1 Australia	99.8%	Low
2 United States of America	0.14%	Low
3 Ireland	0.03%	Low
4 Singapore	0.01%	Low-Medium
5 Canada	0.01%	Low
6 United Kingdom	0.01%	Low
7 Poland	0.00%	Medium
8 Colombia	0.00%	Medium
9 Netherlands	0.00%	Low

¹ Addressable spend includes capital and operating expenditure, and excludes spend such as government and regulatory fees, land acquisition, employee payments and reimbursements, and purchase of bulk water.

3. RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAINS

3.1 OUR APPROACH

In line with the *United Nations Guiding Principles on Business and Human Rights (UNGPR)*, Urban Utilities seeks to proactively assess and address modern slavery risks in our operations and supply chains. We recognise that the risks of modern slavery mean the potential for Urban Utilities to:

- cause modern slavery or human rights impacts through our operations and supply chains;
- contribute to modern slavery or human rights impacts through our operations and supply chains; or
- be directly linked to modern slavery or human rights impacts through our operations, or products and services procured from our suppliers.

Importantly, when assessing this risk, we recognise that the emphasis is on the risk of harm posed to the people within our operations and supply chains.

Urban Utilities seeks to proactively assess and address modern slavery risks in our operations and supply chains. We have a robust corporate governance framework in place, which is overseen by Urban Utilities' Board and the Audit, Finance and Risk Committee. Our Risk Management Framework establishes risk principles, governance, policies, procedures, systems and processes to ensure the management of risk in an efficient, effective and consistent manner. The Risk Management Framework acknowledges and interrelates to a suite of policies, procedures, codes and standards that are relevant to modern slavery.

Our Chief Financial Officer is the accountable officer for addressing modern slavery risks, supported by General Counsel, Chief Experience Officer, Executive Leader Corporate Affairs, Head of Procurement and Supply, and other members of the executive and management teams.

Our Modern Slavery Working Group includes representatives from the Procurement and Supply, Legal and Risk, Corporate Affairs and Experience teams. Our Modern Slavery Working Group Charter establishes the

purpose of the working group, which is to assist the Board and the executive team in ensuring, through cross-functional business representation, that Urban Utilities understands, identifies and mitigates modern slavery and human rights risks that may exist within our operations and supply chains. The Modern Slavery Working Group meets quarterly and is responsible for:

- developing and recommending the annual Modern Slavery Action Plan;
- ensuring there is an appropriate platform in place to plan, assign and assess activities and accountabilities for modern slavery and human rights risk management;
- preparing and recommending metrics to assess the effectiveness of our modern slavery program of work;
- providing advice on modern slavery and human rights issues and risks;
- contributing to the preparation of our annual Modern Slavery Statement;
- identifying and recommending opportunities to collaborate with industry groups to share knowledge and learnings and keep abreast of common approaches across industry; and
- monitoring emerging issues, trends and risks relating to our operations and supply chains.

The day-to-day implementation and management of the Modern Slavery Action Plan is cross-functional and our internal business units work together to embed the initiatives outlined in the plan. Specifically:

- the Procurement and Supply team manages all procurement processes, including supplier due diligence, contract execution and management;
- our Legal and Risk group provides advice and guidance on legislative compliance and incident management;
- the Corporate Affairs group manages independent assurance; and
- the Experience group manages the recruitment of employees and contingent labour staff.

3.1 OUR APPROACH CONTD.

Urban Utilities' Modern Slavery Risk Assessment Tool is one of our key controls to managing potential or actual risks of modern slavery in our operations and supply chains. It provides Urban Utilities with an ongoing framework from which to assess the risk of modern slavery practices in our operations and supply chains by considering geographic risk, industry/sector risk and product/service risk.

We assess inherent modern slavery risk factors (that is, geographic risk and industry/sector risk) in Urban Utilities' operations on an annual basis and Urban Utilities' controls for managing such risks. As with the inherent risk assessment, each control is given a score and allocated a weighting, resulting in a weighted score. The controls are reviewed annually and updated to reflect changes we have made to our modern slavery controls as they pertain to our operations. The outcome of this year's assessment was that the residual risk of modern slavery in our operations remains "low", and it is anticipated that unless there is a substantial shift in our operations, specifically in our labour arrangements, it is likely to remain low risk moving forward.

In addition to our risk assessment process, our Procurement and Supply team regularly reviews media articles and collaborates with industry groups to keep abreast of emerging human rights issues and risks. We anticipate, and actively observe for, increased human rights risks related to products in our supply chains, including any risks from emerging supply chain issues.

3.2 OUR OPERATIONS

During the reporting period, labour arrangements data for Urban Utilities included the following:

- 1,255 people were employed or engaged by Urban Utilities in some capacity. Note that this figure does not include the workforce of our key supply partners.
- Of this figure, 1,177 were employees (93.8%) directly engaged by Urban Utilities in a permanent (full-time or part-time) capacity.
- The remaining 6.2% of our workforce was contingent labour engaged through recruitment agencies.

Urban Utilities' recruitment processes incorporate verification and due diligence checks to ensure that employees have a "Right to Work" in Australia, and that

any Urban Utilities employee or contingent worker on a visa complies with the visa requirements. Further, employees are engaged under various Fair Work Commission-approved industrial agreements and Common Law Contracts.

As for the contingent labour component of our workforce, the majority of contingent labour has been contracted through the Queensland Government's Temporary and Contracted Workers Preferred Supplier Panel Arrangement. Under this arrangement:

- Urban Utilities has oversight and visibility of the people engaged;
- Urban Utilities has transparency over the rates paid to our contingent workforce; and
- recruitment agencies are required to comply with legislative requirements.

Contingent labour resources are engaged through labour providers holding a requisite license under the *Labour Hire Licensing Act 2017* (Qld). As additional due diligence, Urban Utilities has sought the completion of our Modern Slavery Supplier Assessment Questionnaire (SAQ) by the majority of labour agencies engaged to provide resources.

3.3 COVID-19 IMPACTS ON OUR OPERATIONS

During the COVID-19 pandemic, Urban Utilities maintained a focus on delivering water and wastewater services to our commercial and residential customers in the most cost-effective and efficient manner possible.

Through the various stages of the pandemic, controls were implemented to protect Urban Utilities' employees to ensure they could continue to maintain the essential services we provide to our communities. Urban Utilities implemented flexible working arrangements and increased protections around critical employees to limit impacts if our employees contracted COVID-19. This has allowed us to continue to deliver services to our customers with minimal COVID-19-related disruptions. Following the conclusion of our formal COVID-19 response, these arrangements remain in place as part of our new ways of working to ensure the health and wellbeing of our employees going forward.

34 OUR SUPPLY CHAINS

Urban Utilities procures goods and services in accordance with our corporate policies, processes and frameworks. These policies and processes are applicable to all employees involved in purchasing goods and services on behalf of Urban Utilities. They set out how we plan, source and manage our supply agreements and supplier relationships throughout the procurement lifecycle.

Our procurement objective is to maximise the benefits and value delivered through the procurement of goods and services for Urban Utilities, its stakeholders, customers and the wider community. Urban Utilities' procurement principles include a focus on legal compliance and corporate social responsibility, specifically endeavouring to advance economic, environmental and social objectives. Best practice

regarding compliance with modern slavery obligations and principles has been embedded within the broader procurement policy and processes and legal compliance frameworks.

To ensure that we continue to build on our understanding of modern slavery risks within our supply chains, we have continued to conduct risk assessments of our existing tier one suppliers and new suppliers engaged as a result of a procurement activity, where required. High-level desktop assessments are initially completed using a variety of information sources, including the *Global Slavery Index*; *Commonwealth of Australia, Hidden in Plain Sight, Final Report of the Inquiry into Establishing a Modern Slavery Act in Australia*; and *US Department of Labour's 2018 List of Goods Produced by Child Labour or Forced Labour*, to determine the inherent risk of modern slavery based on geographic risk, industry/sector and products/ services risks.

Table 3: This table depicts the categories of products and services that we procure which we have assessed as a potential higher risk of modern slavery

Product/Service Category	Product and Service	Risk of Modern Slavery
IT-related supplies	Computer hardware and electronics	Tier one suppliers are located in Australia. However, this industry is recognised globally as a medium-high risk sector of modern slavery as raw materials and the manufacture of hardware, consumables and electronics may take place in locations with minimal regulation and oversight, where workers have limited resources for resolving grievances.
Operational services	Cleaning Services, Security Services and Traffic Control	Tier one suppliers are located in Australia. Given the nature of work in this sector, there are inherent risks of worker vulnerability and labour exploitation, due to low-skilled, low-paid manual work and the high prevalence of short-term, seasonal and migrant workers and subcontractors.
Uniforms	Clothing and Personal Protective Equipment (PPE)	Tier one suppliers are located in Australia. Tier two suppliers may be medium risk depending on country of manufacture. Suppliers of these products in countries of the Asia-Pacific region may be at risk of child labour, forced labour, bonded labour and migrant labour exploitation in the preparation of raw materials and the manufacture of the apparel.
Promotional products and merchandising	Branded promotional and merchandising products	Tier one suppliers are located in Australia. Tier two suppliers may be medium risk depending on country of manufacture. Suppliers of these products in countries of the Asia-Pacific region may be at risk of forced labour, bonded labour, migrant labour exploitation and require further investigation.

Urban Utilities will continue to expand our understanding of modern slavery risks within our supply chains by continuing to conduct risk assessments of our existing suppliers and new suppliers engaged as a result of future procurement activities. This includes continuing to reissue our Modern Slavery SAQ every two years to our active suppliers so that we can reassess the inherent risk of modern slavery in their operations and the controls they have in place to identify, manage and mitigate such risks. We also work with suppliers that we consider to have insufficient controls through our contract management and supplier relationship management frameworks, to better understand the risk level and, where necessary, develop a plan for remediation.

Supply chain transparency is key to this process and we recognise that risks may also occur in our tier two supply chain and beyond. We continue to monitor high-risk categories as part of our supplier engagement process and contract management framework.

We also continue to articulate our modern slavery obligations and expectations to suppliers through our [Supplier Code of Conduct](#), which forms part of our tendering compliance process and contractual terms that are reflective of the modern slavery risks posed by the supplier, industry and/or products and services being procured.

3.5 RESILIENCE OF OUR SUPPLY CHAINS

Over the current and previous reporting periods we have observed global manufacturing disruptions, freight and logistics delays, and product and raw materials shortages, resulting in:

- increased supplier insolvency risks;
- increased product lead times; and
- lack of product availability.

We recognise that COVID-19 and other geo-political issues have exacerbated pressures on suppliers and manufacturers to produce and deliver large quantities of goods (such as PPE) in short timeframes, increasing the vulnerability of workers in supply chains to labour exploitation modern slavery. We continue to take care, where possible, to engage primary and secondary suppliers, including the use of local suppliers, so orders for high-usage items can be placed with multiple suppliers to avoid creating unreasonable supply and delivery timeframe pressures on suppliers. We continue to procure goods and services with minimal delays and disruptions, predominately through our existing low-risk local suppliers, who have largely remained resilient.

We are committed to managing the risks associated with our purchasing decisions and balance this with enhancing the resiliency and efficiency of our supply chains. We continue to maintain a focus on effective supplier governance and broaden our understanding of the modern slavery risks in our supply chains by assessing modern slavery risks of newly onboarded suppliers and working collaboratively with any new suppliers with inherent modern slavery risks.

4. ACTIONS TAKEN TO ASSESS AND MITIGATE MODERN SLAVERY RISKS

Our key controls to manage risks of modern slavery in our operations and supply chains are based on five key foundations:

- 1 Policies and procedures;
- 2 Risk assessment and due diligence;
- 3 Training and awareness;
- 4 Grievance and remediation; and
- 5 Collaboration and stakeholder engagement.

The following sections outline our governance framework and explain our work across each of these five foundation areas.

1. Policies and procedures

We have a suite of policies and procedures to support our modern slavery response, including our Fraud, Corruption and Whistleblower Policy; Public Interest Disclosure Program Procedure; Procurement Policy and related procedures; Assessing Compatibility with Human Rights Procedure; and Supplier Code of Conduct.

2. Risk assessment and due diligence

Urban Utilities takes a proactive approach to identifying and addressing modern slavery risk in our operations and supply chains. Our risk-based approach and due diligence processes enable us to identify, mitigate and account for how we address modern slavery risk in our supply chains.

3. Training and awareness

Training and awareness are key controls in addressing the risk of modern slavery. We have implemented online training which is targeted at employees in key roles. This training is completed every two years and we monitor and report on the completion of this module. We have also published a Modern Slavery Poster at our operational worksites.

4. Grievance and remediation

We are committed to respecting human rights across our business and supply chains. Our Urban Disclosure Program provides a mechanism where employees, suppliers and members of the public can report any concerns regarding unethical or illegal conduct, including in relation to modern slavery.

5. Collaboration and stakeholder engagement

Collaboration and engagement with our suppliers, business partners, and industry to effect change is a key feature of our strategy to combat modern slavery. Our stakeholder engagement and participation in various industry forums provides opportunities for shared learnings and valuable insights to inform our response to modern slavery and broader human rights issues.

4.1 POLICIES AND PROCEDURES

The below suite of documents is relevant to the management of modern slavery at Urban Utilities.

Documents with relevance to management of modern slavery and human trafficking		
Document Name	Purpose	How we implement this document
Risk Management Framework	Establishes a comprehensive framework for the management and assessment of risk within Urban Utilities.	This framework is published on our intranet. It sets out how we embed risk management in our business processes. We also report risks to the Board and its Committees regularly, which provides assurance of risk management activities.
Corporate Compliance Policy	Outlines Urban Utilities' commitment to meeting our legislative compliance obligations in the delivery of our products and services.	We publish this policy on our intranet.
Complaints Management Policy	Outlines our approach to managing and responding to complaints and feedback received from customers and members of the public. Processes supporting this policy categorise complaints of a human rights nature as a high priority.	We publish this policy on our intranet and external website. This policy is supported by a Complaints Management Framework and guidance on how to manage complaints effectively. The process to be followed when receiving a complaint is also outlined in our online complaints training program.
Procurement Policy	Sets out the principles that govern the procurement of all goods and services by Urban Utilities.	We publish this policy on our intranet. The policy is referenced on our external website in relation to information for potential suppliers.
Fraud, Corruption and Whistleblower Policy	Establishes Urban Utilities' commitment to preventing and detecting fraud and corrupt conduct, including the commitment to protect whistleblowers under the UrbanDisclosure Program.	We publish this policy on our intranet. This policy is linked to other related documents including our UrbanDisclosure Program.
Public Interest Disclosure Program Procedure (incorporating UrbanDisclosure Program)	Outlines how Urban Utilities meets its obligations under the <i>Public Interest Disclosure Act 2010</i> (Qld). It includes information regarding the operation of Urban Utilities' UrbanDisclosure Program, including how to make a disclosure, the assessment and investigation of the disclosure, confidentiality and privacy provisions.	We publish this policy on our intranet and external website. Our Modern Slavery Response Protocol also includes a link to the whistleblower program, and our Modern Slavery Poster has been distributed for display at our operational depots and sites to promote education and awareness.
Assessing Compatibility with Human Rights Procedure	Outlines how Urban Utilities will meet its obligations under the <i>Human Rights Act 2019</i> (Qld) and provides guidance as to when and how human rights should be integrated into Urban Utilities' decision-making processes.	We publish this document on our intranet. This procedure is linked to other related documents including our UrbanDisclosure Program.
Procurement procedures	Our procurement procedures provide guidance on the practices, requirements and processes to be applied to Urban Utilities' procurement and contract management activities to ensure we achieve the principles of Urban Utilities' Procurement Policy.	We publish our procurement procedures on our intranet. Our procedures link to our Procurement Policy and other related policies and procedures.
Code of Conduct	Outlines the expected behaviours of our employees, Board members, and contractors. The Code includes provisions relevant to fair employment and recognising and respecting the human rights of all people.	We publish the Code on our intranet. All employees are required to complete the Code of Conduct e-learning module as part of their onboarding process.
Supplier Code of Conduct	Sets out Urban Utilities' expectations of our suppliers and their supply chains in relation to corporate governance and ethics, health and safety, environmental protection, and human rights and labour practices.	We publish this document on our intranet and external website. Compliance with the Code is a condition of contract and we expect our suppliers to communicate the Code to their supply chain.
Modern Slavery Response Protocol	Describes the steps to report suspected instances of modern slavery exploitation at a local or international level.	We publish this document on our intranet and external website. Our Modern Slavery Response Protocol also includes a link to our UrbanDisclosure Program.

4.2 RISK ASSESSMENT AND DUE DILIGENCE

Due diligence underpins our management of modern slavery risks and assists us in the identification, prevention and mitigation of modern slavery risks and potential exposure to human rights violations more broadly.

Modern Slavery Risk Assessment Tool

Our Modern Slavery Risk Assessment Tool is designed to provide Urban Utilities with an ongoing framework against which we can assess the risk of modern slavery in our operations and supply chains. In identifying the risks of modern slavery practices, we consider the potential for us to cause, contribute to or be directly linked to modern slavery through our operations and supply chains.

We utilise our Modern Slavery Risk Assessment Tool to identify potential high-risk suppliers through the assessment of the following factors:

- **Geographic risk** by reference to the Global Slavery Index 2023 – Some countries have a higher prevalence of modern slavery, which is often associated with poor governance, weak rule of law, conflict, migration flows and socioeconomic factors, such as poverty.
- **Industry/sector risk** – Particular industries and sectors may have higher modern slavery risks due to the prevalence of undeclared labour, illegal labour and risk of human trafficking.
- **Product or service risk** – Certain goods and services may have high modern slavery risks because of the way they are produced, provided or used.

The tool enables us to expand the risk assessment of our tier one suppliers each year. It also encourages us to procure more consciously in the future, to further understand and eliminate the modern slavery risks in our supply chains, thus maturing our understanding of our supply base.

As part of our commitment to continuous improvement of our modern slavery due diligence, we are working on implementing a new supplier due diligence tool to assess our suppliers' modern slavery risks and controls. This new tool will provide visibility of our supply chain's modern slavery risks beyond our tier one suppliers.

Supplier due diligence

Our Procurement and Supply team conducts a range of supplier due diligence assessments at various stages of our procurement lifecycle.

Modern Slavery Supplier Assessment

Our SAQ, which was first launched in FY20, forms an important component of our process to identify and assess the risks of harm to people through our higher-risk tier one suppliers. The assessment has 15 questions to help suppliers identify modern slavery risks in their operations and supply chains. The information gathered from supplier responses is then analysed using the Modern Slavery Risk Assessment Tool to determine whether:

- the supplier has risks of modern slavery;
- the supplier has sufficient controls in place to manage any risks; and
- further due diligence/risk management activities via contract management or supplier relationship management frameworks are required.

As part of the implementation of the new modern slavery supplier due diligence process, we have started working with the Water Services Association of Australia Modern Slavery Community of Practice, technology provider Informed 365, and supply chain expert Robin Mellon, CEO of Better Sydney. We will continue to work collaboratively during FY24 to develop a standard set of common questions to identify our suppliers' modern slavery risks and controls, as well as to understand levels of knowledge and action through our supply chains. It is intended that through this new process, we will begin to have better visibility of the risks of modern slavery in our suppliers' down-stream supply chains, and be able to measure and communicate the effectiveness of our actions.

Desktop supplier assessments

A high-level assessment of the inherent risks of modern slavery (that is geographic risk, industry/sector, and product or service risk) is completed for each new supplier via a desktop review, where the supplier hasn't been engaged via a formal procurement process. Where an inherent risk of modern slavery is identified based on these indices, the supplier is required to complete the Modern Slavery SAQ.

Supplier onboarding

Suppliers are required to complete a self-assessment modern slavery questionnaire to determine modern slavery risks within their operations or supply chains as part of the Invitation to Offer or Request for Quote process. The information gathered through these processes is aligned with the information required for our Modern Slavery Risk Assessment Tool. The information provided in response to these questions assists Urban Utilities to identify potential areas of risk. Where additional information is required, suppliers may be required to complete further due diligence through the completion of a Modern Slavery SAQ. Suppliers that are identified as having a high risk will be subjected to continuous monitoring by our Procurement and Supply team via our contract management and supplier relationship management frameworks.

Queensland Government's Ethical Supplier Threshold

As part of our procurement due diligence process, we assess whether suppliers comply with the criteria set out in the Queensland Government's Ethical Supplier Threshold. The Threshold outlines the wage and entitlement standards expected of suppliers who wish to conduct business with Queensland Government agencies, government-owned corporations, statutory authorities and special purpose vehicles. Ongoing compliance with the Ethical Supplier Threshold also forms part of our standard contract terms and conditions.

Supplier Code of Conduct (Supplier Code)

Urban Utilities' Supplier Code outlines our commitment to doing business with ethically, environmentally and socially responsible suppliers, and is aligned with our strategic goals and objectives. The Supplier Code clearly communicates what we expect of our suppliers and their supply chains in supplying goods and services to us. New and existing suppliers are required to demonstrate their commitment to and compliance with the standards and expectations outlined in the Supplier Code by acknowledging that they have read and accept the obligations of the Code via the execution of a formal letter of commitment. Our Supplier Code is a key component of our overall approach to responsible procurement.

Contract terms and conditions

Urban Utilities has developed a suite of model modern slavery contract clauses for inclusion in contracts to ensure suppliers are aware of modern slavery risks and support Urban Utilities' efforts to address modern slavery in our supply chains. The contract clauses have different obligations depending on the modern slavery risk profile of the goods or services being procured and the controls the supplier has in place to identify, manage and monitor modern slavery risks in their supply chains.

Procurement practitioners are encouraged to consider using the strongest modern slavery clauses in relevant procurement activities in order to drive increased awareness and accountability for modern slavery risks by suppliers. Our contract clauses also include references to other ethical procurement considerations, such as Urban Utilities' Supplier Code and the Queensland Government's Ethical Supplier Threshold.

CASE STUDY

Supplier education and development

We are aware that promotional and merchandising goods remain an inherently higher risk of forced labour, bonded labour, and migrant labour exploitation given that the origin of the base products are often imported into Australia.

During the reporting period, it became evident that one potential supplier of these products had a limited understanding of modern slavery and the potential risks involved in the supply of these products.

The supplier is a small, family-owned business located in South-East Queensland. Following the review of the supplier's completed Modern Slavery SAQ, we identified that the supplier required additional support and guidance specifically in relation to the manufacture of the promotional products and modern slavery risks within all levels of their supply chain. The supplier subsequently sought information from their suppliers in relation to how they assess the risks of modern slavery and their controls, including evidence of audits and certifications where available.

The additional information obtained through this process enabled us to better understand the supplier's downstream supply chain and identify whether there are any modern slavery and broader labour rights risks. Subsequently, the supplier has now been reassessed as having adequate modern slavery controls in place, which will enable Urban Utilities to obtain quotes for future requirements of promotional goods.

We will continue to work with our small to medium suppliers as part of our ongoing supplier education program of work.

4.3 TRAINING AND AWARENESS

Our employees are key to identifying and addressing the risks of modern slavery and our training aims to provide our people with a general awareness and understanding of modern slavery and modern slavery risks in Urban Utilities’ operations and supply chains.

Completing the training module is mandatory for employees whose roles require an understanding and awareness of modern slavery risks in our operations and supply chains, including our Executive Leadership Team, senior managers, contract managers, human resources, risk, legal and compliance teams, and procurement team. As at 30 June 2023, 548 employees had completed the Modern Slavery Awareness Training, which includes knowledge checks. The cumulative number of employees completing the training will continue to increase each year as the training, and refresher training, continues to be rolled out across the business.

We also recognise the importance of providing training and support to our suppliers, to build their capacity to effectively manage modern slavery risks. Our interactions with existing and emerging suppliers, including those in our extended supply chains, are a valuable learning opportunity. We invest time in engaging in two-way dialogue to build understanding of modern slavery and provide guidance on implementing appropriate actions to address potential human rights risks. To this end, we have an external facing modern slavery awareness training video which we include in communications to our suppliers when seeking the completion of our Modern Slavery SAQ.

In addition, our Procurement and Supply team utilises media monitoring services which ensures the team is alerted to emerging issues, reported or suspected instances of modern slavery and human rights breaches at a state, national and international level, involving current or potential suppliers and relevant industries.

Our Legal team also monitors the legal and political environments for legislative change, precedents and political directives.

CASE STUDY

Expanding modern slavery education and awareness through the publication of a Modern Slavery Poster



As part of our ongoing education and awareness program of work, we developed a Modern Slavery Poster during the reporting period.

The poster provides information on:

- What modern slavery is.
- Possible signs of modern slavery.
- Examples of goods and services that have an inherent risk of modern slavery.
- Linkage to our Modern Slavery Response Protocol which outlines the steps to be taken if someone is suspected of being in modern slavery, linking details of our grievance mechanism.
- A link to Urban Utilities’ Modern Slavery Training Module.
- Where to find additional information.

Advice has been provided to our Site Managers so they understand the intent of the poster and are equipped to respond to any basic queries from employees and visitors, including suppliers. The posters have been displayed in high-traffic areas where employees, contractors and visitors are likely to view it. Our Modern Slavery Poster has been distributed to all our operational depots and sites as a “targeted campaign” given some services undertaken and goods provided at these sites have the potential to attract modern slavery activity.

During this reporting period, we will work with our internal Communications Team to deploy the posters through interactive visual monitors at our new corporate Head Office accommodation.

4.4 GRIEVANCE AND REMEDIATION PROCESSES

We are committed to the protection and respect of human rights across our business and supply chains. Our UrbanDisclosure Program is an independent service that provides a mechanism for employees, contractors, suppliers, customers, and the broader community to raise grievances, including potential instances of modern slavery and human rights abuses, and report concerns about illegal, unethical or suspect behaviour that is contrary to the Urban Utilities Code of Conduct, values and behaviours. Information about our UrbanDisclosure Program is available on our website.

During the reporting period, we developed and implemented our Modern Slavery Response Protocol. The Protocol outlines the steps to report suspected instances of modern slavery exploitation both nationally and internationally. This Protocol aligns to and provides awareness of Urban Utilities' UrbanDisclosure Program.

Our Complaints Management Policy and framework includes human rights considerations, with complaints of a human rights nature categorised as high priority. Modern slavery whistleblowers are protected under Queensland legislation and under our Fraud, Corruption and Whistleblower Policy and associated procedures.

4.5 COLLABORATION AND STAKEHOLDER ENGAGEMENT

Collaboration is a key component of our modern slavery response. Working closely with our suppliers, business partners, and government agencies enables us to share learnings and insights; identify and contribute to the development of good-practice responses; improve our awareness of modern slavery and its effects; and to contribute to and help drive transparency of modern slavery in Australia in order to mitigate and eliminate its risks. We support industry initiatives and regularly participate in external forums that encourage people to share knowledge, learnings and best practice. This helps overcome challenges and evaluate whether our initiatives are in line with industry and societal expectations.

During this reporting period we:

- Continued to be part of the Queensland Government Modern Slavery Community of Practice. This group is made up of representatives from Queensland-based government entities and statutory authorities to share learnings and best practice initiatives on identifying, assessing and mitigating modern slavery risks.

- Continued discussions with the Water Services Association of Australia regarding developing a national water utilities approach to complying with the Act. Refer to the Case Study below for additional information.

We look forward to continuing to work with and contribute to business, industry, government and community forums in order to play an active role in addressing and combating modern slavery in Australia.

CASE STUDY

National water utilities approach to addressing Modern Slavery

We recognise that by taking action together through partnership and collaboration we can better understand and subsequently address modern slavery.

During the reporting period we continued to collaborate with our industry peers through the Water Services Association of Australia Modern Slavery Community of Practice to establish a national industry wide approach to addressing modern slavery.

Through this partnership and collaboration we:

- Held a water sector industry consultation meeting with representatives from the Attorney General's Department to provide input into the statutory review of the *Modern Slavery Act 2018* (Cth).
- Prepared a water sector submission to the Issues Paper on the review of the Modern Slavery Act.
- Entered into an agreement with technology provider Informed365 to provide a modern slavery supplier due diligence tool for the water sector.
- Commenced preliminary discussions on the Guiding Principles for the Water Sector Consortium which includes encouraging supplier education, increased transparency and data visibility, and promoting ESG initiatives.

We will continue to work with the Community of Practice to implement the new modern slavery supplier due diligence tool, as well as share knowledge and learnings and good practice initiatives, and other areas where we can take a common approach to support the eradication of modern slavery and human rights breaches.

5. EFFECTIVENESS OF OUR ACTIONS

We recognise the value of continual improvement and the importance of assessing the effectiveness of the actions and outcomes taken to address modern slavery risks.

Urban Utilities’ Modern Slavery Action Plan sets out activities to be completed year-on-year to identify modern slavery risks, implement controls to mitigate these risks and implement assurance activities to provide oversight that the risks are being managed. Our progress against this Action Plan is monitored by our cross-functional Modern Slavery Working Group.

Accordingly, our Modern Slavery Working Group is best placed to lead the evaluation process of the effectiveness of our actions, which include:

- an annual review of the modern slavery risk of our operations via our Modern Slavery Risk Assessment Tool;
- monitoring the progress of supplier risk and assurance activities;
- measuring our performance through the establishment of metrics; and
- collaborating with other organisations to share knowledge and identify gaps.

We assess the effectiveness of our actions through the following:

Activity	Objective	Measure of Effectiveness
Risk assessment and due diligence	<ul style="list-style-type: none"> • Understand the risks of modern slavery in our supply chain • Increase supplier awareness of modern slavery practices • Encourage suppliers to review their operations and supply chain for human rights and modern slavery practices 	<ul style="list-style-type: none"> • Number of desktop risk assessments undertaken by geographic, industry/sector risk, and product or service risk • Number of Modern Slavery SAQs issued • Number of tier one suppliers assessed via our Modern Slavery Risk Assessment Tool • % of supplier spend assessed via the Risk Assessment Tool
Training and awareness	Increase awareness of modern slavery practices and support our people to identify signs of modern slavery and how to respond	<ul style="list-style-type: none"> • Number of employees who have completed our modern slavery training • % of enrolled employees that have completed modern slavery training • Insights provided from modern slavery training survey • # of views of our external-facing modern slavery training video • Periodic review of training materials and resources to ensure they are relevant, practical and easy to understand
Collaboration and stakeholder engagement	<ul style="list-style-type: none"> • Sharing of knowledge and learnings with Queensland Government agencies, water sector entities and other organisations • Collaborating on activities to support the eradication of modern slavery 	<ul style="list-style-type: none"> • Engagement and participation at quarterly Queensland Government Modern Slavery Community of Practice meetings and Water Services Association of Australia Modern Slavery Community of Practice meetings • Participation in external forums to ensure we keep abreast of best practice initiatives to help us to assess if our initiatives are in line with industry and societal expectations
Grievance and remediation	Provide employees and third parties with a process to report actual or suspected instances of modern slavery practices or human rights complaints in our operations or supply chain	<ul style="list-style-type: none"> • Number of modern-slavery-related whistleblowing alerts raised during the year • Number of human rights breaches during the year

Insights drawn from these measurements inform our immediate and longer-term risk management approach and feed into our Modern Slavery Action Plan and our overall human rights strategy.

In addition to the above, we regularly review and assess the effectiveness of our policies, procedures, codes and standards as part of our Risk Management Framework.

6. LOOKING FORWARD

Urban Utilities is committed to continually improving our understanding and management of modern slavery risks.

We expect our approach to managing the risk of modern slavery to evolve as we learn from our risk assessments, refine our practices, and continue to build knowledge and capacity across our business.

Looking forward, we intend to continue embedding and strengthening the foundations of our compliance framework and understanding of human rights risks in our operations and supply chains through:

- Continued **application** of supply chain due diligence processes to ensure modern slavery risks are evaluated effectively throughout the lifecycle of supplier contracts.
- Continuous **improvement** of our procurement systems, tools and processes to enhance our modern slavery due diligence and begin to create visibility of our modern slavery risk beyond tier one.
- Continued **engagement** with our suppliers to raise awareness and improve performance as part of our contract management and supplier relationship management frameworks.
- Continued **collaboration** with our industry peers through the Water Services Association of Australia Modern Slavery Community of Practice to discuss opportunities to co-ordinate a national industry-wide approach to addressing modern slavery.
- Continuing to **embed** the consideration of human rights impacts in our actions and decision-making processes, including in new and existing policies, procedures, codes and standards, to align with our legislative and social obligations and risk profile.

We are proud of our progress to date, and we are determined to maintain our momentum and further improve. We are committed to the ongoing delivery of our initiatives and partnering with our suppliers and stakeholders to further reduce modern slavery risk.

7. CONSULTATION AND APPROVAL

7.1 CONSULTATION

The following internal business areas were consulted throughout the development of this Statement:

- Legal and Risk;
- Corporate Affairs;
- Experience;
- Procurement and Supply; and
- Executive Leadership Team.


7.2 APPROVAL

This Statement was approved by the Urban Utilities Board on 4 December 2023 and is signed by Bronwyn Morris, Chair of the Urban Utilities Board, and Paul Arnold, Chief Executive Officer, in accordance with the requirements of Section 13 of the *Modern Slavery Act 2018* (Cth).

We declare that the information provided in this Statement, to the best of our knowledge, is complete and accurate.



Bronwyn Morris AM
Chair



Paul Arnold
Chief Executive Officer

APPENDIX I

URBAN UTILITIES KEY DATA UPDATES AND PERFORMANCE INDICATORS FROM FY20 TO FY23

	FY20	FY21	FY22	FY23
Total workforce number	1370	1157	1140	1255
# of permanent employees	1121	1080	1055	1177
# of active suppliers	930	802	798	839
Supplier spend	\$550M	\$490M	\$449M	\$570M
# of overseas suppliers	16	26	27	22
Spend with local suppliers	\$549M	\$484M	\$448M	\$569M
Spend with overseas suppliers	\$1.3M	\$5.2M	\$1.3M	\$1.4M
Higher risk goods and services categories	Goods	Goods	Goods	Goods
	<ul style="list-style-type: none"> • Electronics • Clothing • Concrete/asphalt • Bricks • Steel 	<ul style="list-style-type: none"> • Electronics • Clothing and Protective Personal Equipment 	<ul style="list-style-type: none"> • Electronics • Clothing and Protective Personal Equipment • Merchandising and promotional products 	<ul style="list-style-type: none"> • Electronics • Clothing and Protective Personal Equipment • Merchandising and promotional products
	Services	Services	Services	Services
	<ul style="list-style-type: none"> • Traffic Control • Security Services • Cleaning and Facilities Management 	<ul style="list-style-type: none"> • Traffic Control • Security Services • Cleaning and Facilities Management 	<ul style="list-style-type: none"> • Traffic Control • Security Services • Cleaning and Facilities Management 	<ul style="list-style-type: none"> • Traffic Control • Security Services • Cleaning and Facilities Management
# of suppliers assessed via desktop (that is, risk profiles such as country, industry/sector, products or services)	n/a (New FY20 process)	144	161	158
Cumulative total # of SAQs issued	61	108	170	200
Cumulative total # of SAQs assessed via Risk Assessment Tool	50	108	169	199
% of supplier spend assessed via Risk Assessment Tool	58%	74%	80%	85%
Cumulative total # of employees that have completed modern slavery training	27	304	445	548
% of enrolled employees that have completed modern slavery training	99%	92%	98%	98%
Insights from modern slavery training survey	n/a (New FY20 process)	<ul style="list-style-type: none"> • 90% are very aware of what modern slavery is; and • 71% have a very good understanding of actions Urban Utilities is taking. 	<ul style="list-style-type: none"> • 90% are very aware of what modern slavery is; and • 72% have a very good understanding of actions Urban Utilities is taking. 	<ul style="list-style-type: none"> • 92% are very aware of what modern slavery is; and • 82% have a very good understanding of actions Urban Utilities is taking.
# of views of our external facing modern slavery training video	n/a (New FY21 process)	n/a (New FY21 process)	26	60
# of modern slavery related whistleblower alerts raised	0	0	0	0

APPENDIX 2

MODERN SLAVERY STATEMENT COMPLIANCE CHECKLIST

This Statement was prepared to meet the mandatory reporting criteria set out under the *Modern Slavery Act 2018* (Cth).

The table below identifies where each criterion is disclosed within the different sections of the statement.

Mandatory Criteria	Modern Slavery Statement FY23
Identify the reporting entity.	Page 3
Describe the reporting entity's structure, operations and supply chains.	Our structure, operations and supply chains (pages 6 – 9)
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	Risks of modern slavery in our operations and supply chains (pages 10 – 13)
Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	Actions taken to assess and mitigate modern slavery risks (pages 14 – 19)
Describe how the reporting entity assesses the effectiveness of these actions.	Effectiveness of our actions (pages 20)
Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls.	Urban Utilities does not own or control any other entities and therefore this criterion is not applicable.
Any other information that the reporting entity, or the entity giving the statement, considers relevant.	2022/2023 Snapshot (page 4) Introduction (page 5) Looking forward (page 21) Consultation and approval (page 22) Appendix 1 - Urban Utilities key data updates and performance indicators from FY20 to FY23 (pages 23)