



Modern Slavery Statement

2019-20

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Modern Slavery Statement

The reporting requirements of the Australian Modern Slavery Act 2018 apply to Water Corporation as a government trading enterprise within Australia. Water Corporation is the principal supplier of water, wastewater, drainage and bulk irrigation services in Western Australia, with total annual revenue in excess of AUD \$100 million. The statement is valid for Water Corporation (ABN 28 003 434 917) of Perth, Western Australia, and is approved by the Board of Directors.

Our business, operations and supply chain

Our operation

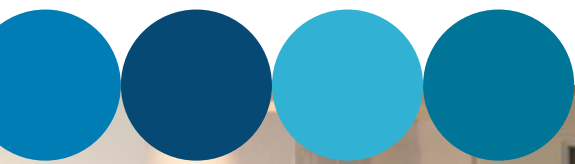
We are the principal supplier of water, wastewater and drainage services in Western Australia to 1.3 million homes and businesses, as well as providing bulk water to farms for irrigation. Our services, projects and activities span over 2.6 million square kilometres. As well as our head office in Leederville, we have regional offices in Bunbury, Albany, Karratha, Geraldton, Kalgoorlie and Northam and we employ 3,429 people. We deliver our services directly and through alliances, managing an asset base of \$17.5 billion in water supply, wastewater, drainage and irrigation infrastructure.

Our owner

Water Corporation is owned by the Western Australian Government and accountable to the Minister for Water; Forestry; Innovation and ICT; Science and Youth the Hon David Kelly MLA, for the delivery of our services. Water Corporation sees working across government as essential to a well-functioning public sector and will continue to be an active participant in the State Government's priorities.

Our stakeholders

Our key stakeholders include State and Australian Government agencies and regulators, Local Government and industry associations. The support and trust of our stakeholders and the broader community is critical to the achievement of our business objectives. We are proactive in ensuring we engage our stakeholders and the community as we work to effectively manage current and future water services.





Our values

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

One Team

We are one team. We work together in the best interests of Water Corporation and the community.

Think Safe, Act Safe

We put safety first in everything we do. We are responsible for ourselves and others.

Customer Focussed

We value our customers. We understand their needs and deliver great services.

Value Every Dollar

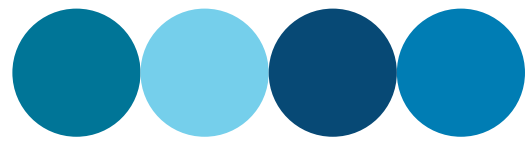
We add value to our customers. We manage every hour we work, every dollar we spend.

Future Thinking

We find clever and innovative ways to do things. We plan and deliver for the future.

Take Personal Ownership

We hold ourselves and each other to account. We take responsibility for our own decisions and actions.



Our purpose and vision

Our purpose is to provide the sustainable management of water services to make Western Australia a great place to live and invest. Our vision is to drive greater value for our customer, community and owner. The three pillars of our vision are:

Safe for all

Our people and the community want our products, assets and operations to be safe for all, as no one should suffer harm from our business.

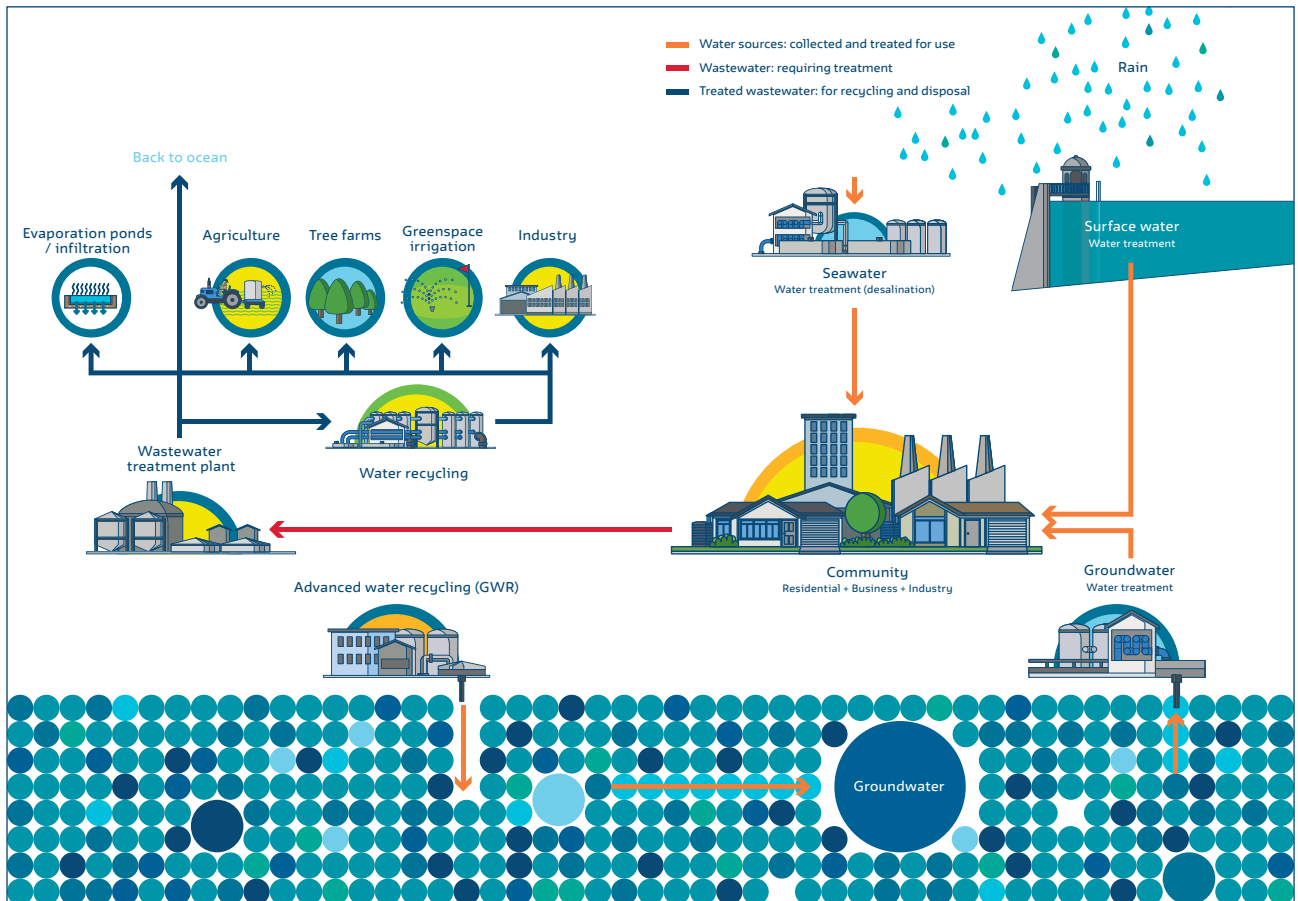
Lowest total cost

Our customers and Government want us to deliver services they value, at the lowest whole of life cost, whilst keeping bills affordable and contributing back to the State.

Lowest environmental impact

Our community and Government want us to reduce the impact our operations have on our environment to preserve it for future generations.

Our supply chain



Our policies and standards

As a State Government Entity which serves the community of Western Australia, responsible conduct is important throughout our operations. Water Corporation works to ensure business integrity is upheld and violations of human rights are not tolerated within our supply chain and operations.

Occupational Safety & Health Policy

The safety and wellbeing of our people is one of our highest priorities. We are uncompromising in our commitment to the health and safety of our employees and the community. Our goal is to achieve Zero Harm and we are dedicated to ensuring the safety and wellbeing of our people and stakeholders by maintaining effective and safe processes and by providing safe places to work.

- We provide information, instruction, training and supervision to sustain our culture of safety. We empower our people to hold each other to account to exhibit exemplary safety behaviour.
- We establish effective and safe processes and systems that enable our people to work without harm.
- We identify hazards and risks through active management, inspection and audit and take all necessary actions to control exposure to injury, loss or damage.

Water Corporation is committed to comply with our legal and other obligations and are dedicated to maintaining the safety and wellbeing of all people associated with or affected by our operations including employees, suppliers and members of the community. We ensure that any changes made to our business processes are managed appropriately in accordance with relevant laws, codes of practice and other regulatory or industry requirements.

To further improve our safe work practices and ensure our people can confidently make decisions about how to safely manage risk, we have established a Safety Taskforce made up of around 40 employees across Western Australia.

The Safety Taskforce focuses on providing teams across the business with relevant information and tools upfront to complete the job safely, and determine ways to improve the management and expectations of our suppliers.

Equity & Diversity Policy

Water Corporation does not tolerate harassment, bullying or discrimination and is committed to:

- eliminating all forms of unlawful discrimination and/or harassment within our work environment and work teams
- ensuring equitable treatment in our policies, procedures or practices including employment and customer service
- providing an equitable, diverse and productive work environment where employees and potential employees are respected, treated fairly and have equal opportunity to reach their full potential.

Water Corporation does not tolerate discrimination, harassment or bullying. Should a breach of corporate policy and/or legislative requirements occur, disciplinary measures may be taken.



Code of Conduct Policy

Our Code of Conduct (Code) guides how we work with each other, our customers and the community to deliver on our purpose and vision. It provides clear guidelines for the standard of behaviour and ethical and accountable decision-making expected in all our dealings.

Our Code applies to everyone working at Water Corporation. This includes:

- every direct employee
- every contractor, consultant or agency employee
- all directors.

Everyone is expected to abide by the Code at work and whenever and wherever we may represent Water Corporation. This includes actions outside of work that may impact upon Water Corporation. Conduct and behaviour must be in accordance with the Code, regardless of one's role or work location. Water Corporation will hold anyone who breaches the Code accountable. Failure to comply with our Code may result in disciplinary action, up to and including termination of employment. The Code requires everyone to seek to maintain the highest standards of professional conduct in our interactions with each other, our stakeholders, our customers and the community. We strive to act with the best intent, diligence and social conscience ensuring we:

- are committed to sustainability for our environment
- preserve human rights and freedoms of law
- conduct business with third parties that embed respect for human rights into culture and practice (identifying severe risks to human rights including modern slavery).

Procurement Policy

The role of Procurement within Water Corporation is to manage the acquisition, operation and disposal of goods and services including land. The procurement function is guided and underpinned by internal policy and standards which ensure ethical and equitable procurement processes are followed.

The objectives of the procurement process are to:

- act ethically and exercise due fairness, equity and probity in all facets of the process, while exercising our marketplace influence responsibly and with due care and consideration.
- give due consideration to social, economic and environmental impacts of our procurement choices, while minimising commercial and contractual risk, and ensuring effective control of our procurement processes.
- manage the occupational safety and health process in all procurement activities and through the actions of our suppliers to the extent that our decisions can influence these behaviours.
- obtain sustainable value over the life of goods, services and assets acquired, and through the outcomes of services engaged.
- to progressively make more sustainable procurement alternatives available to client branches in support of business needs, while preserving the capacity of our supplier base to meet current and future needs.

Risk assessment

Modern slavery risk definitions

Slavery

The offender exercises powers of ownership over the victim.

Deceptive recruiting for labour or services

The victim is deceived about whether they will be exploited through a type of modern slavery.

Prison labour

Prisoners are forced to make products for a company in the private sector and are not paid the legal minimum wage.

Forced overtime

Workers are given no choice on whether they work overtime or not and are threatened with dismissal or violence if they refuse. The hours worked are in excess of those allowed by national law.

Forced labour

The victim is either not free to stop working or not free to leave their place of work.

Document retention

An employer confiscates important 'permission to work' documents belonging to migrant workers when they start work and these workers are told that their documents will be returned after they complete the work that they are assigned.

Operations supply chain risk

Water Corporation employs over 4,000 employees and contractors in the state of Western Australia. With the code of conduct, equity and diversity, compliance accountabilities, employment relations policies and standard practices in place to govern projects and operation, the risk and likelihood of modern slavery within the business operations of delivering and managing water products and services to customers and the community is extremely low.

Procurement supply chain risk

Currently, Water Corporation has in excess of 5,000 registered suppliers. 99% of these suppliers are in Australia and 81% are in the state of Western Australia. These suppliers operate in a range of industries with some operating diverse and complex supply chains.

During the 2020 financial year, Water Corporation recorded spending in over 300 material groups. Some of the larger and more vulnerable Water Corporation spend categories/groups, as per the high-risk industries identified by the Global Modern Slavery Index, include:

Direct categories

(finished/final goods and services)

- agency/labour hire
- cleaning
- catering
- waste disposal
- freight and cartage

Indirect vendor risk

(sub-contracting and raw materials)

- construction and works
- chemicals
- clothing
- software and equipment

Water Corporation considers suppliers to be essential partners in its business activities. We feel responsible for ensuring that our entire supply chain upholds appropriate standards. Our procurement policies and corporate standards are developed to ensure all suppliers are treated in line with Water Corporation's vision. Water Corporation engages suppliers through contracts, purchase orders and one-time vendor orders. All procurement contracts and purchase order agreements are underpinned by terms and conditions which ensure Water Corporation's policies are maintained through procurement agreements. Contract agreements with suppliers vary in length and are periodically reviewed in line with agreed conditions.

Water Corporation's approach is based on the principles of clear intent, communication, contractual commitment/inclusion/transparency, mitigation responsiveness and risk-based compliance reviews and reporting.

Mitigation and effectiveness



In addition to the historical requirement for all contractors providing services on or delivered to Water Corporation sites to comply to all relevant Australian standards, labour and OSH laws, which all vendors and contractors are held accountable to comply to under contractual terms and conditions, Water Corporation has taken added proactive steps in identifying and including the new legislative compliance requirement and risks related to modern slavery in contractual conditions.

Water Corporation has implemented a series of measures across the business to assess and address risks of modern slavery within its operations and supply chain, being:

- Historically developed appropriate policies to ensure and maintain equity and fair treatment of everyone working at Water Corporation. Water Corporation has taken accountability for its role in fair and equitable employment and by ensuring its people act in accordance with corporate policies and standards, hence the risk of modern slavery across its water treatment, supply and service operations being low.
- The risks of modern slavery in the supply chain are managed as part of our holistic contract risk mitigation approach where contract terms and conditions, and reference to relevant legislation, have been included in standard contract templates and purchase orders since 2019. With clear communication the vendor is aware of their contractual requirements and Water Corporation's right to act or request audits and reporting related to Modern Slavery requirements. Vendors wishing to commence or continue business with Water Corporation must accept these terms and conditions of trade.
- Furthermore amended tender documents to include necessary clauses focused on identifying and removing potential risks of modern slavery before they enter our supply chain. As a mandatory requirement, all bidding organisations must complete a modern slavery questionnaire which confirms the risk of modern slavery within their supply chain and operations. In addition, Water Corporation requests confirmation of ethical purchasing and anti-modern slavery policies and actions the bidders take in assessing, and addressing risks of modern slavery, including clarification of due diligence and remediation processes.
- Suppliers must contractually comply with modern slavery legislation, implement policies and procedures associated with the legislation and report any modern slavery as soon as detected. Subsequently, Water Corporation will be able to assess a supplier's modern slavery risk and include clauses in contracts which afford the right to audit and inspect a contractor for compliance.

Through these actions Water Corporation strives to apply good practice to monitor, mitigate and respond appropriately to modern slavery in its operations and supply chain.

Future focus

Over the course of the 2021 financial year Water Corporation will work towards strengthening its policies and practices to counter modern slavery within its operations and supply chain. Focus areas will include:

Audit

Higher risk suppliers will be subject to audit and performance reporting to ensure compliance with Water Corporation policy.

Review

Assessing the effectiveness of implemented policy seeking continual improvement.

Partnership

Exploring partnership opportunities with civil society entities to ensure efforts are focused on eliminating modern slavery risk in our operations and supply chain.

Training

Further and continued training of both Water Corporation employees and suppliers to increase understanding of modern slavery risks and providing knowledge to ensure compliance.



Pat Donovan
Chief Executive Officer
February 2021

This statement was approved by the Board of Water Corporation.

