

Seqwater Modern Slavery Statement FY22-23

This Modern Slavery Statement (Statement) has been published in accordance with the *Modern Slavery Act 2018 (Cth)* (the Act). It describes the steps taken by the Queensland Bulk Water Supply Authority (trading as Seqwater) (Seqwater) ABN 75 450 239 876 to assess and address the risks of modern slavery in its operations and supply chain. Seqwater does not own or control any other entities, nor does it have other entities located outside of Australia,

Annexure 1 tables where these steps are addressed in this Statement.

Seqwater's reporting period is 1 July 2022 to 30 June 2023.

1. Introduction

This Statement outlines the steps Seqwater has taken towards building on its response to understanding, identifying, managing, and mitigating modern slavery risks in its supply chain and operations.

During this reporting period, Seqwater moved beyond reflection of its modern slavery risk strategy and foundations and took steps to translate this considered activity into action.

Further information about Seqwater, including our strategic context and commitment to Queensland Government objectives, is in Seqwater's Annual Report and Corporate Government Statement, available on our website <https://www.seqwater.com.au/corporate-publications>.

2 Structure, Operations and Supply Chain

Seqwater is a statutory body established by the Queensland Government under the *South East Queensland Water (Restructuring) Act 2007 (Qld)*, is a statutory body for the purposes of the *Financial Accountability Act 2009 (Qld)* and the *Statutory Bodies Financial Arrangements Act 1982 (Qld)* and complies with the Bulk Water Supply Code and Bulk Water Supply Agreements.

Seqwater's purpose is to work within its authority to ensure the provision of water for households, industry, agriculture, and power generation, along with maintaining recreational facilities and managing dams and related infrastructure.

On behalf of its communities, Seqwater manages and maintains water supply assets, including dams, weirs, conventional water treatment plants, reservoirs, pumps and pipelines, the Gold Coast Desalination Plant, and the Western Corridor Recycled Water Scheme. Its operations extend from the New South Wales border to the base of the Toowoomba ranges and north to Gympie.

Seqwater understands the importance of recruiting and remunerating its workers appropriately and sourcing goods and services responsibly.

Seqwater, where possible, sources locally-based suppliers in compliance with the Queensland Government's procurement approach, *Buy Queensland*, which is made up of the Queensland Procurement Strategy 2023 and the Queensland Procurement Policy (QPP).

2.1 Structure

Based in Ipswich, Queensland, Seqwater has a Board of six independent non-executive members appointed by the Queensland Government. The Board is responsible for overseeing the way Seqwater performs its functions and exercises its powers under the *South East Queensland Water (Restructuring) Act 2007 (Qld)*.

The Board is accountable to two responsible Ministers for Seqwater's performance and how it exercises its powers under the *South East Queensland Water (Restructuring) Act 2007 (Qld)*, the *Financial Accountability Act 2009 (Qld)* and the *Statutory Bodies Financial Arrangements Act 1982 (Qld)* and is accountable for Seqwater's overall corporate governance. In addition, the responsible Ministers may issue a Statement of Obligations to further

outline the overarching obligations of Seqwater, and may, in exceptional circumstances, and if in the public interest, issue the Board with written directions.

The Board is supported by a Chief Executive Officer and seven executive General Managers who are respectively responsible for leading their functional business groups. The Board's role is to set strategy and direction and provide the governance framework for the organisation through the endorsement of financial, administrative, and operational policies.

Seqwater does not own or control any other entities.

2.2 Operations

Water is fundamental to a livable region by sustaining communities and underpinning the economy with a bulk water supply that is safe, affordable, and reliable. Seqwater is committed to its vision of Water for Life, its promise of Safe for Life, and to working with its stakeholders, customers, and communities to deliver this essential service in a way that aligns with community views and values.

Seqwater owns and operates the South East Queensland (SEQ) Water Grid, a 600 km two-way pipeline network that enables treated drinking water to be moved around the region, within the capacity limitations of those pipelines.

Seqwater supplies bulk treated drinking water to five retailer customers: Unitywater, Urban Utilities and the water businesses of the Logan, Redland and Gold Coast councils. These retailers in-turn deliver drinking water to consumers through their distribution networks. Seqwater works with its retailer customers to achieve the best whole-of-system solutions.

In addition to urban bulk water supply, Seqwater supplies irrigation water to around 1,200 customers through seven irrigation water supply schemes. Seqwater also has arrangements in place to supply water to Toowoomba and Gympie regional councils, power stations operated by Stanwell Corporation and CleanCo and provides access to diverse recreation opportunities on many of Seqwater's land and water storages.

Seqwater engages talent using robust and defensible recruitment practices governed by relevant policies and procedures, which are consistent with legislative requirements. Seqwater currently employs more than 900 workers across South East Queensland. Workers are engaged under the terms of its Enterprise Bargaining Agreement, individual Common Law contracts, collaborative agreements, and labour hire, with candidates sourced through agencies compliant with the *Labour Hire Licensing Act 2017 (Qld)*. Seqwater has recently commenced collection of social workforce demographics to assist it in guiding policy and employment experiences.

2.3 Supply chain

Seqwater offers work through tenders, contracts, and other arrangements across a range of industries and primarily engages Australian-based companies who source materials for supply to it (such as drinking water treatment chemicals) or who engage resources (such as specialist consultants) to provide services to Seqwater.

Seqwater works with many suppliers to provide goods and services to support the delivery of its business objectives. Seqwater's portfolio has approximately 2,100 active suppliers who range from small, local businesses through to global multi-nationals. Of these suppliers, 98.92% are based in Australia with the remaining 1.08% located in Canada and the United States, Ireland, Japan, Netherlands, New Zealand, United Kingdom, and Singapore. Our first-tier international suppliers are considered generally low risk as they relate, predominantly, to the supply of professional services, training, software solutions, professional memberships, and subscriptions.

Seqwater's supply chain also includes several higher-risk goods and services such as chemicals, cleaning, security, construction, spare parts, textiles, ICT hardware and electronics and includes services provided by specialist consultants and contractors.

Seqwater's goal is to establish stronger relationships with its suppliers (including through the maturation of its portfolio management) to continually increase understanding of its supply chain. In turn, this will support informed decision-making within its procurement practices, allow it to continue engaging more meaningfully with the Act, but will also inform its response to modern slavery within the broader considerations of environmental, social and governance supply chain elements. By working towards an understanding of the risks of modern slavery within its supply chain, Seqwater will be more equipped to respond to any potential risks linked to modern slavery that

are identified within its supply chain. This will enable it to support and work collaboratively with its suppliers in understanding the shared risks of modern slavery.

Seqwater is currently refocusing its Supplier Management Framework (including Relationship Management) to provide a clear and standardised approach to the management of suppliers. It is envisaged this framework will facilitate collaboration and 360° feedback in its relationships with strategic suppliers. Seqwater is also considering the implementation of a third-party digital procurement platform with a complete source to contract solution to assist it in transforming and maturing its procurement function and strategic journey. It is envisaged the platform will allow Seqwater to centralise its supplier management to build and maintain supplier relationships including the provision of enhanced communication avenues.

3 Risk of modern slavery

The 2023 Global Slavery Index estimates that on any given day in 2021, there were 41,000 individuals living in modern slavery in Australia. Seqwater acknowledges that modern slavery risk may be present in both its operations and supply chain and, on considering its supply chain, Seqwater has identified several areas of high risk / high priority business areas in which Seqwater could potentially cause, contribute, or be directly linked to the harm of people.

The key external drivers for Seqwater's supply chain are population, level of annual rainfall, capital expenditure, availability of water (e.g., dam levels) and agricultural irrigation water use.

Our first-tier suppliers, identified via, and in line with, industry sector reports, are engineering consulting, industrial and agricultural chemical product wholesaling, heavy industry and other non-building construction and electricity distribution. Second tier suppliers are identified as electricity transmission, employment placement and recruitment services, machinery and scaffolding rental and basic inorganic chemical manufacturing.

As Seqwater's first-tier supply chain is almost exclusively Australian-based we continue to explore a sectorial approach with geographic, product, services and entity risks forming part of due diligence activities.

4 Risk mitigation and remediation

Seqwater has Board and Management approved governance arrangements that reflect its legislative obligations and guidelines for government owned corporations and statutory authorities. Seqwater's commitment to corporate governance is reflected in its Board-approved Corporate Governance Statement.

During this reporting period, Seqwater established a dedicated Portfolio Office to plan and deliver a more complex and significantly expanded portfolio of investments. This office oversees the planning, reporting and governance of Seqwater's investment portfolio.

Seqwater's Corporate Governance Statement demonstrates Seqwater's commitment to good corporate governance and highlights the key components that enable and ensure Seqwater carries out its functions and responsibilities in a planned, controlled, accountable and transparent manner. These components also enable Seqwater to effectively manage its risks, compliance obligations, social responsibilities, and engagements and relationships with its stakeholders, customers, and communities. The Corporate Governance Statement is to be read in conjunction with Seqwater's Annual Report, which are both updated annually in alignment with Seqwater's disclosure obligations under the annual report requirements for Queensland Government agencies.

Seqwater workers have access to its governance documents and training and awareness support to ensure it achieves compliance with its legal obligations and corporate responsibility to various stakeholders, customers, community partners, and the public. Seqwater also continued mandatory training for procurement and legal teams in the risks of modern slavery.

For this reporting period, Seqwater has continued to undertake high-level review processes (in line with those undertaken for entry to the modern slavery register) to confirm that those suppliers reporting the threshold revenue had a published statement. During our foundational activities, we built our assessment of risk geographically,

noting our tier one suppliers are almost exclusively Australian-based (which we acknowledge is not entirely reliable as modern slavery is also present in Australia). As part of our maturation journey, Seqwater has steadily recognised the inefficacy of this process and has made concrete steps towards consideration of how it can address these gaps.

Seqwater's participation in a recent social procurement workshop highlighted its risks in areas such as security, cleaning, and mowing and slashing. To gauge its risk in these areas, and as part of its pilot activities, Seqwater will engage with suppliers through the distribution of an initial questionnaire via its participation in third-party risk and due diligence SaaS platform (further outlined below). On identification of risks, it will work with suppliers to formulate controls, strategic collaborations, and awareness avenues.

Seqwater recognises the importance of sourcing goods and services responsibly. As such, it makes a conscious effort to source ethical suppliers as part of its procurement practices and does so in compliance with the principles of the QPP including the Ethical Supplier Mandate and Ethical Supplier Threshold. These documents outline how Seqwater is to manage instances where suppliers fail to meet the requirements of the QPP (including underpaying workers), make commitments and do not follow through or breach contractual or policy requirements. The *Buy Queensland* policy, of which the QPP is a part, is the Queensland Government's commitment to using its procurement to support quality, local jobs, boost the Queensland economy and leave a lasting, positive legacy for current and future generations of Queensland. This includes using ethical, environmental, and socially responsive suppliers to deliver genuine, quality, security and ongoing local jobs with fair pay and safe working conditions.

During this reporting period, Seqwater made definitive steps toward the Water Services Authority Australia consortium-based utilisation of a third-party SaaS platform to assist in identifying and managing the risks in its supply chain. As this develops and is imbedded into Seqwater's 'business as usual' activities, and it has gained a greater understanding of its supply chain, Seqwater anticipates being able to develop and modify its platform interactions to suit its specific operating environment. In turn, Seqwater will be able to advance its risk assessment methodology and respond more fully to any findings resultant of that process.

Seqwater remains committed to a tiered approach (i.e., differing assessment conditions dependent on sector, tier, complexity, and other identified risks such as entity type) noting its predominant risk is that it potentially has modern slavery risks which may be directly linked to its supply chain rather than causing or contributing to these risks through its own activities.

Over this reporting period, Seqwater has published its revised Risk Appetite Statement and Enterprise Risk Management Framework. Seqwater also continues to review and implement its Supplier Management Framework (including pilot activities) and broader organisation policies (including Diversity and Inclusion).

Seqwater continues to acknowledge the substantial investment required to assess its operations and supply chain and continue to prepare its responses. This is, and will continue to be, an ongoing endeavor as Seqwater acknowledges these risks may change over time.

In this reporting period, Seqwater did not receive any reports of modern slavery via any reporting channel including its third-party whistleblower hotline.

4.1 Actions taken

Over this reporting period, Seqwater progressed many of its committed activities through to completion, however, it has acknowledged that its foundation requires subject matter expert guidance including the formalisation of a modern slavery strategy.

Actions taken during the reporting period were:

Actions Taken (up until 30 June 2023)

- Engaged a subject matter expert ('critical friend') to assist and guide Seqwater's on its journey through specialist advice, honest appraisal of activities and constructive feedback for improvement (including in relation to its modern slavery responses, modern slavery strategy (including how risk is allocated across its supply chain) and to review existing policies within Seqwater to enable integration of modern slavery requirements)
- Provided written submission in relation to the statutory review of the *Modern Slavery Act 2018 (Cth)* – *The first three years*

- Worked with Water Services Association Australia (WSAA) and other water industry entities to consider an industry-wide approach to modern slavery compliance resulting in Seqwater's commitment to join a WSAA-led consortium of peers to access a third-party software solution platform for supplier due diligence / risk activities
- Continued to collect additional information from suppliers subject to the reporting requirement to facilitate an increased understanding of their specific operations and supply chains
- Commenced review, and pilot implementation activities, for its refocused supplier management framework
- Engaged external party to provide initial discussion points in relation to an Environmental, Social and Governance (ESG) model for Seqwater activities (noting modern slavery is identified in this as a component of the social focus area)
- Finalised high-level draft of a Modern Slavery Response Protocol to communicate avenues to report modern slavery
- Successfully applied for delivery of a Queensland Government workshop initiative around social procurement facilitated by Social Traders

4.2 Planned action

Building an ethical supply chain, in both its operations and direct activities, is a key priority for Seqwater. We continue to undertake activities across the organisation in support of our compliance with the Act and as reflected in our Strategic Plan.

Actions Planned for 2023-2024 financial year

- Identify potential risk areas and identify and select the highest-risk areas for scrutiny
- Develop and define metrics that measure success in uncovering, identifying and managing modern slavery risk (in turn providing a framework for reflection and self-assessment over time)
- Formulate targeted risk approach and assessment criteria including those that mitigate risk and identify associated key and measurable performance indicators
- Review organisation KPIs to ensure they do not inadvertently contribute to modern slavery
- Formulate targeted pilot project/s to enable Seqwater to delve into its first, second, and possibly third, tier suppliers for identified goods or services with a view to gauging, learning, and measuring the effectiveness of Seqwater's response
- Draft Seqwater processes and guidelines and communicate to Procurement Leads and engaging officers as required
- Continue to engage in further collaboration with other entities such as government, industry peers, workers, and civil society
- Commence utilisation of WSAA consortium third party platform for supplier due diligence / risk mitigation activities and train relevant Seqwater team members on its use and research capabilities
- Communicate and provide access to awareness training on Seqwater's supply chain, modern slavery risks and responses across the enterprise to all interested employees and contractors
- Delivery of further targeted and mandatory training to the wider organisation (with training occurring for Procurement and other relevant teams)
- Facilitate a workshop to identify 'cause, contribute and directly linked to' drivers in our supply chain and how these concepts can be incorporated into our risk assessment methodologies

- Finalise internal Modern Slavery Strategy document and plan for success in relation to identified activities
- Update internal intranet page to include protocols for reporting suspected instances modern slavery, outline more fully Seqwater's response and access to refresher training
- Commence supplier mapping to increase supply chain visibility
- Review and consider uplift of Seqwater's current grievance mechanism to include human rights and modern slavery.

5 Our effectiveness

On assessing Seqwater's initial responses (and ongoing effectiveness) through the lens of gained experience, research, and maturing understanding, Seqwater continues to uncover opportunities for improvement in the maturation of its proposed strategy.

As part of its evolution towards best practice, Seqwater continues to strive for setting realistic, actionable, and meaningful performance measurements based on the risk to people within its supply chain. These assessments and evaluations will be incorporate in Seqwater's supplier management framework at both a portfolio and strategic level. the framework is envisaged to include reporting, review, governance, and assurance activities in relation to modern slavery.

In transitioning its foundational journey into action, Seqwater has formalised its intention to join the WSAA consortium (Informed 365) for risk assessment and due diligence activities. This platform will greatly enhance the visibility Seqwater has over its supplier portfolio and allow improved management of its supply chain including modern slavery risks.

Seqwater has also engaged a subject matter expert (Anti-Slavery Australia) to assist Seqwater by providing advice, guidance, and 'unvarnished' feedback in relation to its response. This will assist Seqwater with shifting from foundation activities to pursuing a best practice response aligning its uplifted strategic, governance and risk frameworks to create effective action moving forward.

6 Consultation

6.1 Related entities

Seqwater does not own or control any other entities (including outside Australia), therefore this criterion is not applicable.

6.2 Consultation and collaboration

Seqwater continues to consult internally with its Corporate Governance; People, Culture and Safety; Quality, Risk and Compliance; Legal; Communication, Education and Engagement; Strategy, Research and Performance and Sustainability groups and teams on matters related to Seqwater's response to modern slavery risks.

The consultation process undertaken ensures Seqwater's subject matter experts are involved in the continuous assessment and improvement of its modern slavery response, both in its standalone aspects as a part of its wider organisation strategy and ambitions.

Seqwater continues its membership of the Queensland Government Modern Slavery Community of Practice and more recently has joined the Water Services Association of Australia Community of Practice.

Further, in this reporting period, Seqwater engaged Anti-Slavery Australia to provide guidance, review, advice and support in the maturation of its modern slavery response.

7 Other relevant information

Seqwater participates in several partnerships, grants, sponsorship, and memberships related to initiatives designed to improve the lived experience of its communities, stakeholders, and workers. It also engages in programs related to enhancing the lives of others more globally (for example clean water for poorer peoples through our membership with WaterAid). Below are selected highlights from these activities:

7.1 Partnerships

Seqwater's Integrated Research and Development team partner with leading universities, research organisations and industry to address issues, seek efficiency gains and to reduce uncertainty in the performance of Seqwater's obligations. The research project themes encompass several core areas including drinking water quality management, water security and environmental performance.

7.2 Grants

Since the last funding cycle, a cohort of seven grantees of the Seqwater Water Future Program Community Grants continued to deliver programs throughout Southeast Queensland that build water wise communities and increase understanding of the urban water cycle and sustainable water management. For this funding cycle, programs that focussed on rural communities, young adults, school age children, and Aboriginal and Torres Strait Islander peoples were prioritised.

7.3 Other

During the year, Seqwater continued to progress with activity required by its first Reconciliation Action Plan - Reflect. This document provides strategic direction on how Seqwater contributes to the national reconciliation movement between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians, and is Seqwater's first step in demonstrating its commitment to moving forward on this journey of reconciliation. Seqwater will continue to strengthen its Reflect RAP foundations, including expanded Cultural Awareness training, with a view to progressing to Elevate in the coming year. Seqwater remains committed to the Traditional Owners on whose land Seqwater and its communities live and work and continues its commitment to the national reconciliation movement.

8 Our commitment to improve

Seqwater recognises that addressing modern slavery is a journey; a step-by-step process that works towards making meaningful change rather than it being a static compliance activity.

Seqwater is committed to act with integrity and transparency in its interactions with its stakeholders, customers, community partners, and the public, to actively work towards implementing the actions described in this Statement with a view minimising the risk of modern slavery within its supply chain and operations. This commitment is aligned to Seqwater's values of integrity, respect, care, and courage.

Seqwater has built upon its ambition levels and has commenced activities aligned to its evolving strategy, governance and risk frameworks.

Seqwater will continue to review and reassess its actions to make sure they remain effective and appropriate to its goals.

Seqwater is committed to acting with integrity in all its dealings with stakeholders, customers, community partners, and the public, and to actively implement due diligence processes and mitigation actions described within this Statement so it can identify and respond to the potential risk of modern slavery in its supply chain and operations.

Moving forward, Seqwater will continue to consider how it approaches its response and strives to continuously learn how it can do better.

This Statement was approved on 23 November 2023 by Seqwater's Board in its capacity as the Principal Governing body for Seqwater and has authorised the Board's Chairperson, as a Responsible Member for Seqwater, to sign this Statement on its behalf.



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Hon. Dr. David Hamill AM
Chairperson of Seqwater