

Seqwater Modern Slavery Statement FY21-22

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 address and assess the risks of modern slavery in its operations and supply chain. Annexure 1 tables where these steps are addressed in this Statement. Seqwater's reporting period is 1 July 2021 to 30 June 2022.

1. Introduction

This is Seqwater's third Statement. This Statement outlines the steps taken towards building on our response to understanding, identifying, managing, and mitigating modern slavery risks in our supply chain and operations.

During this reporting period, we have continued our reflection of our strategy and have reconfirmed the need to continue strengthening our foundations. Whilst we achieved many of our planned actions, we have reprioritised some activities in favour of further foundational reflection and strengthening.

For more information on our performance, corporate strategy, and governance, refer to our Annual Report and Corporate Government Statement available on our Corporate Publications page at <https://www.seqwater.com.au/corporate-publications>.

2 Structure, Operations and Supply Chain

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 our vision of *Water for Life*, our promise of *Safe for Life*, and to working with our stakeholders, customers, and communities to deliver this essential service in a way that aligns with community views and values.

We are a statutory body for the purposes of the *Financial Accountability Act 2009* and the *Statutory Bodies Financial Arrangements Act 1982*. Seqwater complies with the Bulk Water Supply Code and Bulk Water Supply Agreements.

Our role is to work within our authority as established by the Queensland Government under the *South East Queensland Water (Restructuring) Act 2007 (Qld)* to source, store, treat and supply bulk water to our retail customers, which allows us to also provide essential flood mitigation services, manage catchment health, offer recreation services and supply irrigators.

We understand the importance of recruiting and remunerating our workers appropriately and sourcing goods and services responsibly. We make a conscious effort to source suppliers based locally, both within Queensland and Australia as part of our procurement practices, which are underpinned by the principles of the Queensland Procurement Policy.

2.1 Structure

With its main office in Ipswich, Queensland, Seqwater is led by a Board of six non-executive and independent Board Members who are appointed by, and accountable to, two Queensland Government responsible Ministers (the Minister for Regional Development and Manufacturing and Minister for Water and the Queensland Treasurer and Minister for Investment). The Board is supported by the Chief Executive Officer and seven executive General Managers who are responsible for leading their functional business groups.

The Seqwater Board is responsible for the way we perform our functions and exercise our powers under the *South East Queensland Water (Restructuring) Act 2007 (Qld)*. 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

On behalf of the South East Queensland community, we manage and maintain 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. Our operations extend from the New South Wales Border to the base of the Toowoomba ranges and north to Gympie.

Seqwater owns and operates the South East Queensland Water Grid; a 600-kilometre two-way pipeline network that enables treated drinking water to be moved around the region within the capacity limitation of those pipelines.

We supply bulk treated drinking water to five retailer customers: Unitywater, Urban Utilities and the water businesses of the Logan, Redland and Gold Coast city 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, we provide irrigation water to approximately 1,200 customers through seven 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 Seqwater's land and many of its water storages.

We currently employ more than 750 workers, working across South East Queensland. We engage talent using robust and defensible recruitment practices governed by relevant policies and procedures, which are consistent with legislative requirements. Our workers are engaged under the terms of our Enterprise Bargaining Agreement and individual Common Law contracts. Where temporary resources are required, Seqwater sources potential candidates through agencies compliant with the *Labour Hire Licensing Act 2017 (Qld)*.

2.3 Supply chain

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

We work with many suppliers to provide goods and services to support the delivery of our business objectives. Our portfolio has approximately 2,100 active suppliers who range from small, local businesses through to global multi nationals. Our supply chain 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.

Our goal is to establish stronger relationships with our suppliers, including through the maturation of our portfolio management, to continually increase our understanding of our supply chain. In turn, this will support informed decision making within our procurement practices, allow us to continue engaging more meaningfully with the Act, but will also inform our response to modern slavery within the broader considerations of environmental, social and governance supply chain elements.

By seeking to further understand the risks of modern slavery, we will be more equipped to respond to any uncovered, potential risks linked to modern slavery within our supply chain. This will enable us to support and work collaboratively with our suppliers in understanding our shared risks of modern slavery.

2.3.1 COVID-19 and emergency responses

Throughout this reporting period, we worked with the Queensland Government to ensure the continued delivery of critically essential water and flood mitigation services. We responded to Covid-19 in line with the Queensland Government's Roadmap to Easing Restrictions, the Chief Health Officer's public health directions and Queensland Health's hygiene advice. Whilst the Covid-19 threat continued to challenge us, it remained a reminder of the critical role Seqwater plays in supporting a healthy, livable, and prosperous community.

During this reporting period, we continued to work closely with our suppliers, in accordance with our COVID-19 Management Plan (and supporting Pandemic and Continuity Plans) to ensure chemicals and other key inputs from around Australia have been secured throughout the pandemic.

Further, we revised our accommodation strategy to consider the impacts of Covid-19 on the way we work in conjunction with a focus on agile and activity-based working for its employees. With many restrictions lifted, much of Seqwater's workforce continued to operate from home for some sixty percent of the working week. Seqwater was also recognised through the Australian HR Awards as an Excellence Awardee for 'Best Remote Work Strategy'.

2.3.2 Supply chain challenges

During this reporting period, and due to ongoing supply chain challenges, Seqwater's building and construction activities (including engineering) have been impacted due to supply constraints for timber and metals, increases in diesel and material prices, high freight costs and labour shortages (including skilled trades). Impacts have also been experienced due to decreased global crude oil supplies and an increase in demand due to the easing of Covid-19 restrictions.

This reporting period also saw impacts in our bulk water treatment chemical supply chain due to flooding and the continuing impacts of Covid-19. In response, Seqwater has compiled learnings from these experiences to inform better practice emergency responses, including improved lines of communication with our suppliers and development of a greater internal understanding around supply constraints and risks.

3 Risk of modern slavery

The key external drivers for our 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 our 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 our due-diligence activities. We also have identified risk potential in services such as security, cleaning, and labour hire and via our purchase of goods such as textiles, branded and technology products.

4 Risk mitigation and remediation

We have Board and management approved governance arrangements that reflect our legislative obligations and guidelines for government-owned corporations and statutory authorities such as Seqwater. Our commitment to corporate governance is reflected in our recent Board-approved framework outlining our key

governance documents. This framework highlights the key components that enable and ensure Seqwater carries out its functions and responsibilities in a planned, controlled, accountable and transparent manner. Our Corporate Governance Statement is now published as a standalone document alongside our annual report.

Our workers have access to our governance documents and training and awareness support to ensure we achieve compliance with our legal obligations and corporate responsibility to various stakeholders, customers, community partners, and the public.

We recognise the importance of sourcing goods and services responsibly. As such, we make a conscious effort to source ethical suppliers based within Australia as part of our procurement practices and as outlined in the principles of the Queensland Procurement Policy.

For this reporting period, and as we strengthen our foundations and understanding, we 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 this reporting period, we have also advanced our consideration of a third-party platform to assist in identifying and managing the risks in our supply chain. As we progressively develop a more comprehensive understanding of our supply chain, we anticipate being able to develop and modify our platform interactions to suit our specific operating environment. We have solidified our appetite for a tiered approach (i.e., differing assessment conditions dependent on sector, tier, complexity and other identified risks such as entity type) noting our predominant risk is that we potentially have modern slavery risks which may be directly linked to our supply chain rather than causing or contributing to these risks through our own activities.

Over this reporting period, we have refreshed our enterprise risk management framework and we continue to review our supplier management framework and broader organisation policies.

We continue to acknowledge the substantial investment required to assess our supply chain and continue to prepare our responses. This is, and will continue to be, an ongoing endeavor as we acknowledge these risks may change over time.

4.1 Actions taken

Over this reporting period, we progressed many of our committed activities through to completion, however, we have acknowledged that we could benefit from further strengthening of our foundational structure. As such, we have continued a robust assessment of our modern slavery strategy and have continued to focus on our foundational activities.

In addition, further, completed actions from the last reporting period include:

Actions Taken (up until 30 June 2022)

- Progressed the process of engaging a 'critical friend' to assist us with our modern slavery responses and strategy including how risk is allocated across our supply chain
- Continued discussions regarding a third-party software solution platform to assist with our due diligence / risk activities and commenced platform access and security discussions internally
- Commenced configuration of interactions with Seqwater eProcurement project solutions for data collection and ability to scale up supply chain transparency
- Expanded awareness training as mandatory to all procurement, contract management and legal groups within the organisation with requirements included as a mandatory induction component for these team members
- Established a dedicated page on the Seqwater intranet to provide information (including policy and guidance) and awareness training links to internal stakeholders and interested employees
- Revised our risk appetite statement and enterprise risk management framework to facilitate the achievement of our strategic and operational objectives. Currently, our sustainability setting is

Actions Taken (up until 30 June 2022)

“opportunity seeking” with governance structures, risk categorisation and long-term aspiration targets to be more fully understood for modern slavery

- Completed application as a partner for participation in government-funded research projects related to data mining and risk management of modern slavery in supply chains
- Continued review to enable integration of modern slavery requirements / commitments into existing policies within Seqwater
- Continued to collect additional information from suppliers to facilitate an increased understanding of their specific operations and supply chains
- Reconsidered approach for piloting modern slavery outcomes for selected existing suppliers through variations, contract renewal and tendering processes
- Commenced restructure and refocus of our supplier management framework to include stronger supplier relationship management at a strategic level
- Commenced working with Water Services Association Australia and other water entities to consider an industry-wide approach to Modern Slavery compliance
- Engaged external party to provide discussion ‘starting points’ within an Environmental, Social and Governance (ESG) model with modern slavery identified as a component of the social focus area

4.2 Planned action

Building an ethical supply chain is a key priority for Seqwater. We continue to undertake activities across the organisation including inclusion of compliance with the Act into our Strategic Plan.

Actions Planned for 2022-2023 financial year

- Delivery of further targeted and mandatory training to procurement teams including risk identification, assessment and management
- Onboard a subject matter expert (‘critical friend’) to assist and guide us on our journey through the provision of specialist advice, honest appraisal of our activities and constructive feedback for improvement.
- Formulate targeted pilot projects to enable us to delve into our first, second and possibly third tier suppliers for identified goods or services with a view to gauging, learning and measuring the effectiveness of our response
- Consideration of mechanisms to leverage our influence with our peers and suppliers to facilitate cooperation and collaboration
- Formulate targeted risk assessment criteria including those that prioritise our risk and identify associated key and measurable performance indicators
- Continue to engage in further collaboration with other entities such as government, business peers, workers and civil society
- Continued configuration of an eProcurement solution that facilitates appropriate data collection and enables more complete reporting

Communicate our activities to the wider organisation via our intranet including making awareness training available to all employees and contracts within Seqwater

5 Our effectiveness

On assessing our initial responses (and ongoing effectiveness) through the lens of gained experience, we continue to uncover opportunities for improvement in the applicability and usability of our proposed strategy.

As part of our evolution towards best practice, we are continuing our conversations around setting realistic, actionable, and meaningful performance measurements based on the risk to people within our supply chain. These assessments and evaluations will also be considered within our reimagined supplier management frameworks at both a portfolio and strategic level; a framework which will also include our reporting, review, governance and assurance activities in relation to modern slavery.

We have also commenced configuration on our e-Procurement platform which will leverage central procurement data for business intelligence reporting, on-demand data analytics, and management reporting to assess ongoing efficiency and uncover potential economic savings or opportunities. This platform will greatly enhance the visibility we have over our supplier portfolio.

Our drafted and dedicated ambition levels (including our current position and our envisaged position) will be a frontline focus for assessment with our foreshadowed subject matter expert. This is envisaged to align with our strategic, governance and risk frameworks to create effective action moving forward.

We continue to achieve the items we set out to and continue to improve our foundations for meaningful change.

6 Consultation

6.1 Related entities

Seqwater does not own or control any other entities, therefore this criterion is not applicable.

6.2 Consultation and collaboration

We continue to consult internally with our 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 our response to modern slavery. More recently, Seqwater has increased its focus on considering the drafting of an ESG framework in which modern slavery is considered within the “social” focus area.

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

We continue our membership of the Queensland Government Modern Slavery Community of Practice and more recently, we have joined the Water Services Association of Australia Community of Practice.

We are a partner of a submitted application to participate in a collaborative research project (between industry, government, and universities) under the Australian Research Council Linkage Scheme related to deep dive assessment of collaborative approaches to modern slavery risk in the infrastructure and construction sector.

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. We also engage 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

We continue our sponsorship of a targeted mentorship program for women in non-traditional roles and have continued our support of the Bunya to Bay. Bunya to Bay is an award-winning educational experience grounded in aboriginal culture and heritage that follows the Brisbane River from the source to the sea. In July, August and October 2021, a group of selected students (known as Water Ambassadors) relayed in teams to walk, cycle and canoe over 340 kilometres of challenging river terrain. The scientific, personal, social, and adventure learning experience building their understanding of the many facets of the Brisbane River. It affords an opportunity for the students to gain, through adventure, a deep sense of their place in the world and their capacity to shape its future.

We also partner with leading universities, research organisations and internal stakeholders via our Research and Technology Innovation team. Our research projects address issues that are important to Seqwater stakeholders and deliver outputs that can be implemented by the business and deliver value. The projects' themes encompass several core areas including catchment and water quality management, long-term water security planning and asset planning, environmental management and technological innovation.

7.2 Grants

During the last funding cycle for the 2021 fiscal year, a cohort of seven grantees of the Seqwater Water Future Program Community Grants continued to deliver programs throughout South East 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 June 2022, Seqwater received endorsement from Reconciliation Australia for its first Reconciliation Action Plan - Reflect. This document provides strategic direction on how we contribute to the national reconciliation movement between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians, and it is our first step in demonstrating our commitment to move forward on this journey of reconciliation. Our Reflect RAP, launched across our regions during NAIDOC week (3-10 July 2022) will see us look inward first to consider how we can build greater awareness among our employees and develop a strong foundation for reconciliation and will cement our commitment to the Traditional Owners on whose land we live and work, and our 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.

We are committed to act with integrity and transparency in our interactions with our 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 our supply chain and operations. This commitment is aligned to our values of integrity, respect, care and courage.

We have built upon our ambition levels and have commenced activities aligned to our evolving strategy, governance and risk frameworks.

We note there is current review of the Act underway, as supported by the Attorney-General's Department, and we are participating in industry-level consultation with our peers in relation to the published issues paper.

We look forward to the outcome of the Act's review and envisage reshaping our responses accordingly.

We will continue to review and reassess our actions to make sure they remain effective and appropriate to our goals. Seqwater is committed to acting with integrity in all of our dealings with stakeholders, customers, community partners, and the public, and to actively implement due-diligence processes and mitigation actions described within this Statement, so we can identify and respond to the potential risk of modern slavery in our supply chain and operations.

Moving forward, we will continue to consider the most appropriate approach for our response and to continuously learn how we can do better.

This Statement was approved by Seqwater's Board in its capacity as the principal governing body of Seqwater on 24 November 2022. The Board has authorised the Chairperson to sign this Statement on its behalf.



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Hon. Dr. David Hamill AM
Chairperson of Seqwater

Annexure 1 - Modern Slavery Act 2018 (Cth) Statement

Principal Governing body approval

This Statement was approved by the Principal Governing body of the Queensland Bulk Water Supply Authority (trading as Seqwater) (Seqwater) ABN 75 450 239 876 as defined by the Act on 24 November 2022.

Signature of Responsible Member

This Statement is signed by a Responsible Member of the Queensland Bulk Water Supply Authority (trading as Seqwater) (Seqwater) ABN 75 450 239 876 as defined by the Act.

Mandatory criteria

The table below indicates the page number/s where each of the Act's section 16 mandatory criteria are addressed:

Mandatory Criteria	Page number/s
(a) Identify the Reporting Entity	1
(b) Describe the reporting entity's structure, operations and supply chains	1,2,3
(c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	3
(d) 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	4,5,6
(e) Describe how the reporting entity assesses the effectiveness of these actions	6
(f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement)	Do not own or control any other entities 6
(g) Any other information that the reporting entity, or the entity giving the statement, considers relevant	6,7