

Hunter Water



Modern Slavery Statement

2022-23



Acknowledgment of Country

Hunter Water acknowledges the Traditional Countries of the Awabakal, Darkinjung, Geawegal, Wonnarua and Worimi peoples and the Countries on which we operate and beyond where our water flows.

We recognise and respect the cultural heritage, beliefs and continuing connection to the lands and waters of our Traditional Custodians and pay respect to their Elders past, present and emerging.



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Our Commitment



At Hunter Water, we are committed to creating a sustainable water future for all, and this includes ensuring that we are proactively taking steps toward combating modern slavery in our operations and our supply chains.

We aim to ensure that we do not commence or continue partnerships where modern slavery exists or where modern slavery practices are facilitated or tolerated in partner operations and supply chains. We seek to work in collaboration with industry and supply partners to establish coordinated approaches and enact appropriate protocols for managing identified modern slavery risk, and for minimising harm.

Eradicating modern slavery from our supply chains and in our operations is a long-term objective, and our fourth Modern Slavery Statement highlights the foundational advancement that we have made in progressing this commitment. It details how we have built on the actions that we implemented since our first Modern Slavery Statement for the 2019-20 reporting period and the actions we have progressed in the 2022-23 reporting period.

A letter from the Hunter Water Board of Directors



Greg Martin
Chair



Darren Cleary
Managing Director

Dear Commissioner

We are pleased to submit Hunter Water Corporation's fourth Modern Slavery Statement to the Australian Government Attorney General's Department for publication on the Online Register for Modern Slavery Statements as required in accordance with the *Modern Slavery Act 2018 (Cth)*.

Hunter Water Corporation operates to deliver reliable, safe, quality water and wastewater services to our customers and community in partnership with our landholders, suppliers and stakeholders.

Our fourth Modern Slavery Statement demonstrates our ongoing commitment to identifying, assessing and addressing modern slavery risks throughout our operations and supply chain. Our approach to understanding and combating modern slavery requires commitment from the highest levels of our organisation and is given a priority focus by our Executive Management Team and Board of Directors.

During the 2022-23 reporting period, we have continued to build on the efforts undertaken during the previous three reporting periods and implemented further measures from our Modern Slavery Action Plan and Road Map, including awareness training for our people and for our key supply partners to ensure this is not just a priority for Hunter Water, but addressed and measurably delivered by our supply chain as well.

This statement has been approved by our Executive Management Team and the Hunter Water Board of Directors.

A handwritten signature in black ink, appearing to read 'G. Martin'.

Greg Martin
Chair

A handwritten signature in black ink, appearing to read 'D. Cleary'.

Darren Cleary
Managing Director

Who we are

Hunter Water is proud of the important and significant contribution we make to the health, wellbeing and prosperity of our region. Initially established in the 1880's to protect public health for the City of Newcastle, we have grown to be the trusted provider of high-quality water services for a population of over 630,000 across the Lower Hunter region.

This proud history has put us in good stead to meet the challenges that lay ahead – a growing population, a more variable climate and growing economic pressures, to name a few. And while the future is uncertain, with it comes great opportunity, particularly in areas such as digital transformation, innovation, and new technology.

Customers and community are at the heart of all we do, and we have been talking with our customers and community to understand what is important to them for today as well as the future. We are reflecting these values and views in the decisions we make so that we deliver outcomes they trust and value. We aim to anticipate their diverse and changing needs and will always do what we say we will do.

At Hunter Water, our people are passionate about water. We aspire to be a trusted, innovative organisation underpinned by our values of learning, leading, trust, inclusion, and wellbeing. We are committed to building trusted relationships with our people, partners, stakeholders, customers, and community so that together, we can deliver a sustainable, resilient, and prosperous future for our region.

Our structure

Hunter Water is governed by a Board of Directors appointed by our Voting Shareholders, the NSW Treasurer and Minister for Finance. Under the Hunter Water Act 1991, the Hunter Water Board of Directors comprises up to nine members, including the Managing Director, Chairperson and seven independent Non-Executive Directors.

We have a strong corporate governance framework that underpins our strategic objectives and commitment to our customers and the community.

Our vision and purpose

Water is life. We are creating a sustainable water future for all.

Our values

Define the culture we want to embed in everything we do at Hunter Water. They are who we are as an organisation and how we behave. Our values help guide our decisions, balance our priorities and connect us to achieve our vision. They are part of everything we do.

What we do

As a State-Owned Corporation (SOC) Hunter Water provides drinking water, wastewater, recycled water and some stormwater services to a population of more than 600,000 people in homes and businesses across the Lower Hunter. Hunter Water was the first SOC to be proclaimed within New South Wales pursuant to the *State Owned Corporations Act 1989*.

We are proud of our humble beginnings, starting in the 1880s when water was first delivered to Newcastle from a temporary pumping station on the Hunter River at Oakhampton to Newcastle No 1 Reservoir. Like our region, we have grown considerably since then, and we are constantly looking for new ways to provide great services, enable good development and be a thought leader. We are committed to being a great employer that operates in an efficient and productive manner, enhancing the wellbeing of our employees.

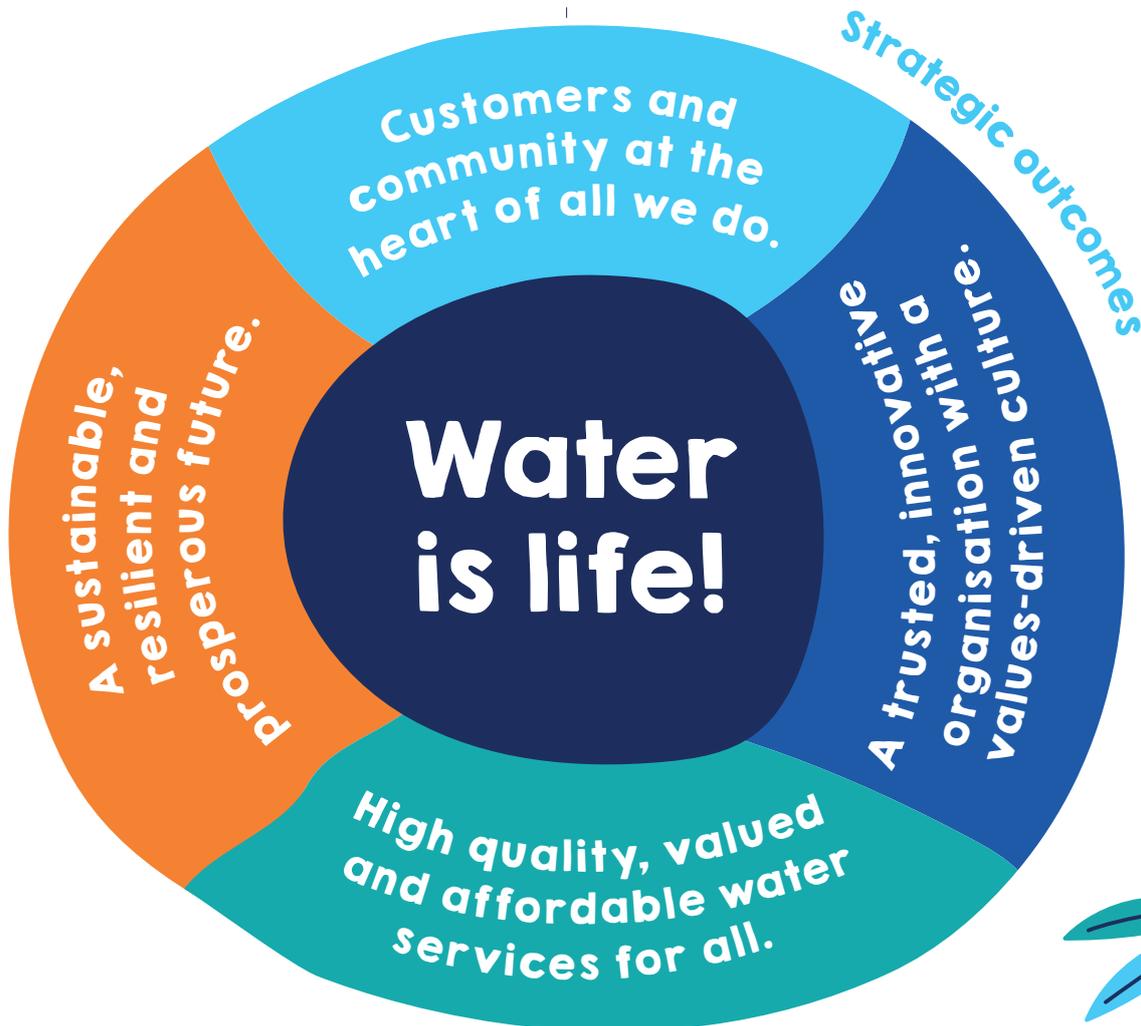
Our employees help deliver the life our communities desire, working closely with contractors, stakeholders and the community to manage a total asset base of more than \$3.6 billion.

The safety of Hunter Water's drinking water is our priority and is confirmed through an extensive monitoring program. Our region's long-term water security remains a central focus.

In April 2023, we embraced Miromaliko Baato, meaning 'saving water' in the local Gathung language, one of the languages spoken by the Traditional Custodians of the land upon which we operate. This enduring strategy is framed around four strategic outcomes that we aspire to deliver: Customers and community at the heart of all we do; a trusted, innovative organisation with a values driven culture; high quality, valued and affordable water services for all, and a sustainable, resilient, and prosperous future.

Our vision and purpose

Water is life.
We are creating a sustainable water future for all.



Map of Area of Operations and Traditional Boundaries



Our Commitment to the United Nations Sustainable Development Goals (SDG)



Hunter Water is a proud participant in the Hunter Region SDG Taskforce, a group of motivated businesses, not-for-profits and government bodies focused on achieving the United Nations' SDGs.

Its aim is to accelerate actions to achieve the SDG, making the region more liveable, economically and environmentally sustainable, and more supportive of those facing social challenges.

Hunter Water's Corporate Strategy advances the following SDGs;



No poverty – we aim for our water to be affordable for all; with programs in place to provide assistance to those in need



Sustainable cities and communities – we are future focused; a more sustainable water future for all underpins our vision and purpose



Good health and wellbeing – high quality water services underpin the public health of our community and help provide green spaces for everyone's health and wellbeing



Responsible consumption and production – water is precious and we'll continue to champion the true value of water



Clean water and sanitation – building on our 130 year legacy, we are focused each day on delivering safe, reliable and affordable water services



Climate action – we're committed to a net zero target, and will continue to collaborate with partners and stakeholders to respond to the impacts of climate change



Affordable and clean energy - we're taking advantage of renewable energy opportunities through our solar and waste to energy programs



Life below water – we are committed to reducing our impact on waterways; by minimising what we take and the sustainable management of wastewater flows



Industry, innovation and infrastructure - we're working closely with our industry partners to provide the right solutions at the right time to support the prosperity of the region



Life on land – we are committed to minimising our impacts and maximising opportunities to protect and restore the environment



Reduced inequality – we recognise equality and diversity creates better outcomes for all. Inclusion is one of our core values.



Partnerships for the goals – we're focused on building trusted partnerships with our people, partners, customers and community to deliver great outcomes for our region



In our Organisation

Hunter Water has undertaken detailed reviews to understand the extent of Hunter Water's exposure to modern slavery in our supply chains. We review and revise these periodically to ensure that they remain up to date.

The *Modern Slavery Act 2018 (Cth)* Guidance identifies the following organisational risk indicators:

- The use of unskilled, temporary, seasonal labour or child labour
- The use of short-term contracts and outsourcing
- The use of foreign workers, temporary or unskilled workers, to carry out functions that may be less visible such as night work or remote locations
- Recruitment strategies that target marginalised or disadvantaged communities
- The use of labour from countries that have a high prevalence of modern slavery or human rights violations or countries that have not ratified international conventions relevant to modern slavery

According to the Global Slavery Index, the risk of modern slavery in Australia is lower than many other jurisdictions. The workforce composition at Hunter Water is Australian-based. All of Hunter Water's employees are engaged under either a Fair Work Commission approved enterprise agreement or a common-law individual contract that has been developed so as to address Australian employment standards and practices.

From time to time, we have a number of university students undertaking work experience roles in accordance with Australian workplace laws.

A Labour Hire Panel Contract arrangement is in place for short-term contract-based employees. It contains requirements for contract employees' employment conditions to be in accordance with Australian workplace legislative requirements. Labour hire suppliers were appointed to the Panel following a detailed assessment of their recruitment and labour practices to ensure any labour risks, including modern slavery, were appropriately mitigated. There are also a small number of individual contractor arrangements in place where the terms and conditions meet procurement standards.

As a result of our employee profile and practices, we have assessed our organisational modern slavery risk as low.

In our Supply Chains

During 2022-23, Hunter Water's payments to suppliers totalled \$286m. Almost all of Hunter Water's spend is undertaken with suppliers based in Australia, where the risk of modern slavery is low. There are, however, categories of goods and services that Hunter Water procures that have a higher risk of modern slavery. This is based on the geographic origin and/or industry sector as identified and categorised under the globally recognised modern slavery risk assessment approach employed by the Global Slavery Index. These suppliers and their supply chains will continue to require ongoing engagement to ensure that modern slavery risks are identified, assessed, and addressed.

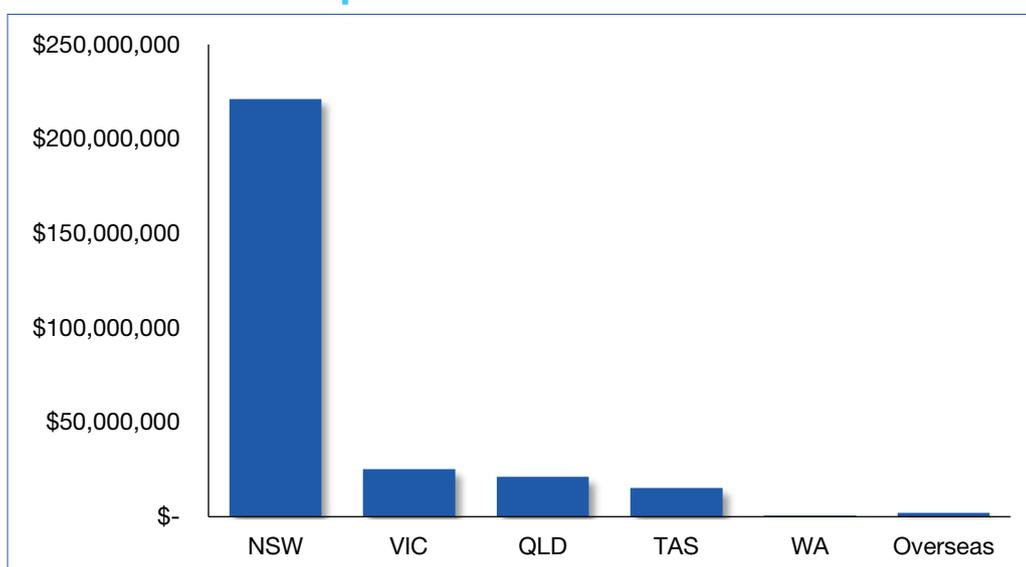


Hunter Water’s Key Categories of Procurement Spend

Category	Includes but not limited to	% of Total Procurement Spend
 Infrastructure & Construction	Capital Infrastructure Projects	32%
 Maintenance & Operations	Costs to operate and maintain infrastructure and include maintenance services; meters, associated services and equipment; fleet; chemicals; energy; traffic management services; pipes, accessories and consumables; plant and equipment hire.	36%
 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.	24%
 Information Technology	Computer hardware and accessories; software and licensing (including as a service); managed services.	6%
 Waste Services	Waste Management Services	3%

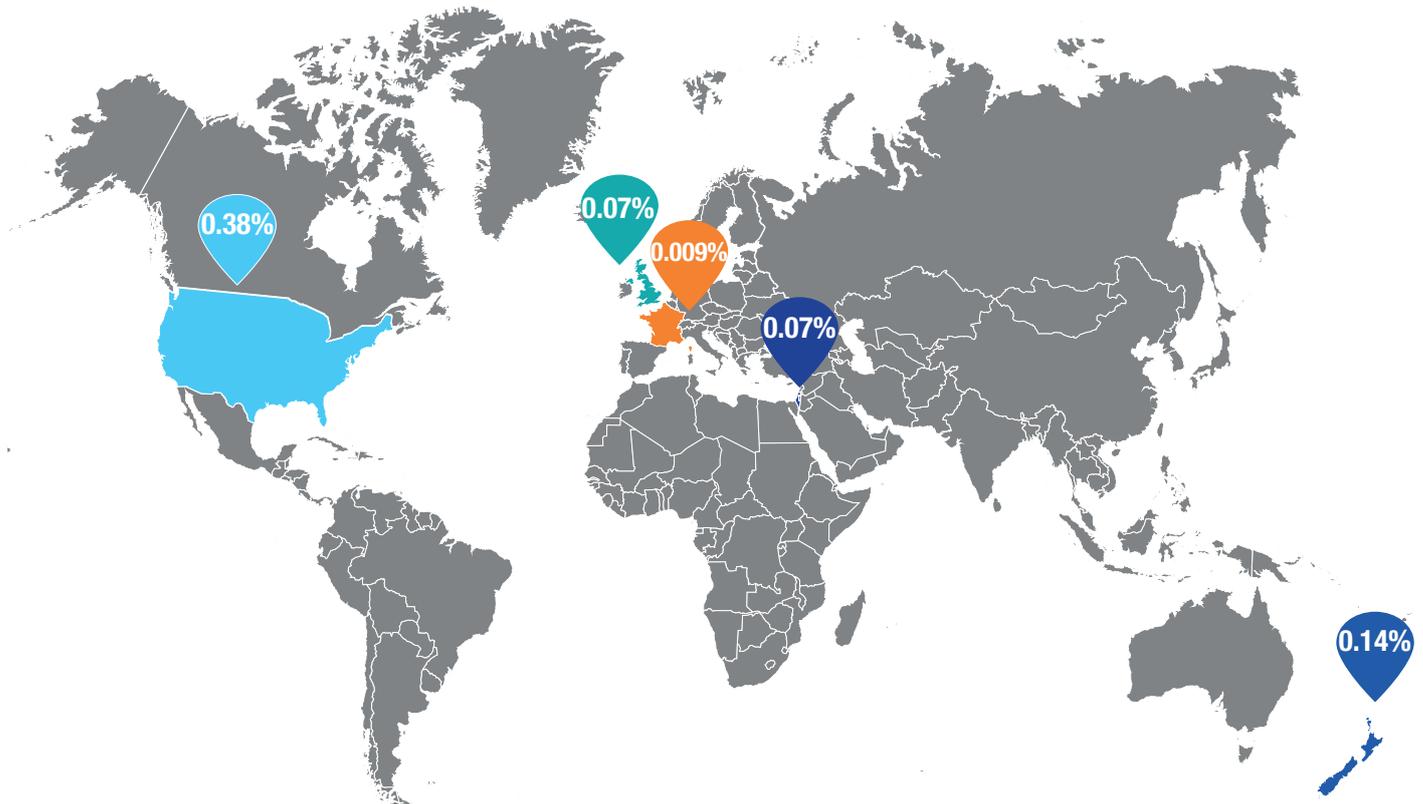
Hunter Water maintained a supplier base of 825 suppliers during the reporting period. Hunter Water is committed to procuring goods and services from local suppliers, and as evidenced by the data below, approximately 98.7% of our \$286m FY2023 supplier spend was with suppliers located in Australia.

Hunter Water’s Spend at a Glance



The remaining 1.3% is attributed to a total of 25 overseas suppliers located across the following regions: North America; Europe; Middle East; and Asia Pacific.

FY2023 Overseas Spend at a Glance



Global Supply Environment and Modern Slavery Risks

Over 2022-23 and previous reporting periods, we have generally observed global manufacturing disruptions, freight and logistics delays and product and raw materials shortages, as well as high inflation, all leading to:

- increased supplier insolvency risks
- higher supply costs
- increased product lead times
- lack of product availability

To address the above risks, we have occasionally needed to source alternative products or engage alternative suppliers. This has the potential to increase our modern slavery risk profile in our supply chains. In recognition of the increased risk, Hunter Water has taken the following actions to mitigate this risk:

- Updating policies and procedures to include modern slavery compliance requirements
- Amending contract templates to include modern slavery compliance requirements
- Incorporating consideration of modern slavery risks in tender scope development and evaluation criteria
- Developing and introducing Supplier Partnership Principles and Supporting Supplier Assessment Schedules as detailed in our Modern Slavery Action Report Card
- Participating with our industry to develop a Modern Slavery Risk Assessment tool as detailed in our Modern Slavery Action Report Card
- Conducting supplier briefing sessions on the Supplier Partnership Principles and Supplier Assessment Schedules to explain the purpose and clarify expectations.

Our Modern Slavery Action Plan

What we have done

During the 2022-23 reporting period, we continued to build on our achievements reported in the previous statement submissions, as shown in our Modern Slavery Report Card.

In 2019-20, we began our journey to understand, assess and address modern slavery risks in our operations and through our supply chains. We continue to build on this with new actions completed and future actions identified and reported in each annual Modern Slavery Statement. Our maturity towards integrating modern slavery risk management across our operations and supply chain is highlighted in the Modern Slavery Report Card following.

What we will do

Our Modern Slavery Report Card includes the actions we are currently progressing as well as the actions we will achieve over the next reporting period.

These are broadly categorised into four focus areas covering:

Risk Identification and Planning



Awareness and Training



Collaboration and Engagement



Governance and Risk Mitigation



Modern Slavery Report Card



Focus Area	Action	Details	Year	Status
Risk Identification and Planning	Gap Analysis	Undertake detailed organisational gap analysis and a supplier data analysis to identify potential modern slavery risks and mitigation actions within our operations and supply chains	2019-20	100%
	Modern Slavery Action Plan	Develop, implement and report on an organisational-wide modern slavery Action Plan Road Map based on the gap analysis learnings to build and continually improve our modern slavery mitigation activity over a 3-year period. To be endorsed by the Executive Management Team	2019-20	100%
	Modern Slavery Risk Supplier Assessment	Establish a tool and set of questions/criteria for assessing supplier modern slavery risk and a hierarchy of risk management actions based on risk assessment. *See case study 1 for details	2021-22	25%
Awareness and Training	Awareness Training	Implement Modern Slavery Awareness training for members of our Executive Management Team and key Contract Managers/Procurement Staff.	2019-20	100%
	Supplier Partnership Principles	Establish and launch the Supplier Partnership Principles to set out our expectations of our partner suppliers and require our suppliers to provide information regarding the identification and mitigation of modern slavery risks, including hidden labour exploitation.	2020-21	100%
	Awareness and Training	Develop and implement mandatory training module for all staff and contractors at Hunter Water.	2020-21	100%
	Supplier Forum	Develop and deliver supplier awareness training to our key construction, civil and electrical maintenance works supply partner.	2020-21	100%
Collaboration and Engagement	Water Utility Sector Collaboration	Establish/join collaborative industry sector groups to facilitate collaborative modern slavery information sharing and action. *See Section 5 Collaborative Action for details	2020-21	100%
	Hunter Water Inter Department Collaboration	Establish a Sustainable Procurement Working Group with representatives from across several functions within our business who are responsible for the implementation and ongoing monitoring of sustainable procurement objectives, including the Modern Slavery Action Plan.	2020-21	100%
Governance and Risk Mitigation	Sustainable Procurement Working Group	Establish a Sustainable Procurement Working Group with representatives from across several functions within our business who are responsible for the implementation and ongoing monitoring of sustainable procurement objectives, including the Modern Slavery Action Plan. The Working Group will have accountability to the Group Manager Commercial & Procurement and provide progress updates to the Procurement Committee.	2019-20	100%
	Supplier Sustainability Assessment Schedule	Hunter Water established this assessment process to assess supplier maturation on a number of sustainability focus areas including labour practices, modern slavery risk management and compliance in support of the Supplier Partnership Principles.	2020-21	100%
	Governance and Risk Mitigation	Establish an independent and confidential Whistle Blower Service to facilitate reports of misconduct, including actual or suspected instances of modern slavery, for all employees, contractors, tenderers, suppliers, agents, and their employees.	2020-21	100%
	Contracts and Policy Review to Include Modern Slavery Legislative Requirements	Amend Hunter Water suite of Contracts to include clauses for compliance with modern slavery requirements, scaled to the relative risk and value associated with the contract terms. Amended Hunter Water internal policies and procedures to embed consideration of modern slavery risks into our business, such as the Conflicts of Interest policy.	2020-21	100%
	Labour Hire Panel	Establish a Labour Hire Panel tender to ensure tender responses incorporated consideration of the robustness of processes to mitigate the risk of modern slavery, labour exploitation, and human rights abuses of the respondents.	2020-21	100%
	Modern Slavery Enterprise Risk Management Incorporation	Establish a Modern Slavery Risk Management approach incorporated into Hunter Water's Enterprise Risk Management Framework and tool. *See case studies for details	2020-21	100%
	Modern Slavery Risk Triage Protocol	Establish organisational protocols for triage, response, and investigation and close of actual or suspected incidents of modern slavery in Hunter Water Supply Chains	2021-22	100%
	Modern Slavery Audit	Commission of a review into the level of maturity in embedding modern slavery risk management commitments into Hunter Water practices	2022-23	100%
	Modern Slavery Audit recommendations	Review, prioritisation and implementation of recommendations from the Modern Slavery Audit are being undertaken with key actions to be incorporated into the 23-24 Modern Slavery Action Plan. Focus will be given to the following areas ranked as Improving under the Modern Slavery Maturity Model of Assessment in the audit:*See case studies for details <ol style="list-style-type: none"> Risk Management Supply Chain Management Monitoring and remediation 	2023-24	0%

Hunter Water understands that having a collaborative approach to modern slavery risks internally, regionally and within our industry helps to drive awareness and supports greater effectiveness and efficiency through consistent supply chain management. For this reason, we have established the following collaborative forums to promote consistency and leverage economies of scale in identifying and mitigating Modern Slavery risks.

Water Utility Sector Collaboration

Hunter Water established a joint regional water sector working group with Water NSW and Sydney Water in 2020 to share our modern slavery journey, investigate opportunities for collaborative modern slavery action. The purpose of the forum is to facilitate sharing of information, initiatives and identify opportunities for sector and regional based collaborative action on modern slavery awareness and risk mitigation. In 2019-20, the working group focused on information sharing and knowledge growth regarding modern slavery as relevant to our sector and region.

As of 2022-23, the Water Utility Sector Collaboration is ongoing and is now focused on the Water Service Association of Australia (WSAA) Modern Slavery Joint Action Group, which is currently collaborating on sourcing and implementing an online Modern Slavery Supplier Assessment Tool to ensure water industry suppliers modern slavery risk profiles are assessed and managed in a consistent way by the sector.

Attorney General's Department Modern Slavery Act Review Consultation

In 2022, Hunter Water participated in the Attorney General Department consultation process in support of the Modern Slavery Act Review that was facilitated by WSAA. We subsequently contributed to the WSAA Joint Submission on the Modern Slavery Act Review to the Attorney General's Department, highlighting the need for greater definition, improved modern slavery reporting resources and guidance, and minimum standards for modern slavery statement compliance, which aligns with some of the 30 recommendations of the Modern Slavery Act Review Report tabled in May 2023. Hunter Water has reviewed the 30 recommendations and commits to ensuring compliance with any resulting amendments to the Modern Slavery Act.

Hunter Water Supplier Collaboration

Hunter Water utilises panel arrangements with Australian suppliers for standard procurement activities. We currently have a panel engagement with five construction delivery partners that deliver the capital infrastructure projects.

In the 2022-23 reporting period, Hunter Water held meetings with each of these providers to discuss and understand the systems and processes each one had in place to identify and manage modern slavery.

Through this collaboration, Hunter Water has highlighted the need for mandatory risk management across panel supply chain members and encouraged discussions to help guide and develop a system that works for our suppliers.



Driving Collaborative Modern Slavery approaches in Supply Partnerships

Hunter Water commenced the inclusion of a Balanced Scorecard approach to contract performance KPIs on key strategic contracts. This approach achieves the following:

- cascades and aligns our values with supplier deliverables
- aligns supplier contract performance to key strategic objectives
- helps build supplier capacity over the life of the contract

In 2021-22, Hunter Water reported that the Balanced Scorecard KPI approach was included in our Laboratory Services Contract with ALS Global, which included a requirement to develop a Diversity and Inclusion Policy that would incorporate Modern Slavery commitments.

In the 2022-23 reporting period, this KPI has progressed with the supplier undertaking a supply chain risk review and implementing requirements of third-party suppliers in high-risk categories to assess their supply chain risks and report on mitigation actions.

ALS Global is not currently captured by the Modern Slavery Act 2018 however, by linking our values to performance requirements in our major contracts, Hunter Water is positively influencing our supply chain and the supply chains of our key suppliers to assess and mitigate modern slavery risks.

Hunter Water's Enterprise Risk Management System

In May 2023, Hunter Water launched a new enterprise-wide risk management system. A modern slavery risk management approach has been incorporated into the overarching risk management system. Additionally, Hunter Water has a subscription for compliance monitoring of modern slavery obligations, which has been integrated into the system. This enables compliance checks against legislative changes, detail the strategies and actions to assess risks in operations and supply chains, as well as supporting the development of future modern slavery statements.

Modern Slavery Supply Chain Incident

In August 2022, Hunter Water became aware of forced labour allegations pertaining to second and third-tier suppliers in the Malaysian glove industry. This was the first identified allegation of forced labour practices in Hunter Water's supply chain, and it has provided a test case to challenge the effectiveness of our modern slavery processes of investigation, triage and mitigation.

Investigations were able to clearly demonstrate that the Hunter Water purchased product in question was not associated with the forced labour allegations however, the incident has provided vital learnings for further improvement in our modern slavery risk assessment and mitigation processes for both Hunter Water and our Tier 1 supplier as described in this case study.

Steps taken:

Hunter Water immediately commenced the following actions to investigate the incident:

- Discussions with the first and second-tier suppliers to understand the actual risk.
- Investigation into allegations identified allegations related to another supplier of our second-tier supplier that does not supply products to Hunter Water.
- Formal request for documentation on modern slavery risk management processes.
- Review of first and second-tier suppliers' modern slavery risk mitigation practices and actions.
- Agreed action plan with tier 1 supplier to improve modern slavery risk mitigation practices, which has commenced with significant progress achieved during the current reporting period.

Results:

The investigation identified that the product purchased by and supplied to Hunter Water was not associated with the forced labour allegations however, the incident and the subsequent investigation helped to identify the need for a formal process to manage modern slavery incidents.

Learnings:

- Hunter Water has taken the opportunity to learn from this incident and formalise a risk identification and triage protocol, which has now been incorporated into our corporate Risk Management System.
- Through direct engagement and collaboration with this small to medium supplier, we have grown our knowledge of the modern slavery risks in our supply chain and jointly improved modern slavery risk mitigation practices.

Modern Slavery Audit

In November 2022, Hunter Water commissioned an external review assessing the extent to which modern slavery risk and corresponding controls are managed and embedded within Hunter Water, applying the United National Guiding Principles on Business and Human Rights and industry best practice to address the identified gaps in control design and embedment. This work focused on:

- Risk management advisory to identify opportunities to improve controls and implementation; and
- Remediation and remedy to uplift Hunter Water's approach to remediation and remedy of human rights abuses.
- Conduct background research to form an evidentiary basis for best practice in remediation.

By applying a modern slavery maturity model that leverages the UN Guiding Principles on Business and Human Rights, the review focused on the integration of modern slavery commitments across the organisation using a sliding scale of maturity against 6 Principles. The review highlighted that at the time of the review, the current state showed Hunter Water achieving between Mature and Improving across all Principles.

It also identified the following areas as opportunities for improvement:

- Supply Chain Management Improvement Considerations
 - Adoption of formal risk rating system
 - Implement mandatory assessment mechanisms to assess second and third-tier supply chain risks for high-risk supply categories
- Risk Management Improvement Considerations
 - Include modern slavery within the principles of Enterprise Risk Management Approach
 - Integrate lessons learned mechanisms
- Monitoring and Remediation Improvement Considerations
 - Consider victim-centred approach to grievance mechanisms
 - Consider remediation mechanisms, which include effective and appropriate victim restorative remedies

Hunter Water is currently progressing a review of the recommendations provided and prioritisation of actions in our Modern Slavery Action Plan to continue maturing the embedment of modern slavery risk management practice in our organisation.

At Hunter Water we evaluate our progress to assess and address modern slavery risk through the review of our action plan. As above the report card highlights the status of the action plan.

In assessing the effectiveness of our actions, the following has been undertaken:

Training

A mandatory Modern Slavery Awareness training module was established in May 2022 for all Hunter Water employees and contractors. This module is monitored on a regular basis - currently 97% of Hunter Water's workforce have completed this training. As at June 2023, 601 employee's had completed the Modern Slavery Awareness training, which includes knowledge checks.

Safety, Health & Wellbeing Forums

During 2022-23, we continued to deliver our modern slavery and supply chain risk training aimed at raising awareness and demonstrating our commitment to eradication of Moderns Slavery to Suppliers in higher risk categories of our spend portfolio. We leveraged existing annual Safety, Health and Wellbeing Forums that are held with our civil and electrical maintenance suppliers, and our construction partners to deliver the presentations. These are held every quarter and delivered to representatives from 40 companies in our supplier cohort.

Water Utility Sector Collaboration

Hunter Water joined the Water Services Association of Australia's Modern Slavery working group in 2022. During 2022-23, we have considered opportunities to leverage the collective working group in securing a platform to share common modern slavery risk management. While we have not yet committed to incorporating this into our risk management processes, we recognise the importance of ongoing industry-wide collaboration to ensure our common supply chain risks are assessed and addressed systematically.

Supplier Partnership Principles

Hunter Water has well established Supplier Partnership Principles and a Sustainability Assessment Schedule, which is issued as a part of tender processes to ensure that Hunter Water engages with suppliers that meet a minimum level for sustainability. The gathering of this data during the tender phase provides Hunter Water with insight into supplier obligations and identified opportunities for working with suppliers on common modern slavery risks. During 2021-22 we implemented key performance measures on supplier contracts, linked to sustainability and the development of sustainability plans for specific tendering activities. This enables Hunter Water the opportunity to work with Suppliers on broad sustainability aspects, including human rights issues such as modern slavery. These processes have matured through 2022-23, and with the improvements identified for the next reporting period, as identified in our external Modern Slavery audit, the Supplier Partnership Principles and supporting assessment tools continue to be foundational in facilitating collaboration with our suppliers on major contracts.

Modern Slavery Audit

During 2022-23, Hunter Water commissioned an audit to assess the extent to which modern slavery risk and corresponding controls are managed and embedded within Hunter Water. This review considered the United National Guiding Principles on Business and Human Rights and industry best practice to address the identified gaps in control design and embedment. The audit recommendations will be progressed during the 2023-24 reporting period.

Our Concluding Comments



Hunter Water continues to work to understand and mitigate modern slavery risks within our organisation and supply chain. We acknowledge that modern slavery risks have increased worldwide, with estimates showing an increase of people working and living in modern slavery. These harmful practices erode the human rights of many people and must be exposed as we seek to eradicate modern slavery.

We seek to continually improve how we identify, assess and address modern slavery risks. We will continue to work with our suppliers, work collaboratively within the water industry, educate ourselves further to better identify the risks and seek to put transparent systems in place to mitigate the risks.

Ongoing collaboration is a key component to our approach to assess and address modern slavery risks. This is highlighted as part of our Supplier Partnership Principles which seek to create positive and collaborative working relationships with our suppliers.

We will continue to ensure our strong workplace policies, procedures and workplace culture are in place to build a foundation of best practice.



Annexure A - Mandatory Reporting Requirements



No.	Reporting Criteria – <i>Modern Slavery Act 2018 (Cth)</i> , section 16	Section
(a)	Identify the reporting entity	1
(b)	Describe the structure, operations and supply chains of the reporting entity	1, 2, 3
(c)	Describe the risks of Modern Slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	1, 3
(d)	Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	1, 4, 5, 6
(e)	Describe how the reporting entity assesses the effectiveness of such actions	7
(f)(i)	Describe the process of consultation with: any entities the reporting entity owns or controls	1
(f)(ii)	Describe the process of consultation with: in the case of a reporting entity covered by a statement under section 14 (Joint Modern Slavery statements) – the entity giving the statement	1
(g)	Include any other information that the reporting entity, or the entity giving the statement, considers relevant	1,6, 8





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