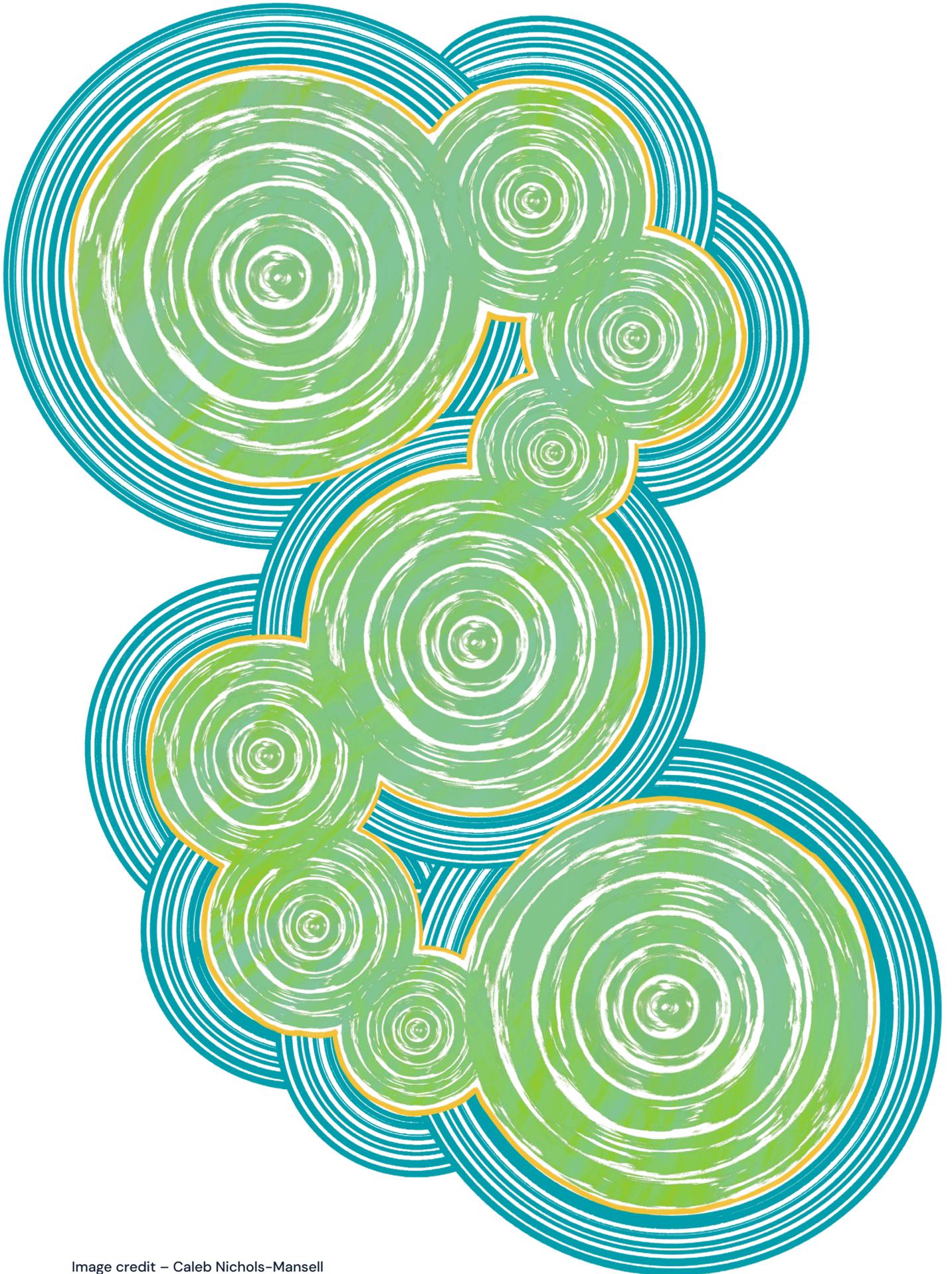


Modern Slavery Statement 2022–23

taswater.com.au





TasWater proudly acknowledges the Tasmanian Aboriginal people as the Traditional Owners and Custodians of lutruwita / Tasmania – Aboriginal land, sea and waterways. We pay our deep respects to the Elders past and present and acknowledge today's Tasmanian Aboriginal community.

Chair and CEO message

It is a deeply confronting fact that the risk of human rights abuses – including slavery – can exist in some of the most ordinary business activities – from the goods we buy, to the services and materials we use.

Modern slavery involves the exploitation of human beings, and it is estimated 40 million people are trapped in modern slavery worldwide, with a significant proportion being children and women.*

“Respecting human rights and ensuring freedom from all forms of abuse that make up modern slavery is a global responsibility.”

It is important that businesses such as ours, with expansive supply chains, actively participate in initiatives aimed towards the eradication of modern slavery in all its forms.

This year’s statement expands on this foundation and outlines the initiatives we have progressed to meet our objectives, including strengthening key policies, additional training for our people, and sharing knowledge with our industry partners and peers.

We will expand on the work we have done so far and share knowledge with our industry partners to continue to do our part in protecting human rights and making a positive difference in Tasmania.

At TasWater, we are continuously improving our understanding and mitigation of the risks of modern slavery occurring within our operations and supply chain.

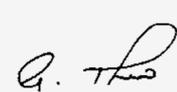
Over the last two years, we have published our evolving Modern Slavery Statement, which detailed our approach to identifying and eliminating modern slavery risks.

I am pleased that for this period, there have been no specific instances of modern slavery identified by any suppliers or their supply chains. However, this is a journey of continuous improvement of our modern slavery risk identification and mitigation, and we are committed to continuous improvement of our policies and procedures in this area.

We are opposed to slavery in all its forms and are fully committed to adhering to the highest ethical standards.



Chairman
Dr Stephen Gumley AO



Chief Executive Officer
Mr George Theo

Our Performance in 2022–2023 and Future Priorities

In the 2022–23 financial year, TasWater did not identify any instances of modern slavery in our operations or supply chain. We acknowledge that this does not mean modern slavery was not present, and that we are still evolving our ability to identify modern slavery instances in our operations and supply chain.

As part of this responsibility, we are continuously improving our understanding and mitigation of the risks of modern slavery occurring within our operations and supply chain, and during financial year 2022–23, TasWater progressed several initiatives to meet these objectives.

Initiatives	2022/23 Performance	2023/24 priorities
Strengthening governance	Reviewed, refreshed and strengthened key procedures and templates.	Implementation of a supplier pre-qualification system requiring all current and future suppliers to register to be eligible to provide services to TasWater.
	Establishment of an Executive oversight committee to oversee all aspects of sourcing, including Modern Slavery initiatives	
	Implemented additional controls to guide how low value purchases are managed for categories of goods and services that are potentially high-risk for modern slavery.	Delivery of updated processes and frameworks utilising a Category Management team.

Initiatives	2022/23 Performance	2023/24 priorities
Managing risks	Continued to evolve the way we identify and assess risks. For example, by looking at the latest information available on key commodities, sectors, industries, geographical areas, and specific organisations.	Utilise the new Informed 360 platform to review and monitor supplier and industry specific risks.
	Continued to refine and update our supplier requirements and contractual provisions relating to modern slavery for a new generation of standard clauses in supply contracts for goods and services, which are classified as potentially higher risk for modern slavery.	Deliver an updated Contract Management Framework including updated forms of contract for each category and supply type.
Building capability	Continued to expand our joint industry-based initiatives with Water Services Association of Australia – www.wsaa.asn.au (WSAA) to avoid taking a fragmented approach to our improvement initiatives and jointly develop a common standard of language, industry risk identification and tools/templates to utilise on behalf of the water sector.	Key staff to attend regular forums to improve understanding and awareness of Modern Slavery risks and mitigation strategies.
	TasWater joined with WSAA to source an integrated Modern Slavery management tool that will be used by several association members to: <ul style="list-style-type: none"> • assess suppliers' management of Modern Slavery risk. • monitor emerging industry risk trends. • provide improved reporting and oversight for the business. <p>The sourced tool is an industry leading platform (Insight 360) that can be used as part of the suite of tools without passing on complexity or cost to the supplier community. This tool was selected during this period and will be implemented during FY 2023/24 in conjunction with a business wide Pre-qualification process.</p>	'Go Live' with the jointly developed, in collaboration with WSAA, Informed 360 portal. <ul style="list-style-type: none"> • Provide interactive dashboards and automated reporting. • Integrated solution empowers good governance, compliance with Modern Slavery Act, monitoring of breaches and emerging industry risks. <p>This will deliver an Integrated Modern Slavery management solution enabling every supplier to:</p> <ul style="list-style-type: none"> • Submit their approach to Modern Slavery management. • Identify their key suppliers, enabling them to be added to the platform.
	Creation of a Supply Chain Improvement Project (SCIP) that is tasked with the review of all existing processes, systems, frameworks, and resource requirements. The SCIP has a high focus on building capability and include improving identification and mitigation of Modern Slavery risks.	Continued roll out of the SCIP initiatives, inclusive of training and embedding updated skills and resources to deliver continuous improvement in the management of Modern Slavery risks.
	Awareness training on modern slavery to key Supply Chain employees to improve their ability to identify and respond to modern slavery risks.	Expand training and awareness to key management and decision makers across the business.
Assessing effectiveness	Published our second Modern Slavery Statement for FY2022.	Produce ongoing monitoring and regular reporting of supplier compliance utilising the Insight 360 platform.

Taswater Overview

Our structure

The Tasmanian Water and Sewerage Corporation Pty Ltd, trading as TasWater, was established in 2013 under the Corporation Act 2001 (Cth) as a Proprietary Limited Company, and its registered offices are in Moonah Tasmania.

TasWater is owned by the 29 local government councils and the Tasmanian State Government. TasWater has three corporate offices and is the primary provider of water and sewerage services in Tasmania. TasWater is not part of a corporate group of companies, and does not own or control any other entity, nor does it operate outside the state of Tasmania.

The TasWater Board is responsible for the overall corporate governance and setting the strategic direction for the business. The Board is responsible for ensuring that the overall objectives of the Water and Sewerage Corporation Act 2012 are met, considering the Shareholders' Letter of Expectations, and providing oversight of management's performance.

Our operations and supply chain

As of 30 June 2023, our workforce comprised 988 employees situated across the state. These people are dedicated and passionate about the services they provide to our community..

TasWater is an integral part of the Tasmanian community as we provide water and sewerage services to homes and businesses across Tasmania. To do this, we source, treat, and deliver reliable, quality water to our customers. We also collect, transport, and treat sewage and safely return it to the environment in a sustainable manner.

To do this, TasWater has a long-term strategic capital investment plan in addition to service delivery, operations and maintenance of the assets that deliver the water and sewerage services to our customers.

To support its operations, TasWater's supply chain encompasses a broad range of direct and indirect goods and service providers that all play an integral role in ensuring the effective and efficient delivery of water and sewerage services for Tasmanians.

Over \$350 million in annual managed spend with more than 5,000 direct and indirect suppliers. More than 90% of this spend was with our direct Tier 1 suppliers based here in Australia.

The key aspects of TasWater’s supply chain consist of:



Goods and Services to support Service Delivery operations:

- Provision of ongoing operational works on our water and sewage assets to manage safety and operating standards in line with regulations and service expectations of our customers. TasWater provides regionally focused delivery teams, who tailor delivery of various services including items such as civil, mechanical, electrical works as well as incident response services. This service provision includes appointing numerous diverse specialist contractors as necessary to ensure the best outcomes for customers and stakeholders.



Project Management and Construction Services:

- Design, planning, construction, and maintenance of water and sewerage infrastructure to improve safety and reliability of water and sewerage services to the Tasmanian community. For larger projects TasWater has an alliance contracting model and also utilises design and construction (D&C) contractors for each project, who will then manage delivery, including appointing subcontractors as necessary. Further details, including our operations and projects are set out in our FY23 Annual Report www.taswater.com.au/about-us/annual-reports



Support and Management Services:

- Provision of a wide range of enabling and support functions including professional consultancy and specialist advice, IT equipment and support, cleaning services for our offices and facilities, TasWater uniforms and PPE.



Year at a glance



168,702

Total customer contacts for the year (call, email, webchat)



97.6%

Customer satisfaction*

*satisfaction measure relates to customer service team



4,300+

Community engagements on projects



469,394

Population supplied



221,602

Number of water connections



988

Employees



62,537

Water supplied (ML)
– The volume of 2,622 Olympic swimming pools



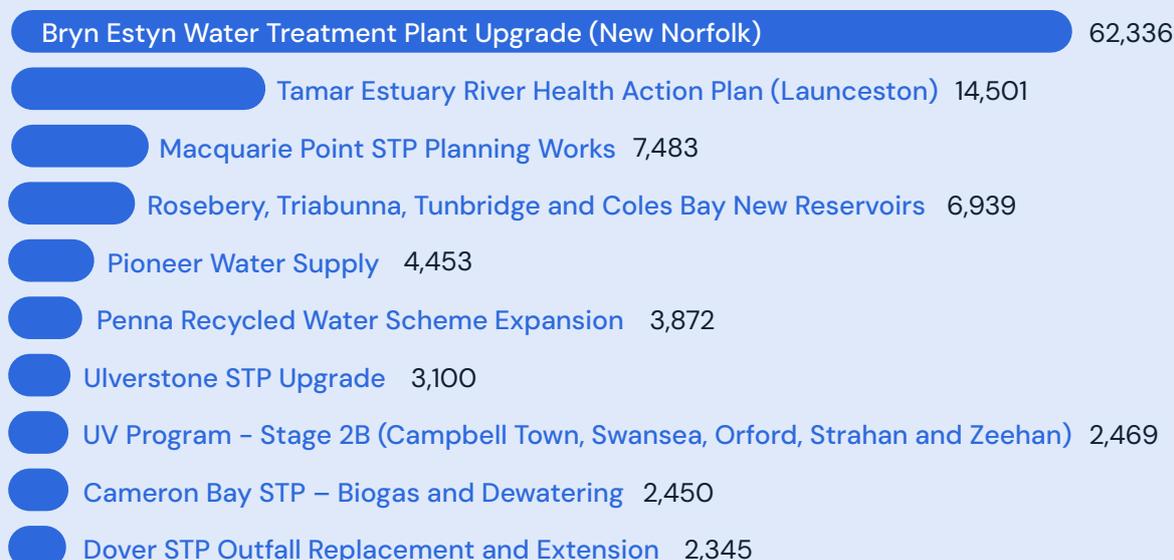
6,557

Water mains (km)
– More than 1.5 times the width of Australia



Capital Infrastructure Highlights

2022-23 top 10 projects by spend
\$000



Our approach to identifying modern slavery risks

TasWater has a Risk Management Framework aligned to AS ISO 31000 that guides the identification, assessment, and mitigation of enterprise and operational risks.

TasWater assesses modern slavery risks considering the following assessment criteria:

Supply chain modern slavery risk

Country profile

The geographical location of a particular commodity can be an important indicator of risk based upon the vulnerability of the population, and associated government response

Sector/industry profile

The nature of work performed and required worker skill set, as well as product characteristics can all be key indicators of risk

Category profile

The total number of suppliers used, and annual spend data in each category can provide an indicator for the leverage available within the marketplace

Supplier profile

The historical performance and due diligence performed by a particular supplier and/or entity on modern slavery risk can become an important indicator for consideration

We also draw upon a combination of the following external resources. These include:

- Global Slavery Index 2018.
- Baptist World Aid Australia 2016.
- Electronic Industry Trends.
- Responsible Construction Leadership Group
- Modern Slavery in Construction report.
- Online Register for Modern Slavery Statements (to view certain supplier submissions online).
- Various public articles, including media.
- Any relevant information submitted to our internal whistleblower hotline.
- Information submitted from suppliers in line with standard response schedules issued by TasWater Procurement during sourcing events was also used.

Taswater's risks of modern slavery

We consider that our greatest risk of involvement in modern slavery is being directly linked to it through our supplier relationships.

Therefore, our modern slavery work has been focused primarily on our interactions and influence with our direct suppliers. As part of our risk assessment process, which was refreshed in FY23, we determined that 17 categories ranging across areas linked to technology, infrastructure, major project construction and corporate services, were potentially of higher risk. We have identified the following categories as high-risk requiring the highest level of modern slavery assessment during procurement activities:

- **Onsite cleaning services** – have been prioritised due to the complexity of the market, the nature of the labour force, and historical operational practices in the industry.
- **Major project construction materials** – have been prioritised as many materials used in construction (including those that have been imported) can also involve significant modern slavery risks.
- **Uniforms and PPE**– these items (the majority of which are imported) have been prioritised as external reports have consistently outlined that the labour force in industries such as textiles, including those harvesting and processing raw materials, are vulnerable to modern slavery.

Learnings from these areas continues to support future expansion of our efforts into other categories as part of our continuous improvement approach.

With respect to its workforce, TasWater's employment conditions are covered by the National Employment Standards (NES), which set out the 10 minimum employment entitlements that must be provided to all employees. In addition, most of our employees are covered by Enterprise Bargaining Agreement (EBA), which are underpinned by Modern Awards, which set minimum pay and conditions for specific categories of workers. The remainder of our employees have individual employment contracts, which provide additional conditions for an individual employee, but cannot reduce or remove the minimum entitlements prescribed under the NES.

Actions to address risks

We have a responsibility to take steps to identify the risks of modern slavery within our operations and supply chain, and appropriately put risk mitigation controls in place.

During the 2022-23 financial year we continued to refine the way we identify these risks and have expanded our set of due diligence processes across the business.

Governance

TasWater’s Board provides ultimate oversight of TasWater’s Enterprise Risk Management Framework and systems of internal control. An Executive Management Committee has been established to oversee all aspects of sourcing, including management of Modern Slavery risks.

The TasWater Supply Chain Services Business Unit is responsible for operational management of the Modern Slavery Program (including communication and training).

Modern Slavery Policy

We recognise that modern slavery can include a range of exploitative human rights practices, and that it may also be connected to other serious criminal activity such as fraud, bribery, and corruption. TasWater has a Modern Slavery policy that supports its governance and integrity framework.

Policy foundation

Consistent application of policies and procedures across our operations and supply chains is key in our approach to managing the risks of modern slavery. TasWater policies, and the standards applicable to our employees,

contractors, and suppliers, are set centrally to create a common baseline for expectations and consistency across the business.

Key policies within our governance and integrity framework support ethical business practice and TasWater’s commitment to human rights are outlined below:

Modern Slavery Policy	TasWater’s commitment to identify and mitigate any potential risks of modern slavery within our supply chains by incorporating and applying a range of measures into our everyday procurement and contract management practices taking a risk-based approach.
Procurement Policy	This policy commits TasWater to advance alignment with best practice and to include sustainability considerations in the sourcing process (including human rights).
Procurement Manual/ Procedures	These internal documents have requirements for gathering relevant details from bidders and assessing them for compliance before award.
Code of Conduct	Sets out the standards of behaviour that are expected of employees and contractors including a requirement to speak up and report behaviours that are dishonest and unethical.
Fraud and Corruption Control Policy	Includes TasWater’s commitment to provide an ethical environment where honest behaviour is encouraged.
Whistleblower Policy	Provides an effective reporting and investigation framework, including a confidential whistleblower hotline.
Diversity and inclusion policy	TasWater’s commitment to diversity and inclusion in the workplace.

We continue to regularly review and update these policies as required. Whilst TasWater already had a comprehensive set of policies and procedures to help address internationally accepted human rights, these policies have continued to be reviewed and to ensure they meet industry standards as they relate to Modern Slavery risk.

Our due diligence processes assess and respond to human rights risks including in relation to modern slavery. Our key due diligence activities include:

Due diligence as part of sourcing

Sustainable and contemporary procurement practices are established to assist in identifying supplier relationships that expose TasWater to Modern Slavery. Considerations of a range of modern slavery factors form part of our business process at each stage of sourcing. This includes the requirement for potential suppliers to complete a self-assessment questionnaire, which TasWater assesses the likelihood of links to Modern Slavery.

Where a particular commodity or supplier is determined to be potentially higher risk for modern slavery, additional assessment and supplier engagement is carried out as a way of further understanding our risks and driving positive change through our supply chain.

Contractual clauses

We have continued to refine and update our standard contractual clauses to be used in new supplier contracts in Australia, for categories of goods and services classified as potentially higher risk for modern slavery (as identified through our risk assessment processes).

These clauses clearly set out our expectations for the supplier to use all reasonable endeavours to prevent and respond to modern slavery in its own supply chain and activities. We understand that continued engagement with our suppliers is important to learn more about their practices to meaningfully address their modern slavery risks.

Assessing Effectiveness

Through the water industry peer sharing with WSAA, TasWater has been able to ensure that the measures being developed and implemented are consistent with common industry practice.

During this reporting period, the Board approved Supply Chain (including Modern Slavery) being included on the forward internal audit plan, with the audit to be undertaken in FY2024.

Regulatory Disclosure Matrix

The table below references where mandatory criteria are disclosed for the *Australian Modern Slavery Act 2018* (Cth).

Criterion	Mandatory Criteria	Disclosure Reference
1	Identify the reporting entity	7
2	Describe the reporting entity's structure, operations, and supply chain	8, 9 & 10
3	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entity it owns or controls	12
4	Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address those risks, including due diligence and remediation processes	5, 6, 11, 13
5	Describe how the reporting entity assesses the effectiveness of these actions	14
6	Describe the process of consultation with any entities that the reporting entity owns or controls	NA



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