

Modern Slavery Statement

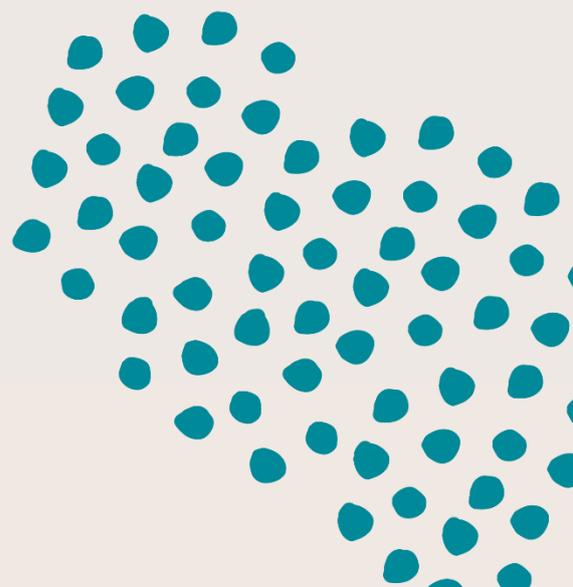
2021-22



Acknowledgment

Barwon Water acknowledges the Traditional Owners of the land on which we live and work, and pay respect to Elders, past, present and emerging.

We recognise Aboriginal and Torres Strait Islander peoples as the First Peoples of this nation who have managed water and the environment for thousands of years. It is a privilege to share in the knowledge and experiences from the oldest living culture in the world.



Message from our Managing Director



Barwon Water takes our responsibility to maintain ethical procurement practices very seriously. We understand that who we choose to do business with, and procure our supplies from, can impact much further than the boundaries of our service region. At Barwon Water – We Care – we care about our people, customers, the environment and human rights. That is why we are determined to ensure we are not contributing to modern slavery.

Any form of modern slavery is unacceptable. Barwon Water is committed to doing all we can to address the risk of modern slavery and defend human rights within our operations and those of our suppliers and partners.

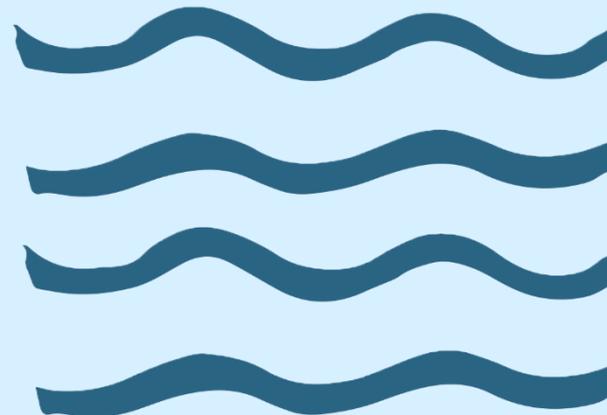
Barwon Water has taken a proactive approach to the management of modern slavery risk in our operations and supply chains. We take these risks seriously and are committed to striving for increasing levels of transparency and believe the best way to identify and mitigate risks is to work collaboratively with internal stakeholders, industry and our supply network.

Barwon Water is proud of the progress we have made to date. Whilst we have not identified any specific instances of modern slavery in our operations or supply chain, we recognise that our journey of mitigating modern slavery risk is a continuous one. We are committed to addressing the risk of modern slavery occurring within our operations and supply chain, and will continue to pursue efforts to promote awareness of our responsibilities through the implementation of policies, processes and training.

I'm pleased to present our annual Modern Slavery Statement in response to the *Modern Slavery Act 2018 (Cth)*, which outlines the actions we've taken to identify, monitor and mitigate potential modern slavery risks within our operations and supply chains. This Modern Slavery Statement applies to both Barwon Water and our wholly owned subsidiary, Barwon Asset Solutions, and was approved by our Board of Directors on 20 October 2022.

A handwritten signature in blue ink, appearing to read 'Tracey Slatter'.

Tracey Slatter
Managing Director





About the Barwon Water Group

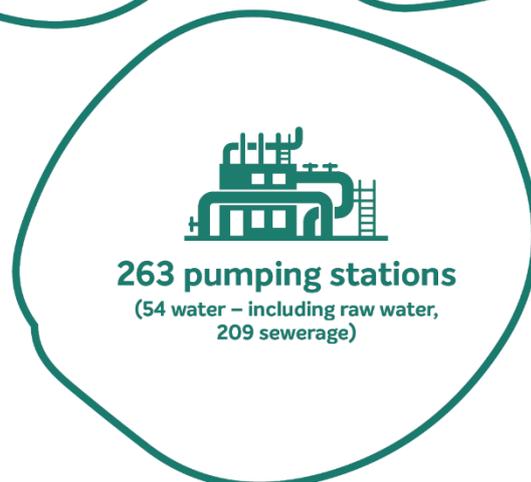
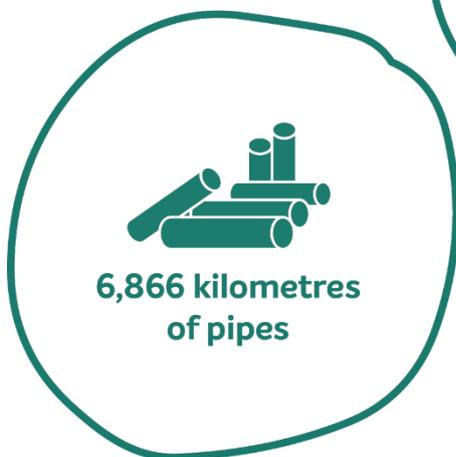
Barwon Region Water Corporation trading as Barwon Water (ABN 86 348 316 514) is Victoria's largest regional urban water corporation.

A statutory corporation under the *Water Act 1989* (Vic), Barwon Water's history can be traced back to the Geelong Municipal Waterworks Trust in 1908.

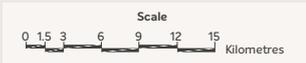
Barwon Water provides world standard water and sewerage services to more than 349,000 permanent residents over 8,100 square kilometres. Over the holiday period, the serviced population can expand to approximately 545,000 people.

Ninety-two per cent of our customer base is residential, with the remaining 8% a mixture of commercial, industrial, and agricultural customers. Around 30% of metered consumption is attributed to non-domestic customers.

Our assets include...



Barwon Water's service region includes parts of the traditional lands of Wadawurrung and Eastern Maar, the Registered Aboriginal Parties and Traditional Owners, stretching from Little River and the Bellarine Peninsula in the east to Colac in the west, and from Meredith and Cressy in the north to Apollo Bay on the southwest coast. The service area incorporates local government areas of City of Greater Geelong, Borough of Queenscliff, Surf Coast Shire, Colac-Otway Shire and part of Golden Plains Shire.



Legend

- Water District
- Lakes
- Barwon Water reservoir
- Rivers
- Water channel/pipelines
- Water treatment plant
- Groundwater production bores
- Main sewer
- Water service basin/tank
- Water reclamation plant
- Sewer flow management facility
- Class A recycled water plant
- Class A recycled water tank
- Class A recycled water pipeline
- Special water supply catchment



As a major employer in the region, Barwon Water currently has over 300 operational, engineering, strategic planning, financial and administrative employees.

Barwon Water's wholly owned subsidiary, Barwon Asset Solutions (ACN 167 911 515), was formed in 2017 and is a 100 per cent locally-based company. Established to provide maintenance and project management services to Barwon Water and the region, Barwon Asset Solutions' profits and efficiency-generated savings are returned to Barwon Water to help it deliver its service and keep customer bills low. Barwon Asset Solutions has over 100 employees.

Operations and Supply Chains

Barwon Water is committed to operating our business lawfully and ethically, and working with suppliers that are aligned to our values, including corporate social responsibility, environmental and workplace safety protection, and staff inclusion and diversity. Barwon Water requires our suppliers to operate in accordance with all applicable modern slavery laws.

Barwon Water has two Enterprise Agreements which provide terms and conditions, including hours of work and pay, to the vast majority of its employees. The Agreements – Barwon Region Water Corporation Enterprise Agreement 2020 and Barwon Asset Solutions Enterprise Agreement 2018 (currently under negotiation) – are negotiated every 2–3 years with the respective unions, and are governed by the State Government's Industrial Relations policies and require approval from the Fair Work Commission. Both Agreements are made available to all employees upon commencement of employment and remain available to employees through the Barwon Water intranet and Fair Work Commission website.

The majority of our workforce comprises permanent employees. Approximately 1% of our workforce is casually employed (scholarship students) and approximately 2% is fixed term, primarily backfilling long term leave or specific projects.

Our annual procurement spend is governed by our Procurement Policy and Procurement Governance Framework, which guides our activities to ensure that, where possible, our buying power advances social, economic and environmental objectives. We aim to ensure that our purchases represent value for money and are sourced fairly and ethically.

Barwon Water's operations make a significant positive contribution to our region's economy and livability.

During 2021/22, the organisation had a \$255 million turnover supported by \$3.2 billion in assets and spent \$53.2 million in capital and related infrastructure works. Barwon Water's supply chain includes the purchase of products and services needed for the businesses day-to-day operations including water and wastewater treatment chemicals, materials, external technical and professional services, office supplies, employment and training of staff, external legal advice, IT infrastructure and support services.

Risks of modern slavery practices

Barwon Water have formal policies in place that promote ethical and legally compliant business conduct. Our policies contribute to our commitment to prevent violations of human rights such as modern forms of slavery in our business including the Supplier Code of Conduct, Public Interest Disclosure (whistleblower) Policy and procurement complaints processes.

Barwon Water is a foundation member of the Water Industry Procurement Working Group (WIPWG), previously known as the Social Procurement Working Group, a VicWater coordinated group of Victorian water corporations, initially formed in 2017 to address social procurement, and then expanded to include modern slavery risk in the supply chain. In 2019 the WIPWG engaged Action Sustainability (now incorporated into KPMG Banarra) to uplift knowledge across the sector, provide guidance regarding Modern Slavery Statements and to identify collaborative opportunities to address modern slavery risk in our common supply chains.

The WIPWG undertook a risk assessment of the industry's products and services to determine where efforts should be focused. A customised heat map, aligned with ISO 20400, was developed which ranked potential risk across the sectors operations and supply chains and can be used by all Victorian water corporations to assess modern slavery risk.

Following a collaborative and cross-functional review process, involving 55 participants across 10 water corporations, the following categories were identified as representing potential human rights risks:

- **Asset maintenance:** ongoing operations and maintenance of facilities, grass cutting, herbicide application
- **Construction:** construction labour and engineering technical services
- **Corporate:** temporary staff, labour hire and traineeship programs, security
- **Customer:** debt collection services, customer research services
- **Equipment and materials:** mechanical and electrical equipment, chemical products
- **ICT:** offshore IT services.

Actions taken to assess and address these risks

Following the aforementioned activities contractual clauses, tender templates, supplier evaluation tools and contract management were reviewed and enhanced or developed to mitigate modern slavery risk. Specific ways risk has been addressed within each category include:

- **Asset maintenance:** Insourced via our wholly owned subsidiary, Barwon Asset Solutions, enabling direct oversight, control and enhanced stakeholder management. Additional reporting and assessment is conducted in the cleaning contract space, with annual modern slavery compliance statements required from our cleaning contractor.
- **Construction:** Health, Safety and Wellbeing checklists and audits developed, and strengthened modern slavery clauses included within our Technical Services Partner contracts.
- **Corporate:** Staffing Services State Purchase Contract (Victoria) used, ensuring prequalified suppliers used by Barwon Water are operating in accordance with the Victorian Government Purchasing Board's well established and vetted supplier arrangements.
- **Customer:** Insourcing of what is generally known as debt collection, and modifying associated customer contacts to 'Engagement and Health Check' calls.
- **Equipment and materials:** Contracts identified as having a higher human rights risk, such as chemical supply, were identified during procurement planning sessions and appropriate modern slavery clauses will be incorporated into upcoming contract renewals.
- **ICT:** Ensuring offshore IT development or IT support is either insourced, or sourced locally if insourcing is not possible.

The learnings from the WIPWG activities continue to be used as a basis for on-going examination of modern slavery risk in our operations and supply chains.



Achievements in 2021-22



The WIPWG reviewed Consultants' proposals regarding the potential of a digital platform to enable members to conduct modern slavery supplier risk assessment in a consistent manner. Value for money was not identified and no further action followed.



A modern slavery checklist has been trialed for incorporation into site inspections and assurance activity conducted by the Health, Safety and Wellbeing team. Initial feedback is positive, with value being identified in new contracts, or where significant change occurs within existing contracts.



Joined Water Services Association of Australia (WSAA) Modern Slavery Working Group (MSWG) and commenced discussions regarding the potential of a digital platform to enable members to conduct modern slavery supplier risk assessment in a consistent manner.



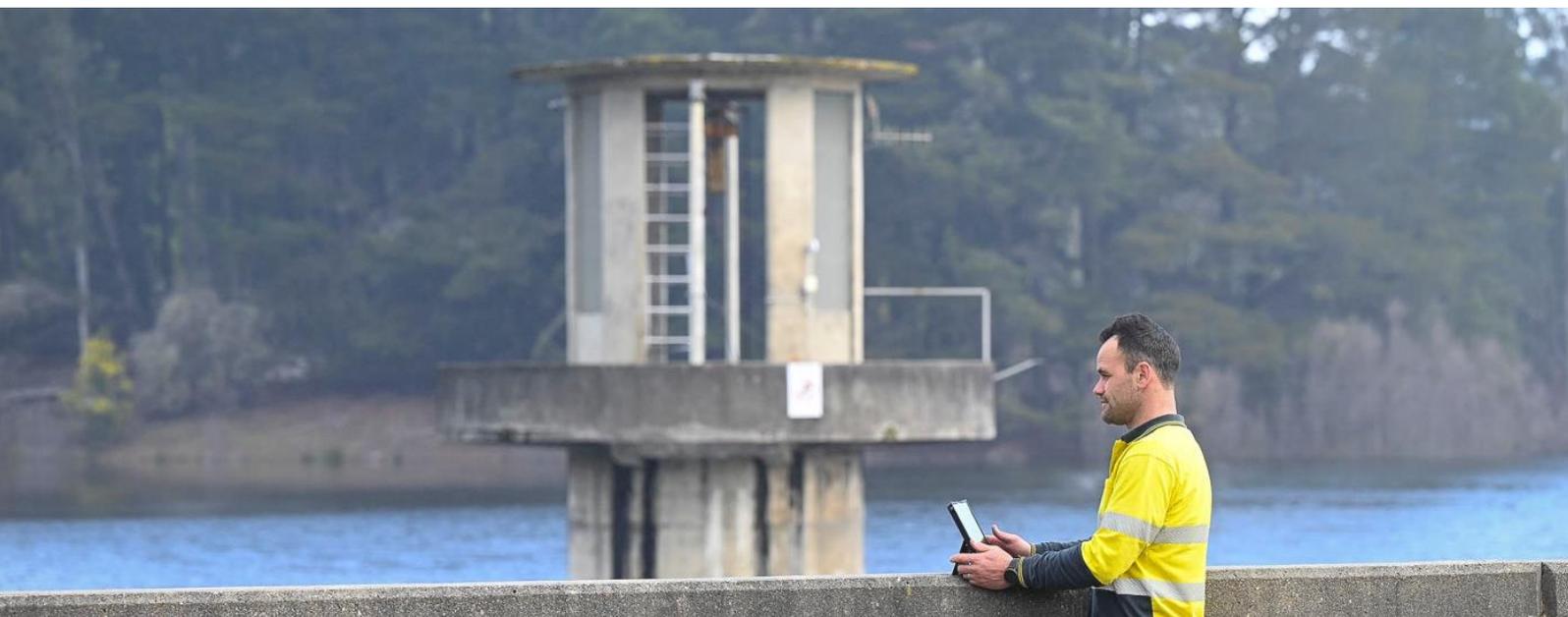
Procurement leadership staff have uplifted their Social Procurement and Modern Slavery knowledge by obtaining certification in Foundations of Social and Sustainable Procurement (incorporating modern slavery).



Modern slavery awareness incorporated into contract management plans and modern slavery training provided to staff. Enhanced awareness throughout Barwon Water has led to the inclusion of a modern slavery values statement in the Safety, Quality and Environment Contract Requirements (SQECR) document.



Incorporated clauses into Technical Services Agreements defining Contractor obligations regarding Modern Slavery, including the requirement for the Contractor to undertake audits of their supply chain every 12 months.





Assessing the effectiveness of these actions

Community of practice - Creating a community of practice

By bringing the Victorian water corporations together, the WIPWG represents a community of practice and introduces a level of accountability to participants to contribute to the progress of initiatives, setting the WIPWG up for a culture of continuous reflection and improvement. The WIPWG has worked together to develop and implement a collaborative, ongoing program of work with the ambition to take an industry-leading position in how it responsibly manages its operations and supply chains. As part of its role, the WIPWG has and will assess the effectiveness of actions it has implemented to manage modern slavery risk.

Continuous improvement - Seeking third party specialist advice

The WIPWG has fostered a culture of continuous improvement by inviting third party specialists to support in the development of their work program, provide advice about best practice in the sector and recommend potential ways to uplift future ways of working. By seeking external guidance and insight, the WIPWG is challenged and aided to understand where they have been effective in collectively addressing modern slavery in their industry's supply chains, and to identify opportunities to improve their approach.

Ongoing review of effectiveness of controls

Barwon Water recognises that the risks of adverse human rights impacts are complex and continually changing – as is our business. Tender and contract negotiations have recently concluded on multiple high spend and complex consultancy projects for which Barwon Water implemented enhanced modern slavery contract components. During the contract management phase we plan to conduct annual reviews of compliance.

Whilst Barwon Water has not identified any specific instances of modern slavery harm in our supply chain, should issues be identified, our approach will be to work collaboratively with our suppliers to address harm and mitigate exposure.



Looking forward

The actions planned for 2022-23 include:

- assess requirement for a Social and Sustainable Procurement training module for all staff, which would include a Modern Slavery section. Development and implementation of module pending outcome of assessment
- continue working with WIPWG and MSWG towards identifying best risk based approach to conduct modern slavery assessment of suppliers and contractors, including the potential for a sector wide digital platform
- conduct enhanced due diligence assessments during procurement activities in areas deemed as high risk, such chemical supply and facilities management, including additional modern slavery components where appropriate to do so
- continue to use and refine modern slavery tools, templates and procedures to maximise identification of modern slavery concerns and work with stakeholders to promote ethical and legally compliant business conduct and prevent violations of human rights such as modern forms of slavery.

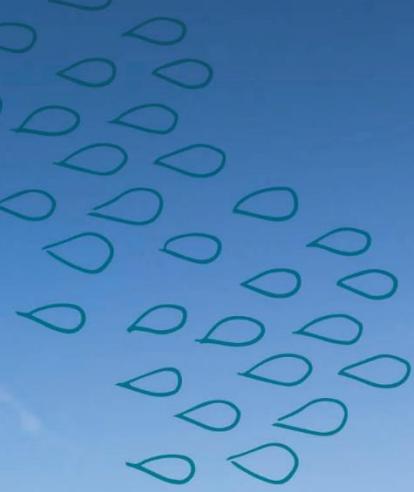
Continued participation in water sector collaboration

Barwon Water will continue to work with the WIPWG and MSWG in order to seek continuous improvement and shared learnings on how to identify, address and reduce modern slavery risks within our supply chains and operations.

Consultation with any entities the reporting entity owns or controls

Barwon Asset Solutions follows the procurement policies and processes of Barwon Water. Accordingly, Barwon Water's actions outlined in this plan cover the supply chain of Barwon Asset Solutions.





Further information



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