

2019–20

ADDRESSING MODERN SLAVERY RISKS IN OUR BUSINESS

OUR MODERN SLAVERY STATEMENT



Our commitment

Icon Water respects human rights and considers modern slavery in any form to be unacceptable. As an employer, Icon Water is committed to providing a safe work environment free from modern slavery. We are also committed to working with suppliers to identify and tackle any modern slavery throughout their operations and supply chains.



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INTRODUCTION

Icon Water Limited (Icon Water) is Canberra's supplier of essential water and sewerage services. We play a fundamental role in our community, which we have been part of for over 100 years. We provide essential services that contribute to public health and the future prosperity and liveability of the region. We also recognise that part of our role is to show a sense of social responsibility by having regard to community expectations in relation to important social issues such as modern slavery.

Icon Water considers modern slavery in any form to be unacceptable. We are committed to providing a

safe work environment free from modern slavery and working with our suppliers to identify and tackle any modern slavery throughout their operations and supply chains. Our commitment strongly aligns with our vision to be a valued partner in our community.

Modern slavery refers to situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. This includes human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services and child

labour. Modern slavery and human trafficking are crimes and a violation of a person's fundamental human rights.

The purpose of this statement is to outline Icon Water's approach to identifying and addressing modern slavery risks in our business operations and supply chains. Assessment and management of modern slavery risks in Icon Water's investments in the local energy businesses is provided by ActewAGL.

Our core values



Safety

Accepting personal responsibility to ensure a safe workplace and contribute to a safe community.



Openness

Building strong relationships by acting with integrity and being receptive to the views of others.



Excellence

Involving the right people at the right time to get a result we can be proud of.

OUR APPROACH

To effectively tackle modern slavery and achieve sustainable change across our business operations and supply chains, we must be proactive in addressing the root causes of modern slavery. We are implementing a three phased approach to modern slavery which focuses on our policies and

publications, training and capacity building and supply chain due diligence as shown in Diagram 1. Our approach to tackling modern slavery aligns with our core values of safety, openness and excellence. Diagram 1 provides an overview of this phased approach, however the particular activities to be undertaken

in phases two and three may differ from those shown. We are committed to continuing to evolve our approach as needed based on our increasing awareness of modern slavery risks within our business operations and supply chains.

Diagram 1



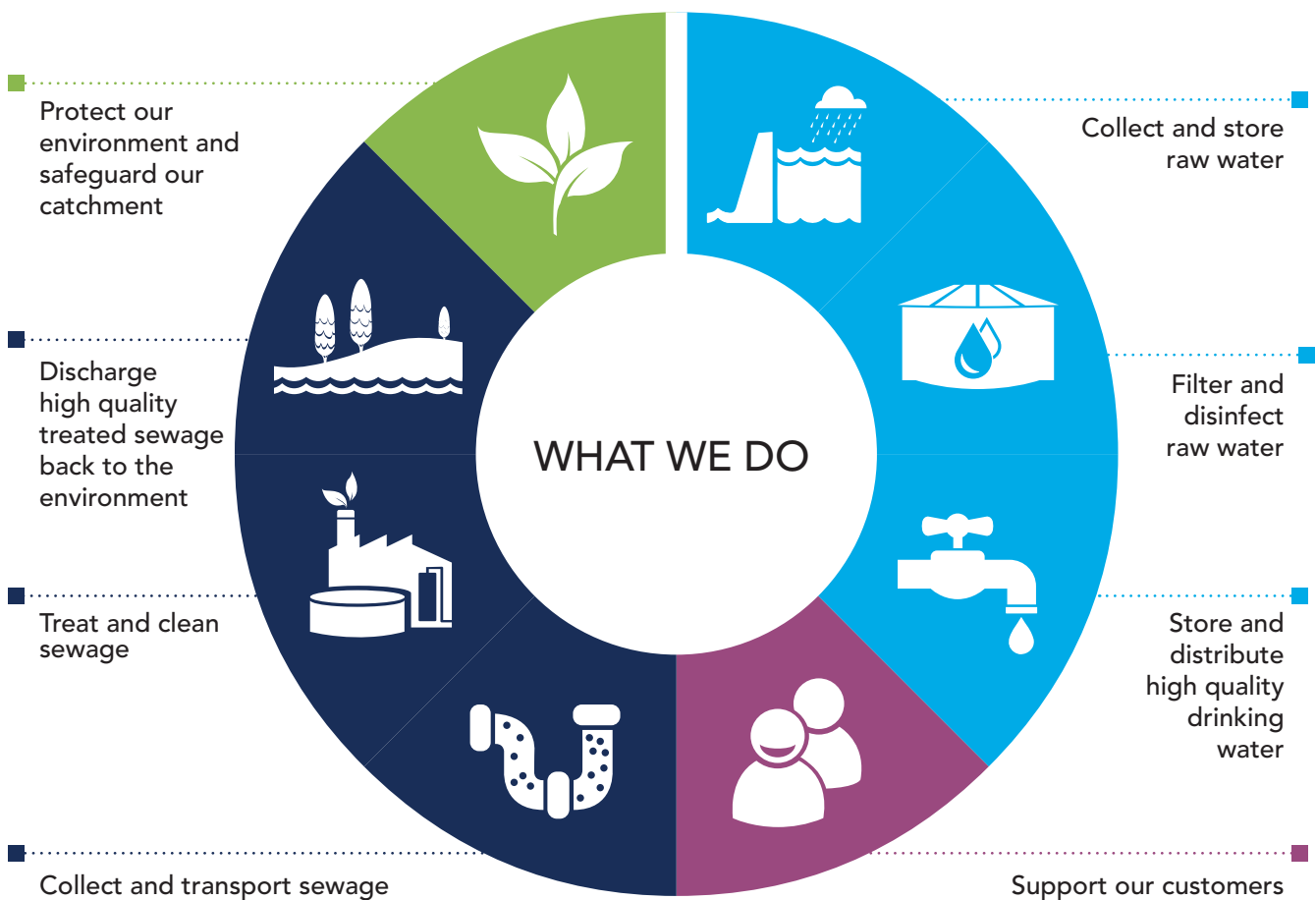
Diagram 1 provides an overview of Icon Water's proposed approach. However, the particular activities to be undertaken may differ from those shown.

OUR BUSINESS

Icon Water is a utility in the ACT that owns, operates and manages the water and sewerage infrastructure, supplying the community with essential water and sewerage services. We source, treat and supply water to approximately 460,000 people including the supply

of bulk water to the Queanbeyan community. We operate Australia's largest inland sewage treatment plant, which returns approximately 80 per cent of the water Canberra uses to the Murrumbidgee River system as high quality environmental flows.

Our assets are valued at around \$2.6 billion and include the region's network of dams, water treatment plants, sewage treatment plants, reservoirs, water and sewerage pumping stations, pipes and other related infrastructure.



OUR ASSETS

\$2.6 billion

of water and sewerage related assets



278 GL

Combined dam capacity



3,300km

Network of water pipes



24

Water pumping stations



2

Water treatment plants



48

Reservoirs



3,300km

Network of sewer pipes



26

Sewage pumping stations



4

Sewage treatment plants

OUR STRUCTURE

Icon Water is an unlisted public company owned by the ACT Government that delivers safe drinking water and reliable sewerage services to the ACT community.

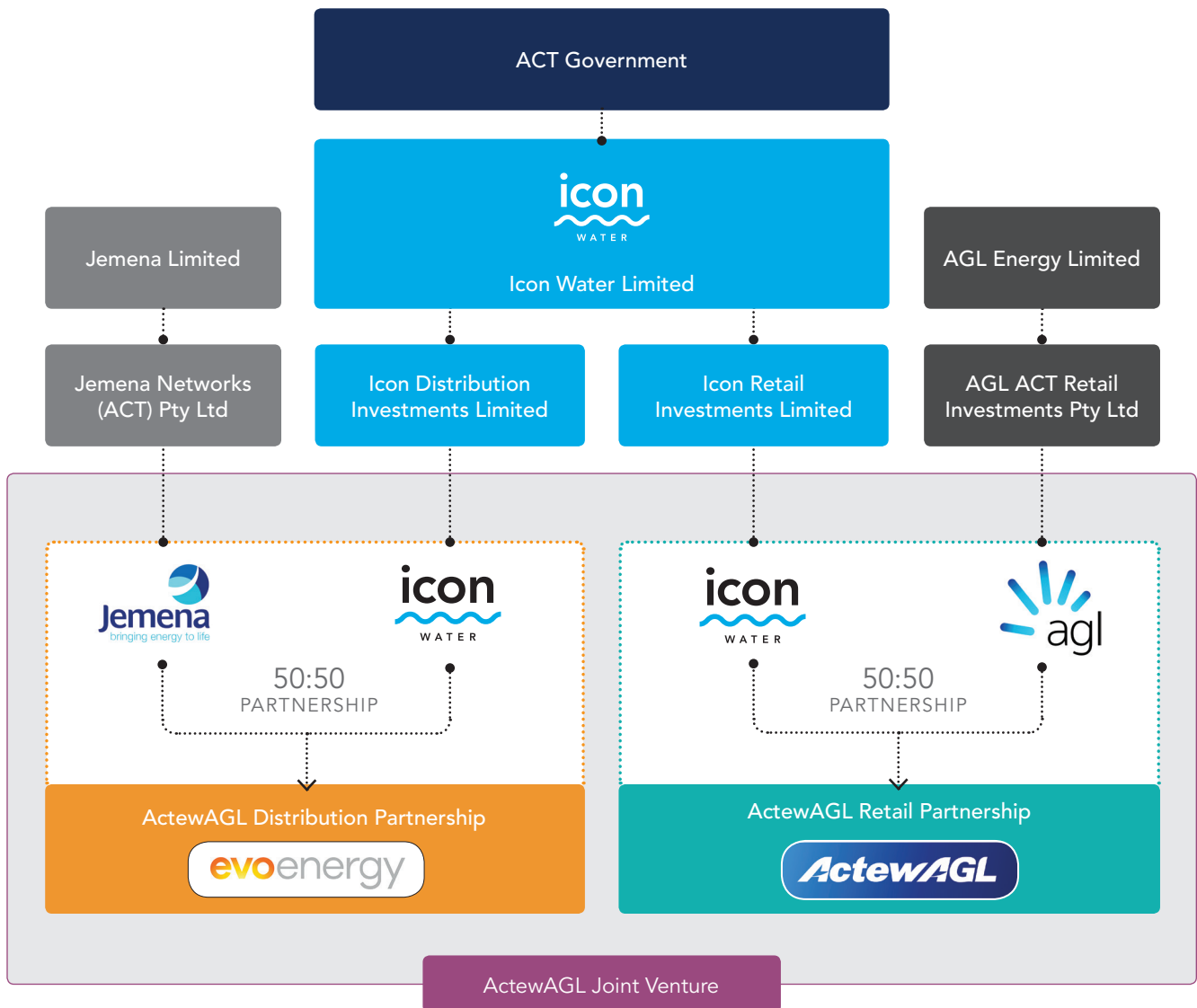
As a territory-owned corporation with over 400 employees, we are governed by an independent board of directors which is responsible for the governance of Icon Water and its controlled entities. Our directors bring valuable skills and diversity to the governance and

strategic oversight of Icon Water and challenge management to ensure that Icon Water shows a sense of social responsibility by having regard to community expectations in relation to important social issues such as modern slavery.

Icon Water also manages an investment in the local energy businesses, Evoenergy and ActewAGL Retail through our participation in the ActewAGL joint venture. This investment is valued

at around \$1.1 billion and consists of two partnerships:

- ActewAGL Distribution – owns and operates the electricity network in the ACT and the gas network in the ACT and in certain adjacent regional centres
- ActewAGL Retail – sells electricity and gas to residential, commercial and government customers in the ACT and surrounding region.



Notes: 1) Each of Jemena Networks (ACT) Pty Ltd, Icon Distributions Investments Limited and AGL ACT Retail Investments Pty Ltd are wholly owned subsidiaries of Jemena Limited, Icon Water Limited and AGL Energy Limited respectively. 2) Jemena Networks (ACT) Pty Ltd and Icon Distribution Investments Limited are equal partners in the ActewAGL Distribution partnership (AAD). AAD includes energy networks (evoenergy) and corporate services. 3) Icon Retail Investments Limited and AGL ACT Retail Investments Pty Ltd are equal partners in the ActewAGL Retail Partnership (AAR).

OUR SUPPLY CHAINS

Icon Water procures a variety of goods and services to ensure that we provide a reliable supply of high quality drinking water and efficient sewerage services. In 2019–20, approximately 2,500 suppliers provided goods and services to Icon Water, with the majority based in Australia. Key areas of procurement include chemicals for the treatment of water and sewage, network infrastructure such as pipes and components, technology such as hardware, software and cloud services, apparel and personal protective equipment. Icon Water also secures work from contractors including labour hire companies, consultants and plant and equipment providers.



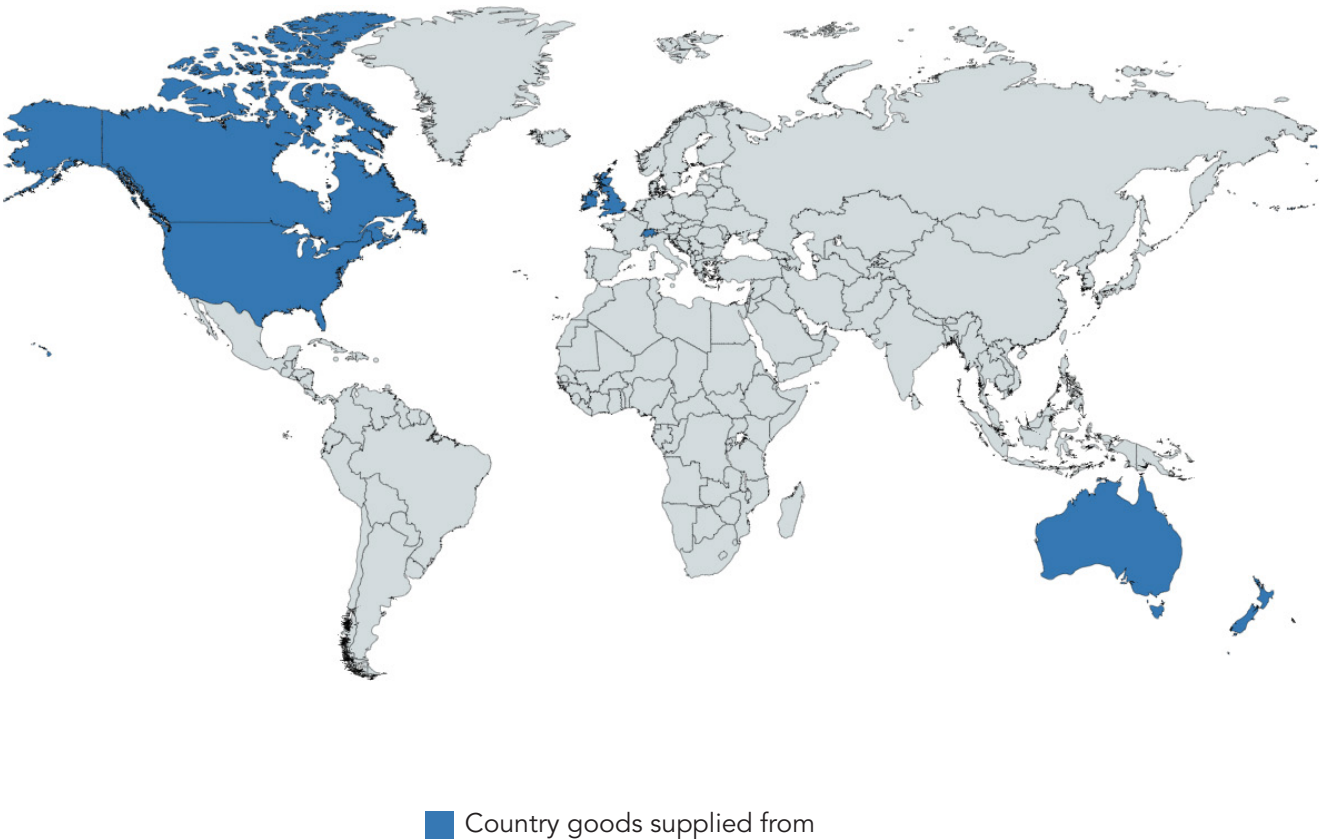
RISKS OF MODERN SLAVERY PRACTICES

Whilst we recognise that modern slavery may occur in our business operations and extended supply chains, the level of risk is influenced by factors such as vulnerable populations, product and service category, industry and geographical location. To ensure that we have a clear understanding of where our modern slavery risks lie and where our actions can have the biggest impact, a risk assessment was undertaken on tier one suppliers¹ utilising the 2018 Global Modern

Slavery Index published by the Walk Free Foundation (an initiative of the Mindaroo Foundation).

The risk assessment revealed that 99.9% of our procurement is sourced within Australia². The 2018 Global Slavery Index ranks Australia as 163 of 167 countries on estimated prevalence of modern slavery and 161 on estimated vulnerability to modern slavery. The limited international spend is in countries that also have low rankings in the

prevalence of and vulnerability to modern slavery. The risk assessment also identified that of all of the goods and services that we procure, the categories of apparel (gloves, vests and overalls) and electronics present an elevated risk of modern slavery.



¹Suppliers producing the final product for resale.

²The analysis utilised Icon Water Supplier master file which records the location of the suppliers registered office as opposed to the location of the manufacturing of goods.

Icon Water is committed to providing a safe work environment free of modern slavery.



OUR PROGRESS

Our approach to the detection of modern slavery in our business operations and supply chains is based on various factors. During 2019-20, we implemented a number of initiatives to strengthen our oversight and understanding of the risks of modern slavery.

Policies and publications

We believe that strong internal policies, processes and systems are an essential first step to informing the way we manage the risk of modern slavery in our business operations and supply chains. Icon Water has a robust corporate governance framework in place underpinned by policies, procedures and work instructions. We already focus on the rights and wellbeing of our employees with labour standards articulated through the Enterprise Agreement and staff support mechanisms such as the *Diversity and Inclusion Network and Employee Assistance Program*. Our commitment to modern slavery has been strengthened in the following key documents:

- People policy – outlines our commitment to providing a working environment where employees feel safe, valued and respected by being open, fair and listening to all.
- Code of conduct – demonstrates our commitment to observing high standards of honesty, integrity, ethical and law-abiding behaviours. Employees must observe human rights across all parts of Icon Water's business operations and supply chains and report any alleged human rights violations. They must also support Icon Water's commitment to tackling modern slavery.

- Modern slavery incident in the workplace and supply chain work instruction – supports our commitment to tackling modern slavery and minimising the risk of occurrence within the business operations and supply chains. It provides a set of principles to be upheld by our staff and suppliers, and also sets out the process for managing suspected cases of modern slavery and handling reported cases.
- Whistleblower policy – encourages individuals to speak up about any illegal and improper conduct occurring within Icon Water and ensures that it can be done in a safe and confidential environment without fear of reprisal or detrimental treatment.

Training and capacity building

It is important when addressing modern slavery risks to provide our people with the tools they need to identify, understand and respond to modern slavery risks in the most appropriate way.

In 2019–20, we focused our efforts on communicating modern slavery requirements to all staff and building awareness among the executive and key internal teams. 89% of employees completed the training which was designed to provide employees with a clear understanding of what modern slavery is, how to identify it and the process for managing suspected cases.

Supply chain due diligence

We strengthened our management of modern slavery by embedding modern slavery clauses into our procurement documents and contracts. Icon Water's commitment to modern slavery is included in the information on our public website for suppliers who are interested in doing business with Icon Water. This enables us to provide clear expectations to our suppliers on the management of modern slavery risks. We also amended procurement documentation so as to require an appropriate level of visibility on modern slavery as part of the procurement process. This helps to initiate discussion with prospective suppliers, particularly those in categories identified as higher risk. We view these changes as an important development to drive both contractual compliance within our supply chains and also reinforce our own commitment to support the abolition of modern slavery. We believe this will drive higher levels of awareness, engagement and compliance across our supply chains.

ASSESSMENT AND EFFECTIVENESS

We remain committed to improving our understanding and management of modern slavery risks over time. We are satisfied in both our progress and achievements in identifying and addressing the potential risk of modern slavery in our business operations and supply chains to date. However, we recognise that further work is required and we will continue to evolve as we learn from our risk reviews, refine our practices and continue to build capability in our business.

We demonstrate the effectiveness of our actions by:

- conducting an annual review of our response to modern slavery risks
- maintaining a modern slavery working group with representatives from across the business to enable regular engagement and feedback between key areas
- tracking the actions taken to address modern slavery risks and measure their impact.

LOOKING AHEAD

Identifying and addressing modern slavery risks in our business operations and supply chains requires long-term planning and vigilance.

In 2020–21 we will focus on:

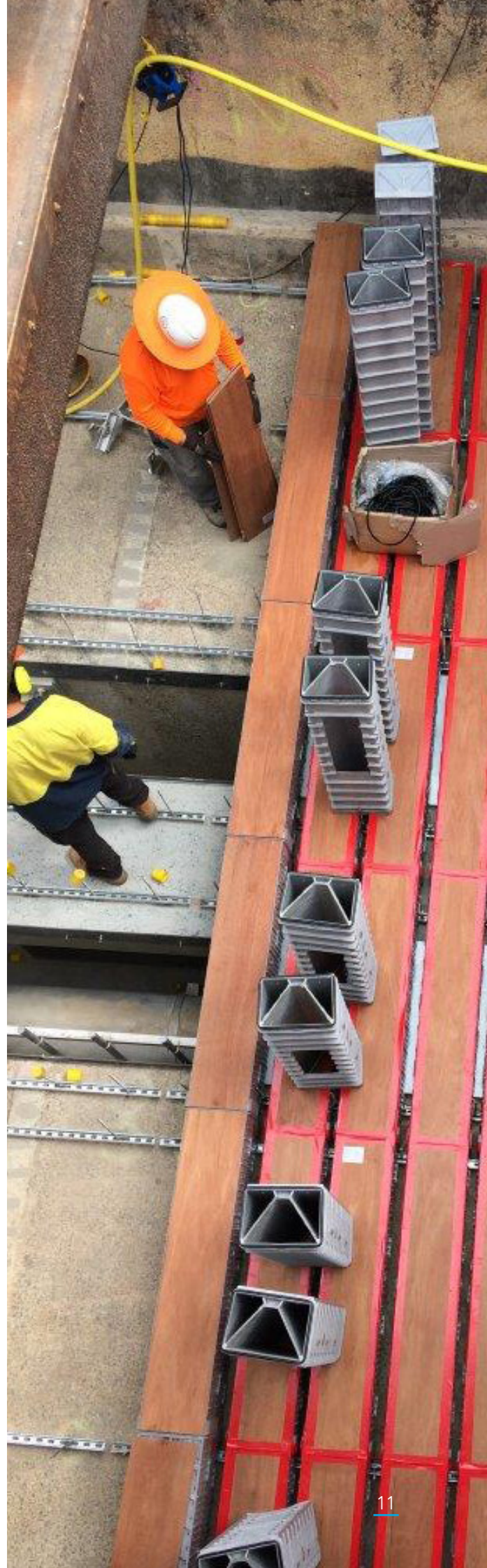
- promoting our commitment to providing a safe work environment free from modern slavery
- providing tailored modern slavery training
- engaging with contractors and suppliers to discuss modern slavery in potentially high risk areas.

We are confident these steps will help inform our continued multi-faceted approach to preventing and addressing modern slavery in our own business operations and across our supply chains. Through our actions, we will continue to seek progress on this global issue.

This statement is approved by the Board of Icon Water.



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