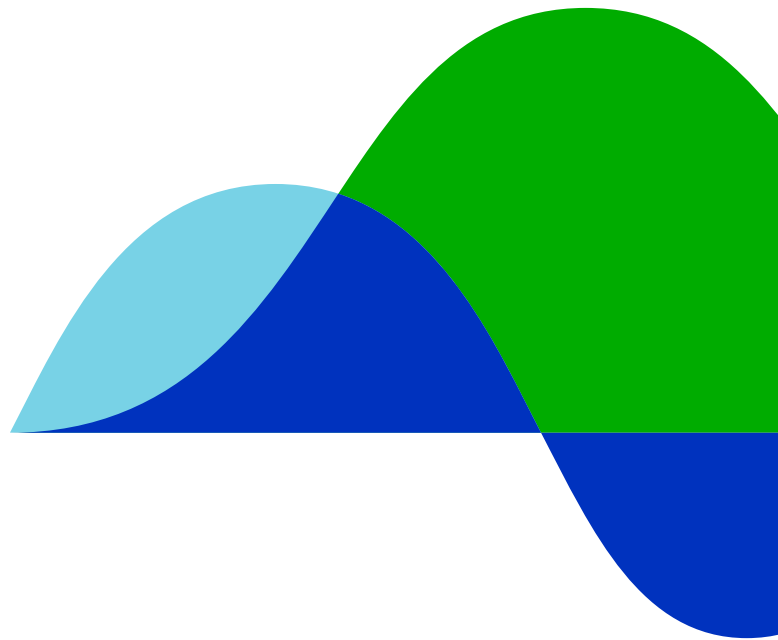




Modern Slavery Statement

FOR THE REPORTING PERIOD 1 JULY
2023– 30 JUNE 2024



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Acknowledgement of Traditional Owners/Custodians

Yarra Valley Water proudly acknowledges the Traditional Owners/Custodians of the land, water and skies on which we rely and operate. We pay our deepest respects to their Elders past, present and emerging.

We acknowledge the continued cultural, social and spiritual connections that First Nations people have with Country and recognise and value the care and protection provided by Traditional Owners/Custodians over thousands of generations.

We also recognise and value the continuing rich cultures and contribution of First Nations people to the Victorian community.

Context

The Modern Slavery Act 2018 (Commonwealth) came into force on 1 January 2019. It requires Australian entities with a minimum consolidated revenue of \$100 million to report on the risk of modern slavery in its operations and supply chain and the steps they are taking to respond to the risks identified.

This is the fifth annual statement by Yarra Valley Water (YVW) as required under the Modern Slavery Act. It details the actions we've taken to understand and address modern slavery risks in our business, operations and supply chain.

We are proud of the progress we have made towards mitigating the risk of instances of modern slavery in our business, operations and supply chain. Although we have had no known instances of modern slavery in our business or supply chain, we remain committed to addressing the risk of modern slavery, engaging with our supply chain and the continued development of our people to promote the awareness of our responsibilities.

YVW's modern slavery statement has been reviewed and approved by the Board and signed by the Chair prior to publication.

Our Stand

Modern slavery covers situations where threats, coercion or deception are used to exploit victims and undermine or deprive them of their freedom through practices including human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, serious exploitation of children and child labour.

YVW recognises that modern slavery practices are a serious violation of human rights and we do not tolerate any form of modern slavery in our business or supply chain. We

believe all workers should be treated with dignity and respect and recognise each person's rights to freedom, justice and fair work conditions.

About Us

YVW is a statutory corporation, incorporated under the *Water Act 1989*, and our activities are overseen by an independent Board of Directors appointed by the Minister for Water in consultation with the Treasurer. Our obligations regarding the performance of our functions and the exercise of our statutory powers are defined in the Statement of Obligations, issued by the Minister for Water in accordance with Section 41(2) of the *Water Industry Act 1994*. We are subject to economic regulation by the Essential Services Commission and make dividend and income tax (National Tax Equivalent Regime) payments to the Victorian Government.

We are the largest of Melbourne's three retail water corporations, covering most of Melbourne's northern and eastern suburbs from Wallan in the north to Warburton in the east. Our service area covers 4,000 square kilometres and our network consists of around 20,400 kilometres of water and sewer mains. We manage over \$6.1 billion of infrastructure and assets.

We provide clean water to the people and businesses of Melbourne and take their sewage away. We service two million people, or approximately 30 per cent of the state's population, and more than 62,000 businesses rely on our water and sanitation services. We remove and treat sewage, most of which is transferred to Melbourne Water's treatment plants. The rest is treated at our 9 regional plants, where we also recycle water for use in homes, sports fields and public spaces.

We have a diverse customer base including more than 10,000 First Nations people and more than 600,000 people who were born overseas. A high proportion of customers speak a language other than English at home, with the top 5 languages being Mandarin, Greek, Arabic, Italian and Cantonese. 867 people were employed at YVW as at June 2024, most at our head office in Mitcham (with hybrid working implemented since March 2020) and a small number working in the field or at our sewage treatment plants.

YVW's ABN is 93 066 902 501 and the head office is located at Lucknow Street, Mitcham, Victoria, 3132. YVW does not control any other businesses.

Organisation Structure

YVW's Board of Directors is responsible for setting the strategic direction, establishing goals for management and monitoring their achievement and the performance of the business.

The Executive Team manage the day-to-day operations of the business in seven groups covering a range of areas including:

Retail Services – meter reading, billing management, debt collection, Customer Contact Centre operations and development services and support programs for customers in financial difficulty.

Distribution Services – water, recycled water and sewerage infrastructure, optimisation of existing infrastructure networks, maintenance and renewal of infrastructure and long-term asset planning.

Growth Futures – provision of water and sewerage services to new customers, partnering with the community to develop urban water futures, new infrastructure to service growth and delivery of major upgrade projects for existing infrastructure.

Strategy and Community – long-term strategy development, water industry strategy, business planning, pricing and economic regulation, corporate sustainability, strategic research, marketing and customer programs, community inclusion and engagement, communication and stakeholder engagement.

Service Futures – enabling the transformation of our core services for retail and distribution services to improve productivity and customer experience, implementation of new technologies and innovations and management of information technology systems.

People, Performance and Culture – human resources strategy for the business, including workplace planning, organisational culture, capability development, safety, diversity, recruitment, succession planning and performance management.

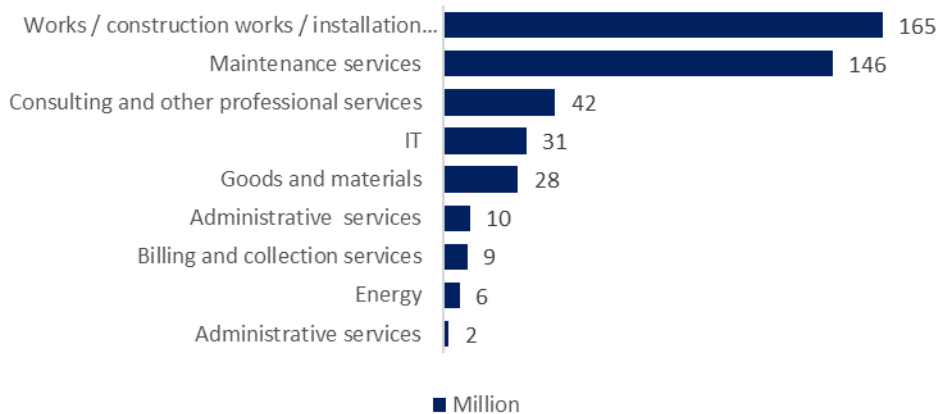
Finance and Corporate Services - business management reporting, statutory accounting, financial planning, treasury, taxation, statutory compliance, governance, insurance, risk management, auditing, payroll, procurement, property management, legal and corporate secretarial services.

Supply Chain

Partner companies deliver many of our services through outsourcing arrangements for activities including construction, maintenance, meter installation, meter reading, laboratory services and legal services. We have a mixture of long-term and short-term contracts with all arrangements supported by signed contracts managed through a procure to pay system which ensures strong governance and compliance for all procurement activities.

We have over 560 active contracts with our suppliers, with a value of approximately \$1.45 billion. Our top 10 vendors account for approximately 60% of our total procurement spend. A summary of the spend by procurement category for 2023-24 is as follows:

Category Spend 2023-24



Governance

Our procurement model is a centre-led model, whereby the system, policy, governance, advice and support, are managed at the centre with more the 500 users across the business who make sourcing decisions based on guidelines and policies that underpin YVW's procurement framework.

Our procurement framework helps identify, manage and mitigate risk within our supply chains through the establishment of effective end to end processes.

Our procurement objective is to purchase goods, works and services at competitive prices which provide the best value for money for YVW and our customers. We have purchasing and contracting principles which cover key areas protecting against modern slavery including integrity, ethical standards, good governance, high standards of probity, delivery of social and sustainable value and YVW policies including fraud and corruption, risk management, safety and wellbeing, conflict of interest, gifts, benefits and hospitality, and privacy.

All staff and contractors undertaking procurement and contract management must comply with our policies and requirements and Victorian Government directions including:

- Occupational Health and Safety Act (2004) and Regulation (2017)
- Quality Standards
- Supplier Code of Conduct
- Social Procurement Strategy
- Reconciliation Action Plan
- Financial Inclusion Action Plan
- Ministerial Directions for Public Construction Procurement
- Local Jobs First
- Victorian Government Purchasing Board policies
- Building Equality Policy
- Fair Jobs Code

United Nations Global Compact

We are a signatory to the United Nations Global Compact and work to advance the Sustainable Development Goals (SDGs). We've embedded the SDGs in our business strategy to provide a global context for how our activities contribute to a more sustainable and liveable future. We believe the water industry has a vital role in helping to achieve the SDGs and deliver environmental and social value.

Management of Modern Slavery Risks

Managing risk supports the creation and protection of value. It improves performance, encourages innovation and supports the achievement of objectives.

Yarra Valley Water maintains a risk management framework consistent with the principles and guidelines of ISO 31000 – Risk Management.

The risk management process involves the systematic application of policies, procedures and practices to the activities of communicating and consulting, establishing the context and assessing, treating, monitoring, reviewing, recording and reporting risk.

Management of modern slavery risk is supported by key mitigating controls in the form of Procurement policies (made clear as part of tender requirements), Social Procurement Framework, Supplier Code of Conduct and Risk Management framework.

Identifying modern slavery risk in our operations and supply chains

The Victorian Water industry has worked together to collaboratively identify and address modern slavery risks and explore opportunities for further improvement within the Victorian Water Sector.

The industry with the support of third-party specialists developed risk assessment tools and facilitated category strategy development workshops. Product and services covering the typical procurement spend of water corporations were assessed.

To ensure consistency with existing management systems, a heat map tool was developed to align with a typical risk assessment framework in the Victorian Water Industry. The tool also aligned with AS ISO 20400: 2018 (Sustainable Procurement – Guidance) primarily in relation to the guidelines on how to assess and prioritise risks to people in accordance with the United Nations Guiding Principles (UNGP) on Business and Human Rights.

By using the heat map tool to assess these categories for sustainability risks and opportunities, we sought to understand the hotspots (greater likelihood of sustainability issues) within Victorian Water Sector supply chains. Of these categories, offshore engineering and cleaning services presented higher human rights risk including modern slavery.

This work lays the foundations for our category risk assessment which is now reviewed annually by the Head of Procurement and the Risk Manager for new and emerging

modern slavery risks. We now have 64 categories (within six portfolios below) flagged as having elevated risk.

Portfolio	Description
Maintenance Services	Operations and maintenance of facilities including cleaning, Mechanical & Electrical, Civil and Cathodic protection
Works / Construction	Construction works (minor and major projects) and includes design and construction works including offshore engineering services.
Corporate	Temporary staff, labour hire and traineeship programs and security
Customer	Debt collection services and customer research services
Goods and Materials	Includes purchases of various goods such as meters, pipes, pumps, safety equipment and chemicals.
Information Technology Consulting	IT services and hardware, including Offshore IT Services

Actions Taken to Address Modern Slavery Risks

Tendering

We work to mitigate modern slavery in our supply chain through a risk-based approach, having identified and put in place tender questions and contract requirements for procurement categories at higher risk of modern slavery.

During the financial year we used this approach when we issued a Request for Tenders for:

- establishing the supply of water and sewer mains renewal programs and related services, which will cover a large portion of our maintenance spend over the next five years;
- Establishing the Electrical Works Panel.

In all these instances tenderers were required to complete a dedicated Modern Slavery Schedule –with 26 questions covering the bidding company in Australia, as well as any parent/sister/subsidiary company in Australia or overseas that may provide all, or part of the goods and services being sourced.

These questions addressed workforce management (employment conditions, employee relations) as well as supplier management and grievance and remediation. YVW assessment of the modern slavery risk mitigation strategies and actions

described in the responses to these questions enabled an overall residual risk rating to be set at “Low” for all bidders.

Internal Audit

Modern slavery risks are embedded into the internal audit program, to enable us to assess and enhance our policies, practices, and supply chain processes to ensure they meet high ethical standards and regulatory compliance. By embedding this focus into our internal audit, we can proactively identify potential risk/opportunity areas, measure the effectiveness of existing controls, and promote accountability across the business. This ongoing scrutiny not only strengthens our resilience against modern slavery risks but also reinforces our reputation as a responsible and ethical business.

Category risk review

As part of our commitment to preventing modern slavery within our supply chain, we have incorporated an annual procurement category review process to systematically assess and monitor potential risks. This approach enables us to evaluate the practices of key and strategic suppliers, with a particular focus on identifying vulnerabilities related to labour practices and human rights. Over the last couple of years we’ve expanded the categories to 64 and new additions include; meters, meter reading, various categories of goods, materials and chemicals.

Supplier Code of Conduct

To ensure our suppliers commit to the minimum expectations in the areas of integrity, ethics and conduct; conflict of interest; gifts, benefits and hospitality; corporate governance; labour and human rights; health and safety; and environmental management, we adopt the Victorian Government’s Supplier Code of Conduct (SCOC).

The SCOC requires suppliers to sign a commitment letter stating the supplier understands the expectations and aspires to meet the minimum standards of ethical behaviour.

This includes a requirement for suppliers to provide a fair and ethical workplace, which upholds high standards of human rights and integrates appropriate labour and human rights policies and practices into its business.

Item	Description
Anti-discrimination	Suppliers are expected not to discriminate against any worker based on age, disability, ethnicity, gender, marital status, political affiliation, race, religion, sexual orientation, gender identity, union membership, or any other status protected by law, in hiring and other employment practices.
Anti-harassment	Suppliers are expected to commit to a workplace free from workplace bullying, harassment, victimisation and abuse.
Human rights	Suppliers are expected to provide goods and services in a manner consistent with any applicable human rights obligations.
Prevention of involuntary and underage labour	Suppliers are expected to: <ul style="list-style-type: none"> - Ensure that all work is undertaken without coercion; - Not use any form of forced, bonded or indentured labour; and - Employ only works who are the applicable minimum legal age. All use of temporary and outsourced labour should be within the limits of the law. Suppliers are therefore expected to:

	<ul style="list-style-type: none"> - use all reasonable endeavours to ensure that the third-party recruitment agencies it uses are compliant with the provisions of this Code and applicable law; and - be responsible for payment of all recruitment-related fees and expenses in recruiting foreign contract workers either directly or through third party agencies.
Working hours, wages and benefits	<p>Suppliers must:</p> <ul style="list-style-type: none"> - follow all applicable laws and regulations with respect to wages, working hours and workers compensation insurance; - ensure that all workers receive their legally mandated minimum wages, benefits, superannuation, leave entitlements and time off for legally recognised holidays; and - pay workers' wages as required under applicable laws in a timely manner and not be expected to use wage deductions as a disciplinary measure. All overtime is expected to be reasonable and paid at the rate and in accordance with the applicable laws.
Freedom of association and collective bargaining	<p>Suppliers are expected to freely allow workers to associate with others, form and join (or refrain from joining) industrial organisations or associations of their choice and bargain collectively, or engage in any lawful industrial activity without interference, discrimination, retaliation or harassment.</p>

Fair Jobs Code

The Victorian Fair Jobs Code was introduced by the Victorian Government in August 2022 to use our purchasing power to:

- promote secure employment and fair labour standards, and
- ensure compliance with employment, workplace and industrial laws.

The Fair Jobs Code is applicable from 1 December 2022 and applies to the procurement of goods, works and services, to supplier bids for procurement worth \$1 million or more and to subcontractors who deliver works and services worth \$1 million or more.

All procurement activities over \$1 million, require suppliers to complete a pre-assessment certificate prior to tendering which demonstrates the supplier/business has a history of compliance with existing industrial relations and workplace health safety laws, as specified under the Code, making them eligible to be considered for the tender.

All procurement activities over \$20 million require a Fair Jobs Code plan outlining how the requirements of the code will be met and agree to relevant terms and conditions, including, but not limited to, regular reporting on implementation of Code commitments.

Capability Building

Our recent procurement transformation review recognised the need for a broader, enhanced learning and development program within our procurement functions. While the program will cover a range of competencies, it will also reinforce critical aspects of social procurement, including modern slavery awareness. This training initiative is designed to support our teams in identifying opportunities and risks, thereby upholding our commitment to ethical practices across the supply chain. This focus on capability building reflects our proactive approach to embedding responsible practices within procurement and strengthens our safeguards against modern slavery.

Victorian Government Fair Payment Policy

During the 2023-24 financial year, Australia experienced market volatility with significant increases in inflation and multiple interest rate rises. Supply chain shortages continued along with global political unrest. These market factors have impacted us, customers and suppliers.

Under the Victorian Government's Fair Payments Policy all departments and major agencies are to pay invoices up to \$3 million within 10 business days of receiving a correct invoice. This policy ensures small and local businesses providing goods and services to government departments and agencies are paid on time to improve their cash flows and support with the economic recovery post pandemic.

In 2023-24 Yarra Valley Water paid 92% of all invoices up to \$3 million within 14 business days. Average days taken to pay invoices under \$3 million was 11.5 days.

Media monitoring

In addition, we have implemented a trial of media report monitoring, which allows us to track daily media coverage of our strategic suppliers. This proactive measure provides real-time insights into any emerging risks associated with our supply chain and allows us to address potential issues early, aligning our procurement practices with our broader social responsibility goals.

Stopline

Stopline supports our efforts to address modern slavery by providing a confidential platform for employees, contractors, and other stakeholders to report issues (including modern slavery-associated risks), that may adversely impact Yarra Valley Water, its people, or its reputation. This anonymous reporting avenue enhances our commitment to ethical operations. With translation services available, Stopline ensures accessibility for all stakeholders, reinforcing transparency and accountability across our organisation.

Effectiveness of Actions

During the financial year we did not identify any instances or suspect instances of modern slavery.

We are continuing to monitor the effectiveness of our actions by:

- Conducting risk assessments on our procurement categories. We have expanded the number of categories that have been flagged for Modern Slavery risk to 64. The categories for which modern slavery has been flagged as a potential risk include design services, cleaning, construction, major works, and maintenance services.
- Researching and understanding trends and risks in our supply chain.
- Integrating modern slavery into our internal audit program.
- Ensuring appropriate expertise is involved in complex or high risk sourcing events.

- Working with the sector to identify risks and explore opportunities for further improvement.

Summary

YVW is making progress towards mitigating the risk of instances of modern slavery in our business, operations and supply chain. The foundational work remains core to our approach with key highlights that include the supply chain risk and opportunity assessment, embedding a modern slavery schedule into our request for tender documentation of high-risk procurement categories, the growth in the awareness of modern slavery of our people and the demonstrated organisational commitment to prevent modern slavery.

We will continue to focus on ensuring suppliers comply with modern slavery requirements, building our own knowledge through active engagement with the Social Procurement Working Group and our suppliers and providing training for YVW employees to ensure they are able to identify and mitigate risks of modern slavery.

Work in this area will also be considered in the context of our 2030 Strategy with a focus on the community. Through engagement and inclusive design, we strive for community inclusion, health, wellness and prosperity. At YVW we intend to continually assess and respond to modern slavery risks, and ensure we have appropriate risk identification, assessment and mitigation.

In 2024-25 we will:

- Refresh our social procurement training as part of our learning and development uplift.
- Review our due diligence process including exploring opportunities for a systemised approach to due diligence.
- Review and update the modern slavery questionnaire used in tender documents.

We recognise that the implementation of a modern slavery focus across the supply chain is complex and requires considerable time and effort. We understand the importance of transparency of our approach and that this is a journey, and we expect to learn and improve over time. We need to continually set out requirements clearly to our supply chain and ensure connection with our procurement policy and practices.

Finally, we are committed to making changes to address any risk areas identified and will be actively working with industry and external experts to learn from and share our experiences and approach.

Approval

As the representative of Yarra Valley Water, I confirm that the Yarra Valley Water Board has reviewed the Yarra Valley Water Modern Slavery Statement for the reporting period of 1 July 2023 to 30 June 2024.

As set out in the Statement, Yarra Valley Water has responded to and to the best of our knowledge, has met the mandatory reporting criteria and commits to continual improvement in keeping with the Modern Slavery Act 2018.

Approved by Yarra Valley Water Board of Directors on 9 December 2024.

Signed



Gabrielle Bell
Chair
Yarra Valley Water