



## MODERN SLAVERY STATEMENT

Made pursuant to the Australian Modern Slavery Act 2018.

## REPORTING ENTITY

This modern slavery statement is made in compliance with the Modern Slavery Act 2018 (Cth) (the Act) on behalf of the Zip Water Group.

The Zip Water Group reporting entities are referred to collectively in this statement as "Zip Water" (we/us/our).

The registered office and principal place of the Zip Water Group businesses is 77 Allingham Street, Condell Park, NSW 2200.

## Our Structure and Operations

Zip Water specialises in the design, development, manufacture, supply and service of drinking water systems to wide range of residential and commercial customers primarily under the Zip brand.

We have a manufacturing and warehouse facility at our head office in Condell Park NSW and have sales offices and warehouses located throughout Australia. Our team of approximately 500 people which are located in Australia also support sales and distribution businesses in New Zealand and the United Kingdom. We also export our products to a wide range of countries through our distribution network and through our parent business Culligan Corporation. The Culligan Corporation is a global business operating across a wide range of sectors in the drinking water market.

We operate as part of the Culligan Group and have a senior leadership team based in Australia who lead and operate the Zip Water business.

## Governance and Policy Framework

Zip Water is committed to compliance with all applicable laws and standards where we directly operate. We also expect our suppliers to do the same in the regions they operate in. We fully acknowledge that risks of modern slavery exist in any complex supply chain, particularly where raw materials are procured by our suppliers from one or more other companies that we have no direct interaction with, or knowledge of. In order to control this risk, we have implemented new policies into our procurement framework. These policies apply across Zip Water.

## Our Supply Chain

Zip Water produce the majority of the Zip products in Australia using a wide range of raw materials and componentry such as copper tubes, aluminium coils, steel, plastic components, fans, compressors, insulation and electrical components which are supplied by both Australian and overseas based suppliers and manufacturers. These overseas countries include China, Germany, USA, India, Taiwan, Brazil and the UK.





We have identified approximately 500 suppliers to our business. Over time we have been seeking to consolidate our key suppliers and have 15 major suppliers to our business where our annual spend exceeds \$1 million dollars with each supplier. Of these suppliers we have applied a risk-based approach to identify higher risk suppliers for the purposes of modern slavery compliance who will be required to undertake our modern slavery questionnaire.

As a component of a strategic procurement program all of our suppliers are required to meet the requirements set out in our Zip Water Supplier Manual which includes a requirement to manage the risks of modern slavery. As part of Zip's supplier on-boarding process, all types of suppliers are to undergo a qualification process which includes adherence to our Zip Water Supplier Manual but also undertake a thorough supplier questionnaire which includes modern slavery compliance and sustainable business practice checks. All existing suppliers where annual spend exceeds 100 thousand dollars will progressively be required to adhere to the latest supplier manual and undertake the supplier questionnaire in order to continue to be a supplier to Zip Water.

Once suppliers accept and return the completed questionnaire within the supplier manual, they will undergo a thorough supplier business review process which places them in Zip Water's supplier risk matrix assessment and assigns their supplier status.

## Description Of Modern Slavery Risk In Our Supply Chain

The majority of our suppliers are based overseas. We also have a significant number of Australian based supplier, however, due to the nature of the products we source from those Australian suppliers many procure component materials from overseas and then supply to Zip Water.

The assessment of modern slavery risks is undertaken by the Zip Operations team which is overseen by the Zip Compliance, Quality and Risk Management committee. In order to undertake an assessment of the modern slavery risks to the business we have undertaken a risk-based analysis of our expenditure. This analysis includes an assessment of the type of product or services supplied to us; the geography of supply; and any specific known supplier issues.

## Zip Water Supplier Manual

This document contains all the expectations we have of current and prospective suppliers. It details Zip Water's position with respect to quality, compliance, delivery, sustainability and ethics, including modern slavery.

The Supplier Manual is updated periodically and is referenced in all new Supply Agreements. It is also freely available on our website for any prospective supplier to review.



## Supplier Audits

We periodically audit our suppliers to determine capability and identify any risks to supply, quality, compliance, sustainability or cost. We also evaluate their business practices with respect to ethical practices and the effectiveness of their management structure and business systems to maintain and improve these going forward.

First preference is always to conduct a supplier audit face-to-face, at the supplier's facility. Where this is not practical to complete supplier audits can also be completed virtually via teleconference.

## Staff Training

Staff responsible for procurement will receive in depth training on what the Modern Slavery Act 2018 entails, along with their responsibilities to report any risks they become aware of as a result of their interactions with our suppliers. All other salaried are required to complete Modern Slavery training with respect to the Modern Slavery Act 2018 bi annually.

## Actions Taken and Assessment of Effectiveness

We have assessed the risks of modern slavery impacting our business and have integrated this into our supplier approval and risk management process. This integration is an on-going activity across our business and will extend to inclusion in our policy and procedural documentation and practices.

We are not currently aware of any modern slavery practices occurring within our supply chain. Oversight by the Zip Water Compliance, Quality and Risk Management committee will ensure that the process is embedded within the Zip Water businesses.

## Continuous Improvement

We are committed to continuous improvement of our systems and processes in order to reduce the risks of modern slavery in our supply chain into the future. This will include;

- Continued training of our staff;
- Progressively rolling out new supply agreements that reference our Supplier Manual; and
- Reviewing closely any suppliers deemed to have elevated risk.

## Consultation

All of the entities listed in this statement have common directors and officers and are aligned across the Zip Water Group.

The Zip Water Compliance, Quality and Risk Management committee is constituted by senior members of the Zip Water business and is responsible for the activities of all members of the Zip Water Group.

## Approval

This statement was initially approved by the Board of Zip Heaters (Aust) Pty Ltd on 5 October 2021. This update statement has been approved and is signed by John Doumani who is a Director and President of Zip International. This modern slavery statement has been adopted across the Zip Water Group.

**John Doumani**

## Defined Terms

Zip Water Group is comprised of the following entities; Zip Industries (Aust) Pty Ltd ABN 15 000 072 257, Zip Heaters (Aust) Pty Ltd ABN 46 000 578 727, Vestal Water Pty Ltd ABN 55 136 540 460, Zip Water Services (QLD) Pty Ltd ABN 21 634 096 610, Birko Heaters Australia Pty Ltd ABN 39 103 881 625 and Zenith Heaters Limited (NZ).