

2021 – 22

ADDRESSING MODERN SLAVERY RISKS IN OUR BUSINESS

OUR MODERN SLAVERY STATEMENT





Our commitment

At Icon Water, we respect human rights and consider modern slavery in any form to be unacceptable.

We are committed to providing a safe work environment free from modern slavery, and to working with our suppliers to identify and eradicate any modern slavery throughout their operations and supply chains.

Message from our Board Chair and Managing Director

We are pleased to present Icon Water Limited's modern slavery statement for 2021–22, which builds on the significant work already achieved by Icon Water. We welcome the opportunity to share the steps we have taken to manage modern slavery risks in our business and supply chains.

2021–22 saw another year of disruptions with COVID-19 which made our commitment and focus on human rights issues, including modern slavery risks, even more important.

We have continued to evolve our three phased approach which guides our modern slavery risk management actions, focussing on strong policies and publications; improved training and capacity building; and supply chain due diligence.

In 2021–22, we focused our efforts on communicating modern slavery requirements to all staff through online training, incorporating sustainability, social and governance factors into our procurement processes and conducting due diligence screening with suppliers.

While we have not identified any instances of modern slavery to date, we have established tools to address and correct it should it occur, and acknowledge that tackling modern slavery requires an ongoing focus and commitment.

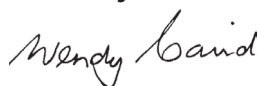
On behalf of the Board and Executive, we acknowledge all our staff for their resilience, agility and continued efforts. At Icon Water, we stand for safety, excellence and openness, and these deeply held core values will ensure we maintain our vigilance in managing the risk of modern slavery in our business.

We look forward to continuing to build on our response to modern slavery, communicating our progress and helping drive meaningful change within the water industry.

This statement was approved by the Board in December 2022.



Wendy Caird

A handwritten signature in black ink that reads "Wendy Caird".

Chair
Icon Water



Ray Hezkial

A handwritten signature in black ink that reads "R Hezkial".

Managing Director
Icon Water

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Acknowledgement of Country

Icon Water acknowledges the traditional custodians of the Canberra region, the Ngunnawal people and pay our respect to their Elders – past, present and emerging. We recognise and value their continuing culture and the contribution they make to the life of the city and the region. We also acknowledge the First Peoples of the broader region in which we live and work.

KEY HIGHLIGHTS



Refreshed and delivered modern slavery fundamentals training package.



Updated principles for tackling modern slavery for our workers and suppliers.



Actively promoted suppliers' approaches to modern slavery to our employees.



Conducted due diligence screening to ensure suppliers source products with low modern slavery risks.



Incorporated sustainability, social and governance factors into our procurement processes.



Joined an industry wide working group to develop a consolidated approach to tackling modern slavery.

OUR BUSINESS

Icon Water is the ACT's supplier of essential water and wastewater services, and has been part of the Canberra community for more than 100 years. We are proud to support our region by sourcing, treating and supplying water, and managing Canberra's wastewater services.

We manage the region's network of dams, water treatment plants, sewage treatment plants, reservoirs, water and sewage pumping stations, pipes and other related infrastructure – an asset base valued at around \$3.2 billion. We also manage an investment, valued at around \$1.0 billion, in the ActewAGL Joint Venture operating in the energy sector.

We are proud to support growth in Canberra and our region by continuing to provide a high quality and secure water supply to the Canberra and Queanbeyan communities. We are committed to providing these essential services that contribute to public health, liveability and the future prosperity of our region.

As a territory-owned corporation, Icon Water has four important objectives under the *Territory-owned Corporations Act 1990*:

- to operate at least as efficiently as any comparable business
- to maximise the sustainable return to the territory on its

investment in Icon Water and ActewAGL in accordance with the performance targets in our Business Strategy (Statement of Corporate Intent)

- to show a sense of social responsibility by having regard to the interests of the community in which we operate, and by trying to accommodate and encourage those interests
- where our activities affect the environment, to effectively integrate environmental and economic considerations in decision-making processes.

These objectives drive our strategic planning and the development of our vision and business strategies.

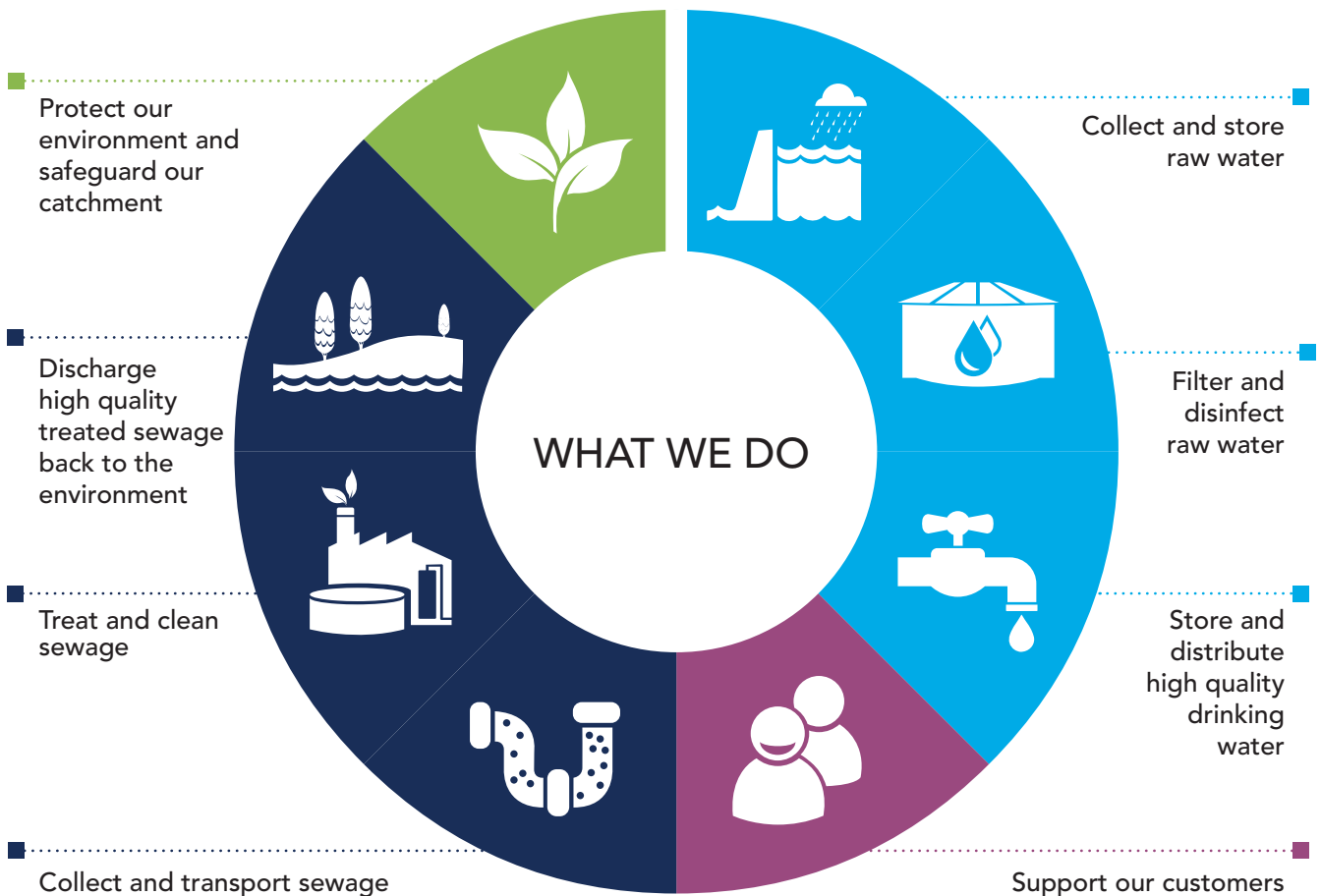


Figure 1 What we do at Icon Water



OUR ASSETS

\$3.2 billion

of water and wastewater related assets



278 GL

Combined dam capacity



3,400km

Network of water pipes



25

Water pumping stations



2

Water treatment plants



50

Reservoirs



3,400km

Network of sewer pipes



27

Sewage pumping stations



4

Sewage treatment plants

Figure 2 Icon Water's assets

OUR STRUCTURE

Icon Water is an unlisted public company owned by the ACT Government with over 400 employees. As a territory-owned corporation, we are separated from the direct functions of government and governed by an independent board of directors who exercise a governance, strategic and oversight role. There are two Voting Shareholders: the ACT Chief Minister and the Minister for Water, Energy and Emissions Reduction.

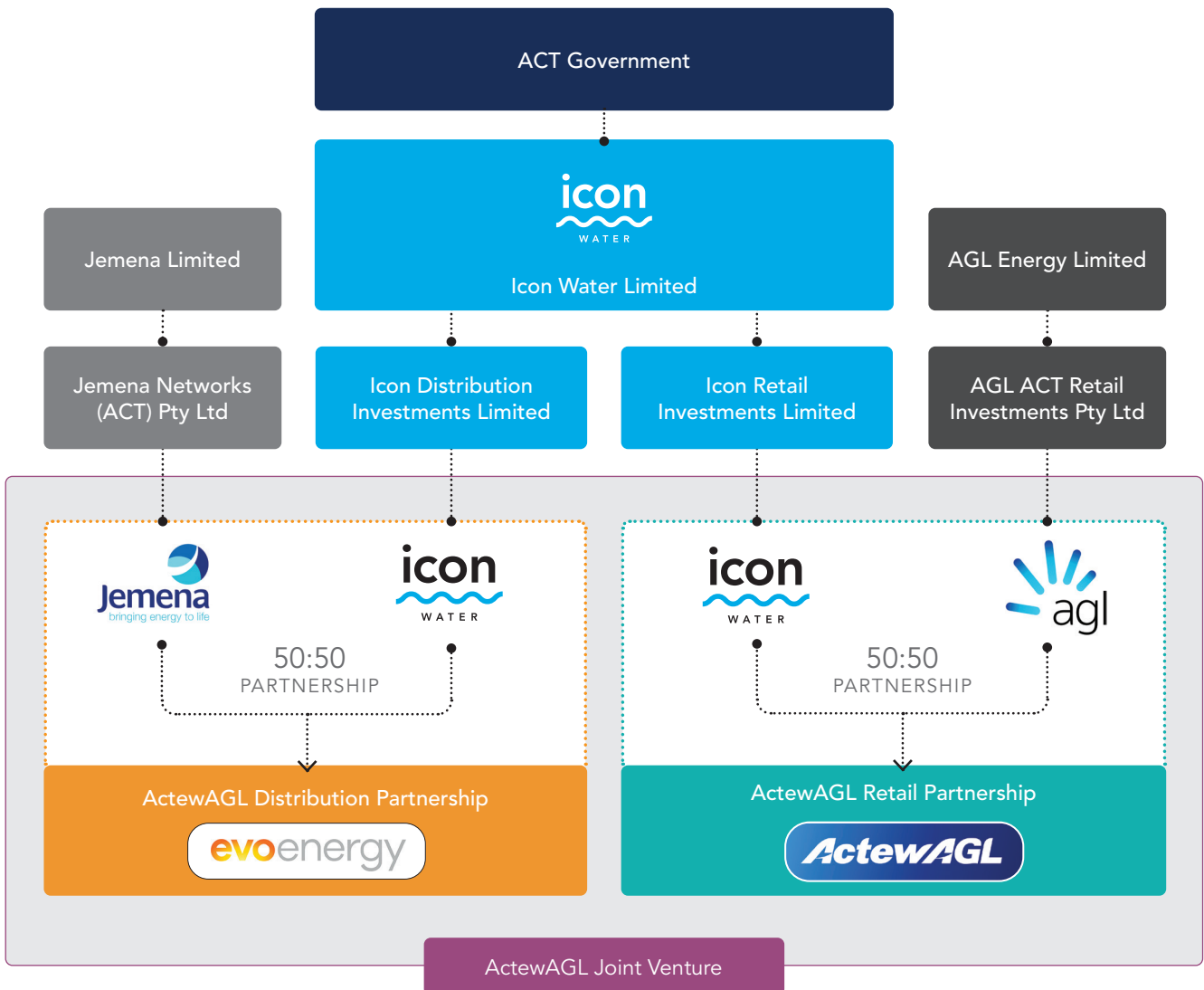
We not only provide water and wastewater services, we also manage an investment in the ActewAGL joint venture to provide energy services to the ACT and surrounding regions.

This joint venture was formed in October 2000 between Icon Water (previously ACTEW Corporation) and Australian Gas Light Company (AGL). The result was ActewAGL – the first multi-utility operating as a public private partnership in Australia.

The joint venture comprises two partnerships, ActewAGL Distribution and ActewAGL Retail, with Icon Water participating in both partnerships through two subsidiary companies: Icon Retail Investments Limited and Icon Distribution Investments Limited. The eight Directors of the Icon Water Board sit on both of these subsidiary Boards.

ActewAGL Distribution, operating under the brand 'Evoenergy', owns and operates the electricity network in the ACT, and the gas network in the ACT, Queanbeyan region and Shoalhaven in New South Wales. It is a partnership between Jemena Limited and Icon Water via subsidiary companies.

ActewAGL Retail sells electricity and natural gas, and manages customer service and marketing functions in a competitive market. The service footprint extends to centres such as Queanbeyan, Goulburn, Yass, Young, Nowra and Bega. It is a partnership between AGL Energy Limited and Icon Water via subsidiary companies.



Notes: 1) Each of Jemena Networks (ACT) Pty Ltd, Icon Distributions Investments Limited, Icon Retail 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).

Figure 3 Joint venture structure and energy investment brands

Icon Water operations incorporate five groups, each led by an executive. As at 30 June 2022, we have 413 employees (408 full time equivalent), with employment conditions governed by, and in accordance with, Australian workplace legislative requirements. We review our organisational profile and staffing requirements as part of our regular budget planning to ensure our operations remain prudent and efficient.

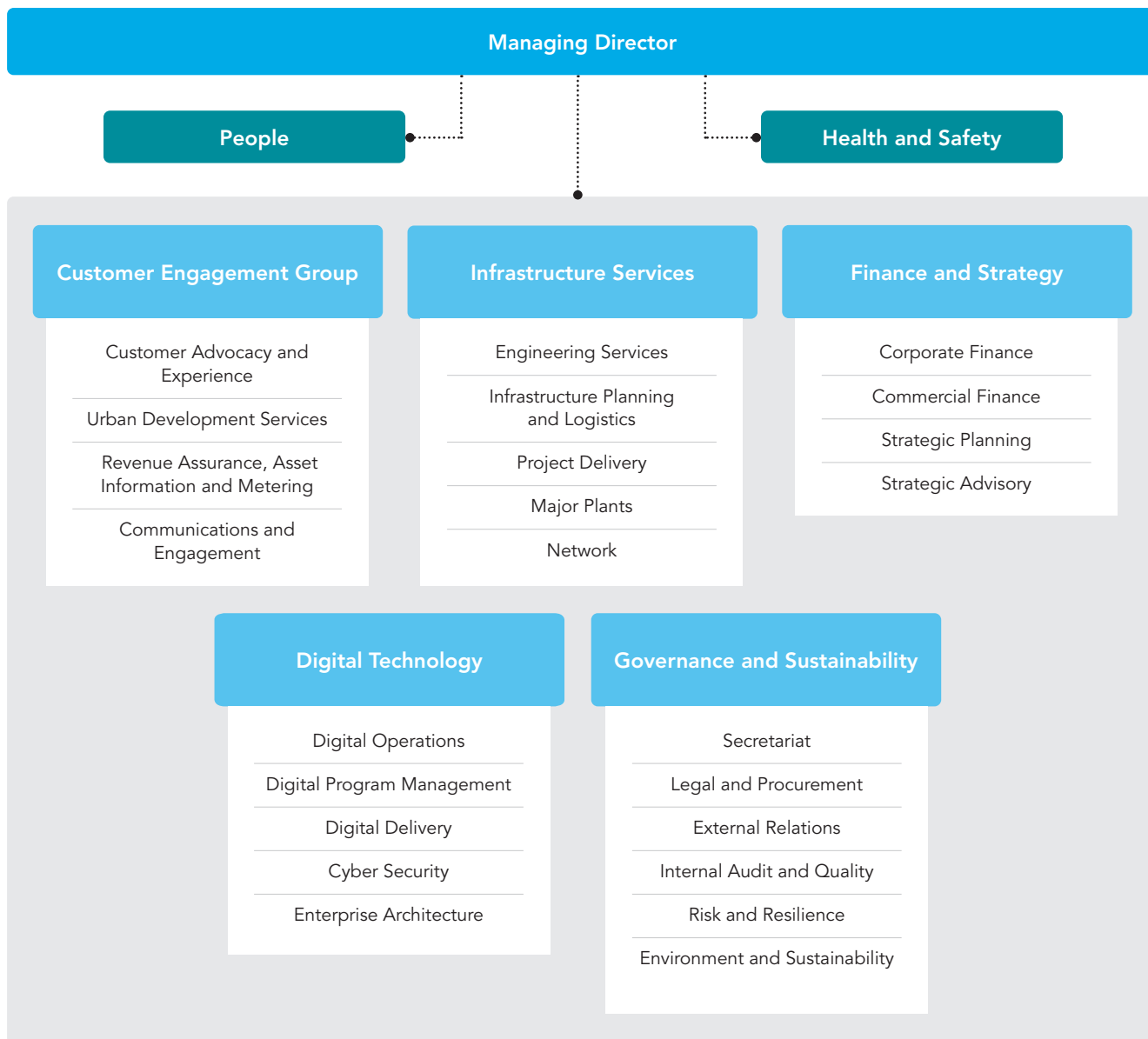


Figure 4 Icon Water’s organisation chart

Consultation with controlled entities

In addition to work to address modern slavery risks in our own operations and supply chains, we consulted with organisational representatives from our joint venture entities, Evoenergy and ActewAGL Retail. We discussed our approaches to mitigating modern slavery risks, updates required to training material and engagement activities with industry. Modern slavery risks are considered to be well managed in both businesses with appropriate actions being taken to minimise the risks.



OUR RISKS OF MODERN SLAVERY PRACTICES IN OUR OPERATIONS AND SUPPLY CHAIN

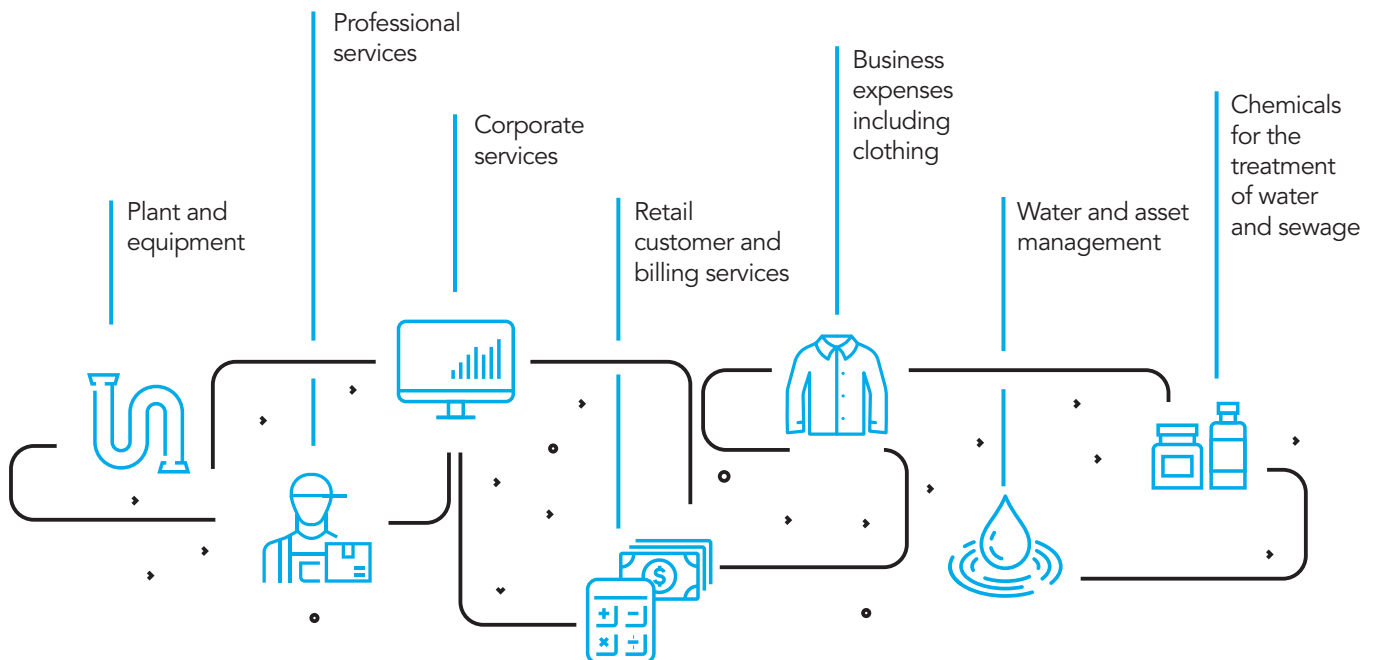
Modern slavery has the potential to exist in our operations and supply chains through a variety of circumstances, including forced labour, child labour, debt bondage and human trafficking. We recognise that the level of modern slavery risk in our operations and supply chains is influenced by a range of factors, including geographic, sector and product specific factors and we incorporate these considerations into our risk assessment processes.

We procure a large variety of goods and services to provide a reliable supply of high-quality drinking water and efficient wastewater services. As a territory-owned corporation, we are committed to the following procurement principles:



Our supply chain consists of approximately 2,500 suppliers, of which more than 99 per cent are based in Australia which has a low prevalence¹ of modern slavery. Our limited international spend is in countries that have a low ranking in the prevalence of, and vulnerability to, modern slavery. Therefore, we have assessed the risk of modern slavery in our operations and supply chains as low.

Our main categories of procurement include:



Elevated risks of Icon Water causing, contributing or being directly linked to modern slavery have been identified for apparel (gloves, vests, overalls, personal protective equipment (PPE) and corporate clothing) and electronics due to the raw materials used and poor working conditions in manufacturing facilities. Processes have been put into place to mitigate the risks, such as incorporating modern slavery clauses into contracts.

Whilst the risks have not significantly changed since the previous reporting period, we will continue to assess these risks and ensure we implement our policies, procedures and controls to mitigate any new or increased risks we identify.

1. 2018 Global Modern Slavery Index.

Our approach

Our approach to modern slavery is guided by our robust risk management framework, underpinned by our values and framed by our commitment to the United Nation's Sustainable Development Goals (UN SDGs). We have been attuned to human rights risks in our organisation and supply chain for many years (Figure 5). Our ethical program has developed over time to reflect

the evolving movement around modern slavery across legislation, our commitment to managing risks and our support to the UN SDGs. In 2021–22, there were no complaints made about our organisation or subsidiaries to the ACT Human Rights Commission.

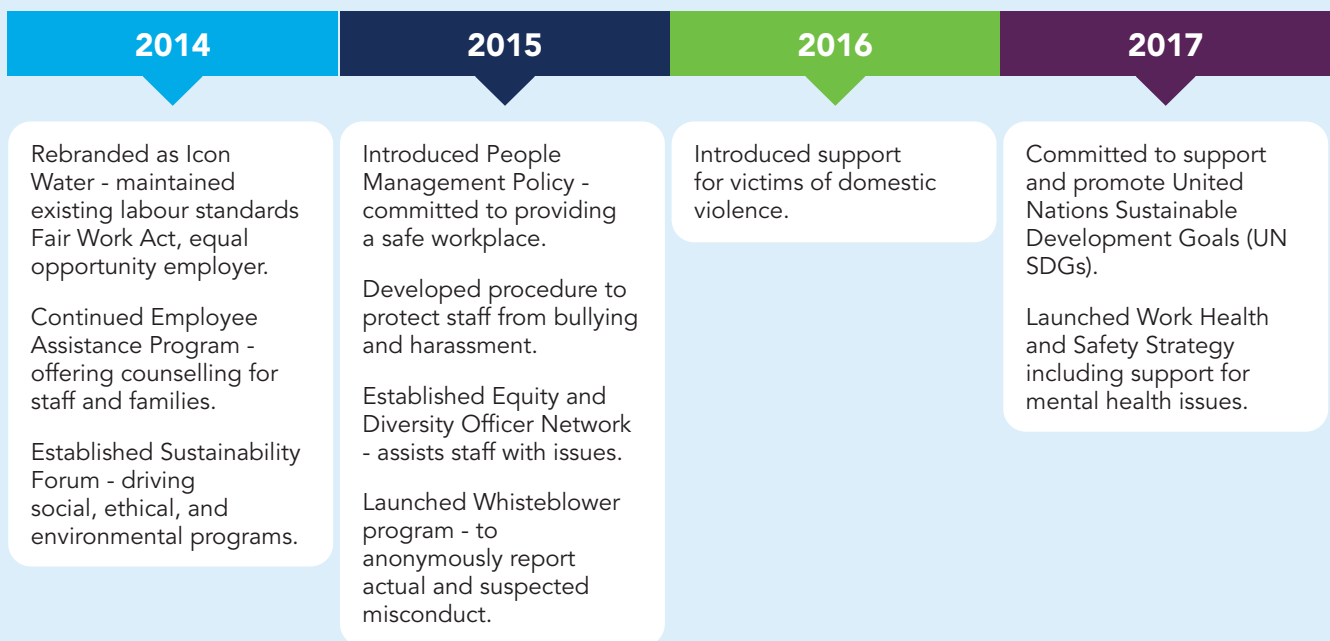


Figure 5 Key milestones

Sustainable Development Goals

We signed up to the Australian water industry's commitment to the United Nation's Sustainable Development Goals in 2017, with the target to end poverty and drive social, environmental, and economic outcomes for the benefit of all.

Critical to tackling modern slavery is target 8.7 to end modern slavery, trafficking, and child labour.



Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all forms.

2018

Published commitment to the UN SDGs in industry paper.

2019

- Updated Code of Conduct to include modern slavery commitments.
- Formed Modern Slavery Working Group.
- Established process to identify, report, investigate and resolve modern slavery incidents.
- Added modern slavery clauses to procurement documentation.
- Developed three-phased approach to tackle modern slavery.
- Undertook procurement risk analysis identifying 99.9% of suppliers located in Australia.
- Published Sustainability Snapshot - our commitment to the Sustainable Development Goals.

2020

- Submitted first modern slavery statement.
- Re-established two year Enterprise Agreement for staff - articulating labour and anti-discrimination standards.
- Delivered modern slavery training to all staff and contractors.
- Revised labour hire contracts to address modern slavery.
- Published modern slavery principles for staff and suppliers.
- Received over 21,000 visitors to modern slavery webpage in first quarter.
- Introduced initiatives to protect staff, community and suppliers from exposure to modern slavery as a result of COVID-19.

2021

- Submitted second modern slavery statement.
- Launched sustainable procurement requirements in tender documents.
- Promoted supplier approaches to modern slavery - to increase staff awareness.
- Joined Water Services Association of Australia Modern Slavery working group.
- Commenced discussions to establish an industry-wide supplier questionnaire.

Our three-phased approach to address modern slavery continues to evolve and guide our modern slavery risk management actions based on our increased awareness of the risks in our business and supply chains. Figure 6 provides an overview of this phased approach. As we continue to work through our approach, we have progressed to phase three in the focus areas of policies and publications, and training and capacity building. Work is continuing on actions in phase two for supply chain due diligence.

In 2021–22, we reviewed highly regarded modern slavery statements and incorporated best practice elements from those statements into our action plan. This will ensure that our approach matures over time and strengthens our controls to manage emerging modern slavery risks.

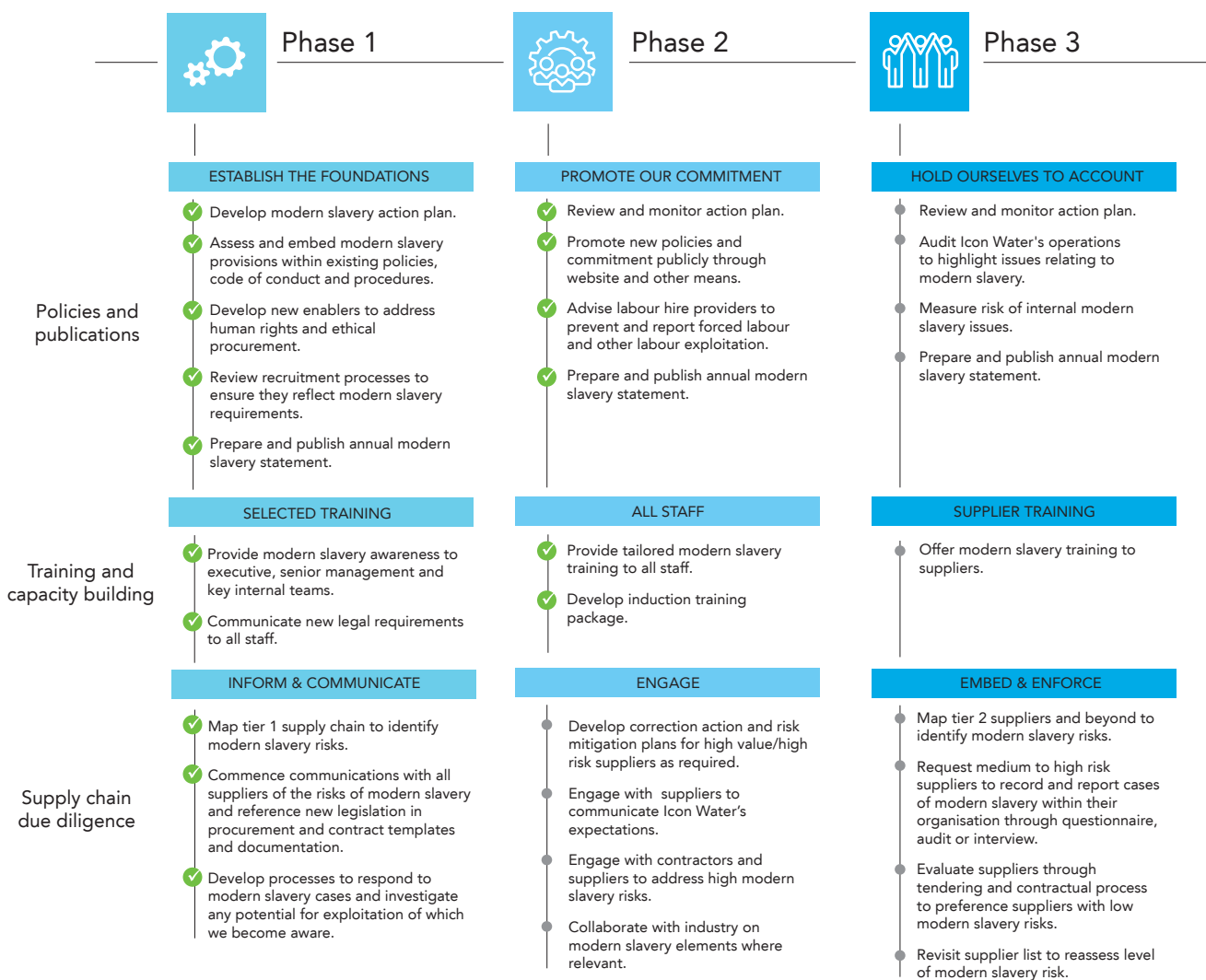


Figure 6 Icon Water's approach to modern slavery

OUR ACTIONS TO ADDRESS MODERN SLAVERY RISKS

Our modern slavery working group has representation from across the business. The group meets regularly to discuss progress and provides ongoing input into developing the modern slavery framework.

We seek to proactively assess and address modern slavery risks in our operations and supply chains by continuously improving our policies and procedures, training and capacity building, and supplier due diligence. The initiatives we implemented to strengthen our oversight and understanding of the risks of modern slavery are outlined below.

Policies and publications

We have established a comprehensive suite of internal policies and publications to support our modern slavery response. These policies clearly articulate the standards we expect from our people, our suppliers and our business partners when addressing modern slavery risks.

Environmental, social and governance considerations were incorporated into our procurement processes. Tender documentation was updated to include evaluation requirements based on the level of commitment and performance in relation to environment and social sustainability.

Sustainable procurement

A sustainability questionnaire is now required to be completed by all tendering suppliers. Suppliers are required to provide information on the following:

- environmental and/or third party certification details
- environmentally sustainable business practices including details on initiatives that promote:
 - efficient use of natural resources including water and materials with recycled content
 - product stewardship and ethical and environmentally friendly end of life disposal
 - greenhouse gas mitigation
- social risks around modern slavery and human rights violations
- corporate social responsibility commitments and programs such as ethical investments, indigenous inclusion, staff health and wellbeing, diversity, gender equality, engagement of social enterprises
- environmental and social performance measures and targets
- compliance with environmental and social legislation.



Training and capacity building

Icon Water maintains an ongoing focus on modern slavery through training and capacity building. Our people are the first line of defence in managing modern slavery risks. It is vital that they are trained to identify issues and have the skills and confidence to deal with modern slavery risks in an appropriate way.

In 2021–22, we refreshed our modern slavery fundamentals training package. By incorporating case studies and relevant examples into the learning, we can equip staff

with the skills required to identify modern slavery in our business and supply chain. The online training was completed by 89 per cent of employees and included the following topics:

- what is modern slavery
- indicators of modern slavery and how to respond
- benefits of taking action against modern slavery

- our obligations under the *Modern Slavery Act 2018*.

Modern slavery awareness was also actively promoted to our employees through articles featured in our regular employee newsletter. These articles highlighted the various approaches some of our suppliers take towards tackling modern slavery, with practical examples showing the impact that can be made for workers around the globe.

Supply chain due diligence

Icon Water joined the Water Services Association of Australia (WSAA) Modern Slavery Community of Practice (COP), which is a collaborative working group of utilities across the water sector. The aim of the COP is to build capacity, share ideas and develop a consolidated water industry approach to modern slavery. In 2021–22, work began on developing a questionnaire to assess suppliers' policies and practices on modern slavery and identify possible risks. The questionnaire will require suppliers and contractors to monitor,

record and report cases of modern slavery in their organisation and identify modern slavery risks through their supply chains.

We continue to improve our approach to modern slavery through our procurement processes. The principles for our workers and suppliers were enhanced to incorporate elements from the International Labour Organisation's forced labour indicators.

As part of our due diligence screening, we engaged with our stationery supplier to ensure that

they are meeting our business requirements, using sustainable materials and sourcing low modern slavery risk products. Our supplier has a strong commitment to tackling modern slavery that aligns with our principles and values. They have identified the modern slavery risk of their supplies, and have processes in place to audit their supply chain and remediate any modern slavery incidences. They have strong links with indigenous suppliers and a preference for supplying Australian owned products.

Our principles for Icon Water's workers and suppliers

- We do not tolerate acts of modern slavery.
- We urge suppliers to tackle modern slavery throughout their operations and supply chains.
- We are implementing mechanisms for identifying, reporting, investigating and resolving any incidents of modern slavery in the operations and supply chains of our suppliers.
- Any recruitment agencies working with us are expected to actively address behaviours which may increase the risk of modern slavery.
 - These behaviours include charging workers fees for recruitment and any actions that suggest debt bondage or forced labour.
- Our organisation, and its suppliers, must not hold, retain or ask workers to relinquish their own original identification papers or personal documents.
 - These include bank cards, passports, visas and other identification documents.
- Employment is freely chosen. All workers have the freedom to terminate their employment at any time without penalty.
 - Subject to giving notice and otherwise complying with applicable fair work laws or employment contracts.
- Suppliers must comply with local laws of employment for young workers.
- Workers are expected to support our commitment to tackling modern slavery across all parts of our business and supply chains.
 - As set out in our Code of Conduct.
- We take measures to ensure all Icon Water's workers are legally able to work in Australia.

ASSESSMENT AND EFFECTIVENESS

It is important to reflect on the work that has been done and regularly review our progress. We will continue to assess the effectiveness of our actions in identifying and managing modern slavery risks by:

- maintaining a modern slavery working group with representatives from across the business to enable regular engagement and feedback between key areas
- conducting an annual review of our approach and response to modern slavery risks
- tracking the actions taken to address modern slavery risks and measuring their impact
- providing regular reports to members of our Board and Risk and Assurance Committee.

Our COVID-19 response

The impacts of COVID-19 have provided another challenging year for many businesses and suppliers. With ongoing disruptions due to the pandemic, we recognise the increased risk of potential exploitation of vulnerable workers created by COVID-19 due to interrupted business activities, supply chain pressures and workforce reductions.

Throughout the pandemic, our approach with suppliers has been centred around open communication in order to understand how COVID-19 and any resulting changes to procurement patterns impacted them. This approach aimed to navigate the disruptions in a way that achieved satisfactory outcomes for both parties, while also being mindful of the impact these changes would have on workers within the supply chain.

Over the reporting period, we have generally observed the following COVID related impacts:

- global manufacturing disruptions
- freight and logistics delays
- product and raw materials shortages
- increased product lead times.

We implemented a range of initiatives to protect staff, suppliers and vulnerable people in the community to ensure they are not at an increased risk of modern slavery as a result of COVID-19, including:

- supporting suppliers by understanding delays and disruptions in supply chains and continuing to pay suppliers in a timely manner for their goods and services
- keeping workers and customers safe by maintaining social distancing, providing personal protective equipment such as masks and implementing COVID safety plans outlining safety zones
- expanding hardship program eligibility to small businesses
- promoting support options available to customers who may struggle financially to pay their bills.



Looking ahead

Identifying and mitigating modern slavery risks in our business is an ongoing process. Our efforts to date have laid a strong foundation for continued improvement. Our approach will continue to evolve as we refine our processes and build capacity within our business.

In 2022-23, we will continue to monitor the potential risks of modern slavery in our operations and supply chain and to look for ways to improve our monitoring and responses.

We have identified the following as key priorities for the year ahead:

- Review and monitor our action plan.
- Liaise with the water industry on modern slavery risks to drive efficiencies across the sector and deliver a consistent and coordinated approach to managing modern slavery risks.
- Introduce a modern slavery questionnaire to understand how our suppliers manage their modern slavery risks and to learn more about our tier two and three supply chain.
- Further enhance Icon Water's supplier requirements webpage to improve supplier's awareness of modern slavery risks.
- Embed modern slavery as part of sustainable procurement across all relevant procurement documents.
- Remain vigilant to any occurrences of modern slavery by taking action to investigate any reported actual or suspected incidents of modern slavery within our operations or supply chains.

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