



2020/21 MODERN SLAVERY STATEMENT



The Central SEQ Distributor-Retailer Authority, trading as Urban Utilities (ABN 86 673 835 011), is a statutory authority under the *South-East Queensland Water (Distribution and Retail Restructuring Act) 2009* (Qld).

This Statement sets out the actions taken by Urban Utilities to address modern slavery risks in its operations and supply chain over the financial year ending 30 June 2021 (FY20/21), pursuant to the *Modern Slavery Act 2018* (Cth) (the Act).

All amounts expressed in this Statement are in Australian dollars.



At Urban Utilities, we are proud to acknowledge the Traditional Owners and Custodians of the land and waterways on which we work and live, and pay respects to the Elders past, present and emerging. We recognise and value their traditional responsibility for the land and water. We also recognise and value the continuing cultures and the contribution of Aboriginal and Torres Strait Islander peoples to the Queensland community.

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I. ABOUT THIS STATEMENT

I.1 OUR APPROACH AND PROGRESS TO DATE

This is our second statement, and it describes Urban Utilities' continued efforts and actions over the past year to implement our Modern Slavery Action Plan, mature our approach and strengthen our controls to identify, address and mitigate modern slavery risks. The business approach and activities outlined in our Modern Slavery Action Plan are commensurate with our overall modern slavery risk profile, which has been assessed as low.

In addition to the work we have undertaken within our own operations and supply chain, we have been active in our collaboration with peer organisations to share knowledge, discuss approaches and build on learnings to address this growing global issue. This includes being invited to participate in the development of the Queensland Government modern slavery framework and roadmap, as well as our continued participation in the Modern Slavery Community of Practice for Queensland-based government entities.

KEY AREAS OF ACTION IN FY20/21

- ☑ Implemented our online Modern Slavery Awareness Training to ensure key internal personnel have an understanding and awareness of modern slavery risks and how they can detect and prevent it.
- ☑ Included modern slavery indicators in our media monitoring program in order to be alerted to reported or suspected instances of modern slavery and human rights breaches at a state, national and international level, involving current or potential suppliers and relevant industries.
- ☑ Further embedded supply chain due diligence processes to ensure modern slavery risks are evaluated effectively during procurement processes.
- ☑ Continued to assess and map Urban Utilities' supply chain, including new and existing suppliers via the Modern Slavery Supplier Questionnaire.
- ☑ Included modern slavery clauses in contracts where an inherent risk of modern slavery has been identified.
- ☑ Our updated purchase order terms and conditions require suppliers to comply with the requirements of our Supplier Code of Conduct and includes a specific modern slavery clause.

2. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

2.1 OUR STRUCTURE

Urban Utilities is a Queensland statutory body that provides drinking water, recycled water and sewerage services in South East Queensland, Australia.

Our 14,384km² geographic area is made up of the five local government areas of our shareholders: Brisbane City, Ipswich City, Lockyer Valley Regional, Scenic Rim Regional and Somerset Regional Councils. We operate in a unique environment where we serve the same customers and communities as our shareholders. We are governed by an independent Board, and our head office is based in Brisbane, Queensland, Australia.

As a statutory authority servicing communities in South East Queensland, and with a total revenue of \$1,435.7 million, we are a reporting entity for the purposes of the Act.

2. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

2.2 OUR OPERATIONS

Urban Utilities is responsible for delivering drinking water, recycled water and sewerage services to 621,000 residential properties and 37,000 commercial properties in South East Queensland, Australia. We deliver these services via our \$6.3 billion infrastructure network, which is supported by a workforce of 1,080 employees.

To enable our core services, we undertake several related functions, including:

- **Future services planning** – Through our key strategic infrastructure planning document, the Water Netserv Plan, we inform the community of current and future connection areas to support regional and local planning and guide the delivery of infrastructure to facilitate growth and development in our regions.
- **Asset planning and management** – We are continually looking at ways to optimise asset planning and management to achieve the right balance between cost, risk and performance. This reporting period we invested \$342 million in new and upgraded infrastructure to improve the reliability and sustainability of our water and sewerage networks. We also continued our digital transformation, including the implementation of our Enterprise Asset Management Solution, which will provide an uplift in the management and support of our assets, supply chain, mobile workforce and financial transactions.
- **Water meter management and billing** – Water meters are integral to our provision of water services, as the primary mechanism through which water consumption is measured for billing purposes. Water meters are also an important way through which our customers can manage their water usage, particularly in times of drought. As such, water meter reliability and accuracy is paramount and is prioritised through our water meter replacement program.
- **Development assessment and approvals** – The connection, disconnection or alteration of drinking water and wastewater services at a site is critical to property development. They must be done in accordance with the relevant Urban Utilities approvals to ensure we can appropriately manage any change in demand on our network infrastructure and to ensure protection of the integrity of our network infrastructure.
- **Waste management (including trade waste)** – Waste must be managed appropriately to ensure the integrity of our infrastructure and the treatment processes, the safety of our people, the protection of the environment, and the integrity of downstream water recycling and biosolid reuse.

While we successfully deliver our water and sewerage services against a strict compliance framework, we are exploring alternative servicing solutions that reduce our impact on waterways and the broader landscape and will help us improve the health of our waterways and bays.








- **Research and development** – Urban Utilities is committed to innovating for a better future. This commitment is supported by our state-of-the-art Innovation Precinct, which houses \$20 million worth of research projects that involve 24 partner organisations and universities.

Urban Utilities also operates the Scientific Analysis Services (SAS) Laboratory, which is responsible for providing water sampling services and chemical and microbiological analysis to Urban Utilities and a range of private and public sector entities.

For full details, please refer to [Urban Utilities' Annual Report FY20/21](#).

Our infrastructure network

Our vast water and sewerage networks are made up of thousands of kilometres of mains and hundreds of individual assets. These include:

	9,889 KM OF SEWERAGE MAINS
	9,665 KM OF WATER MAINS
	340 SEWAGE PUMP STATIONS
	30 SEWAGE TREATMENT PLANTS
	63 WATER PUMP STATIONS
	117 WATER RESERVOIRS
	87 WATER BOOSTERS

2. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

2.3 OUR SUPPLY CHAIN

As one of the largest water distributor-retailers in Australia, responsible for supplying drinking water, recycled water and sewerage services to a population of more than 1.5million in South East Queensland, our major categories of procurement spend to support our capital and operational core functions are:



While the diversity of the goods and services we procure can potentially expose Urban Utilities to multiple risks, we apply a systematic approach to managing risk throughout our procurement decision-making processes, which we consider an essential element of identifying and addressing modern slavery practices.

In FY20/21, Urban Utilities maintained a supply base of 802 suppliers located across 9 countries. The majority of our \$490 million supplier spend was with first tier/direct suppliers located in Australia.

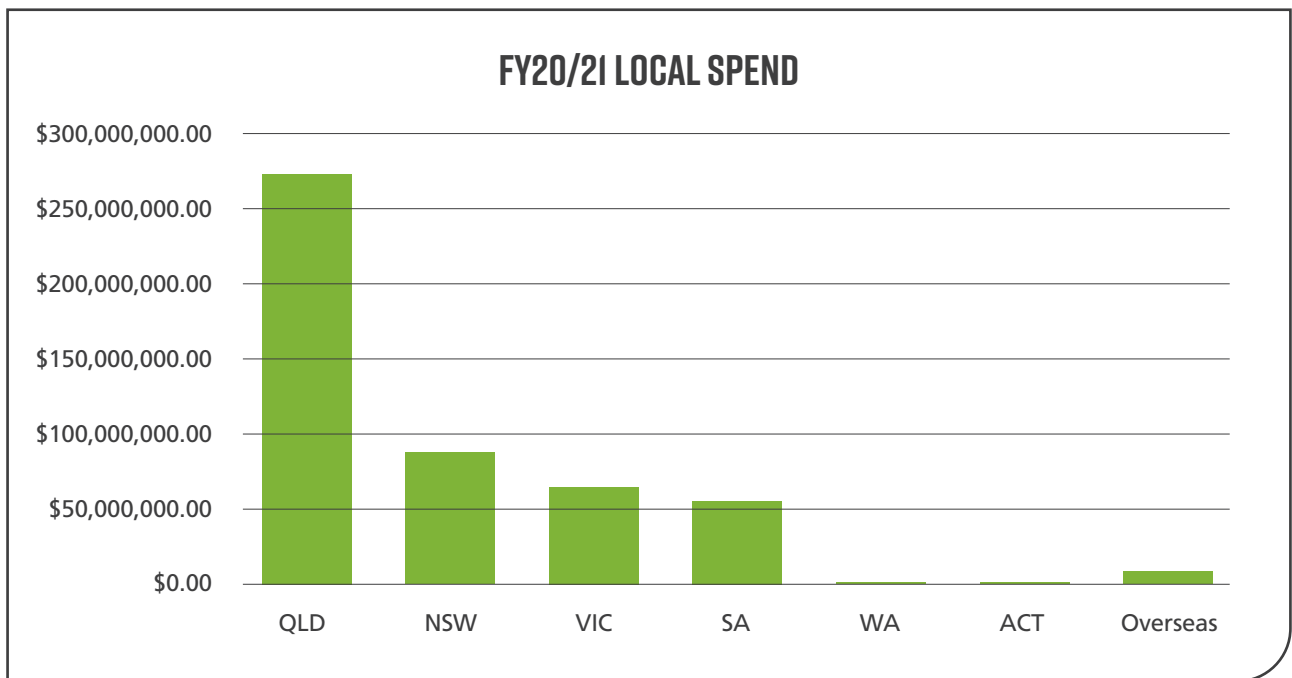


Figure 1: Our FY20/21 local spend at a glance.

2. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

During FY20/21, Urban Utilities’ supply chain included 26 overseas suppliers, with the majority of our overseas expenditure in:

Europe – supply of specialised water treatment equipment from Norway, and IT software licensing and support from the United Kingdom, Ireland and the Netherlands;

North America – IT software licensing and managed services from the United States and Canada; and

Asia – supply of software licenses from companies based in Israel and United Arab Emirates.

The figure below shows the distribution of our overseas spend per continent:

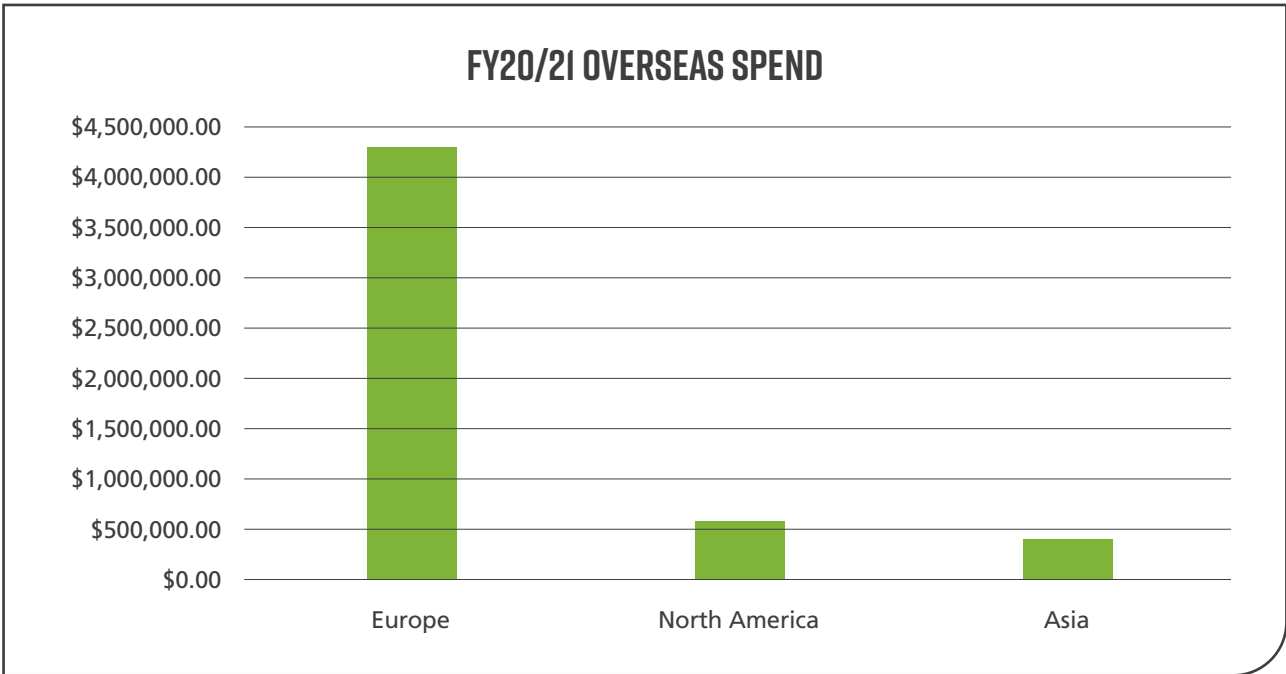


Figure 2. Our FY20/21 overseas spend at a glance.

The goods and services we purchased from overseas suppliers has been assessed as low-risk in terms of the inherent risk of modern slavery, based on the nature of the goods or services purchased and their country of origin.

3. RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAIN

3.1 OUR APPROACH

Urban Utilities is committed to delivering our products and services to the community in a manner that is consistent with our corporate values and protects human rights.

We have a robust corporate governance framework in place, which is overseen by Urban Utilities' Board and the Audit, Risk and Finance Committee. Our Risk Management Policy and Risk and Opportunity Management Procedure establish a comprehensive management and assessment framework for risk within Urban Utilities. Underpinning this framework are Urban Utilities' suite of policies, several of which are relevant to modern slavery.

These include our:

- Corporate Compliance Policy;
- Code of Conduct;
- Procurement Policy;
- Fraud, Corruption and Whistleblower Policy; and
- Supplier Code of Conduct.

Our Chief Financial Officer is the accountable officer for addressing modern slavery risks, supported by General Counsel, Chief Experience Officer, Executive Leader Corporate Affairs, Head of Procurement and Supply, and other members of the Executive and management teams.

Our Modern Slavery Working Group includes representatives from the Procurement and Supply, Legal, Risk, Corporate Affairs and Experience teams, and is responsible for implementing our Modern Slavery Action Plan. Updates are provided periodically to the Procurement Advisory Group (which is comprised of the Chief Executive Officer, General Counsel and Head of Procurement and Supply) on the progress of our activities.

The day-to-day implementation and management of the Modern Slavery Action Plan is cross-functional and our internal business units work together to embed the initiatives outlined in the plan. Specifically:

- the Procurement and Supply team manages all procurement processes, including supplier due diligence, contract execution and management;
- our Legal and Risk team provides advice and guidance on legislative compliance and incident management;
- the Corporate Affairs team manages independent assurance; and
- the Experience team manages the recruitment of employees and contingent labour staff.

We continue to articulate our modern slavery obligations and expectations to suppliers through our [Supplier Code of Conduct](#) which forms part of our tendering compliance process and contractual terms that are reflective of the modern slavery risks posed by the supplier, industry and/or goods and services being procured.

In addition to our risk assessment process, our Procurement and Supply team regularly reviews media stories and collaborates with industry groups to keep abreast of emerging human rights issues and risks. We anticipate, and are watching for, increased human rights risks related to products in our supply chain, including any emerging risks from the ongoing COVID-19 pandemic.

3. RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAIN

3.2 OUR OPERATIONS

During the reporting period, labour arrangements data for Urban Utilities identified:

- a) That a total of 1,157 people were employed or engaged by Urban Utilities in some capacity. Note this figure does not include the workforce of our key partners.
- b) Of this 1,157, 1,080 employees (being 93%) were directly engaged by Urban Utilities in a permanent (full-time or part-time) capacity.
- c) The remaining 7% of our workforce was contingent labour engaged through recruitment agencies.
- d) Of our contingent labour engagements, most contractors were engaged to support digital information services and operations and service delivery functions. Contingent labour are engaged through formal, documented arrangements with contingent labour providers holding a requisite license under Queensland labour hire legislation.

Urban Utilities' recruitment processes incorporate verification and due diligence checks to ensure that employees have a "Right to Work" in Australia, and that any Urban Utilities employee or contingent worker on a visa complies with the visa requirements. Audits of contingent workers are conducted periodically by our provider, in which recruitment agencies are required to provide evidence of compliance (that is, copies of passports, visa and vevo checks). Further, employees are engaged under various Fair Work Commission-approved industrial agreements, and Common Law Contracts.

As for the contingent labour component of our workforce, the majority of contingent labour is facilitated through one provider who supplies a broad range of skilled workers via a network of recruitment agencies. Under this arrangement:

- a) Urban Utilities has direct oversight and visibility of the people engaged;

- b) Urban Utilities has transparency over the rates paid to our contingent workforce;
- c) recruitment agencies are required to comply with legislative requirements, including modern slavery laws; and
- d) Urban Utilities has visibility of a worker's "Rights to Work", including any work visas.

To enable us to understand the controls in place by our labour hire providers, during FY20/21 we sought the completion of our Modern Slavery Supplier Questionnaire by these suppliers. Of the 19 suppliers assessed via our Modern Slavery Risk Assessment Tool, it was determined that all suppliers had appropriate controls in place to identify and mitigate modern slavery risks.

Overall, the risk of modern slavery in Urban Utilities' operations has been independently assessed as being low.

3.3 IMPACTS OF COVID-19 ON OUR OPERATIONS

During the COVID-19 pandemic, Urban Utilities has maintained its focus on delivering water and sewerage services to our commercial and residential customers.

We have implemented the following measures to ensure that our employees are protected:

- COVID-19 Transition Roadmap;
- Implementation of COVID Safety Plans for our worksites;
- COVID-19 Return to Workplace inductions and checklists;
- COVID-19 leave entitlements for employees unable to perform their normal or suitable alternative duties at home; and
- Ongoing communication and updates.

3. RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAIN

3.4 OUR SUPPLY CHAIN

Urban Utilities procures goods and services in accordance with our corporate policies, processes and frameworks. These policies and processes are applicable to all employees involved in purchasing goods and services on behalf of Urban Utilities. They set out how we plan, source and manage our supply agreements and supplier relationships throughout the procurement lifecycle.

Our procurement objective is to maximise the benefits and value delivered through the procurement of goods and services for Urban Utilities, its stakeholders, customers and the wider community. Urban Utilities' procurement principles centre on:

- securing value for money outcomes from its procurement activities;
- ensuring probity, integrity and accountability for outcomes;
- endeavouring to advance economic, environmental and social objectives; and
- effectively managing risk.

Our Modern Slavery Risk Assessment Tool is designed to provide Urban Utilities with an ongoing framework from which to assess the risk of modern slavery in our operations and supply chains. In identifying the risks of modern slavery practices, we consider the potential for us to cause, contribute to or be directly linked to modern slavery through our operations and supply chains. The tool empowers us to expand the risk assessment of our tier one suppliers each year. It also encourages us to procure more consciously in the future, to further understand and eliminate the modern slavery risks in our supply chain, thus maturing our understanding of our supply base.

To ensure that we continue to build on our understanding of modern slavery risks within our supply chain, we have continued to conduct risk assessments of our existing tier one suppliers and all new suppliers engaged as a result of a procurement activity.

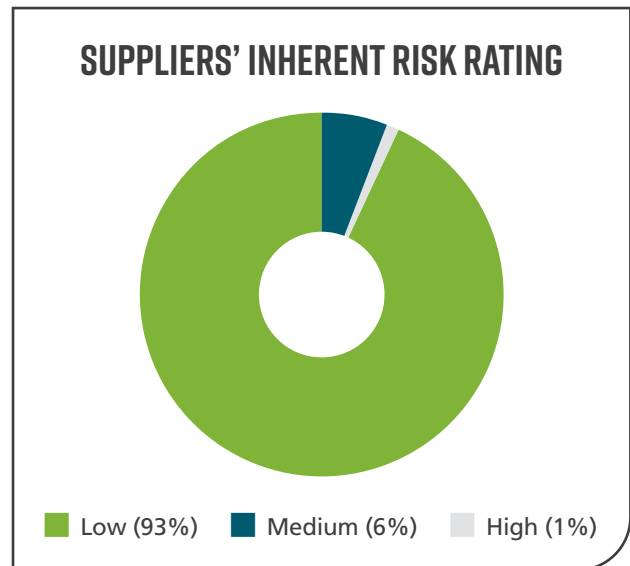
High level desktop assessments are initially completed using a variety of information sources, including the *Global Slavery Index*; *Commonwealth of Australia, Hidden in Plain Sight, Final Report of the Inquiry into Establishing a Modern Slavery Act in Australia*; and *US Department of Labour's 2018 List of Goods Produced by Child Labour or Forced Labour*, to determine the inherent risk of modern slavery based on country risk, industry/sector and products/services risks.

A summary of the findings from the assessment of our active suppliers is provided below:

i. Inherent overall risk rating

The inherent risk rating for a supplier was determined based on the prevalence of slavery within their respective industries/sectors, goods or services provided or country where the goods or services were being supplied from.

The graph provides a summary of the breakdown of the inherent risk of modern slavery of Urban Utilities' suppliers.



These results indicate that the inherent risk of modern slavery within the Urban Utilities supply chain is low-medium.

3. RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAIN

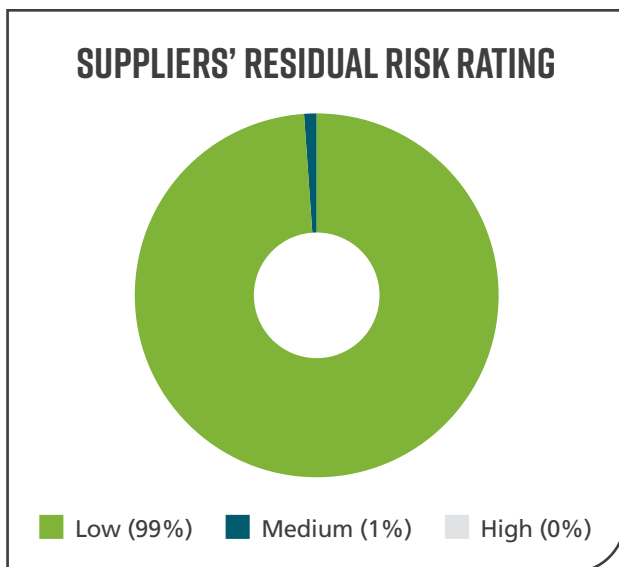
ii. Controls score

To determine what controls potential high-risk suppliers have in place to identify and mitigate modern slavery risks, suppliers were asked to complete our Modern Slavery Supplier Questionnaire. The supplier responses were analysed via our Modern Slavery Risk Assessment Tool and a score was applied based on the sufficiency of the supplier’s modern slavery controls. These results indicate that while there may be an inherent modern slavery risk of low-medium, the majority of suppliers have appropriate controls in place to identify and mitigate modern slavery risks.

During the reporting period, we have assessed an additional 58 suppliers via our Modern Slavery Risk Assessment Tool. This brings the cumulative total to 108 suppliers who have been assessed via the tool since 1 July 2019.

iii. Residual risk score

The graph provides a summary of the residual risk score, which takes into consideration the outcomes of the inherent risk score and controls score.



The residual risk rating indicates that the suppliers have sufficient controls in place to identify and mitigate modern slavery and human rights risks.

As a result of our assessment of our tier one supply chain, we have identified the following:

- Our higher-risk suppliers are in the following areas:
 - **Cleaning, Security and Traffic Control Services** – Given the nature of work in this sector, there are inherent risks of worker vulnerability and labour exploitation, including in Australia, due to low-skilled, low-paid manual work and the high prevalence of short term, seasonal and migrant workers and subcontractors.
 - **Clothing and Protective Personal Equipment (PPE)** – The uniforms of our field workers are made of cotton, an industry which is well known to have child labour and forced labour involved in the preparation of raw materials and the manufacture of the apparel.
 - **Electronics** – This industry is recognised globally as a high-risk industry of forced labour and child labour. Manufacturing often occurs in locations with minimal regulation and oversight, where workers have limited resources for resolving grievances.
- as almost all of Urban Utilities’ direct suppliers are based in Australia, the geographical risk is low; and
- the residual modern slavery risk rating within Urban Utilities’ supply chain is low.

Urban Utilities will continue to expand our understanding of modern slavery risks within our supply chain by continuing to conduct risk assessments of our existing suppliers and new suppliers engaged as a result of future procurement activities. We will also work with the suppliers that it considers to have insufficient controls through its contract management and supplier relationship management frameworks, to better understand the risk level and, where necessary, develop a plan for remediation.

3. RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAIN

3.5 IMPACTS OF COVID-19 ON OUR SUPPLY CHAIN

Urban Utilities recognises that COVID-19 may increase modern slavery risks in parts of its supply chain due to the need to engage alternative suppliers through fast-track procurement processes from time to time. We are committed to managing the risks associated with our purchasing decisions and balance this with enhancing the resiliency and efficiency of supply chains. We have maintained a strong focus on effective supplier governance and continue to expand our understanding of the modern slavery risks in our supply chain by assessing modern slavery risks of newly onboarded suppliers and working collaboratively with any new suppliers with inherent modern slavery risks.

We also understand that workers who produce the goods and supply the services we need during COVID-19 may be in a position of increased vulnerability. We have taken care to, where possible, engage primary and secondary suppliers, including the use of local suppliers, so orders for high-usage items (such as PPE) can be placed with multiple suppliers to avoid creating unreasonable supply and delivery timeframe pressures on suppliers.

4. ASSESSMENT AND MITIGATION OF MODERN SLAVERY RISKS

Our key controls to manage potential or actual risks of modern slavery in our operation and supply chain are:

- Modern Slavery Risk Assessment Tool and supplier due diligence processes;
- policies, processes and procedures;
- robust contractual frameworks, and
- employee and supplier education and engagement.

4.1 DUE DILIGENCE PROCESS

Due diligence underpins our management of modern slavery risks and assists us in the identification, prevention and mitigation of modern slavery risks and potential exposure to human rights violations more broadly.

Risk Assessment Tool

We utilise our Modern Slavery Risk Assessment Tool to identify potential high-risk suppliers through the assessment of the following factors:

- *Geographic risk by reference to the Global Slavery Index 2018* – Some countries have a higher prevalence of modern slavery, which is often associated with poor governance, weak rule of law, conflict, migration flows and socioeconomic factors, such as poverty.
- *Industry/sector risk* – Particular industries and sectors may have higher modern slavery risks due to the prevalence of undeclared labour, illegal labour and risk of human trafficking.
- *Product or service risk* – Certain goods and services may have high modern slavery risks because of the way they are produced, provided or used.

4. ASSESSMENT AND MITIGATION OF MODERN SLAVERY RISKS

Supplier due diligence

Our Procurement and Supply team conducts a range of supplier due diligence assessments at various stages of our procurement lifecycle.

- *Supplier onboarding* – Suppliers are required to complete self-assessment modern slavery questions on modern slavery risks as part of the Invitation to Offer or Request for Quote process. The information gathered through these processes is aligned with the information required for our Modern Slavery Risk Assessment Tool. The information provided in response to these questions assists Urban Utilities to identify potential areas of risk. Where additional information is required, suppliers may be required to complete further due diligence through the completion of a Modern Slavery Supplier Questionnaire. Suppliers that are identified as having a high risk will be subjected to continuous monitoring by our Procurement and Supply team via our contract management and supplier relationship management frameworks.
- *Desktop supplier assessments* – A high-level assessment of the inherent risks of modern slavery (that is geographic risk, industry/sector and product or service risk) is completed for each new supplier via a desktop review. Where an inherent risk of modern slavery is identified based on these indices, the supplier is required to complete the Modern Slavery Supplier Questionnaire. During FY20/21, we assessed 144 new suppliers and issued the Modern Slavery Supplier Questionnaire to 15 suppliers who have an inherent risk of modern slavery (based on the abovementioned risk factors).
- *Modern Slavery Supplier Questionnaire* – Our supplier questionnaire, which was launched in FY19/20, forms an important component of our process to identify and assess risks with our higher-risk tier one suppliers. The questionnaire has 15 questions to assist suppliers in identifying modern slavery risks in their operations and their supply chain. The information gathered from questionnaire responses is analysed using the Modern Slavery Risk Assessment Tool to determine whether:
 - o the supplier has risks of modern slavery;
 - o the supplier has sufficient controls in place to manage any risks; and
 - o further due diligence/risk management activities via contract management or supplier relationship management frameworks is required.
- *Supplier Code of Conduct (Supplier Code)* – Urban Utilities' Supplier Code outlines our commitment to doing business with ethically, environmentally and socially responsible suppliers and is aligned with our strategic goals and objectives. The Supplier Code clearly communicates what we expect of our suppliers and their supply chain, in supplying goods and services to us. New and existing suppliers are required to demonstrate their commitment to and compliance with the standards and expectations outlined in the Supplier Code by acknowledging that they have read and accept the obligations of the Code via the execution of a formal letter of commitment. Our Supplier Code is a key component of our overall approach to responsible procurement.
- *Contract terms and conditions* – Our standard Purchase Order terms and conditions include a specific modern slavery clause to which suppliers must comply. Suppliers are required to notify us immediately of any suspected or actual modern slavery offence committed in their operations or supply chain. In the event of an actual or suspected modern slavery offence and without limiting any other available right or remedy, Urban Utilities may suspend or terminate the contract. Further, when executing contractual agreements with successful suppliers following a formal procurement process, we consider the modern slavery risks of the goods or services we are procuring and apply the appropriate modern slavery clause commensurate with the potential or actual risk identified. Our recently developed and continually refined Modern Slavery Clause Bank assists with determining the appropriate clause to be enacted based on the risk level.

4. ASSESSMENT AND MITIGATION OF MODERN SLAVERY RISKS

MODERN SLAVERY CONTRACT CLAUSE:

Below is an extract from our Modern Slavery Clause Bank, which provides an example of how modern slavery contractual obligations are included in contracts when procuring goods and/or services that may attract higher levels of modern slavery risk.

Definitions:

- **Modern Slavery** has the meaning given to it in the Modern Slavery Law.
- **Modern Slavery Law** means the Modern Slavery Act 2018 (Cth).
- **Supplier Code of Conduct** means Urban Utilities' Supplier Code of Conduct.

MODERN SLAVERY:

General obligations

- The Supplier must comply with its obligations, if any, under the Modern Slavery Law and any equivalent Act in any State.*
- The Supplier will implement due diligence procedures for its Personnel and other participants in its supply chains, to ensure that there is no Modern Slavery in its operations or supply chains.*
- The Supplier will, at its own cost, promptly:*
 - provide training to its Personnel on the Modern Slavery Law and its Modern Slavery obligations under this Agreement;*
 - provide information to Urban Utilities, upon Urban Utilities reasonable request in respect of Modern Slavery, including in relation to:*
 - the structure, operations and supply chains of the Supplier;*
 - the risks of Modern Slavery practices in the operations and supply chains of the Supplier, and any Related Entity of the Supplier;*
 - the actions taken by the Supplier and any of the Supplier's Related Entities, to assess and address those risks, including due diligence and remediation processes;*

- how the Supplier assesses the effectiveness of such actions;*
 - the Supplier's process of consultation with any of its Related Entities; and*
- co-operate with, and provide reasonable assistance to, Urban Utilities in order for it to comply with the Modern Slavery Act;*
 - notify Urban Utilities as soon as it becomes aware of any actual or suspected Modern Slavery in its operations or a supply chain which has a connection with this Agreement.*

Warranties

The Supplier warrants that all information provided to Urban Utilities under this clause is complete and accurate. The Supplier must immediately notify Urban Utilities if any of the information ceases to be accurate at any time during the Term.

Breach of Modern Slavery requirements

Should Urban Utilities determine that a failure by the Supplier or its Personnel to comply with a requirement of this clause x constitute a material breach of this Agreement, (without limiting any other right or remedy available to Urban Utilities) Urban Utilities may:

- Immediately suspend the Supplier's performance of a Service or this Agreement at the Supplier's expense until the failure has been remedied to Urban Utilities' satisfaction; and/or*
- Direct the Supplier to remove any Personnel who fail to comply with the requirements of this clause x.*

SUPPLIER CODE OF CONDUCT

The Supplier must comply with the Supplier Code of Conduct at all times during the term of the Contract. If requested by Urban Utilities, the Supplier must acknowledge compliance in writing at Contract commencement and/or at such other time as requested by Urban Utilities.

4. ASSESSMENT AND MITIGATION OF MODERN SLAVERY RISKS

4.2 GRIEVANCE AND REMEDIATION PROCESSES

We are committed to the protection and respect of human rights across our business and supply chain. Our UrbanDisclosure Program is an independent service that provides a mechanism for employees, suppliers, the community and stakeholders to raise grievances, including potential instances of modern slavery and human rights abuses, and report concerns about illegal, unethical or suspect behaviour that is contrary to the Urban Utilities Code of Conduct, values and behaviours. You can read more about the [UrbanDisclosure Program](#) on our website.

Our Complaints Management Policy and framework includes human rights considerations, with complaints of a human rights nature categorised as high priority, and modern slavery whistle-blowers are protected under Queensland legislation and under our Whistleblower Policy and associated procedures.

4.3 RAISING AWARENESS, TRAINING AND CAPABILITY BUILDING

Our employees are key to identifying and addressing the risks of modern slavery and our training aims to provide our people with a general awareness and understanding of modern slavery and modern slavery risks in Urban Utilities' business and supply chain. The online training provides an overview of:

- the objectives of the Act;
- modern slavery in Australia;
- potential modern slavery risks for Urban Utilities;
- Urban Utilities' obligations under the Act; and
- actions being undertaken by Urban Utilities to address modern slavery in its business.

The training was developed internally by subject matter experts from the Procurement and Supply and Legal teams, in conjunction with our Learning and Development team, and was launched in June 2020. It is mandatory for employees whose roles require an understanding and awareness of modern slavery risks in our operations and supply chain, including our Executive Leadership Team, senior managers, contract managers, human resources, risk, legal and compliance teams, and procurement team. As at 30 June 2021, 304 employees had completed the Modern Slavery Awareness Training, which includes knowledge checks. The cumulative number of employees completing the training will continue to increase each year as the training, and refresher training, continues to be rolled out across the business.

304 employees have completed the Modern Slavery Awareness Training.

Our Procurement and Supply team regularly reviews media stories in order to be alerted to emerging issues, reported or suspected instances of modern slavery and human rights breaches at a state, national and international level, involving current or potential suppliers and relevant industries.

Our Legal Team also monitors the legal and political environments for legislative change, precedents and political directives.

We will continue to participate in external forums to increase our knowledge and understanding of the Act and its objectives, improve our awareness of modern slavery and its affects, and to contribute to and help drive transparency of modern slavery in Australia in order to mitigate and eliminate its risks.

4. ASSESSMENT AND MITIGATION OF MODERN SLAVERY RISKS

CASE STUDY

Expanding modern slavery awareness and education

As part of our broader awareness and education program across the business, a modern slavery presentation was provided to the Legal and Risk Team (encompassing our Legal, Risk, Resilience, Protective Security, Compliance and Insurance portfolios) during FY20/21, which covered:

- a refresh of the Act and what constitutes modern slavery;*
- modern slavery in Australia and internationally;*
- Urban Utilities' obligations under the Act;*
- an overview of Urban Utilities' first Modern Slavery Statement; and*
- actions we have taken and continue to take to minimise modern slavery in our business.*

This presentation generated a number of questions and incited subsequent discussions within individual portfolios, serving to raise awareness of modern slavery risks in Australia and locally, highlight Urban Utilities' modern slavery risk mitigation activities and garner interest in the ethical practices of suppliers and other well-known companies more generally.

We will look to expand these information sessions across the business during the next reporting period.

5. EFFECTIVENESS OF OUR ACTIONS

We recognise the value of continual improvement and the importance of assessing the effectiveness of the actions and outcomes taken to address modern slavery risks.

Urban Utilities' Modern Slavery Action Plan sets out activities to be completed year on year to identify modern slavery risks, implement controls to mitigate these risks and implement assurance activities to provide oversight that the risks are being managed. Our progress against this Action Plan is monitored by our cross-functional Modern Slavery Working Group.

Accordingly, our Modern Slavery Working Group is best placed to lead the evaluation process of the effectiveness of our actions, which include:

- an annual review of the modern slavery risk of our operations via our Modern Slavery Risk Assessment Tool;
- monitoring the progress of supplier risk and assurance activities;
- measuring our performance through the establishment of metrics;
- seeking feedback from employees on the effectiveness of our training via our online survey;
- collaborating with other organisations to share knowledge and identify gaps.

In addition to the above, we regularly review and assess the effectiveness of our policies, codes, standards and procedures as part of our Risk Management Framework.

Metrics used to monitor our progress include:

- Progress of the activities outlined in our Modern Slavery Action Plan
- Number of whistleblowing alerts raised during the year
- Number of human rights complaints raised during the year
- Proportion or number of complaints resolved by a grievance mechanism
- Number of employees who have completed our modern slavery training
- Insights provided from modern slavery training survey
- Number of desktop risk assessments undertaken by country and industry/sector risk
- Number of tier one suppliers assessed via our Modern Slavery Risk Assessment Tool
- Number of tier one suppliers that have completed our Modern Slavery Supplier Questionnaire
- Completed policy reviews in line with our assurance activities

Insights drawn from these measurements inform our immediate and longer-term risk management approach and feed into our overall human rights strategy. In FY21/22, we will assess the practicality of these measurements commensurate to risk, identify gaps, and incorporate changes into a broader effectiveness and evaluation framework. Over time, we aim to report on the impact of our activities.

5. EFFECTIVENESS OF OUR ACTIONS

CASE STUDY

Effectiveness of our Modern Slavery Awareness Training

To determine the success and outcomes of our internal modern slavery awareness training, we launched a survey during FY20/21 which asks three questions:

- 1. Do you understand what modern slavery is?*
- 2. Are you clear about what Urban Utilities is doing to mitigate modern slavery risks in its business and supply chains?*
- 3. Is there anything we could do that would make this training better?*

As at 30 June 2021, 162 survey responses had been received. An analysis of the responses to the three questions identified that following the training:

- 1. 90% of respondents were very aware of what modern slavery is.*
- 2. 71% of respondents had a very good understanding of the actions Urban Utilities is taking to identify and mitigate modern slavery risks in its operations and supply chain.*
- 3. While the majority of respondents found the training to be informative, clear, and provided adequate context and awareness, suggested improvements included ongoing communications across the business and the inclusion of case studies.*

We will continue to assess the effectiveness of our training and seek feedback from our employees to determine ways to improve and redesign the training program, where required.

6. LOOKING FORWARD

Urban Utilities is committed to continually improving our understanding and management of modern slavery risks. We expect our approach to managing the risk of modern slavery to evolve as we learn from our risk assessments, refine our practices and continue to build knowledge and capacity across our business.

Looking ahead, our Modern Slavery Working Group has set the following priorities for FY21/22:

6.1 OPERATIONS

- Continue to roll out our Modern Slavery Awareness Training for employees occupying roles that require an understanding and awareness of modern slavery risks in our operations, supply chain or both.
- Continue to embed the consideration of human rights impacts in our actions and decision-making processes, including in new and existing policies, procedures and standards, to align with our legislative and social obligations and risk profile.
- Continue to monitor media alerts to ensure that we keep abreast of current and emerging human rights issues and modern slavery risks to our business.
- Review our community support program for opportunities to support charities or organisations whose causes specifically support those vulnerable to modern slavery practices.
- Continue to assess and map Urban Utilities' tier one supply chain, including new and existing suppliers via the Modern Slavery Supplier Questionnaire.
- Engage with our suppliers to raise awareness and improve performance as part of our contract management and supplier relationship management frameworks.
- Develop and implement modern slavery training for our suppliers to cement Urban Utilities' modern slavery elimination expectations, build awareness and understanding, and support engagement and relationship building.
- Implement a process where Modern Slavery Supplier Questionnaires are reissued every two years to our active suppliers.
- Implement a process where our Supplier Code of Code is part of our contract renewal process.
- Monitor ongoing impacts of COVID-19 on our supply chains, prioritising countries and products/sectors most at risk.

We are proud of our progress to date, but we recognise there is more to do. We are committed to the ongoing delivery of our initiatives and partnering with our suppliers and stakeholders to eradicate modern slavery.

6.2 SUPPLY CHAIN

- Further embed supply chain due diligence processes to ensure modern slavery risks are evaluated effectively during procurement processes, including during the supplier onboarding process.

7. OTHER RELEVANT INFORMATION

Urban Utilities provides sponsorship and support to a number of organisations supporting our communities' most vulnerable, including:

- **Foodbank Queensland** – Foodbank is Australia's largest food relief organisation, providing crucial support to the front-line charities who are feeding vulnerable Australians. Urban Utilities' partnership with Foodbank Queensland has enabled Foodbank Queensland to provide food products to 12 food relief charities in Ipswich, as well as food products to 53 school breakfast programs in the Ipswich, Lockyer Valley, Scenic Rim and Somerset regions.
- **Orange Sky Laundry (services for homeless)**
– The Orange Sky Laundry's mission is to positively connect communities through the provision of free laundry, showers and conversation. Our sponsorship began in 2016 and supports 5,800 plus people experiencing homelessness in Brisbane with hot showers, clean clothes, and improving social connection through genuine conversation.
- **Salvation Army's Red Shield Appeal, Ipswich**
– The Red Shield Appeal is the Salvation Army's signature fundraising drive, raising funds for Ipswich-based social and community services with a focus on homeless and accommodation services, including domestic violence, financial counselling and youth support. We have a long association with the appeal, beginning in Brisbane (2011-2014) and moving to Ipswich in 2015.
- **Thriving Communities** – The Thriving Communities Partnership is a cross-sector collaboration with the goal that everybody has fair access to the modern essential services they need to thrive in contemporary Australia, including utilities, financial services, telecommunications and transport. The Thriving Communities Partnership aims to build more resilient communities and stronger organisations. Urban Utilities has partnered with Thriving Communities since 2019 to support our programs and commitments to customers experiencing financial vulnerability.

We recognise the importance of collaboration when addressing risks of modern slavery. We regularly participate in industry initiatives and external forums that encourage people to share knowledge, learnings and best practice. This helps overcome challenges and evaluate whether our initiatives are in line with industry and societal expectations.

During this reporting period we have:

- Continued to participate on the Queensland Government Modern Slavery Community of Practice, which was established by Queensland Rail following the introduction of the Act. This group is made up of representatives from Queensland-based government entities and statutory authorities to share learnings and best practice initiatives on identifying, assessing and mitigating modern slavery risks.
- Contributed to the Queensland Government modern slavery framework and roadmap by:
 - o attending meetings to share our knowledge and learnings and inform policy; and
 - o providing input into development of departmental documents.

We look forward to continuing to work with and contribute to business, industry, government and community forums in order to play an active role in addressing and combating modern slavery in Australia.

8. CONSULTATION, ENDORSEMENT AND APPROVAL

8.1 CONSULTATION

The following internal business areas were consulted throughout the development of this Statement:

- Legal;
- Risk;
- Corporate Affairs;
- Experience; and
- Procurement and Supply.

8.2 ENDORSEMENT

This Statement was endorsed by the Urban Utilities Executive Leadership Team on 14 October 2021.

8.3 APPROVAL

This Statement was approved by the Urban Utilities Board on 15 November 2021 and is signed by Bronwyn Morris, Chair of Urban Utilities Board and Louise Dudley, Chief Executive Officer, in accordance with the requirements of Section 13 of the *Modern Slavery Act 2018* (Cth).



Bronwyn Morris
Chair of Urban Utilities Board



Louise Dudley
Chief Executive Officer

APPENDIX – MODERN SLAVERY STATEMENT COMPLIANCE CHECKLIST

This Statement was prepared to meet the mandatory reporting criteria set out under the *Modern Slavery Act 2018* (Cth).

The table below identifies where each criterion is disclosed within the different sections of the statement.

Mandatory Criteria	Modern Slavery Statement FY20/21
Identify the reporting entity.	Inside front cover
Describe the reporting entity's structure, operations and supply chains.	Our structure, operations and supply chain (pages 4 – 7)
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	Risks of modern slavery in our operations and supply chain (pages 8 – 12)
Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	Assessment and mitigation of modern slavery risks (pages 12 – 16)
Describe how the reporting entity assesses the effectiveness of these actions.	Effectiveness of our actions (pages 17 – 18)
Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls.	Urban Utilities does not own or control any other entities and therefore this criterion is not applicable.
Any other information that the reporting entity, or the entity giving the statement, considers relevant.	About this Statement (page 4) Looking forward (page 19) Other relevant information (page 20) Consultation, endorsement and approval (page 21)



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