

Modern Slavery Statement

2022 – 2023



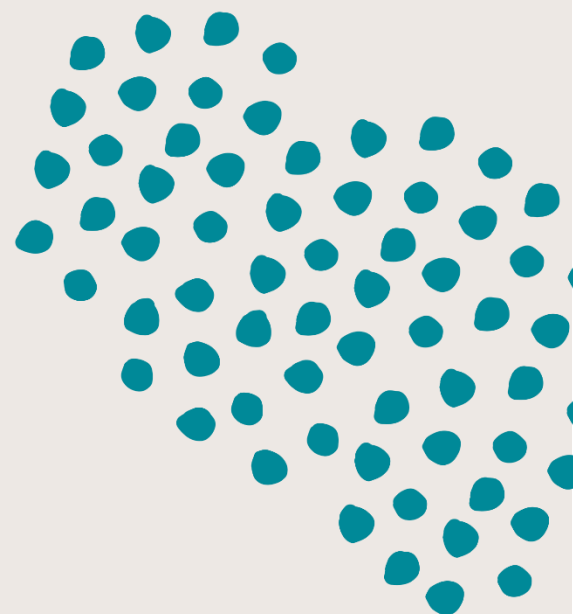
This is Barwon Water's fourth Modern Slavery Statement in accordance with *Modern Slavery Act 2018 (Cth)*.



Acknowledgment

Barwon Water acknowledges the Traditional Owners of the land on which we live and work, and pay respect to Elders, past, present and emerging.

We recognise Aboriginal and Torres Strait Islander peoples as the First Peoples of this nation who have managed water and the environment for thousands of years. It is a privilege to share in the knowledge and experiences from the oldest living culture in the world.



Message from our interim Managing Director



Barwon Water takes our responsibility to maintain ethical procurement practices very seriously. We understand that who we choose to do business with, and procure our supplies from, can impact much further than the boundaries of our service region. At Barwon Water - We Care – we care about our people, customers, the environment and human rights. That is why we are determined to ensure we are not contributing to modern slavery.

Any form of modern slavery is unacceptable. Barwon Water is committed to doing all we can to address the risk of modern slavery and defend human rights within our operations and those of our suppliers and partners.

Barwon Water has taken a proactive approach to the management of modern slavery risk in our operations and supply chains. We take these risks seriously and are committed to striving for increasing levels of transparency and believe the best way to identify and mitigate risks is to work collaboratively with internal stakeholders, industry and our supply network.

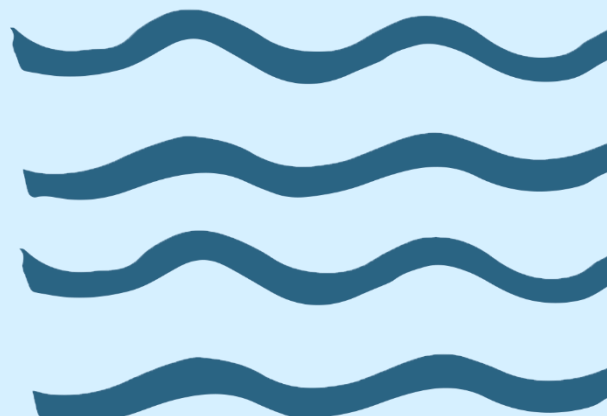
Barwon Water is proud of the progress we have made to date. Whilst we have not identified any specific instances of modern slavery in our operations or supply chain, we recognise that our journey of mitigating modern slavery risk is a continuous one. We are committed to addressing the risk of modern slavery occurring within our operations and supply chain, and will continue to pursue efforts to promote awareness of our responsibilities through the implementation of policies, processes and training.

I'm pleased to present our annual Modern Slavery Statement in response to the *Modern Slavery Act 2018 (Cth)*, which outlines the actions we've taken to identify, monitor and mitigate potential modern slavery risks within our operations and supply chains. This Modern Slavery Statement applies to both Barwon Water and our wholly owned subsidiary, Barwon Asset Solutions, and was approved by our Board of Directors on 14 September 2023.

A handwritten signature in dark blue ink, appearing to read 'Shaun Cumming'. The signature is fluid and cursive.

Shaun Cumming

Interim Managing Director





About the Barwon Water Group

Barwon Region Water Corporation trading as Barwon Water (ABN 86 348 316 514) is Victoria's largest regional urban water corporation.

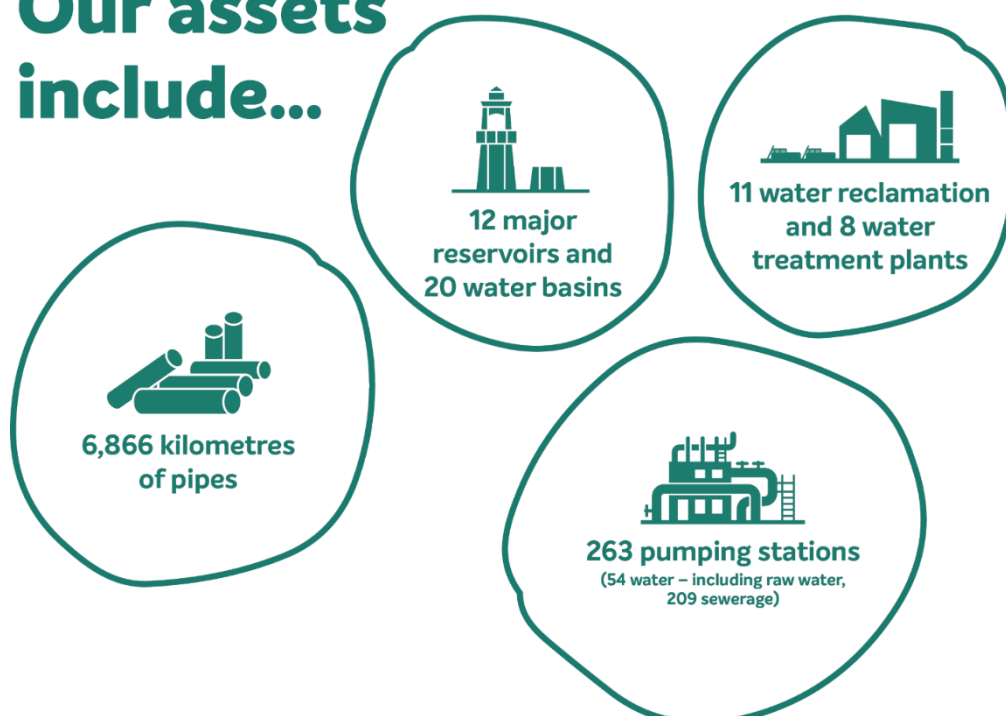
A statutory corporation under the *Water Act 1989* (Vic), Barwon Water's history can be traced back to the Geelong Municipal Waterworks Trust in 1908.

With our head office in Geelong, Victoria, Barwon Water is led by a Board comprised of nine non-executive directors and the Managing Director, who are responsible for the overall corporate governance of Barwon Water, including strategic direction, management goals and measuring success. The Board is appointed by the Minister for Water, and is governed by the *Water Act 1989* (Vic); it is supported by five executive leaders who are responsible for leading their functional business divisions.

Barwon Water provides world standard water and sewerage services to more than 349,000 permanent residents over 8,100 square kilometres. Over the holiday period, the serviced population can expand to approximately 545,000 people.

Ninety-two per cent of our customer base is residential, with the remaining 8% a mixture of commercial, industrial, and agricultural customers. Around 30% of metered consumption is attributed to non-domestic customers.

Our assets include...



Barwon Water's service region includes parts of the traditional lands of Wadawurrung and Eastern Maar, the Registered Aboriginal Parties and Traditional Owners, stretching from Little River and the Bellarine Peninsula in the east to Colac in the west, and from Meredith and Cressy in the north to Apollo Bay on the southwest coast. The service area incorporates local government areas of City of Greater Geelong, Borough of Queenscliff, Surf Coast Shire, Colac-Otway Shire and part of Golden Plains Shire.



Legend

- Water District
- Lakes
- Barwon Water reservoir
- Rivers
- Water channel/ pipelines
- Water treatment plant
- Groundwater production bores
- Main sewer
- Water service basin/ tank
- Water reclamation plant
- Sewer flow management facility
- Class A recycled water plant
- Class A recycled water tank
- Class A recycled water pipeline
- Special water supply catchment

As a major employer in the region, Barwon Water currently has over 360 operational, engineering, strategic planning, financial and administrative employees.

Barwon Water's wholly owned subsidiary, Barwon Asset Solutions (ACN 167 911 515), was formed in 2017 and is a 100 per cent locally-based company. Established to provide maintenance and project management services to Barwon Water and the region, Barwon Asset Solutions' profits and efficiency-generated savings are returned to Barwon Water to help it deliver its service and keep customer bills low. Barwon Asset Solutions has over 120 employees.

Operations and Supply Chains

Barwon Water is committed to operating our business lawfully and ethically, and working with suppliers that are aligned to our values, including corporate social responsibility, environmental and workplace safety protection, and staff inclusion and diversity. Barwon Water requires our suppliers to operate in accordance with all applicable modern slavery laws.

Barwon Water has two Enterprise Agreements which provide terms and conditions, including hours of work and pay, to the vast majority of its employees. The Agreements – Barwon Region Water Corporation Enterprise Agreement 2020 and Barwon Asset Solutions Enterprise Agreement 2022 – are negotiated every 2-3 years with the respective unions, and are governed by the State Government's Industrial Relations policies and require approval from the Fair Work Commission. Agreements are made available to all employees upon commencement of employment and remain available to employees through the Barwon Water intranet and Fair Work Commission website.

The majority of our workforce comprises permanent employees. Approximately 1.5% of our workforce is casually employed (scholarship students) and less than 1% is fixed term, primarily backfilling long term leave or specific projects. We also engage third party resources via employment agencies, for short term and project specific needs.

Our annual procurement spend is governed by the provisions of the Victorian Government Procurement Board (VGPB), and our own Procurement Policy and Procurement Governance Framework, which guides our activities to ensure that, where possible, our buying power advances social, economic and environmental objectives. We aim to ensure that our purchases represent value for money and are sourced fairly and ethically.

Barwon Water's operations make a significant positive contribution to our region's economy and livability. During 2022/23, the organisation had a \$258 million turnover supported by \$3.7 billion in assets and spent \$109.6 million in capital and related infrastructure works. Barwon Water's supply chain includes the purchase of products and services needed for the businesses day-to-day operations including water and wastewater treatment chemicals, materials, external technical and professional services, office supplies, employment and training of staff, external legal advice, IT infrastructure and support services.

Procurement spend

While the diversity of the goods and services we procure can potentially expose Barwon Water to multiple risks across a number of industry sectors, 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.

The below table shows our major categories of procurement spend to support our capital projects and core operational functions.

Category	% of total procurement spend
Maintenance Services	30%
Construction	14%
Biosolids Management	12%
Consultants (Technical and Engineering)	8%
Electricity	7%
Plumbing Services	5%
Developer Works	4%
Labour Hire / Staffing Solutions	3%
ICT Software, Hardware and Projects	3%
Other (e.g. fleet and facilities management, pump supplies, laboratory services etc.)	14%

Risks of modern slavery practices

Barwon Water have formal policies in place that promote ethical and legally compliant business conduct. Our policies contribute to our commitment to prevent violations of human rights such as modern forms of slavery in our business including the Supplier Code of Conduct, Public Interest Disclosure (whistleblower) Policy and procurement complaints processes.

Barwon Water is a foundation member of the Water Industry Procurement Working Group (WIPWG), previously known as the Social Procurement Working Group, a VicWater coordinated group of Victorian water corporations, initially formed in 2017 to address social procurement, then expanded to include modern slavery risk in the supply chain.

The WIPWG undertook a risk assessment of the industry's products and services to determine where efforts should be focused. A customised heat map, aligned with ISO 20400, was developed which ranked potential modern slavery risk across the sector's operations and supply chains. The following categories were identified as representing potential human rights risks:

- **Asset maintenance:** ongoing operations and maintenance of facilities, including cleaning and security services, grass cutting, herbicide application
- **Construction:** construction labour and engineering technical services
- **Corporate:** temporary staff, labour hire and traineeship programs
- **Customer:** debt collection services, customer research services
- **Equipment and materials:** mechanical and electrical equipment, chemical products
- **ICT:** offshore IT services.

We have reviewed the heat map against our operations and have determined these categories to still be the areas for continued focus.

Connectivity with Water Services Association of Australia (WSAA) increased during 2022-23, promoting knowledge sharing of best practice across the sector and innovations such as a

nationwide consortium of interested water sector members to digitise collection of supplier modern slavery data and educate suppliers on improvement pathways.

Actions taken to assess and address these risks

Conducting due diligence at the beginning of a sourcing event (and throughout) is a crucial part of the evaluation process, making sure suppliers and contract partners are aligned to our ethical and good practice procurement processes. Following the aforementioned activities contractual clauses, tender templates, supplier evaluation tools and contract management were reviewed and enhanced or developed to mitigate modern slavery risk, with regular reviews continuing to take place to ensure currency.

Specific ways risk has been addressed within each category include:

- **Asset maintenance:** Insourced via our wholly owned subsidiary, Barwon Asset Solutions, enabling direct oversight, control and enhanced stakeholder management. Additional reporting and assessment is conducted in the cleaning contract space, with annual modern slavery compliance statements required from our cleaning contractor.
- **Construction:** Health, Safety and Wellbeing checklists and audits developed, and strengthened modern slavery clauses included within our Technical Services Partner and Specialist Technical Services contracts.
- **Corporate:** Staffing Services State Purchase Contract (Victoria) used, ensuring prequalified suppliers used by Barwon Water are operating in accordance with the Victorian Government Purchasing Board's well established and vetted supplier arrangements.
- **Customer:** Insourcing of what is generally known as debt collection, and modifying associated customer contacts to 'Engagement and Health Check' calls.
- **Equipment and materials:** Contracts recognised as having a higher human rights risk were identified during procurement planning sessions e.g. Supply and Delivery of Water and Wastewater Chemicals contract established during 2022/23. Appropriate modern slavery items were inserted into tender documentation e.g. agreement to provide additional information regarding suppliers modern slavery position if requested (such as completion of modern slavery questionnaire), and agreement to work with Barwon Water improve their modern slavery position, thus supporting work underway with WSAA to digitize data collection. Clauses are incorporated into contract renewals to support tender requests.
- **ICT:** Ensuring offshore IT development or IT support is either insourced, or sourced locally if insourcing is not possible.





How our processes address these risks

Barwon Water has a suite of policies, procedures, codes and standards, that are relevant to modern slavery and summarised in the below table.

Document name	Purpose
Code of Conduct	Outlines the expected behaviours of Victorian Public Sector Employees. The Code includes provisions relevant to fair employment and recognising and respecting the human rights of all people.
Supplier Code of Conduct	Describes the minimum expectations we have of our suppliers and their supply chains in relation to integrity, ethics and conduct; corporate governance; labour and human rights; health and safety; and environmental management.
Compliance Management Policy	Outlines Barwon Waters' commitment to meeting our legislative compliance obligations in the delivery of our products and services.
Complaints and Disputes Procedure	Outlines our approach to managing and responding to complaints and feedback received from customers and members of the public.
Procurement Policy	Sets out the principles that govern the procurement of all goods and services by Barwon Water.
Purchasing Manual	Provides guidance on the practices, requirements and processes to be applied to Barwon Waters' procurement activities to ensure we achieve the principles of the Barwon Water Procurement Policy.
Public Interest Disclosures Policy	Outlines how Barwon Water meets its obligations under the Public Interest Disclosure Act 2012, including information regarding how to make a disclosure.
Charter of Human Rights and Responsibilities	Outlines how Barwon Water will meet its obligations under the Charter of Human Rights and Responsibilities Act 2006, and provides guidance as to when and how human rights should be integrated into Barwon Waters' decision-making processes.
Tender Documentation Suite	The suite of tender documents ensure modern slavery is considered and appropriately addressed during all stages of the tender process i.e. market engagement (tender booklet), tender evaluation (evaluation template), and contractual clauses.
Employee Training	Modern slavery information is captured in our Purchasing e-learn, which staff are required to complete on an annual basis.

Achievements in 2022-23



Collaborated with WSAA Modern Slavery Working Group (MSWG) to source a digital platform (Informed 365) to enable consortium members to conduct modern slavery supplier risk assessments in a consistent manner, whilst minimising supplier administrative burden (should suppliers opt to share responses with consortium members). The platform will enable us to assess not only our direct suppliers, but also our supplier's supply chains both domestically and internationally.



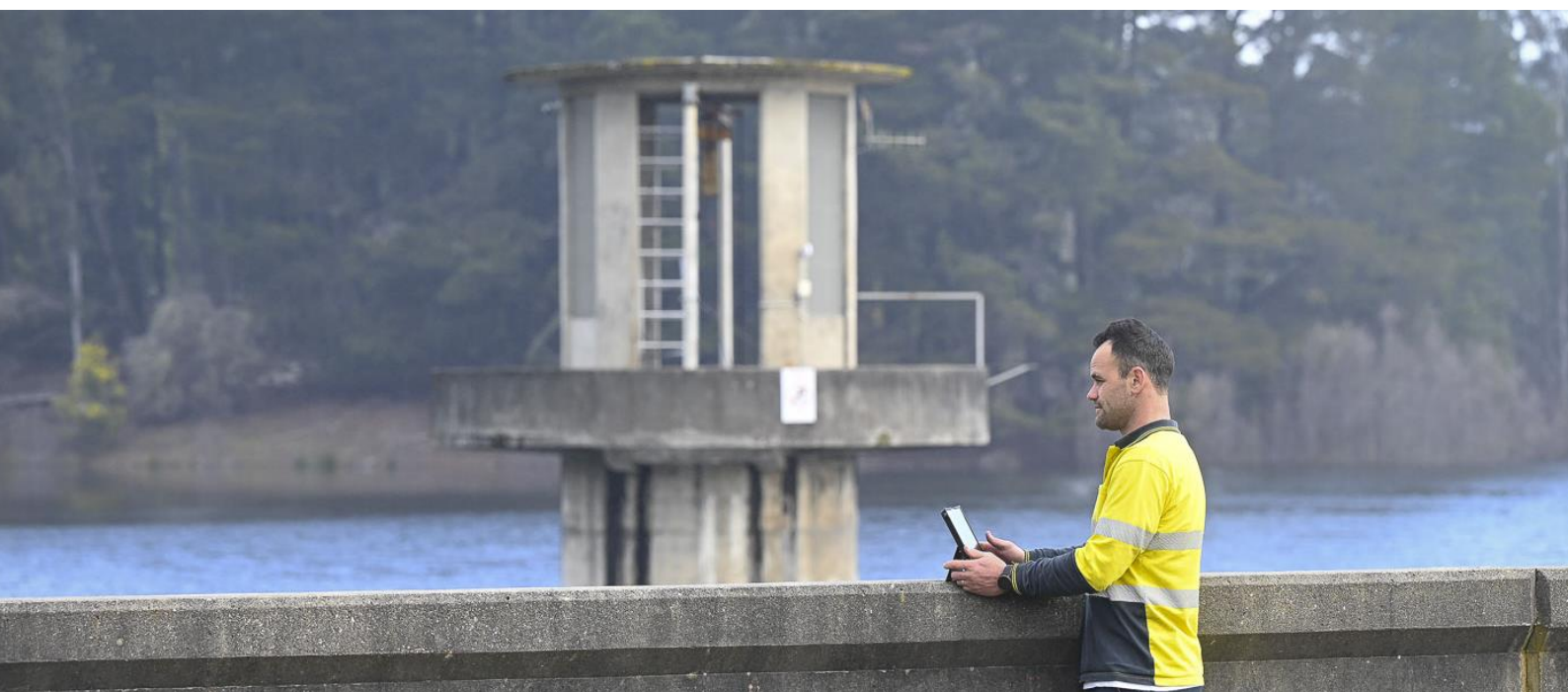
Collaborated in the development of a Modern Slavery supplier questionnaire for WSAA Informed 365 consortium members, reviewed by an independent expert to ensure data collected is appropriate, targeted, and actionable.



Continued to embed the consideration of human rights impacts in our actions and decision-making processes, including in new and existing policies (revision of Procurement Policy to uplift social and local procurement, revision of Charter of Human Rights and Responsibilities Policy), procedures (tender documentation suite) and standards, to align with our legislative and social obligations and risk profile.



Incorporated clauses into Specialist Technical Services and Chemical Supply Agreements defining Contractor obligations regarding Modern Slavery.



Assessing the effectiveness of these actions



Community of practice - Creating a community of practice

By bringing the Victorian water corporations together, the WIPWG represents a community of practice and introduces a level of accountability to participants to contribute to the progress of initiatives, setting the WIPWG up for a culture of continuous reflection and improvement. The WIPWG has worked together to develop and implement a collaborative, ongoing program of work with the ambition to take an industry-leading position in how it responsibly manages its operations and supply chains. As part of its role, the WIPWG has and will assess the effectiveness of actions it has implemented to manage modern slavery risk.

The WSAA led, MSWG has promoted a national, united approach towards managing modern slavery. There has been an enhanced level of cooperation and sharing, ensuring that the Australian water industry achieves consistent, best practice outcomes when managing our environmental, social and governance risks.

Continuous improvement - Seeking third party specialist advice

The WIPWG has fostered a culture of continuous improvement by inviting third party specialists to support in the development of their work program, provide advice about best practice in the sector and recommend potential ways to uplift future ways of working. By seeking external guidance and insight, the WIPWG is challenged and aided to understand where they have been effective in collectively addressing modern slavery in their industry's supply chains, and to identify opportunities to improve their approach.

The MSWG has leaned into the support offered by an independent modern slavery expert to ensure modern slavery supplier survey questions capture the data needed to enable adequate supplier assessment. Outcomes can then be linked to resources, if needed, to ensure suppliers are able to uplift their performance in this space.

Ongoing review of effectiveness of controls

Barwon Water recognises that the risks of adverse human rights impacts are complex and continually changing – as is our business. Tender and contract negotiations have recently concluded on multiple high spend and complex consultancy projects for which Barwon Water implemented enhanced modern slavery contract components. During the contract management phase we plan to prioritise inclusion of these suppliers into the digitized modern slavery tool to assist us in conducting annual reviews of compliance and guide suppliers on any uplift if required.

Whilst Barwon Water has not identified any specific instances of modern slavery harm in our supply chain, should issues be identified, our approach will be to work collaboratively with our suppliers to address harm and mitigate exposure.



Looking forward

Barwon Water 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.

The actions planned for 2023-24 include:

- implementation of digital platform (Informed 365) to enable Barwon Water and WSAA consortium members to conduct modern slavery supplier risk assessments in a timely and consistent manner, whilst minimising supplier administrative burden (should suppliers opt to share responses with consortium members).
- continue working with WSAA and Informed 365 to ensure suppliers are provided with continuous improvement pathways when modern slavery uplift requirements are identified following survey completion (e.g. resource links, case studies, tool kits etc. relevant to different types and sizes of suppliers).
- in consultation with an independent, external consultant, define the evaluation parameters of the modern slavery supplier survey in line with Barwon Water risk appetite.
- conduct enhanced due diligence assessments during procurement activities in areas deemed as high risk, such as facilities management, including additional modern slavery components where appropriate to do so.

Continued participation in water sector collaboration

Barwon Water will continue to work with the WIPWG and MSWG in order to seek continuous improvement and shared learnings on how to identify, address and reduce modern slavery risks within our supply chains and operations.





Appendix 1

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	Reference in this statement
Identify the reporting entity.	About the Barwon Water Group (p4)
Describe the reporting entity's structure, operations and supply chains.	About the Barwon Water Group (p4) Barwon Water's service region (p5) Operations and supply chains (p6) Procurement spend (p7)
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 practices (p7)
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.	Actions taken to assess and address these risks (p8) Documentation to assess and address these risks (p9) Achievements in 2022-23 (p10)
Describe how the reporting entity assesses the effectiveness of these actions.	Assessing the effectiveness of these actions (p11)
Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls.	Consultation with any entities the reporting entity owns or controls (p14)
Any other information that the reporting entity, or the entity giving the statement, considers relevant.	Looking forward (p12)

Consultation with any entities the reporting entity owns or controls

Consultation with various internal and external stakeholders has taken place to help us build our modern slavery capabilities and develop this statement, including:

- ongoing collaboration with other water corporations through participation in the Victorian and national water industry working groups.
- external third-party consultants and experts for their knowledge, insights and thought leadership.
- ongoing communication with internal business areas e.g. Governance, Procurement.

During the reporting period this statement covers, Barwon Asset Solutions was actively engaged and consulted with. We discussed details of the Modern Slavery Act 2018's reporting requirements, the actions we intend to take to address these requirements and provided them with relevant materials and updates.

Our Executive team has been involved in the review and endorsement of this statement for approval by the Board.

Further information



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Korweinguboora Reservoir