



Modern Slavery Statement

For the Period 1 July 2022 to 30 June 2023



Letter from the WaterNSW Board of Directors

The Commissioner
Attorney-General's Department
Australian Government

28 November 2023

Submitted online at <https://modernslaveryregister.gov.au/>

Dear Commissioner

On behalf of WaterNSW, I am pleased to submit our Modern Slavery Statement (Statement) for the financial year ending 30 June 2023, prepared in accordance with the *Modern Slavery Act 2018* (Cth) and the *Modern Slavery Act 2018* (NSW).

This Statement applies to and describes the reasonable steps taken by WaterNSW, and its wholly owned subsidiary, WaterNSW Infrastructure Pty Limited (the Group), to mitigate modern slavery in the Group's operations and supply chains.

Consistent with our organisation's core values of Value our People and Drive Change, WaterNSW fully supports the objectives of the Modern Slavery Act. WaterNSW opposes all forms of slavery and forced labour in our operations and the operations of our suppliers.

The Statement was approved by the Board of WaterNSW at its November 2023 board meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read "P. Duncan".

Peter Duncan AM
Chair





About WaterNSW

Who we are

WaterNSW supplies two-thirds of the raw water used in New South Wales (NSW).

However, we are more than system operators. We are catchment protectors. We maintain and operate the assets that supply water to our customers and communities. We effectively manage and deliver water, particularly in times of drought and flood, and we are transparent in all that we do.

We are advocates for our customers, educators to the broader community, and are committed to building collaborative and productive partnerships, and contributing to the prosperity and continued growth of communities across NSW.

WaterNSW is a State-Owned Corporation established under the *Water NSW Act 2014 (NSW)* and operates under an Operating License issued and monitored by the Independent Pricing and Regulatory Tribunal (IPART).

WaterNSW is also the 100% shareholder and parent of WaterNSW Infrastructure Pty Ltd.

This Modern Slavery Statement covers both entities of the WaterNSW Group.

Our purpose

Water, delivered when and where it matters.

Our vision

To support the resilience of NSW communities through our leadership in delivering water services, for generations to come.

What we do

- **Source water protection:** protection of the Greater Sydney drinking water catchment to ensure safe water is supplied to Sydney Water, local councils and other distributors for treatment and distribution to their customers.
- **Bulk water supply:** supply water from our storages to customers in the Greater Sydney drinking water catchment, and in the state's regulated surface water systems.
- **System operator:** efficient management of the state's surface and groundwater resources to maximise reliability for users through operation of the state's river systems and bulk water supply systems, in collaboration with the Murray-Darling Basin Authority which directs operations of the River Murray system.



- **Infrastructure planning, delivery, and operation:** meet customer-defined levels of service consistent with NSW Government policy and priorities to increase the security and reliability of water supplies to our customers and communities of NSW.
 - **Customer water transaction and information services:** provide efficient and timely services to our customers for water licencing and approvals, water trades, billing and meet their water resource information needs for surface and groundwater quantity and quality.
 - **Developing our people and capabilities:** we will develop and employ a diverse, high performing workforce. One that is responsive to the needs of our customers and the communities we serve.
 - **Respected by the customers and communities we serve:** we aim to be even more trusted to support the social, cultural, and economic prosperity of our customers and communities, through transparent decision making and having a greater community presence.
 - **Working together in partnership:** we are committed to working together in partnership with our stakeholders to manage sustainable, secure, and healthy water resources.
 - **Delivering operational excellence:** we have deep expertise in technical and operational elements of water delivery. We will continually extend this expertise to deliver safe, reliable, and affordable water management and delivery.
- Our Strategic Priorities 2021 to 2025**
- **Building a sustainable future:** we will play our part in creating a more resilient water system. One which enables thriving communities and healthy ecosystems, whilst reducing our environmental footprint – so we don't cost the earth.

Our values

Our values are the principles and behaviours that drive us to succeed as both teams and individuals at WaterNSW. They reflect who we are and what we represent.

Our values support us to achieve a high-performance culture. They support our shared vision and enable us to deliver quality outcomes to our customers, communities, and shareholders. We live our Values and are measured by them.

- **Think customer:** in every decision we make, we consider the benefit to our customers.
- **Drive change:** we are open to change and always improving the way we do things.
- **Deliver excellence:** we take pride in individual and corporate excellence.
- **Achieve together:** we support each other and all work together as one team.
- **Value our people:** we keep people safe, treat them with respect and we are committed to growing our people.
- **Own it:** we do what we say we will do and we take ownership of our actions.



Our area of operations

Through our employees and contractors located across the state, we provide essential water services daily to tens of thousands of customers across NSW and manage our extensive operational assets, water monitoring and metering networks.



Our corporate governance structure

WaterNSW is constituted as a statutory State-Owned Corporation (SOC) under the *State-Owned Corporations Act 1981* (NSW) and under the *Water NSW Act 2014* (NSW). WaterNSW Infrastructure Pty Ltd is a wholly owned subsidiary of WaterNSW.

We are regulated by several regulators, including but not limited to:

- The Independent Pricing and Regulatory Tribunal (IPART) for operating licence compliance and customer pricing.
- The Natural Resources Access Regulator (NRAR) for compliance with the regulatory framework for water including water management rules.

Our governance structure:

Voting Shareholders / Shareholding Ministers of WaterNSW

- NSW Treasurer.
- NSW Minister for Finance.
- Shareholders and share capital established under *20H State Owned Corporations Act 1989* (NSW).

Portfolio Minister of WaterNSW

- NSW Minister for Water.
- Role of Portfolio Minister established under *20I State Owned Corporations Act 1989* (NSW).
- May give directions to WaterNSW in consultation with the Treasurer or shareholding ministers (subject to the *State Owned Corporations Act 1989* (NSW), *WaterNSW Constitution*, *WaterNSW Act 2014* (NSW)).

WaterNSW Board of Directors

- Directors are appointed by the voting shareholders (section 8 *WaterNSW Act 2014* (NSW)).
- Board complies with NSW Treasury Policy TPP 17-10: *Guidelines for Governing Boards of Government Businesses*.
- Accountable to the Voting Shareholders (see section 10 *State Owned Corporations Act 1989* (NSW) and the *WaterNSW Constitution*).
- Subject to the direction of the Portfolio Minister (*WaterNSW Constitution* clause 5.5 (d)(i)).

WaterNSW

Statutory State Owned Corporation – Parent Entity

- Established under the *WaterNSW Act 2014* (NSW) and Schedule 5, *State Owned Corporations Act 1989* (NSW).
- Functions specified in *WaterNSW Act 2014* (NSW) and pursuant to Operation Licence (issued by IPART).
- Subject to *WaterNSW Constitution*.

WaterNSW Infrastructure Pty Ltd

(controlled entity – wholly owned subsidiary)

- Established 5 November 2018 under the *Corporations Act 2001* (Cth) as a wholly owned subsidiary of WaterNSW to provide bulk water transmission services for the supply of raw water to Essential Water in Broken Hill as the local water provider.
- Operates under the commercial disciplines of the NSW Government's Commercial Policy Framework.

Introduction

WaterNSW is committed to acting ethically, with integrity and transparency in all our business dealings, and to implementing effective systems and controls to safeguard against any form of modern slavery taking place within our operations and our supply chain.

WaterNSW has a zero tolerance to slavery and human trafficking. This statement covers our operations and supply chains and looks at the steps we are taking to combat the risk of modern slavery and human trafficking within our organisation.

During the financial year ending 30 June 2023, we have not identified any instances of modern slavery within our operations or supply chain, nor have we received any reports of potential instances of modern slavery from our staff, customers, or suppliers.

Highlights of what we achieved during the 2022 to 2023 financial year

- ✓ **Focused on embedding and increasing our existing supplier risk management process** through a refreshed desktop threat assessment and modern slavery risk mapping across our third-party supplier spend by the Procurement Governance Manager.
- ✓ **All suppliers with a medium or high risk of modern slavery are now included in our Supply Chain Risk Monitoring solution** which provides labour, health and safety amongst other risk ratings and adverse media notifications.
- ✓ **Reshared and promoted our Supplier Code of Conduct** to remind suppliers of expectations when conducting business with WaterNSW and to provide details of the Whistleblowing Solution ('Your Call') used to receive and manage reports of possible breaches with impartiality and confidentiality.
- ✓ **78% positive perception of employee sentiment towards reporting unethical behaviour** in our MySay staff survey – up by 3% from 2022.
- ✓ **Continued supplier engagement and awareness** through risk assessment questions within the tender process, contract clauses and modern slavery information on our website.
- ✓ **Utilised expert insights from KPMG; Clayton Utz and Achilles** to help the Working Group review and improve their approach to modern slavery action planning.
- ✓ **Assessed level of modern slavery awareness** within the Procurement and Corporate Property teams to provide a baseline against which to measure year on year improvement.
- ✓ **Considered modern slavery in the development of our ESG (Environment, Social and Governance) program** around tackling modern slavery risk within our supply chain and operations.
- ✓ **Collaborated within the NSW water sector and assessed publications from the NSW Anti-slavery Commissioner** to foster responsible business practices, and show leadership in identifying and addressing modern slavery in supply chains.
- ✓ **Continued our commitment to ensuring our people are adequately informed** about modern slavery and their role in identifying and mitigating risks.

Governance

Our established Modern Slavery Working Group drives the development and delivery of our approach across WaterNSW. It includes representation from core functions key to driving change, including Procurement, Audit, Risk and Compliance, Safety, People and Culture and Legal. The Executive Manager Finance, Legal and Risk has overall responsibility for our approach to Modern Slavery and our Audit and Risk Committee is provided with updates on our approach and progress against our action plan. The WaterNSW Board oversee and sign off our Modern Slavery statement annually.

Governance structure



Our operations

The WaterNSW Code of Conduct outlines the standard of behaviour expected of employees and contractors working for and on behalf of WaterNSW. A section on modern slavery is included in the online Code of Conduct learning, providing clear guidance on expectations towards mitigating and reporting risks and should be read in conjunction with other relevant policies, procedures, and industrial instruments.

The online learning was relaunched in April 2022 and includes a high-level explanation of modern slavery, a quick quiz, and a link to the WaterNSW Modern Slavery Statement. The training is mandated for all employees and contractors to complete and is valid for 2 years.

Our process for reporting wrongdoing encourages any concerns to be raised. We continue our contract with 'Your Call Whistleblowing Solutions' (Your Call) to receive and manage reports of possible breaches with impartiality and confidentiality. This option allows employees and contractors (or anyone else who uses the service) to remain completely anonymous, identify themselves to Your Call only, or identify themselves to both Your Call and WaterNSW.

Through our annual employee engagement survey, each year we ask our employees to respond to the survey question: "I can report an instance of unethical conduct without fear of retribution." Whilst the question is general in nature, it does capture employee sentiment towards reporting unethical behaviour, which would include issues relating to modern slavery. This year there was 78% positive perception in response to this question, up by 3% from 2022.



Our people

Safety is our number one priority. Our safety vision is that together, we will create an injury and illness-free workplace where everyone goes home safe and healthy each day of their working life with our focus on both physical and mental health and wellbeing. The nature and locations of many of our operations mean that we operate in hazardous environments so constant vigilance is required to deliver our safety objectives. We promote the idea that it is a good thing to feel uneasy about safety – if it means you are going to be more alert to hazards and take measures to mitigate risks.

One of our values is **value our people**, that is, we keep people safe, treat them with respect and grow and develop our people. Key to this is our commitments to inclusion and diversity: we know that an inclusive and diverse workplace improves employee wellbeing and engagement, enhances creativity and innovation, and enables a better connection with our customers and the communities we live and work in.

Our inclusion and diversity program:

- Promotes awareness, understanding and appreciation of inclusion and diversity.
- Creates a culture of belonging where our people feel valued and respected.
- Encourages diverse representation of our workforce to reflect the communities in which we operate.

We believe our overall risk of modern slavery within our workforce is low due to the nature of what we do, and the compliance checks we have in place. As of July 2023, 91% of our employees are permanent, 8% are on fixed term contracts and our use of contingent labour hire staff is low (0.7%). Contingent labour hire undergoes similar compliance checks to our permanent staff prior to on-boarding. It is a requirement under our enterprise agreement that any labour hire worker be paid no less than the amount that would otherwise be paid to a WaterNSW employee performing similar work. As part of our recruitment and onboarding process, we conduct thorough compliance checks for all workers, including temporary staff who join our business. These include, but are not limited to:

- Right to work.
- Occupational medical assessment.
- Criminal background check.
- Professional qualifications and education.

Passing these checks is a pre-requisite before an employee can start work with us. For our contingent labour staff, our service provider completes compliance checks on our behalf, except for criminal background checks which are undertaken by WaterNSW.

Any concerns are flagged and addressed with employees and hiring manager directly and risk assessment conducted to further ensure suitability of hire.

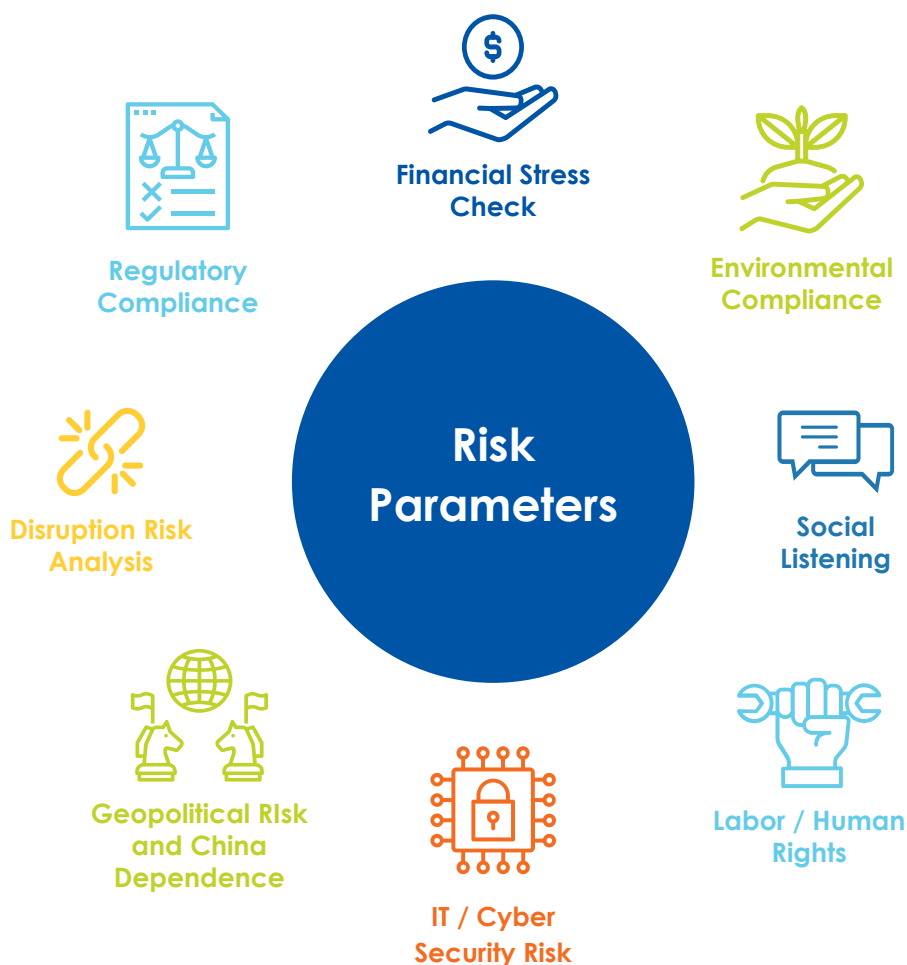
Our supply chain

We have systems in place to identify and assess potential risk areas within our supply chain and to mitigate any identified areas of risk. We encourage our suppliers and contractors to report any concerns that slavery or human trafficking may be, or is, taking place via Your Call.

Our standard procurement processes include a variety of checks and reviews to help ensure that suppliers we engage with have the capability and capacity to comply with our policies and commercial terms. We also check that our contracts undergo appropriate legal assessment and have appropriate contract clauses in place. We regularly look to improve our supply chain processes. During 2023 we renegotiated our contract with Beroe for our Know Your Supplier (KYS) Risk Management Solution to increase the number of suppliers and services we receive. The solution allows the Procurement team to assess our suppliers across key risk and compliance parameters.

These parameters include human rights violations; adverse media mentions; corruption, fraud, criminal regulatory issues; and financial risk.

We are committed to reviewing our business risks quarterly, including the level of risk which modern slavery may present to us. We review in detail the risk, causes, consequences and most importantly, controls we can apply to mitigate the risk from occurring. The outcome of this review is recorded and considers the reputational and financial risk impact to WaterNSW in the event of an incident occurring. We believe that the key risk indicators used to monitor the effectiveness of the controls applied are satisfactory and the risk to business is low. On completion of each quarterly update, the risk register is reviewed and updated, and results reported to the Executive team and the Board Audit and Risk. This regular ongoing assurance is another stage undertaken to thoroughly review and minimise the likelihood of a modern slavery occurrence.



Risk mapping our supply chain

We continue to risk map our supply chain through several processes. All suppliers are assigned a category based on the materials or services which we predominantly procure from them. Each category is managed by a category manager, including the supplier approval and onboarding process. Suppliers are mapped to understand their base location and the location from which the products and services are sourced. Most of our suppliers are based within Australia.





Our spend profile financial year 2022 to 2023

We spent \$230 million through our supply chain during the reporting period and relied on around 1,000 suppliers to deliver the required goods and services to support our business operations.

Due to its complexity and breadth, our supply chain is the element within our organisation that poses the highest risk of modern slavery. Using guidance from NSW Procurement and their Modern Slavery Risk Assessment framework we identified the following categories to be our highest risk areas:

- Construction and asset maintenance.
- Information and communications technology.
- Property and facilities management.

Category	Total value (\$M)	Modern slavery risk		
		high	medium	low
Civil construction	\$60.3	Construction labour and raw materials		
Asset maintenance and water quality	\$45.4	Asset maintenance raw materials		
ICT and communications	\$38.1	Laptops, computers, and mobile phones		
Engineering services	\$24.7	Raw materials		
Property, fleet and utilities	\$21.3	Cleaning, security		
Professional services	\$18.2	Excessive hours (graduates)		
Contractor and temporary labour	\$8.8	Contingent labour hire		
Insurances	\$8.4			
Other	\$4.7			
Total	\$229.9			

Construction: The vast majority of the \$60.3m spend during the year was on Construction Works (\$59m) of which \$42m was with our Construction Partners under the Asset Renewal and Replacement program and a further \$17m for other initiatives, such as the Flood Recovery Program, or where we partnered with other Agencies such as Transport for NSW. There is also a small amount of spend (less than \$1m) on Capital Equipment purchases.

Spend with our partners under the ARR (Asset Renewal and Replacement) framework accounts for 85% of our spend. Supplier Performance Review Meetings are held monthly with our partners and provide an opportunity to collaborate on the identification and management of Modern Slavery risks.

Asset maintenance and water quality: The majority of spend in this category falls predominantly under infrastructure asset repairs and maintenance. This area has similar risks to the construction category, however, due to the considerable geographic spread of our assets there are over 300 suppliers engaged. There is an initiative to further develop panel arrangements for the delivery of asset maintenance which should help streamline the number of suppliers so that we can work together to identify and mitigate the risk of modern slavery occurrence.

ICT and Communications: The \$38.1m ICT spend is made up of ICT Professional Services (\$20.6m); Software (\$12.1m); Telco (\$3.7m); Hardware (\$1.7m). Generally, we utilise the NSW whole of government arrangements for software, telecommunications and hardware where modern slavery risk is considered during the tender process.

A WaterNSW tender process for an ICT Professional Services panel is in its final stages and once established will significantly reduce the number of suppliers and create the opportunity for more collaboration on modern slavery supply chain risks.

Property, fleet and utilities: The majority of the \$21.3m spend is on rent, rates, security, cleaning, and waste management (\$14.3m); we spend \$4m on fleet, servicing, repairs, and fuel, etc. and \$3m on electricity.

We continue to use the NSW Government cleaning contract which ensures that applicable employment guarantees to cleaners are in place, ensuring their welfare and the NSW Government Integrated Security Contract that ensured compliance with NSW Government's Procurement Policy Framework, Modern Slavery objectives and Fair Work Act 2009 when it was established in February 2021.

The broader strategy for property and facilities management is still in development under our cost transformation program.

Contractor and temporary labour: The Contractor Central model was implemented in July 2022. This strategic model provides greater visibility of our contingent labour hire supply chain and quarterly business reviews take place with our MSP (Managed Service Provider) Kelly OCG to better assess and address our modern slavery risk collaboratively. Compliance checks continue to be carried out prior to the engagement of a contingent labour hire.



What we have done to address our modern slavery risks within our operations and supply chain during 2022 to 2023

1. Raising awareness

We have always valued the importance of training employees to identify any instance of modern slavery and escalate through the appropriate channels. The training continues to be received positively, and we continue to provide it to all colleagues completing our e-learning Code of Conduct module. More in-depth modern slavery awareness is available for employees through our modern slavery e-learning module and Lunch and Learn sessions. This year we held two lunch and learn sessions on modern slavery open to all employees to attend.

The Procurement, Corporate Property and Services Manager completes the CIPS ethical procurement module annually, which includes a focus on human

rights, exploitation and forced labour as part of her professional accreditation.

The Working Group have had presentations from KPMG, Clayton Utz and Achilles and discussion around our modern slavery action plan to identify where we could further improve or provide greater focus. These sessions provided some assurance that Water NSW were taking reasonable steps, especially when benchmarked to other similar organisations, and highlighted some gaps on which to focus during 2023 / 24 to further strengthen our modern slavery framework and action plan.

2. Evaluating our performance

We have established Key Performance Indicators (KPIs) to help us to monitor and report on the effectiveness of our actions.

Key KPIs for 2022 to 2023

KPI (Key Performance Indicators)	Description	Frequency	Target	FY 2022 to 2023 results			
				Q1	Q2	Q3	Q4
Speaking up without fear of retribution	% favourable responses from employees for Empowerment / Autonomy	Annual	90%	78%			
Modern Slavery training	% eligible staff who have completed the Modern Slavery training	Quarterly	95%	90%			
Non-compliant suppliers	# of suppliers with instances of Modern Slavery	Quarterly	0%	0%			
Suppliers with suspected instances of MS	# of suppliers with suspected instances of MS reported	Quarterly	0%	0%			
Supplier Code of Conduct	% of suppliers who accepted WaterNSW Supplier Code of Conduct during tender response	Quarterly	100%	100%			

* WaterNSW are undergoing significant recruitment activity as a result of an operating model review. 178 employees were assigned the training in the FY 22 / 23, of which 161 completed and 17 of whom have it booked to be completed.

3. Supply chain risk management

We acknowledge that the risks of modern slavery may be increased in some of our supply chains as a result of the geographical location of some suppliers, our areas of operation, and the source of materials used in products supplied to us. For example, construction materials that, according to the Australian Construction Industry Forum (ACIF), around 60% of the \$6 billion spent annually on construction materials in Australia are imported from China. We acknowledge that we lack full visibility in overseas markets, and this carries additional risks of modern slavery especially in secondary levels of our supply chain and source materials used on our construction projects or in the provision of goods and services.

Within Beroe 'Live.ai' platform, our supplier risk management solution, we have access to risk assessment alerts across eight parameters that include human rights violations; adverse media mentions; corruption, fraud, criminal regulatory issues; and financial risk. To further assist in the management of potential risk, contracted suppliers have undergone a risk assessment and heat mapping process.

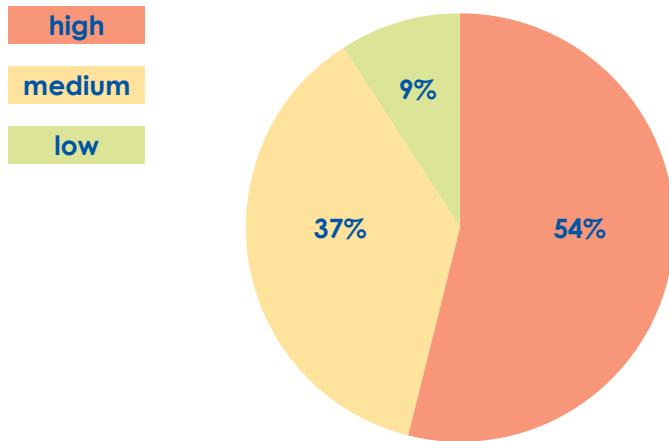
We used the NSW Government Modern Slavery Risk Assessment framework to carry out our modern slavery heat mapping process across our spend categories.

The Modern Slavery Risk Assessment focussed on four risk indicators and risk factors to consider:

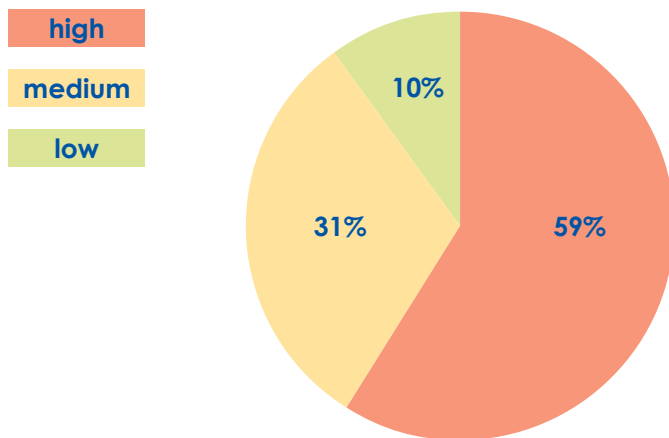
Modern slavery risk indicators	Sector and industry risks	Product and services risks	Geographic risks	Supply chain model risks
Risk factors	<ul style="list-style-type: none"> • Informal unregulated sectors of industries • Little visibility over lower tier suppliers • Seasonal work • Low pay dangerous work 	Product or service often involving lower wages and manual labour.	<ul style="list-style-type: none"> • Location with poor governance • Weak rule of law • Conflict • Corruption • Displacement • State failure to protect human rights • Socio economic factors such as poverty or widespread discrimination 	<ul style="list-style-type: none"> • Larger and more complex supply chains • Sub-contracting and use of labour recruiters • Recruitment fees may be charged
Examples	Extractives, textiles and fashion, fishing, electronics, cleaning and agriculture.	Products: Bricks, cotton, rubber Services: Cleaning	Freedom House scores over 200 countries considering access to political rights and civil liberties.	Exorbitant recruitment fees that keep workers locked in debt bondage.

This enabled us to consider modern slavery risk for each of our spend categories and sub-categories which resulted in 5% of spend shifting from medium to high risk and 1% shifting from medium to low risk.

Desktop assessment risk profile



NSW procurement model risk profile



During the reporting period we increased the number of suppliers monitored within the Supply Chain Risk Monitoring tool from 120 to 190 suppliers which account for 80% of our spend. The remaining 20% of spend is either with other NSW Government agencies (10%) or tail end spend with small suppliers mainly in the regional areas (10%). These areas of spend are not captured within the Beroe solution.



Summary of all key actions taken in during financial year 2022 to 2023

What we said we would do	What we have achieved
<p>Identify opportunities to bring in specialist Legal firms under the additional value add service from the Legal Services Panel, to share knowledge of other organisation's MS action plans with the Working Group to help improve our own action plan.</p>	<p>Not only engaged a Legal service provider Clayton Utz but also KPMG and Achilles to:</p> <ul style="list-style-type: none"> • Provide modern slavery insights from their industry • Discuss what the focus should be in our action plan • Advise of changes they anticipate following the review of the Act
<p>Consider further development of our training materials.</p>	<p>Consolidated modern slavery training into the Employee Code of Conduct training as part of the onboarding process for all staff.</p> <p>Further detailed modern slavery awareness training to key areas of the business such as procurement, contract managers, legal, risk and talent acquisition team.</p>
<p>Continue to provide Lunch and Learn and eLearning training modules.</p>	<p>Provided two Lunch and Learn sessions for any employees to attend and ask questions.</p> <p>Reviewed eLearning module and identified the Modern Slavery Act 2018 (NSW) needs updating.</p>
<p>Continue training and development aligned to roles where appropriate.</p>	<p>Tailored modern slavery training has been provided to the procurement team.</p> <p>Identified roles with Safety, People and Culture, Legal, Procurement and Audit and Risk where the eLearning module should be completed in addition to the Code of Conduct training.</p>
<p>Continue to develop and deliver the MS communications plan.</p>	<p>Provided a bi-annual update to the Audit and Risk Committee (ARC) on the progress made against the Modern Slavery Action Plan for FY22-23.</p> <p>Published what WaterNSW is doing to reduce the risk of modern slavery within our operations and supply chain on our website.</p> <p>Supply code of conduct refresh communicated to all suppliers registered within our financial management system.</p>
<p>Use key events like 'Anti-Slavery Day' as opportunities to support anti-slavery initiatives and update all employees on our progress (included in communications plan).</p>	<p>Articles provided on the Intranet and our informal social network Yammer.</p>
<p>Consider a survey of the procurement team to assess level of awareness around modern slavery and the associated risk.</p>	<p>A modern slavery survey to assess the level of awareness was undertaken with the Procurement and Corporate Property team to provide a baseline from which is measure increased awareness year on year.</p>
<p>Update the spend category risk assessment and guide sourcing specialists with more tailored questions concerning modern slavery in relation to country of origin and the risk profile of the goods or services being purchased.</p>	<p>Spend category risk assessment completed using the NSW Whole of Government Modern Slavery Risk Assessment criteria.</p> <p>More comprehensive risk assessment included in category management plans prepared during the reporting period.</p> <p>Where the risk rating changes, it is brought to the Category Managers attention to engage with the business and supplier to determine:</p> <ul style="list-style-type: none"> • Root cause impacting the rating • Mitigating actions being undertaken by the supplier to reduce the risk • What actions WaterNSW should take to minimise the impact to business operations, if any

What we said we would do	What we have achieved
Review standard modern slavery supplier questionnaire as part of tender documentation.	<p>Questions included in the tender documentation have been reviewed and aligned to specific requirements for the procurement activity, considering:</p> <ul style="list-style-type: none"> • Category of goods and/or services provided • Raw products sourced (as appropriate) • Geographic location of suppliers and their supply chain
Update heat map of MS risk across current supply chain and spend profile to ensure appropriate focus in the high-risk areas.	Updated heat mapping of modern slavery risk for the WaterNSW spend to identify the key / high risk suppliers for each category of spend.
Review options for Supplier Risk Management Solution to include the number of suppliers to risk assess and the level of risk assessment undertaken. Beroe contract due to expire December 2022.	<p>The Supply Chain Risk Monitoring, tool from Beroe 'Know Your Supplier' was renegotiated for a further 12 months.</p> <p>Software license renewal included the following improvements:</p> <ul style="list-style-type: none"> • An increase in suppliers covered (from 120 to 190 suppliers) • Increase in Category Reports provided insights to be considered in developing the WaterNSW Category strategies (from 10 to 200) • Upgrade from the 'Know Your Supplier' to the Artificial Intelligence platform 'LIVE.AI'
Finalise process for managing alerts received from Beroe when there are changes in the supplier risk profile.	<p>Process and templates developed to capture and manage instances of risk rating changes and actions required.</p> <p>Procurement Governance Manager oversees notifications of modern slavery risk to ensure the Category Manager works with the business and supplier to identify and track the actions required to mitigate the risk.</p>
Continue to add helpful information for suppliers on the WaterNSW website and consider presentation of the information.	Supplier code of conduct, Modern slavery supplier fact sheet, Modern Slavery Statement and Modern Slavery supplier FAQs are all available on our website.
Consider approach to identifying and managing modern slavery risk throughout the contract lifecycle.	This action has rolled over to FY24 due to the organisational re-structure and the need to recruit contract management support.
Assess the effectiveness of actions taken through regular KPI measures and reporting Review KPIs after 12 months.	<p>KPIs measured quarterly and reported to the Modern Slavery Working Group and Executive Leadership team through the monthly business report.</p> <p>KPIs were reviewed and still deemed fit for purpose.</p>
Consideration of issues in relation to modern slavery in the development of our ESG program.	The ESG program incorporates Modern Slavery considerations and appropriate actions will be undertaken during FY24 and the plan is developed further.
Collaborate with the water sector to reduce the administrative burden on suppliers through standardisation of modern slavery related templates.	Engaged Sydney Water and Hunter Water to look for opportunities to standardise the information required from suppliers so that it can be collected once and shared across the relevant parties.
Collaborate to share lessons learned and best practice across the water sector and NSW Government.	<p>Shared lessons learned with Sydney Water and Hunter Water.</p> <p>Attended NSW Whole of Government events to build understanding of the NSW Modern Slavery Commissioners role and strategic plan.</p>

Areas of focus for 2023 to 2024 will be

- To deliver modern slavery 'refresh' training to the Executive Leadership Team and Board Audit and Risk Committee members to ensure accountabilities are understood.
- Through our Modern Slavery Working Group we will continue to review and evolve our existing training, as well as assess additional training needs for both employees and suppliers to ensure it is relevant, proportionate and reflective of the current landscape and associated risks.
- Continue to review and identify opportunities to improve our approach to risk assessment through insights and alerts received from the Beroe 'LIVE.Ai' supply chain risk management solution and our ESG program.
- Further develop our modern slavery framework to incorporate WaterNSW's risk appetite and expectations.
- Carry out a deep dive in to 1 or 2 high risk areas of spend to test the effectiveness of the supply chain due diligence processes.

Conclusion

Ensuring we meet our responsibilities under the *Modern Slavery Act 2018 (Cth)* and the *Modern Slavery Act 2018 (NSW)* underlines the importance to us of protecting everyone who works for WaterNSW.

During the last four years, we have worked to educate and inform our employees and supply chain about modern slavery and the responsibilities we all must undertake to mitigate the risk of occurrence. We have embarked on a series of positive steps, from developing training pathways, outlining a reporting framework, and embedding clear expectations within our business and supply chain.

Our clear commitment to modern slavery is reflected through the robust policies and procedures we have developed and embedded, and we remain committed to continuously reviewing and improving our approach to ensure we are in the best possible place to tackle this issue. We have also further embedded modern slavery in our overarching corporate governance with it being a key element of our ESG program.

Through our due diligence process, we are also supporting our supply chain to improve their own ability to identify and mitigate risk in relation to modern slavery.







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