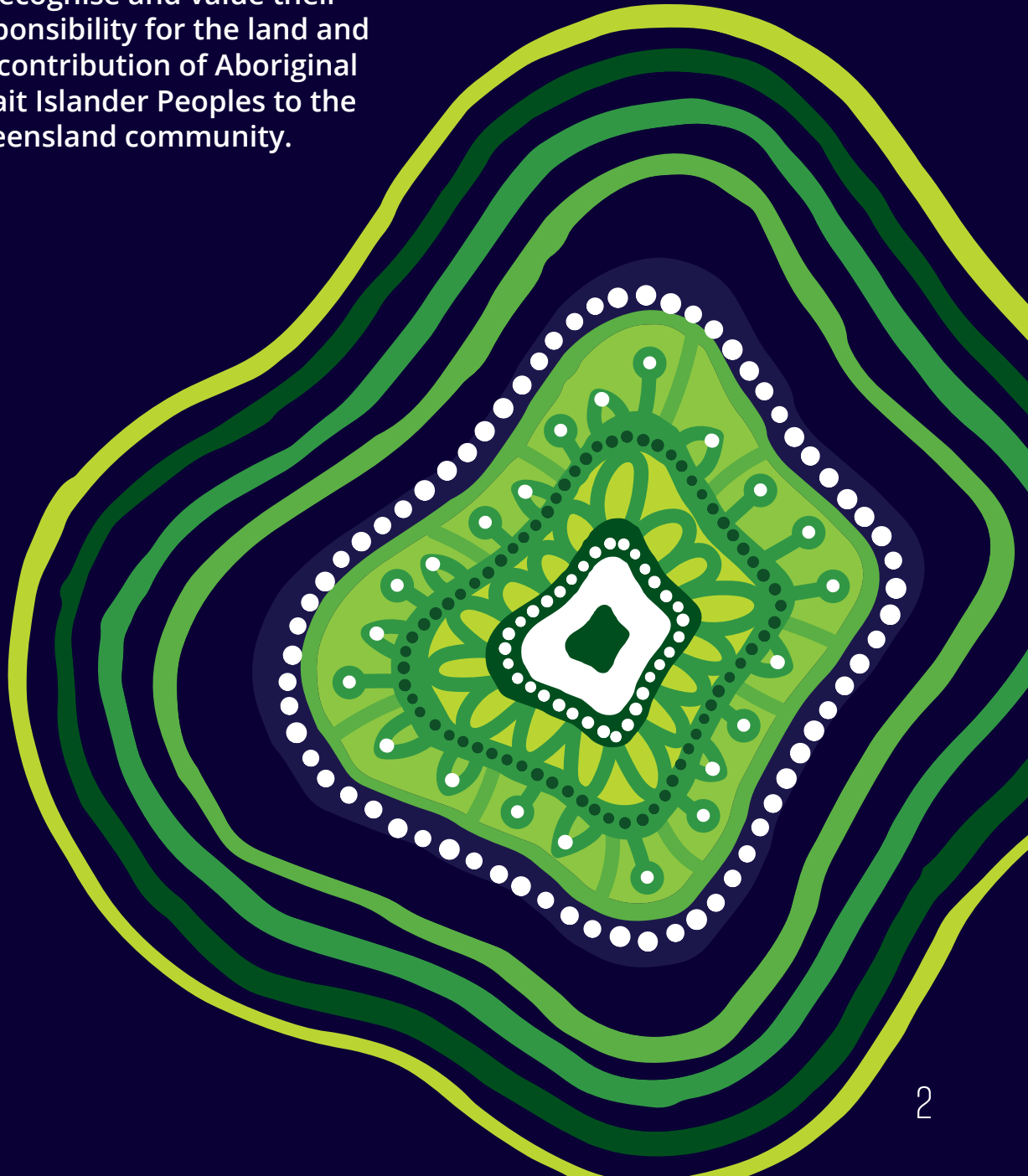




# ACKNOWLEDGEMENT OF COUNTRY

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We acknowledge the Traditional Custodians of the land on which we connect, share and learn. We recognise the unique and continuing connection of Aboriginal and Torres Strait Islander Peoples to land, water and culture and pay respects to Elders past and present as we work towards a just and reconciled Australia. We recognise and value their traditional responsibility for the land and water and the contribution of Aboriginal and Torres Strait Islander Peoples to the South East Queensland community.





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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). With a revenue over \$500M, we are classified as a reporting entity for the purposes of the *Modern Slavery Act 2018* (Cth) (the Act).

This Statement sets out the actions taken by Urban Utilities to address modern slavery risks in its operations and supply chains over the financial year ending 30 June 2024 (FY24), pursuant to the Act.

All amounts expressed in this Statement are in Australian dollars

# STATEMENT ANNEXURE

## MODERN SLAVERY STATEMENT COMPLIANCE CHECKLIST

This Modern Slavery Statement addresses the mandatory reporting criteria of the *Modern Slavery Act 2018* (Cth) in the following sections.

Mandatory Criteria	Modern Slavery Statement FY24
Identify the reporting entity.	Page 3
Describe the reporting entity's structure, operations and supply chains.	Our structure, operations and supply chains (pages 7 – 11)
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 chains (pages 12 – 15)
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 mitigate modern slavery risks (pages 16 – 22)
Describe how the reporting entity assesses the effectiveness of these actions.	Effectiveness of our actions (pages 23)
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.	Progress on a Page (page 5) Introduction (page 6) Looking forward (page 24)

## PRINCIPAL GOVERNING BODY APPROVAL

This Statement was approved by the Urban Utilities Board on 2/12/2024 in accordance with the requirements of Section 13 of the *Modern Slavery Act 2018* (Cth).

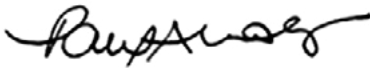
We declare that the information provided in this Statement, to the best of our knowledge, is complete and accurate.

## SIGNATURE OF RESPONSIBLE MEMBER

This Statement is signed by Paul Vincent, Chair of the Urban Utilities Board, and Paul Arnold, Chief Executive Officer, as defined by the *Modern Slavery Act 2018* (Cth).



Paul Vincent  
Chair



Paul Arnold  
Chief Executive Officer

# ADDRESSING MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAIN

## OUR PROGRESS ON A PAGE

Urban Utilities remains determined to address modern slavery risks across our organisational culture, systems and processes. This page provides a high-level overview of our year-on-year progress.

### THEMES

- POLICY AND PROCEDURES
- RISK ASSESSMENT AND DUE DILIGENCE
- TRAINING AND AWARENESS
- GRIEVANCE AND REMEDIATION
- COLLABORATION AND STAKEHOLDER ENGAGEMENT

FY2020	FY2021	FY2022	FY2023	FY2024
<ul style="list-style-type: none"><li><span>●</span> Incorporated human rights and modern slavery considerations into our policies, procedures and complaints handling processes.</li><li><span>●</span> Implemented procedures to identify and address human rights and modern slavery issues.</li><li><span>●</span> Updated our policy development and review processes to ensure human rights and modern slavery are considered.</li><li><span>●</span> Incorporated modern slavery clauses in key new contractual arrangements.</li><li><span>●</span> Engaged an external advisor to assess modern slavery risks in our operations and supply chain and provide recommendations to uplift our current position.</li><li><span>●</span> Developed a Modern Slavery Supplier Self-Assessment Questionnaire and assessed our top 50 high-risk suppliers.</li><li><span>●</span> Communicated our Supplier Code of Conduct to key strategic suppliers.</li><li><span>●</span> Developed Modern Slavery Awareness Training, which was completed by our procurement practitioners.</li><li><span>●</span> Incorporated human rights into our complaint handling processes.</li><li><span>●</span> Established a cross-functional Modern Slavery Working Group.</li></ul>	<ul style="list-style-type: none"><li><span>●</span> Updated purchase order terms and conditions to include a modern slavery clause and included modern slavery clauses in high-risk contracts.</li><li><span>●</span> Continued assessing and mapping Urban Utilities' supply chain via our Modern Slavery Supplier Self-Assessment Questionnaire.</li><li><span>●</span> Further embedded supply chain due diligence to ensure modern slavery risks are evaluated effectively during procurement processes.</li><li><span>●</span> Included modern slavery indicators in our media monitoring program.</li><li><span>●</span> Implemented our online Modern Slavery Awareness Training to ensure key employees understand and are aware of modern slavery risks and how they can detect and prevent it.</li><li><span>●</span> Participated in the Queensland Government Modern Slavery Community of Practice group.</li></ul>	<ul style="list-style-type: none"><li><span>●</span> Implemented the Assessing Compatibility with Human Rights Procedure to provide guidance as to when and how human rights should be integrated into Urban Utilities' decision-making processes.</li><li><span>●</span> Continued to embed the consideration of human rights impacts in our actions and decision-making processes to align with our legislative and social obligations and risk profile.</li><li><span>●</span> Updated our Supplier Code of Conduct to enhance supplier obligations pertaining to corporate governance and ethics.</li><li><span>●</span> Continued application of our supply chain due diligence procurement to ensure modern slavery risks are evaluated effectively during procurement processes, including the supplier onboarding process.</li><li><span>●</span> Continued to monitor media alerts to ensure we keep abreast of current and emerging human rights and modern slavery risks in our business.</li><li><span>●</span> Continued monitoring the impacts of COVID-19 on our supply chains, prioritising countries and products/sectors most at risk.</li><li><span>●</span> Refreshed our online Modern Slavery Awareness Training to align with the Australian Government's Modern Slavery in Public Procurement e-Learning module.</li><li><span>●</span> Published a modern slavery training video on our website as part of our supplier education and awareness program.</li><li><span>●</span> Developed and implemented a Modern Slavery Working Group Charter.</li></ul>	<ul style="list-style-type: none"><li><span>●</span> Implemented a Modern Slavery Toolkit to assist procurement practitioners, contract managers and decision makers in how to identify, mitigate and respond to modern slavery risks in our supply chain.</li><li><span>●</span> Continued to assess and map Urban Utilities' direct (tier one) supply chains, including new and existing suppliers via the Modern Slavery Supplier Self-Assessment Questionnaire.</li><li><span>●</span> In collaboration with the Water Services Association of Australia (WSAA) Modern Slavery Community of Practice, selected a supplier due diligence tool to assess our suppliers' modern slavery risks and controls.</li><li><span>●</span> Published our Modern Slavery Poster at various operational sites to promote education and awareness among our employees, visitors and contractors.</li><li><span>●</span> Developed a Modern Slavery Response Protocol which provides guidance on how to report suspected or actual instances of modern slavery exploitation.</li><li><span>●</span> Commenced collaboration with our industry peers through the WSAA Modern Slavery Community of Practice to establish a national industry wide approach to addressing modern slavery.</li><li><span>●</span> Contributed to the three-year review of the <i>Modern Slavery Act 2018</i> (Cth).</li></ul>	<ul style="list-style-type: none"><li><span>●</span> Further strengthened our Supplier Code of Conduct to set out specific requirements in relation to modern slavery and broader labour rights issues.</li><li><span>●</span> Implemented a new modern slavery supplier due diligence platform to automate our modern slavery supplier assessment, providing us greater consistency in understanding our modern slavery risks which may be present in our supply chains.</li><li><span>●</span> Invited over 200 of our strategic suppliers to complete the Modern Slavery Supplier Assessment Questionnaire via our online platform.</li><li><span>●</span> Deployed our Modern Slavery Poster through interactive visual monitors at our new corporate head office accommodation to promote education and awareness among our employees, visitors and contractors.</li><li><span>●</span> Continued to ensure that Modern Slavery Awareness Training is mandatory for employees occupying roles that require an understanding and awareness of modern slavery risks in our operations, supply chains or both.</li><li><span>●</span> Supported and leveraged industry-based initiatives tackling modern slavery risk due diligence through the WSAA Modern Slavery Community of Practice.</li></ul>

# I. INTRODUCTION

## Urban Utilities remains committed to addressing modern slavery risks in our operations and supply chain.

In our fifth Statement, we outline our processes for assessing and addressing risk, the progress we have made, and our future commitments.

Our Modern Slavery Framework and Action Plan guides our modern slavery risk management actions, focusing on:



strong policies and procedures



risk assessment and due diligence



training and awareness



grievance and remediation



collaboration and stakeholder engagement.

We recognise that eliminating modern slavery requires collective action. As such, a key focus during the reporting period was to strengthen collaboration with our industry peers through the urban water industry's peak industry body, the Water Services Association of Australia (WSAA). The WSAA Modern Slavery Community of Practice group has met on a quarterly basis to share best practice initiatives, discuss common issues and, importantly, identify opportunities to coordinate an industry-wide approach to addressing modern slavery. One of the key initiatives delivered from the group during FY24 was the implementation of a standardised set of questions and common platform to collect information from our suppliers on the actions they are taking to identify and address modern slavery risks.

We are committed to delivering our products and services to the community in a manner that is consistent with our corporate values and aligned to people's human rights. This Modern Slavery Statement reflects our purpose and core values – to enrich quality of life by caring for each other and the community. We look forward to continuing to build on our response to modern slavery, communicating our progress and helping drive meaningful change within the water industry.

## I.1 OUR STRATEGIC DIRECTION

Our strategic direction outlines where we want to be and how we plan to get there.

### OUR PURPOSE

Enrich quality of life.

### OUR STRATEGIC GOALS

Our strategic goals are our “big picture” objectives for the business. They drive our priority setting, resource allocation, capability requirements and budgeting activities.

- **Constructive Culture** – We inspire, create and sustain a constructive culture to deliver high performance.
- **Foundational Success** – We know our business, we know our customers and we deliver value for both.
- **Environmental Leadership** – We protect and enhance our environment for current and future generations through excellence in water cycle management.
- **Social & Economic Value** – We advance the wellbeing and prosperity of society by leveraging our unique capabilities.

### OUR VALUES

Our values are the foundation of how we work. To achieve our purpose and vision, we must embrace our values in all that we do.

### WE CARE

- **We're Connected.** We're here for each other and our customers. We generously share our talent, time and knowledge.
- **We're All In.** We're one team. We've got grit, can always be counted on and love what we do.
- **We Keep It Read.** We're good humans. We embrace real and meaningful conversations. We bring our whole self to work.
- **We're Evolving.** We're curious, we challenge the status quo to create change that adds value.

## 2. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

### 2.1 OUR STRUCTURE

On 1 July 2010, the Central SEQ Distributor-Retailer Authority, trading as Queensland Urban Utilities, was established as a statutory body under the *South-East Queensland Water (Distribution and Retail Restructuring Act) 2009* (Qld) and a service provider under the *Water Supply (Safety and Reliability) Act 2008* (Qld).

Our geographic area stretches from Cape Moreton in the east, to the outskirts of Toowoomba in the west, up to the Yabba State Forest in the north, and down to the New South Wales border along the Scenic Rim in the south, covering 14,384km<sup>2</sup>. Our shareholders are the councils of Brisbane, Ipswich, Lockyer Valley, Scenic Rim, and Somerset.

We are governed by an independent Board. The Board's role includes deciding the strategies and the operational, administrative and financial policies to be followed. The Board also ensures that we perform our functions and exercise our powers in a proper, effective and efficient manner, and that we comply with planning and reporting requirements.

Our head office is based in Fortitude Valley, Brisbane.





# OUR BUSINESS IN NUMBERS

1.6 million  
customers

\$7 billion  
asset base

2.1 million  
water meter readings

140,593 ML  
of drinking water supplied

\$224 million  
total return to to  
Participant Councils

2,086  
water approval  
applications processed

3,595 ML  
of recycled water supplied

100%  
of Customer Service  
Standards achieved

136,000+  
drinking water quality tests

136,540 ML  
of wastewater collected,  
transported and treated

9,750 km  
of water mains

10,749 MWh  
generated from waste

\$377.3 million  
invested in infrastructure

10,076 km  
of wastewater mains

\$200,000+  
invested in community  
organisations, initiatives  
and events

28  
wastewater treatment plants











## 2.2 OUR OPERATIONS

Urban Utilities is one of the largest water service providers in Australia, supplying drinking water, recycled water and wastewater services to approximately 647,000 residential properties and 30,400 commercial properties in South East Queensland. We operate in a unique environment where we serve the same customers and communities as our shareholders.

We deliver these services via our \$7 billion infrastructure network, which is supported by a workforce of 1,210 permanent employees.

To enable our core services, we undertake a number of related functions, including:

-  future services planning
-  asset planning and management
-  water meter management and billing
-  development assessments and approvals
-  waste management (including trade waste)
-  research and development.

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.

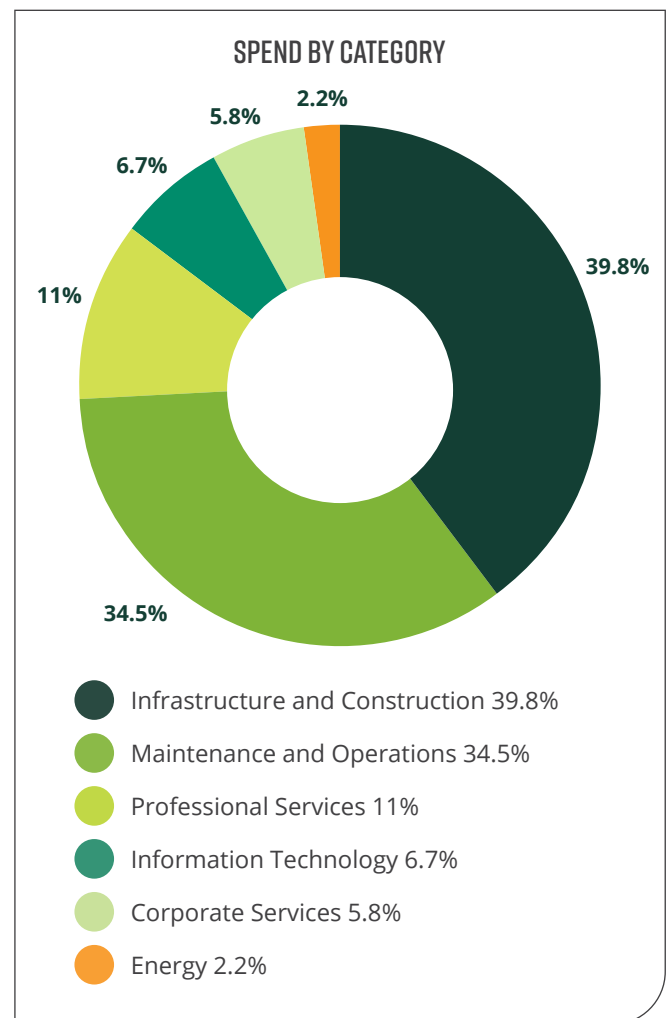
For full details, please refer to Urban Utilities' [Annual Report FY24](#).

## 2.3 OUR SUPPLY CHAINS

During the reporting period, Urban Utilities managed a supply base of 869 direct (known as tier one of supply chains) suppliers.

The graph below shows our categories of procurement spend to support our capital projects and core operational functions across our Australian and international supply base.

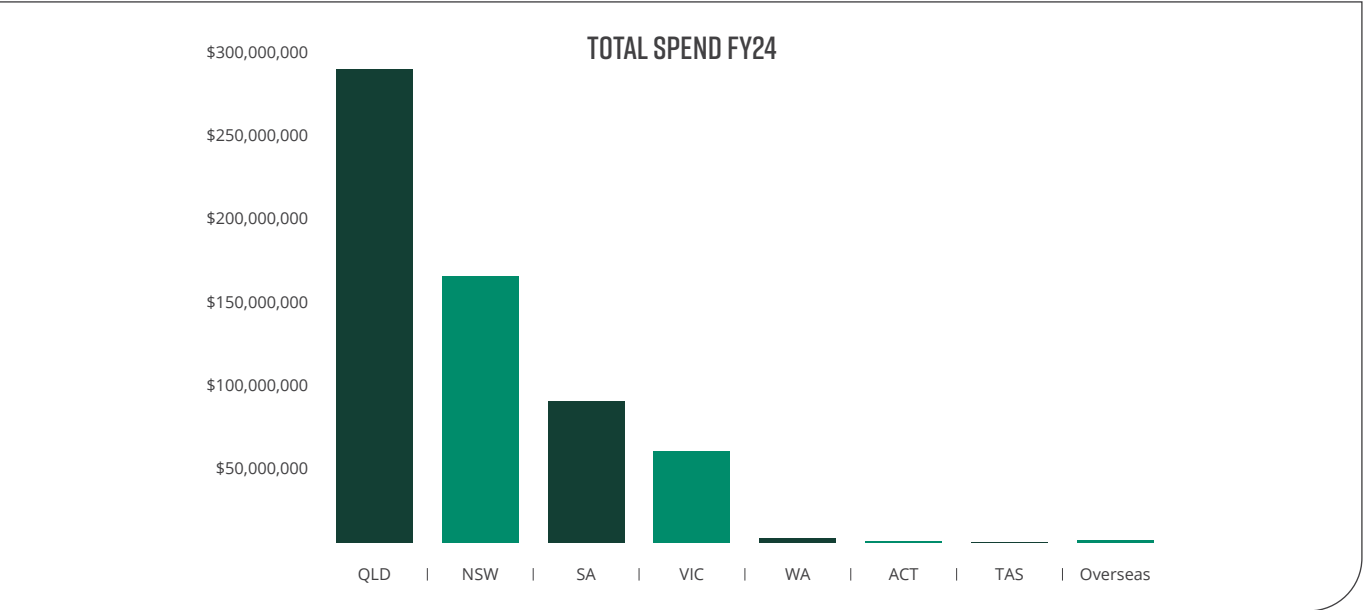
*Figure 1: Percentage of spend by category*



### 2.3 OUR SUPPLY CHAINS CONTD.

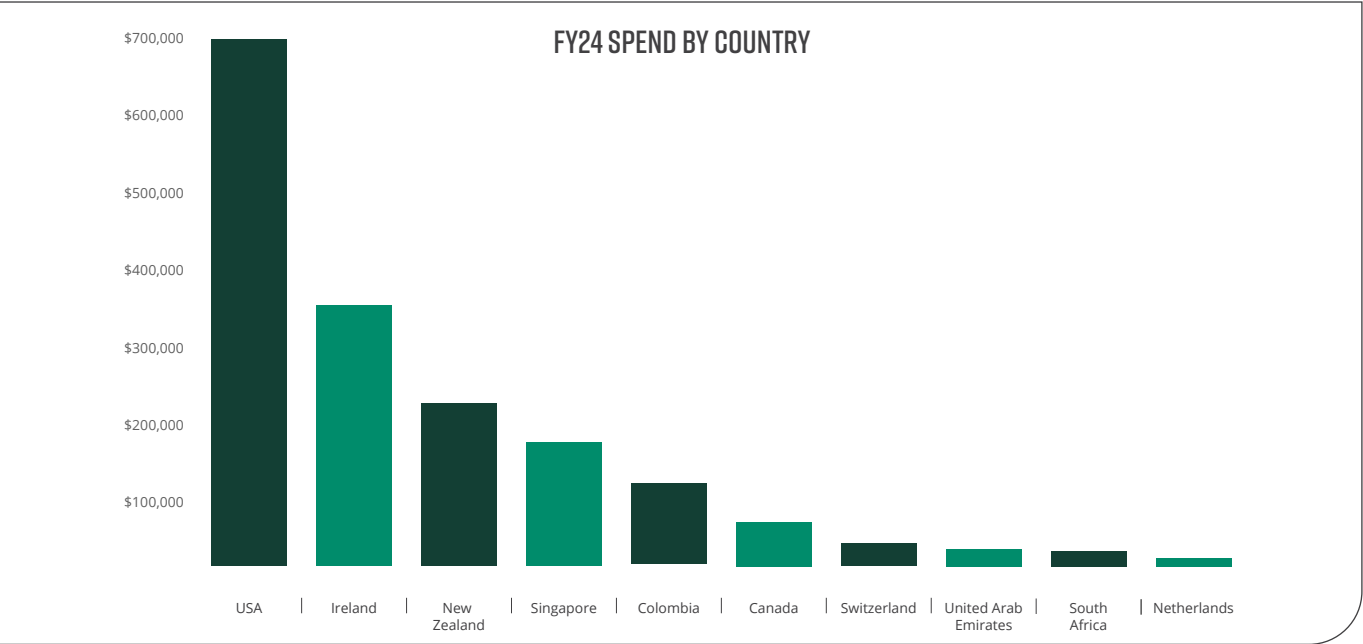
Where possible, we are committed to procuring goods from Queensland- and Australian-based suppliers and, as evidenced by the graph below, approximately 99.72% of our \$586.8M FY24 supplier spend<sup>1</sup> was with direct suppliers (tier one suppliers) located in Australia. In addition, many of our suppliers are small local businesses that play a key role in the delivery of our services.

Figure 2. Our FY24 spend at a glance



The remaining 0.28% is attributed to a total of 26 direct overseas suppliers located across 10 countries as depicted in the graph below.

Figure 3. FY24 overseas spend at a glance



<sup>1</sup> Addressable spend includes capital and operating expenditure, and excludes spend such as government and regulatory fees, land acquisition, employee payments and reimbursements, and purchase of bulk water

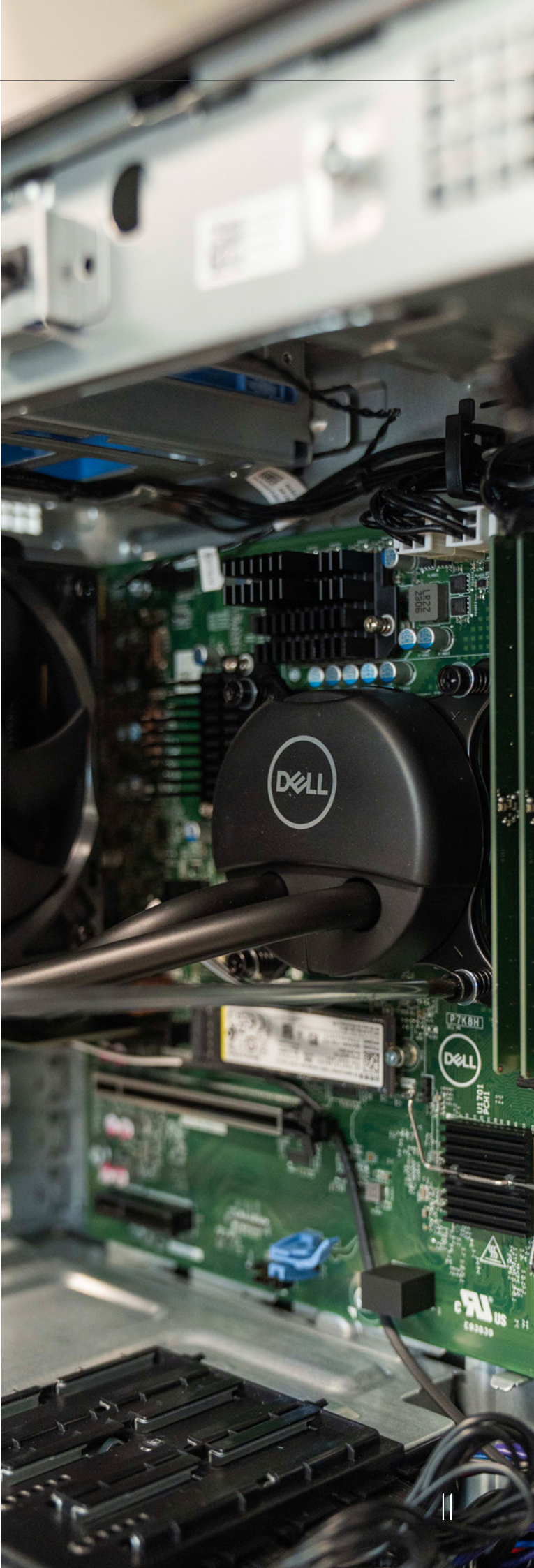
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### 2.3 OUR SUPPLY CHAINS CONTD.

The following table provides a breakdown on the types of goods or services being provided from our suppliers who are registered overseas. Specifically, the majority of these suppliers are supplying IT software licenses and support services to Urban Utilities. The types of services or roles required to fulfil these services are high skilled and have therefore been determined as representing a low risk of modern slavery.

Table 1. Goods or Services purchased from overseas suppliers

Country of registration	Number of suppliers	Category of spend
United States of America	12	Software licences, support and maintenance; Market research
Ireland	4	Software licenses
Singapore	2	Cyber security training; Professional subscriptions
Canada	2	Software licences
New Zealand	1	Maintenance services
Colombia	1	Application support services
Switzerland	1	Software licenses and maintenance
United Arab Emirates	1	Software licenses
South Africa	1	Network security and support
Netherlands	1	Software licenses





# 3. RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAINS

## 3.1 OUR APPROACH

In line with the *United Nations Guiding Principles on Business and Human Rights (UNGPR)*, Urban Utilities seeks to proactively assess and address modern slavery risks in our operations and supply chains. We recognise that the risks of modern slavery mean the potential for Urban Utilities to:

- Cause modern slavery or human rights impacts through our operations and supply chains.
- Contribute to modern slavery or human rights impacts through our operations and supply chains.
- Be directly linked to modern slavery or human rights impacts through our operations, or products and services procured from our suppliers.

Importantly, when assessing this risk, we recognise that the emphasis is on the risk of harm posed to people.

Our Risk Management Framework establishes a comprehensive framework for the management and assessment of risk within Urban Utilities in an efficient, effective and consistent manner. Under that framework, Urban Utilities has identified and assessed the risk of modern slavery in our operations and supply chains which includes analysis of the controls that are in place and whether they are sufficient and/or effective. A review of our modern slavery risk is undertaken annually to reflect any changes in the external and internal environment.

To ensure proper management of our risks, Urban Utilities has a robust corporate governance framework in place, which is overseen by the Board and the Audit, Finance and Risk Committee. Our Chief Financial Officer is the accountable officer for addressing modern slavery risks.

The Modern Slavery Working Group meets quarterly and is responsible for:

- Developing and recommending the annual Modern Slavery Action Plan.
- Ensuring there is an appropriate platform in place to plan, assign and assess activities and accountabilities for modern slavery and human rights risk management.
- Preparing and recommending metrics to assess the effectiveness of our modern slavery program of work.
- Providing advice on modern slavery and human rights issues and risks.
- Contributing to the preparation of our annual Modern Slavery Statement.
- Identifying and recommending opportunities to collaborate with industry groups to share knowledge and learnings and keep abreast of common approaches across industry.
- Monitoring emerging issues, trends and risks relating to our operations and supply chains.

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.

## 3.2 OUR OPERATIONS

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

- 1,284 people were employed or engaged by Urban Utilities in some capacity. Note that this figure does not include the workforce of our key supply partners.
- Of this figure, 1,210 were employees (94%) directly engaged by Urban Utilities in a permanent (full-time or part-time) capacity.
- The remaining 6% of our workforce was contingent labour engaged through recruitment agencies.

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. Further, employees are engaged under various Fair Work Commission-approved industrial agreements or Common Law Contracts.

For the contingent labour component of our workforce, Urban Utilities predominately uses Preferred Supplier Panel Arrangements. Under these arrangements:

- Urban Utilities has oversight and visibility of the people engaged.
- Urban Utilities has transparency over the rates paid to our contingent workforce.
- Recruitment agencies are required to comply with legislative requirements.

Contingent labour resources are engaged through labour providers holding a requisite license under the *Labour Hire Licensing Act 2017* (Qld). As additional due diligence, Urban Utilities has sought the completion of our Modern Slavery Supplier Assessment Questionnaire (SAQ) by the majority of labour agencies engaged to provide resources.



### 3.3 OUR SUPPLY CHAINS

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, our stakeholders, customers and the wider community. Urban Utilities' procurement principles include a focus on legal compliance and corporate social responsibility, specifically endeavouring to advance economic, environmental and social objectives. Best practice regarding compliance with modern slavery obligations and principles has been embedded within the broader procurement policy and processes and legal compliance frameworks.

The following table identifies the prevalence of modern slavery risks according to the Global Slavery Index 2023. As identified in the table, the majority of our spend was from countries that have been identified as having a low risk of modern slavery. With regards to the suppliers located in Colombia, South Africa and the United Arab Emirates, these suppliers provide Urban Utilities with IT software licenses and support or professional subscriptions, which are sectors considered low risk in terms of modern slavery occurrences.

**Table 2. Percentage spend per Country for FY24 and Modern Slavery Risk**

Country of spend	% of Spend	Country risk level
Australia	99.72%	Very Low
United States of America	0.12%	Low
Ireland	0.06%	Very Low
New Zealand	0.04%	Very Low
Singapore	0.03%	Very Low
Colombia	0.02%	High
Canada	0.01%	Very Low
Switzerland	0.001%	Very Low
United Arab Emirates	0.001%	Very High
South Africa	0.001%	Medium
Netherlands	0.001%	Very Low

To ensure we understand the modern slavery risks within our supply chains, we implemented a new modern slavery supplier due diligence platform during FY24. This platform has enabled us to improve how we assess our suppliers' modern slavery risks and controls in a systematic manner and, importantly, investigate any red flags as part of ongoing modern slavery due diligence activities. Specifically, the platform enables us to identify potential high-risk suppliers through the assessment of the following factors:

- **Assumed country risk** – determines the inherent country risk based on Bureau Veritas' methodology which considers factors such as geopolitical shifts, updates to the Global Slavery Index, economic fluctuations, etc. 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.
- **Assumed industry risk** – determines the inherent industry risk of based on Bureau Veritas' methodology which considers factors such as geopolitical shifts, updates to the Global Slavery Index, economic fluctuations, etc. Particular industries and sectors may have higher modern slavery risks due to the prevalence of undeclared labour, illegal labour and risk of human trafficking.
- **Survey risk** – this calculates a score for each supplier based on the supplier's response to each question in the SAQ.
- **ISRI risk** – this represents the Informed 365 risk rating, an aggregate assessment incorporating both the "Assumed Country" and "Assumed Industry" risks.

An analysis of the SAQs completed via the new online platform showed that only 7% of suppliers scored a 'medium' risk score, with the remainder scoring 'low' or 'very low' (refer to Table 3 on page 15).



### 3.3 OUR SUPPLY CHAINS CONTD.

Each supplier who had an overall risk rating of ‘medium’ has been reviewed, and where appropriate, further information or clarification was sought from the supplier to ensure that they have adequate controls and protections in place.

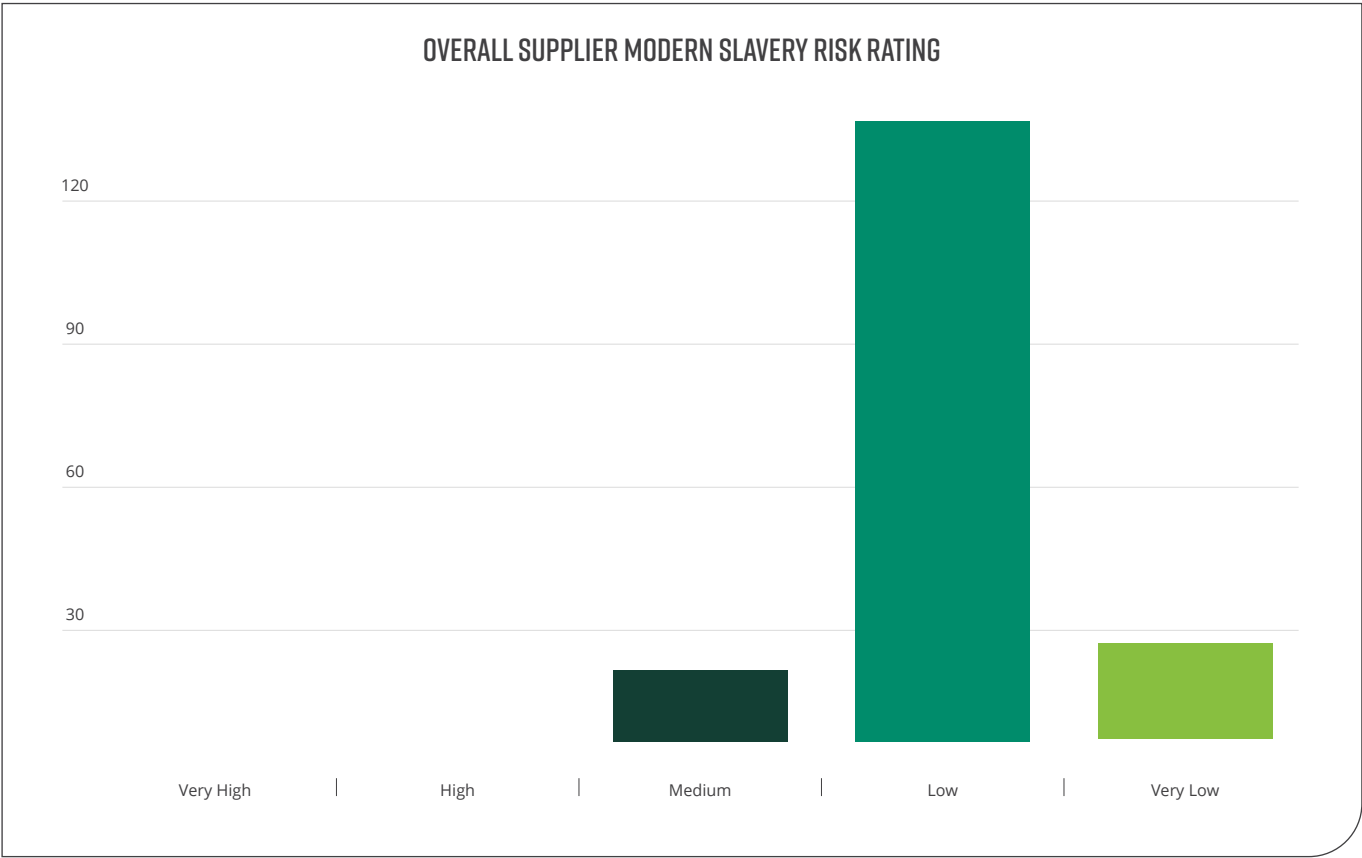
Urban Utilities will continue to expand our understanding of modern slavery risks within our supply chains by continuing to conduct risk assessments of our existing suppliers and new suppliers engaged as a result of future procurement activities.

We have continued to work with suppliers whom we consider to have insufficient controls through our contract management and supplier relationship management frameworks, to better understand the risk level and, where necessary, develop a plan for remediation.

Supply chain transparency is key to this process, and we recognise that risks may also occur in our tier two supply chain (that is, our suppliers’ suppliers) and beyond. We continue to monitor high-risk categories as part of our supplier engagement process and contract management framework.

Our modern slavery obligations and expectations are also clearly outlined 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 products and services being procured.

Table 3. Assessed supplier modern slavery risk rating FY24



Source: FY24 supplier responses to the SAQ issued via the Informed 365 platform

## 4. ACTIONS TAKEN TO ASSESS AND MITIGATE MODERN SLAVERY RISKS

Our key controls to manage risks of modern slavery in our operation and supply chains are based on five key foundations:



1. Policies and procedures



2. Risk assessment and due diligence



3. Training and awareness



4. Grievance and remediation



5. Collaboration and stakeholder engagement.

The following sections outline our governance framework and explain our work across each of these five foundation areas.

## 4.1 POLICIES AND PROCEDURES

As detailed below, we have a suite of policies and procedures to support our management of modern slavery.

Documents with relevance to management of modern slavery and human trafficking		
Document Name	Purpose	How we implement this document
<b>Risk Management Framework</b>	Outlines Urban Utilities' commitment to using a comprehensive Risk Management Framework for the management and assessment of risk within Urban Utilities.	This policy and its supporting documents are published on our intranet. It sets out how we embed risk management in our business processes. An ongoing risk review process is in place with regular risk reporting to the Board and its Committees, which provides assurance of risk management activities.
<b>Corporate Compliance Policy</b>	Outlines Urban Utilities' commitment to meeting our legislative compliance obligations in the delivery of our products and services.	We publish this policy on our intranet.
<b>Complaints Management Policy</b>	Outlines our approach to managing and responding to complaints and feedback received from customers and members of the public. Processes supporting this policy categorise complaints of a human rights nature as a high priority.	We publish this policy on our intranet and external website. This policy is supported by a Complaints Management Framework and guidance on how to manage complaints effectively. The process to be followed when receiving a complaint is also outlined in our online complaints training program.
<b>Procurement Policy</b>	Sets out the principles that govern the procurement of all goods and services by Urban Utilities.	We publish this policy on our intranet. The policy is referenced on our external website in relation to information for potential suppliers.
<b>Fraud, Corruption and Whistleblower Policy</b>	Establishes Urban Utilities' commitment to preventing and detecting fraud and corrupt conduct, including the commitment to protect whistleblowers under the UrbanDisclosure Program.	We publish this policy on our intranet. This policy is linked to other related documents including our UrbanDisclosure Program.
<b>Public Interest Disclosure Program Procedure (incorporating UrbanDisclosure Program)</b>	Outlines how Urban Utilities meets its obligations under the <i>Public Interest Disclosure Act 2010</i> (Qld). It includes information regarding the operation of Urban Utilities' UrbanDisclosure Program, including how to make a disclosure, the assessment and investigation of the disclosure, confidentiality and privacy provisions.	We publish this policy on our intranet and external website. Our Modern Slavery Response Protocol also includes a link to the whistleblower program, and our Modern Slavery Poster has been distributed for display at our operational sites and corporate head office to promote education and awareness.
<b>Assessing Compatibility with Human Rights Procedure</b>	Outlines how Urban Utilities will meet its obligations under the <i>Human Rights Act 2019</i> (Qld) and provides guidance as to when and how human rights should be integrated into Urban Utilities' decision-making processes.	We publish this document on our intranet. This procedure is linked to other related documents including our UrbanDisclosure Program.
<b>Procurement procedures</b>	Our procurement procedures provide guidance on the practices, requirements and processes to be applied to Urban Utilities' procurement and contract management activities to ensure we achieve the principles of Urban Utilities' Procurement Policy.	We publish our procurement procedures on our intranet. Our procedures link to our Procurement Policy and other related policies and procedures.
<b>Code of Conduct</b>	Outlines the expected behaviours of our employees, Board members, and contractors. The Code includes provisions relevant to fair employment and recognising and respecting the human rights of all people.	We publish the Code on our intranet. All employees are required to complete the Code of Conduct e-learning module as part of their onboarding process.
<b>Supplier Code of Conduct</b>	Sets out Urban Utilities' expectations of our suppliers and their supply chains in relation to corporate governance and ethics, health and safety, environmental protection, and social and cultural expectations. The Code also includes details of our whistleblower program.	We publish this document on our intranet and external website. Compliance with the Code is a condition of contract and we expect our suppliers to communicate the Code to their supply chain.
<b>Modern Slavery Response Protocol</b>	Describes the steps to report suspected instances of modern slavery exploitation at a local or international level.	We publish this document on our intranet and external website. Our Modern Slavery Response Protocol also includes a link to our UrbanDisclosure Program.



## 4.2 RISK ASSESSMENT AND DUE DILIGENCE

Urban Utilities takes a proactive approach to identifying and addressing modern slavery risk in our operations and supply chains. Our risk-based approach and due diligence processes enable us to identify, prevent and mitigate modern slavery risks and potential exposure to human rights violations more broadly.

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

### Modern Slavery Supplier Due Diligence Tool

Our modern slavery supplier due diligence risk methodology is designed to provide Urban Utilities with an ongoing framework against which we can 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.

As part of our commitment to continuous improvement of our modern slavery due diligence, we replaced our existing manual Modern Slavery Risk Assessment tool during FY24 with an online platform. By using the platform, it ensures consistency across the water industry, streamlines the reporting process for entities involved, reduces the administrative burden, and makes it easier for suppliers to share information with the organisations they choose.

### Supplier onboarding

Suppliers are required to complete a self-assessment modern slavery questionnaire to determine modern slavery risks within their operations or supply chains as part of the Invitation to Offer or Request for Quote process. The information provided in response to these questions assists Urban Utilities to identify potential areas of modern slavery or human rights risk. Where additional information is required, suppliers may be required to complete the SAQ in the online platform. 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.

## MODERN SLAVERY SUPPLIER ASSESSMENT QUESTIONNAIRE (SAQ) SUMMARY AND STATISTICS:

### INDUSTRY STATISTICS:

**1146** *water industry suppliers engaged on the platform after eight months of collaboration*

**26%** *of these suppliers have completed the SAQ, and many of whom have shared their completed questionnaire with multiple organisations across the water industry.*

**192** *suppliers shared their SAQ with Urban Utilities; 36 of these are current suppliers of Urban Utilities.*

### URBAN UTILITIES STATISTICS:

**223** *suppliers were invited to the platform by Urban Utilities during FY24.*

**161** *suppliers have completed the SAQ.*

**83%** *of Urban Utilities expenditure on goods and services for FY24 was made through suppliers assessed for modern slavery risk.*

**73%** *of Urban Utilities top 100 suppliers have completed the SAQ.*

*Over time, Urban Utilities seeks to increase the percentage of suppliers completing the initial assessment via the online platform.*

## 4.2 RISK ASSESSMENT AND DUE DILIGENCE CONTD.

### 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 the supplier hasn't been engaged via a formal procurement process. Where an inherent risk of modern slavery is identified based on these indices, the supplier is required to complete the SAQ in the online platform.

### Queensland Government's Ethical Supplier Threshold

As part of our procurement due diligence process, we assess whether suppliers comply with the criteria set out in the Queensland Government's Ethical Supplier Threshold ("the Threshold"). The Threshold outlines the wage and entitlement standards expected of suppliers who wish to conduct business with Queensland Government agencies, government-owned corporations, statutory authorities and special purpose vehicles. Ongoing compliance with the Threshold also forms part of our standard contract terms and conditions.

### Contract terms and conditions

Urban Utilities has a suite of modern slavery contract clauses for inclusion in contracts to ensure suppliers are aware of modern slavery risks and support Urban Utilities' efforts to address modern slavery in our supply chains. The contract clauses have different obligations depending on the modern slavery risk profile of the goods or services being procured and the controls the supplier has in place to identify, manage and monitor modern slavery risks in their supply chains. Procurement practitioners are encouraged to consider using the strongest modern slavery clauses in relevant procurement activities in order to drive increased awareness and accountability for modern slavery risks by suppliers. Our contract clauses also include references to other ethical procurement considerations, such as Urban Utilities Supplier Code and the Queensland Government's Ethical Supplier Threshold.

### Supplier Code of Conduct (Supplier Code)

Our Code outlines Urban Utilities' commitment to doing business with ethically, environmentally and socially responsible suppliers. The Supplier Code clearly communicates what we expect of our suppliers and their supply chains in supplying goods and services to us. New and existing suppliers are required to demonstrate their commitment to and compliance with the 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.

## CASE STUDY

### STRENGTHENING OUR SUPPLIER CODE OF CONDUCT

In FY24, we refreshed our Supplier Code of Conduct to set out specific requirements in relation to modern slavery and broader labour rights issues.

We instilled a clear expectation that suppliers make reasonable efforts to ensure that businesses within their supply chain are not benefiting from, engaged in or complicit with human rights exploitation as defined in the *Modern Slavery Act 2018* (Cth). Further, we outline our expectations that suppliers conduct risk assessments and manage risks in vulnerable industries; and where relevant, suppliers are to establish policies and practices that address supply chains risks of modern slavery and other human rights exploitation.

Further updates include:

- Strengthening our expectations around corporate governance and ethical behaviour.
- Updating our expectations of our suppliers regarding environmental management and protection.
- Strengthening our social and cultural expectations, including that suppliers must respect every worker's workplace rights and entitlements and ensure they comply with all relevant workplace laws, regulations and instruments.
- Highlighting the details for our whistleblowing service as a mechanism of reporting concerns about illegal, unethical or improper conduct associated with our business.

We view our Supplier Code as a key tool to communicate Urban Utilities' commitment to advancing economic, environmental and social objectives. By setting out clear expectations for our suppliers in relation to issues such as human rights and modern slavery, this refreshed document will help to drive supplier action and provides a foundation for supplier engagement.

## CASE STUDY

## INDUSTRY COLLABORATION THROUGH A SINGLE SUPPLIER DUE DILIGENCE PLATFORM

**Recognising that systemic risks in our supply chain cannot be solved in isolation, we place value on collaborating with our industry peers to collectively understand and manage the risk of modern slavery across our supply chain. Urban Utilities is a founding member of the WSAA Modern Slavery Community of Practice group, which has 10 founding members.**

This collaboration enables water utilities members to engage, assess and report on their supply chain networks in a systemic manner and, importantly, will enable us to report on supplier trends, to inform year-on-year progress.

An integral part of the implementation was to develop a standard set of questions which seeks information from our suppliers on the actions they are taking to identify and address modern slavery risks. This assessment helps the water utilities to achieve the following:

- Support the identification of modern slavery risks through the assessment of:
  - geographic risks
  - industry/sector risks
  - product/service risks.
- Encourage collaboration between suppliers and organisations to address these risks.
- Improve transparency through enhanced reporting and analysis.
- Identify areas for further investigation.

In developing these questions, we considered the different types of modern slavery, as defined by the *Modern Slavery Act (Cth) 2018*.

The questionnaire assesses suppliers in relation to a number of risks, including:

- Modern slavery risk indicators (that is, countries where they operate, types of goods or services they provide).
- Governance and controls (including established policies and procedures, grievance mechanisms, third party audits, training programs).
- Operations and supply chain risks (including where their major suppliers operate, if they produce or provide goods/services that are known to involve a high risk of harm to people from modern slavery; supplier due diligence processes).
- Risks relating to employment conditions (including whether employees or workers are free to resign

without restriction or penalty; if employees are free to leave any accommodation provided of their own free will; if workers are provided with a written employment contract in a language they understand; whether original identification documentation is held or retained by the employer).

During FY24, Urban Utilities invited 223 suppliers to complete the questionnaire in the platform. To date 161 completed questionnaires have been submitted. Of the completed questionnaires, 38 suppliers had red flag indicators, including instances where the supplier stated they:

- Produce or provide goods or services that are known to involve a high risk of harm to people from modern slavery.
- Recruited temporary or casual workers from overseas.
- Have had instances of known or suspected exploitation or modern slavery risks in their operations or supply chain.

Any red flags are investigated as part of ongoing modern slavery due diligence activities and any residual risks are monitored and actioned as appropriate.

By using the platform, suppliers can choose to share their responses with other water utilities, thus negating the need for them to complete the questionnaire multiple times in varying formats for different water utilities. Each section of the assessment explains why the information is important, providing context and background to the questions, and tries to encourage honest responses without leading respondents to preferred outcomes. In addition, suppliers gain access to the most relevant free online educational resources within every section of the platform, and they can measure progress in their actions and responses year on year. Each section of the platform also links to a PDF of current educational resources, updated each quarter, so that suppliers can download and explore the most useful materials for their organisation. Rolling out a uniform platform across the water services industry is already helping to improve reporting efficiency and encourage greater supply chain transparency.

Urban Utilities will continue to collaborate with our industry peers through the WSAA Community of Practice to discuss common issues, share knowledge and learnings, and identify further opportunities to standardise our approach to address modern slavery.



## 4.3 TRAINING AND AWARENESS

Training and awareness are key controls in addressing the risk of modern slavery.

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' operations and supply chains. This training is completed every two years and we monitor and report on the completion of this module. As at 30 June 2024, a total of 1213 employees (including past 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. We have also rolled out Modern Slavery Posters at our operational sites and our corporate head office to promote education and awareness among our employees, visitors and contractors.

We also recognise the importance of providing training and support to our suppliers, to build their capacity to effectively manage modern slavery risks. Our interactions with existing and emerging suppliers, including those in our extended supply chains, are a valuable learning opportunity. We invest time in engaging in two-way dialogue to build understanding of modern slavery and provide guidance on implementing appropriate actions to address potential human rights risks. To this end, we have an external facing modern slavery awareness training video which we include in communications to our suppliers when seeking the completion of our Modern Slavery SAQ. Further, the newly implemented modern slavery platform includes links to a range of current educational resources which are reviewed and updated each quarter. Suppliers can download and explore the most useful materials for their organisation and industry.

In addition, our Procurement and Supply team utilises media monitoring services which ensures the team is 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.

## 4.4 GRIEVANCE AND REMEDIATION PROCESSES

We are committed to the protection and respect of human rights across our business and supply chains. Our UrbanDisclosure Program is an independent service that provides a mechanism for employees, contractors, suppliers, customers, and the broader community to raise grievances, including potential instances of modern slavery and human rights abuses, and report concerns about illegal, unethical or improper conduct that is contrary to the Urban Utilities Code of Conduct, values and behaviours. Information about our UrbanDisclosure Program is available on our website.

Our Modern Slavery Response Protocol outlines the steps to report suspected instances of modern slavery exploitation both nationally and internationally. This Protocol aligns to and provides awareness of Urban Utilities' UrbanDisclosure Program.

Our Complaints Management Policy and framework includes human rights considerations, with complaints of a human rights nature categorised as high priority. Modern slavery whistleblowers are protected under Queensland legislation and under our Fraud, Corruption and Whistleblower Policy and associated procedures.

## 4.5 COLLABORATION AND STAKEHOLDER ENGAGEMENT

Collaboration and engagement is a key component of our modern slavery response. Working closely with our suppliers, business partners, industry, human rights experts, and government agencies enables us to share learnings and insights; identify and contribute to the development of good-practice responses; improve our awareness of modern slavery and its effects; and to contribute to and help drive transparency of modern slavery in Australia in order to mitigate and eliminate its risks. We support industry initiatives and regularly participate in 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:

- Continued to be part of the Queensland Government Modern Slavery Community of Practice. 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. Guest speakers from across private and public sector organisations and throughout diverse sectors and industries, attend these meetings from time to time to share information, learnings and best practice approaches.

- Supported industry-based initiatives to address modern slavery risk through the WSAA Modern Slavery Community of Practice, including the development of a standardised suite of questions and implementing a shared supplier due diligence tool.
- Participated in monthly meetings with our platform provider, sustainability experts, and the water industry sector, where we discussed emerging opportunities, risks and trends, and received updates on educational resources, reports and toolkits, invitations to events and briefings on current, relevant topics across sustainable procurement, supply chains, human rights and modern slavery. This collaboration aims to support continuous improvement, sharing skills and knowledge, and increasing leverage and access to best practice examples.

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.



## 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 risks associated with modern slavery using our Risk Management Framework.
- Monitoring the progress of supplier modern slavery risk and assurance activities.
- Measuring our performance through the establishment of metrics.
- Collaborating with other organisations to share knowledge and identify gaps.

We monitor and assess the effectiveness of our actions in identifying and managing modern slavery risk through the following:

Activity	Objective	Measure of Effectiveness
Risk assessment and due diligence	<ul style="list-style-type: none"> <li>• Understand the risks of modern slavery in our supply chain</li> <li>• Increase supplier awareness of modern slavery practices</li> <li>• Encourage suppliers to review their operations and supply chain for human rights and modern slavery practices</li> </ul>	<ul style="list-style-type: none"> <li>• Number of desktop risk assessments undertaken by geographic, industry/sector risk, and product or service risk</li> <li>• Number of suppliers invited to complete the SAQ via our online platform</li> <li>• Number of suppliers assessed via our online platform</li> <li>• % of supplier spend assessed via our online platform</li> </ul>
Training and awareness	Increase awareness of modern slavery practices and support our people to identify signs of modern slavery and how to respond	<ul style="list-style-type: none"> <li>• Number of employees who have completed our modern slavery training</li> <li>• % of enrolled employees that have completed modern slavery training</li> <li>• Insights provided from modern slavery training survey</li> <li>• # of views of our external-facing modern slavery training video</li> <li>• Periodic review of training materials and resources to ensure they are relevant, practical and easy to understand</li> </ul>
Collaboration and stakeholder engagement	<ul style="list-style-type: none"> <li>• Engaging in open dialogue with suppliers, industry and government.</li> <li>• Collaborating on water industry activities to support the eradication of modern slavery.</li> <li>• Enhance knowledge and understanding through engagement with human rights experts and worker advocates.</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in quarterly Queensland Government Modern Slavery Community of Practice meetings and WSAA Modern Slavery Community of Practice meetings</li> <li>• Participation in external forums to ensure we keep abreast of best practice initiatives to ensure our initiatives are in line with industry and societal expectations</li> </ul>
Grievance and remediation	Provide employees and third parties with a process to report actual or suspected instances of modern slavery practices or human rights complaints in our operations or supply chain	<ul style="list-style-type: none"> <li>• Number of modern-slavery-related whistleblowing alerts raised during the year</li> <li>• Number of human rights breaches during the year</li> </ul>

Based on the results of these measurements, we will adapt and strengthen our actions to continually improve our response to modern slavery and our overall human rights strategy.

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



# 6. LOOKING FORWARD

As long as exploitation exists, our commitment to eradicate all forms of slavery will continue. Urban Utilities is committed to continually improving our understanding and management of modern slavery risks. While we have laid the foundations of our approach to managing the risk of modern slavery over the last five years, we will focus our actions on embedding our new supplier due diligence tool into the procurement process and conducting deep dives into specific areas that are at higher risk of modern slavery.

Area of focus	Objective for FY25
Modern slavery supplier due diligence	<ul style="list-style-type: none"><li>• Ongoing modern slavery supplier due diligence with a focus on:<ul style="list-style-type: none"><li>– Increasing the number of invited suppliers utilising our existing risk screening and supplier due diligence methodology.</li><li>– Exploring ways to increase supplier engagement to improve supplier response rates.</li><li>– Continuing to investigate identified risk and develop corrective improvement plans to address supplier specific risks and governance gaps where required.</li></ul></li></ul>
Collaboration	Continue industry participation and collaboration through the Queensland Government and WSAA Modern Slavery Community of Practice groups and other industry forums.
Continuous improvement	Review our modern slavery governance processes to ensure that they are consistent with our maturity in this area and focus on embedding modern slavery risk assessment in our procurement processes.

We are proud of our progress to date, and we are determined to maintain our momentum and further improve. We are committed to the ongoing delivery of our initiatives and partnering with our suppliers and stakeholders to further reduce modern slavery risk.

