



Modern Slavery Statement

2023

Sydney
WATER

Letter from the Sydney Water Board of Directors

The Commissioner
Australian Border Force
Department of Home Affairs
October, 2023

It is with great pleasure that we submit Sydney Water's fourth Modern Slavery Statement to the Department of Home Affairs. This statement, covering the financial year 2022-23, has been written by Sydney Water Corporation (ABN 49 776 225 038) and approved by the Board of Directors at their meeting on 27 September 2023.

Sydney Water supports the objectives of the Modern Slavery Act 2018 (Cth) which closely align with our core corporate values. We are strongly committed to ensuring that our operations and supply chain are free from modern-day slavery practices; that as a business we do not profit from exploitation of others; and that the products and services we deliver to our nearly 5.3 million customers are ethically sourced.

This statement builds on the significant work achieved so far by Sydney Water's enterprise-wide modern slavery working group.

We have published the latest Modern Slavery Statement on our website, and our 2022-23 Annual Report includes a list of activities we have undertaken to demonstrate our deep commitment to ensuring modern slavery practices are reduced and, ultimately, eradicated.

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by several vertical strokes and a horizontal line at the end.

Roch Cheroux, Managing Director

1. Who we are

This Modern Slavery Statement is made by Sydney Water Corporation (ABN 49 776 225 038) (Sydney Water) pursuant to the Modern Slavery Act 2018 (Cth) (the Modern Slavery Act) for the 2022–23 financial year. We are a statutory State-Owned Corporation established under the Sydney Water Act 1994 (NSW) and wholly owned by the New South Wales Government. We operate within the state of New South Wales and our head office is located at 1 Smith St Parramatta NSW.

The main services of Sydney Water are to provide water, recycled water, wastewater and stormwater management (in limited areas) to customers in Greater Sydney, the Illawarra and the Blue Mountains. In addition to these fundamental services, Sydney Water provides associated services, such as sewer service diagrams via the Sydney Water Tap in® service. Sydney Water engages in research and development projects related to the water industry and plays a key role in urban development within its area of operations. Our area of operations covers almost 13,000 km² of land, extending from the Hawkesbury River in the north to Gerroa in the south and from the Pacific Ocean in the east to Mount Victoria in the Blue Mountains in the west. Within this area we have two head offices, one laboratory, 16 wastewater treatment plants, 14 water recycling plants, 153 water pumping stations, 695 wastewater pumping stations and 11 recycled water pumping stations.

Sydney Water has played an integral role in helping

to build the modern city we see today. We are proud of our 130-year heritage and contribution to Sydney's liveability which we achieve by focusing on our three principal objectives:

- Protect public health
- Protect the environment
- Be a successful business.

Our vision

Our vision is creating a better life with world-class water services. Water is an essential part of daily life. It's the way we use water that helps our city thrive and supports the productivity and prosperity of our economy. By delivering world-class water services, we can create a better life for our customers, our people, our business partners and our communities.

Our strategy 2020–2030 helps Sydney Water deliver on our vision. It sets out four strategic outcomes that will direct our activities over the next decade – all underpinned by our core values. Being the first choice of our customers and partners, supported by a high-performance culture and successful and innovative business practices will help us deliver thriving, liveable and sustainable cities for generations now and in the future.

This Modern Slavery Statement reflects our core values – to act with integrity and to care for each other and the community.

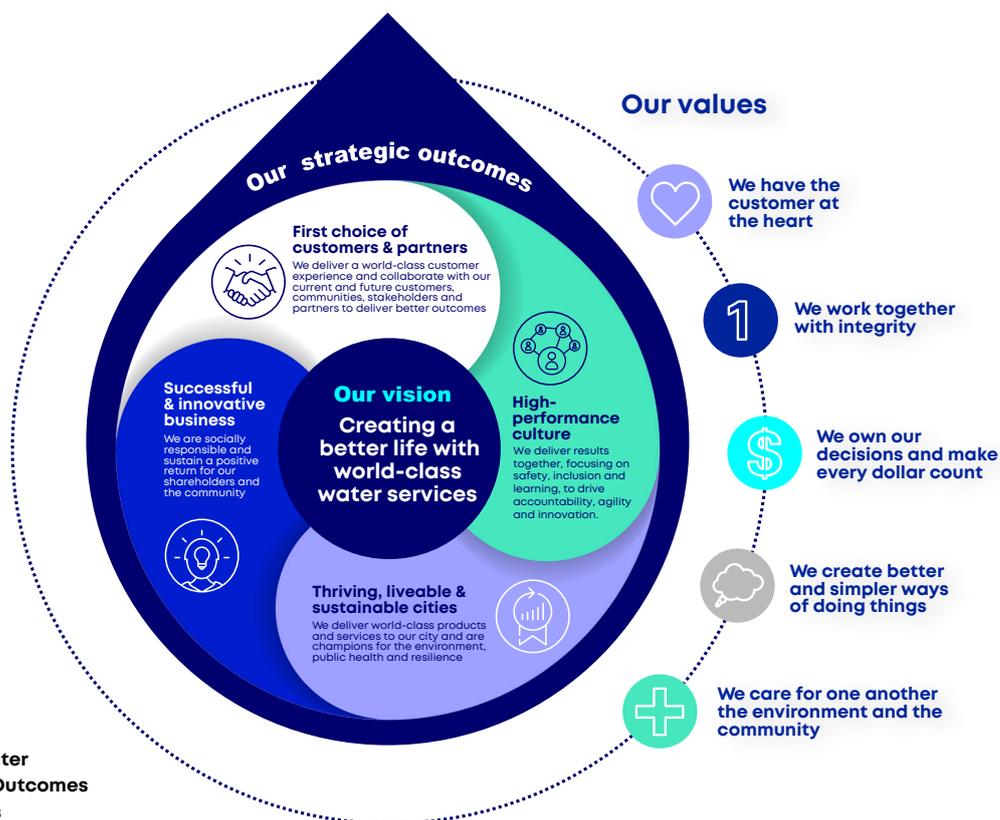


Figure 1. Sydney Water Strategic Outcomes and Values

2. Our structure, operations and supply chains

2.1 What we do

Every day, we supply to over 5 million people with safe, high-quality drinking water. We also treat wastewater, recycled water from specific wastewater treatment plants and provide some stormwater services, ensuring our communities can enjoy healthy rivers and clean beaches. We construct, operate, manage and maintain systems and services for:

- Storing and supplying water (including drinking water and recycled water)
- Providing wastewater (sewerage) services and disposing of treated wastewater
- Providing stormwater drainage services in some areas.

We conduct these operations within the area of operations indicated in figure 2.

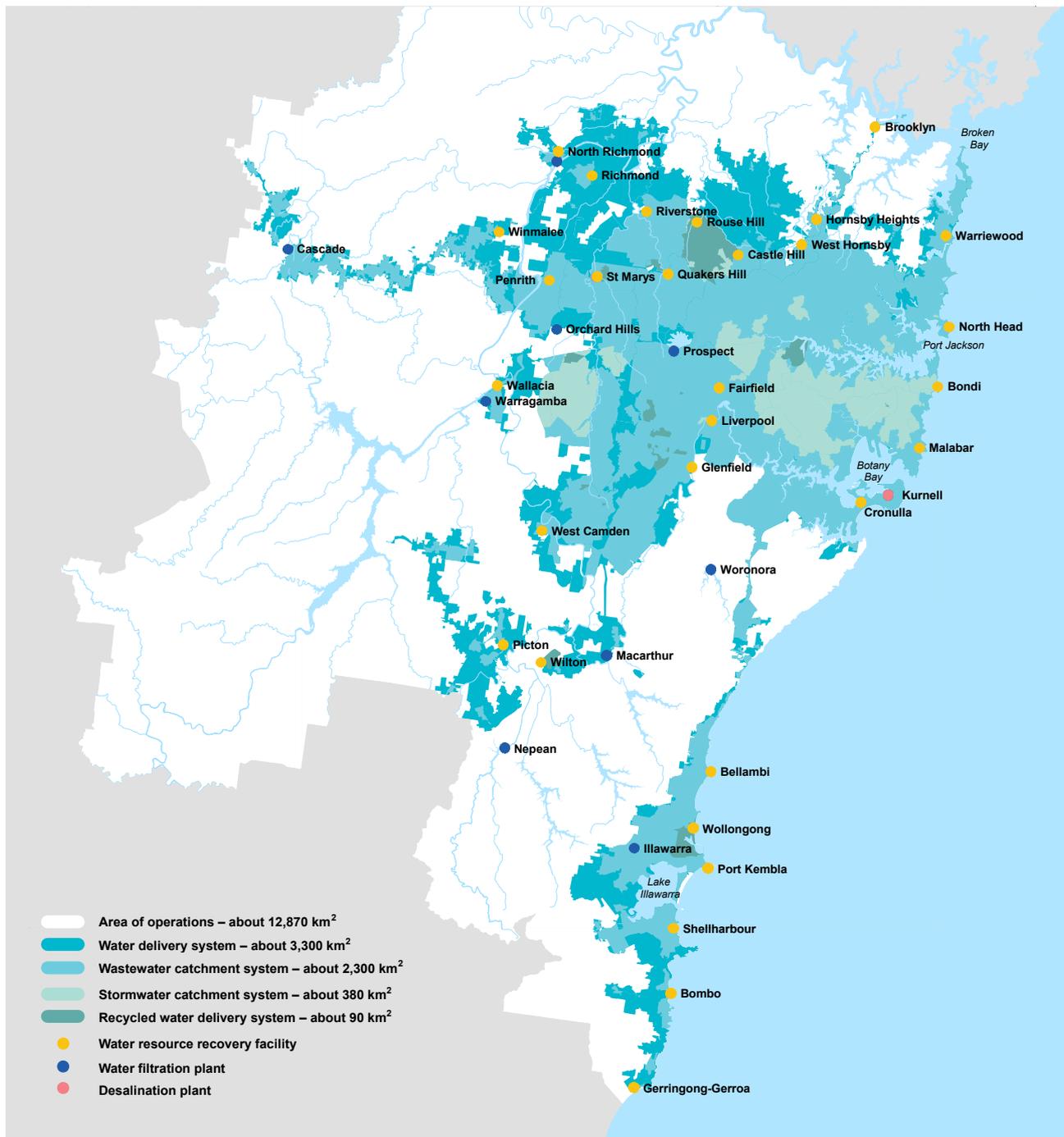


Figure 2. Our areas of operation

2.2 Operations

In 2022-23, Sydney Water employed:

3,306 Full-time employees			
2,953	239	114	229
Full-time equivalent permanent	Full-time equivalent temporary	Full-time equivalent part time	Agency employees
Sydney Water employs people under an enterprise agreement or individual contract of employment to supply the following services:			
Drinking Water Every day, we supply about 1.5 billion litres of safe drinking water to our customers.		About 80% of water comes from Warragamba Dam and the rest comes from a mix of other dams, the Hawkesbury-Nepean River and Sydney Desalination Plant at Kurnell	We supply water from 11 major dams and through 13 water delivery systems with: <ul style="list-style-type: none"> • 22,707 kilometres of water pipes • 9 water filtration plants • 251 reservoirs • 153 drinking water pumping stations.
Recycled Water Wastewater that's been used in homes and businesses can be recycled and treated so it's clean and safe.		Recycled water can be used to water gardens, golf courses and parks, as well as flush toilets, wash cars and fight fires. It can also be used for some industrial purposes and to supplement river flow.	We own and operate: <ul style="list-style-type: none"> • 14 water resource recovery facilities • 776 kilometres of recycled water mains • 9 recycled water reservoirs • 11 recycled water pumping stations.
Wastewater We own and operate the wastewater network of Sydney, the Illawarra and the Blue mountains, which services around 5 million customers.		When wastewater arrives at a water resource facility, we use different processes to remove impurities and recover valuable resources. Treated wastewater is either recycled or discharged to waterways.	We have 24 separate wastewater systems that consist of: <ul style="list-style-type: none"> • around 27,000 kilometres of wastewater pipes • 695 wastewater pumping stations • 16 water resource recovery facilities.
Stormwater Managed properly, stormwater is a valuable resource that can enhance cities' liveability, sustainability and resilience.		We do it by working with local government authorities (LGA) to improve health of our waterways, provide opportunities for stormwater reuse and protect our people and properties from flooding.	Our stormwater network provides services to about 634,000 properties which consists of: <ul style="list-style-type: none"> • 73 catchments • 457 kilometres of channels and pipes • over 70 stormwater quality improvement devices.
Our employees and contractors deliver these services through various activities including:			
Managing our Asset Lifecycle which encompasses planning, developing, designing, building and maintaining network infrastructure.		Delivering our Customer Services and End-to-End Customer Experience through water supply and production, laboratory services, networks field operations, water resource recovery, retail and business customer relations, billing and revenue collection services and our contact centres.	Operating Equipment and Control Systems to deliver reliable services to our customers.

2.3 Our supply chain

Supply chain

Sydney Water procures goods and services in accordance with our corporate and procurement policies, processes and procedures. These policies and processes are applicable to all employees and contractors involved in externally obtaining goods, services and any other procurement activities, for or on behalf of Sydney Water. They set out how we plan, source and manage supply agreements and suppliers throughout the procurement lifecycle.

Procurement activities are dependent on business requirements. These can range from purchase orders and purchasing cards for low-risk purchases to formal multimillion-dollar contracts using our "source-to-contract" process for high-risk and high-spend projects.

Our expenditure in the FY23 was in the following categories:

FY23 Total Spend Breakdown by Category	40.92% Construction and works Covering construction project management services, construction services and professional engineering services	7.97% Corporate Services Covering corporate support related expenses such as insurances, legal and management consulting services etc
	15.06% Water Supply and Testing Services Biggest spend with Sydney Desalination Plant and WaterNSW	6.01% Outsourced Treatment Services Covering outsourced treatment plants and networks, wastewater treatment and water filtration treatment services
	10.63% Employee Expenses, Reimbursements and Benefits For the purposes of analysing our supply chain, we have excluded this category.	5.04% Civil Services Covering equipment hire, network repairs and maintenance etc
	14.36% Others Covering information technology, chemicals, maintenance and equipment, utilities etc	

Sydney Water publishes the details of any [active contract](#) between Sydney Water and a private-sector contractor signed after 1 July 2010 that is above the value of \$150,000 and involves the contractor doing a specific project such as construction, infrastructure or property development, the contractor agreeing to provide specific goods or services, or the transfer or lease of real property.

Geographical distribution of suppliers

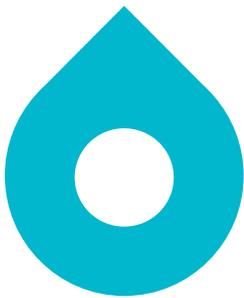
More than 99% of our total spend was within Australia during the reporting period. The remaining expenditure can be attributed to various international suppliers in countries with a low prevalence of and low to medium vulnerability to, modern slavery. We acknowledge, however, that there is a possibility that the source countries for these goods and services may be countries with a higher prevalence of or vulnerability to modern slavery. The majority of the spend with our international suppliers was in the software, training, IT professional services and biogas system and equipment.

Table 1 sets out the modern slavery prevalence and vulnerability scores with respect to the main countries from which Sydney Water procured goods and/or services during the reporting period:

Country	Prevalence (/1,000)	Vulnerability (/100)	Total Spend %
Australia	1.6	6.8	99.8%
Canada	1.8	10.7	0.0004%
Ireland	1.1	9.3	0.003%
Latvia	3.4	16.8	0.003%
Netherlands	0.6	6.0	0.004%
New Zealand	1.6	7.8	0.0005%
UK	1.8	14.3	0.09%
United States	3.3	24.5	0.04%
Singapore	2.1	24.4	0.004%
Spain	2.3	10.4	0.0001%
Malta**	NA	NA	0.0003%

Table 1. Modern Slavery Prevalence and Vulnerability scores in Sydney Water's Supply Chain based on Global Slavery Index 2023

**No information available for Malta in the Global Slavery Index 2023.



3. Risks of modern slavery practices in our operations and supply chains

Operations

At Sydney Water, 89.3% of our employees work on full-time permanent arrangements. 7.2% of our workforce are on temporary arrangements while 3.4% are on part time arrangement. We operate entirely in Australia with offices located around Greater Sydney.

Sydney Water has introduced various policies and instruments to address the risks of modern slavery in our operations, which include:

<p>Remuneration Policy</p> <p>Ensures the remuneration of all employees, permanent and temporary is managed on a fair and equitable basis and in line with organisational objectives.</p>	<p>Safety, Health, and Wellbeing Policy</p> <p>Aims to create an environment in which people have the autonomy to use their insight, knowledge and expertise to keep themselves, their colleagues and the community safe, healthy and well. This policy applies to all workers including contractors, visitors, customers, partner agencies and others who may be involved in or affected by Sydney Water activities.</p>	<p>Flexible Working Policy</p> <p>Encourages positive physical and mental health, supports people with carer's responsibilities and aims to make Sydney Water a great place to work with high engagement, wellbeing and job satisfaction.</p>
<p>Parental Leave Policy</p> <p>Provides employees with access to parental leave, including paid leave for the birth or adoption of a child into their immediate family.</p>	<p>Overtime Policy</p> <p>Addresses reasonable overtime outside of usual hours of work.</p>	<p>Enterprise Agreement</p> <p>The Terms and Conditions of our Enterprise Agreement provide for limitations on hours of work to ensure rest breaks and minimal fatigue for our workforce.</p>

Sydney Water has systems in place to ensure that these policies and instruments are complied with. The risk of modern slavery in our own operations is, therefore, very low.



Supply Chains

Sydney Water has identified the following modern slavery risks in our supply chain:

Categories	Risk Factor	Risk Description	
Construction and works	 	Pose a high risk of modern slavery, as the production of these products and the services required rely on multi-tiered construction supply chains that may draw on labour and materials from countries with little regulation, coupled with a high proportion of low skilled, migrant workers from socio-economically vulnerable groups.	
Information Technology	 	Includes IT Hardware, IT Network and Infrastructure, IT Services, IT Software and Telecommunication. The Global Slavery Index has labelled laptops, computers and mobile phones imported by Australia from China and Malaysia as the highest value at-risk products for modern slavery, with the Global Slavery Index identifying cases of forced labour in the electronics manufacturing industries in these countries.	
Uniforms and Personal Protective Equipment	 	Includes the purchase of uniforms and hard hats as well as hand, body and respiratory protection. We purchase these goods from suppliers that could be sourcing and manufacturing goods from countries overseas with relatively high modern slavery risks.	
Catering, event management and venue hire	 	Is another high-risk area of our spend as the hospitality and fresh fruits industries may involve poor working conditions including, but not limited to, wage theft and inadequate record keeping, especially for people on temporary work visas and migrant workers.	
Recruitment services	 	May involve recruitment of potentially vulnerable people such as new migrants, temporary work visa holders, international students and undocumented workers. Recruiters may also exercise coercive control by withholding workers' identity documents to limit their freedom of movement and socially isolate them from community or other supports.	
Cleaning and hygiene services	 	Is another high-risk category of our spend that could involve workforces with a high proportion of low skilled migrant workers who may have limited English language skills and understanding of rights under Australian law.	
KEY	 High risk countries	 Low skilled, migrant workers	 Poor working conditions

4. Actions taken this year to assess and address modern slavery risks

Key actions in FY23



Procurement framework

We continued to refine our Procurement Framework to mitigate Modern Slavery risks in our Procurement activities.

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Collaboration with water companies across Australia

We actively engaged with other water companies across Australia to share best practices, discuss common issues and standardise our approaches.

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Online solution to manage modern slavery risks

In collaboration with Water Services Association of Australia (WSAA), we conducted extensive review and analysis for robust tools to help manage Modern Slavery risks more efficiently.

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Assessing our top subcontractors

We developed a questionnaire and conducted a survey with top Tier-2 suppliers to collect data in regard to potential Modern Slavery risks in their supply chain.

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4.1 Procurement Framework

We continue to refine and enforce our Procurement Framework to mitigate modern slavery risks across our procurement lifecycle. Our Procurement Framework sets out the foundation, scope and structure of the procurement process at Sydney Water.

Further information regarding our Procurement Framework and Procurement Policy is detailed in our Modern Slavery Statement for 2021-22.

Procurement processes

As part of our Procurement Framework, we have defined processes across the procurement lifecycle from planning, sourcing and purchasing to managing contracts and suppliers.



Figure 3
Procurement Processes at Sydney Water



1. Plan

As part of the planning stage, we take the opportunity to conduct a risk assessment. The outcome of the risk assessment together with the total value of the procurement is used to work out the most appropriate procurement pathway or market approach. In addition to risk assessments, a procurement strategy may be required for medium or high risk and/or high value procurement activity. The procurement strategy outlines the market analysis and evaluation criteria that takes modern slavery risks into consideration where appropriate. The procurement strategy is subject to approval in accordance with Sydney Water's delegation manual.

2. Source

When a tender exercise is conducted, the tender document sets out the requirement for suppliers to comply with relevant Sydney Water policies. This includes our Supplier Code of Conduct, which explicitly states that "We also recognise the importance of protecting human rights and oppose all forms of slavery and forced labour. Suppliers must not engage in or be complicit in any practices of slavery".

3. Purchase

As part of our pay process, approval in accordance with our delegation manual is required before a purchase requisition is converted to a purchase order. This approval step exists and is enforced for numerous reasons, including ensuring that the purchase order complies with and meets the objectives set out in the Procurement Policy.

This year, we have incorporated modern slavery clauses into our Purchase Order Terms and Conditions issued to all suppliers that we are engaging to provide goods and services to us. These clauses cover several aspects of modern slavery including:

- prohibiting suppliers to engage in any activities, practices or conduct that would constitute an offence under Modern Slavery laws
- requiring suppliers to thoroughly investigate their labour practices and those of their subcontractors and direct suppliers to ensure that there is not any activities, practices or conduct being engaged in that would constitute an offence under Modern Slavery laws
- requiring suppliers to put in place all necessary processes, procedures and compliance systems to ensure they comply with Modern Slavery laws.

4. Manage Contracts

Sydney Water is continuing the implementation process for a Contract Management Operating Model. The model is designed to enable Sydney Water to manage contracts effectively and consistently across the organisation. Further information regarding our Contract Management Operating Model is set out in our Modern Slavery Statement for 2021-22.

Through these initiatives, Sydney Water will have better visibility over our contract activities, the suppliers we engage with and the practices within the community.

Sydney Water is also continuing to implement Modern Slavery clauses in our supplier contracts. These clauses include requirements that the supplier:

- not engage in activities and practices that would constitute an offence under Modern Slavery laws inside or outside of Australia
- comply with obligations under the Modern Slavery laws and equivalent legislation
- implement processes, procedures and compliance systems to ensure compliance with Modern Slavery laws
- provide information to enable Sydney Water to comply with its own Modern Slavery requirements.

5. Manage Suppliers

As part of our supplier management process, we continue to undertake the following processes:

- **Supplier due diligence**

Sydney Water engages a third-party provider to conduct due diligence on our suppliers. The due diligence process provides information on the location of the supplier, its controlling entity and any legal action pending against the supplier or its directors.

- **Supplier registration**

For any supplier to transact with Sydney Water, they must complete our supplier registration process to create their profile on our Procurement system. As part of the registration process, suppliers are required to confirm that they have read, understood and agree to comply with the Modern Slavery Act. Non-compliance is subject to review by the procurement team and may result in a supplier's registration being denied. In addition, suppliers are also required to confirm that they have read, understood and comply with Sydney Water's Supplier Code of Conduct which includes Sydney Water's expectations with respect to modern slavery, labour and human rights.

- **Supplier prequalification**

We have implemented a supplier prequalification process where suppliers are required to confirm and prove that they meet Sydney Water's minimum requirements. As part of the process, we ask suppliers to confirm if they have a Modern Slavery Policy or program in place and where possible, to provide evidence to substantiate their claim.

4.2 Risk Monitoring and Remediation processes

Although we have not been made aware of any modern slavery incidents that we need to take actions to remediate, we are monitoring the modern slavery risks in our supply chain by;

- monitoring news and market updates that may involve modern slavery incidents with suppliers that we are currently using or in our database
- conducting modern slavery risks assessments prior to the award of a contract
- including modern slavery as part of [corruption hotline](#) triage and reporting. The corruption hotline is publicly available on our website.

Once we identify a modern slavery risk or incident, we would then conduct investigation in accordance with Wrongdoing Reporting Policy. We will take appropriate corrective action against the validated risk or incident. The remediation process can be one of the following:

- If the risk or incident is identified through a news or market update or the corruption hotline, the information will be shared with relevant stakeholders, including the modern slavery working group, procurement manager and contract manager for the relevant supplier and contract. The responsible stakeholders will be identified and required to validate the risk or incident with the supplier, conduct potential impact assessment and work with the supplier to mitigate the risk or address the incident. If the supplier fails to mitigate the risk or resolve the incident, Sydney Water may suspend or terminate our engagement with the supplier.
- If the risk is identified through pre-contract award risk assessment, the responsible purchasing officer will be required to obtain all necessary information about the supplier's practices and operation regarding modern slavery. The supplier may be asked to fill in a modern slavery questionnaire. The questionnaire addresses a number of areas, including the following:
 - o whether the company has offshore operations
 - o source countries of the products and services to be supplied
 - o whether the company has a process or procedure for workers to report without fear of retaliation on matters related to slavery and human trafficking
 - o whether workers are fairly compensated and work in safe conditions, free from discriminatory



practices, as well as have the right to join a trade union.

The information together with the supplier's response to the questionnaire would be reviewed by the procurement effectiveness team. Procurement effectiveness will then issue a recommendation to the purchasing officer to:

- (a) work with the supplier to mitigate any identified modern slavery risk, or
- (b) refrain from awarding the contract to the supplier based on the identified modern slavery risks.

Case Study:

In late August 2022, we learned from a national news channel about a case lodged in a US court alleging a well-known global company knowingly profited from modern-day slavery.

Actions taken:

Considering that the company manufactured a household brand used in Australia, we looked deeply into the case to ascertain potential modern-slavery risks in our supply chain.

- We did not have direct relationship with the company.
- Our procurement team contacted one of our key suppliers who had dealings with the company to seek further details.

The key supplier supplied information, including remediation actions and assurances from the global company including:

- The issue was with an independent third party in Malaysia representing fewer than 1% of the global company's total purchases.
- The issue impacted primarily the US market and no products from the third party were in Australia.
- The company suspended orders placed with the third party and worked with them on remediation.
- The global company began the process of moving away from the third party and reviewing an alternative supplier.
- The company reiterated their commitment to actively identifying and addressing violations of labour rights within their supply chain as well as upholding strict standards on human rights.

Given the impact was mainly in the US market, no products from the third party being available in Australia and the global company took decisive action, we were satisfied that there was no risk to our supply chain. However, we took this case as a very relevant modern slavery risk in the supply chain, and we shared this case with the whole procurement team and the modern slavery working group as a valuable lesson.



4.3 Engagement with other water companies across Australia through WSAA

As mentioned in the last year's statement, our focus this year was to engage and to collaborate closely with other water companies across Australia to share best practice, discuss common issues and standardise our approach to modern slavery risks. These activities were done through Water Services Association of Australia (WSAA), the urban water industry's peak industry body that connects the urban water sector. This year, activities coordinated through WSAA included the following:

Discussion with Attorney General's office

We conducted a live discussion with a representative from the Attorney General's Modern Slavery and Human Trafficking Branch to talk through the review of the Modern Slavery Act and water industry consultation. Some of the topics discussed included:

- Has the Act been effective in addressing modern slavery?
- Does the Act appropriately define modern slavery?
- Should an annual statement be submitted?
- Any suggestions on improving or enhancing the reporting process?
- How can the Department of Home Affairs support the water industry's efforts to ensure the supply chain is free of modern slavery?

Submission for the review of Australia's Modern Slavery Act 2018 (Cth)

Following the discussion with the Attorney General's representative, we worked with WSAA and other water organisations across Australia to make a formal submission to the Attorney General's Department as part of the review of the Modern Slavery Act 2018 (Cth). Our submission included comments on the following:

- impact of the Modern Slavery Act on supply-chain risks in the water industry
- Modern Slavery Act reporting requirements
- enforcement of Modern Slavery Act reporting obligations
- public sector reporting requirements under the Modern Slavery Act
- Modern Slavery Statements Register
- review of the Modern Slavery Act.

Create standard Modern Slavery assessment questionnaires

Under the WSAA's coordination, we worked with other water companies to create a robust, standard and common Modern Slavery questionnaire to screen suppliers for modern slavery risk and control. These questions were based on a review of the questions and approaches from various water companies, covering areas of:

- governance and control
- operations and supply chains
- employment conditions.

We used these questionnaires to survey and analyse our subcontractors. (page 16)

4.4 Review and analysis of online tools to manage modern slavery risks

Under the coordination of the WSAA, we and other water organisations also conducted an Expression of Interest (Eoi) activity with various online software platform providers who could help us manage risk assessment more efficiently. This assessment would involve streamlining and maximising the automation of data collected from supply-chain businesses. The primary intentions were to seek the most suitable and robust online platform where WSAA members could access and to avoid undue repetition and rework by suppliers as well as to enable each water business to effectively determine the risk from the supplier in relation to the Modern Slavery Act (2018). We undertook a detailed review of the requirements we considered essential to the platform, including the following:

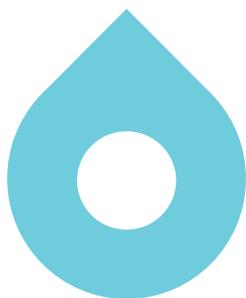
- single platform accessible by all participating water organisations with access to a common supplier database, supplier risk assessment and risk rating
- ability to assess information received from suppliers and assign a risk rating
- dashboards and analytics available for various risks
- ability to assess the entire supply chain (including subcontractors).

Three reputable providers participated in the Eoi. Each had the opportunity to demonstrate their platform, capabilities, shared best practice and respond to questions from the various water companies.

With the information and lessons learned from the Eoi activity, we and other water companies under WSAA coordination invited several reputable software platform providers to participate in a formal tendering process. The main objective was to find the provider with the best online platform that participating water companies could use to more efficiently and effectively manage Modern Slavery risks. The main criteria used by us and other water companies to assess the best provider were the following:

- price and value for money
- demonstrated understanding and solutions experience
- ability to meet the criteria set by water companies.

We plan to continue our analysis and selection of the best provider with the best online platform in the new financial year so we can better manage our suppliers' risks, ensure a more transparent process and align ourselves with water companies across Australia.



4.5 Conduct risk assessment of our top subcontractors

This year, Sydney Water expanded our risk assessment to top subcontractors engaged by our Regional Delivery Consortia (RDC). RDCs are responsible for delivering water solutions and infrastructure. We used the questionnaire coordinated by the WSAA to assess modern slavery risks with these top subcontractors. We selected top 60 suppliers based on their previous year's spending, and we worked closely with our RDC partners to approach the suppliers to fill out the questionnaire.

In total, we received 26 responses with the key results summarised below:

	The company is subject to Modern Slavery Act 2018 (Cth) or equivalent State, Territory, or international legislation, or the company has policies and processes to identify, investigate and remedy the risk and instances of modern slavery.	78%
	The company, or a third-party labour hire company that supplies staff, ensures that it does not hold, retain or ask workers to relinquish their own original identification papers or personal documents such as bank cards, passports, visas and other identification documents.	96%
	The company has had instances of known or suspected modern slavery in the organisation and supply chain or claims or adverse media attention in relation to human rights practices within the supply chain in the last 5 years.	0%
	All workers (whether directly employed or through a third party) are provided with a written contract covering conditions of employment; the contract is provided in a language understood by the workers.	100%
	The company (or recruitment agencies where utilised) verifies its employees' legal eligibility and entitlement to work in the country of employment.	93%
	The company or major suppliers operate or have operations in any countries identified as high risk for modern slavery, as detailed in the Global Slavery Index.	7%
	The company has a whistleblowing mechanism or other process available to staff, contractors and suppliers to raise concerns related to modern slavery and human rights issues.	74%

Where unsatisfactory or not received responses have been provided, we will undertake follow-up assessments in the next reporting period to clarify the responses. In future reporting periods, we are planning to leverage the online platform previously mentioned to provide a more robust and efficient assessment of more subcontractors and their associated Modern Slavery risks.



5. How we assess the effectiveness of our actions

Sydney Water applies an Assurance Management Framework to measure the effectiveness of our controls to manage modern slavery risk. Assurance is coordinated through the three lines of assurance (3LOA) model. These are:

- **Line 1 - Management control** – assurance activities done at a local level, eg inspection and monitoring or project/contract audits. These are completed at an operational level by relevant subject matter experts or those who can verify technical controls are in place and working eg, team leaders, technicians or inspectors.
- **Line 2 - Management oversight** – assurance activities such as management system audits on the delivery of our products, processes and services. External parties and certification bodies engaged by Management Systems teams complete audit forms as part of our 2LOA. These programs are based on risk and provide insights on how well work is being done within set strategies, policies, procedures and compliance obligations.
- **Line 3 - Independent oversight** – assurance activities completed by the Internal Audit Team, including contractors, with an independent and objective view.

For modern slavery risk, our management controls are the following:

- The modern-slavery questionnaire is part of the supplier onboarding process. Suppliers are required to state their compliance with the Modern Slavery Act 2018 (Cth). At a minimum, this includes supplier registration step and pre-qualification step. The supplier's confirmation that they are compliant with the Modern Slavery Act 2018 (Cth) is reviewed by the business service team and escalated to Procurement for any potential non-compliance. The supplier will be unable to transact with Sydney Water unless they have completed onboarding process and been approved in our Procurement System.
- Our procurement and business services team have been made aware of and are required to notify a centralised mailbox if anyone suspects that someone is in slavery within Sydney Water's operations and/or supply chain. The mailbox is monitored by the Procurement effectiveness team
- Our procurement dashboard provides virtually real-time information on suppliers we have used, currently use, or are considering, along with associated contracts or purchase orders, as well as the relevant business unit within Sydney Water. This information allows us to identify relevant stakeholders and conduct an impact assessment as soon as we come across a modern-slavery risk or incident.

To ensure we are managing modern-slavery risks in our supply chain, Sydney Water:

- monitors the modern-slavery awareness training participation rate across the Procurement team. We continuously communicate the need to complete the training, especially to new hires, through various communication channels, including newsletters and team meetings
- monitors a supplier's confirmation of their compliance with the Modern Slavery Act 2018 (Cth) prior to the onboarding confirmation
- monitors the supplier-prequalification approval rate. The pre-qualification process requires suppliers to provide policies and procedures that outline their approach to mitigate and report on Modern Slavery in their operations and supply chain.
- continually assesses our engagement processes with suppliers
- takes steps to strengthen our processes for identifying and managing modern-slavery risk as early as possible
- monitors a fit-for-purpose, centralised mailbox for anonymous reporting of modern-slavery incidents
- If Sydney Water is made aware of any supplier that may be subject to a modern-slavery risk or incident within their operations or supply chain, Sydney Water will contact the supplier for further information. Sydney Water will monitor the supplier's responsiveness, as well as their ability and willingness to work with us to validate and address the modern slavery risk or incident.

6. Consultation

Sydney Water does not own or control any other entities, form part of any other trading entity or engage in joint ventures.

7. Other relevant information

The Modern Slavery Act 2018 (NSW) (NSW Act) places the following further obligations on Sydney Water:

- a statement to be included in the Sydney Water Annual Report on the steps taken to ensure goods and services procured were not the product of modern slavery and addressing any issues raised by the Anti-slavery Commissioner
- annual publication of the Modern Slavery Statement on our website
- give the Anti-slavery Commissioner written notice that the statement has been published on our website.

We include a Modern Slavery section that addresses the NSW Act requirement in the Sydney Water Annual Report.

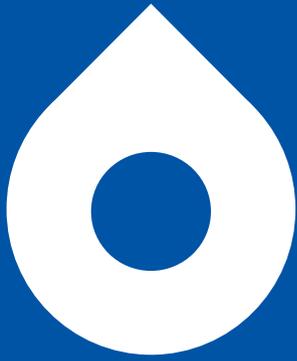
Towards the end of 2022, NSW Government conducted a short survey with the purpose of gathering views on modern slavery in NSW, how best to fight it, what the state's anti-slavery action should look like by the end of 2025 and how to get there. We shared the survey in our monthly procurement newsletter, and we encouraged our procurement team to complete it and have their say.

8. Approval and signature

This Modern Slavery Statement was approved by the Sydney Water Board of Directors at their 27 September 2023 meeting, and is signed by Roch Cheroux, Managing Director on the first page of this statement.







Contact us

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