

Modern Slavery Statement

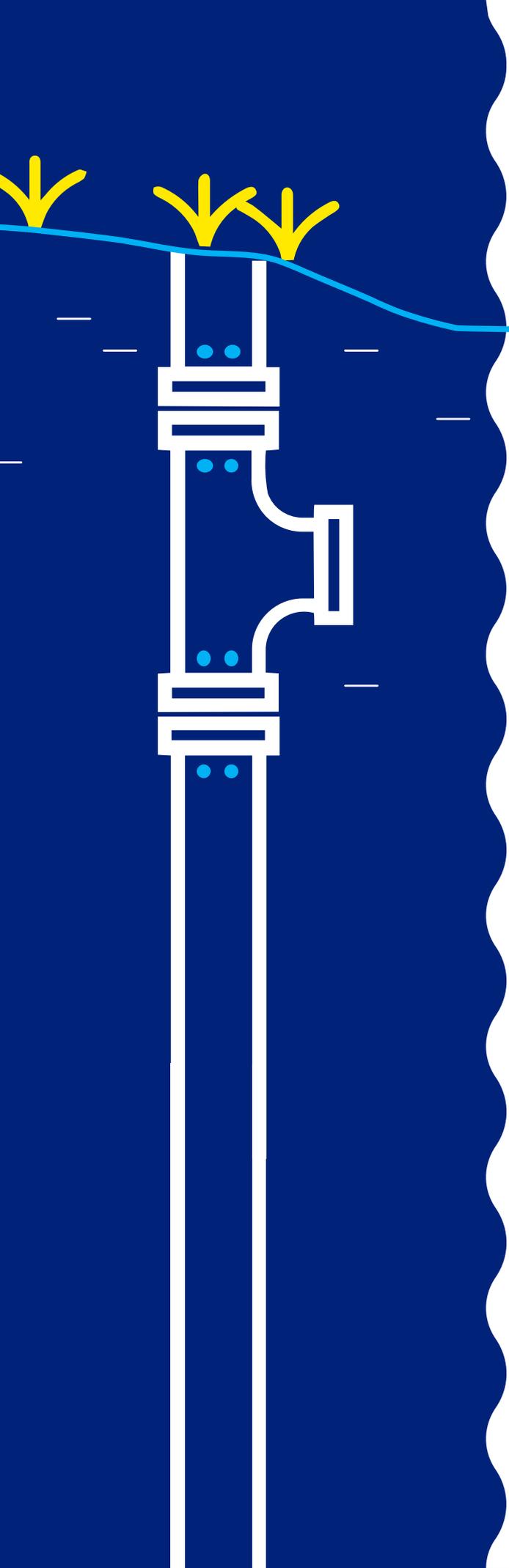
2022-2023

Acknowledgement of Country

South East Water proudly acknowledges the Bunurong, Gunaikurnai and Wurundjeri Woi Wurrung as the Traditional Owners of the land on which we work and live, and pay respect to their Elders past, present and future.

We acknowledge their songlines, cultural lore and continuing connection to the land and water.

We recognise and value their rich cultural heritage and continued contributions of Aboriginal people and communities to our society in Victoria.



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About us – our operations, structure and supply chain

At South East Water (ABN 89 066 902 547), we support healthy and liveable communities by delivering water, sewerage and recycled water services to 1.8 million people who rely on us every day and every night.

Our service area covers the lands and waters of the Bunurong people, some of the lands of the Wurundjeri Woi Wurrung people to our north and an area in our far north east around Longwarry that currently has no Registered Aboriginal Party.

The area borders more than 270 km of coastline and covers a land area of 3,640 km² from Port Melbourne to Portsea and approximately 30 km east of Pakenham. Each year we deliver 138 billion litres of drinking water and collect and treat more than 152 billion litres of wastewater (waste from the toilet, shower, laundry and kitchen in homes and from businesses) at our local water recycling plants and at Melbourne Water's Eastern and Western treatment plants. We manage more than 27,400 km of pipeline. We own, operate and maintain \$5.2 billion of assets including water, recycled water and sewerage networks. From our water recycling plants, we produce around 1.6 billion litres of recycled water used for homes, businesses, agriculture and open spaces. We also recycle biosolids for soil improvement and generate renewable energy from biogas and solar.

We're a water corporation under *the Water Act 1989*. The activities of our organisation are governed by *the Water Act 1989* and the Statement of Obligations issued by the Minister for Water under Section 41 of *the Water Industry Act 1994*.

Our service region



- 14,531+ kms of water pipes
- 1,450+ kms of recycled water mains
- 8 water recycling plants
- 1 stormwater treatment plant
- 11,479+ kms of sewer mains
- 275 sewage pump stations
- 11 recycled water pump stations
- 82 water pump stations
- 13,560 pressure sewer pumps



- 1,797,349 people serviced
- Our customer base grew by 1.3% to 824,097
- 92.4% residential customers
- 7.6% non-residential customers
- Our customers speak more than 200 languages
- 10,484 people who identify as Aboriginal and/or Torres Strait Islander in our region

Iota – our commercial capability

Iota (ABN 73 602 562 765) is a wholly-owned subsidiary of South East Water and plays an integral role in achieving our vision. It takes new innovations born at South East Water and commercialises them for use beyond our borders. This not only helps other water organisations around the world become more efficient, but delivers economic and social benefits for South East Water, our customers and Victoria.

In the wastewater space, Iota has built upon the success of OneBox® in Australia and New Zealand and as far as Ireland. Deployments within existing water organisations continue to grow with additional organisations now realising the benefits of monitoring and controlling low-pressure sewer networks.

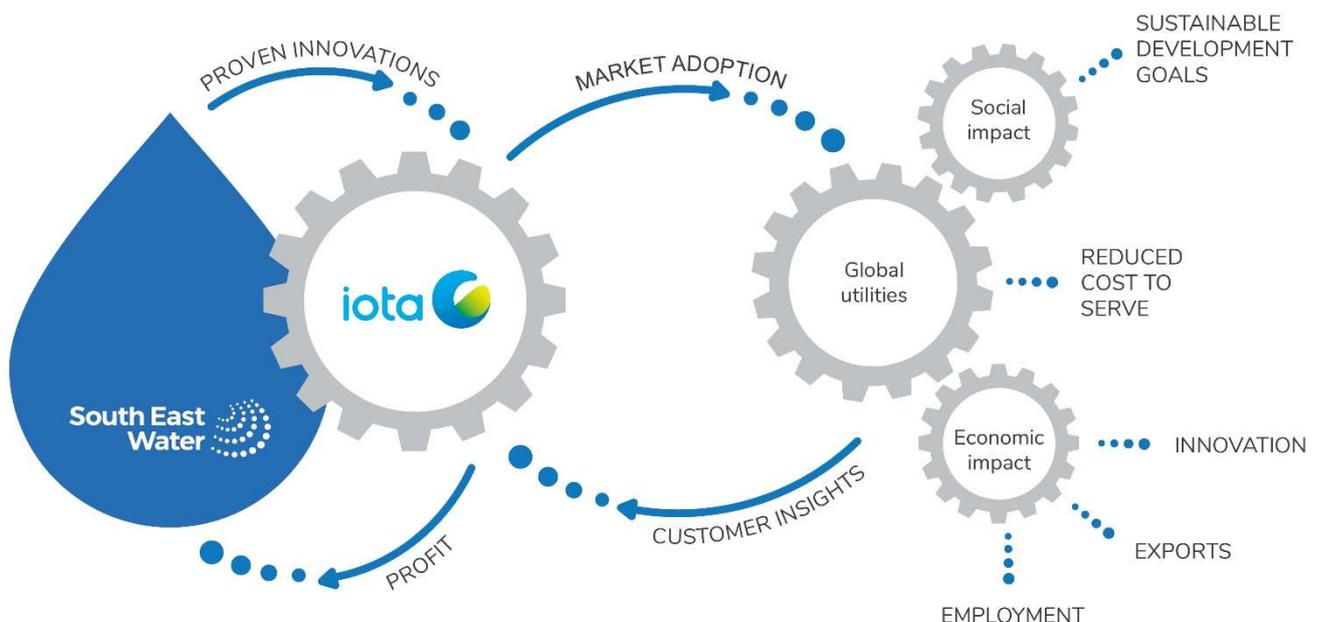
Iota’s involvement in the RISE Program through OneBox® serves communities living in informal settlements in Fiji and Indonesia. A leading partner with Monash University, this important program contributes to the UN Sustainable Development Goals, namely number 6 ‘Clean water and sanitation for all’ and number 3 ‘Good health and wellbeing’ by providing access to sanitation.

Directly working with Iota or through its partners, there are now several water organisations across Australia and New Zealand trialling and deploying digital utility technologies proven at South East Water. Technologies such as Cura™ digital meter, Sotto® network leak detection sensor, Lentic® enterprise IoT platform, and Footprint® commercial metering platform.

Iota, as part of a consortium, is deploying a 68,000 digital meter program including Lentic® for Toowoomba Regional Council, following a successful trial.

Included within the Iota portfolio is the management of our Priority Plumbing business, offering commercial and residential plumbing services throughout Melbourne’s south-east.

Figure 1: Iota’s impact through commercialisation of smarter, simpler solutions to manage water and wastewater



Our governance and structure

Our offices are in Melbourne, Victoria and our workforce consists of over 800 employees. We also have contracts with plumbing companies who provide services as part of our Priority Plumbing business managed by Iota.

We have 9 non-executive directors (including the chair), and a managing director on our board. They represent a diverse mix of skills, experience and backgrounds. The Minister for Water appoints the Board of Directors in consultation with the Treasurer. The board's main role is to preside over all significant strategic, commercial, regulatory, financial and risk-focused business decisions as well as safety, people and customer matters.

For the current structure of our board and executive, please visit <https://southeastwater.com.au/about-us/corporate-information/>

Our supply chains

South East Water's procurement activities focus on the delivery and maintenance of our water and sewer assets, which includes pipelines, pumps stations and recycled water treatment plants. Along with IT and general operational contracts, we also procure support services to maintain our facilities, such as cleaning and security. We procure a wide range of goods / services / construction, primarily from local suppliers, to support our day-to-day operations.

Iota's spend covers the procurement of plumbing services, materials related to plumbing supplies / commercial products, and corporate and professional services. Iota's customers manage water and wastewater services in Australia, New Zealand, Singapore, Ireland, Fiji, and Malaysia.

Our combined supply chain is made up of approximately 900 suppliers with a combined annual of spend of \$310m. Our policies and procedures are aligned to the Victorian Government Purchasing Board Policies and Ministerial Directions and Instructions for Public Construction Procurement.

United Nations Global Compact

We're a member of the United Nations Global Compact (UNGC), the world's largest corporate sustainability initiative. The initiative has established a path to help end extreme poverty, fight inequality and injustice and protect our planet by 2030.

As a member of the Compact, we've committed to working to achieve the 10 principles that align to responsible business practice and support the broader 17 United Nations Sustainable Development Goals (SDGs). Each of the 10 principles falls under one of 4 key banners of human rights (where modern slavery sits), labour, environment and anti-corruption.

We're working towards integrating the principles of the UNGC into our strategy, culture and daily operations and will submit our Communication of Progress report for the United Nations that's included in our [2022 – 23 Annual Report](#). We've continued to embed the 17 SDGs into our corporate strategy to help achieve the world we aspire for under the UNGC.

Management of our modern slavery risks

Managing risk is central to our ability to remain a reliable and successful essential services provider for our customers, now and into the future. We maintain an enterprise risk management framework consistent with the Australian/New Zealand Risk Management Standard (AS/NZS 31000) and the requirements of the Victorian Government Risk Management Framework.

Our risk framework incorporates risk appetite, aligned with our strategy, to ensure appropriate decision making. It's built on implementing a consistent, forward-looking approach to identifying and assessing uncertainty that may positively or negatively impact our ability to achieve our purpose and ambition.

Management of modern slavery risks is supported by our Risk Management Framework, Procurement Policy and Social Procurement Framework. We also have formal policies in place that assist with promotion of ethical and legally compliant activities such as our Code of Conduct and Protected Disclosures policies, along with oversight from our board and relevant sub-committees.

Our approach towards managing modern slavery risks in our operations and supply chains follows 4 key steps:

1. Education and awareness
2. Assessing modern slavery risks in our operations and supply chains
3. Implementing actions to address the risks of modern slavery practices
4. Reviewing the effectiveness of our actions

Education and awareness

To ensure new suppliers are aligned to our modern slavery assessment requirements, all contract templates have modern slavery clauses and as part of our wider procurement activities, tender respondents are required to fill out our modern slavery due diligence questionnaire as part of their tender submission. The questionnaire responses are then assessed as per the tender evaluation process and feedback is provided throughout the debrief to tender respondents. Guidance is provided to employees as part of the procurement risk assessment process in identifying modern slavery risks when assessing tender submissions. Our Modern Slavery Statements are also published on our [website](#).

Assessing modern slavery risks in our operations and supply chains

Identifying higher risk focus areas

Our high-risk supplier profile for Modern Slavery remains unchanged due to the nature of our operations. In the interim, while we fully deploy our Modern Slavery Supplier Platform, we continue to use the Vic Procurement Toolkit to manage risks to within our supply chain. The Toolkit provides the following tools and guidance:

- Labor Rights and Modern Slavery Risk identification tool
- Supplier education material
- Supplier questionnaire and guidance
- Supplier continuous improvement guidance
- Supplier compliance checklist
- Grievance and remediation guidance.

| Procurement portfolio | Higher risk supplier profile |
|---|---|
| Asset maintenance | Ongoing operations and maintenance of facilities, including cleaning and security services in a category known to have a higher risk of modern slavery practices in Australia |
| Construction | Construction labour (minor and major projects) with many levels of sub-contracting including offshoring of engineering consulting services to a country with higher risks of modern slavery practices |
| Corporate | Temporary staff, labour hire and traineeship programs. Lack of visibility in the human rights practices of the labour hire suppliers |
| Customer | Debt collection services, customer research services, that may be offshored to a country with higher risks of modern slavery practices |
| Equipment and material | Mechanical, electrical equipment, and chemical products purchased from suppliers that distribute goods likely to be manufactured in a country with higher risk of modern slavery practices |
| Information Technology (IT) consulting | Offshore IT services based in a country with higher risks of modern slavery practices |

Assessing modern slavery risks in our sourcing events

In FY23 we sourced a combined value of \$1.5b over 10 years for Liveable Water Solutions - Integrated Planning Delivery (construction) and \$200m over 5 years for Digital Utility - Telco, Meter Exchange/Services and Meter Supply (in process).

As part of our tendering process, we issued a modern slavery questionnaire in our invitation documentation that was required to be completed and submitted as part of the proposal. The responses we received were assessed and identified no modern slavery risks.

Implementing actions to address the risks of modern slavery practices

Procurement Processes

Conducting due diligence at the beginning of a sourcing event (and throughout) is a crucial part of the evaluation process, making sure suppliers and contract partners are aligned to our ethical and good practice procurement processes. We consider modern slavery risks in our procurement risks assessment, standard operating procedures, and request for quotation and tender documents.

Water Services Association of Australia (WSAA) - Modern Slavery Community of Practice

South East Water continues to be a member of the WSAA – Modern Slavery Community of Practice national working group that consists of participants from water utilities in Victoria, New South Wales, Queensland and the ACT.

Throughout FY23 South East Water participated in a joint 'request for purchase' procurement activity with members from Melbourne Water, Sydney Water, Icon Water, Urban Utilities and Unity Water. The objective of having a water sector consortium was to streamline and maximise the automation of data collected from supply chain businesses via an online software platform by having:

- a water industry (Consortium) supplier due diligence questionnaire
- joint supplier evaluation platform, and;
- a common approach towards supplier code of conduct, contract clauses, training and supply chain mapping.

In early 2023 the review panel shortlisted preferred suppliers and in May 2023 the contract was awarded to Informed 365 and the Water Industry Consortium was established with approximately 21 water utilities across Australia. South East Water will be piloting the platform with 20 suppliers in October/November 2023 with plans for a comprehensive rollout in February 2024.

The Informed 365 platform will reduce the need for repetitive submission of questionnaires and rework by suppliers. Most importantly, the platform will enable each water business to effectively determine the risk from the supplier in relation to the *Modern Slavery Act 2018*. Each member can set their own level of risks by either utilising a generic risk algorithm or set the level of risk based on the tolerance level for each organisation.

Reviewing the effectiveness of our actions

The expansion of the community of practice to a national level improves and enhances the collaboration and sharing, ensuring that the Australian water industry achieves consistent, best-in-class outcomes when managing our environmental, social and governance risks.

We will continue to engage with our suppliers and stakeholders to ensure that our modern slavery risk assessments not only identify any potential risks, but also allows us opportunities to promote ethical practices and educate suppliers.

Consultation and approval process

The South East Water Board of Directors and relevant sub-committees will retain oversight of our human rights and modern slavery risks through the progress of embedding the relevant SDG of the United Nations Global Compact into our corporate strategy, procurement practices and operational compliance activities.

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

The year ahead

The WSAA Modern Slavery Community of Practice will continue to drive efficiencies across the sector and deliver a consistent and coordinated approach to manage modern slavery risks.

In the year ahead, we'll:

- deploy the Informed 365 Consortium Platform across our supply chain
- continue with Modern Slavery awareness across our business, and;
- engage with our suppliers to ensure they are aware and understand labour risks

We recognise that modern slavery is a complex area and enhancing our due diligence will be a process of continuous improvement. This will include reviewing our internal processes, building our awareness and understanding of potential risks within our operations, and improving transparency across local and global supply chains.

This Modern Slavery Statement applies to both South East Water and our wholly-owned subsidiary, Iota and was approved by our Board of Directors on 4 December 2023.



Lara Olsen
Managing Director



Healthy Water. For Life.

southeastwater.com.au

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How to get in touch

Email support@southeastwater.com.au

General account enquiries 13 18 51

South East Water Assist 9552 3540

Hearing and speech impaired services

TTY 13 36 77 (ask for 13 18 51)

Interpreter service (all languages) 9209 0130

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