

Modern Slavery Statement

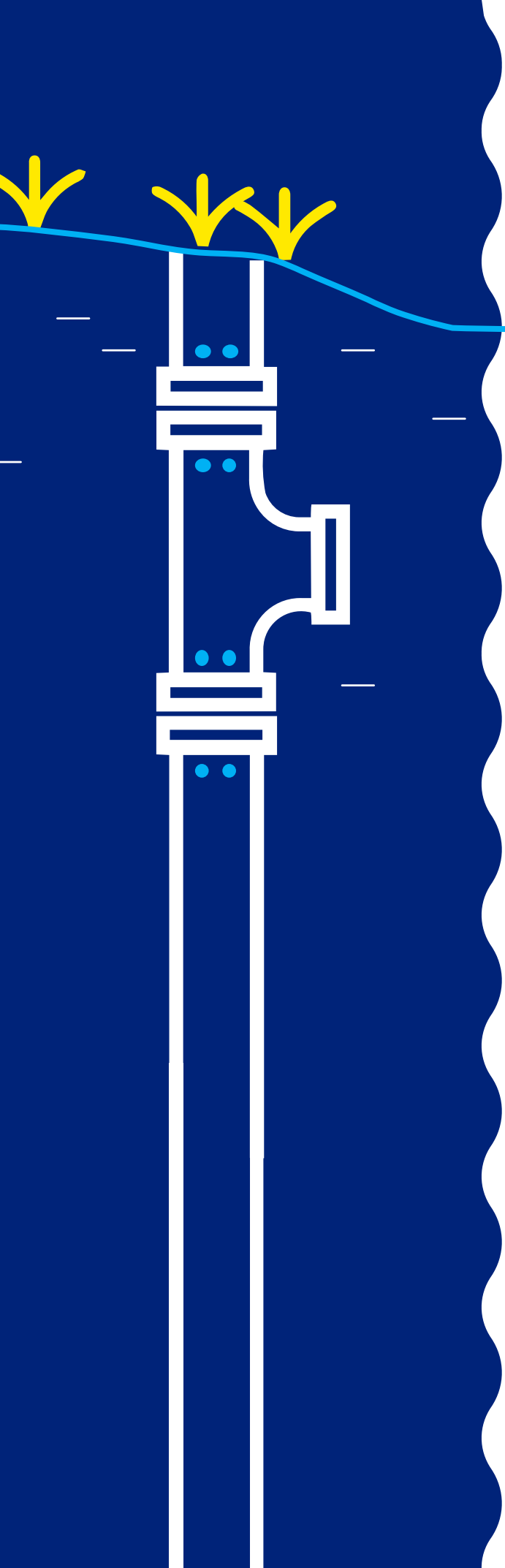
2023–2024

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 operate, and pay respect to their Elders past, present and emerging.

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

We recognise and respect their continuing connections to climate, culture and Country.



Contents

Acknowledgement of Country	2
About us – our operations, structure and supply chain	4
Iota – our commercial capability	5
Our governance and structure	6
Our supply chains	6
Management of our modern slavery risks	7
Education and awareness	7
Assessing modern slavery risks in our operations and supply chains	7
Implementing actions to address the risks of modern slavery practices	9
Reviewing the effectiveness of our actions	10
Consultation and approval process	10
The year ahead	11

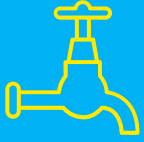
About us – our operations, structure and supply chain

South East Water (ABN 89 066 902 547) is a water corporation operating in Melbourne's south-east, established by the Victorian Government. We support healthy and liveable communities by delivering water, sewerage and recycled water services to almost 1.8 million people (~30% of Melbourne's population) every day and every night.

We manage almost \$5.4 billion in assets including water and sewerage networks – the pipes, pumping stations, valves and water recycling plants that bring water to our customers and take waste away.

We operate on Bunurong, Wurundjeri Woi Wurrung and Gunaikurnai Country. Our service area stretches across 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.

The Water Act 1989 and the Statement of Obligations issued by the Minister for Water under Section 41 of the *Water Industry Act 1994* govern the activities of our organisation.



Assets

14,639* kilometres of water pipes
1,507* kilometres of recycled water pipes
8 water recycling plants
11,598* kilometres of sewer pipes
278 sewage pump stations
12 recycled water pump stations
82 water pump stations
14,252 pressure sewer pumps

* figure includes service connections



Customers

1,794,937 people serviced
774,079 residential customers (92.5% of our total customer base)
62,629 business customers (7.5% of our total customer base)
Our customers speak more than 200 languages

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 May 2023, Iota signed an agreement with Barwon Water to deploy South East Water's enterprise IoT platform Lentic® in the rollout of 41,000 digital meters across their network.

Iota is also currently supplying 68,000 digital meters, including Lentic® technology, as part of a rollout across Toowoomba, Queensland. The rollout includes 3,500 meters for business customers.

OneBox® technology enables the remote monitoring and control of low-pressure sewer networks in near real time. Iota is currently rolling out the technology in Western Sydney, Christchurch, New Zealand and in informal settlements in Fiji and Indonesia, through the RISE Program, modifying how it works to suit local needs.

In advancements in wastewater management, Iota recently signed an exclusive agreement with RMIT university to commercialise PYROCO, its high temperature pyrolysis solution for converting biosolids to biochar.

Included in the Iota portfolio is the management of its Priority Plumbing business that provides comprehensive civil, commercial and residential plumbing services across Melbourne's south-east.

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 southeastwater.com.au.

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 and 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 864 suppliers, with a combined annual of spend of \$303 million. Our policies and procedures are aligned to the Victorian Government Purchasing Board policies and Ministerial Directions and Instructions for public construction procurement.

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 Policy, 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. As part of our wider procurement activities, shortlisted tender respondents are also required to fill out our modern slavery assessment 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 in identifying modern slavery risks when assessing tender submissions is provided to employees as part of the procurement risk assessment process.

Our modern slavery statements are also published at southeastwater.com.au.

Assessing modern slavery risks in our operations and supply chains

Identifying higher risk focus areas

A high-risk supply chain assessment we conducted identified 6 categories of spend (common across water corporations) as being high risk for modern slavery risks. These are:

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, which may be offshored to a country with higher risks of modern slavery practices
Equipment and material	Digital meters, 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

Our high-risk supplier profile for modern slavery remains unchanged due to the nature of our operations.

Implementing actions to address the risks of modern slavery practices

Assessing and addressing modern slavery risks using the Informed 365 supplier assessment platform

During 2023–2024, South East Water worked with technology provider, Informed 365, and the Water Services Association of Australia (WSAA) to assess and address modern slavery risks throughout our supply chains.

This collaboration allowed WSAA members to assess and report on their supply chain networks more easily through a single national online platform, which collects, compares and collates information on suppliers, to inform year-on-year progress. After 9 months of collaboration, we've now engaged 43 of our South East Water suppliers (from our higher risk profile).

Around half of these have completed information requests to help inform platform improvements, with many of these being common suppliers with multiple water corporations across the industry. The remaining suppliers have been assessed at a desktop level, and we're working to ensure the remaining questionnaires are completed over the next 6 months.

In addition, we're now able to access modern slavery responses from more than 1200 suppliers across all WSAA members on the WSAA supplier platform, which will inform future procurement activity. This approach ensures consistency across the industry, streamlines the reporting process for businesses involved, reduces the administrative burden and makes it easier for suppliers to share information with the water corporations they engage with.

Supplier engagement and education

By using the WSAA supplier platform and answering the common set of questions, suppliers can make sure that a broad range of water corporations see their responses, and they only report on the data once a year, rather than multiple times in varying formats for different water corporations. 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 on 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.

Reporting supplier progress

It's important to understand how the industry's shared network of suppliers can improve how they assess and address the risks of modern slavery in their operations and supply chains. Suppliers are invited to register and enter information about actions they're taking to assess and address modern slavery. This data can then be accessed by WSAA members through the

platform's dashboard, enabling better evaluation, decision-making and reporting. The platform is free for suppliers to register, access and use, and assessment information is updated each year following a prompt, so that they can record improvements over time. This is important to encourage participation from suppliers and improve supply chain transparency.

Reviewing the effectiveness of our actions

Supply chains through Australia's water services industry are complex, with many suppliers working in different capacities for multiple water corporations at the same time. As a result, the group is supported by Better Sydney for subject matter expertise and resource management, with Informed 365 providing the technical expertise around the platform itself. The data provided by Informed 365 doesn't provide an assessment of every single current supplier, but a sample of responses from across the supplier base. This can be used to understand progress, assess risks and prioritise areas for action and engagement.

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

We'll 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 committees will retain oversight of our human rights and modern slavery risks through 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.

Priorities and emerging issues

Priorities for WSAA members for 2024–2025 include a focus on topics such as grievance mechanisms and remediation, supplier engagement and education around potential risks of harm to people through modern slavery, and continuous improvement across supply chains and through reporting. During 2024–2025, guest speakers will be invited to discuss modern slavery approaches with the group, from across different private and public sector organisations and throughout diverse sectors and industries, including the Australian Anti-Slavery Commissioner.

Organisations that have greater visibility of their operations and supply chains are more likely to operate efficiently, have better working relationships, and be able to assess and address risks including modern slavery. Businesses should use their leverage to work with suppliers that have caused negative impacts to people in the past, to remediate, prevent or mitigate the harm and its recurrence. Remediation can take many forms, including steps to ensure the harm can't recur, apologies, compensation, changing or stopping activities.

Collaboration and improvement

Addressing modern slavery risks can be a complex and challenging process and suppliers' responses and collaboration with other organisations will evolve over time. As suppliers go through this assessment, it's important that they focus on how they can continue to improve their supply chains and refine their responses in future years and are supported in doing so. For example, the information they provide each year may help suppliers to discover new areas of modern slavery risk that they need to address, identify different skills gaps or strong protocols, which in turn will help with supply chain reporting and modern slavery statements.

WSAA members benefit from monthly meetings at which they can discuss emerging opportunities, risks and trends, and receive updates on educational resources, reports and toolkits, invitations to events and briefings, and hear from guest speakers 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 recognise that modern slavery is a complex area and enhancing our due diligence will be a process of continuous improvement. We'll continue to enhance our due diligence and look for ways to continually review our internal processes, build our awareness and seek to understand potential risks within our operations, across local and global supply chains.

This Modern Slavery Statement applies to both South East Water and our wholly owned subsidiary, Iota Services Pty Ltd and was approved by our Board of Directors on 2 December 2024.

A handwritten signature in black ink, appearing to read 'Lara Olsen', written in a cursive style.

Lara Olsen
Managing Director

Healthy Water. For Life.

How to get in touch

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