

Sunwater Limited ACN 131 034 985

Modern Slavery Statement for the period 1 July 2020 to 30 June 2021

This statement, made pursuant to section 13 of the *Modern Slavery Act 2018* (Cth), sets out the actions taken by Sunwater Limited to address modern slavery risks in its business and supply chain for the period 1 July 2020 to 30 June 2021.

Overview

Sunwater is a Queensland Government-Owned Corporation, which provides 40 per cent of all water used commercially in Queensland. Providing water solutions and supplying bulk water for irrigation, industrial, and urban customers, Sunwater plays an essential role in delivering water to support regional growth and prosperity.

Sunwater was established on 1 October 2000 under the *Government Owned Corporations Act 1993* (Qld), and has two Shareholding Ministers: the Queensland Treasurer and Minister for Investment; and the Minister for Regional Development and Manufacturing and Minister for Water. Sunwater is governed by an independent board.

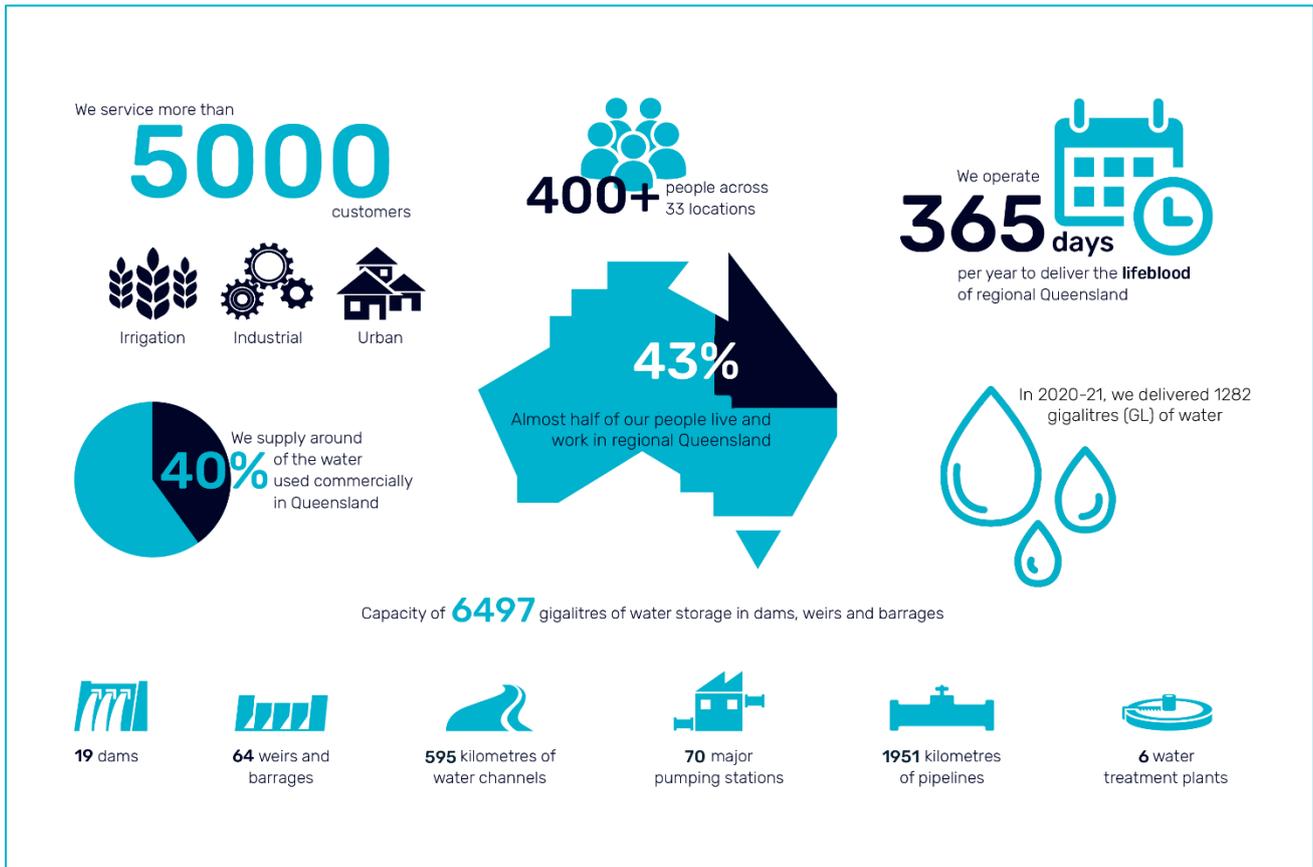
Sunwater wholly-owns three subsidiaries: Burnett Water Pty Ltd; Eungella Water Pipeline Pty Ltd; and North West Queensland Water Pipeline Pty Ltd, and does not own or control any other entities. These subsidiaries are operated as a part of the Sunwater business and do not have separate employees or supply chains.

At 30 June 2021, Sunwater had a total of 499 employees, with 43 per cent working from offices and depots across regional Queensland and 57 per cent working from the Brisbane office and Rocklea Hydraulics Laboratory, providing support and services to our regional operations. When tendering for subcontractors and suppliers in the regions, we use local labour and materials wherever possible.

Sunwater is committed to working with its employees and business partners to ensure that it has a positive impact on eliminating modern slavery practices in all forms within the local and global community.

Sunwater operations

Sunwater's operations can be summarised as presented in the following diagram.



The majority of Sunwater's assets and operations are located within Queensland, with a small operational footprint in northern New South Wales.

Sunwater's operations can be categorised as:

- bulk water infrastructure design, development, and delivery
- water infrastructure operations and maintenance (including management of water supply schemes, pump stations, and pipeline)
- customer service and stakeholder management of our irrigation, industrial, and urban customers; communities; and recreational users of our assets
- supporting corporate and business services
- water trading services.

Sunwater's supply chain source and utilise:

- construction materials (including cement, pipe, steel, and general fabricated components)
- asset maintenance and repair equipment (including chemicals, lubricants, electrical and pumping mechanical componentry)
- speciality construction labour and various professional services, including engineering design
- personal protection equipment (including uniforms and specialist safety equipment)
- ICT support services and general facility management that contribute our operations.

Sunwater spends approximately \$250 million on goods and services annually.

In June 2021, an assessment of the Sunwater supply chain identified that we had business dealings with approximately 2420 suppliers, through a number of contractual arrangements, including short term to long term, standing offer arrangements, and delivery alliances.

Of Sunwater's suppliers, 98 per cent are in Australia with two per cent located internationally. Sunwater maintains a strong focus on supporting Queensland and its regional community-based suppliers, with 77 per cent of Sunwater's suppliers located in regional Queensland.

Modern slavery risks

Analysis of Sunwater's suppliers identified the potential for modern slavery practices in the following supply chains:

- manufacturers of tools, hardware, building materials or office equipment that adopt certain strategies to reduce labour costs or are based in jurisdictions with potentially relaxed labour and safety regulations, or limited enforcement capabilities
- producers of raw materials that adopt certain strategies to reduce labour costs
- suppliers of uniforms, safety equipment, and office supplies source materials and inputs from companies based in jurisdictions with potentially relaxed labour and safety regulations, or limited enforcement capabilities
- providers of low value high volume support services that adopt certain strategies to be competitive (for example cleaning services and offshore IT support).

Actions on modern slavery risks

During the reporting period, Sunwater has taken the following actions:

- established an internal working group that actively engages multiple facets of our business to better understand and identify modern slavery risks that may exist within our operations and supply chains and is progressing education and awareness programs
- collaborated with peer organisations to understand their approach to modern slavery, in conjunction with the Queensland Government's modern slavery working group and Water Services Association of Australia
- Surveyed a sample of Sunwater's suppliers to learn about and appraise their approach to modern slavery within their own supply chains
- maintained our Whistleblower 'hotline' to provide the general public, employees, and vendors an avenue for reporting concerns. Details for the hotline are available on the Sunwater website. No reports regarding modern slavery have been made to the hotline to date
- continuing to review the financial stress of our suppliers through reviewing our invoice payment terms.

Sunwater is committed to working with its employees and business partners to ensure that we have a positive impact on eliminating modern slavery practices in all forms within the local and global community.

During this reporting period, Sunwater focused on gaining further understanding of our modern slavery risks and how such risks may be present in our operations and supply chains. This process is still in its early stages and as such, we are unable to adequately assess the effectiveness of measures undertaken so far. Notwithstanding this, we have commenced and will continue to work on developing the necessary tools and processes to ensure we can review the effectiveness of our approach and the actions we are taking.

Consultation with owned or controlled entities

While Sunwater's three subsidiaries own some water infrastructure and water entitlements, the subsidiaries do not operate as separate businesses. Rather, their operational and other business activities are undertaken solely by Sunwater. We consulted the three subsidiaries in the development of this statement.

Future commitments

In the next reporting period, we will continue to review and amend applicable policies to further strengthen our response to modern slavery. In addition, the following actions have been identified for review and implementation:

- continue to develop and implement guidance materials ,training, and awareness sessions to allow relevant staff across Sunwater to identify and report modern slavery risks and breaches
- continue to review and update procurement procedures to ensure ethical sourcing, including modern slavery risks, are fully integrated into our procurement processes and remain at the forefront of the minds of employees, contractors, and suppliers
- seek external expert advice (as necessary) when high-risk supplier profiles are identified, to work with these suppliers on reducing their modern slavery risk profile.

This statement was approved by the Sunwater Board of Directors on 28 September 2021.



Dan Hunt
Interim Chairman