



UNITED NATIONS GLOBAL COMPACT
**COMMUNICATION
ON PROGRESS**

2019-20





ACKNOWLEDGEMENT OF TRADITIONAL CUSTODIANS

Yarra Valley Water proudly acknowledges the Traditional Custodians of the land and water on which we rely and operate. We pay our deepest respects to their Elders past, present and emerging. We acknowledge the continued cultural, social and spiritual connections that Aboriginal and Torres Strait Islander peoples have with the lands and waterways and recognise and value their care and protection for thousands of generations. We also recognise and value the continuing rich cultures and contribution of Aboriginal Victorians. We're committed to working in partnership with local Traditional Custodians to incorporate Aboriginal cultural knowledge into water planning and management.



CONTENTS

| | |
|----------------------------------|-----------|
| Statement of Commitment | 4 |
| About Us | 6 |
| Our Strategy | 7 |
| Materiality Assessment | 8 |
| Measurement of Outcomes | 9 |
| Global Compact Principles | 14 |
| Human Rights | 14 |
| Other Salient Human Rights | 16 |
| Labour | 20 |
| Environment | 21 |
| Anti-Corruption | 23 |

For any questions regarding the content of this report, please contact media@yvw.com.au



STATEMENT OF COMMITMENT



We're proud to report on our ongoing commitment to the United Nations Global Compact and work to advance the Sustainable Development Goals (SDGs). We believe the water industry has a vital role in helping to achieve the SDGs and deliver environmental and social value. At Yarra Valley Water, we've embedded the SDGs in our business strategy to provide a global context for how our activities contribute to a more sustainable and liveable future.

Our purpose is to support the health and wellbeing of our customers and create a brighter future for communities and the natural environment. We work to provide safe, reliable and affordable water and sewerage services and deliver innovative, commercially viable projects that are good for the planet. We're also committed to caring for our most vulnerable customers.

As custodians of the world's most precious resource, we take our environmental responsibilities seriously. We see ourselves as part of nature, rather than it being a resource for us to draw on. We're moving from a restorative to a regenerative approach, finding opportunities to leave the environment where we work in a better state than before we were there.

We're generating clean, green energy through our award-winning food waste to energy facility at Wollert and this year we announced plans to build our second facility in Melbourne's east. We're harnessing the power of the sun at our sewage treatment plants and solar staff carpark and have plans to install floating solar panels at our Wallan Sewage Treatment Plant. And we're progressing plans to build an underground recycled water facility to service more than 5000 homes in Doncaster and drought proof local parks and sports grounds.



AS CUSTODIANS OF THE WORLD'S MOST PRECIOUS RESOURCE, WE TAKE OUR ENVIRONMENTAL RESPONSIBILITIES SERIOUSLY.

We're members of Zero Emissions Water which harnesses the bulk purchasing power of Victoria's water sector to reduce energy costs and emissions and has brokered a long-term energy agreement with a solar farm in the state's north. We're also in the early stages of research into the viability of using excess recycled water and renewable energy to create green hydrogen. This offers an environmentally friendly alternative fuel source to reduce reliance on diesel and natural gas, with the potential for utilising the byproducts from hydrogen production in the sewage treatment process.

The SDGs and the Universal Declaration of Human Rights also align with our commitment to customers and the broader community. We support people experiencing hardship and vulnerability and our

ongoing commitment to care is more important than ever as the community recovers from the impact of coronavirus (COVID-19) and Australia's catastrophic bushfires. We have strong support systems in place for customers experiencing hardship and vulnerability and we work hard to keep bills flat.

As we look towards 2030, we're exploring a potential opportunity to partner with the private sector to create a sustainable, water efficient community, called Hazelwynde, on land we own in Melbourne's north. Hazelwynde represents a significant opportunity for a holistic approach to community design, making a positive contribution to economic development, incorporating integrated water management and best practice urban planning in a greenfield setting.

Other priority areas in 2019-20 included continuing to build our recycled water network, expanding our community sewerage program to connect more customers to the metropolitan system and trialling digital meters. We've also continued to strengthen our connection with customers, undergoing digital transformation to improve service response and overall customer experience.

The development of our second Reconciliation Action Plan will strengthen how we engage and work with Aboriginal Victorians, Aboriginal and Torres Strait Islander businesses and Traditional Custodians. We're also focusing on how Aboriginal values, culture and heritage can more deeply guide our work.

As we look towards 2030, we're excited to create a brighter future through contributing to the SDGs, for the benefit of our customers, communities and the planet. This Communication on Progress illustrates the outcomes we achieved for 10 material topics and describes our ongoing actions and commitments to the UNGC Principles.

Pat McCafferty
Managing Director





ABOUT US

We're one of Australia's largest water utilities, providing essential water and sanitation services to around two million Victorians, including more than 58,000 businesses. Our service area stretches 4000 square kilometres across Melbourne, from Wallan in the north to Warburton in the east. We're owned by the Victorian Government.

We provide, construct, operate, manage and maintain water and sewerage systems and services for our customers. We employ over 800 people – engineers, technical and IT specialists, customer service professionals, managers, accountants and customer experience and communication professionals.

You can find more about us and how we work to deliver on our purpose in our Annual Report and 2019 Planet People Prosperity sustainability report, both available online at yvw.com.au

OUR STRATEGY

A major focus this year has been powerfully completing our 2020 Strategy, which has guided the organisation over the past seven years. We're proud of our achievements delivering the strategy, which has enabled us to provide exemplary water and sanitation services that contribute to the health and wellbeing of current and future generations.

Our 2030 Strategy will ensure we continue to put people first and provide a secure, high-quality and affordable water supply. It will also see us confront challenges like climate change, population growth, environmental degradation and widening social inequality.

Human rights and the SDGs are embedded in our 2030 Strategy which includes four key areas of focus: *customers, communities, environment and the way we work*. We're committed to transforming around our customers, helping communities thrive and elevating our environmental focus to deliver on our purpose.

To ensure the success of our 2030 Strategy's aspirations, we've been exploring the key outcomes we will pursue over the coming decade and the associated measures and targets needed to assess our progress. These will target outcomes for our customers, community and environment, as well as our own people and health and safety. We anticipate commencing measurement and reporting on these in 2021-22.

OUR PURPOSE

To support the health and wellbeing of our customers and create a brighter future for communities and the natural environment.



OUR 2030 STRATEGY

OUR PURPOSE

Our Purpose encapsulates what we exist to do. It won't change often, but it should always inspire change.

OUR VALUES

Our Values define what we expect from each other and how we interact with the world in service of our strategy. They guide what we do, how we hire, and what we reward.



OUR STRATEGY

Our shared ambition for the next 10 years to 2030 under three pillars that bring our purpose to life.



2030 THEMES

To inform our priorities, each strategic pillar contains three major themes.



HIGH PERFORMANCE

We aspire to deliver results through an engaged workforce, a high-performing culture, uncompromising health and safety standards, and the fiscal responsibility that delivers valuable returns on investment and ensures an affordable service for all customers.



COMMITMENTS

Our promise to customers, expectations of Government and our commitment to the UN SDGs are embedded in our strategy.



OUR 2030 STRATEGY

Our Purpose is to support the health and wellbeing of our customers, and create a brighter future for communities and the natural environment.



PEOPLE FIRST



ONE TEAM



BE BRAVE



WE DELIVER WHAT MATTERS



POSITIVE IMPACT

WE SEE A BRIGHT FUTURE THAT STARTS WITH PEOPLE

TRANSFORMING AROUND THE CUSTOMER

Creating great experiences for customers every day.

CARE FOR CUSTOMERS 

SEAMLESS SERVICE 

AFFORDABILITY   

HELPING COMMUNITIES THRIVE

Connecting communities for healthy, prosperous lives.



WATER FOR LIFE  



INCLUSION AND CONNECTION   
 




RESILIENCE AND PROSPERITY   
 




LEADING FOR OUR ENVIRONMENTAL FUTURE

Caring for the natural environment that supports all life.



BEYOND ZERO CARBON  

CIRCULAR ECONOMICS   

HEALTHY ECOSYSTEMS   

WE DRIVE HIGH PERFORMANCE ACROSS ALL THREE PILLARS THROUGH PEOPLE, PROCESS, SYSTEMS AND TECHNOLOGY

PEOPLE AND CULTURE   

SAFE AND WELL 

ALWAYS EFFICIENT 

DIGITAL ENABLEMENT 

PRICE SUBMISSION **MINISTERIAL DIRECTION** **UNITED NATIONS SDGs**

GOOD GOVERNANCE



PURPOSE

OUR VALUES

OUR STRATEGY

2030 THEMES

PERFORMANCE
HIGH

COMMITMENTS

MATERIALITY ASSESSMENT

Part of the research feeding into the development of our 2030 Strategy was our sustainability materiality assessment, which we completed in July 2019. This assessment included a wide-ranging literature review to identify potential topics that our business can influence. This review included thought-leading research and projects; our own corporate insights; media analysis of key industry issues; and our relative influence on the 17 SDGs.

We gathered stakeholder feedback for the assessment through extensive surveys of staff, customers and stakeholders including others in the water industry, government and regulators.

We identified our top 10 material topics and reported on them in our 2019 Planet People Prosperity sustainability report. We will also report our outcomes against them in this report.

Our 2030 Strategy defines and drives our sustainability commitments and actions in the future, and how we measure their success. It has embedded our materiality review alongside other key research, including insights about our customers, human rights risk areas, business model and brand.

TOP 10 MATERIAL TOPICS

1  CLIMATE CHANGE MITIGATION

2  DIVERSE WATER SOURCES & CLIMATE CHANGE RESILIENCE

3  ENVIRONMENTAL HEALTH

4  WATER CONSERVATION

5  WATER & SANITATION AFFORDABILITY

6  LIVEABLE CITIES

7  HEALTHY WATERWAYS

8  CUSTOMER SATISFACTION AND TRUST

9  ETHICAL GOVERNANCE

10  WASTE MANAGEMENT













MEASUREMENT OF OUTCOMES

Our commitments and performance relating to our top 10 material sustainability topics are presented below.











Please refer to our Annual Report 2019-20 for more information about how we've performed more broadly. It's available online at yvw.com.au/aboutus/reports/

Our Performance














- Target met
- Target missed with acceptable performance
- Target not met

| Topic | Measure | Target | Performance in 2019-20 | Our Performance |
|--|--|-------------------------------------|--|---|
|  CLIMATE CHANGE MITIGATION Sustainable Development Goal   | Reduction in carbon emissions (cumulative) (baseline is 34,083 tonnes CO2e in 2016-17) | 14.5%* | 14.7%* | Our Performance  |
|  DIVERSE WATER SOURCES AND CLIMATE CHANGE RESILIENCE Sustainable Development Goal   | Percentage of effluent re-used | 28.8% | 31.6% | Our Performance  |
|  ENVIRONMENTAL HEALTH Sustainable Development Goal   | Complying with requirements of our corporate licence issued by the Environment Protection Authority Victoria (EPA) | Full compliance with all conditions | During 2019-20 we complied with all conditions of our EPA corporate licence, except for an odour complaint relating to Brushy Creek sewage treatment plant in December 2019. Our investigations confirmed the vent stack at the plant as the source of the odour issue and remedial works were undertaken. The EPA provided advice in writing in February 2020 that they had assessed our response and found we were taking reasonable steps to investigate the source of the odour and implement actions as a result. | Our Performance  |

MEASUREMENT OF OUTCOMES CONTINUED

| Topic | Measure | Target | Performance in 2019-20 | |
|---|--|---|--|---|
|  WATER CONSERVATION | Total water usage (litres/per person/per day) | 217 litres/person/day* | 221 litres/person/day * | Our Performance  |
| Sustainable Development Goal  | | | | |
|  WATER AND SANITATION AFFORDABILITY | No customer bill fluctuations above inflation | Customers' bills increase less than inflation | No bill increases | Our Performance  |
| Sustainable Development Goal  | | | | |
|  LIVEABLE CITIES | Number of customers experiencing three or more water or sewerage interruptions or three or more unplanned water interruptions in 12 months | <0.96%* | 0.98%* | Our Performance  |
| Sustainable Development Goal  | | | | |
| | Progressing placemaking through integrated water management (IWM) | | Collaborated on a sub-catchment planning framework for the Upper Merri Creek IWM pilot project | Our Performance  |

MEASUREMENT OF OUTCOMES CONTINUED

| Topic | Measure | Target | Performance in 2019-20 | |
|---|---|--|--|--|
|  HEALTHY WATERWAYS Sustainable Development Goal  | Nitrogen discharged to waterways from treatment plants (tonnes) | 87 tonnes | 66.5 tonnes | Our Performance  |
|  CUSTOMER SATISFACTION AND TRUST Sustainable Development Goal  | Customers satisfied with their most recent interaction Water quality complaints per 1000 customers | 86%* 3.2 complaints | 87%* 5.0 We have continued to implement improvements to our water quality complaint reporting to ensure all incidents are captured. We've also experienced an increase in complaints from March 2020 with more customers being at home due to coronavirus (COVID-19) and noticing local maintenance-related water quality issues. | Our Performance  Our Performance  |
|  ETHICAL GOVERNANCE Sustainable Development Goal  | Ensuring a robust Corporate Governance Framework is in place and aligns with best practice | | An externally facilitated Performance Review of the Board was conducted in May 2020, with the objective of continuous governance improvement. All Directors have completed a declaration of private interests. All executives, senior managers, officers and contractors/consultants with delegation to approve expenditure in excess of \$20,000 have completed a declaration of private interests. | Our Performance  |
|  WASTE MANAGEMENT Sustainable Development Goal  | Divert food waste from landfill to our Wollert food waste to energy facility to reduce waste and produce biogas | Operate at full capacity to process up to 33,000 tonnes of organic waste from other businesses | 30,687 tonnes We aim to operate our facility at full capacity, however feedstock availabilities and coronavirus impacts from April 2020 meant full capacity was not reached. | Our Performance  |

*1 April 2019 – 31 March 2020



GLOBAL COMPACT PRINCIPLES

HUMAN RIGHTS



Access to safe, reliable and affordable drinking water and sanitation services are basic human rights, and essential to realising all human rights.

Our purpose drives us to plan for long term water security in the face of climate change and population growth as we continue to maintain and build our systems to meet demand.

Our 2030 Strategy will incorporate human rights across our customer, community and environmental pillars, and through our high-performing culture, health and safety standards and commitment to customers, stakeholders and the Sustainable Development Goals.

In 2019 we conducted a human rights review of our organisation, utilising expert consultants and engaging key people across our organisation.

The findings have helped inform our 2030 Strategy, including our organisational values and ongoing commitment to inclusion, and a roadmap to strengthen our human rights approach.

ACCESS TO AFFORDABLE WATER AND SANITATION

Melbourne's water bills are currently the lowest in Australia for all capital cities. We strive to relieve the pressure on household budgets and to ensure that the cost of water and sanitation services does not impact the competitiveness of our business customers. Most of our investment decisions are long term so we have an obligation to make financial decisions that optimise community value and intergenerational equity.

Our Customer Charter highlights and drives the rights of customers to access our water and sanitation services. Further, our WaterCare program and Hardship Policy support customers who are experiencing vulnerability and financial difficulties. Accessibility and awareness are essential to full participation and inclusion and we use partnerships and networking to spread the word about our supportive services and programs. This year staff attended about 50 events and conferences to highlight our support services, targeting at-risk customers in culturally and linguistically diverse communities, those experiencing family violence or financial vulnerability or people transitioning through different stages of life.

Coronavirus (COVID-19) has led to a significant increase in customers seeking support. We've built on the strength of our existing WaterCare program to rapidly respond and we're continually reviewing our processes as the situation evolves. We're also using the findings of a research project into the impact of water bills on household budgets to shape our programs and services to help customers who need support.

For more information please refer to our Annual Report 2019-20 (pp. 26-29; 70-73)

SUFFICIENT AND RELIABLE WATER AND SEWERAGE

The water industry collaboratively manages water demand across Melbourne, as well as planning for water security. To ensure we have enough water now and into the future, we order desalinated water, minimise water use in our operations, educate customers on water efficiency, and work to reduce water losses in our network.

We have a 'Water for Life' priority area in our 2030 Strategy, to ensure long-term water security and availability for customers, Traditional Custodians, nature, agriculture and recreation. This is in the context of various pressures on supply, including climate change, weather variability and population growth.

We aim to reduce service failures year on year so customers enjoy uninterrupted supply. We have a target of less than 0.96 per cent of customers experiencing three or more unplanned water or sewerage service interruptions a year. This target is based on a rolling five-year average to minimise the impact of annual weather variations. This year, due to our service response work and favourable weather, 0.91 per cent of customers experienced three or more water and sewerage interruptions. This equates to 0.98 per cent on a rolling five-year average. As this is just shy of our annual target, we are returning \$1.5 million to customers via 2020-21 prices. This is in line with our commitment to voluntarily return funds to customers via our Community Rebate Scheme if we don't meet our stretch commitments.

For more information, refer to our Annual Report 2019-20 (pp. 23-25)



WE HAVE A 'WATER FOR LIFE' PRIORITY AREA IN OUR 2030 STRATEGY, TO ENSURE LONG-TERM WATER SECURITY AND AVAILABILITY FOR CUSTOMERS, TRADITIONAL CUSTODIANS, NATURE, AGRICULTURE AND RECREATION.

SAFE DRINKING WATER

Safe drinking water is our number one priority and we take a proactive approach to ensure we provide our customers with a reliable, high-quality and pleasant tasting supply. We're proud of our record in achieving 100 per cent compliance with the Safe Drinking Water regulations. Our customer research consistently shows high satisfaction with the quality of our drinking water.

We have a comprehensive drinking water risk management plan and continually monitor and sample our systems to ensure the integrity and quality of our water supply. We maintain pristine drinking water through a modern, fit-for-purpose chlorination system and real time monitoring sensors. Every year an independent laboratory collects and tests more than 7000 water samples gathered from customers' taps in 32 separate water quality zones. We're also trialling real-time monitoring sensors in our Class A recycled water areas.

For more information please refer to our Annual Report 2019-20 (pp. 18-21).

OTHER SALIENT HUMAN RIGHTS



| HUMAN RIGHTS AREA | OUR POLICIES AND ACTIONS |
|--|---|
| <p>Major incidents and community safety</p> | <p>Response</p> <p>We have plans in place that are the foundation of our response to emergencies and power outages, to enable business continuity, and take action to secure our long-term water supply.</p> <p>Prevention</p> <ul style="list-style-type: none"> > Climate Resilience Plan: to reduce our vulnerabilities and support our capacity to survive, adapt and thrive in the face of climate change > Building community support for alternative and climate resilient water supply <p>For more information, please refer to our Annual Report 2019-20 (pp. 19-20, 23-24, 27, 77, 85).</p> |
| <p>Land access and cultural heritage</p> | <p>Our inaugural Reconciliation Action Plan (2017-2019) drove us to better engage and co-learn with Aboriginal communities. We develop and comply with Cultural Heritage Management Plans where we have high impact activities in sensitive cultural heritage areas.</p> <p>We've now completed our second Reconciliation Action Plan which will build on our commitments to reconciliation, which have seen increased training for staff on Cultural Heritage Management Planning and Cultural Flows assessments.</p> <p>As part of our integrated water management planning, we're trialling a cultural flows assessment in the Upper Merri Creek sub catchment, with the Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation.</p> <p>For more information, please refer to our Annual Report 2019-20 (pp. 24, 27, 51, 75).</p> |

OTHER SALIENT HUMAN RIGHTS CONTINUED



| HUMAN RIGHTS AREA | OUR POLICIES AND ACTIONS |
|--|--|
| <p>Workers' health and safety (physical and mental)</p> | <p>Two of our six 2020 strategic commitments were: 'the way we work enables extraordinary performance' and 'we are safe'</p> <p>We have several health and safety policies and frameworks embedded into the way we work, including a health and safety management framework, a Safety and Wellbeing Policy, a Code of Conduct, a Wellbeing Strategy and Flexible Working and Fatigue Management policies.</p> <p>In 2019 we introduced a new Safety Mobility App to provide real-time safety alerts and simplify our reporting systems and procedures.</p> <p>We're increasing our proactive approach to safety, benchmarking our performance against the Water Services Association of Australia's Health and Safety Maturity Model, a framework to advance health and safety culture and performance in the water industry.</p> <p>We continue to provide ongoing targeted training for our people, and education and information internally and externally, including to contractors working on sites under our control, to improve performance.</p> <p>Our Supplier Code of Practice also requires suppliers to self-assess on their approach to wellbeing.</p> <p>For more information, please refer to our Annual Report 2019-20 (pp. 19, 31-33; 36-37, 58, 72).</p> |
| <p>Workers' exploitation</p> | <p>We have a range of policies and strategies to avoid worker exploitation amongst our own employees and we work to reduce human rights impacts in our supply chain.</p> <p>Refer to the <i>Labour</i> section of this report for more information.</p> |

OTHER SALIENT HUMAN RIGHTS CONTINUED



| HUMAN RIGHTS AREA | OUR POLICIES AND ACTIONS |
|--|--|
| Workplace discrimination and harassment | <p>Since the start of the millennium, we've invested in developing a strong, vibrant workplace culture with a focus on openness, collaboration and inclusion.</p> <p>All employees are required to comply with relevant federal and state legislation that establishes grounds on which discrimination is illegal including, but not limited to, the Acts relating to Occupational Health and Safety, Equal Employment Opportunity, Discrimination and Human Rights.</p> <p>Employees are required to complete updated discrimination awareness training every two years.</p> <p>In December 2018, our Board reviewed and endorsed our second Diversity and Inclusion Strategy, which has a roadmap of programs, policies, measures and targets that reflect the community we serve.</p> <p>Our policies and strategies to address workplace discrimination and harassment include:</p> <ul style="list-style-type: none">› Enterprise Agreement› Contracts of employment› Discrimination Policy› Grievance procedure› Staff Support Officers› Diversity and Inclusion Strategy› Flexible Working Policy› Parental leave <p>Our Supplier Code of Practice also requires suppliers to self-assess against their approaches towards gender equality; disability inclusion; Aboriginal and Torres Strait Islander inclusion; family violence; and wellbeing.</p> <p>For more information, please refer to our Annual Report 2019-20 (pp. 27; 31-33; 56).</p> |

OTHER SALIENT HUMAN RIGHTS CONTINUED



| HUMAN RIGHTS AREA | OUR POLICIES AND ACTIONS |
|---|--|
| <p>Data protection and privacy</p> | <p>In accordance with the Victorian Privacy and Data Protection Act 2014, we ensure our customers' confidential and personal information is protected and prevent unauthorised access to and improper use of that information.</p> <p>Our Privacy Policy and code of practice for employees, contractors and agency staff also help to ensure that customer information is protected.</p> <p>We have implemented a Cyber Security Framework for customer data and critical systems, developed a response plan to any cyber security issues, and have ongoing training to all staff on cyber security awareness. Work to progress cyber security in 2019-20 has included:</p> <ul style="list-style-type: none"> > More detailed checks on staff awareness and understanding > Privacy checks/audits for frontline staff > Information Security Policy <p>For more information, please refer to our Annual Report 2019-20 (pg. 61).</p> |

LABOUR



We recognise the importance of employee rights for freedom of association and the right to collective bargaining.

The Yarra Valley Water Enterprise Agreement 2016 came into effect on 13 June 2017. The Agreement sets the wages, terms and conditions of a Yarra Valley Water employee for a period of up to four years. It's supported by a majority of employees who voted to approve the Agreement, and approved by an independent authority, the Fair Work Commission.

We abide by the Fair Work Act 2009, which contains minimum standards called the National Employment Standards, establishing minimum conditions for working Australians. We abide by the relevant state legislation that addresses child employment.

Our Enterprise Agreement Monitoring Committee consists of management and employee representatives. The committee has an ongoing role in monitoring the application and implementation of the Agreement and acts as the primary consultative forum.

We stand for a fair and equitable society. We embrace diversity and inclusion in everything we do as we strive to reflect the community we serve. Our Diversity and Inclusion Strategy 2019-21 builds on the progress made since we implemented our first Diversity Strategy (2015-18). It aims to drive a "whole of person" and "whole of organisation" approach to truly benefit from, and

embrace, diversity and inclusion. The four key focus areas are: reflecting community; gender balance; Aboriginal and Torres Strait Islander participation and workforce flexibility. To help implement our Strategy and achieve our vision, we formalised the following working groups in March 2019: LGBTIQ+; gender balance; accessibility and disability; workforce flexibility and cultural diversity. We have achieved gender balance in our Board and Executive Team and we are on target for gender balance across all our leadership positions.

We have a range of policies and strategies to avoid worker exploitation of our own employees, including:

- > Enterprise Agreement
- > Contracts of employment
- > Grievance procedure
- > Staff Support Officers
- > Diversity & Inclusion Strategy
- > Flexible Working Policy
- > Fatigue Policy
- > Parental leave
- > Wellbeing Strategy

We work to provide social value and reduce human rights impacts in our supply chain. Our annual Social and Sustainable

Procurement Strategy sets our ambitions and targets. In 2019-20 this included developing a working group of champions from across every area of our organisation, delivering training available to all our staff involved in procurement, and continuing our membership and support of Social Traders and Kinaway Chamber of Commerce.

Our Supplier Code of Practice includes a category on supply chain management practices and approaches. We are preparing our first Modern Slavery Statement to address modern slavery risks in our supply chain. It will be submitted to the Federal Government in early 2021 as part of our obligations under the Modern Slavery Act 2018.

A supply chain risk assessment completed in June 2019 with the VicWater Social Procurement Working Group has identified key human rights and modern slavery risks that we have begun to focus on addressing with our suppliers.

In 2019-20, we made efforts to mitigate risks, including:

- > Introducing modern slavery tender questions and contract requirements to our facilities cleaning contract
- > Developing contract clauses for high-risk modern slavery procurement categories
- > Developing a roadmap for shared implementation with the VicWater Social Procurement Working.

For more information, please refer to our Annual Report 2019-20 (pp. 29; 31-33; 56).

ENVIRONMENT



We're committed to working in harmony with the environment. Our customers tell us they value us caring for and protecting the environment and we've committed to this through our current Pricing Submission (2018-2023). In line with our customers' expectations, we've set ambitious targets to reduce carbon emissions, put climate change and environmental sustainability front and centre in our planning and reduce our operational impact on waterways and the environment.

We have pursued restorative environmental outcomes aligned with our strategic objectives as guided by a range of analyses to determine our most material impacts that should be addressed. These have included: climate change mitigation, reducing nitrogen and phosphorus discharge from sewage treatment plants to waterways, water conservation, and proactive maintenance of our assets to prevent sewage spills.

We're now moving towards a regenerative approach to our work. We recognise that we must not only maintain but also improve the natural ecosystems on which we depend. We'll work for positive change across inter-related areas of environmental impacts, including greenhouse gas emissions and energy usage, biodiversity, effluent discharge, and the creation of a circular economy. This means going beyond operating within the 'carrying capacity of nature' towards a proactive model where we ensure we leave the environment in a better state than before.

A key project for our business is constructing our own commercially viable, renewable energy assets, including solar panels and our second food waste to energy facility, towards a goal of producing 100 per cent of our own energy from renewable sources by 2025. This year, almost 35 per cent of our electricity needs were supplied from renewable sources. Of this, 24.5 per cent came from our existing Wollert waste to energy facility, which generated 7047 MWh of renewable energy. Our head office was 100 per cent powered by renewable energy, with 27 per cent coming directly from our solar carpark and the rest being sourced from the grid utilising exports from our waste to energy facility.



THIS YEAR, ALMOST 35 PER CENT OF OUR ELECTRICITY NEEDS WERE SUPPLIED FROM RENEWABLE SOURCES.



ENVIRONMENT CONTINUED



Our environmental management system is also certified to ISO14001:2015 and establishes an organisation-wide framework for improving environmental performance across our operations. This has been in place since 1996 and ensures our operations meet the requirement of environmental regulation. We hold a Corporate Licence issued by the Environment Protection Authority Victoria under the Victorian Environment Protection Act 1970. The licence imposes conditions relating to discharges, reporting obligations and other matters concerning the operation of our 10 sewage treatment plants.

Moving forward with our 2030 Strategy, we will build on our foundation of commitments and work for the environment, going further to protect and enhance the health of the planet. It will focus our business on creating value for the planet as we go beyond zero carbon and contribute to healthy ecosystems and the foundations of a circular economy for Victoria.

For more information on our environmental performance, please refer to our Annual Report 2019-2020 (pp. 22-26, 38, 65-66, 69, 76-83, 85-86, 93, 133)



ANTI-CORRUPTION



We strive for a culture of transparency, integrity, accountability and access and are we're committed to ensuring a robust Corporate Governance Framework is in place.

Our Directors' Code of Conduct is based on the Code of Conduct issued by the Victorian Public Sector Standards Commissioner, and our Company Code of Conduct reflects minimum standards of behaviour that we expect of each other.

We comply with the Statement of Obligations under section 41 of the Water Industry Act 1994; Privacy and Data Protection Act 2014; Protected Disclosure Act 2012 and Freedom of Information Act 1982.

Bonuses were phased out of remuneration packages in 2018-19 and incorporated into senior employee salaries.

We have a range of policies and strategies to avoid worker exploitation amongst our own employees and we work to reduce human rights impacts in our supply chain.

For more information refer to our Annual Report 2019-20 (pp. 51, 61, 136, 139), available online at yvwm.com.au



WE WORK TO REDUCE HUMAN RIGHTS IMPACTS IN OUR SUPPLY CHAIN



