

# First Statement on Modern Slavery

## The Reporting Entity

Hudson RPO (Aust) Pty Limited (ABN 29 622 996 918) (here after referred to as “Hudson RPO”) whose registered office is located at c/- Mazars (NSW) Pty Limited, Level 12, 90 Arthur Street, North Sydney NSW 2060.

## Hudson RPO’s Entity Structure

Hudson RPO controls Hudson RPO (NZ) Limited.

Both entities are part of the Hudson Asia Pacific group of companies, whose ultimate parent company is Hudson Global Inc., a company incorporated under the laws of Washington and listed on the Nasdaq. Hudson RPO shares the same leadership team across the Asia Pacific region.

## Operations

Hudson RPO provides recruitment process outsourcing and managed services, in the form of the supply of temporary personnel, to its clients across Australia and Asia Pacific.

Hudson RPO separated from the Hudson Global Resources business in 2017, which resulted in a separation of the recruitment process outsourcing and managed services aspect of the business, which is now operated by Hudson RPO, from the general recruitment services which have remained with Hudson Global Resources. The two entities are separate and independent entities and are not part of the same group of companies.

At the time of compiling this report, approximately 165 corporate employees, and a further 630 contingent personnel, are employed across Australia and New Zealand by Hudson RPO and Hudson RPO (NZ) Limited.

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Our company policies are compiled by Hudson RPO and are applied by the group entities across the Asia Pacific region.

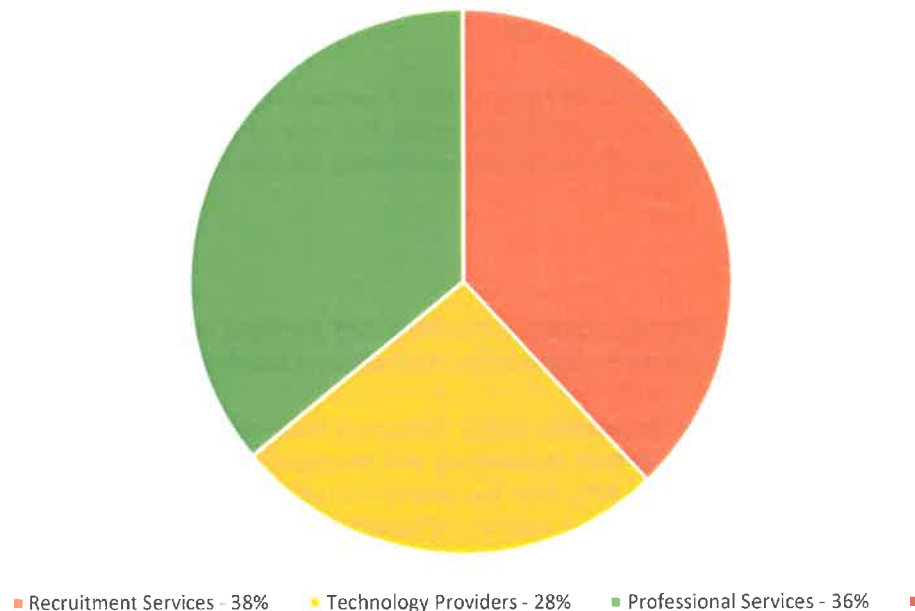
Hudson RPO (Australia) Pty Limited, as the governing entity, provides this statement as a single, consolidated statement of Hudson RPO's actions to address modern slavery in Australia.

## Supply Chains

As of the end of the last financial year (June 30 2021), Hudson RPO has been captured by *the Modern Slavery Act 2018 (Cth)* and has, since that point, taken steps to commence the examination of its supply chains and operations to assess for, and address the risks of, modern slavery in its business and to compile Hudson RPO's first statement on modern slavery.

Over the last six months, we have started to take a detailed look into our supply chains. This commenced with an examination of who Hudson RPO is engaging as suppliers and what services they are providing.

A breakdown of suppliers to the Hudson RPO business can be expressed in the table below:



A closer examination of these suppliers, has revealed the following information to Hudson RPO:

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- In the financial year 2020/2021, Hudson RPO spent almost \$3.7 million across 86 suppliers.
- Almost all suppliers to Hudson RPO are based in Australia;
- Approximately 33% of Hudson RPO's spend with suppliers, is for the supply of personnel and recruitment services from recruitment agencies;
- 20% of spend is to organisations providing technology and communications services to Hudson RPO; and
- The remainder is spent on professional services, such as financial, accounting, auditing, advertising, legal, and payrolling services.

Hudson RPO has no physical office premises and does not engage any suppliers for the maintenance and operations of such premises, such as cleaning and catering.

After an examination of the supplies being received by Hudson RPO, we moved on to issuing questionnaires to all of our suppliers to ascertain what risks might exist within these organisations supplying goods and services to Hudson RPO. From these questionnaires it has become evident to Hudson RPO, that the larger organisations already have established policies dealing with the risks of modern slavery in their own businesses; they are actively considering these risks in their business dealings; they are training their employees to identify risks of modern slavery; and they are looking to their own supply chains in an effort to minimise the risks of modern slavery from their suppliers.

To this end, Hudson RPO acknowledges that we have the benefit of being 12 months behind many organisations in terms of the development of our approach to managing modern slavery risks, given we have only recently been captured by the legislation, and many of Hudson RPO's suppliers already have an established, if somewhat still evolving, approach to modern slavery.

The supply of goods and services by smaller organisations to Hudson RPO is an area in which Hudson RPO will need to examine and assess more closely as we progress with our modern slavery journey. Going forward, Hudson RPO expects that we will need to work with these suppliers to ascertain if any risks exist in their organisations, and if so, mitigate these risks. Hudson RPO is committed to working with suppliers who can demonstrate that they are considering modern slavery in their business and that their supplies to the Hudson RPO business are free from any instances of modern slavery.

## Risks of Modern Slavery

The Global Slavery Index<sup>1</sup> indicates that, in Australia, the industries are most at risk of modern slavery, through the use of forced labour, are the following industries:

- Agriculture
- Construction;

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- Domestic work;
- Meat processing;
- Cleaning; and
- Hospitality and food services;

Historically, this form of modern slavery has relied on migrant workers who arrive on temporary visas to fill shortages in the Australian workforce.

## **Operational Risks**

Hudson RPO has deemed the risk of risk modern slavery occurring within its operations to be extremely low. Hudson RPO does not operate a physical premises which eliminates the risk of the supplies related to running a premises, such as cleaning and catering, two areas which are typically at a higher risk in Australia.

Hudson RPO employees are largely skilled Australian employee's, who are employed within Australia.

## **Customer Risks**

Hudson RPO acknowledges that as a service provider to customers across a large range of industries, some of which fall into those categories of concern set out above, that there may be a risk of Hudson RPO supplying services to customers whose ethical standards do not meet our own.

However, the majority of Hudson RPO's customers are large corporations who themselves are captured by the *Modern Slavery Act*. Hudson RPO has, over the last 12 months, seen a significant increase in the interest of these entities to address the risk of modern slavery in their own businesses and in their dealings with Hudson RPO as a supplier. Hudson RPO now actively works with customers to examine these risks and ensure our contractual arrangements have provisions requiring both entities to investigate and manage risks within their organisations and applying consequences for failure to do so.

## **Supply Chain Risks**

Hudson RPO does not source any supplies from those most at risk industries set out above. Our largest suppliers are principally established corporations, based in Australia (where the prevalence of modern slavery is low) and which are themselves subject to modern slavery obligations. Many of Hudson RPO's key suppliers have been working towards establishing their own processes for identifying and managing risks of modern slavery and are able to provide Hudson RPO will evidence to support this.

As yet, albeit in the early stages of investigation into our supply chains, Hudson RPO has not identified a supplier which has given us cause for concern over their business operations or their own supply

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chains. This process of investigation will continue until we have satisfied ourselves that our supply chains are indeed free of any forms of modern slavery.

## COVID 19 Impact

Hudson RPO has not seen a significant impact from COVID19 which we believe may have presented us with an increased risk or likelihood of modern slavery for our organisation. At the start of the pandemic, some clients of Hudson RPO did end some engagements and we saw parts of the workforce utilising unused leave and/or working reduced hours. However, this impact was very brief and by August 2020 business had returned to normal and has remained stable since.

## Actions to Address Modern Slavery

Since being captured by the Modern Slavery Act in June 2021, Hudson RPO has undertaken the following actions as part of commencing its journey towards addressing modern slavery risks in our business:

1. **Assessment of suppliers in Hudson RPO's supply chains** – Hudson RPO has issued our suppliers with a questionnaire which is aimed to assess the operations within each of their organisations for risks of modern slavery. This questionnaire has given Hudson RPO a very good understanding of which organisations are actively addressing risks of modern and which organisations Hudson RPO needs to work more closely with to ensure that this is given a higher priority.
2. **Updating of procurement and due diligence processes when on boarding suppliers** – Hudson RPO employees who are involved in the procurement and engagement of suppliers in the business have been required to implement new due diligence processes when on boarding new suppliers. This process involves the provision of the Supplier Ethics Policy, which must be accepted by all suppliers; and ensuring the completion of the supplier questionnaire prior to the provision of services to Hudson RPO. This allows Hudson RPO to assess for the risks of modern slavery from that particular supplier. This aims to ensure that all suppliers are making their supply to Hudson RPO in a way which aligns with our business ethics.
3. **Training of staff and including modern slavery compliance training in our annual training program and onboarding program for new employees** – Hudson RPO has compiled a training program for the onboarding of new employees to assist them to be alert to the risks of modern slavery in any aspect of the Hudson RPO business. Hudson RPO's annual legal and compliance training program has also been updated to include training on modern slavery which will assist existing employees to feel confident in identifying and reporting incidents of modern slavery.
4. **Updating Agreements** – Hudson RPO has commenced a process of updating agreement templates and ensuring new and renewed agreements contain modern slavery provisions requiring all parties comply with the *Modern Slavery Act 2018 (Cth)* and report any incidents of modern slavery.

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5. **Supplier Auditing** – Hudson RPO is looking more carefully at the auditing clause in supplier contracts to ensure that the supplier can be audited by Hudson RPO where there are suspected incidents of modern slavery within the supplier's business.
6. **Updating policies** – a new Modern Slavery Policy has been introduced by Hudson RPO and shared with all employees. Hudson RPO have also updated other policies to include modern slavery requirements, where relevant. These policies include the Hudson RPO Whistleblower Policy; Human Rights Policy; and the Supplier Ethics Policy.
7. **Reinforcement of whistleblowing mechanism** – Hudson RPO has used the introduction of the Modern Slavery policy to remind and reinforce for employees, the operation of the Whistleblowing policy, to ensure that all employees feel comfortable and confident to report any activities which they feel make fall under the categories of modern slavery. This includes any situations from within the business of Hudson RPO's clients.
8. **Examination of the Hudson RPO incident reporting system** – an examination of Hudson RPO's existing incident reporting systems was conducted to ensure fitness for purpose in regards to the reporting of modern slavery incidents so that we felt confident that this system was suitable for the reporting of modern slavery incidents.
9. **Testing the effectiveness of the incident reporting system** – Hudson RPO recently tested the incident reporting system by reporting an 'ethical incident' through the system to ensure that the incident was responded to with adequate efficiency and confidentiality so that employees feel that they can trust the whistleblowing system and that the issues raised will be investigated thoroughly and independently.
10. **Establishment of a Hudson RPO Modern Slavery Working Group** – this group has met to look at the potential risks of modern slavery; discuss where investigations need to occur; establish systems and processes to address potential risks; and workshop remediation solutions where necessary.

At this point, Hudson RPO is in the early stages of examining for and addressing risks of modern slavery in its supply chain and operations. Supplies to Hudson RPO's are almost exclusively made by professional service industries based in Australia and we have not yet come across any information which has been a cause for concern for Hudson RPO. As a result of this, Hudson RPO has not yet developed a conclusive approach for remediating the modern slavery risks that may be identified. Hudson RPO does however, acknowledge that we are not immune from the risks of modern slavery.

The main risk we have identified to date, relates to a lack of awareness of modern slavery from the smaller suppliers. Hudson RPO will work more closely with these suppliers who have not yet developed strategies for managing the risks of modern slavery in their business, to ensure that there are no instances of modern slavery being relied on for the provision of their services to our business. We will also continue to look into our own operations and supply chains and refine our strategies for eliminating the risks of modern slavery within our business, and the remediation actions to be taken where such risks are identified.

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## **Effectiveness of Actions to Address Modern Slavery**

Since Hudson RPO's modern slavery journey began, there has been clear and tangible progress in the recognition of modern slavery as an issue from Hudson RPO employees at all levels, and this is a key starting point to identifying and addressing risks within the business. Modern slavery has not previously been an issue which has been a significant point of consideration from employees prior to Hudson RPO commencing the actions set out above. We feel having employees who are confident to look for, identify and report incidents of modern slavery is essential to tackling the issue at every level of the business. We feel confident that we have given employees the information, training and tools to do this.

Hudson RPO has seen increased consideration of modern slavery concerns from both its suppliers as even more so from its customers. More and more, our customers want assurance that Hudson RPO does not engage in any acts of modern slavery in our business. Hudson RPO has been responding to and addressing those concerns. The actions taken by Hudson RPO have progressed greatly in the last six months as Hudson RPO has taken a deep dive into our supply chains and operations and increased the expectations from our own suppliers.

## **Consultation with Other Entities**

Hudson RPO and Hudson RPO (NZ) Limited share the same management teams, adopt the same policies, procedures and protocols, operate in the same sector and share the same suppliers. This statement was prepared in consultation with the leadership, procurement and legal teams to both the Hudson RPO and Hudson RPO (NZ) Limited business. Draft versions of the statement were submitted to all relevant teams for review and comment prior to preparing the final version for submission.

## **Other Relevant Information.**

Hudson RPO shall, over the next reporting period, continue with our efforts to eradicate any risks of modern slavery that we find within our business operations and in our supply chains.

## **Approval.**

This statement has been approved by the Board of Directors of Hudson Global Inc. and is signed by Chief Executive Officer, Jeff Eberwein on their behalf. It is also approved by Kimberley Hubble, the Chief Executive Officer of Hudson RPO (Aust) Pty Ltd and Hudson RPO (NZ) Limited.

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Kimberley Hubble  
Chief Executive Officer  
Hudson RPO (Aust) Pty Ltd



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Jeff Eberwein  
Chief Executive Officer  
Hudson Global Inc.

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<https://www.globalslaveryindex.org/2018/findings/country-studies/australia/>