

**CPA AUSTRALIA  
MODERN SLAVERY  
STATEMENT 2023**



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# Foreword



We are delighted to present CPA Australia's fourth Modern Slavery Statement. As the Australian *Modern Slavery Act 2018* (Cth) marks its fifth year, the role of businesses in contributing to global efforts to eradicate modern slavery remains as important as ever.

This is the first statement I have signed as President and Chair of the Board. I share my predecessor's commitment to taking action on modern slavery and am proud of the work CPA Australia has achieved to date.

From the outset, CPA Australia has been determined to play our part in business efforts to manage modern slavery risks. In 2021, CPA Australia embarked on a three-year roadmap to implement a series of recommendations aimed at strengthening our approach to addressing modern slavery.

This roadmap delineated a phased plan to:

- Refine our policy framework
- Strengthen targeted risk assessment and due diligence processes
- Evaluate key insights and trends, fostering collaboration with external stakeholders.

We are pleased that between 2021 and 2023 we successfully implemented over 55 actions across this roadmap. Key achievements over this period have included:

- Actively engaging with stakeholders and the Commonwealth Government to drive impactful change including through the review of the Modern Slavery Act
- Formulating CPA Australia's Human Rights Policy as a guiding framework for our modern slavery initiatives and broader work to respect human rights
- Integrating modern slavery considerations into our supplier onboarding process and contractual agreements, including developing a Supplier Code of Conduct, enhancing our contractual clauses and conducting deep dives with selected suppliers
- Offering dedicated member support through webinars and published content on CPA Australia's website, including a number of webinars and articles.

While this statement marks the end of our three year roadmap implementation cycle, we understand there is more work to be done. Going forward, the Board has identified 'sustaining our commitment to policy initiatives and advancing ESG (Environmental, Social, and Governance) activities' as key focus areas and I look forward to working with the Board to progress our work in this area, including modern slavery.

CPA Australia has yet to identify instances of modern slavery relating to our own activities and supply chains. We will continue to monitor potential risk areas and address potential policy and procedural gaps. As legislative frameworks concerning modern slavery and human rights continue to evolve globally and in Australia, we remain focused on collaborating internally and also with our members to take action on modern slavery. This statement was approved by the Board of CPA Australia Ltd in May 2024 and signed by me in accordance with the requirements of the legislation.

**John Curtin Distinguished  
Professor Dale Pinto FCPA**

President and Chair of  
the Board

CPA Australia Ltd

17 May 2024

# 1 About this statement

This modern slavery statement ('statement') is made under the *Modern Slavery Act 2018 (Cth)* (MSA) by CPA Australia Ltd as the reporting entity (ABN 64 008 392 452) (CPA Australia, we, our, us).

It sets out our efforts to assess and address modern slavery risks over the 2023 calendar year (the reporting period). As required by the MSA, this statement also addresses modern slavery risks and actions in relation to our two subsidiaries.

These two subsidiaries are not individual reporting entities for the purposes of the MSA. Further information about our corporate structure is set out in section 2 of this statement.

## Modern slavery

Modern slavery describes situations where “coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom”.<sup>1</sup> It involves serious exploitation and grave abuses of human rights.

As defined in the MSA, modern slavery practices include trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour (situations where children are subjected to slavery or similar practices, or engaged in hazardous work) and deceptive recruiting for labour or services. Modern slavery can occur in all sectors and can happen in Australia as well as overseas.

As outlined later in this statement, there are a range of risk factors which may indicate higher modern slavery risks. These include reliance on complex and fast-moving global supply chains, use of migrant workers, high rates of subcontracting, and use of short-term, unskilled labour.

## CPA Australia's Modern Slavery Statement

As CPA Australia and our subsidiaries share similar business models and supply chains, this statement describes our modern slavery risks and responses to these risks across our corporate structure on a consolidated basis. The boards of all our controlled entities must act in accordance with all standards and policies that have been adopted and promoted by CPA Australia, including those relating to modern slavery and broader human rights issues.

CPA Australia is registered as a foreign corporation in the United Kingdom (UK) and this statement also meets the requirements of the *Modern Slavery Act 2015 (UK)*.

Our response to modern slavery is guided by three key principles:

- we actively seek to identify the risk of modern slavery in our operations and supply chains even if we don't find instances of modern slavery
- the risk to individuals is paramount to all other risk considerations
- assessing modern slavery risks and taking actions to address those risks is the right thing to do. It also drives commercial and social value for CPA Australia, which results in value for members.

This statement highlights how we have applied these principles to assess and address modern slavery risks in our operations and supply chains. The appendix at the end of this report explains how the content in this statement aligns with the requirements of the MSA and the *Modern Slavery Act 2015 (UK)*.

<sup>1</sup> Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities (p. 8).

## Implementing our three-year roadmap

### Key achievements and reflections.

In 2021, we began implementing a three year modern slavery roadmap to strengthen our modern slavery risk management.

**Figure 1: CPA Australia's three-year Modern Slavery roadmap.**



This reporting cycle marks the last stage of our work to implement this roadmap. Over the past three years, this roadmap has formed the basis for us to take a continuous improvement approach to modern slavery risk management and develop a response that reflects our size, capacity and risk profile.

Over the last three years, we have completed more than 55 specific actions as part of the roadmap. Our key achievements have included:

- Preparing and launching our first Human Rights Policy, which publicly commits us to respecting human rights, including those relating to modern slavery
- Developing and implementing our Supplier Code of Conduct, which sets clear standards for our suppliers in relation to modern slavery risk management
- Strengthening how we assess modern slavery risks through our procurement processes, including enhancing

- our Supplier Assessment Questionnaire and developing accompanying guidance for suppliers, as well as engaging with selected suppliers through modern slavery deep dives
- Expanding our modern slavery contract clauses to set clear requirements for suppliers, including in relation to areas such as training and access to grievance mechanisms
- Proactively engaging with our members, including through a number of webinars and articles
- Delivering a strategic briefing to our directors and targeted training to our people about modern slavery.

Based on our experiences, our reflections on the value of modern slavery roadmaps include, they:

- Can provide a tool to align 'effort with impact' by focusing on key opportunities for action. This has assisted us to plan and prioritise our actions
- Must be aligned with stakeholder perspectives and expectations for action. We partnered with an external business and human rights advisory firm to develop our roadmap to help ensure we considered potential stakeholder expectations and aligned with key standards such the UN Guiding Principles on Business and Human Rights (UNGPs)
- Work most effectively when they include the flexibility to identify new actions and reprioritise existing actions over the course of the roadmap, including as organisations' context and circumstances evolve. We added a number of new actions over the life of the roadmap in response to external events and other factors
- Require regular monitoring and clear assignment of actions to responsible business units. Our roadmap was overseen by an internal working group which held regular meetings to track our progress.

Having now implemented our initial three-year roadmap, we will continue to maintain a continuous improvement approach to modern slavery risk management, including by further refining our response where appropriate.

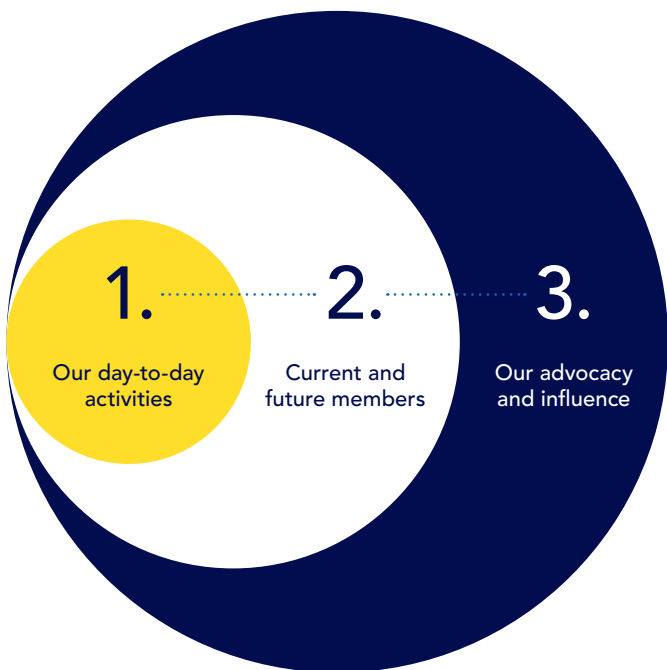
Details of our future plans are contained in Section 7 of this statement.

**Alignment to our ESG Strategy.**

Going forward, a key area of focus will be to further align our modern slavery response with our ESG strategy. While we recognise our responsibility to respect human rights extends across our business activities and relationships, CPA Australia has adopted a ‘spheres of influence’ approach to framing our ESG strategy.

Figure 2 provides a snapshot of our response to sustainability-related considerations more broadly, in conjunction with modern slavery.

**Figure 2: Snapshot of sustainability considerations.**



To varying degrees, CPA Australia exerts influence across three intersecting stakeholder groups:

1. Internal stakeholders within CPA Australia who control operational or day-to-day activities
2. CPA Australia members with diverse requirements and needs which vary with the size and nature of their organisations
3. CPA Australia’s local and global advocacy and influence within the wider accounting profession and community, as well as engagement with academic institutions, standard setters, regulators and government agencies.

As part of a planned review of our ESG strategy and workplan beyond 2023, Figure 3 shows our priorities for 2024. These recognise the dynamic nature of sustainability-related considerations more broadly, and the ongoing need to balance resources along the range of potential sustainability topic areas.

**Figure 3: 2024 priorities**



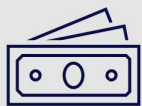
## 2 Our structure, operations and supply chain



# 173,431

Members

### Our supply chains



\$78.1 million



81%

Spend in Australia

### Our operations



>515 Employees



20 Global offices

CPA Australia is one of the world's largest accounting bodies with a history of more than 136 years. Founded in 1886, we now have 173,431 members around the globe. Our core services to members include education, training, technical support and advocacy. Employees and members work together with local and international bodies to represent the views and concerns of the profession to governments, regulators, standard setters, industries, academia and the general public.

#### Our vision

Lead the future of the global accounting profession and develop business professionals with tomorrow's capabilities.

#### Our purpose

We're partners for progress. Strengthening trusted relationships with members and our communities.



## Our structure

CPA Australia is a company limited by guarantee incorporated in Australia.

We are governed by a Board of Directors elected by the Appointments Council. The Appointments Council comprises a representative from each Divisional Council. Divisional Councils are comprised of members who act as advocates for CPA Australia and for members of the Division in their regions and spheres of influence. Our governance structure is set out on page 10.

Further information about how we have integrated modern slavery into our governance structure, including the role of our ESG Steering Committee and a dedicated Social Working Group, is set out in section 4.

CPA Australia ultimately controls the following entities:

- CPA Australia (Shanghai) Co. Ltd. a private company incorporated in China to facilitate the provision of services to members in China
- CPA Australia (M) Sdn. Bhd a private company incorporated in Malaysia to facilitate the provision of services to members in Malaysia.

## Our operations

CPA Australia is one of the world's largest accounting bodies, with a global presence. The size of our operations has changed with our new operating model and the finalisation of the Member Management and Finance program (MMF) with the number of employees reducing to 515 (2022: 630).

In 2022, we released our new organisational strategy for 2022-27, which underscores our continued ambition to shape the future of the global accounting profession through education and advocacy.

One of the key initiatives highlighted in the strategy is to lead, support and advocate for our members, including through implementation of CPA Australia's ESG strategy which addresses, among other things, modern slavery which comes under the ESG strategy's social pillar.

The operations of CPA Australia and our subsidiaries are primarily focused on the provision of services to members in Australia and globally.

We are partners for progress, and through our trusted relationships, we continue to lead the future of the accounting profession and develop business professionals with tomorrow's capabilities. In doing so, we are helping to advance those who support their communities.

This means regularly engaging with members, employers, academia, government, regulators, standard setters and the community to ensure we understand the current and future needs of the profession. This is especially important when it

comes to issues such as modern slavery. This helps us develop strategies, content, products and services to deliver an experience that meets members' needs and goals throughout each stage of their professional journey.

As at 31 December 2023, CPA Australia and its controlled entities have more than 515 employees located in nine countries. The location and number of our offices has not changed (see page 12).

The majority (87 per cent) of our employees are engaged on a full-time basis, and undertake professional, office-based roles, including education, event planning and member engagement. We also engage a number of contingent workers, primarily for office-based roles. Employees and contingent workers overseas are engaged in accordance with applicable workplace laws.

## Services

Our core services include education, training, resources and tools, technical support and advocacy. We provide these through a range of channels, including our website, INTHEBLACK digital magazine, face-to-face and online events, Centres of Excellence for six key policy issues, and a dedicated member contact centre in Melbourne. We also publish the *Australian Accounting Review*, a quarterly peer-reviewed journal.

A large part of our work is advocating for the interests of our profession, members and the public. Employees and members work together with local and international bodies to represent concerns and issues, like modern slavery, to governments, regulators, standard setters, industries, academia and the general public. Further information about our member engagement and other collaboration is set out in section 5.

Figure 4: Our governance structure in 2023



## Investments

As part of our operations, we invest in equities, equity funds, property funds and bonds, among other investments, in line with our Cash and Investment Policy. These investments are managed by an external investment manager. Information about our engagement with our investment manager during the reporting period in relation to modern slavery is set out in section 4.

### INTHEBLACK and Podcasts

The INTHEBLACK digital magazine and website are a leading source of information on business, finance and accounting, offering key insights into strategic thought leadership by way of expert analysis. INTHEBLACK periodically publishes various articles on human rights related topics, including modern slavery and broader human rights issues.

During 2023, we published a relevant article titled '**Modern Slavery: Can Australia do more?**', (July 2023).

The article highlighted the ongoing need for Australian organisations to ensure that they have robust mechanisms in place to ensure that they are proactively looking for risks of modern slavery in their operations and supply chains and figuring out how they will address those.

In July 2023, we also published a podcast titled '**The New World of Corporate Disclosures**'.

In this podcast we delved into financial performance no longer being the only corporate benchmark.

The podcast highlighted that investor and public information needs are evolving towards a broader set of performance measures, such as climate change, modern slavery and broader human rights issues.

### CPA Program

Delivering the CPA Program is a key element of our operations. The program is run via distance learning by a dedicated team within CPA Australia.

The CPA Program is internationally recognised and has a strong focus on the practical application of knowledge within a real-world setting. It goes beyond the numbers to teach the skills needed to reach the next level in leadership, strategy and business.

This includes:

- commercial awareness
- emotional intelligence
- communication and collaboration skills
- a technically skilled and solution-driven approach to problem solving
- awareness of the social impacts of accounting.

### CPA Australia office locations

Our registered office is located in Melbourne, Australia. We have more than 173,431 members in Australia and overseas, who are attached to 13 Divisions.

There are eight Divisions in Australia and a further five Divisions across Europe, Greater China, Malaysia, New Zealand and Singapore.

CPA Australia (Shanghai) Co. Ltd has staffed branch offices in Beijing, Shanghai and Guangzhou, China. CPA Australia operates as a registered foreign corporation in the UK, Indonesia, New Zealand, Singapore, Malaysia and Hong Kong SAR, and has offices in each of these countries and regions.

CPA Australia has staffed regional representative offices in Beijing, China; Hanoi and Ho Chi Minh City, Vietnam, Jakarta, Indonesia and Abu Dhabi, United Arab Emirates (UAE).

There were no changes to our office locations during the reporting period<sup>1</sup>.

We have 20 offices across:

- Melbourne, Australia
- Canberra, Australia
- Sydney, Australia
- Brisbane, Australia
- Adelaide, Australia
- Hobart, Australia
- Perth, Australia
- Darwin, Australia
- London, UK
- Beijing, Mainland China
- Guangzhou, China
- Shanghai, Mainland China
- Hong Kong SAR, China
- Kuala Lumpur, Malaysia
- Auckland, New Zealand
- Singapore
- Jakarta, Indonesia
- Abu Dhabi, UAE
- Hanoi, Vietnam
- Ho Chi Minh City, Vietnam.

Figure 5: Office locations



<sup>1</sup> CPA Australia opened an office in Abu Dhabi in January 2023. Abu Dhabi and Dubai were previously included as virtual offices. The change in reporting methodology now reflects only physical office locations occupied by CPA Australia.

### Our supply chains

Procurement for CPA Australia and our controlled entities is managed by a centralised procurement team based in Melbourne. This team oversees key procurement activities and maintains and implements our procurement policies and processes.

Our supply chains reflect the services-based nature of our operations. Unlike many reporting entities in other sectors, we do not have a significant for-retail supply chain or produce or manufacture products.

Our procurement profile remains similar to the last reporting period. We have assessed that our \$78.1 million spend across our global supply chains as at 31 December 2023 was spread across more than 1,000 Tier One suppliers of goods or services. Our overall supplier numbers and key areas of spend remained similar to 2022.

### Top industries for procurement of goods and services based on spend

-  Financial services, including insurance broking

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-  Education content, including the publishing of study guides

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-  Media and marketing, including media and creative services

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-  Recruitment, including recruitment agency services

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-  Information and Communications Technology (ICT), including hardware, software and telecommunications goods and services

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-  Construction, including interior design and fit out goods and services

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-  Hospitality, including catering for member events in Australia and overseas

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-  Cleaning, facilities management and security for our offices and events in Australia and overseas.

Each sector of spend may have potential exposure to modern slavery and the risks of modern slavery in our supply chains are detailed in section 3.

### Our supply chains below Tier One

The type and duration of our commercial relationships with our Tier One suppliers varies significantly.

For example, in some cases we have longer-term relationships with key suppliers, such as financial and other professional services providers. In contrast, we also have a range of shorter, ad hoc relationships with other suppliers, such as a catering provider engaged for a specific event.

We also acknowledge that procurement expenditure does not correlate to the level of modern slavery risk, and that we may also be exposed to modern slavery risks through smaller or once-off procurements in other categories not identified above.

As we work to further strengthen our response, we are exploring options to build our understanding of our supply chains below Tier One. Key areas of our spend, including ICT and construction, rely on complex global supply chains which can involve a wide range of materials, activities and services. For example, ICT supply chains may involve sourcing of minerals and other raw materials, multi-stage manufacturing and assembly processes across multiple countries, and a variety of warehousing, transport and other logistics services.

As set out in section 3, we recognise modern slavery could occur at a number of points in these supply chains and that we could be directly linked to this harm through the provision of goods or services to us.

During the reporting period, we undertook a modern slavery deep dive with a Tier One supplier from the printing sector to better understand our supply chains below Tier One and what leverage we may have, or need to build, to help mitigate any apparent risks. A detailed understanding from the deep dive is described on page 22. We will continue to consider additional opportunities for further deep dives in 2024.

# 3 Our modern slavery risks

**This section of our statement describes the modern slavery risks we have identified in the operations and supply chains of CPA Australia and its controlled entities. We consider that these risks are relevant to each of these entities and have not identified additional specific risks relating to particular entities within our structure.**

We recognise that our modern slavery risks may change and evolve over time and we are committed to regularly reviewing our risk profile where appropriate. However, we do not consider our risk profile has changed significantly since our last statement.

## How modern slavery risks may be present in our operations and supply chains

As set out in our Human Rights Policy, we have a responsibility to respect human rights through all our business activities and relationships under the UNGPs. This includes the human rights that protect against modern slavery.

### UNGPs

The UNGPs are the recognised global standard for preventing and addressing human rights harm by businesses. They provide an important framework to help us, and other businesses, understand and respond to modern slavery risks. We applied the UNGPs in our modern slavery risk assessment (described in our 2020 statement) to identify and explain how we may cause, contribute to, or be directly linked to modern slavery, and understand how we should respond. Our ongoing risk assessment activities are described in section 4.

Modern slavery risks may be present in our operations and supply chains due to a range of factors, including:

- procurement of products or services from high-risk countries or sectors
- use of third-party recruitment providers, including the recruitment of contingent labour in countries with a high prevalence of modern slavery
- our investment activities, which could lead to us holding equities in other businesses that may have high modern slavery risks.

We believe that our most significant modern slavery risks are likely to be present in our supply chains, rather than our operations. This reflects the member-focused and services-based nature of our operations, which can present less scope for modern slavery conduct to occur than other sectors and business models. However, we recognise that the professional services sector, including accounting professionals, may face a range of modern slavery risks, including through their clients. CPA Australia members provide accounting advice and other professional services to a wide range of businesses and organisations, including those in high-risk sectors and geographies.

We remain committed to supporting and equipping members to respond to modern slavery risks they may encounter through the provision of accounting advice and services. More information about our engagement with members is set out in section 5.

Consistent with the UNGPs, we consider that our most significant modern slavery risks are those that would result in the most severe harm to people rather than our business. These risks are described in Table 1.



## Modern slavery risks in our supply chain


We seek to engage suppliers with proven values, ethics and business practices, including those related to modern slavery and broader human rights issues. This includes setting clear standards for supplier behaviour through our new Supplier Code of Conduct. We believe that we can also work with suppliers to positively influence their response to modern slavery risks.

Building on our 2020-22 review of modern slavery risks in our procurement spend and supplier spend data, for 2023 we continued to consider the following modern slavery risks in our supply chain to pose the most severe risks to people. Section 4 explains the actions we have taken to further assess and address these risks, including enhancements to our SAQ process.

In addition to the modern slavery risks below, we recognise that activities such as sourcing of merchandise and outsourced design and printing services, as well as office consumables, may also involve modern slavery risks.

**Table 1: Modern slavery risks in our supply chain**

Supply chain category	Potential risk description	Risk level	Potential level of involvement	Risk rationale
	Procuring ICT goods and services that are produced or delivered using modern slavery.	Medium to high	Directly linked	<p>We procure a range of electronic products like laptops, computers and mobile phones to support our business activities. These products have long and complex supply chains and can involve high modern slavery risks. This includes the potential use of exploited labour in overseas factories where these products are manufactured, and the use of conflict minerals in components, which may be mined or processed by victims of modern slavery. There may also be modern slavery risks associated with the provision of support services for ICT products, like offshore call centres, which may be located in countries with weaker enforcement of labour laws.</p> <p>Although the ICT sector can involve large multinational suppliers, these entities may not be taking adequate steps to address modern slavery risks. In 2022, the KnowTheChain benchmark assessed 60 global ICT companies' efforts to address forced labour in their supply chains. The average score received by the companies covered by the benchmark was 14/100 and KnowTheChain found that many were not undertaking sufficient due diligence to identify and manage forced labour risks. The NSW Anti-Slavery Commissioner has also identified ICT products as involving a high level of inherent modern slavery risk<sup>1</sup>.</p>
	Procuring cleaning, property management, maintenance and construction goods and services that are produced or delivered using modern slavery.	Medium to high	Contribute/directly linked	<p>We rely on cleaning, property management, maintenance and construction goods and services to operate all our offices. These goods and services can involve high modern slavery risks, including risks associated with the widespread use of unskilled migrant labour and unauthorised subcontracting, which have been reported to be more vulnerable to modern slavery. In some cases, we may procure these goods and services directly, while in other cases they may be provided by our external building managers.</p> <p>Modern slavery in these sectors can occur in Australia, as well as overseas. However, modern slavery risks associated with these products and services may be greater in some high-risk countries where modern slavery is more prevalent. While we do not think it is likely that we would contribute to modern slavery in this area within the meaning of the UNGPs, we recognise that there may be a possibility we could if appropriate risk management steps were not in place (as set out in section 4).</p> <p>The potential modern slavery risks associated with commercial cleaning providers have been highlighted by various stakeholders. For example, a 2021 report by the Australasian Centre for Corporate Responsibility noted key risk factors include complex subcontracting, low barriers to entry, a largely migrant workforce and aggressive pricing competition. The NSW Anti-Slavery Commissioner has identified cleaning services, some activities associated with property maintenance, and contingent labour for construction as involving high levels of inherent modern slavery risk<sup>1</sup>.</p>

Supply chain category	Potential risk description	Risk level	Potential level of involvement	Risk rationale
	Procuring hospitality goods and services (including labour and food and beverage products) that are produced or delivered using modern slavery.	Medium to high	Directly linked	<p>In 2023, we hosted more than 200 in-person events globally. For many of these, we relied on labour hire delivered by third party suppliers in the hospitality industry.</p> <p>The hospitality sector is a high-risk sector for modern slavery in Australia and overseas, due to the use of short-term unskilled labour. There is also a risk that some food and beverage products provided during our events (such as tea, coffee, fruit, seafood and other relevant products) may be linked to modern slavery. Modern slavery risks associated with these products and services may be greater in some high-risk countries where modern slavery is more prevalent. While we do not think it is likely that we would contribute to modern slavery in this area within the meaning of the UNGPs, we recognise that there may be a possibility we could if appropriate risk management steps were not in place (as set out in section 4).</p> <p>Hospitality services such as catering have also been identified as a modern slavery risk by other Australian companies from a range of sectors in their modern slavery statements, including professional services, banking, mining and airlines. Cases of alleged modern slavery have also been identified in the broader Australian hospitality sector, including in relation to restaurants and other retail outlets. We are continuing to monitor the evidence base for modern slavery in this area, to better understand our possible risk exposure, including by undertaking a deep dive with our catering services provider during the reporting period. The NSW Anti-Slavery Commissioner has also identified catering as involving a high level of inherent modern slavery risk<sup>1</sup>.</p>

1 NSW Anti-Slavery Commissioner's Modern Slavery Inherent Risk Identification Tool (IRIT): Due diligence and reporting | Communities and Justice (nsw.gov.au)





## Modern slavery risks in our operations

Our operations primarily involve the provision of services to members, and our employees are engaged in accordance

with applicable workplace laws and protections. We have identified that the modern slavery risks in our operations include those set out in the table below.

**Table 2: Modern slavery risks in our operations**

Supply chain category	Potential risk description	Risk level	Potential level of involvement	Risk rationale
	Hiring arrangements for employees and contingent workers for overseas offices and our operations.	Medium	Contribute/directly linked	<p>In some circumstances, we recruit employees and contingent workers overseas, including through third-party recruitment firms. Generally, these recruitment processes are for professional, office-based roles which tend to carry a lower modern slavery risk.</p> <p>Recruitment processes can involve high levels of modern slavery risk, especially when recruiting for lower-skilled or temporary positions in countries where the use of recruitment fees is widespread. In some circumstances, recruitment fees can be used to hold victims in debt bondage, a form of modern slavery. While we do not think it is likely that we would contribute to modern slavery in this area within the meaning of the UNGPs, we recognise that there may be a possibility we could if appropriate risk management steps were not in place (as set out in section 4).</p>
	Our investment activities and portfolios.	Medium to high	Directly linked	We invest funds in diverse equities, equity funds, property funds and bonds, among other investments. These investments are managed by an external investment manager. There is a risk that we may be directly linked to modern slavery through these investments. For example, we may invest in equities from a company that is found to have modern slavery in its operations or supply chains.



# 4 Our actions to assess and address modern slavery risks in our operations and supply chains

This section outlines our actions to assess and address modern slavery risks in our operations and supply chains during the reporting period, including those of our controlled entities. This section is structured to align with the core components of human rights due diligence set out in the UNGPs.

The actions set out in this section form part of our three year modern slavery roadmap. We implemented the last stage of this roadmap over 2023. Our key achievements and reflections for implementing the roadmap are set on page 5.

## Strengthening our policies and governance processes

### Modern slavery incidents

In 2023, we did not identify any modern slavery incidents in our supply chains and operations. However, we recognise that modern slavery may be hidden in our supply chains and operations. We will continue to take action to assess and address our modern slavery risks and equip ourselves to respond to any future cases of modern slavery that we may identify in our operations or supply chains.

### A) Strengthening our policies and governance processes

Strong governance and clear internal accountability are key elements of our response to modern slavery. Our policy documents and governance processes clearly express and reflect our commitment to combating modern slavery. A detailed overview of our governance framework is set out in section 2 of this statement. Figure 6 on page 19 summarises how our governance framework applies to modern slavery. Figure 7 on page 20 provides a visual overview of how we manage modern slavery risks by engaging with our suppliers across the supplier lifecycle.

More broadly, in line with our commitment to best practice in corporate governance, CPA Australia has adopted the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (CGPR) released in February 2019. The CGPR defines social risks as including modern slavery. CPA Australia is an unlisted public company limited by guarantee (Company) and is not formally required to report against the CGPR. We choose to do so as a benchmark to best practice and we have implemented these Principles as far as they are relevant to us as a membership-based organisation.

### Continuing to develop our Human Rights Policy

During the reporting period, we reviewed our Human Rights Policy through our Audit, Risk and Compliance Committee and our Board. This policy publicly sets out our commitment to respect human rights and is the foundation for our work on modern slavery.

While we did not make any changes to the policy on this occasion, our review shows our commitment to continually monitoring our policy framework, including seeking opportunities to enhance this framework where appropriate.

Our Human Rights Policy sets out the key actions we are taking to meet our commitment to respect human rights, including:

- working to enable the safe reporting of human rights concerns (including in relation to modern slavery) by relevant stakeholders without retaliation, including our people, contractors, members, suppliers and their workers
- implementing policies and processes to support us to identify and prevent or mitigate actual and potential human rights risks, including modern slavery
- recognising our responsibility to provide for or cooperate in remediating human rights harm we identify we have caused or contributed to (which could include modern slavery)
- communicating this Policy and our expectations to CPA Australia's people and other relevant stakeholders and sharing information with external stakeholders about our human rights performance, including through reporting such as this statement.

The Human Rights Policy complements and works in tandem with other initiatives across our business relevant to human rights, such as our Reconciliation Action Plan, ESG strategy, Net Zero Emissions Pathway and modern slavery reporting.

The Policy also supports provisions in our procurement policy which set out that we will verify compliance with applicable legal requirements through the procurement process, including those relating to human rights and environmental impacts.

The Human Rights Policy applies to anyone who is employed by CPA Australia and its related entities or works for, or on behalf of CPA Australia, including employees (whether permanent, fixed-term or temporary), contractors, consultants, secondees and Directors and officers wherever located.

Our Human Rights Policy is available on our website.

Figure 6: Our policies and governance processes



Figure 7: How we manage modern slavery risks across the supplier lifecycle.

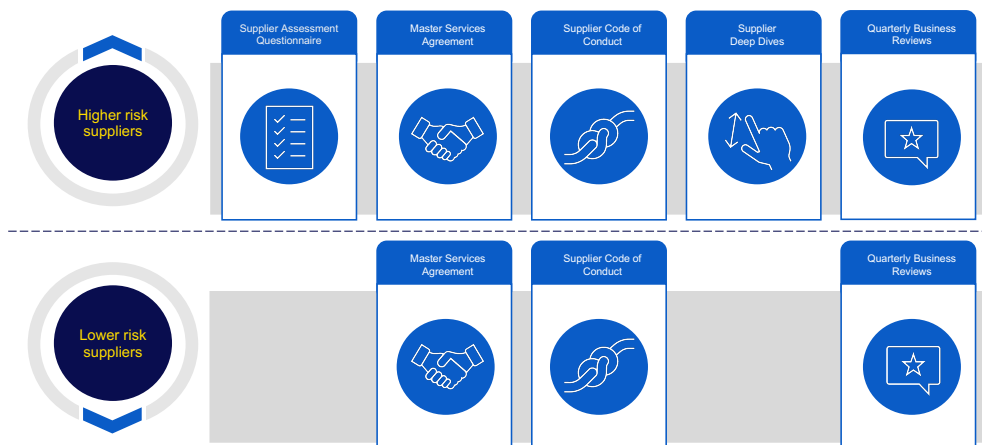


Table 3: Components of our approach to manage modern slavery risks.

Mechanism	Supplier Type included	Actions	What we've done
Supplier Assessment Questionnaire (SAQ)	Higher Risk	Completed by all new suppliers identified as posing higher modern slavery risks.	Support suppliers by providing guidance material which explains each SAQ question, outlines expectations for small and large suppliers, and identifies free resources and tools.
Master Services Agreement	All	Sets clear contractual requirements for suppliers in relation to modern slavery.	We have also updated the modern slavery clauses in the Master Services Agreement. We have included questions in relation to issues such as training, prohibiting recruitment fees, and access to grievance mechanisms.
Supplier Code of Conduct	All	Sets clear expectations for all suppliers in relation to modern slavery risk management and other responsible business practices.	Our code requires suppliers to prohibit modern slavery in their operations and supply chains and provide fair remuneration and working conditions. It also requires suppliers to put in place policies and processes to allow for the safe and anonymous reporting of misconduct, which could include modern slavery.  Where our prospective or current suppliers do not meet these standards, CPA Australia may choose to not work or continue to work with those suppliers, although our preference is to work with suppliers to address any relevant issues.
Supplier Deep Dives	Higher Risk	Higher risk suppliers may be selected for targeted modern slavery deep dives, involving an extended SAQ.	Refer to our deep dive on page 22 of this report.
Business Reviews	All	We conduct business reviews with suppliers and include ESG as a standard agenda item.	

### Developing our Supplier Code of Conduct

As outlined on page 20 one of our key controls in managing modern slavery risks in our supply chain is our Supplier Code of Conduct (Code). Our Code was launched in 2022 and sets clear expectations for all CPA Australia suppliers in relation to business and ethical conduct. This includes expectations relating to modern slavery, the environment, privacy and inclusion and diversity, as well as compliance with applicable laws and regulations.

We continue to regularly review the Code, including the consideration of feedback we may receive from our suppliers. We are also continuing to consider ways we can further increase supplier awareness and understanding of the Code.

We will also seek to discuss the Code with suppliers during contract management meetings to help identify any challenges with implementation and better understand the actions our suppliers are taking.

### B) Identifying and assessing our modern slavery risks

We are continuing to build our understanding of our modern slavery risk profile (including supplier-specific risks) by engaging with selected suppliers.

We consider a range of factors, like:

- the use of labour hire in the delivery of the goods and services (including the employment of vulnerable people)
- whether the supplier has complied with the MSA and will comply with CPA Australia's modern slavery contractual terms and conditions
- action taken/planned to tackle modern slavery and other potential human rights risks that may be relevant to the organisation
- the supply chains involved in the delivery of the proposed services, as well as provision of training on modern slavery and/or broader human rights issues for relevant workers, such as personnel with responsibility for managing contracts.

We also review the above range of factors from an audit perspective, as we are aware that any modern slavery actions and disclosures should, over duration in time, be able to stand up to third-party scrutiny and assurance.

During the reporting period, we also undertook a desktop review to validate that our key suppliers in high risk areas have undertaken social audits against frameworks such as Sedex or BSI. This review confirmed that key suppliers including our catering provider have successfully completed audits against these standards.

### Continuing to implement the SAQ

During the reporting period, we continued to implement the SAQ. We recognise that SAQ can have limitations (for example, in some circumstances it can be difficult to verify information provided by a supplier). However, as a comparatively smaller reporting entity, the SAQ provides us with a valuable tool to understand and assess supplier-specific modern slavery risks.

Whilst our current SAQ focuses on identifying potential modern slavery and broader human rights risks through a series of targeted questions, the questions included have been broadened to encompass all ESG factors. The modern slavery related questions address a range of topics, including the supplier's current modern slavery risk management actions and how the supplier would respond to an allegation of modern slavery or substandard working conditions in its operations or supply chains.

During the reporting period, we requested that any new suppliers identified as posing higher modern slavery risks complete the SAQ as part of the Approval to Proceed step in our procurement process (refer to page 20).

We also developed an alternate version of the SAQ in 2023 for our international suppliers. This version of the SAQ focuses on questions around available policies in regard to modern slavery and human rights, types of employment (permanent, seasonal, contract), location, fair working conditions, minimum wage payments and fair work conditions. The SAQ is in 'plain English' to simplify the completion process for suppliers and facilitate more informed responses.

From our international engagement, we have recognised the need for greater awareness around modern slavery with some suppliers. We will continue to provide guidance and support to our suppliers and our members in line with our commitment to respect human rights.

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## Case study :

### Deep Dive – Assessing modern slavery risks relating to printing services

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Our procurement of print management services may involve modern slavery risks (section 3).

In 2023, we engaged with our key print management services supplier to better understand how they manage modern slavery risks associated with their extended supply chain.

We commenced the deep dive by requesting that the print management supplier provide a response to an extended version of our SAQ. The deep dive allowed us to better understand the supplier's risk management processes and provided us with an opportunity to collaborate and share learnings. This process indicated that our supplier appears to have a comparatively mature governance framework in place to support the identification, assessment, and appropriate response to potential risks of modern slavery within its operations and supply chains.

Our print manager supplier advised that modern slavery is a key consideration it takes into account prior to a sub-supplier (supply partner) being added to their supply panel. In assessing the risks of modern slavery in its supply partners' supply chains, it assesses three key areas:

- The type of product
- The country of origin
- The likelihood of modern slavery occurring.

The print management supplier also advised it contracts with its supply partners through a Supply Services Agreement (SSA), which we examined as part of the deep dive. This contract can help to mitigate risks across areas including modern slavery. It specifically addresses ethical business practices in their business and their supply chain and directs their suppliers to enforce the same controls through their own supply chain. In addition, supply partners are required to notify the print management supplier of any modern slavery breaches or issues that they become aware of in their supply chain.



In addition to the SSA, we identified that our print management supplier also has a range of internal and external policies to drive further controls through their supply chain.

Through our deep dive, we also established that our print management supplier may conduct additional engagement with supply partners in relation to issues such as modern slavery. This engagement is overseen by a supplier management team which has relevant industry knowledge supported by regional supply chain management, auditing and compliance experience. As part of the supplier management process, this team may require supply partners to provide additional information to validate their policies, procedures and management of their supply chains, which could include information relevant to modern slavery. Depending on individual supply partners' risk profile, suppliers may also be audited for compliance.

Our supplier's relevant staff have also engaged in internal training sessions and have read, understood and acknowledged a range of supply related policies which clearly set out expectations and responsibilities that they and their suppliers must adhere to in order to address ethical business practices including fraud, bribery and corruption.

**“We have learnt that having a largely local supply chain means that risks are low but are not zero. A single accreditation process makes managing risks easier (not just for Modern Slavery). Categorisation of our supply chain helps us understand risk levels, whilst sensible, deeper assessment of the higher risk categories further mitigates risk. Periodic review and updates to agreements are beneficial as controls and public expectations evolve.”**  
- Print Supplier.

CPA Australia and the supplier conduct regular Business Reviews to discuss and monitor ESG considerations and any relevant industry updates and will continue to use the process to further engage about modern slavery issues. For example, as part of our Business Review sessions during 2023, our print management supplier presented their first ESG Report, which detailed their commitments around social and environmental responsibility. We also discussed their Social Rating Assessment tool, which their supply partners can use to benchmark their social impact performance and align with government and corporate social procurement policies.

This deep dive was the second supplier deep dive we have undertaken under our modern slavery roadmap. Together these deep dives have helped us to enhance our

understanding of our supply chain, validate our assessment of potential modern slavery risks in relevant sectors, and understand what steps our suppliers are taking to manage these risks. They have also allowed us to reiterate our expectations around modern slavery to our suppliers and have supported us to strengthen our relationships with key suppliers more broadly.

While we recognise that suppliers may have differing levels of capacity to engage in deep dive processes, we have found these processes to be valuable and plan to conduct further deep dives going forward.

### Engaging with the external investments manager to better understand how modern slavery risks relating to our investments are managed

As outlined in section 3, there is a risk we may be directly linked to modern slavery through our investment activities. In 2023, we continued to engage with our external investments manager to better understand how they are managing modern slavery risks. In 2023 the external managers presented to the Board in February, May and December. During these presentations, the degree to which ESG matters generally are captured within our investment portfolio was highlighted, including those underlying funds that have an ESG policy in place, those that are a signatory to the United Nations Principles for Responsible Investment and those that have exposure to defined high risk industries.

### C) Integrating and acting on our findings

The steps in Table 4 outline how we are continuing to take concrete steps to integrate and act on our risk assessment findings. In addition to the new actions outlined below, we are continuing to implement key actions described in our previous statements.

### Table 4: Acting on our findings

**Continuing to embed modern slavery risk considerations in our major procurement and sourcing projects valued at more than \$250,000 through the inclusion of modern slavery questions in relevant tenders and request for proposal documents.**

For example, during the reporting period we included modern slavery questions in an RFP process for air travel services. This included 11 questions relating to social procurement and modern slavery. Responses to these questions were reviewed by a subject matter expert from our integrated reporting and ESG team. Together with questions about environmentally responsible procurement, the suppliers' responses to these questions were weighted at 10% of the overall tender assessment score.

**Continuing to require mandatory consideration of modern slavery risks for all procurement valued at over \$25,000.**

As part of the contract process, an Approval to Proceed form must be completed for contracts with a value greater than \$25,000. The form asks the contract manager to indicate whether modern slavery risks have been identified before engaging the supplier and provides practical examples of modern slavery risks. If any risks are identified, the contract manager must contact our Procurement team to obtain our SAQ and additional guidance regarding modern slavery in the procurement process. More detail about the SAQ and how we manage risk across the supplier life cycle is set out in Figure 7.

**Continuing to use modern slavery clauses in our contracts.**

Among other things, the clauses require suppliers to acknowledge that CPA Australia is committed to complying with the MSA, and to warrant that the supplier has no knowledge of any risk of modern slavery offences within its organisation or supply chains and is taking reasonable steps to prevent the occurrence of modern slavery. We reviewed and expanded these modern slavery clauses during the reporting period, as described on page 20.

**Continuing to provide modern slavery training to employees.**

As part of our training compliance program, employees, the Board and contingent workers are required to complete compliance learning modules relating to modern slavery and broader human rights issues including fraud, whistleblowing and workplace bullying.

Although the number of course modules and makeup differs between the three audiences, modern slavery is a requirement across all three.



### Revising our modern slavery contract clauses

During the reporting period, we continued to use modern slavery contract clauses to set clear expectations and requirements for our suppliers in relation to modern slavery risk management. Among other things, the clauses require each supplier to represent and warrant that it and its related persons comply with all applicable laws, rules and regulations relating to ethical and responsible standards of behaviour including those dealing with human rights and modern slavery, and that it has no knowledge of any risk of modern slavery offences within its business, organisation or supply chains and is taking reasonable steps to prevent the occurrence of modern slavery.

Management further reviewed and expanded the modern slavery clauses in our master services agreement in the 2023 reporting period. The expanded clauses include requirements for suppliers to implement regular audits, conduct modern slavery training for their personnel and provide access to grievance mechanisms. The MSA also enables CPA Australia to require a higher risk supplier to prepare and implement a Modern Slavery Risk Management Plan.

Our short-form master services agreement is published on our website so that future suppliers can clearly understand our expectations in relation to modern slavery.

If a supplier's performance relating to modern slavery is below standard during the term of an engagement, we would seek to engage positively with the supplier and use our leverage as a customer to address the issue in line with the UNGPs, prior to considering termination rights.

### Hosting an intranet page for CPA Australia employees that brings together key policies, resources and other relevant information on modern slavery

Our ESG intranet site covers all policies and resources in relation to net zero, modern slavery, and wellbeing, inclusion and diversity. The information available supports our ESG strategy and vision to incorporate ESG considerations into all our activities in order to meet the present and future needs of our members, employees and other stakeholders to support long-term environmental, social, and governance performance.

Presenting the information in this way also supports our people to understand modern slavery as one of a range of human rights issues relevant to CPA Australia and recognises that modern slavery is key to our wider work on ESG issues

### Expanding modern slavery-related training for our members in Australia and overseas

As part of our commitment to supporting members we will continue to drive engagement with our ESG related learning modules aimed primarily at the SME and Public Practitioner market. The content modules sit within the My Firm, My Future eLearning suite of products which can be accessed on our website.

The dedicated modules within the My Firm, My Future eLearning suite of products focuses attention on four considerations:

- ESG and business strategy
- ESG in practice
- ESG measurement, reporting and assurance
- Supply chain resilience.

The modules continue to provide members with an understanding of modern slavery and its implications for business, including modern slavery reporting legislation.

In 2024 we will be reviewing the 'Creating value through sustainability' micro-credential. Modern slavery considerations will form a critical part of the review of the product.

### D) Tracking the effectiveness of our actions

We are tracking the effectiveness of our response to monitor how the steps we are taking are impacting our risks.

#### Holding meetings of our Social Working Group<sup>1</sup>

Our Social Working Group is the primary way we track the effectiveness of our response to modern slavery risks. During 2023, the Social Working Group met to drive actions outlined in our roadmap, and track and review our progress. Further information about how we measure the effectiveness of our actions to assess and address modern slavery risks is set out in section 4.

### E) Communicating our progress

We are sharing our progress and actions with members and the public to ensure we remain accountable for how we address our modern slavery risks.

<sup>1</sup> The Social Working Group was previously known as the Modern Slavery and Human Rights Working Group.

## **Developing and publishing our 2023 Modern Slavery Statement**

Our statement is the primary tool we use to communicate with members and the public about the steps we are taking to combat modern slavery. The President's Report in CPA Australia's 2023 Integrated Report highlighted the release of our third Modern Slavery statement and our Human Rights policy.

We have a dedicated webpage about our response to modern slavery, which includes a copy of our 2020 through to 2023 statements and will house future statements. We communicated our progress in our 2023 Integrated Report and our 2023 Corporate Governance Statement highlighted the release of our third Modern Slavery Statement and continued commitment to deliver on our modern slavery roadmap to our members and external stakeholders.

## **F) Remediation**

The below outlines how we are working to equip ourselves to respond to, and (where appropriate and in line with the UNGPs) remediate, cases of modern slavery we may identify in the future.

### **Maintaining processes to enable the reporting of modern slavery concerns**

#### ***Whistleblower Policy***

Our Whistleblower Policy specifically includes causing, contributing to, or directly being linked to modern slavery (defined broadly as all forms of human trafficking, forced labour and slavery-like practices) in supply chains or operations as conduct that could be reportable conduct.

The Whistleblower Policy is a key component of our risk and corporate governance framework and sets out the framework for receiving, investigating and addressing allegations of reportable conduct (including modern slavery) concerning the activities of CPA Australia or current and former Directors, officers, agents, employees and contractors. A whistleblower is anyone who makes, or attempts to make, a report of reportable conduct under the Whistleblower Policy, and is, or has previously been, an officer, employee, supplier of goods or services or an associate of CPA Australia or is a relative or dependent of such persons.

A whistleblower has a number of channels to make a report and may make a report anonymously via CPA Australia's external and independent whistleblowing service provider 'Your Call' which allows for a report to be made anonymously and confidentially. Whistleblowers are not required to identify themselves and will not be named in any report to CPA Australia unless they have consented in writing to their identity being disclosed.

During the reporting period, we also undertook a desktop review of key suppliers to identify whether they reported having grievance mechanisms in place that might allow for the reporting of modern slavery related concerns. This

review indicated that all our key suppliers have a grievance mechanism in place. We will continue to consider options for further engagement with selected suppliers around grievance mechanisms as appropriate.

#### ***Fraud and Corruption policy***

Our Fraud and Corruption Policy is also a key component of our risk and corporate governance framework and sets out how we establish and maintain an organisational culture that will ensure effective Fraud and Corruption prevention is an integral part of our day-to-day operations in all countries where CPA Australia operates.

CPA Australia is committed to maintaining a robust culture of integrity and ethical behaviour and will not tolerate fraud or corruption within any part of the organisation whether in Australia or elsewhere.

Our Fraud and Corruption policy includes causing, contributing to or being linked to modern slavery as an example of a close link to corruption or fraud. We will review any reports of fraud and corruption involving suppliers for potential links to modern slavery.

# 5 Member engagement and collaboration

Collaboration is the key to addressing modern slavery risks because it promotes best practice and idea sharing. In 2023, as in 2022, we continued to work closely with members and the broader profession to foster action to combat modern slavery.

As a member-based organisation, we are committed to supporting and equipping members with the tools to take action to address modern slavery. Accountants have a key role to play in supporting businesses to combat modern slavery. They must be able to recognise it as a risk to businesses' financial sustainability, support the identification and mitigation of modern slavery risks linked to procurement spend, and assure businesses' modern slavery responses.

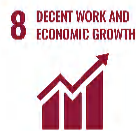
Taking action on modern slavery is also consistent with accountants' responsibility to act in the public interest under the APES 110 Code of Ethics for Professional Accountants. This includes compliance with relevant laws and regulations, including those in relation to modern slavery. In this context, APES 110 emphasises the wider public interest of compliance with laws and regulations, including the potential harm to investors, creditors, employees and the general public.

Our key actions to engage with members and collaborate with stakeholders during the reporting period included:

- maintaining our membership of the UN Global Compact Network Australia, which provides us with opportunities to engage with business peers across sectors
- updating our members as to the publication of our modern slavery statement in our Integrated Report
- continuing to publish INTHEBLACK content relevant to modern slavery, labour rights and broader human rights
- delivering a podcast that explained the fast-evolving regulatory landscape, which includes modern slavery, to members
- continuing to engage our members through a suite of dedicated ESG micro-credentials including the launch of new modules.

United Nations (UN) Sustainable Development Goals (SDGs)

In 2015, all 193 Member States of the UN agreed the 2030 Agenda for Sustainable Development, which resulted in 17 SDGs that reflect global sustainable development priorities. CPA Australia considers the SDGs in its reporting on ESG issues, including our Modern Slavery Statement which supports UN SDG 8.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

We do this by supporting our members in the work they do that impacts their organisations and the economies they work in, and by providing a workplace that values inclusion and diversity.

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## How can accountants help to address modern slavery?<sup>1</sup>

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### Case one: Fast food sleight of hand

A large franchised fast-food group has numerous outlets across Australia. The franchise agreements allow for franchisees to recruit staff directly from the areas in which the outlets are located.

A recent review of finances across franchisees has identified that one particular location, even though comparable in size and turnover to some other locations, is showing a much lower average wage bill.

Upon further investigation, Sam, a finance business partner working for the franchise group discovers that the average number of wage-earning employees is substantially less than across the franchise group, however productivity and average waiting times for the outlet have not been impacted.

Several employees have also indicated in complaints to the franchisor that they are concerned with the high turnover of additional casual staff. Some of these complaints suggest these casual staff are seemingly encouraged not to talk freely to regular full-wage employees.

Sam escalates his findings internally. A formal investigation brings to light that the temporary workers are all from the same area of another country, of which the owner of the franchise is also a citizen. They were brought to Australia on the promise of a pathway to permanent residence by the franchisee.

On arrival, the workers received irregular and in some cases no wages. The franchisee also made threats to shame the exploited workers to their families should they quit or complain publicly. These workers were also told that quitting or complaining would mean they could never become permanent residents and would instead be deported.

This example amounts to forced labour, which is an example of modern slavery.

### Case two: Rich pickings

A mid sized greengrocer business is running a due diligence process as part of their modern slavery commitments and have tasked their financial controller with performing the exercise.

Sharon decides to initially focus on the business' fruit suppliers, which includes a number of orchards that supply directly to the greengrocer through a growers' cooperative.

These orchards are based in an area in rural Australia that is dependent on seasonal work. A number of media

reports have highlighted alleged poor conditions for migrant labourers engaged during peak harvest periods in this area.

As part of the due diligence process, Sharon identifies that the growers' cooperative has used a third party labour hire firm to source workers for its annual harvest season. However, after seeking further information from the cooperative she is unable to identify any evidence of written contracts between the labour hire provider and its workers (which the cooperative is expected to verify as part of its contract with the greengrocer). The value of the contract between the growers' cooperative and the labour hire firm also appears too low to allow for the number of workers involved to have been paid fairly while still resulting in a profit for the labour hire firm.

It also becomes evident that the labour hire workers are paid in cash, with no reconciliation available that ties the amounts paid by the orchard to the cash payments paid by the third-party provider to the workers.

Sharon's work leads to the greengrocer business reporting this information to government authorities. The resulting investigation uncovers that workers' passports were held by the third-party labour hire firm for 'safekeeping' and that they were not provided with wage advice slips nor any indication on how wages were calculated. The workers were also charged a recruitment fee to obtain the job working for the labour hire firm, which docked large amounts of their pay to repay the debt at extortionate interest rates.

This example amounts to debt bondage which is a form of modern slavery.

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<sup>1</sup> The businesses and individuals in these case studies are fictional.

# 6 Assessing the effectiveness of our actions

Tracking the implementation and impact of our actions to combat modern slavery risks is a key part of our response to modern slavery. This monitoring and assessment helps us understand what works and where further action is needed.

Importantly, we recognise that the ultimate goal of an effective response to modern slavery risks should be to support changes on the ground in the lives of those who may be subjected to or who have survived modern slavery, and not just on changes to the organisation’s risk profile.

We recognise that assessing the effectiveness of actions in a modern slavery context is challenging. For example, tracking quantitative metrics relating to numbers of people trained or suppliers engaged may not provide a clear indication of whether these actions are having a meaningful impact. In this context, we are working to continue to strengthen our approach to assessing effectiveness as outlined in figure 8.

Figure 8: How we understand effectiveness

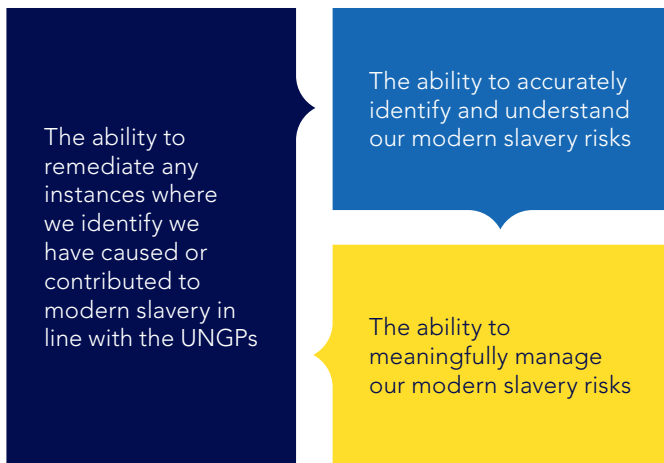


Figure 9: How we track our effectiveness



# 7 Our future plans

CPA Australia has delivered its three year road map from 2021 to 2023.

We understand the importance of continuous improvement and will continue to develop actions to monitor broader developments around modern slavery and human rights due diligence legislation globally, including to consider what these changes may mean for our members and us. This includes potential changes to the Australian MSA following the 2023 statutory review of the legislation.

Over 2024, our key planned actions include:

- reviewing our ESG strategy, to ensure that it remains fit for purpose and aligned with our overall corporate strategy
- repurposing content from across the organisation with a view to providing an enhanced single training resource that encompasses materials relating to Modern Slavery, Fraud and Corruption, and Whistleblowing, differentiated for use by various audiences including our staff, the Board, our members and our suppliers
- developing and hosting a webinar that will explore the implications for some of our key stakeholders including members as they discuss their own modern slavery journey
- engaging with our investment manager to provide input into their determination of investment parameters to better inform modern slavery risk management as a key component of ethical investment strategies.

Our future plans for our modern slavery response are also shaped by the CPA Australia 2022-27 strategy. The strategy aims to equip current and prospective members to achieve career success and set the agenda to take the organisation forward over the next five years. The four key strategic goals for our strategy are outlined in Figure 10: 2022-27 strategic goals below. Importantly, Goal two is to lead, support and advocate for members as the profession evolves.

Two key initiatives under this goal include actions to support members to address modern slavery:

- implementing the ESG strategy that sets out the actions we are currently undertaking and those we will undertake in the future to support our ESG vision for members, employees, the organisation and the broader profession
- continuing to invest in policy and advocacy activities that are most important to members, the accounting profession and the public interest.

Figure 10: 2022–27 strategic goals



# 8 How we consulted with our controlled entities to prepare this statement

The boards of our controlled entities understand our expectation that they act in accordance with our values, standards, policies and procedures including those relating to modern slavery and broader human rights issues.

Some of the Board members of our controlled entities also had day-to-day management roles in CPA Australia and therefore had an operational understanding of the steps we are taking to reduce the risk of modern slavery in our operations and supply chains and how these actions relate to our controlled entities. For example, during the reporting period, two Directors of CPA Australia (Shanghai) Co. Ltd. were also members of the CPA Australia Executive Leadership Team and two Directors were members of our Social Working Group.

Developing this statement through our Working Group allows us to consult with key business functions on the statement, including Policy and Advocacy, People and Culture, Global Member Experience, Company Secretary and General Counsel, Finance Operations (including Procurement, Property and Facilities) and International.

These functions have responsibilities in relation to CPA Australia as well as our controlled entities, which further strengthened our consultation process.

Collaboration and consultation are key to our values, in particular our value of achieving together.

## The CPA Australia Way



Our organisational values under the umbrella 'The CPA Australia Way' are:

- Create opportunity
- Pursue excellence
- Achieve together.

The CPA Australia Way is the heartbeat of our organisation. It represents the fundamental beliefs and principles that drive how we deliver on our strategy.

# Appendix

Mandatory requirements under Australia's *Modern Slavery Act 2018 (Cth)* and the UK's *Modern Slavery Act 2015*.

Australia's <i>Modern Slavery Act 2018 (Cth)</i> mandatory reporting criteria	UK's <i>Modern Slavery Act 2015</i> recommended reporting criteria	Statement section addressing this requirement
Mandatory criterion one: Identify the reporting entity.	Organisation's structure business and supply chain.	Section 1: About this statement
Mandatory criterion two: Describe the structure, operations and supply chains of the reporting entity.		Section 2: Our structure, operations and supply chains
Mandatory criterion three: Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls.	The parts of the organisation's business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk.	Section 3: Our modern slavery risks
Mandatory criterion four: Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.	Organisation's policies in relation to slavery and human trafficking, its due diligence processes in relation to slavery and human trafficking in its business and supply chains; and the training about slavery and human trafficking available to its staff.	Section 4: Our actions to assess and address modern slavery risks in our operations and supply chains
Mandatory criterion five: Describe how the reporting entity assesses the effectiveness of such actions.	Organisation's effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate.	Section 6: Assessing the effectiveness of our actions
Mandatory criterion six: Describe the process of consultation with any entities that the reporting entity owns or controls.	N/A	Section 8: How we consulted with our controlled entities to prepare this statement
In the case of a reporting entity covered by a statement under section 14 of the MSA - the entity giving the statement.		
Include any other information that the reporting entity, or the entity giving the statement, considers relevant.	N/A	Section 5: Member engagement and collaboration  Section 7: Our future plans



