

# CSLR Modern Slavery Statement

For the financial year ended 30 June 2024

This Modern Slavery Statement is made pursuant to the *Modern Slavery Act 2018* (Cth) (the Act) by the Compensation Scheme of Last Resort Limited ABN 17 669 477 052 (CSLR). The CSLR is a single reporting entity under section 5 and for the purpose of section 13 of the Act. This statement is made on a voluntary basis.



# Table of Contents

<b>About CSLR.....</b>	<b>3</b>
Structure .....	3
Operations .....	3
Supply chains .....	3
<b>CSLR’s modern slavery risk .....</b>	<b>4</b>
<b>CSLR’s actions to assess and address modern slavery risk .....</b>	<b>4</b>
The following actions are planned for the next financial year: .....	5
<b>CSLR’s effectiveness to assess and address these risks .....</b>	<b>5</b>
<b>CSLR’s process of consultation with entities it controls or owns.....</b>	<b>6</b>
<b>Consultation process .....</b>	<b>6</b>
<b>Appendix .....</b>	<b>7</b>

# About CSLR

## Structure

The Compensation Scheme of Last Resort (CSLR) is an important piece of the external dispute resolution framework in Australia.

We can pay compensation to eligible people suffering from financial misconduct. Compensation payments of up to \$150,000 can be made.

We're an independent, not-for-profit organisation authorised by the Australian Government to perform our role.

We're not a regulator or government agency.

The CSLR is Australia based, operating out of Melbourne. We employ five employees.

The CSLR has been in operation since April 2024 and is therefore in the early stages of implementing its modern slavery policy, assessments and effectiveness.

## Operations

The CSLR is managed independently and operates under the *Corporations Act 2001 (Cth)*. It is a vital part of Australia's financial ecosystem, stepping in to provide relief to victims of financial misconduct, who may otherwise struggle to obtain compensation. Its existence supports confidence in the financial services sector. The CSLR will facilitate the payment of up to \$150,000 in compensation to eligible consumers in relation to financial complaints pertaining to:

- Personal financial advice provided to retail clients on relevant financial products
- Securities dealing for retail clients
- Credit intermediation
- Credit provision

## Supply chains

During this reporting period, we analysed our supply chains and operations to identify modern slavery related risks. During the assessment process, we identified the areas with the lowest risk, such as local operations handled by staff directly employed by us. Currently our highest risk area is offshore labour organised by third party consultants.

The CSLR has approximately 18 vendors, with nine vendors accounting for 98% of the CSLR's total expenditure across the following sectors:

- Professional services (including Consulting)
- Financial Services (including Insurance)
- Technology
- Travel

Of the above 100% have operational offices and ABN registrations in Australia.

Referencing the Global Slavery Index by the Walk Free Foundation, Within Asia and the Pacific, Australia is ranked 26 out of 27 countries in terms of prevalence of modern slavery (with 1 being the highest), and 149 out of 160 countries globally. Australia is second only to Japan in terms of least prevalent amongst Asia and the Pacific.

## CSLR's modern slavery risk

CSLR considers it a crucial responsibility to ensure that we identify and address any incidents of modern slavery in an appropriate and timely manner.

Given the infancy and small size of our organisation CSLR key area of risk exposure to modern slavery is in relation to its vendors.

### Vendors

CSLR primarily contracts with vendors based in Australia; however, we acknowledge the possible lack of visibility of downstream vendors and supply chains, and the elevated risk of modern slavery this presents.

We have assessed and identified the following higher risk areas in our supply contracts:

- Enterprise technology,
- Professional Services (including surge workforce), and
- Event catering.

To manage the increased workflow in CSLR core business, we have engaged a leading consultancy firm to assist with our surge workforces. The roles procured via this surge workforce require individuals to be qualified, ensuring that all personnel meet the necessary professional standards.

## CSLR's actions to assess and address modern slavery risk

The CSLR is committed to progressing the journey towards understanding, mitigating, and remediating modern slavery risk, domestically and within its supply chain.

We conducted the following actions this reporting period to address our modern slavery risks;

- Rolled out an Internal Modern Slavery online training module to employees
- Made senior management aware of our Modern Slavery obligations and committed to provide Board with awareness of our Modern Slavery obligations within the calendar year.
- To limit the risk of modern slavery in our procurement activity, CSLR uses the Australian Government's modern slavery procurement toolkit vendor questionnaire annually with our top 30 vendors (identified by spend) to identify, manage and monitor modern slavery risks. This improves our understanding of supply chain management, with a focus on modern slavery risk practices. The toolkit supports us to uncover:
  - if the vendor is required to report under the *Modern Slavery Act 2018* (Cth),
  - level of visibility over their supply chain,
  - how they gain visibility, screen, and implement policies to support mitigation of risk in their supply chain.

In this financial year, we analysed 8 vendors that account for 97% of our spend. Through this, we mapped our vendors against the following risk factors:

- industry/sector
- category, and
- geographic.

This analysis concluded that all vendors demonstrated a satisfactory level of compliance to the Modern Slavery Act. This included submitting evidence of structured policies and providing staff access to resourcing and processes to identify, assess, and respond to any associated risks.

CSLR procures its technology from AFCA via a shared services agreement. To manage the risks associated with procuring technology, a high-risk industry, AFCA has partnered with reputable resellers and restricted purchasing to well-known more reputable brands.

As this is CSLR's first modern slavery statement, CSLR is focussed on setting the foundations for its approach to modern slavery. It will evaluate the effectiveness of the below planned actions in the report it prepares for the 2024/2025 financial year.

## **The following actions are planned for the next financial year:**

### **Vendor assurance and due diligence**

Ongoing vendor surveys and engagement with vendors that are identified as having exposure to modern slavery risk, including vendor management plans to address any concerns.

Review tender processes and procurement contracts to ensure it incorporates Modern Slavery clauses.

### **Policies and procedures**

Continue to review and update all relevant policies and procedures, including the Code of Conduct, to ensure appropriate controls are in place to identify and manage modern slavery risks.

### **Education and awareness**

Continue to raise awareness of modern slavery with all CSLR employees.

Review existing whistleblowing services and procedures to ensure they explicitly support reporting of modern slavery.

## **CSLR's effectiveness to assess and address these risks**

During this reporting period, our primary focus has been to gain a deeper understanding of our modern slavery risks and their potential presence within our operations and supply chains. At this early stage, we are unable to fully assess the effectiveness of the measures we have implemented. However, we have initiated and will continue to develop frameworks and processes to ensure we can evaluate the effectiveness of our actions in addressing modern slavery risks.

We will continuously assess the effectiveness of our efforts in identifying and managing modern slavery risks by tracking our actions and outcomes, collaborating with suppliers and external partners, and conducting regular internal governance and external assurance processes. Based on the results of

these evaluations, we will adapt and strengthen our actions to continually enhance our response to modern slavery.

## CSLR's process of consultation with entities it controls or owns

The CSLR does not own or control any other entities and therefore this criterion is not applicable.

### Consultation process

A Modern Slavery working group, comprising several employees from CSLR, was established to actively engage, consult, and contribute to the development of this statement.

This statement has also been presented to the CSLR Board, with input being provided, prior to its execution.

Furthermore, in light of the Shared Services Agreement with AFCA, the working group has actively engaged with key executives within AFCA. This collaboration ensures transparency within each organisation's supply chain and mutually supports their commitment to respecting human rights.

The statement was approved by the Board of Compensation Scheme of Last Resort Limited on 24 October 2024.

Signed



---

Chairperson of the Board

Jo-Anne Bloch

## Appendix

The table below outlines how this statement complies with the mandatory reporting criteria:

Mandatory reporting criteria under section 16(1) of the <i>Modern Slavery Act 2018</i> (Cth)	Statement page
(1) Identify the reporting entity	3
(2) Describe the structure, operations and supply chains of the reporting entity	3-4
(3) 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	4
(4) Describe the actions taken by the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	4-5
(5) Describe how the reporting entity assesses the effectiveness of such actions	5-6
(6) Describe the process of consultation with any entities that the reporting entity owns or controls	N/A
In the case of a reporting entity covered by a statement under section 14 – the entity giving the statement	N/A
(7) Include any other information that the reporting entity, or the entity giving the statement, considers relevant	6