

An aerial photograph of a large, open public space, likely a plaza or park, filled with many people walking. The ground is paved with large, light-colored tiles in a grid pattern, with a prominent diagonal line separating a reddish-brown section on the left from a light green section on the right. The people are scattered throughout the area, some in small groups and others alone. The overall scene is bright and clear, suggesting a sunny day.

# Modern Slavery and Human Trafficking Statement 2020

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# Statement and intent

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## Statement

This modern slavery and human trafficking statement (**Statement**) has been prepared by Chartered Accountants Australia and New Zealand (ABN 50 084 642 571) (**CA ANZ**) on behalf of itself, its subsidiaries and the New Zealand Institute of Chartered Accountants, a regulatory body established under the New Zealand Institute of Chartered Accountants Act 1996 and controlled by CA ANZ (together, **Group** or **we, us, our**).<sup>1</sup>

This Statement has been prepared to comply with section 16 of the *Modern Slavery Act 2018* (Cth) and section 54 of the *Modern Slavery Act 2015* (UK) (**Modern Slavery Laws**). CA ANZ is an Australian registered body corporate that is governed by its Supplemental Royal Charter and the CA ANZ By-Laws and is domiciled in Australia. CA ANZ operates in 6 jurisdictions, namely Australia, New Zealand, Hong Kong, Singapore, Malaysia and the United Kingdom. Members of CA ANZ are not liable for the debts and liabilities of CA ANZ.

This Statement sets out how we manage and minimise the risk of modern slavery and human trafficking in our business and supply chains and how we comply with the Modern Slavery Laws. It has been prepared in respect of the financial year ending 30 June 2020.

## Intent

**We believe respecting and protecting human rights enables individuals, societies and businesses to flourish. We are committed to promoting responsible business and upholding high ethical standards in all aspects of our working practices.**

**As part of that commitment, we do not tolerate modern slavery and human trafficking within our business or our supply chains, wherever they operate.**

<sup>1</sup> The reporting entity is Chartered Accountants Australia and New Zealand (ABN 50 084 642 571).

# 1. Our business

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## About Us

The Group was formed on 1 January 2015 through the amalgamation of the former Institute of Chartered Accountants Australia and the New Zealand Institute of Chartered Accountants. Our principal objectives include:

- advocating on behalf of the accounting profession and our members;
- training and educating of our present and future members;
- prescribing and regulating high standards of practice and professional conduct; and
- advancing the profession of accounting.

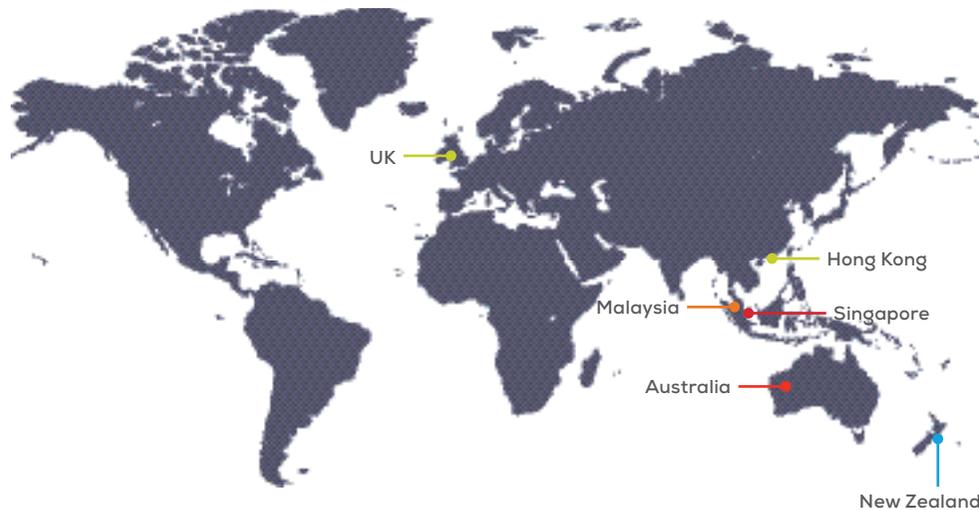
As at the date of this Statement, our professional body represents approximately 128,000 members globally. We support our members to make a difference in the communities in which they work and live. We are committed to advancing the profession through high ethical standards, delivering world class services and education and advocating for the public good.

We promote prosperity in the countries in which we operate by supporting our members to work effectively in their businesses and communities, and through our thought leadership on matters of public interest including making submissions on government policy and regulation. The services that we provide to our members and the public are principally provided in Australia and New Zealand.

### Our Locations

Our main offices are located in Sydney, Australia and Wellington, New Zealand.

### Our offices around the world



We employ approximately 500 people in full and part time roles plus casual employees. The majority are located in Australia and New Zealand. The legal entities that comprise the Group include wholly owned subsidiaries formed in the UK, Hong Kong, Malaysia and Singapore. This Statement has been produced in consultation with these overseas subsidiaries through their CA ANZ employee directors who have reviewed and contributed to this Statement. In addition, all overseas employees based in these jurisdictions report directly to management and are required to follow Group policies and procedures, including in relation to modern slavery and human trafficking.

### Group Supply Chain

Our supply chain supports the delivery of our principal objectives. As a result, our supply base maintains a high proportion of skilled contractors, educators, speakers and facilitators. The supply chain also includes goods and services required to support learning and networking opportunities, such as venues and catering, plus technology for virtual engagement.



## 2. Our approach

Our enterprise risk management and policy frameworks are designed to mitigate enterprise risks, including the risk of modern slavery and human trafficking in our supply chain. This financial year, we have focused on:

Assessing the <b>inherent risk</b> of modern slavery and human trafficking existing within our supply chain.	Establishing <b>foundational practices</b> to onboard new vendors and inform our suppliers of our intention and assessment requirements.	Establishing <b>policies and procedures</b> to codify anti-modern slavery and anti-human trafficking processes and procedures.	Developing a <b>'next steps plan'</b> for risk management and continuous improvement for oversight and partnership with our suppliers.
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**A. Inherent Risk**

We have conducted an initial risk assessment of our suppliers based on industry and country to identify which are potentially high risk from a modern slavery and human trafficking perspective. This assessment involved a thorough review of goods and services purchased by the Group within a 24-month period and assessed our suppliers for modern slavery and human trafficking risk based on three criteria: **Product or Service** (what we purchase), **Geographic** (where it is produced) and **Supplier Complexity** (our supplier's supply chain).

**Product or Service Risk**

reflects the inherent risk associated with the production of the good or delivery of the service, as described by publicly available government labour reports.



**Geographic Risk**

considers the country of origin or location of the supplier's overall supply chain, aligning to level of risk associated with countries.



**Supplier Complexity Risk**

considers the supply chains of our suppliers and how difficult it is to monitor and understand their production or service delivery.



Based on this initial risk assessment, we have identified that the greatest risks of modern slavery and human trafficking in our supply chain are present in those suppliers who provide or utilise offshore IT services (e.g. suppliers who utilise off-shore call centres) and those suppliers who manufacture promotional goods off-shore (e.g. stationery, umbrellas, other personal items).

## B. Foundational Practices

To increase modern slavery and human trafficking risk awareness we are updating our vendor onboarding, procure to pay and contract management practices to include supplier review and assessment activities. Initial assessments on modern slavery and human trafficking risks are performed on all new suppliers when the relevant supply contracts undergo internal legal review. We also conduct regular modern slavery and human trafficking internal training sessions which are open for all employees to attend which further embed risk awareness and proper application of procedures and policies.

## C. Policies and Procedures

In FY20, we developed policies and procedures to assess, monitor and reduce the risk of modern slavery and human trafficking in our global supply chain. These policies and procedures have been developed to proactively allow us to respond to and address any potential modern slavery and human trafficking risks and consider opportunities for improvement in the human rights space in our supply chain. The policies and procedures developed in FY20 are:

- Human Rights Policy;
- Supplier Code of Conduct; and
- Procurement Policy.

Our Whistleblower Policy also allows for anonymous reporting of modern slavery and human trafficking incidents.

## Human Rights Policy

Our Human Rights Policy formalises our commitment to support and respect all internationally recognised human rights as defined by the:

- Universal Declaration of Human Rights;
- International Bill of Rights;
- International Labour Organization's Declaration on Fundamental Principles and Rights at Work; and
- United Nations Guiding Principles on Business and Human Rights.

It applies to all our people (including employees, contractors, agents and officers) and our suppliers and their employees, sub-contractors (back to source), agents and business partners. By requiring compliance with our Human Rights Policy, we seek to uphold and protect fundamental human rights (including preventing modern slavery and human trafficking) not just within the Group, but with our supply chains as well.

Our Human Rights Policy is reviewed once every 3 years, and compliance will be monitored.

## Supplier Code of Conduct

The Supplier Code of Conduct sets out the requirements and standards we require of our suppliers worldwide, such as compliance with applicable anti-modern slavery and human trafficking laws and the requirement for our suppliers to notify us of any breach. The Supplier Code of Conduct will apply to each supplier that provides goods or services to us or performs work for us, as well as their personnel. Under the Supplier Code of Conduct, all suppliers are required to follow best practice in countering modern slavery and human trafficking in their operations and supply chains. We are currently formalising our processes and procedures so that prior to doing business with us all suppliers are provided with a copy of, and are required to adhere to, our Supplier Code of Conduct.

Our Supplier Code of Conduct is reviewed once every 3 years and compliance will be monitored through our due diligence process set out below.

## Procurement Policy

Our Procurement Policy defines minimum expectations for procurement activities to support consistent application of strong ethical and commercial procurement practices in all external financial commitments made by us to our suppliers.

Effective application of this policy will enhance achievement of our enterprise objectives, ensuring that all procurement activities are performed in a manner that:

- is fair and ethical;
- is socially responsible and transparent;
- optimises expenditure sustainably;
- represents value for money and in accordance with our investment goals;
- responsive to industry and technology innovation; and
- facilitates the improved delivery of member services.

## Whistleblower Policy

We are committed to acting against modern slavery and human trafficking when suspected or actual incidents are identified. Any person who suspects or believes there is any incident, practice or conduct of modern slavery or human trafficking in any part of our operations or supply chains may notify us via our Whispli service that protects the identity of our complainant <https://www.charteredaccountantsanz.com/about-us/complaints/complaints-about-ca-anz>.

We encourage open, good faith reporting in relation to any such concerns.

## Our statement on Diversity and Inclusion

The values of equality, diversity and inclusion are at the heart of all we do at CA ANZ – they are ingrained in our workplace values, our advocacy efforts and our ethical code.

As a global professional body we aspire to do more than represent members and society as it is today, we also strive to represent what we could be. A society free of prejudice and racism, where difference is celebrated and valued and everyone has equal opportunities.

Acknowledging that this is a universal challenge our society is facing is a necessary first step to drive meaningful change, a step which many people have not yet taken. This is our acknowledgement. This is our commitment to do our bit to make sure we lead the way in diversity and inclusion for the benefit of our profession and our broader community so others can follow in our footsteps.

## 3. Next steps plan

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### Due Diligence

We have engaged a third-party vendor with corporate social responsibility (CSR) expertise to conduct due diligence on new suppliers, those undergoing contract renewal and existing suppliers identified as high risk from a modern slavery and human trafficking perspective.

The third-party due diligence assessment is based on guidelines established by the International Labour Organisation (ILO), United National Global Compact, Global Reporting Initiative (GRI) and ISO 26000 to assess the suppliers.

Areas of focus include:

- employee health & safety working conditions;
- social dialogue career management and training;
- child labour, forced labour and human trafficking;
- diversity discrimination and harassment; and
- external stakeholder human rights.

The third-party conducts tailored expert analysis, based on supplier industry, size and country using inputs from:

- CSR Questionnaire completed by supplier;
- supporting documents provided by supplier;
- relevant third-party endorsements (e.g. certifications); and
- 360 External Stakeholder Inputs (market research).

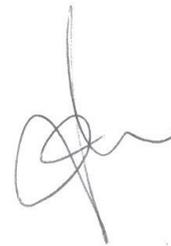
These assessments will commence from FY20-21.

## Targets & Remediation

Each assessed supplier will be given a numeric CSR score following their assessment by our third party vendor and we will be establishing a threshold CSR score for our suppliers. Where a supplier score is below the target threshold, we will work with the supplier to resolve identified risks through corrective and preventative action planning. These plans will be tracked and monitored by us, with the supplier re-assessed annually to benchmark improvements. Our preference is to work with suppliers to resolve supplier modern slavery and human trafficking risks and issues to ensure that risky behaviour stops rather than terminating the relationship and/or contract which may simply obfuscate the modern slavery and human trafficking risk.

We are committed to partnering with our suppliers to eradicate modern slavery in the workforce, ensuring high risk suppliers are actively monitored and demonstrating continual improvement towards meeting modern slavery obligations.

This statement has been endorsed by the Board of Chartered Accountants Australia and New Zealand.



**John Palermo FCA**  
Chair

Date: 9 October 2020