

Modern Slavery Statement Compassion Australia, 2025



Modern Slavery Statement

Compassion Australia, 2025

Introduction

This Modern Slavery Statement (“**Statement**”) for Compassion Australia is submitted pursuant to the *Modern Slavery Act 2018* (Cth) (“**Act**”). The Statement covers the reporting period from 1 July 2024 to 30 June 2025.

The term ‘modern slavery’ in this statement has the same meaning as in the Act.

The purpose of this Statement is to report on what steps Compassion Australia has undertaken during the year ending 30 June 2025 to identify, assess and mitigate the risk of modern slavery practices in our operations and supply chains.

Policy Statement

Compassion Australia’s ministry is “to release children from poverty in Jesus’ name”.

Compassion Australia is committed to taking meaningful action to reduce modern slavery including:

- Undertaking risk-based assessments and due diligence of its supply chains and operations to identify and address the risks of modern slavery.
- Engaging with its suppliers to gain an understanding of the controls they have in place to identify and address the risks of modern slavery, as informed by risk-based assessments.
- Including modern slavery provisions in contractual documentation with suppliers, according to risk-based assessments and as appropriate for the engagement.
- Promoting awareness of modern slavery through staff training, and supporting staff, suppliers and contractors in identifying and addressing modern slavery.
- Promoting modern slavery awareness in its operations, including its work with partners and affiliates.

Compassion Australia considers that modern slavery is inconsistent with the Christian faith and breaches the fundamental freedoms and human rights of affected individuals. Modern slavery is never acceptable in any of its forms.

Our Identity

Compassion Australia (ABN: 67 001 692 566) is an Australian Charity registered with the Australian Charities and Not-for-Profits Commission.

Compassion Australia, and its subsidiary in Singapore, work with Compassion International affiliates worldwide to eradicate poverty through holistic child development programs. Compassion International has been operating for over 70 years, while Compassion Australia has been operating for nearly 50 years.

We are Child-focused, and at the heart of Compassion’s work is child protection and safeguarding within the communities where our local church partners work. We are Christ-centred in our desire to provide support in a holistic way, equipping each child to become an adult capable of improving their own community. We provide this support regardless of faith or gender of the child concerned. We are church-based as we work with local congregations who can best identify the specific needs of children in their community.

Structure and Operations of Compassion Australia

Compassion Australia is a company limited by guarantee, with a subsidiary in Singapore. Compassion Australia aligns closely with the mission, values and strategic direction set by Compassion International, whilst maintaining its own operations and governance under an ‘internationally owned, locally empowered’ philosophy.

Compassion Australia is governed by a voluntary Board of Directors which ensures the organisation operates in accordance with the principles and commitments stated in its Constitution. The Constitution defines the organisation's "Principal Purpose", namely, to provide relief of sickness, poverty, misfortune or helplessness to those in need, in a manner consistent with being a Christian organisation and, in particular, consistent with its mission of "releasing children from poverty in Jesus' name".

As a charity regulated under the Australian Charities and Not-for-profits Commission and accredited by the CMA Standards Council, Compassion Australia is committed to transparency, risk management and diligent governance. Compassion Australia's independent board has primary responsibility for governance but delegates day-to-day operational management, governance and decision making to its management team. The Board has adopted a policy against modern slavery which is reflected operationally in the work of Compassion Australia described below.

Compassion Australia is committed to managing the risk of modern slavery within both its operations and its supply chain. Compassion Australia has developed a policy framework supporting that commitment.

The framework includes:

- Modern Slavery Policy
- Whistleblower Policy
- Risk Management Policy and Framework
- Supplier Code of Conduct
- Formal procurement processes

This framework is supported by guidelines and processes that are the subject of ongoing review.

Operationally, Compassion Australia focuses its anti-slavery efforts on:

1. Educating its staff.
2. Educating and collaborating with affiliates of our operations.
3. Monitoring and improving its own supply chains.
4. Contractual obligations in supplier agreements regarding their commitment to reducing modern slavery.
5. Direct communication (including cold calls) with its smaller suppliers.

Education within Compassion Australia

Compassion Australia has about 140 staff members, predominantly permanent employees who are at little risk of being victims of modern slavery. The staff of Compassion Australia are, generally speaking, educated, in stable employment and not impacted by the vulnerabilities of extreme poverty or uncertain visa status. Staff are trained on our Modern Slavery Policy, Whistleblower Policy, Employee Assistance Program and general indicators of modern slavery. Compassion Australia is well supported by volunteers who are also at minimal risk of being victims of modern slavery given the lack of wage or other incentive for anyone to force a volunteer to remain at Compassion Australia against their will.

Every new employee completes mandatory modern slavery training in their onboarding modules.

Additional specialised training is provided for staff involved in procurement.

Compassion Australia's operations

Collaborating with others

Globally, human trafficking is one of the most lucrative and fast-growing transnational crimes. The International Labour Organisation (ILO) in partnership with Walk Free and the International Organisation for Migration estimated that in 2023 there were some 50 million people living in modern slavery. Of this, some 28 million are in forced labour and 22 million are trapped in forced marriage.

Within Australia

The same report¹ estimated that in Australia on any given day in 2021, there were 41,000 living in modern slavery. However, only 294 reports of modern slavery were received in the financial year ending 30 June 2022. Nearly one-fifth of those related to sexual servitude and exploitation.

Singapore

According to the Global Slavery Index 2023 produced by Walk Free,² the incidence of modern slavery in Singapore is low in comparison with other countries in the Asia and Pacific region, with an estimate of 12,000 people living in slavery.

Program Countries

Compassion Australia works with Compassion affiliates who work in areas where local people are

particularly vulnerable to modern slavery, such as forced labour, debt bondage, forced marriage, child labour and human trafficking. Poverty is the greatest single contributing factor to this vulnerability.

Compassion, by the very work it does, promotes child protection and human rights. Although Compassion is not a trafficking prevention organisation, its holistic child development model and programs are directed to breaking the cycle of poverty, and in doing so, reducing children's vulnerability to being trafficked or otherwise enslaved.

Critically, Compassion's programs—which have the advantage of being delivered by local people with knowledge of the specific trafficking and modern slavery risks in the area—focus on empowering children living in poverty through education. This helps both alleviate the immediate risks of being tricked by criminals and the long-term release of the entire community from the vulnerability resulting from poverty. Where appropriate, Compassion collaborates with other organisations who focus directly on working to prevent activities including human trafficking, forced labour, debt bondage and child marriage.

Collaboration with Minderoo and its Global Freedom Network

Compassion Australia is promoting action against modern slavery as part of a working group within Compassion International® and its affiliates. One of the most significant outcomes from this working group has been a collaboration between Compassion International Ghana and The Global Freedom Network.

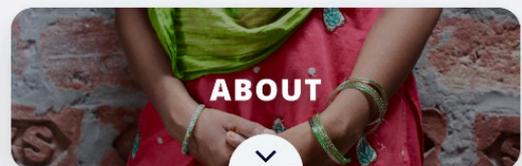
In the past year 30 partnership facilitators employed by Compassion International Ghana were educated by The Global Freedom Network on key steps for reporting modern slavery incidents and the role these partnership facilitators can plan in collaborating with others to combat modern slavery. These partnerships facilitators serve as Compassion's primary liaison to the local church and play an important role in strengthening local churches and their communities to protect against trafficking and modern slavery.

Compassion International Ghana also assisted The Global Freedom Network in having the opportunity to train over 230 people from the Kpandai church cluster and 80 people from the Daboya and Central Gonja Districts of the Savannah Region of Ghana. This included education on how to work to eliminate child trafficking, child marriage, and other forms of modern slavery.

The Global Freedom Network has developed an app called Faith for Freedom. This app helps educate faith leaders on how to identify and address risks and combat human trafficking and provides an information bridge between those witnessing human trafficking and authorities who can take interventionist action.

Faith For Freedom ❤️ ...

FOR FAITH LEADERS FIGHTING MODERN SLAVERY



Compassion Australia's supply chains

Significantly, Australia's greatest exposure to the risk of modern slavery—as one of the world's largest economies—is through the products it imports and global supply chains. It is estimated that Australia annually imports US\$17.4 billion of products that are at risk of being made using forced labour.

Due diligence, assessments, contractual obligations and education in anti-slavery

Aside from its operations, Compassion Australia works against modern slavery through controls within its own supply chains. Compassion Australia has a small spend considering its size but a large number of suppliers. This includes over 200 first tier/direct suppliers with a spend greater than \$5,000, with around 95 per cent of these suppliers operating out of Australia.

Compassion Australia takes a risk-based approach to addressing modern slavery risks within supply chains. That is, Compassion Australia focuses its examinations and undertakes due diligence on its smaller suppliers in areas that have the greatest risks, such as technology, cleaning and maintenance services, and office supplies including tea, coffee and fabrics.

Due diligence, education of its smaller suppliers and the embedding of contractual obligations within supply chains are seen as the most significant and proactive ways in which Compassion Australia can assure itself of 'clean' supply chains. This includes a focus on the estimated 5 per cent of Compassion Australia's suppliers who use labour hire or have contractors.

Compassion Australia also commits to choosing preferred suppliers for consumable and tech products from companies who have a higher ethical rating in their stance against modern slavery. To this end, Compassion Australia uses several guides, such as the Ethical Shopping Guide, Shop Ethical and Baptist World Aid, and consults publicly available information on suppliers (including media reportage and modern slavery statements filed under the Act or in other jurisdictions) to assess their level of commitment to mitigating the risk of modern slavery in both their business and their supply chains.

Compassion Australia continues to assess its own performance against reporting criteria such as

International Justice Mission's report, *Spot Fires in Supply Chains*; the Human Rights Law Centre report, *Broken Promises: Two years of corporate reporting under Australia's Modern Slavery Act*; various reports relating to Modern Slavery from FairSupply; and the [Report of the Statutory Review of the Modern Slavery Act 2018 \(Cth\)](#).

Review of reports and literature of this nature is one activity undertaken by Compassion Australia to try to assess any weaknesses in Compassion Australia's own approach.

Key Articles and Reports

Title	Source	Summary
Modern Slavery Disclosure Quality Report 2023	Monash University <i>12 November 2024</i>	Analyses the quality of statements from ASX100 companies. Finds significant improvement in disclosure standards but highlights gaps in remediation and effectiveness assessment.
Australia's Modern Slavery Law is Woefully Inadequate – This is How We Can Hold Companies Accountable	The Conversation <i>24 June 2023</i>	Critiques the Act's lack of enforcement and calls for mandatory due diligence and penalties.
Why Transparency Alone Won't End Modern Slavery	Eureka Street <i>25 June 2025</i>	Argues that the Act encourages superficial compliance and fails to address systemic exploitation in sectors like cleaning and agriculture.
Review of Australia's Modern Slavery Act	Australian Institute of Company Directors (AICD) <i>January 2023</i>	Summarises the statutory review and outlines proposed reforms, including civil penalties and expanded reporting criteria.
Testing Effectiveness: Australia's Modern Slavery Act	Australian Human Rights Institute (UNSW) <i>Commenced post-2018 & ongoing</i>	A multi-year research project assessing the Act's impact on corporate behaviour and victim outcomes.

Compassion Australia provides its procurement officers with tools they can use upon entering contracts with high-risk suppliers, including a supplier Code of Conduct requiring the supplier to implement effective measures to reduce the risks of modern slavery within their supply chains or in any part of their business.

Compassion Australia also has template contractual clauses requiring high-risk suppliers to provide their staff with resources in the staff members' own language about the support available for victims of modern slavery.

The table below identifies areas of spending by Compassion Australia together with specific action being taken to reduce risks of modern slavery for different types of goods and services.

With approximately 80 per cent of funds raised going towards holistic child development, the spend on high-risk goods and services includes:

Goods or services with identified risk	Proportion of spend	Summary of actions to reduce risks of modern slavery in supply chain
Technology services	<6%	Researching suppliers, including any modern slavery statements; contractual requirements; supplier code of conduct
Technology hardware	<1%	Researching suppliers, including any modern slavery statements; contractual requirements; supplier code of conduct
Office space (cleaning/maintenance)	<1%	Contractual requirements; supplier code of conduct; distribution of modern slavery awareness materials
Events (t-shirts, tote bags)	<1%	Research from ethical guides; contractual requirements; supplier code of conduct
Office supplies (tea, coffee, stationary)	<1%	Research from ethical guides; supplier code of conduct

Example – Compassion Australia working against modern slavery in its supply chains

A typical example of addressing modern slavery risk is:

1. A purchase is considered by the procurement team.
2. Procurement will check the supplier agrees to Compassion Australia's Supplier Code of Conduct if the type of supplier includes risk factors for modern slavery within the supply chain.
3. Procurement will, where appropriate, check the supplier against public information including news reports and published modern slavery statements.
4. If appropriate, a contractual term will be negotiated regarding the obligations of the supplier in addressing risks of modern slavery within its supply chain.
5. Compassion Australia will ask certain suppliers to also provide educational material to their staff, in the staff members' native language, highlighting available supports for victims of modern slavery.
6. Compassion Australia will periodically phone suppliers to discuss the importance of modern slavery education and safeguards.
7. Compassion Australia will monitor any relevant whistleblower reports received via compassion.ethicspoint.com/.

Assessing effectiveness

Compassion Australia's effectiveness in addressing modern slavery is supported by a strong commitment from the Board. Compassion Australia's Modern Slavery Policy has been adopted as a Board Policy.

Our approach to assessing effectiveness follows our risk-based approach that involves:

1. Assessing major suppliers and suppliers at higher risk of modern slavery within their supply chains. .
2. Reviewing the modern slavery statements of all significant suppliers who publish modern slavery statements.
3. Making significant or high-risk purchases based on ethical buying guides.

4. Making phone calls to discuss modern slavery risks with first-tier suppliers who are at higher risk of modern slavery but not of sufficient size to publish their own modern slavery statement.
5. Seeking to understand the supply chains and sub-contracting arrangements of our suppliers.

Our commitment and effectiveness have also been demonstrated by changing some high-risk products and office appliances to alternative options with better modern slavery ratings on ethical buying guides.

Compassion Australia's supplier Code of Conduct requires that suppliers seek transparency in their supply chain and implement effective measures to reduce the risks of modern slavery within their supply chains or in any part of their business. This Code of Conduct is supported by specific contractual clauses where practicable and appropriate.

Compassion Australia has a whistleblowing process by which complaints regarding modern slavery can be made. To date, there have not been any whistleblower complaints of modern slavery within Compassion Australia's supply chains.

Future Endeavours

Compassion Australia is submitting this Modern Slavery Statement as its turnover for FY 2024/2025 reached the \$100 million threshold.

In previous years where that threshold was not reached, Compassion Australia have voluntarily submitted a Modern Slavery Statement as part of Compassion Australia's commitment to eliminating slavery in all its forms.

Compassion Australia will continue to monitor its whistleblowing reporting scheme and complaints processes for any indicators of modern slavery and engage in education of suppliers with an emphasis on our willingness to work together with the supplier cooperatively to address modern slavery concerns in preference to simply seeking to rely on legal remedies.



Approval

This Modern Slavery Statement was considered and approved by the Board of Compassion Australia in their capacity as the principal governing body of Compassion Australia, who restate their commitment to Compassion Australia taking meaningful action to reduce modern slavery.

Signed:

Isaac Moody
CHAIR OF THE BOARD

Clare Steele
COMPASSION AUSTRALIA, CEO

Modern Slavery Statement
Compassion Australia, 2025