

Modern Slavery Statement



Australia
2021

Our Movement

The Salvation Army is an international Christian movement, united by faith and giving hope where it's needed most.

Since our foundations in 19th century London, we express our faith in charitable work to provide both spiritual and social support, with one hand reaching out to God and with the other reaching out to the world.

Mission

The Salvation Army is a Christian movement dedicated to sharing the love of Jesus.

We share the love of Jesus by:

Caring for people

Being there when people need us most

We offer care and compassion as a sacred encounter with transformative potential

Creating faith pathways

Taking a holistic approach to the human condition that values spirituality

We graciously share the Good News of Jesus and grow in faith together

Building healthy communities

Investing ourselves in relationships that promote mutual flourishing

We find the wholeness God intends for us in community

Working for justice

Tackling the social systems that harm creation and strip away human dignity

We join God's work to build a fairer world where all can thrive

Our Vision

Wherever there is hardship or injustice, Salvos will live, love and fight, alongside others, to transform Australia one life at a time with the love of Jesus.

Our Values

Recognising that God is already at work in the world, we value:

Integrity

Being honest and accountable in all we do

Compassion

Hearing and responding to pain with love

Respect

Affirming the worth and capacity of all people

Diversity

Embracing difference as a gift

Collaboration

Creating partnerships in mission

The Inclusion Statement

The Salvation Army Australia acknowledges the Traditional Owners of the land on which we meet and work and pay our respect to Elders, past, present, and future. We value people of all cultures, languages, capacities, sexual orientations, gender identities and/or expressions. We are committed to providing programs that are fully inclusive. We are committed to the safety and wellbeing of people of all ages, particularly children.



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Message

from the Territorial Commander



The Salvation Army, as both a church and charity, works to meet human need without discrimination through the love of Jesus. The Salvation Army provides a wide range of services and support to people across Australia as part

of realising our vision and living our values. From direct services, raising awareness, education and community engagement we are responding to modern slavery in Australia. As one of the largest providers of social services and programs for people experiencing hardship, injustice or social exclusion, we recognise our responsibility for supporting victims of modern slavery who are disproportionately represented in the communities we serve and are committed to our ethical, social and legal responsibility to ensure modern slavery does not take place in our operations and supply chains. We value and respect the human rights of all including our officers, employees, volunteers, contractors, suppliers and community members.

I am very pleased to share with you our progress over the past year in our second modern slavery statement. I am grateful for the work that has been carried out by our personnel who have undertaken this work in continuing to build effective systems to prevent modern slavery in our operations and supply chain. It is acknowledged that this work is a journey and will continue with a program of monitoring, training and adapting over the years to come.

God bless you,

Robert W. Donaldson (Commissioner)
BSc LTh PGDipBusAdmin MInstD(NZ)
Territorial Commander and Chair of the Board
Australia Territory

Message

from the Chief Secretary



The progress that has been made since our first modern slavery statement demonstrates our commitment to our vision of seeing lives transformed through the love of Jesus. We continue to express our commitment to responding

to the complex issue of modern slavery if and when we encounter it in our service delivery, operations and supply chains. The 2021 financial year has again been a challenging year with the ongoing global pandemic and multiple natural disasters across the nation which has heightened vulnerability and demand for those engaging with The Salvation Army. It is a testament to our commitment towards recognising and reducing modern slavery risks and I am proud of The Salvation Army's progress during this year. I sincerely acknowledge that this has been a broad effort across all of The Salvation Army, its personnel and suppliers in particular.

We also see this statement as an opportunity to transparently present our future modern slavery initiatives and areas that will be of focus for the 2022 reporting period. Year on year continuous improvement is key to addressing modern slavery risks as this complex issue cannot be resolved simply through short term action or focus.

God bless you,

Winsome Merrett (Colonel)
B.Sp.Thy., MA Arts (Theological studies) A.Mus.A
Chief Secretary
Australia Territory

Who we are

Across Australia – in cities, country towns and rural communities – our work touches every demographic and age group. We're involved in national issues while also bringing hope to people who may be experiencing hardship or injustice.



This Joint Modern Slavery Statement is submitted on behalf of the following incorporated and unincorporated entities under section 14 of the Modern Slavery Act 2018 (Cth) for the reporting period 1 July 2020 to 30 June 2021.

The Salvation Army Australia (unincorporated association)
 The Salvation Army (New South Wales) Property Trust ABN 57 507 607 457
 The Salvation Army (Northern Territory) Property Trust ABN 65 906 613 779
 The Salvation Army (Queensland) Property Trust ABN 32 234 126 186
 The Salvation Army (South Australia) Property Trust ABN 13 320 346 330
 The Salvation Army (Tasmania) Property Trust ABN 94 917 169 560
 The Salvation Army (Victoria) Property Trust ABN 64 472 238 844
 The Salvation Army (Western Australia) Property Trust ABN 25 878 329 270
 The Salvation Army (Australia) Redress Limited ABN 94 628 594 294
 Salvation Army Housing ABN 59 608 346 934
 Salvation Army Housing (Victoria) ABN 85 133 724 651
 Salvos Legal Limited ABN 14 147 213 214
 Salvos Legal (Humanitarian) Limited ABN 36 147 212 940
 The Salvation Army Community Housing Service ABN 47 152 257 728

The reporting entities:

The Salvation Army is a worldwide, unincorporated association, led by the person appointed from time to time holding the office of the 'General of The Salvation Army'. The General is a corporation sole and is the actual trustee of two separate trusts, known as 'The Social Work Trust' and 'The General Work Trust'. In order to hold property and conduct operations of The Salvation Army around the world, there are a range of different legal structures in place. In Australia, the relevant legal vehicles are the State/Territory-based statutory corporations, each given the name 'The Salvation Army ([State/Territory]) Property Trust' ('the Property Trusts').

The Property Trusts were established and / or are authorised under each of the following Acts of Parliament:

- (a) *The Salvation Army (New South Wales) Property Trust Act 1929* (NSW);
- (b) *Salvation Army (Queensland) Property Trust Act 1930* (Qld);
- (c) *Salvation Army (Tasmania) Property Trust Act 1930* (Tas);
- (d) *The Salvation Army (Victoria) Property Trust Act 1930* (Vic);
- (e) *The Salvation Army (South Australia) Property Trust Act 1931* (SA);
- (f) *The Salvation Army (Western Australia) Property Trust Act 1931* (WA);
- (g) *Salvation Army Property Trust Act 1934* (ACT); and
- (h) *Salvation Army (Northern Territory) Property Trust Act 1976* (NT).

The Property Trusts are not actually trusts themselves; they are corporate trustees of the General Work / Social Work Trusts. Officers of the Property Trusts are constituted as a body corporate called 'The Trustees', consisting of individuals appointed from time to time by the General of The Salvation Army.

Essentially, the difference between the Social Work and General Work Trusts lies in the purposes for which the assets of each of those trusts can be applied. The Social Work is essentially social / benevolent work; The General Work is essentially religious work.

The Social Work Trust is a Public Benevolent Institution with deductible gift recipient status. The General Work Trust is a Charitable Institution.

Some employees and other non-employee personnel (e.g. Clergy) within The Salvation Army are employed / engaged under the General Work Trust (usually Corps [Church] based / religious workers). Others are employed / engaged under the Social Work Trust. Even further still, some personnel are apportioned partly under General and partly under Social (e.g. 50% of their time is classified as being related to General Work and 50% Social Work), based on the role and responsibilities of the individual.

The following companies limited by guarantee are wholly owned by The Salvation Army (New South Wales) Property Trust:

- i. Salvos Legal Limited ABN 14 147 213 214
- ii. Salvos Legal (Humanitarian) Limited ABN 36 147 212 940
- iii. The Salvation Army Community Housing Service ABN 47 152 257 728

The following companies limited by guarantee are wholly owned by The Salvation Army (Victoria) Property Trust:

- iv. Salvation Army Housing (Victoria) ABN 85 133 724 651

The following company limited by guarantee is jointly owned by the Northern Territory, South Australia, Tasmania and Western Australia Property Trusts:

- v. Salvation Army Housing ABN 59 608 346 934

The following company limited by guarantee is jointly owned by the Property Trusts:

- vi. The Salvation Army (Australia) Redress Limited ABN 94 628 594 294

Throughout this Joint Modern Slavery Statement, unless otherwise specifically indicated, the companies listed above at (i)-(vi) are collectively referred to as the 'Companies'.

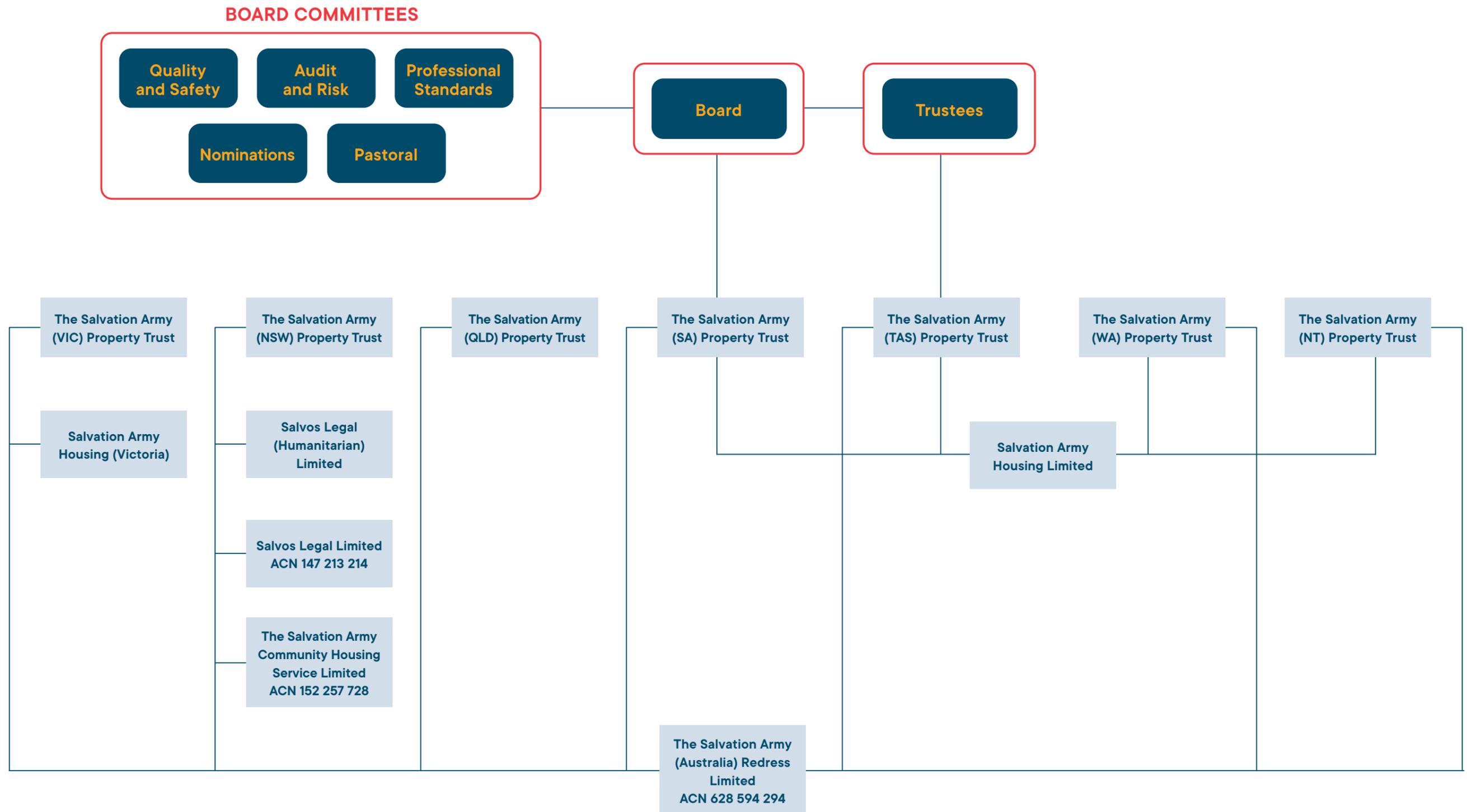
Throughout this Joint Modern Slavery Statement, unless otherwise specifically indicated, all of the above entities / bodies are collectively referred to as 'The Salvation Army Australia'.

Each of the above entities / bodies consisting of The Salvation Army Australia are charities registered with the Australian Charities and Not-for-profits Commission ('ACNC') and as such, are subject to the ACNC Governance Standards.

In 2019, The Salvation Army Australia established a body known as The Salvation Army Australia Territory Board (the 'Board'), which, together with the Trustees is responsible for effectively representing and promoting the interests of The Salvation Army Australia, with a view to adding long term value to the movement's mission. The purpose and objects of the Board are to provide governance oversight to The Salvation Army Australia in accordance with law; to strategically position The Salvation Army Australia so that it has a sustainable, major influence on Australian society; and to provide advice and assistance to the Trustees in the discharge of their responsibilities.

Members of the Board are appointed by the General of The Salvation Army, on recommendation by the Chair of the Board, who is the General's personal representative in Australia, known as the Territorial Commander.

The Salvation Army Australia entity structure:



What we do

Our Services, Operations and Supply Chains

2020-2021 snapshot of our services



1,889,000

number of sessions of care across all social programs



887,500

crisis beds provided to people who were homeless



5800

women and children supported who experienced Family Domestic Violence



1,774,830+

number of meals provided to people who accessed homelessness services



12,950

number of people provided financial counselling



> \$72,709,710

total amount of financial assistance provided (cash, gift card, vouchers, etc)



> 21,600

number of households/families assisted who were impacted by disaster (bushfires, floods, drought, cyclones)



34,640+

people assisted with AOD, gambling addiction and rehabilitation services



309,800+

number of sessions of care provided to people who were homeless or at risk of homelessness



> 68,700

number of jobseekers assisted to find employment



> 2450

number of people cared for in residential Aged Care facilities



348

number of Salvos Stores



\$52,228,700

amount of profit generated back into TSA programs from Salvos Stores

Our services and activities



Corps

The Salvation Army is a worldwide Christian church. Our local churches (known as corps) offer a community presence around the country. We provide a wide variety of spiritual and social activities such as church services, prayer meetings, men's and women's groups and community support services. Our faith convinces us that hope, purpose and fulfilment can be everyone's story. Whether you're looking for connection, guidance or a community of like-minded people, The Salvation Army welcomes you.



Disaster and Emergency Recovery

The Salvation Army Emergency Services (SAES) have served Australian communities for over 40 years. Whether it's a natural disaster or a missing person search, SAES volunteers are among the first to arrive on the ground, providing immediate, medium and long-term support to victims and emergency personnel on the front line. Services provided aim to meet people at their point of need and this help doesn't stop when the crisis has passed.



Youth Support Networks and Programs

The Salvation Army's network of youth services offers targeted programs that support and engage youth across Australia as they transition to independence. Pathways include accommodation and material aid, drug and alcohol counselling, youth justice, mental health and advocacy support, education and training, driver training, creative arts and multimedia, safe places and support to build a better future.



Salvos Housing

Salvos Housing is a community housing organisation. Homes are provided for individuals and families who are homeless or at risk of homelessness, are on low incomes and those with specific support needs. We run a range of programs which include Long Term, Transition Housing Management, Crisis Housing and rooming house properties.

Red Shield Defence Services

The Salvation Army Red Shield Defence Services (RSDS) in Australia provides the Australian Defence Forces with practical, emotional and spiritual support in difficult times, times of grief and in the everyday. We support members and their families according to their needs. Whether it be a chat over a cuppa, a referral or a prayer, we want to be there. Where there's a need, we are here to support our troops as they serve our country and risk their lives in the line of duty.

Property Management and Development

The Salvation Army property solutions are designed to best support mission delivery at a local level. This includes sales and leasing, facility management and development to build and fit-out premises that best meet mission and business requirements. A centralised approach to property management enables stewardship of the portfolio for maintenance of a sustainable resource, which will continue to support the future financial and operational needs of The Salvation Army.



Alcohol and Other Drug Recovery

The Salvation Army offers several services and programs across Australia that provide safe and high-quality support for people adversely affected by alcohol and drugs. These services help encourage a sense of hope and freedom, and enable those affected to pursue a holistic transformation, which improves outcomes for not just themselves but also their families and communities.



Doorways

Doorways, provides emergency financial relief and holistic case management with referral to internal and external support services. Each year thousands of individuals and families come to The Salvation Army for help meeting day to day expenses or paying unexpected bills. Our aim is to journey with individuals to find long-term solutions to their struggles with the goal to end the cycle of poverty.

Moneycare

The Salvation Army's Moneycare service provides information, support and advocacy to assist people in financial difficulty. Our qualified team offers free and confidential financial counselling to people from all walks of life and understand that everyone's finances are different. They offer step-by-step advice and help with:

- Financial coaching
- Financial counselling
- No-interest loans



Aboriginal and Torres Strait Islander Programs

The Salvation Army respects, values and acknowledges the unique histories and languages of the Aboriginal and Torres Strait Islander communities and aims to walk alongside them, to improve outcomes through social programs. At the heart of all work is a commitment to reconciliation – a faith movement committed to social justice, equity and freedom. Reconciliation Action Plans (RAPs) are a key vehicle for driving the reconciliation processes.

Eva Burrows College

Eva Burrows College is the national learning centre of The Salvation Army. Drawing from our cutting-edge experience, the college exists to encourage and empower people for life, mission, and service through our nationally recognised and accredited courses. We can provide a comprehensive learning pathway that integrates practical experience with formal qualifications. We have campuses in Melbourne and Sydney and also offer online and blended learning.



International Development Partnerships

The Salvation Army's International Development office supports community development by working in partnership with communities in Asia, Africa and the Pacific.

Our focus is to work alongside communities to enable them to alleviate poverty. We believe that for any project to be successful it is crucial to train people and provide tools to enable them to achieve their full potential.



Family Domestic Violence

The Salvation Army provides a wide range of services around the country to support women and women with children impacted by family and domestic violence. We understand that experiencing family violence can be frightening and isolating. We offer refuge, children's and parenting services, counselling, support, men's programs, accommodation and advice to women and children who are experiencing, or who have experienced, family violence.

Salvos Legal Humanitarian

Salvos Legal Humanitarian provides free legal services to clients across New South Wales. We believe that no one should be without a trusted legal advisor in their time of need. We understand the importance of access to justice, the protection and advancement of human rights, and work towards making systemic change in the community.

Our holistic approach connects clients with The Salvation Army's full range of social welfare services to help address the underlying causes of injustice.

Homelessness Services

The Salvation Army has a long and successful history in responding to the immediate needs of those experiencing or at risk of homelessness. While services may vary depending on location, they are united by a singular vision – to end homelessness, transform lives and restore hope and dignity. Catering to different stages of homelessness, these services also help those affected connect with a range of services aimed at helping them get back on their feet.



Fundraising and Financing

The primary goal of The Salvation Army's fundraising is to raise funds by inspiring the hearts of our supporters, unlocking their generosity and journeying with them to enable The Salvation Army's mission. The primary fundraising campaigns annually are the Red Shield Appeal and Christmas campaign. Due to the impacts of COVID-19 in 2020, a majority of community collections were converted to on-line fundraising. The Salvation Army's mission is additionally funded through investment activities. Funds are invested to further the achievement of mission objectives and include equity, hybrid and fixed interest instruments.



Chaplaincy

The Salvation Army's network of Christian chaplains meet people at their point of need to provide support. They are committed to helping in any way they can, offering the highest level of professional confidentiality, no matter a person's belief. If people are interested, they are also happy to answer questions about God, faith, and spirituality.

Our chaplains can provide support in schools, emergency services (police, fire brigade, etc), prisons, rural areas.

Salvos Stores/ Family Stores/ Thrift Shops

Our Salvos Stores and op shops specialise in the sale of pre-loved items generously donated by the Australian public. Ranging from our family stores and thrift shops to our well known Salvos Stores, all our stores sell quality used goods, including furniture, clothing and shoes, homewares and books. All profits made through our stores go to funding Salvation Army programs and services around Australia.



Salvos Funerals

Salvos Funerals is a Salvation Army initiative that offers compassionate and affordable care to those in grief. By working with our trusted partners, Salvos Funerals provides real value for quality services. We are here to help people and thoughtfully plan and manage what can be an overwhelming task. Salvos Funerals is entirely owned and operated by The Salvation Army, with all profits reinvested into our charitable works.



Aged Care

The Salvation Army aims to promote a unique experience of choice, lifestyle and belonging for all people as they age. Our Aged Care services span across Australia in twenty residential aged care centres, seven retirement villages, one respite centre, and community care services. We offer support to people based on their needs — those older Australians who choose to live independently in their own home or those who require short-term or full-time care.



The Salvation Army Employment Plus

The Salvation Army Employment Plus was established as an agency in 1998 by The Salvation Army to deliver on the aim of helping people to find work that supports their wellbeing and benefits the community. As one of Australia's largest recruiters, we provide our job seekers with specialised training, work experience and a range of support services, to help them find meaningful employment. Everything we do is guided by our vision of 'Work for All. Hope for all.'

Supply chain procurement and operations

In alignment with its services, The Salvation Army Australia procures goods and services in a number of categories.

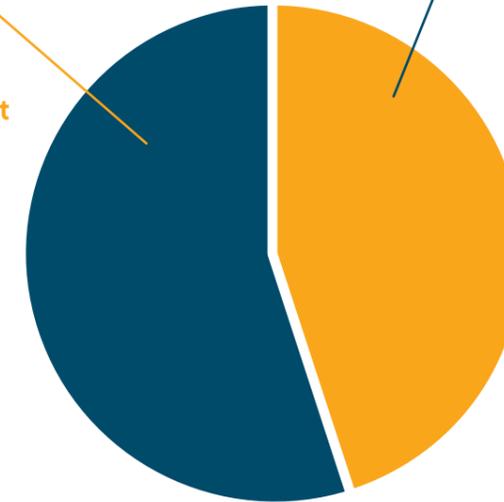
Procurement spend was across 58 categories.



During the reporting period, The Salvation Army Australia engaged with 17930 suppliers.

55%

- was spread across the following categories:
- Facilities Management
 - Furniture and Fit-out
 - Hardware
 - Healthcare
 - Insurance
 - Laundry
 - Legal
 - Marketing
 - Record Management
 - Security
 - Stationery
 - Uniforms
 - Utilities
 - Waste Management



45%

- of total spend was with the top 100 suppliers, within the following top 5 spend categories:
- Banking and Financial
 - Catering
 - Cleaning
 - Information Technology
 - Travel and Fleet

Across all suppliers, there has been a renewed focus on environmental, social and governance (ESG) in product and service selection. Initial work in this space has commenced in the consumables and stationery category and is intended for implementation across all categories.

During the next reporting period, The Salvation Army Australia will undertake analysis to understand the supply chains of its key suppliers, as well as further investigation in relation to its suppliers outside of its top 100.

Workforce Composition

The Salvation Army Australia manages its resources utilising an operational model which integrates charitable and faith-based activities. In doing so, it engages in excess of 35,000 personnel.

10,700
employees

24,000
volunteers

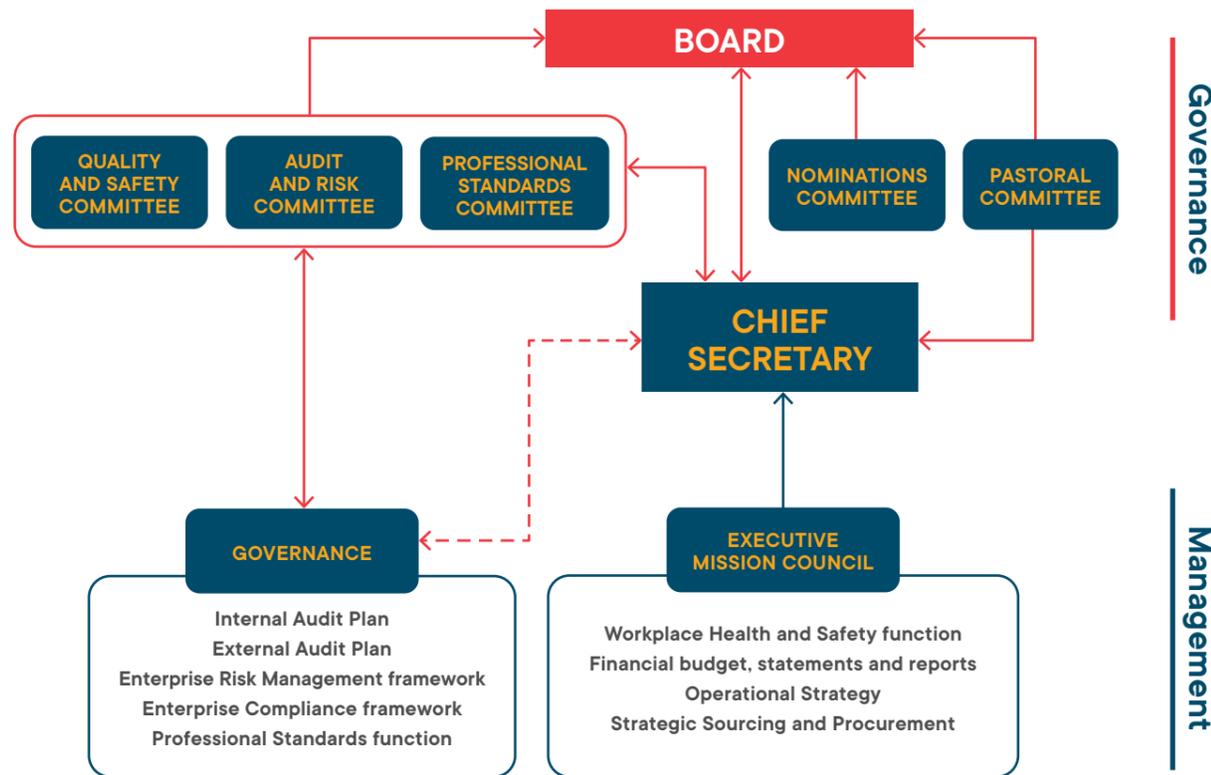
900
Ministers of Religion

150
Contractors

97%
of the top 100 suppliers are based in Australia

As the nature of our work provides services to cities, country towns and rural communities across Australia, the majority of our suppliers are Australian-based.

Oversight of Modern Slavery



Governance Framework

The Salvation Army Australia has a robust governance framework, with oversight by the Board and direct monitoring of activities through its committees. The above diagram outlines The Salvation Army Australia’s governance structure.

Underpinning the governance framework are several policies, and, in particular, the following in relation to modern slavery, which cover and address a broad range of fundamental principles, which guide the delivery of The Salvation Army’s mission, with a focus on ethical and lawful behaviour.

Code of Conduct Policy

Defines the appropriate behaviour and conduct required of all personnel in The Salvation Army Australia and anyone with whom it engages.

Whistleblower Protections Policy

Encourages and facilitates the reporting of information regarding improper conduct by The Salvation Army Australia or its personnel. This policy aims to provide a safe and confidential structure where individuals can raise these concerns and grievances without fear of detrimental treatment.

Risk Management Policy

Provides the principles for the effective, efficient and consistent management of risks across The Salvation Army Australia.

Compliance Policy

Outlines the requirement by The Salvation Army Australia to conform to its legislative and regulatory compliance obligations.

Approved Authorities Policy

Determines the authority granted to personnel within The Salvation Army Australia by the Trustees of the various Salvation Army Property Trust Acts

Incident Management Policy

Provides the principles and framework for the effective management of all incidents (including critical incidents) and the reduction of preventable incidents, across The Salvation Army Australia.

Feedback and Complaints Policy

Outlines the tools for the management of feedback in a consistent, transparent and effective manner to continuously improve service delivery, and provides a mechanism for reporting of grievances.

Safety and Wellbeing of Children and Young People policy

Establishes The Salvation Army Australia’s position as a child safe organisation and its commitment to ensuring the provision of a safe and inclusive environment for children and young people where they feel respected, safe, valued and encouraged to reach their full potential.

Governance Policy

Outlines The Salvation Army Australia’s commitment to a high standard of governance that will provide assurance so that it can achieve its objectives and deliver its mission.

Investment Management Policy

Outlines The Salvation Army Australia’s approach to management of its investment portfolio and requires that investments are ethical and socially responsible.

Procurement Policy

The Salvation Army Australia’s Procurement Policy outlines the principles and identifies the standards that apply to procurement and the purchase of goods and services. It outlines due diligence in the procurement process, which must be proportionate to the level of expenditure and associated risk.

Further, the policy highlights the possibility that purchased goods and services may be the result of Modern Slavery and that this must be considered by all parts of The Salvation Army Australia that engage in procurement of goods and services.

Australian Charities and Not-for-Profits Commission

The Salvation Army Australia is registered with the Australian Charities and Not-for-profits Commission (the Commission), the national regulator of charities, established to maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector.

The Salvation Army respects and adheres to the governance standards as set by the Commission, which include the requirement to comply with Australian laws.

Identification of *Modern Slavery risks* in our Supply Chains and Operations

As part of its Governance framework, The Salvation Army Australia's Enterprise Risk and Compliance function actively considers and reviews risks throughout its operations and supply chain, and, in particular, assesses the overall links to and understanding of modern slavery. The enterprise risk program is also considerate of human rights and social expectations.

The Salvation Army Australia recognises that there are inherent risks of modern slavery within a number of its key spend categories.

Specifically, the following key modern slavery risk focus areas have been identified:

- **Outsourcing & sub-contracting, noting that at times there is limited visibility of contractual arrangements at all levels**

Failure by The Salvation Army Australia to adequately oversee and monitor outsourcing and sub-contracting arrangements could result in inadvertent employment of victims of modern slavery, for example via the informal hiring of temporary staff who are effectively hidden in layers of management and bureaucracy.

- **Financing and property activities, inadvertently via the development of properties, all in support of what we do**

The Salvation Army Australia acknowledges that a range of modern slavery risks exist in its financing and property development activities, particularly as it makes investment decisions and engages property suppliers. Specifically, there are potential exposures to human trafficking, forced labour, debt bondage and child labour.

- **Worker vulnerability and labour exploitation, across all parts of the supply chain**

- **Forced labour, in association with deceptive contracting, identity management and service fees**

- **Child labour, particularly in the preparation of raw materials as part of the broader supply chain**

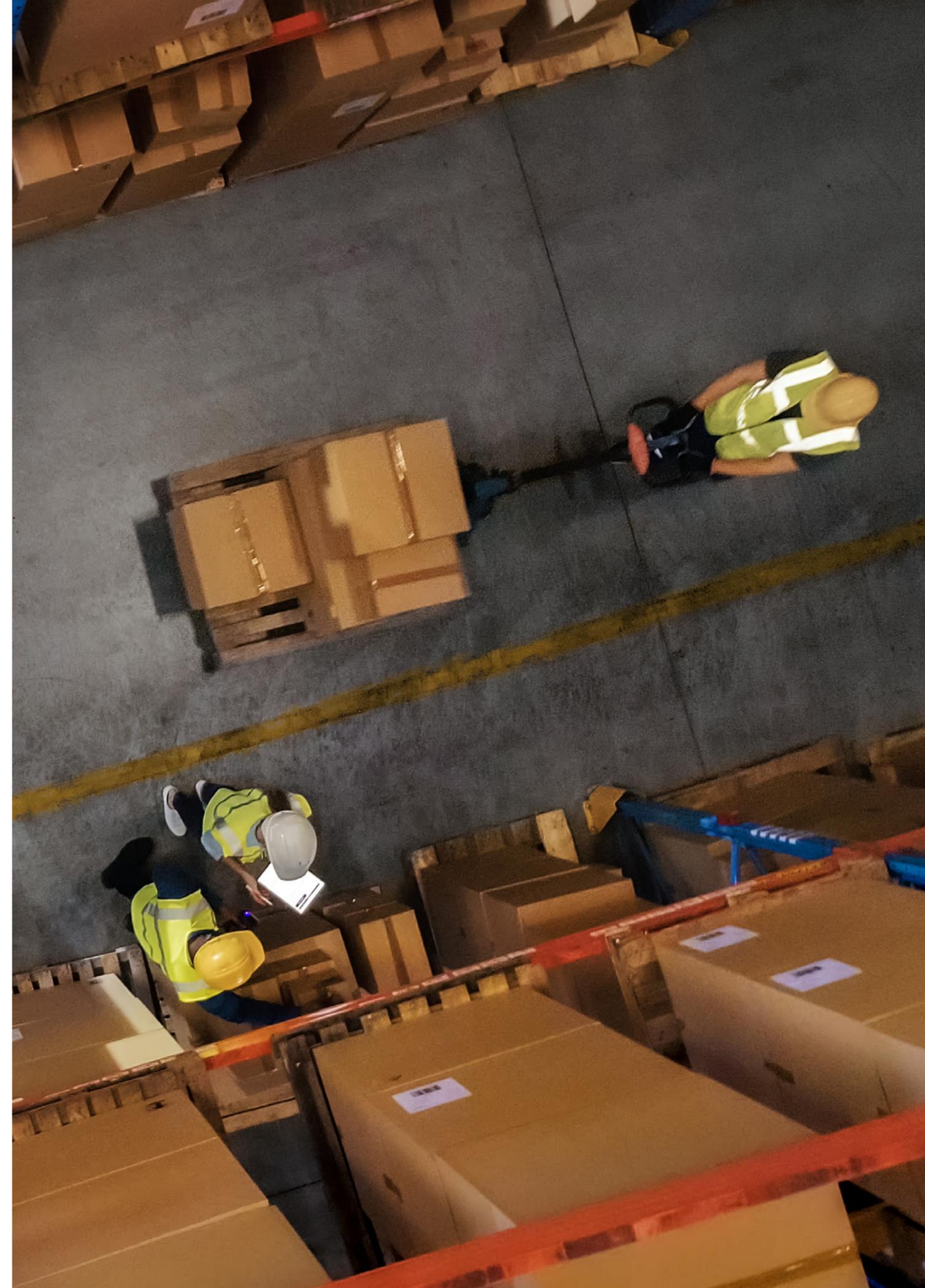
The Salvation Army Australia acknowledges that it may be linked to workers vulnerability, forced labour and child labour practices within upstream supply chain activities. It understands that it is exposed to such risks due to its local and internationally based supply chain, and due to the fact that it operates in spend categories that are otherwise deemed a high risk of modern slavery.

- **Engagement of people overseas, for example, via our international development partnerships;**

While The Salvation Army Australia does not ordinarily procure or operate services outside of Australia, robust risk management processes aligned to the enterprise risk program, as well as project selection criteria, are applied within the Salvation Army International Development program to address potential associated modern slavery risks.

Formal contractual agreements are also in place where The Salvation Army Australia provides funds for international projects that are in place to explicitly address modern slavery issues.

During the next reporting period, The Salvation Army Australia's Enterprise Risk and Compliance function will work in collaboration with the Strategic Sourcing and Procurement function to establish a dedicated supply chain risk register. This will focus on all Australian and international suppliers across all supply chain activity, the adoption of centralised procurement practices in localised procurement decisions to meet the immediate needs of the movement, and will adopt the principles and protocols of the enterprise risk framework and formal reporting to the Board Audit and Risk Committee.



What we are doing to manage Modern Slavery risks in our supply chains



Following the introduction of the *Modern Slavery Act 2018 (Cth)*, The Salvation Army Australia's centralised Strategic Sourcing and Procurement function was formed and continues to evolve and integrate within all sourcing and supply decisions and activities.

Since its formation, the movement has centralised the majority of its procurement activities and as a result has reduced the total number of suppliers from approximately 50,000 to 17,930. Key supply categories within the tier 1 supply chain have been mapped, with high-risk categories identified for focus. Further, extensive work has been undertaken to adopt a singular purchase requisition system with a series of controls and governance mechanisms.

Key elements of the supply chain continue to be mapped to appropriately understand and provide

visibility of its inner workings, key dependencies, and potential exposures.

During the reporting period, The Salvation Army Australia introduced a formal contractor engagement and management process. This has been applied across all spend categories, with an initial focus on qualification and commitment of sub-contractors by suppliers in the construction and property management space.

In addition to the formal contractor engagement and management process, during the reporting period The Salvation Army Australia undertook a review of its investment strategy and as a result has appointed an independent investment management partner. A key requirement and commitment of the agreement with the appointment was commitment and acknowledgement of Environmental, Social

Supplier Assessment and Selection

A key focus of the function has been to reduce supply risk through objective and transparent supplier selection and management.

The Salvation Army Australia has in place a Supplier Code of Conduct Standard, which outlines the expectations of suppliers and their supply chain when providing goods and services to The Salvation Army, including with respect to modern slavery.

The Salvation Army Australia is committed to combatting Modern Slavery in all its forms, and as such all suppliers must:

1. Meet their obligations under the Australian Modern Slavery legislation
2. Never supply goods that have been produced or are made from components that have been produced under conditions of modern slavery
3. Certify with the provision of evidence that to the best of their knowledge the products and/or services being supplied are ethically sourced
4. Not use forced labour

and Corporate Governance (ESG) risk management integration in all financial portfolio and investment decisions.

Further, negotiations have commenced in relation to engagement of key suppliers for uniforms and Information Technology. A key focus of such negotiations has been on demonstration by the suppliers of commitment to management of worker vulnerability, labour exploitation, forced labour and child labour risks. It is a requirement that these commitments are agreed to in contractual terms.

During the reporting period, The Salvation Army Australia implemented its Supplier Prequalification and Assessment framework and utilises this tool to ensure that all suppliers undergo a formal vetting and due diligence process, and with a key focus on the complexity of each supplier's own supply chain and the inherent Modern Slavery risks.

Potential suppliers are assessed on ethics, labour practices, health and safety, and sustainability, and are assigned a risk rating.

Suppliers who are deemed to be medium to high risk are subject to an in-depth assessment in which they are required to provide information on current operations, supply chain, suppliers, sub-contractors, labour, environmental, anti-bribery and corruption, health and safety.

High-risk suppliers are further subjected to an independent financial background report.



Supplier Intelligence

As part of its supplier assessment and selection process, The Salvation Army Australia considers risks in relation to worker vulnerability, labour exploitation, forced labour and child labour.

As such, during the reporting period, following a collaboration of the Enterprise Risk and Strategic Sourcing and Procurement functions, The Salvation Army Australia, joined SEDEX, a leading online community and platform which provides practical tools, services and a community network to help organisations improve their responsible and sustainable business practices, and source responsibly. It works towards the improvement of working conditions in global supply chains.

SEDEX provides further intelligence and visibility of inherent risk within the supply chains of potential suppliers, including assessment of the following characteristics:

- **Site characteristics**
- **Audit findings**
- **Forced labour**
- **Freedom of association**
- **Hygiene**
- **Children and young workers**
- **Wages**
- **Working hours**
- **Discrimination**
- **Ethics**
- **Biodiversity**
- **Water**
- **Waste and Pollution**

During the next and future reporting periods The Salvation Army Australia will be considerate of inherent supplier risk ratings identified by SEDEX in all of its sourcing and procurement decisions, including the requirement by potential suppliers to be subjected to risk assessment audits by SEDEX as a pre-requisite.

Ongoing Supplier Governance

Once selected, all suppliers are required to acknowledge and agree to The Salvation Army Australia's contractual terms, which validate the alignment of their standards to our Supplier Code of Conduct and include modern slavery compliance clauses, as well as "right to audit".

It is expected that such standards are adhered to on an ongoing basis, and this is monitored, noting

where suppliers have adopted their own processes for managing associated risks.

In accordance with the United Nations (UN) Guiding Principles on Business and Human Rights, where The Salvation Army discovers it is linked with, causing or contributing to modern slavery in supply chains, steps are taken to respond sensitively to correct the wrong. This may include taking steps to prevent re-occurrence, formal warnings and apologies to those affected, and this would be in conjunction with Salvation Army anti-trafficking specialists and/or strategically aligned partners to ensure workers are protected, compensated and, if possible, redeployed to break down systems of exploitation and abuse.

For less severe human rights violations, The Salvation Army Australia prefers to engage with suppliers to remediate the source of the problem; however, it recognises that for more serious abuses, including modern slavery, it may be impossible to maintain the contractual relationship. In such instances, we would work with our Safe House team and National Contact Point on Modern slavery to assess workers' safety and needs to inform our approach to the supplier.

Financing Activities

As a large movement, The Salvation Army Australia is mindful of the ability it has to influence change through its lending and investments. In accordance with its Investment Management Policy, The Salvation Army Australia is committed to ethical lending and investments and works with its suppliers to manage modern slavery risks.

Specifically, The Salvation Army Australia will not invest in companies that have disregard for human rights and/or pollution of the environment, are deemed unethical or contradict the movement's moral position. Further, it will not invest in organisations that derive their income from Alcohol, Armaments, Gambling, Pornography and Tobacco industries.

It is understood that the ability to exclude investments totally is limited through the disclosures by fund managers, therefore, The Salvation Army Australia seeks to invest in funds that have become signatories to the UN Principles for Responsible Investment (UN PRI).

Training and Awareness

During the reporting period, The Salvation Army Australia introduced a targeted Modern Slavery training program, targeted to Procurement and Purchasing personnel.

Specifically, the program addresses:

- **Understanding of modern slavery and how it might occur in our supply chains**
- **Understanding of modern slavery reporting requirements and moral imperative for action, within the sustainability context, and the ability to independently communicate these to others**
- **Awareness of and ability to implement tools for supplier engagement**
- **Awareness of strategic methods to engage existing and new suppliers**
- **Identification of priority actions**

During the reporting period, an organisation-wide Modern Slavery Community of Practice was also introduced to educate our people across services, churches and mission on indicators of modern slavery and how to respond where issues are suspected or identified.

Further to this, in the next reporting period, a high-level steering group will be formed, consisting of a number of senior leaders within the movement, to identify organisational gaps in knowledge and opportunities for engagement, including providing information on ethical sourcing to The Salvation Army Australia's various programs and services.

The Salvation Army Australia will continue to review awareness and understanding of Modern Slavery risks and issues amongst its personnel, including:

- **Communication of obligations and expectations to all suppliers**
- **Understanding of exposures**
- **Staff guidance for integrating risk assessment into procurement decision-making**
- **Protocols and guidance so staff know how to respond to red flags and incidents**
- **Definition of success, to enhance ability to evaluate efforts and enforce our expectations**
- **The appropriateness of procurement policy and standards**

How we are assessing the effectiveness of our management of

Modern Slavery risks

in our supply chains and operations

Achieving effectiveness in the management of Modern Slavery risks is a long-term strategy for The Salvation Army Australia. As referenced earlier in this statement, the centralised Strategic Sourcing and Procurement function has undertaken extensive work to consolidate financial data, establish national policies and processes, and on-board various systems. While these do not necessarily relate directly to the management of Modern Slavery risks, we regard them as essential components of a longer-term strategy to effectively assess and address a range of social risks in our supply chains.

Moving forward, The Salvation Army Australia will continue to bed down processes and maximise utilisation of available resources. It is recognised that there is much work to be done to ensure our approach evolves from these essential 'process-based' outcomes, to measurable and meaningful change in our operations and supply chains.

We anticipate that, as a result of our activities, we will begin to identify more risks and potential violations. As such, we will work with our Modern Slavery specialist services and strategic partners to inform our protocols for response and remediation, and to identify appropriate performance indicators to assess the effectiveness of our response.

We have identified and measured the following key metrics to measure our progress in the current and next reporting periods. We will actively monitor these and make adjustments as necessary.

96 supply contracts with dedicated modern slavery clauses were renewed, representing 100% of those managed at a national level via the centralised Strategic Sourcing and Procurement function

Following its introduction in the 4th quarter of the reporting period, supplier risk questionnaires were completed for seven new suppliers, representing 100% new suppliers since its inception

All Strategic Sourcing and Procurement personnel undertook dedicated Modern Slavery training

During the next reporting period measures will also be introduced in relation to:

- **Internal Audit findings dedicated to Modern Slavery;**
- **The number of suppliers undertaking SEDEX risk assessment audits (including social expectations and working conditions);**
- **The number of modern slavery risks identified in the Supply Chain risk register;**
- **Supplier incidents and remediation activities;**
- **Supply Chain complaints raised.**

In addition, the following mechanisms are adapted to monitor the effectiveness of The Salvation Army Australia's Modern Slavery risks:

Enterprise Risk and Compliance Program

The Salvation Army Australia's Enterprise Risk and Compliance function actively monitors modern slavery risks, with formal protocols embedded to ensure risk concerns are appropriately escalated in a timely manner and mitigating actions are managed to completion.

The Enterprise Risk and Compliance function actively works with the Strategic Sourcing and Procurement function to identify and mitigate Modern Slavery risks.

Internal Audit

The Salvation Army Australia's Internal Audit program provides independent assurance that risk management, governance and internal control processes are operating effectively.

The Salvation Army Australia's Board Audit and Risk Committee has endorsed an independent review of The Salvation Army Australia's efforts in combatting modern slavery and compliance with the *Modern Slavery Act 2018 (Cth)*.

This review will be conducted during the next reporting period.

How we are working
together to

*combat
Modern Slavery risks*

in our supply chains and operations

All of the Property Trusts share the same body of Trustees and executive management teams. All of the Property Trusts adopt the same policies, procedures and protocols, operate in the same sectors and, save for minor exceptions, share the same suppliers.

The Companies have Boards of directors appointed with the express approval of the Trustees of the Property Trusts who are the relevant parent entities of each company. Other than with respect to industry specific additional requirements, all of the Companies adopt the same policies, procedures and protocols, operate in the same sectors and, save for minor exceptions, share the same suppliers as the Property Trusts.

This Joint Modern Slavery Statement was prepared in consultation with The Salvation Army Australia's Enterprise Risk and Compliance, Strategic Sourcing and Procurement, and Policy and Advocacy Teams, together with in-house legal counsel. This Joint Modern Slavery Statement was prepared following discussions and involvement of these functions in so far as they operate and the relevant key individuals interact both with the Property Trusts and the Companies.

The Salvation Army Australia's Board is committed to the modern slavery initiatives set out in this Joint Modern Slavery Statement. Throughout the reporting period, updates on our activities of our Modern Slavery discussion group were provided to the Board Audit and Risk Committee for their awareness. This Joint Modern Slavery Statement was provided to the Board for review, prior to it being formally adopted by the Board for sign off by the Board Chair and the Chief Secretary of The Salvation Army Australia.



What else are we doing to

fight Modern Slavery



The Salvation Army advocates to influence key decision makers and those who have the power to implement social policy change. This includes our advocacy with federal, state and territory members of parliament, as we know from experience that social policy can make the most difference to those experiencing hardship, injustice and marginalisation.

Situated within The Salvation Army Australia's Policy, Research and Social Justice Department, the Policy and Advocacy team is responsible for coordinating social policy development, social justice education and advocacy efforts on social policy issues, including modern slavery and human trafficking.

The Salvation Army played a key role in the passage of the *Modern Slavery Act 2018 (Cth)* and has continuously advocated for improved protections for vulnerable migrant workers and restricting the importation of goods made with forced labour into Australia.

The Salvation Army Australia is a founding member of the National Roundtable on Slavery and Trafficking and works collaboratively with government to support

objectives under the National Action Plan to Combat Modern Slavery 2020-24 and other government programs. This includes the Seasonal Worker Program (SWP), where we participate as a member of the Pacific Australia Labour Mobility Advisory Group and now lead a national program to strengthen connections between workers and their communities for improved social cohesion and worker well-being.

The Salvation Army Australia's Anti-Slavery programs work at multiple levels to empower community, business and government to respond effectively to modern slavery in Australia. We do this in the following ways:

Survivor and Worker Voice

The Salvation Army Australia established the Freedom Advocates—Australia's first and only survivor leadership and peer mentoring program for those who have experienced slavery and trafficking. Freedom advocates have appeared before parliamentary inquiries and government consultations, contributed to submissions and research papers, and participated in a range of television, radio and print media stories. The Salvation Army is working

with the Department of Home Affairs to establish a model and a mechanism for survivor consultation—the Lived Experience Engagement Program (LEEP).

Service, Support and Outreach

Since 2008, The Salvation Army Australia has independently operated the only refuge in Australia dedicated exclusively for survivors of slavery and trafficking. The Safe House also supports men, women and children in the community who may be at risk of slavery and severe labour exploitation. During the reporting period, the Safe House provided support to 33 survivors of modern slavery, including domestic servitude, sex trafficking, forced labour, forced marriage and exit trafficking. The Safe House also established a national Modern Slavery Community of Practice to strengthen organisational awareness and response capacity.

Local Leadership for Slavery-free Communities

The Salvation Army Australia has led efforts to build local capacity across Australia to identify and respond

effectively to potential cases of slavery, trafficking and labour exploitation. We work closely with governments, trade unions, communities and other faith groups to strengthen Australia's response through greater engagement with local stakeholders and first responders who are most likely to encounter potential victims.

Pathways to Independence

The Salvation Army Australia also operates the Australian Freedom Fund, which provides small, individual grants to survivors and people at risk of modern slavery. In this reporting period, the Freedom Fund provided eight grants to individual survivors, ranging from independent living grants to assist with education and tenancy to family reunification and supported repatriation. The Salvation Army Australia also operates Australia's first and only Modern Slavery Transitional Housing Pilot in partnership with Salvos Housing and the Sisters of Charity Foundation, providing survivors with supported pathways to independence.



Each of the bodies / entities defined in this document as comprising The Salvation Army Australia, are all owned and controlled by the Trustees, who, by virtue of a resolution of the Trustees, consider the Board to be the relevant higher entity as per section 14(2)(d)(ii) of the *Modern Slavery Act 2018 (Cth)*.

This Modern Slavery Statement was considered and approved by the Board of The Salvation Army Australia on 1 December 2021.



Robert Donaldson, Commissioner
Territorial Commander and Board Chair
The Salvation Army Australia



Winsome Merrett, Colonel
Chief Secretary
The Salvation Army Australia



THE SALVATION ARMY
Modern Slavery Statement Australia 2021