

The University of Sydney

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Modern Slavery Statement 2021



THE UNIVERSITY OF
SYDNEY



Acknowledgement of Country

The University of Sydney's Camperdown campus sits on the lands of the Gadigal people with campuses, teaching and research facilities on the lands of the Gamaraygal, Dharug, Wangal, Darkinyung, Burramadagal, Dharawal, Gandangara, Gamilaraay, Barkindji, Bundjalung, Wiradjuri, Ngunawal, Gureng Gureng, and Gagadju peoples.

We recognise and pay respect to the Elders and communities of these lands, past, present and emerging, who for thousands of years have shared and exchanged knowledges across innumerable generations, for the benefit of all.



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The University of Sydney (ABN 15 211 513 464) is a statutory corporation established in New South Wales pursuant to the University of Sydney Act 1989 (NSW). Our principal address is The University of Sydney, NSW, 2006. We are registered with the Australian Charities and Not-For-Profits Commission. Our CRICOS (Commonwealth Register of Institutions and Courses for Overseas Students) number is 00026A. This Statement identifies the steps The University of Sydney, as a single reporting entity, has taken for the year ended 31 December 2021.

FROM THE CHANCELLOR AND VICE-CHANCELLOR

Since the University of Sydney's inception more than 170 years ago, we have believed in education for all and leadership that improves lives in all the communities that we serve. Whether it's through our world-renowned research, our education offerings, or striving for ethical sourcing in our supply chain and operations, addressing modern slavery goes to the moral heart of what we stand for as an institution.

Modern slavery is a complex global problem, breaching the most fundamental freedoms and human rights of individuals. While it exists in every country in the world, it is often a hidden crime, concealed within complex supply chains. It is critically important for all organisations to take action and play their part in the global effort to combat modern slavery.

Despite the challenges of the past few years, we all have a responsibility to respect human rights. We are committed to preventing infringements on the human rights of others and to addressing adverse human rights impacts. As a leading educational institution, we believe that our role requires more than an exercise in compliance. We are uniquely placed to contribute to global understanding and to help address and overcome modern slavery. From applying world-renowned academic and research expertise to inform the world's understanding of modern slavery to educating future leaders and generations, we can demonstrate leadership that generates transformative change and improves the world around us.

Aligned with this vision, we continued to progress our approach to combatting modern slavery in 2021. We focused our efforts on embedding our modern slavery due diligence framework across our strategic, policy, and legal settings by updating our contract templates, amending our key policies, and establishing key roles and responsibilities across our senior executive team. We continued to mature our modern slavery due-diligence process, including risk prioritisation, dedicated training for our suppliers and deep dive assessments for high-risk suppliers.

If we are to truly understand our modern slavery impacts and remediate them, we must not shy away from reports of modern slavery. In late 2021, we launched our Modern Slavery Incident Reporting Form, providing our communities with a mechanism to report incidents or concerns. We continued our campaign to engage the University community and build awareness through our mandatory staff Anti-Slavery Awareness Module and bespoke Anti-Slavery Student Module. To date, more than 10,200 staff and 8,200 students have completed their respective modules. We also established the Modern Slavery Unit, a dedicated expert team providing a holistic and University-wide strategic approach for addressing modern slavery risks and embedding respect for human rights across our policies, processes, and governance.

Looking ahead, we acknowledge that there is more work to do. As we progress along this journey, we are determined to remain open and transparent about the risks we uncover, the actions we take to address them, and our reflections and lessons learnt. We are committed to demonstrating leadership for good by respecting human rights, and realising a vision to bring together universities, business, civil society, and government in a unified effort that makes modern slavery an issue of the past.



Belinda Hutchinson AC
Chancellor



Professor Mark Scott AO
Vice-Chancellor and President



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INTRODUCTION (CRITERION 1)

This is the University of Sydney's Modern Slavery Statement 2021, pursuant to its obligations under section 13 of the Australian *Modern Slavery Act 2018* (Cth) (the Act). This statement is made on behalf of the University of Sydney and our controlled entities including:

Westmead IVF Pty Ltd – an Australian company operated by the University of Sydney since 2014 and trading as Westmead Fertility Centre. It provides affordable access to fertility treatments, underpinned by the latest research and innovation.

Suzhou Xi Su Business Consulting Co. (Centre in China) – a Chinese company which operates a multi-functional centre in China. It was established in 2016 as a foreign owned entity to support our operations and functions in China. It is a wholly owned subsidiary of A14 Holdings Pty Ltd.

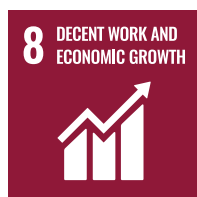
A14 Holdings Pty Ltd – the holding company for the Centre in China (Suzhou Xi Su Business Consulting Co.). It has no substantive operations.

This statement outlines our commitment and approach to identifying and addressing modern slavery risks in our supply chain and operations, including those of the entities we control. Each section addresses actions taken in response to the mandatory reporting criteria of the Act during the year ended 31 December 2021.

The term modern slavery describes serious forms of exploitation including human trafficking, servitude, forced labour, debt bondage, forced marriage and the worst forms of child labour. It occurs when coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. Modern slavery breaches the most fundamental freedoms and human rights of individuals and is never acceptable in any of its forms. The statement has been approved by the Senate of the University at its meeting on 18 May 2022

Sustainable Development Goals

Our actions to address modern slavery reflect our commitment to making a positive difference towards the Sustainable Development Goals and supporting a peaceful and sustainable future through our education, research, and operations.





OUR COMMITMENT

We are committed to respecting human rights and taking meaningful action to address modern slavery. We all have a moral and ethical obligation to play our part in eradicating modern slavery practices. As a higher education institution occupying a unique space at the intersection of public and private enterprise, we recognise the important role the University, and the sector, can play in the global effort to eradicate modern slavery.

A SNAPSHOT OF OUR 2021 PROGRESS

Incorporating the United Nations Guiding Principles on Business and Human Rights, our 2021 efforts focused on understanding risks and developing a clear policy and due diligence framework for identifying and addressing modern slavery.



Embedding modern slavery considerations into our strategic, policy and operational settings

- Launching the Modern Slavery Assurance and KPI Reporting model
- Launching the Modern Slavery Online Grievance Mechanism
- Establishing a permanent Modern Slavery Unit
- Strengthening our contracts and templates to include modern slavery provisions
- Developing a multi-year strategy for addressing risks and monitoring progress
- Updating key University policies and procedures to include modern slavery provisions



Undertaking detailed risk assessments across our supply chain and operations

- Completing deep dive due diligence assessments for 89 high-risk suppliers
- Implementing a modern slavery risk register
- Implementing modern slavery risk tools and processes across the entire procurement lifecycle
- Embedding modern slavery risk due diligence into the research approval process



Building capacity and awareness among our students, staff, and suppliers

- 10,200 staff, affiliates and casuals have completed our anti-slavery awareness training module
- 8,200 students have voluntarily completed our anti-slavery awareness training module
- 200 staff in high-risk priority areas trained through tailored workshops
- 46 supplier representatives trained on modern slavery and the University's expectations and required actions



Contributing through our research, education, lessons learned and collaboration with others

- Collaborating with the Cleaning Accountability Framework pilot program and research project
- Collaborating with the Australian Universities Procurement Network (AUPN) on supply chains
- Partnering with Anti-Slavery Australia

WHO WE ARE (CRITERION 2)

In creating Australia's first university, our founders recognised the power of education to change society. We hold that belief just as strongly today.

We are a leading Australian research-intensive University, consistently ranked in the world's top 50 universities. We educate students from around the world at teaching and research facilities primarily across Sydney and New South Wales. Our largest campus is located at Camperdown/Darlington in Sydney, encompassing 72 hectares of teaching and research spaces, other facilities, and social infrastructure.

We are a statutory corporation pursuant to the *University of Sydney Act 1989* (NSW) and were established by the Parliament of New South Wales in 1850. We are governed by a Senate, which is composed of 15 Fellows and chaired by the Chancellor.

The Vice-Chancellor is the principal administrative officer of the University and manages several portfolios, each responsible for a specific suite of activities and strategic functions, both academic (Provost, Education, Research, and Indigenous Strategy) and administrative (Operations, External Relations, Strategy and Advancement).



OUR PRINCIPAL ACTIVITIES AND OPERATIONS (CRITERION 2)

Consistent with the *University of Sydney Act 1989 (NSW)*, we undertake a broad range of functions and activities and we rely on a broad and deep value chain.



74,000 STUDENTS

We offer our students the widest range of academic programs of any university in Australia including:

900+ award courses

800+ student placement partners

300 student mobility partners



8,100 STAFF

We have over 8,100 staff across academic and administrative functions, and a range of casual employees and affiliated individuals (including clinical, adjunct, conjoint and honorary title holders) who assist us to perform specific teaching and research activities.



5 FACULTIES AND 3 UNIVERSITY SCHOOLS

Our faculties and University schools provide world-class facilities for education and research, as well as cultural, social, and community engagement (including museums, galleries, theatres, libraries and sporting facilities).



22 FIELDS OF RESEARCH

We are a comprehensive research-intensive university and collaborate with a wide variety of Australian and global partners across 22 fields of research including:

138 research and teaching centres

555 research partners



10 CAMPUSES

Our operations are predominantly based in Australia at our Camperdown/Darlington campus however we deliver education and research activities across the globe.

OTHER ACTIVITIES AND OPERATIONS (CRITERION 2)

Other activities

Engagement: We actively engage with industry, as well as our alumni and community, to provide a range of professional, technical, and vocational services.

Recruitment: We undertake student recruitment activities both in Australia and overseas.

Fundraising: We undertake fundraising activities to support our objectives.

University partnerships: We have 20 priority university partners across North America, Asia, and Europe.

Leasing property: We lease property to tenants, including retail shops, commercial and other facilities on our campuses. Many retail operations on campus are separately administered by the student union, the University of Sydney Union (USU), and Sydney University Sport and Fitness (SUSF), pursuant to an overarching affiliation agreement with the University.

Campus facilities services: We engage with hundreds of suppliers and providers to deliver campus facilities services such as infrastructure services, energy, equipment, and maintenance services such as security, utilities and cleaning. For the purposes of this statement, these activities are categorised under our supply chain activities.

Investments: We manage endowment funds that are invested in financial assets to meet long-term academic and research goals. These funds consist mainly of bequests and donations that have been gifted to the University for a range of purposes. Most of our funds are managed by external fund managers through short, medium and long-term funds. Our long-term fund represents the bulk of the University's financial asset investments, with around 80% of these funds held in trust for specific purposes.

We are directly responsible for providing a number of these activities, but also partner with a range of stakeholders including:

- Research partners, industry, teaching hospitals, community partners and student placement providers, to deliver on our core research and teaching objectives;
- Student organisations (including their clubs and societies), residential colleges and third-party residential facilities to enable us to deliver the necessary social infrastructure and services critical to supporting a vibrant and inclusive university experience.

We have hundreds of internal units and divisions which operate under various names and include centres, foundations, alumni associations and clinics. Some of our flagship multidisciplinary centres include the Charles Perkins Centre, Brain and Mind Centre, and the Sydney Policy Lab, while some of our cultural institutions include The Seymour Centre and the Chau Chak Wing Museum.

OUR SUPPLY CHAIN (CRITERION 2)

Our supply chain supports our infrastructure, administrative functions, academic programs and our research teams working on diverse global challenges, from creating cleaner fuels and a faster internet to treatment for chronic illness. We use a centralised online buying system (UniBuy) to provide visibility and transparency over the goods and services we buy.

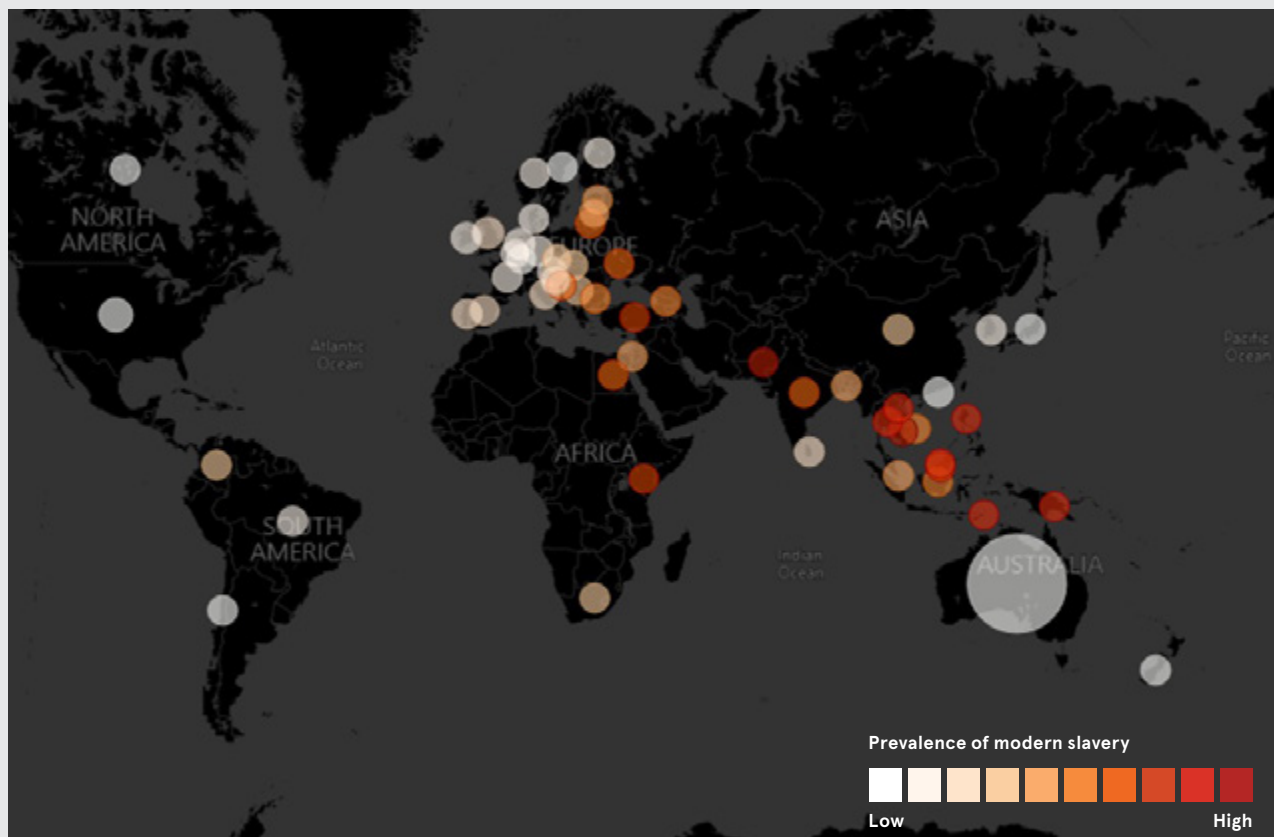


MODERN SLAVERY RISKS (CRITERION 3)

Consistent with the United Nations Guiding Principles on Business and Human Rights, we focus on identifying risks where the University may be causing, contributing to, or directly linked to modern slavery through our supply chain and operations.

The University's unique operations and supply chain is exposed to a range of risks across diverse industries, from our physical campuses and international student recruitment to our research and IT activities. Unsurprisingly, various goods and services we procured throughout 2021 were potentially linked to modern slavery practices and/or serious exploitation. While we have not identified any instances of causing modern slavery, we have identified areas within our operations and supply chain where there is potential for us to contribute to, or be directly linked to, modern slavery risks.

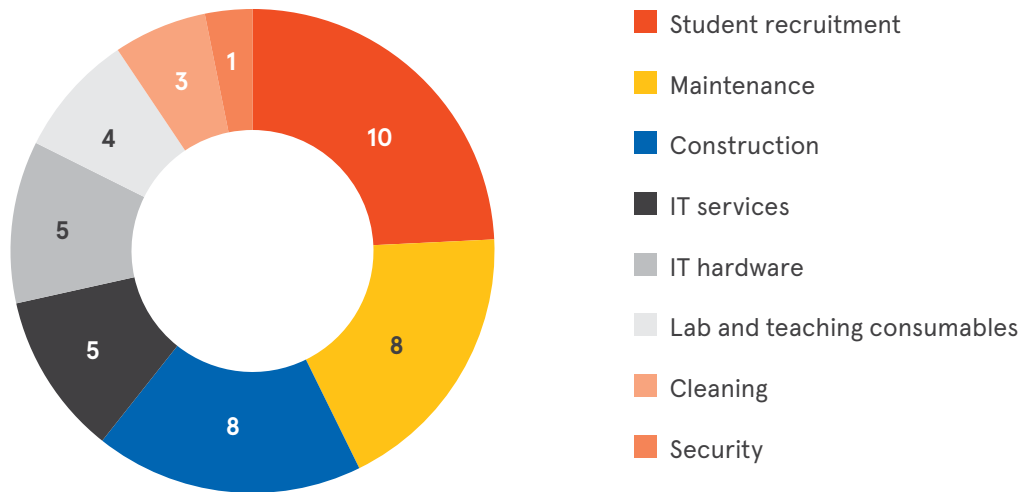
The below map outlines the University's supplier numbers by country headquarters (size and location of circle), overlaid with the Global Slavery Index's prevalence ranking for modern slavery (colour of circle).



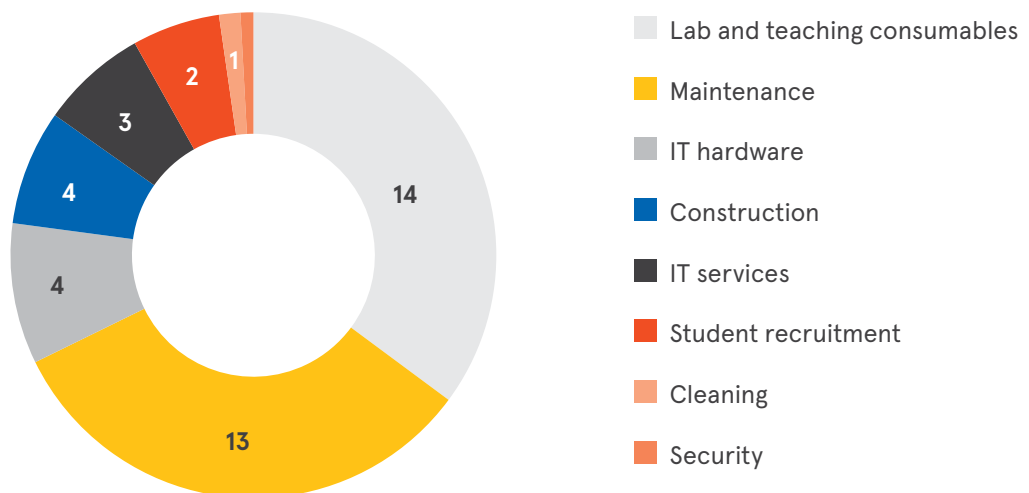
Source: Global Slavery Index 2018 Dataset, Walk Free, available from: www.globalsslaveryindex.org

High risk categories of spending contributed to 43% of the University's total procurement spend and 39% of the University's total number of suppliers. This is a 6% decrease compared to 2020 figures.

High Risk Categories: % Spend out of Total Spend



High Risk Categories: % Suppliers out of Total Suppliers



OUR MODERN SLAVERY RISKS

Modern slavery risks refer to the University’s potential adverse modern slavery impacts, which may be caused or contributed to, by the University’s own activities, or directly linked through the University’s business relationships.

In our supply chain and operations, the University has identified 9 areas of high risk and high priority. In the future, we aim to gain a deeper understanding of risks across the entire value chain, from raw materials and assembly to transport and logistics, and risks beyond our Tier 1 suppliers and outsourced services. Modern slavery risks will change over time, so our modern slavery risk register will be reviewed periodically to reflect evolving circumstances.

Risks in our supply chain	
<p>Laboratory and teaching consumables</p> <ul style="list-style-type: none"> - 3.54% of total spend - 619 suppliers - 14.24% of total suppliers 	<p>As a teaching and research institution, the University procures a range of laboratory and teaching consumables, including lab chemicals, lab gases, glassware, plasticware, labware, life science reagents and personal protective equipment (PPE). Laboratory and teaching consumables have the largest supplier count among the University’s high-risk categories. Our suppliers provide a wide variety of consumables, with tens of thousands of distinct products from some suppliers.</p> <p>Lab and teaching consumables are predominately manufactured in high-risk developing countries. The extraction of raw materials and the manufacture of plastic, rubber, ceramic and glass products may involve child labour, forced labour, excessive working hours, deceitful recruitment promises, and exposure to dangerous chemicals and machinery.</p> <p>In response to COVID-19 and the increased use of PPE in 2021, the University undertook research and analysis of its procurement of PPE, including gloves and face masks, and existing suppliers were assessed for any links to forced labour.</p>
<p>IT services</p> <ul style="list-style-type: none"> - 4.67% of total spend - 125 suppliers - 2.88% of total suppliers 	<p>The University provides over 90 technology and digital services for both education and research, integrating IT services, new technology platforms and service delivery to benefit our staff and students. The University partners with suppliers across cloud services, audio visual services, computer support, email and collaboration, learning and teaching technology, and ongoing maintenance. These services were particularly important in 2021, as the University continued remote working, research and teaching during the pandemic.</p> <p>Although most direct suppliers are based in Australia, work is often sent offshore to developing countries with weaker rule of law and workplace safeguards. The risk intersects with base-skilled workers who perform menial, repetitive IT tasks, especially during high demand and short-timeframes.</p>
<p>IT hardware</p> <ul style="list-style-type: none"> - 4.66% of total spend - 165 suppliers - 3.80% of total suppliers 	<p>The University sources IT hardware to support our operations, teaching and research. This ranges from audio visual, multimedia and teleconferencing equipment, networks and servers to thousands of devices such as laptops, desktops, tablets, printers, phones, mobiles and IT accessories including keyboards, mice, cables, data storage devices and headsets.</p> <p>In the electronics industry, child labour, forced labour and poor working conditions can be prevalent across the raw material extraction, manufacturing, assembly and disposal stages, often involving migrant and base-skilled workers. Mining locations may intersect with armed conflict and human trafficking, while complex supply chains further reduce visibility.</p>

Risks in our operations

<p>Construction</p> <ul style="list-style-type: none"> - 7.71% of total spend - 135 suppliers - 3.11% of total suppliers 	<p>From Camperdown to Narrabri and Camden to Westmead, the University has 10 campuses for teaching and research, as well as farms in Sydney and regional NSW, and a research station on the Great Barrier Reef. The University undertakes work in planning and design, engineering, property investment and development, infrastructure delivery and space management. The University engages a range of specialist contractors and consultants that support the delivery of university construction and fit-out projects. Major construction projects in 2021 included the Susan Wakil Health Building, Engineering and Information Technology Precinct and the Westmead Precinct.</p> <p>The construction industry is high risk due to highly competitive and cost-driven bidding processes, outsourcing, sub-contracting and regular use of short-term engagements across multiple sites. The risk intersects with raw materials sourced from high risk geographies and base-skilled workers working onsite and often outside standard working hours.</p>
<p>Cleaning</p> <ul style="list-style-type: none"> - 2.68% of total spend - 25 suppliers - 0.58% of total suppliers 	<p>Through the University's soft facilities management, the University engages suppliers to provide cleaning services across the University's 700 facilities. Cleaning includes preventative cleans in high touchpoint areas in public teaching spaces, offices and research facilities. In response to COVID-19 in 2021, the University scheduled regular enhanced cleaning, focusing on high-traffic areas, high-use amenities and common areas, as well as targeted, deep cleaning in response to positive cases on campus.</p> <p>In the cleaning sector, labour rights breaches, multiple subcontracting or unauthorised arrangements, low-paid work and low visibility outside of standard working hours are common. Workers can be particularly vulnerable as they may be from migrant and low socio-economic backgrounds, with lower understanding of their workplace rights.</p>
<p>Security</p> <ul style="list-style-type: none"> - 1.36% of total spend - 15 suppliers - 0.35% of total suppliers 	<p>The University engages security contractors to provide patrols, parking, locking and unlocking of buildings, and guarding across our campuses. The University's electronic security services include the provision of building access, CCTV, and alarms, while locksmith services include the provision of mechanical locks, keys, and hardware.</p> <p>Security services are high risk due to the lack of visibility over work practices provided by contractors and sub-contractors, reliance on base-skilled and migrant labour, and ad hoc requirements for circumstances that require extra security services. There can be limited visibility due to the 24/7 service, including outside of normal working hours.</p>
<p>Maintenance</p> <ul style="list-style-type: none"> - 7.94% of total spend - 574 suppliers - 13.21% of total suppliers 	<p>The University conducts preventative and reactive maintenance activities across more than 700 facilities on our campuses to ensure they are fit to deliver the teaching and research outcomes required. This includes responsibility for the ongoing use of University infrastructure, whole-of-life asset management, protective services, electrical and fire safety, buildings and grounds maintenance. Services include electrical, mechanical, plumbing and hydraulic, emergency and exit lighting.</p> <p>The maintenance industry can involve complex sub-contracting practices and coercive practices that affect migrant and base-skilled workers including withholding of wages, immigration-related coercion and threats, deceptive recruitment, debt bondage, confiscation of personal and travel documents, and dangerous and substandard working conditions.</p>
<p>Outsourcing to third-party overseas providers</p> <ul style="list-style-type: none"> - 10.41% of total spend - 103 suppliers - 2.37% of total suppliers 	<p>The University engages a range of third-party providers overseas for student recruitment, research and partnerships. This includes engagement with international student recruitment agencies, hiring external venues and accommodation, and media and public relations. International activity occurs in Asia and the Indian subcontinent, Middle East, Africa, North and Latin America.</p> <p>Outsourcing to overseas third-party providers may present risks, especially where we may not have full visibility of undisclosed subcontracting or third-party providers offering ancillary services to international students (e.g. financial loans and migration advice which may lead to risks of debt bondage). These risks intersect with high-risk geographies where there is weak rule of law, poor governance and regulation, corruption and conflict, as well as risk of human trafficking in the overseas hotel and transportation industries.</p>
<p>International research, collaborations, and commercial partnerships</p>	<p>As a world leading research-intensive institution, our research activities extend across 22 broad fields of research, 500+ institutional partners and 130+ research centres. The sheer volume and complexity of research projects, partners, collaborators, and funders from across the globe presents a real challenge in identifying the risk of the University causing, contributing to, or being directly linked to modern slavery. While we have not identified instances of modern slavery practices linked to our research activities, the complex and global nature of modern slavery means our research activities are not immune to being linked to these risks and other related risks.</p> <p>Certain research activities can present risks of modern slavery due to the nature of the research undertaken. For example, clinical trials using human tissue, research projects in countries with human rights violations, state-sponsored forced labour and weak rule of law. Over the past two years, there have been well documented instances in Australia and abroad of educational institutions contributing to forced labour through collaborations on dual-purpose research such as artificial intelligence, surveillance technologies and genomic data harvesting.</p>

MODERN SLAVERY RISKS TO STUDENTS

Young people, including students, are at a heightened risk of experiencing modern slavery both in Australia and overseas.

While exploitation is not the same as modern slavery, we know that it can be a precursor to, and may be present in some cases of, modern slavery. Students are particularly vulnerable to being exploited in the workplace, especially those who have fewer immediate support networks, lower English language proficiency, work in the gig economy, or are unaware of the workplace laws in Australia. This may leave students vulnerable not only to being underpaid, but potentially to worse forms of exploitation, particularly if they believe they have little choice but to tolerate unsafe and poor working conditions. COVID-19 is compounding the likelihood of exploitation in the workplace for all young people, whether international or domestic. Worker exploitation can occur in the form of:

- Employer wage theft, sham contracting, threats of dismissal, unfair dismissal and excessive work hours
- Employers taking advantage of international student visa status or work limits to underpay staff
- Deceptive recruitment or labour services where the person has been deceived about their work
- 'Paying' students in food and housing instead of paying wages

As noted in the Commonwealth Government's inquiry into establishing a Modern Slavery Act in Australia, students are not only vulnerable to exploitation such as wage theft and underpayment, but also to the worst forms of exploitation and modern slavery, such as:

- **Debt bondage:** students may be forced to provide labour or services as security, or repayment of an inflated student debt/or cost of living debt in their home country
- **Forced labour:** students are placed in circumstances where they do not feel free to stop working or to leave a place of work because of coercion, threat or deception.

Our consultation with Anti-Slavery Australia and other civil society organisations has also identified **forced marriage** as a risk faced by students. This includes situations where a student may be unable to attend or complete university studies due to forced marriage either in Australia or overseas.



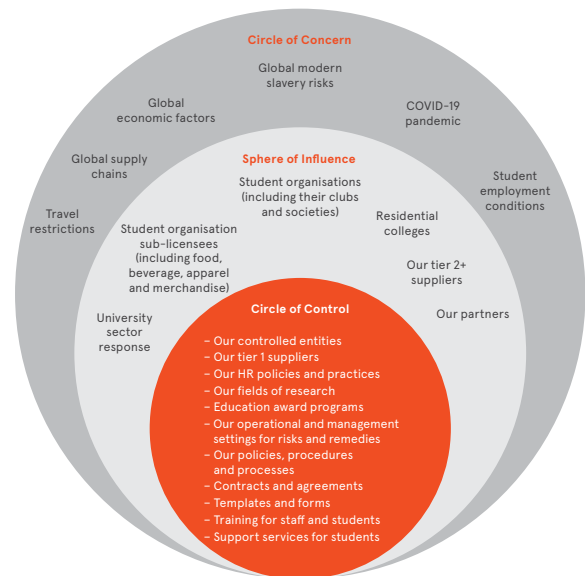
ACTIONS TO ASSESS AND ADDRESS RISKS (CRITERION 4)

Our actions focus on risk-based due diligence that is fit for purpose, balanced, and embedded into our business-as-usual practices.

Throughout 2021, we applied our Modern Slavery Risk Framework to prioritise our efforts and take meaningful action within the legal, policy, operational and management settings we control, and use our influence and leverage to effect change. In practice this meant identifying our 'circle of control' such as our existing policy and legal levers, management controls, governance settings, due diligence processes and any other process or procedure we could amend to incorporate modern slavery risk considerations. Focusing on our 'circle of control' enables us to understand the influence and leverage we have to effect change, especially as these internal actions have a positive flow on effect on our suppliers, partners and affiliated entities and the broader university community.

How we take action is informed by these principles:

- **Actions are risk-based** and differ in their application to reflect the operating environment and the level and type of risk posed to people
- **Actions are fit for purpose** and prioritised based on risk and meeting organisational needs
- **Actions are balanced** and commensurate with our capacity to implement and monitor them
- **Actions can be embedded** into our existing legal, policy, and operational settings.



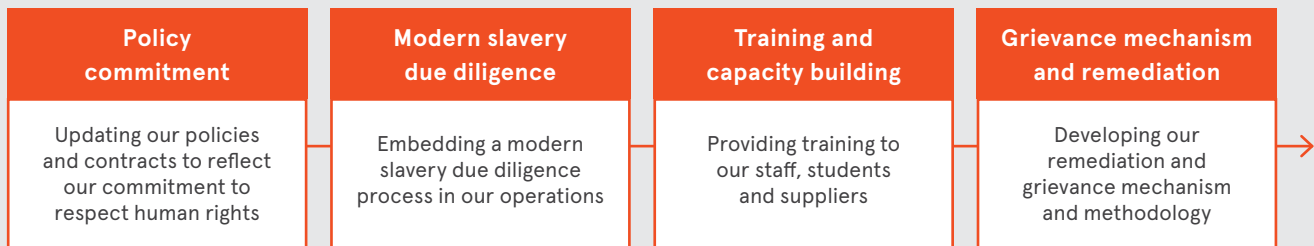
Case study: Applying our Modern Slavery Framework in practice

When it comes to addressing modern slavery risks in practice, the global and complex nature of modern slavery risks can make it difficult to know where to start. Many of the well understood modern slavery risks are global risks or risks well beyond the reach or direct control of any one entity. However, each organisation has levers, management controls, policy, and governance settings it directly controls, which can contribute towards addressing a global risk in a direct way.

One example is the risk of exploitation and modern slavery experienced by our students in their external workplaces or in their personal lives. The framework shows us that the University cannot control external external working conditions of students, or their personal circumstances which may put them at risk of experiencing modern slavery-like conditions. However, we can control whether our students can become informed of the potential risks and be equipped with the appropriate information or support services available to them. In response, we offer an anti-slavery training module for students on spotting the signs of exploitation and referral pathways available. Since its launch in late 2020, the module has been voluntarily completed by over 8,200 students.

OUR ACTIONS (CRITERION 4)

Incorporating the United Nations Guiding Principles on Business and Human Rights, our actions throughout the reporting period are focused on four key categories:



Our policy commitment

Throughout 2021 we embedded modern slavery considerations into our policy and operational settings, clearly outlining our commitment to address modern slavery and respect human rights. Our [Modern Slavery Policy](#) sets out our commitment to addressing modern slavery. It underpins our efforts to embed human rights considerations and risk to people into our business as-usual practices by setting out:

- Our commitment, principles and compliance framework
- Standards of behaviour expected of all staff, affiliates, suppliers, and partners
- Roles and responsibilities for implementing the policy and reporting against key performance indicators

The Policy also establishes binding compliance standards for ongoing due diligence, reporting and governance and a mechanism for internal and external parties to report incidents or concerns regarding modern slavery. We have also reviewed and updated our procurement policies and procedures (see next page), [Staff and Affiliate Code of Conduct](#), [Statement of Expectations - Supplier Business Ethics](#) and other policies such as our Investment Policy which will be publicly registered in 2022.

Amending our legal settings and contract clauses

We continued our efforts to amend our contracts, templates and clauses, which have been reviewed and updated to reflect our commitment to addressing modern slavery and clearly communicating our expectation of our suppliers and partners to do the same. For example:

- Multi-institutional Agreement for NHMRC Grants;
- Multi-institutional Agreement for NHMRC Clinical Trials and Cohort Studies Grants;
- Research Collaboration Agreement for NHMRC Investigator Grants;
- Traditional Research Collaboration Agreement with Clinical Trial Groups;
- Research Services Agreement;
- Clinical Trial Agreement (Overseas Local Sponsor); and
- Four ARC Linkage Project Agreements.



Strengthening our supply chain contracts

Our full suite of procurement standard contract templates has been updated to include modern slavery clauses and to require suppliers to comply with our [Statement of Expectations - Supplier Business Ethics](#). Contracts with a high risk of modern slavery are actively managed to mitigate the risk of modern slavery. Modern slavery contract clauses are enforced through supplier assessments, corrective action plans, and training.¹

For existing contracts, we have adopted a risk-based approach to prioritising the variation of contracts. 410 existing high risk contracts were identified as high priority for contract renegotiation or variation. In 2021, all 410 contracts were updated with the new clauses. For new contracts or contracts due for renewal, a natural uptake of the modern slavery clauses continued in 2021 upon contract execution or renewal.

Embedding our policies and procedures into our procurement lifecycle

Our procurement policies and procedures include modern slavery provisions and are communicated to suppliers throughout the tender and contract management process. Our tools and templates assess and address modern slavery risks throughout our end-to-end procurement process.



1. Pre-Market Engagement

- Initiate Project
- Conduct Analysis
- Recommend Strategy

Modern Slavery Due Dilligence

- *Project Risk Evaluation Tool* identifies category risk based on the *Modern Slavery Risk Register* and project-specific modern slavery risk ratings and mitigations. This includes assessing the modern slavery context and possible impacts prior to the business activity.
- *Market and Internal Analysis* includes modern slavery analysis and guidance from the specialist modern slavery team depending on risk level.
- *Procurement Strategy* consists of a summary of modern slavery risk, sustainability, social responsibility, and supplier ethics.



2. Engage Market

- Implement Strategy
- Evaluate Offers
- Recommend Offers

Modern Slavery Due Dilligence

- *Request for Tender (RFT)* includes standard and project-specific questions and document requests to address modern slavery risks, including a requirement to participate in the supplier assessment program and retain membership of relevant labour standards organisations.
- *Suppliers agree to the Conditions of Tender, Procurement Policy and Statement of Expectations - Supplier Business Ethics*, which outlines legal obligations and requires suppliers demonstrate their commitment to identifying and addressing modern slavery.
- *Independent supplier assessments* (EcoVadis) are also requested for high-risk projects.
- *Tender Evaluation Report* consists of modern slavery evaluation, analysis and scoring against pre-established evaluation criteria.
- High risk/high value RFTs reviewed by Chief Procurement Officer.
- *Approval to Award Report* includes updated *Project Risk Evaluation Tool* for modern slavery risk, mitigation plan, key performance indicators and ongoing reporting requirements.



3. Post-Market Engagement

- Award Contract
- Enable the Contract
- Close Project

Modern Slavery Due Dilligence

- Updated University contract templates include modern slavery requirements.
- Handover of residual risks and mitigations to contract managers in accordance with the draft Contract Management Procedures.
- Tracking and evaluation of key performance indicators, supplier assessment program improvement initiatives and corrective action plans.

Modern slavery due diligence

Our modern slavery risk framework is supplemented by a four-stage risk analysis process, which enables us to identify potential modern slavery risks across our operations and supply chain.



1. Map

We map our value chain including suppliers, research and teaching and operational partners, and controlled entities.

2. Identify

We identify modern slavery risks through research, pro-active reviews of published reports and detailed supply chain analytics.

3. Assess

We assess risks, impacts and potential gaps in policy and processes to address modern slavery in our sphere of influence and circle of control among new and existing suppliers and partners.

4. Prioritise

We prioritise our actions (including corrective action plans and remedies where modern slavery breaches are suspected or found) based on the level of risk posed and our capacity to influence and effect change, for example through contractual terms, industry collaboration or spending priorities.

Mapping and identifying modern slavery risk factors

We determine the level of modern slavery risk based on a range of interconnected factors across 6 themes. The presence of multiple factors increases the overall risk and likelihood of modern slavery.

Our modern slavery risk register records the modern slavery risk matrix and risk profile for each of the University’s procurement categories and sub-categories, including:

- Modern slavery risk description
- Modern slavery risk factors across the 6 themes
- Likelihood rating
- Consequence rating
- Raw risk rating
- Influence rating
- Priority and explanation
- Risk mitigation measures and mitigated risk rating
- Responsibility and oversight of the risks

RISK FACTORS

 Industry and business model risks	<ul style="list-style-type: none"> - Previous malpractice history or profile - High-risk employment practices and norms - Poor transparency or traceability - Labour intensive and low profits - Subcontracting, labour hire, outsourcing - Poor labour regulation - Potential work health and safety risks
 Vulnerable population risks	<ul style="list-style-type: none"> - Base-skill, less skilled or low paid workers - Temporary or seasonal workers - Migrant or disadvantaged workers - Child labour - Pre-arranged accommodation - Poor qualifications or training
 Supplier-specific risks	<ul style="list-style-type: none"> - Poor governance structures - Record of treating workers poorly and malpractice - Record of labour or human rights violation
 Geographical risks	<ul style="list-style-type: none"> - Poor governance - Poor visibility product/service source - Overseas manufacturing/raw material - Country has poor labour practices - Vulnerable populations - Poor regulation
 University's exposure	<ul style="list-style-type: none"> - High spend - Workers on site - Dependence - Public exposure or brand risk - Core business - Unreasonable expectations
 University's organisational leverage	<ul style="list-style-type: none"> - Buying power - Strength of the parties' contractual relationships - Depth of the supply chain and criticality to the University - University's collaborations

Case study: Prioritising and assessing risks in our suppliers

As a large organisation with significant supplier numbers, understanding the risk and impacts in all our supplier relationships can be challenging.

Risk prioritisation of existing suppliers

We developed a methodology to identify suppliers with highest risk for modern slavery and where the University had the most leverage to effect change. These suppliers were then prioritised for due diligence. The prioritisation methodology included the following key considerations: category risk based on the University's modern slavery risk register, individual supplier risk by a third-party organisation (FairSupply Analytics), geographical risk, procurement spend, and consultation and validation by portfolio and contract managers.

Risk analysis of Tier 1 supply chain

For the reporting period, we conducted a detailed modern slavery risk analysis among our 4,300+ Tier 1 suppliers. The analysis is in partnership with the Australian Universities Procurement Network and FRDM, a supply chain technology tool that algorithmically identify modern slavery risks. It builds upon our data analytic capabilities with FairSupply and the University's own modern slavery risk processes, tools and expertise.

Risk analysis beyond Tier 1 supply chain

Modern slavery risks are present beyond Tier 1 of our supply chain, even though visibility is limited and challenging. In 2022, we will commence detailed analysis of risks beyond our Tier 1 supply chain. Our assessment will include product genome analysis, which provides a predictive bill of materials from international trade data. This information outlines potential risks in raw materials and their countries of origin for products procured by the University.

While this analysis is an estimation only, it provides a level of visibility over potential risks and will guide prioritisation of future deep dive assessments with our suppliers. We will work with our suppliers to increase visibility of modern slavery risks beyond Tier 1, including further risk analysis, risk assessments, training and ongoing engagement.

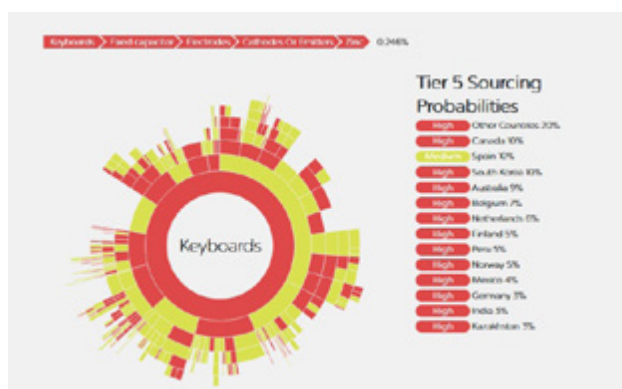
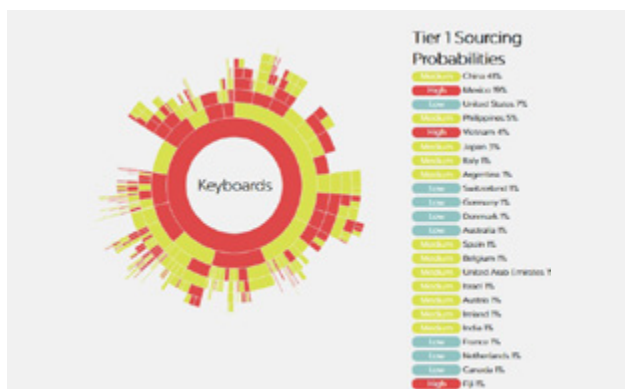
Reflections

Building knowledge and culture takes time

The risk register has provided a systemic approach for the University to understand its overarching modern slavery risks and prioritise our actions accordingly, including end-to-end procurement risk assessments for new suppliers and the roll-out of supplier due diligence for existing suppliers. The register has been introduced to relevant University staff, including category and contract managers, through training sessions and guidance from our modern slavery team. However, the technicality of modern slavery risk methodologies is new for many staff, including changing the thinking from 'risk to business' to 'risk to people'. This requires ongoing education to embed modern slavery risk within the broader University risk culture.

A team effort to generate buy-in with our suppliers

Modern slavery risk factors act as proxies to identify potential adverse impacts, rather than actual adverse impacts of suppliers. The risk prioritisation process has been useful to focus our actions towards categories and suppliers with highest risk. These suppliers are then required to undertake deep dive assessments to help identify any actual risks and impacts. To overcome any confusion, we were conscious to explain to our contract managers and suppliers that their supplier selection for due diligence is based on potential and not actual impacts or allegations.



Examples of predictive risk analysis based on geography in IT hardware: Tier 1 for keyboards (L) and Tier 5 for the raw material of zinc used in keyboards (R).

Suppliers prioritised for deep dive assessments

We have a responsibility to prevent and mitigate modern slavery impacts directly linked to our operations and supply chains through our business relationships, including our suppliers. Our capacity to address supply chain risks is largely contingent on the maturity and awareness of suppliers, their processes, policy frameworks and worker engagement practices.

Our independent supplier assessments, in partnership with EcoVadis, cover a broad range of non-financial factors, including environmental, labour and human rights, ethics and sustainability impacts. For each assessment, suppliers receive a scorecard out of 100, including recommended corrective actions to improve a company's compliance. The assessment has been used by:

- Sourcing personnel in managing supplier risk during tenders
- Contract managers in their ongoing management of supplier performance
- Suppliers in understanding the University's expectations and their rating in comparison with other similar organisations

Following the risk prioritisation of existing suppliers (see above), a total of 89 suppliers completed the

deep dive supplier assessment in 2021. For a majority of our suppliers, it was the first time they had been asked to complete an independent supplier assessment on modern slavery. A score above 45 is generally considered satisfactory. 73 out of the 89 suppliers (82%) scored more than 45 overall. Of those scored suppliers, the average score is 58, higher than the EcoVadis global average of 43.

Areas for improvement among assessed suppliers

- 2% of suppliers did not have policies on labour or human rights issues
- 10% of suppliers did not have evidence of actions on working conditions
- 11% of suppliers did not have evidence of actions on child labour, forced labour and human trafficking
- 11% of suppliers were subject to controversies regarding their labour and human rights practices
- 22% of suppliers did not have a whistle-blower procedure on labour and human rights issues
- 31% of suppliers did not have evidence of reporting on labour and human rights issues
- 71% of suppliers did not have evidence of supplier risk analysis or assessments

Average overall scores

- Overall average score: 54 (EcoVadis global average: 44)
- Average score for environment: 57 (EcoVadis global average: 44)
- Average score for labour and human rights: 56 (EcoVadis global average: 47)
- Average score for ethics: 54 (EcoVadis global average: 42)



Labour and human rights scores

- Of our 89 suppliers assessed, 75 suppliers (84%) scored more than 50 overall for labour and human rights
- The average labour and human rights score is 56, higher than the EcoVadis global average of 47
- A total of 14 suppliers (16%) scored below 50 for labour and human rights in the categories of research and teaching equipment, ICT and business services





Suppliers prioritised for deep dive assessments

The University's own sustainability performance (including modern slavery) was also assessed. The University achieved a silver rating with an overall score of 57 and a labour and human rights score of 60, placing the University in the top 25% of organisations assessed worldwide.

It is worth noting that the initial assessment did not factor in the University's substantial program of works on addressing modern slavery and supply chain due diligence initiatives introduced in 2021. Our overall performance score is expected to increase in the upcoming assessment and reflect our commitment to continuous improvement.

Ongoing improvements and monitoring

In 2022, the University will commence a supplier improvement program and use its leverage to engage our low-scoring suppliers. Throughout 2022, our contract managers will be implementing corrective action plans for our low scoring suppliers. We will adopt a tailored approach to engage these suppliers, share good practice and collaborate to improve the maturity of their policies and processes to address modern slavery. We will also monitor our suppliers through updated risk scores and live alerts, targeted re-assessments, contract management and ongoing supplier training and communications. Looking ahead, we will continue to rollout supplier assessments to more suppliers, as well as to new suppliers deemed high risk in our supplier pre-qualification and contract management processes.

Case Study: Engaging workers and civil society through the Cleaning Accountability Framework (CAF)

Since cleaning and security are high risk areas within our circle of control, we are involved in the [Cleaning Accountability Framework's](#) working group with 9 other member universities of the Australian Universities Procurement Network.

The group is developing a first-of-its-kind certification framework specifically for university campuses to improve labour practices among cleaning and security contractors. The certification framework comprises of a 3-star standard, compliance framework, assessment methodology, and associated policies, guidance tools and resources. We recognise the importance of engaging with external stakeholders, including potentially affected rights-holders and their representatives.

The CAF process brings together the University, cleaning and security companies, workers and civil society, including the United Workers Union. CAF's key partners also include the Australian Human Rights Commission and the Fair Work Ombudsman.

The multi-stakeholder initiative elevates the workers' voice and participation to ensure they have a right to work that is fairly paid, safe, secure, freely chosen, and undertaken with dignity. These stakeholders will be consulted as part of the design of enhanced risk assessment processes and procedures, as well as feedback for continuous improvement and effectiveness.

Case study: Identifying and addressing modern slavery risks in research

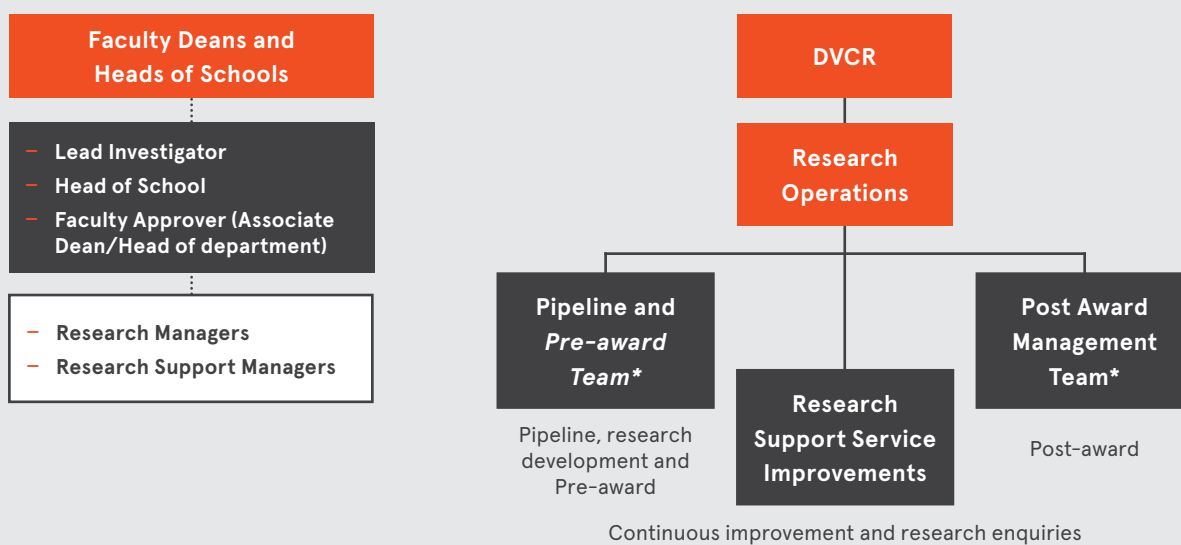
Unlike other organisations required to report under the *Modern Slavery Act 2018* (Cth), the University, as a research-intensive institution, has a unique set of potential modern slavery risks linked to research activities, donations and collaborations.

Throughout 2021, we undertook a review of research activities, categories and types of collaborations which may be considered at high risk of modern slavery. While we have not identified instances of modern slavery practices linked to our research activities, the complex and global nature of modern slavery means our research activities are not immune to being linked to these risks and other related risks.

Specific high-risk research categories that can be linked to modern slavery include:

- Artificial intelligence enabled surveillance technologies
- Biometric recognition technologies including facial, voice and movement tracking technologies
- Genetic typing and DNA data harvesting
- Clinical trials overseas

Through our Research Working Group, we identified a set of research policies, procedures and processes to be reviewed and amended in 2021. This included: embedding modern slavery due diligence assessments as part of the Research Pre-Execution Checklist, providing detailed modern slavery risk assessments as requested by the Research Risk Advisory Committee, updating research agreement templates, and providing bespoke training, toolkits and workshops for teams across the Research Portfolio and Faculties and Schools.



Support Roles:

- Office of General Counsel:** Contract and legal advice
- Modern Slavery Unit:** Risk assessments/advice, due diligence support
- National Security and Export Controls checks:** (where applicable)
- Research Risk Advisory Committee:** (where applicable)
- Human Ethics Check:** Human Ethics Committee (where applicable)

Policies being reviewed for amendment in 2022

1. Research Code of Conduct 2019
2. Clinical Trials Policy 2016
3. Clinical Trials Procedures 2016
4. External Human Ethics Procedures 2013
5. Research Agreements Policy

Training our research support staff to recognise modern slavery risks

In addition to the compulsory staff training on anti-slavery, we ran several town hall information sessions on modern slavery risks specific to research activities. These were supplemented by Faculty and University School specific information sessions, as well as tailored workshops for our research support staff and managers in our Research Portfolio. The sessions were co-hosted with our Office of General Counsel and provided staff with practical checklists, risk identification tools and escalation points.

TRAINING, COMMUNICATING AND COLLABORATING

Staff training and engagement

Creating awareness amongst our university community is a critical first step in addressing modern slavery risks. In 2020, we launched our mandatory anti-slavery awareness training module for all staff. Developed in partnership with Anti-Slavery Australia, the training module is tailored to support staff to identify and respond to modern slavery risks in their day-to-day functions.

In 2021, the University continued its comprehensive modern slavery engagement and awareness program with our staff. To date over 10,200 staff, casuals and affiliates have completed the anti-slavery online training module. We provided all-staff town hall style information sessions on university-specific modern slavery risks, tools available to address risks and appropriate escalation pathways. Over 852 staff also engaged with our modern slavery Yammer post on the International Day for the Abolition of Slavery.

Bespoke training sessions and workshops have also been delivered to key areas across the University for staff with specific modern slavery responsibilities. For example, procurement training was provided to 140 staff who have specific modern slavery and supplier engagement responsibilities, including portfolio, category and contract managers. The targeted trainings introduced our modern slavery risk assessments for new and existing suppliers, building knowledge and integration of risk mitigation practices in both the procurement and contract management lifecycles.

We also offered tailored training workshops on the University's new grievance mechanism, policies and processes, and management escalation points for identifying and addressing modern slavery risks for staff in Internal Audit, Human Resources, Student Career Centre, Student Affairs and Compliance, and Safer Communities Office.

Case Study: Inspiring and training our contract managers and suppliers

Modern slavery risk assessments are new responsibilities for our suppliers and contract managers across the University, on top of existing roles and workloads. To drive behavioural change and generate buy-in, we designed and conducted trainings for our suppliers and contract managers, strategically tailored to different audiences and their levers of change. The content included:

- **Sharing our vision and purpose** by aligning their roles with real-world impact and the University's purpose of 'leading to improve the world around us'. Through a sense of pride and personal responsibility, we highlighted that their actions are the right thing to do and will make a difference to people's lives. The trainings also included an interactive quiz to generate interest.
- **Setting the tone from the top** through a [video from the University's Senior Deputy Vice-Chancellor](#) on the University's commitment and the importance of addressing modern slavery. The supplier training also included a live address from our Chief Procurement Officer.
- **Outlining expectations and responsibilities**, including our legal obligations, increasing mandatory human rights due diligence, rising internal and external scrutiny, mandate from our senior executives and KPIs in each part of the University.
- **Overcoming misconceptions** by highlighting that modern slavery occurs not just overseas but also in Australia and due diligence goes beyond the existence of policies and documents. The University is requiring its prioritised suppliers to complete modern slavery risk assessments regardless of whether the suppliers themselves are reporting entities under the Act.
- **Highlighting benefits and support** by reducing the complexity of the change, providing clear steps and timelines, benefits of the assessments for suppliers, and ongoing guidance from our specialist modern slavery team.
- **Q & A and anonymous feedback** to understand the effectiveness of the training content and to measure increased knowledge of modern slavery, roles and responsibilities.

Senior executive engagement

Engagement on modern slavery commenced early and over the course of the year at more than a dozen senior executive meetings, including:

- Senate and Senate committees x 2
- University Executive presentations x 10
- Faculties and Schools x 8

Internal working groups

Working groups have been set up across key areas of the University to inform the development and delivery of modern slavery initiatives in areas including:

- Supply chain (Procurement Services)
- Research risks (Research portfolio)
- Grievance mechanism
- Office of General Counsel
- Student services (Education Portfolio)

Our student organisations

The presidents and executive teams of student organisations have been briefed and engaged over a series of meetings to discuss approaches to identifying and addressing risks, as well as training and communications available to their teams. These include:

- University of Sydney Union (USU)
- Sydney Uni Sport & Fitness (SUSF)
- Students' Representative Council (SRC)
- Sydney University Postgraduate Representative Association (SUPRA)

Engaging our suppliers

To develop supplier buy-in for the University's commitments, we launched a tailored communications campaign for prioritised suppliers to undertake an independent assessment. This included modern slavery expectations on [our dedicated website for suppliers](#), emails, letters from our Chief Procurement Officer and individual supplier meetings. There were over 500 communication contact points with suppliers, procurement staff and contract managers.

We hosted a supplier webinar for 46 supplier representatives, outlining the University's commitments and expectations for our suppliers, including completion of the independent supplier assessment.



Our partnerships and collaborations

Anti-Slavery Australia

In 2020, we partnered with [Anti-Slavery Australia](#) to develop University-specific training and awareness material for our staff and students, and to deliver tailored workshops and training to our various academic, research and management committees. Throughout 2021, we accelerated our engagement and collaboration with Anti-Slavery Australia to share lessons learned and adopt best practice.

Australian Universities Procurement Network

We are also an active collaborator in the [Australian Universities Procurement Network's](#) modern slavery community of practice, involving 38 universities. In 2021, we achieved the following:

- **Risk analysis implementation:** We are implementing FRDM, a supply chain technology tool that algorithmically identifies modern slavery risks throughout 33 universities' supply chain.
- **Engagement with Australian and international experts and partners:** To seek advice and share learnings, the AUPN has engaged with:
 - **Business and Human Rights Specialists:** Pillar Two and United Nations Global Compact Australia;
 - **Civil Society:** Anti-Slavery Australia, Australian Catholic Anti-Slavery Network, Be Slavery Free, Fairtrade ANZ, Red Cross Anti-Trafficking Networking and, UN Sustainable Development Goals Network;
 - **Universities:** London Universities Procurement Consortium, UWA's Modern Slavery Research Cluster, and UTAS Accounting; and
 - **Corporates:** CPA, Property Council of Australia, and WINC.
- **Academic Advisory Board:** Our academic staff were also involved in the AUPN Academic Advisory Board on modern slavery, which embeds best practice recommendations through academic experience and learning. Guidance during 2021 included: modern slavery program priorities, feedback on statements, technology solution, grievance mechanism and remediation.
- **Cleaning Accountability Framework working group and research project:** See above case study. (p. 23)

Reflections: Expanding leverage with sector-wide collaboration

Addressing modern slavery is a new area for many of our business relationships, with varying appetites, maturity and priority. Through our collaboration with other Australian universities, we can share best practice, reduce duplication, and expand our leverage through our aggregated buying power and influence with our suppliers. For example, the 34 universities implementing FRDM can collectively conduct due diligence with common suppliers including joint communications, risk analysis, supplier assessment questionnaires, tracking, mitigation and remediation of impacts. Together as a sector, we can effect greater change in our business relationships, rather than individually.



Grievance mechanism and remediation

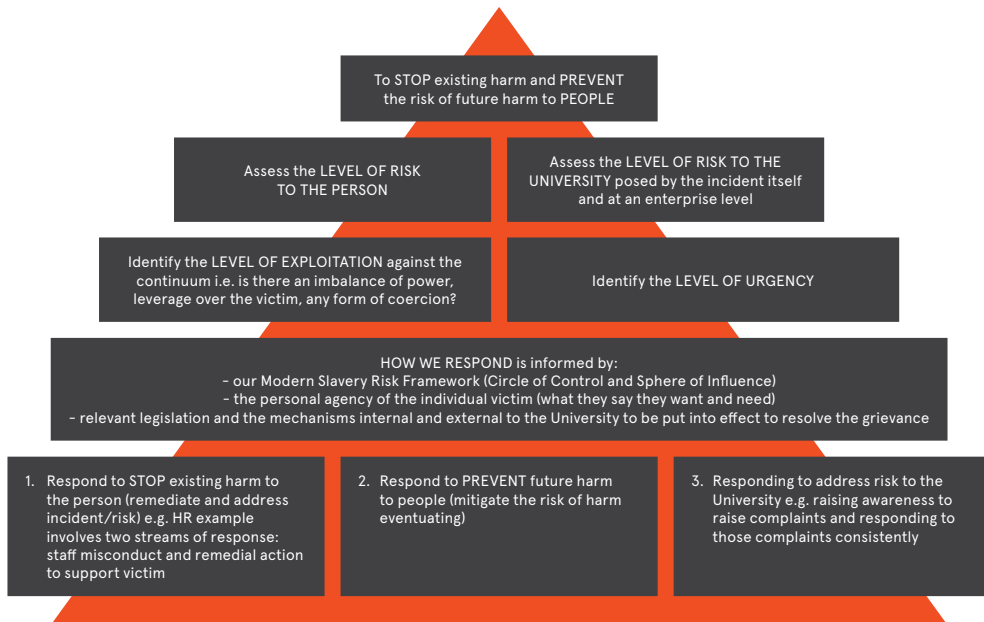
As part of the University’s plan for continuous improvement, we introduced a grievance mechanism through a [dedicated online reporting form for modern slavery](#). The form is an important way for the University to identify and remediate our involvement in modern slavery harms. It provides a mechanism for staff, students and external parties (e.g. suppliers, workers, civil society and the public) to report suspected incidents and concerns regarding modern slavery in the University’s operations and supply chain. The reporting process is triaged and managed by the Modern Slavery Unit. The form takes a human-centric approach, governed by the principles of stopping existing harm and preventing the risk of future harm to people, which will in turn minimise organisational risks.

The form was launched in late 2021, and to date two reports have been received. These matters are being addressed through existing university

processes, as they are related to issues which do not constitute modern slavery. The form and reporting process was informed by the UN Guiding Principles on Business and Human Rights (Principle 31) and the UN Global Compact Best Practice Guide. The proposed Modern Slavery Incident Reporting Form aims to:

- Provide University staff, students and external parties with an online format to report modern slavery incidents or concerns that may be linked to the University’s functions, operations or supply chains.
- Embed clear business conduct, rules, processes and roles and responsibilities for responding to modern slavery concerns or complaints including risk mitigation strategies.
- Act as an important early warning system to enable problems to be addressed early and before they escalate.

Principles for responding to modern slavery grievances



Reflections: Developing the grievance mechanism through inclusive collaboration

A working group was established to ensure the Modern Slavery Grievance Mechanism complemented existing policies, did not duplicate other mechanisms and was linked to other online forms and existing business processes for responding to grievances and complaints. The working group was chaired by the Modern Slavery Unit and included representatives from Procurement, Human

Resources, Internal Audit, Office of General Counsel, Student Affairs, Safer Communities Office, and Records Management. The collaboration resulted in the group developing overarching principles and protocols, identifying synergies and opportunities for process improvements, and for sharing information. The working group continues to meet on an ad-hoc basis.

ADDRESSING MODERN SLAVERY RISKS IN OUR INVESTMENTS

We recognise our obligation to ensure our investments create a sustainable future balanced with our responsibilities as a capital manager.

In line with this vision, the University announced its forward-looking Sustainable Investment (SI) Strategy in June 2021, which includes specific commitments to the UN Sustainable Development Goals (SDGs) on climate change and human rights, including working with fund managers and investors to meet our commitments on addressing modern slavery. In addition to enhancing our investment strategies to tackle these issues, we will continue to consider the impact of our investments on Indigenous rights, first introduced into our investment policy in 2017.

Within this context, modern slavery risks in our investments were assessed as part of our annual Environmental, Social and corporate Governance (ESG) review, undertaken by third-party provider Mercer. The University's annual ESG survey will be revised and refined in 2022 but will continue to incorporate questions to managers about their approach to identifying modern slavery risks.

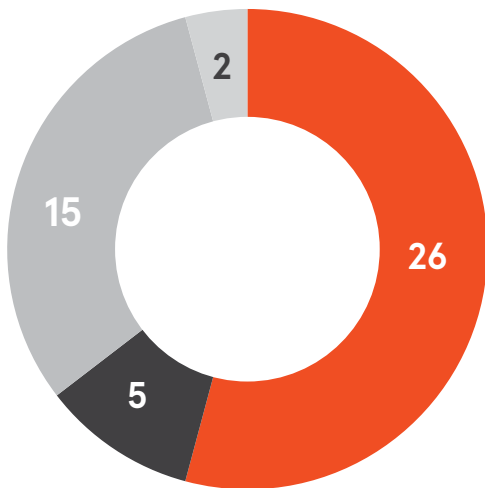
ISS Datadesk's Norms Based Research Controversy Screen was used to analyse the University's listed equity holdings for any allegations of modern slavery. The holdings were screened based on cases related to the areas of forced labour and child labour, as well as human rights and working conditions. Mercer's definition of companies with acute modern slavery risk are those linked to red flagged cases. Based on their analysis, there are no listed equity holdings with acute modern slavery risks within the University's portfolio. The assessment did not include fixed income and private market investments because similar data is not available.

As at the end of December 2021, 54% of the University's investment managers (26 managers) had explicit policies regarding human rights and modern slavery and/or had also published modern slavery statements, down from 59% and 29 managers in 2020. These managers are stewards of 52% of the University's investment portfolios. The proportionate drop in modern slavery coverage relates to strong portfolio performance in 2021, where managers without explicit policies produced high returns and so became a larger proportion of the portfolio. Manager changes also had an influence. In dollar terms, coverage has increased.





Total number of fund managers: 48



- Managers with modern slavery/human rights policies and/or statements
- Number of managers with no policy managing cash, sovereign bonds, derivatives
- Number of managers with no policy or statement, managing debt assets or equity
- New managers to be independently assessed in 2022

Fifteen managers specialising in debt or equity assets do not so far have explicit policies regarding human rights/modern slavery or publish modern slavery statements. Of these, eight are headquartered in the United States. These managers are responsible for approximately 15% of the University’s portfolios and are predominantly managing private equity funds. Five of the remaining seven are Australian headquartered and manage approximately 11% of the funds. None of these managers have revenues large enough to be captured by the Australian *Modern Slavery Act 2018* (Cth). Of these five, one manager adopts a highly rigorous quantitative approach to stock selection and is actively working on a methodology to identify supply chain risks, including modern slavery.

The remaining funds focus on micro-cap companies in the domestic market, either listed or unlisted, where modern slavery risk is deemed low and ISS data shows no identified risks. The University’s engagement approach is seeing results in the North American market where the adoption of ESG policies is gathering pace and the University’s investment team has made explicit the need for modern slavery, Indigenous and human rights to be incorporated.

Looking ahead in 2022, we are committed to improving our performance as we implement the Sustainable Investment Strategy, publish our revised Investment Policy and continue our engagement with our fund managers.

EVALUATING EFFECTIVENESS (CRITERION 5)

Throughout 2021, we monitored and tracked our progress against our 2021 Modern Slavery Implementation Strategy. As shown in the table below, our strategy provides a clear link between our deliverables, activities, key performance indicators and longer-term outcomes. Tracking and monitoring our progress is two-fold:

1. Track our delivery on the key initiatives we have committed to in our strategy
2. Monitor the effectiveness of those deliverables in achieving set outcomes in our strategy.

Looking ahead, we are committed to building on the foundational steps put in place throughout 2020 and 2021. We will continue to embed our modern slavery risk framework as part of our ongoing plan for continuous improvement and monitor and track our progress against our set outcomes and KPIs.

Outcomes	Measures
We understand our modern slavery risks, effectively target our actions to address risks and have a plan for continuous improvement	<ol style="list-style-type: none"> 1. Ongoing supplier assessments <ul style="list-style-type: none"> - Percentage of suppliers in high-risk categories assessed as part of the supplier assessment program - Percentage of current suppliers declining to participate in the supplier assessment program 2. Roll-out of new procurement requirements for new suppliers <ul style="list-style-type: none"> - Number of new and existing suppliers screened 3. Roll-out of research projects modern slavery risk assessment <ul style="list-style-type: none"> - Number of research projects assessed for modern slavery risks
We embed a respect for human rights into key policies, processes, and contracts, holding us and our partners to account	<ol style="list-style-type: none"> 1. Senate and University Executive oversight <ul style="list-style-type: none"> - Half yearly reporting from Principal Officers to the University Executive and the Senate 2. Strengthening new contracts and templates <ul style="list-style-type: none"> - Number of supplier contracts and other agreements amended to include modern slavery clauses 3. Monitoring suppliers' performance <ul style="list-style-type: none"> - Percentage of suppliers completing improvement actions arising from the supplier assessment program 4. Roll-out of online modern slavery grievance mechanism <ul style="list-style-type: none"> - Number of reports or incidents lodged
Staff are equipped with awareness and training to effectively identify and respond to modern slavery risks	<ol style="list-style-type: none"> 1. Anti-slavery awareness module for staff <ul style="list-style-type: none"> - 10,200 of staff who completed mandatory training - Tracking knowledge and engagement with pre- and post-training survey 2. Targeted staff training or workshops <ul style="list-style-type: none"> - 200+ staff who completed targeted training or workshops
Students are informed of modern slavery risks and are aware of support services available to reduce their risk of exploitation	<ol style="list-style-type: none"> 1. Anti-slavery awareness module for students <ul style="list-style-type: none"> - Number of continuing students completed training - Number of new students completed training - Tracking knowledge and engagement with pre- and post-training survey 2. Modern slavery student information campaign <ul style="list-style-type: none"> - Number of views of the modern slavery student information web pages
Our research makes a meaningful contribution to the sector and global effort to better identify and address modern slavery	<ol style="list-style-type: none"> 1. Engagements and contributions to the sector <ul style="list-style-type: none"> - Engagements with Australian Universities Procurement Network (AUPN) - Engagements with the Group of Eight universities - Completed planned activities under agreement with Anti-Slavery Australia - Number of collaborative engagements with University of Edinburgh



Reflections: Ongoing journey to measure effectiveness

When considering our effectiveness, some actions have been a success, while others are still a work in progress, and in some cases, it is too early to tell. For example, our initiatives to engage and inform students and staff through training and online information sessions have been successful in achieving our outcome of 'building awareness of modern slavery risks and equipping our staff and students'. While this is an ongoing objective, we can now say that over 8,200 students, and over 10,200 staff are more informed of modern slavery risks than before we commenced this initiative.

When we consider our effectiveness in 'embedding respect for human rights in our policies, processes and contracts', we have been successful at implementing key measures to enable this, such as updating contract templates and policies. However, it is difficult to measure the effectiveness of these measures in addressing or preventing modern slavery. This is largely because there is no quantifiable way to capture what risks have been prevented or addressed. Other actions on 'understanding our risks' are much easier to assess and monitor their effectiveness through quantifiable initiatives such as number of supplier assessments, training for staff, and risk assessments undertaken. However again, the effectiveness of these measure is largely reliant on our suppliers and partners sharing our commitment to address modern slavery and demonstrating proactive compliance with our modern slavery contract clauses.

As an education and research institution we are well equipped to contribute to the global discourse on addressing modern slavery. Looking ahead, we will refine our measurement of effectiveness, including definitions, processes, feedback collection, as well as a focus on effectiveness of outcomes rather than outputs. We will collaborate with others across academia, rights-holders, civil society and government on identifying and developing methodologies and mechanisms for assessing the effectiveness of modern slavery measures on preventing and addressing modern slavery risks.



CONSULTATION AND ENGAGEMENT (CRITERION 6)

During the reporting period, we rolled out an engagement program to our senior executive and the management teams of our controlled entities, with the aim of fostering a shared commitment to addressing modern slavery risk and working collectively.

Engaging with our controlled entities

Both Westmead IVF Pty Ltd and Suzhou Xi Su Business Consulting Co. have been engaged and consulted on the preparation of this statement. Throughout 2021, our entities were supported to undertake modern slavery risk analysis (including supply chain analytics), and where necessary, contract remediation and process improvement to address modern slavery risks.

Many of the risks identified across both Westmead IVF and Suzhou Xi Su Business Consulting Co. were risks already identified through the university-wide risk assessment process. For instance, Westmead IVF risks are largely linked to laboratory consumables purchased through existing university suppliers.

Similarly, modern slavery risks relating to Suzhou Xi Su Business Consulting Co. are linked to office supplies such as IT hardware and services, stationery and other office consumables which have already been identified and assessed. Throughout 2022, our controlled entities will be invited to use the university's supplier assessment platform for any unique suppliers not already captured by the University's supplier assessment program.

Engaging with our affiliated entities

We have engaged with affiliated entities such as student representative organisations and the staff of student unions throughout 2021 to raise awareness of modern slavery risks.

Risks linked to university apparel and merchandise (6 suppliers)

The University of Sydney Union (USU) sources and sells a range of branded products through a licensing agreement, including clothing (shirts, hoodies, jackets and shorts), accessories (ties, beanies, scarves, caps and bags), memorabilia (cufflinks, glassware, graduation bears, keyrings and magnets) and course equipment (lab coats, dissection kits, lanyards and pencil cases).

The harvesting of the raw materials and the manufacturing of finished products in the apparel industry are well-known for high risks of child and forced labour, especially in places where production processes are labour intensive, such as South-East Asia or dominated by small-holder farms. Most apparel producers require low-skilled labour and short delivery times, which can lead to illegitimate workforce exploitation, including children. There are also indicators of forced labour in the textile and garment value chains, such as bonded labour, withholding wages, restriction of movement, excessive overtime, abusive working and living conditions.

Risks linked to food and retail on campus (52 Suppliers)

The University of Sydney Union (USU) owns and manages various food, beverage and retail outlets on campus, including sub-leased outlets. These include cafes, bars and food-court outlets, as well as gift and stationary shops. The USU engages food suppliers for products such as meats, seafood, pasta, cereals, patisseries, dairy products, fruit, vegetables and snacks, and beverage suppliers across water, juice, coffee, tea, soft drinks, dairy and alcohol. Retail products include stationery and technology supplies, laboratory and teaching consumables such as lab coats, gifts and University branded merchandise.

Workers in food and retail are at risk of exploitation through underpayment and wage theft. While these do not constitute modern slavery, they are exploitation risks which students may experience while working at sub-leased outlets. At the sourcing level, the agriculture, fishing, food and beverage manufacturing sectors are particularly high risk for modern slavery due to the seasonal nature of work during the production, processing, packaging and transport.

Our affiliation agreements with USU and SUSF were amended to reflect University expectations and commitments to support our approach to modern slavery and now also include a detailed schedule, outlining our joint commitment and plan for identifying and addressing modern slavery risks. The Modern Slavery Unit also provided training sessions for the management teams. Looking ahead, tailored workshops with operational staff across affiliated entities will be conducted. Unique suppliers of USU and SUSF will also be invited to undertake the University's detailed supplier assessment program.

OUR ONGOING COMMITMENT

We are committed to respecting human rights and taking meaningful action to address modern slavery. We will continue to draw on the excellence of our academic, research and administrative staff and engage with our partners and suppliers to collectively effect change.

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The table below identifies where each criterion is addressed within the different sections of the statement.

Modern Slavery Act Criteria	Pinpoints within the Modern Slavery Statement 2021
1. Identify the reporting entity	Introduction (p. 4)
2. Describe the reporting entity's structure, operations and supply chain	Who we are (p. 7), Other activities and operations (p. 9) and Our supply chain (p. 10)
3. Describe the risks of modern slavery practices in the operations and supply chain of the reporting entity and any entities it owns or controls	Modern slavery risks (p. 11), Risks in our supply chain (p. 13), Risks in our operations (p. 14) and Modern slavery risks to students (p. 15)
4. Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	Actions to assess and address risks (p. 16), Our policy commitment (p. 17), Embedding our procurement policies and procedures into our process (p. 19), Modern slavery due diligence (p. 20), Suppliers prioritised for deep dive assessments (p. 22), Case study: identifying and addressing modern slavery risks in research (p. 24), Training, communicating, and collaborating (p. 25), Remediation and grievance mechanism (p. 28) and Addressing modern slavery risks in our investments (p. 29)
5. Describe how the reporting entity assesses the effectiveness of these actions	Evaluating effectiveness (p. 31-32)
6. Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Introduction (p. 4) and Consultation and engagement (p. 33)
7. Provide any other relevant information	From the Chancellor and Vice-Chancellor (p. 2), Introduction (p. 4), A snapshot of our 2021 progress (p. 6), Our ongoing commitment (p. 35)

GLOSSARY

affiliate	<p>means a person appointed or engaged by the University to perform duties or functions on its behalf, including but not limited to:</p> <ul style="list-style-type: none"> - an honorary title holder engaged under the Honorary Titles Policy 2013; - a consultant or contractor to the University; and - an office holder in a University entity, a member of any University committee, board or foundation. <p>An affiliate is not an employee of the University.</p>
ARC	Australian Research Council
AUPN	Australian Universities Procurement Network
child labour	includes the worst type of child labour situations where children are: (a) exploited through slavery or similar practices, including for sexual exploitation; (b) engaged in hazardous work which may harm their health or safety; or (c) used to produce or traffic drugs.
controlled entity	a person, group of persons or body over which the University has control.
debt bondage	where the victim's services are pledged as security for a debt (owed by the victim or by another person) and: (i) the debt is manifestly excessive; (ii) the victim's services are not applied to liquidate the debt; or (iii) the length and nature of the services are not limited and defined.
deceptive recruiting for labour or services	where the victim is deceived about whether they will be exploited through a type of modern slavery.
forced labour	where the victim is either not free to stop working or not free to leave their place of work.
forced marriage	where: (i) coercion, threats or deception are used to make a victim marry; or (ii) the victim does not understand or is incapable of understanding the nature and effect of the marriage ceremony.
modern slavery	<p>describes situations where coercion, threats or deception are used to exploit people and undermine or deprive them of their freedom. Consistently with the <i>Modern Slavery Act</i> (Cth) and divisions 270 and 271 of the <i>Criminal Code Act 1995</i> (Cth) this includes:</p> <ul style="list-style-type: none"> (i) trafficking in persons, (ii) slavery, (iii) servitude, (iv) forced labour, (v) forced marriage, (vi) debt bondage, (vii) deceptive recruiting for labour or services and (viii) the worst forms of child labour. <p>The term "modern slavery" is only used to describe serious exploitation. It does not include practices like substandard working conditions or underpayment of workers. However, these practices are also illegal and harmful and may be present in some situations of modern slavery. These practices may escalate into modern slavery if not addressed.</p>
Modern Slavery Act	means the <i>Modern Slavery Act 2018</i> (Cth).

NHMRC	National Health and Medical Research Council
partner	means any organisation or person who is collaborating with the University; or participating in a joint venture or research initiative with, or on behalf of, the University.
Principal Officer	means any of Vice-Chancellor and Principal; Senior Deputy Vice-Chancellor; Deputy Vice-Chancellor; Vice-Principal; General Counsel.
RFT	Request for tender
servitude	is where the victim's personal freedom is significantly restricted, and they are not free to stop working or leave their place of work.
slavery	is where the offender exercises powers of ownership over the victim including: (i) the power to make the person an object of purchase; and (ii) the power to use their labour in an unrestricted way.
supplier	means an organisation or person who supplies the University with goods or services, and includes their officers, directors, subcontractors, agents, related entities and consultants.
SUSF	Sydney Uni Sport & Fitness
trafficking in persons	the recruitment, harbouring and movement of a person by means of coercion, threat, deception, fraud, and abduction for the purposes of exploitation through modern slavery. Exploitation includes: (i) the prostitution of others without their consent or other forms of sexual exploitation; (ii) forced labour or services; (iii) slavery or practices similar to slavery; (iv) servitude; or (v) the removal of organs.
USU	University of Sydney Union



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sydney.edu.au/about-us/vision-and-values/modern-slavery