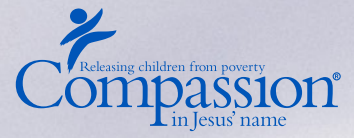


Modern Slavery Statement Compassion Australia, 2024



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Introduction

This Modern Slavery Statement (“**Statement**”) for Compassion Australia is submitted pursuant to the *Modern Slavery Act 2018* (Cth) (“**Act**”). The Statement covers the reporting period from 1 July 2023 to 30 June 2024.

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

The purpose of this Statement is to report on what steps Compassion Australia has undertaken during the year ending 30 June 2024 to identify, assess and mitigate the risk of modern slavery practices in our operations and supply chains.

Policy Statement

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

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

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

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

Our Identity

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

Compassion Australia works with Compassion International affiliates throughout the world towards eradicating poverty through holistic child development programs. Compassion International has been operating for over 70 years with Compassion Australia operating for nearly 50 years.

At the heart of Compassion’s work is child protection and safeguarding of children within the communities where our local church partners work. We are Christ-centred in being a distinctly Christian organisation, but we support children and their families living in poverty regardless of their beliefs, gender or background. We are child-focused in addressing the holistic needs of the individual child so that they can become educated, responsible and fulfilled adults, equipped to change their communities. We are church-based in primarily working through local congregations who can best identify the specific needs of children in their community.

Structure and Operations of Compassion Australia

Compassion Australia is a company limited by guarantee that does not own or control any separate legal entities. Compassion Australia aligns closely with the mission, values and strategic direction set by Compassion International, whilst maintaining its own operations and governance under an ‘internationally owned, locally empowered’ philosophy.

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

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

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

The framework includes:

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

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

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

1. Educating its staff.
2. Educating and collaborating with affiliates of our operations.
3. Monitoring and improving its own supply chains.
4. Contractual obligations in supplier agreements regarding their commitment to reducing modern slavery.

5. Direct communication (including cold calls) with its smaller suppliers.

Education within Compassion Australia

Compassion Australia has about 150 staff members, predominantly permanent employees who are at little risk of being victims of modern slavery. The staff of Compassion Australia are, generally speaking, well educated, in stable employment and not impacted by the vulnerabilities of extreme poverty or uncertain visa status. In any event, staff are trained on our Modern Slavery Policy, Whistleblower Policy, Employee Assistance Program and general indicators of modern slavery. Compassion Australia is well supported by volunteers who are also at minimal risk of being victims of modern slavery given the lack of wage or other incentive for anyone to force a volunteer to remain at Compassion Australia against their will.

Staff are required to undertake 'refresher' training on modern slavery, and every new employee completes mandatory modern slavery training in their onboarding modules. Additional specialised training is provided for staff involved in procurement.

Compassion Australia's operations

Collaborating with affiliates

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

Compassion Australia works with Compassion affiliates who work in areas where local people are particularly vulnerable to modern slavery—including forced labour, debt bondage, forced marriage, child labour and human trafficking. Poverty is the greatest single contributing factor to this vulnerability.

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

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

Compassion working against modern slavery

1. Monitoring/observation, practical ways of reducing poverty

Compassion is not a trafficking prevention organisation, but its holistic child development model significantly reduces risk of registered children being trafficked. Compassion sees its role as one of prevention and protection for children.

Critical to child protection in Compassion’s model, is local churches’ close monitoring of child program and school attendance, home visits, and training of its church partners, to recognise abuse of all forms and identify children at risk. These relationships play a vital role in bringing every child a measure of safety and security, as well as the prospect of counselling, recourse to justice and other means of restoration if a child is affected by violence.

2. Education

Compassion provides education to children (and their carers) about their human rights and how to obtain help and advice when they experience or witness abuse. Compassion suggests a number of guides as resources to help parents and churches talk to children about the risks of human trafficking and modern slavery and what action can be taken if they, or someone they know, are at risk.

3. Advocacy

Compassion’s local church partners advocate on behalf of minority groups and help to prevent harmful practices such as child marriage.

Compassion Australia’s supply chains

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

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

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

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

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

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

Compassion Australia provides procurement officers with tools they can use upon entering contracts with high-risk suppliers, including a supplier code of conduct requiring the supplier to implement effective measures to reduce the risks of modern slavery within their supply chains or in any part of their business. Compassion Australia also has template contractual clauses requiring high-risk suppliers to provide their staff with resources in the staff members' own language about available supports for victims of modern slavery.

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

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

Goods or services with identified risk	Proportion of spend	Summary of actions to reduce risks of modern slavery in supply chain
Technology services	<2%	Researching suppliers, including any modern slavery statements; contractual requirements; audit
Technology hardware	<1%	Researching suppliers, including any modern slavery statements; contractual requirements; audit
Office space (cleaning/maintenance)	<1%	Contractual requirements; audits
Events (t-shirts, tote bags)	<1%	Research from ethical guides; contractual requirements; audits
Office supplies (tea, coffee, stationary)	<1%	Research from ethical guides; audit

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

A typical example of addressing modern slavery risk is:

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

Assessing effectiveness

Compassion Australia's effectiveness in addressing modern slavery is supported by strong Board commitment, including training and updates at Board level. This is reflected in the fact that Compassion Australia's Modern Slavery Policy has been adopted as a Board Policy.

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

1. Assessing major suppliers and suppliers at higher risk of modern slavery within their supply chains.
2. Reviewing the modern slavery statements of all significant suppliers who publish modern slavery statements.

3. Making significant or high-risk purchases based on ethical buying guides.
4. Making phone calls to discuss modern slavery risks with first-tier suppliers who are at higher risk of modern slavery but not of a sufficient size to publish their own modern slavery statement.
5. Seeking to understand the supply chains and sub-contracting arrangements of our suppliers.

Our commitment and effectiveness have also been demonstrated by changing some high-risk products and office appliances to alternative options with better modern slavery ratings on ethical buying guides. Assessing for modern slavery risks has become a standard practice within our procurement processes.

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

A measure of effectiveness of Compassion Australia's work is considering the number of complaints regarding modern slavery disclosed via its whistleblower processes and considering the way in which those complaints have disclosed effective or ineffective controls within Compassion Australia's processes. At this time there have not been any whistleblower complaints of modern slavery within Compassion Australia's supply chains.

Future Endeavours

As part of our commitment to eliminating modern slavery in all its forms, Compassion Australia is submitting this Modern Slavery Statement on a voluntary basis.

Our priority in the next reporting period is to continue to expand our due diligence in high-risk sectors, including strengthening education of suppliers, including conversations with higher risk suppliers about means of improving awareness and reporting of modern slavery within their supply chain.

We are also looking to expand our operational engagement in countries where there are high risks of modern slavery.



Approval

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

Signed:

Isaac Moody
CHAIR OF THE BOARD

Clare Steele
COMPASSION AUSTRALIA, CEO

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Compassion Australia, 2024