

Modern Slavery Statement Compassion Australia, 2023



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Introduction

This Modern Slavery Statement (“**Statement**”) for Compassion Australia is submitted in accordance with the *Modern Slavery Act 2018* (Cth) (“**Act**”). The Statement covers the reporting period from 1 July 2022 to 30 June 2023.

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 2023 to identify, assess and mitigate the risk of modern slavery practices in our operations and supply chains.

Policy Statement

Compassion Australia’s commitment to reduce modern slavery is aligned with its mission to release children from poverty in Jesus’ name. The steps taken to do so include:

- 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.
- Specific 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 training for staff and supporting staff, suppliers and contractors.

Compassion Australia considers modern slavery to be inconsistent with the Christian faith and breaches the fundamental freedoms and human rights of 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 affiliates in 29 developing countries to eradicate poverty through holistic child development programs. Compassion International has been operating for over 70 years, and Compassion Australia has been operating for nearly 50 years.

A critical component of Compassion’s work is child protection and the safeguarding of children within their communities. This aligns with our three distinctives:

1. We are Christ-centred, meaning our desire to serve and empower vulnerable children aligns with Jesus’ love for the poor. However, we assist children and their families living in poverty regardless of their religious beliefs, gender or background.
2. We are child-focused in addressing the holistic needs of each individual child so that they can become educated, responsible and fulfilled adults, equipped to change their communities.
3. We are church-based and work in partnership with established local churches who are the experts on the specific needs of children in their community. These churches adapt our programs to their context.

Structure and Operations

Compassion Australia is a company limited by guarantee that does not own or control any separate legal entities. However, Compassion Australia is affiliated with the other entities that make up the Compassion International® family.

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 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 has developed a policy framework supporting its commitment to reducing modern slavery in all aspects of its operations and supply chains. These policies will continue to be reviewed and supported by guidelines and processes, including a supplier Code of Conduct.

Operationally, Compassion Australia focusses 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

Education Within Compassion Australia

Compassion Australia has about 150 staff members, and most are permanent employees. These staff are at minimal risk of being victims of modern slavery because of Compassion Australia's Modern Slavery and Whistleblower policies, the training Compassion Australia provides and its employee assistance

program. Compassion Australia's volunteers 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.

Compassion Australia undertakes interviews and onboarding processes with all employees and volunteers and education on modern slavery is part of the onboarding process. These processes provide assurance that the risk of modern slavery amongst our employee and volunteer personnel is low.

Education within Compassion Australia has included all-staff general awareness presentations, online training modules with assessment quiz questions, and specialised training for staff involved in procurement.

Collaborating with affiliates in our operations

Global context

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

The ILO also reports that modern slavery has increased by 10 million in the past 5 years due to a mix of armed conflict, climate change-related migration and the global pandemic. Together, these factors have increased poverty and heightened the risk of enslavement.

Compassion Australia works with Compassion affiliates who are operating in areas where local people are 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's global approach

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, reduces children's (and by extension their communities') 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 in developing countries through education. This helps break the cycle and reduces the impact of poverty contributing to modern slavery. Through child attendance records, home visits and training, its church partners can recognise abuse of all forms and children who might be at risk. They can also provide both counselling and access to justice services if necessary.

Through Compassion's programs, children and their caregivers are educated on their rights and how to seek help if they experience or witness abuse. Compassion, through its local church partners, also advocate on behalf of minority groups and fight to prevent harmful traditions such as child marriage.

CASE STUDY

Collaboration with Minderoo and its Global Freedom Network

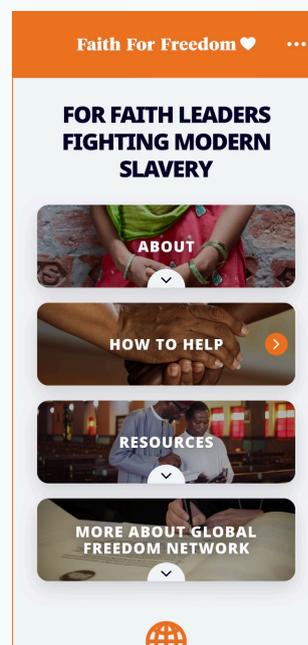
Compassion Australia is promoting action against modern slavery as part of a working group within Compassion International® and its affiliates. One of the most significant outcomes from this working group has been a collaboration between Compassion Ghana and The Global Freedom Network (GFN). Compassion Australia will continue to work on collaborations in other countries at high risk of human trafficking and modern slavery.

The entire leadership and staff of Compassion International (Ghana) have now been introduced to the Faith from Freedom app. They, in turn, have been tasked with introducing the app to church leaders to spread awareness about the app and encouraging them in turn to incorporate its content into their sermons. CIGH and GFN are working in formalising this new relationship which includes plans to develop a fact sheet tailored for pastors and staff to raise awareness of modern slavery, how to identify victims, or to report the concerns with relevant professionals.

Faith for Freedom App

Global Freedom Network has developed an app called Faith for Freedom and tailored its Ghanaian profile in consultation with a panel of cross-denominational faith leaders in Ghana. This app is a practical information platform for faith-based organisations (who best understand their community's culture, social customs and challenges), intended as a resource to educate faith leaders on how to identify and address risks and combat human trafficking. It provides an information bridge between those witnessing human trafficking and comprehensive contact details of authorities who can take interventionist action.

By collaborating with the Global Freedom Network and including references to the Faith for Freedom app withing Compassion International (Ghana)'s training materials, the resources and educational material included in the Faith for Freedom App are reaching a larger audience.



Learn more
about Faith
for Freedom



Anti-slavery work within Compassion Australia supply chains

The 2023 Global Slavery Index published by Walk Free estimates that there are 41,000 people living in modern slavery in Australia.

Compassion Australia has over 200 first-tier suppliers (with a spend greater than \$5,000) in the last financial year, the vast majority of whom are based within Australia. It takes a risk-based approach to addressing modern slavery risks within supply chains, focusing on smaller suppliers, in areas that have the greatest risks such as technology, cleaning and maintenance services, and fabrics in merchandise, along with tea, coffee and office supplies.

To do so, Compassion Australia uses several resources such as the Ethical Shopping Guide, Shop Ethical and Baptist World Aid to choose consumable and tech products that have a higher ethical rating from companies and brands that oppose modern slavery.

Technology hardware and services are an area where it can be difficult to assess complex supply chains. Compassion Australia has assessed the risks of modern slavery practices in large suppliers (such as Microsoft, Dell, Australia Post, Meta, Google, Apple and Mastercard) by consulting publicly available information on those suppliers (including modern slavery statements filed under the Act or in other jurisdictions by our suppliers) to assess their level of commitment to mitigating the risk of modern slavery in both their business and the business of their supply chains. Where relevant information was not available, we used supplier questionnaires and other audit tools (see below), to assist us to better understand modern slavery risk in these supply chains.

Compassion continues to monitor the specific risks posed by two suppliers identified as having alleged linkages to Uyghur forced labour, including assessing media reports and the current Modern Slavery Statements and Corporate Sustainability reports of these two entities. Whilst Compassion is satisfied that reactive measures such as suspension or termination of these supplier relationships is not warranted, we will evaluate any risks posed by these suppliers on an on-going basis. This will include the monitoring of

company and product company blacklisting under international instruments designed to combat the state sanctioned forced labour of the Uyghur people, such as the *Uyghur Forced Labor Prevention Act*.

Compassion Australia also assesses the performance of suppliers against reporting criteria such as in the recent International Justice Mission's report: *Spot Fires in Supply Chains* and the Human Rights law Centre report: *Broken Promises: Two years of corporate reporting under Australia's Modern Slavery Act*.

Where possible, agreements with suppliers in our supply chain are negotiated with assurances that they are using their best endeavours to avoid modern slavery and that they have similar expectations of their own suppliers.

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 have template contractual clauses requiring high risk suppliers to provide their staff with resources in the staff member's own language that outline how modern slavery operates within Australia and where help can be obtained.

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 remaining spend includes:

Goods or services with identified risk	Proportion of Spend	Summary of actions to reduce risks of modern slavery in supply chain
Staff	12.36%	Training; management supervision
Technology services	1.29%	Researching suppliers, including any modern slavery statements; contractual requirements; audits
Technology hardware	0.243%	Researching suppliers, including any modern slavery statements; contractual requirements; audits
Office space (cleaning/maintenance)	0.344%	Contractual requirements; audits
Events (t-shirts, tote bags)	0.343%	Research from ethical guides; contractual requirements; audits
Office supplies (tea, coffee, stationary)	0.454%	Research from ethical guides; audit
TOTAL	APPROX. 15%	

Training

All staff at Compassion Australia, including Directors and the Executive, are provided with training on modern slavery which describes what modern slavery is, how to identify the different types of modern slavery (servitude, forced labour, debt bondage, the worst types of child labour, forced marriage and human trafficking), highlights industries and products which have the highest risk of modern slavery, and outlines how Compassion Australia seeks to reduce modern slavery. Additional training is provided for procurement staff.

People and Culture functions

The recruitment and onboarding of Compassion Australia staff includes attention to its Modern Slavery and Whistleblower policies, along with general training on modern slavery. This, in many cases, is reinforced by tailored training from line management and an employee assistance program.

Policy and contractual

Compassion Australia has a supplier Code of Conduct outlining its expectations of suppliers and contractors regarding modern slavery, such as demonstrating a

commitment to identifying and mitigating risk in their operations. Where appropriate, Compassion Australia seeks to include legal clauses requiring modern slavery risk mitigation and avoidance in vendor contracts. Compassion Australia regularly reviews relevant policies including its Whistleblower Policy, procurement policies and Modern Slavery Policy.

Audit

As part of its due diligence, Compassion Australia makes a risk assessment of both existing and potential suppliers through a questionnaire.

Compassion Australia has also made cold calls to a number of suppliers in higher-risk areas (appliances, coffee, technical services, etc.), asking about their understanding of modern slavery, and what, if any, processes, policies and/or training they have in place to ensure their staff are aware of the risks and whether they, or their workers, need information or training. If their understanding is limited, we provide them with a number of links, including to fact sheets from the Department of Social Services, which outline the issues, the criminal aspects of modern slavery, how to identify it and how to mitigate the risk of modern slavery within their business.



Case Studies

Case Study 1 – Operations

An example of how Compassion can protect children against modern slavery is Ebenezer's story.

In Lake Volta, Ghana, despite child labour being outlawed, large numbers of boys are enslaved on fishing boats. This is hard work suitable for adults not children. The children are far from their families, work extraordinarily long hours, and often must dive to deep depths to untangle fishing nets. Essentially, they are used as slaves.

A man came to Ebenezer's village looking for boys to work on his fishing boat. Ebenezer had no parents and knew only his great grandmother and the man she called his 'uncle'. He was told by his great grandmother to go with his 'uncle' when he was only six. He and his great grandmother were vulnerable because they were poor, and they did not know the consequences because the recruiters lied to them.

At Compassion child development centres, the children are educated about the consequences of going out on the boats. The teachers stress that it is wrong, that it is child labour, and that Compassion will support them in asserting their rights. Compassion educates the children to not go out on the boats by explaining "It's wrong, it is child labour. Compassion will support you. You have rights. Say, 'I will never go out on one of the boats.'"

One day during a storm, the boat Ebenezer was on capsized, and he only just managed to escape with

his life. He was paid \$50 for the three years he worked on the boats.

On his return to his village, he was registered in the Compassion program by his great grandmother and started attending school. Now in senior high school, he wants to become a mechanical engineer so his family will have a better life.

Compassion advocates against modern slavery because it is the right of all children that they are protected from trafficking and forced child labour. Compassion sees their role as empowering children so they, in turn, can empower others so children can be free from slavery.

Case Study 2 – Supply Chain

A dishwasher in Compassion Australia's kitchen required replacement by the procurement team. According to self-assessment undertaken by the manufacturer and reported in its registered Modern Slavery Statement, the risk of modern slavery risk in its Australian operations and supply chains was moderate, with the broader whitegoods and electronics industry at higher risk.

The Shop Ethical guide¹ reported several criticisms of the manufacturer, notably supply chain practices in China and Forced Labour in China. On the basis of this report, Compassion Australia's procurement team undertook further research to find an alternative manufacturer which did not have the same concerns about modern slavery in its supply chain.

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 adoption of Compassion Australia's Modern Slavery Policy 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

Compassion Australia commissioned an independent consultancy report in 2021 that identified products and services used by Compassion that were at a higher risk of being impacted by modern slavery within the supply chain. We engaged by telephone or email with all significant high-risk suppliers who were not already reporting entities. This enabled Compassion Australia to provide important information to eight of our first-tier suppliers. This year, we intend to follow up on these eight suppliers to gain further information of actions taken to reduce risks of modern slavery and, if necessary, arrange for information or training to be provided to their suppliers further down the supply chain.

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. We seek to include contractual terms

in our supplier agreements requiring the supplier comply with Compassion Australia's Modern Slavery Policy and take reasonable steps to ensure each of its subcontractors also comply. More generally, our 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.

Staff training has been effective with 93% of staff completing online modern slavery training modules achieving a 100% quiz score on their first attempt.

Another indicator of our effectiveness has been the collaboration with the Global Freedom Network and the work they have undertaken with Compassion International Ghana. This has included the training of 60 staff members of Compassion International Ghana as well as 22 pastors, 50 church partner committee members, and 88 child and youth development workers. Compassion International Ghana also held a child protection forum involving stakeholders in the child protection space in Ghana to discuss a number of topics including child marriage, teenage pregnancy, child labour and issues of modern-day slavery and human trafficking.

Future Endeavours

Our priority in the next reporting period is to continue to expand our due diligence in high-risk sectors, including strengthening education and probing into the second and subsequent tiers of our supply chain. This will involve further conversations with suppliers, with a particular focus on our non-reporting suppliers that may not be actively working towards identifying and preventing modern slavery instances.

We will also look to expand our engagement in countries where there are high risks of modern slavery and in which we have an influence.



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:

A handwritten signature in black ink, appearing to be 'Isaac Moody'.

Isaac Moody
CHAIR OF THE BOARD

A handwritten signature in black ink, appearing to be 'Clare Steele'.

Clare Steele
COMPASSION AUSTRALIA, CEO

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