



Modern Slavery and Human Trafficking Statement 2021

Note from Chair & CEO

Modern slavery involves the exploitation of people through coercion, threats or deception to undermine or deprive them of their freedom. It has no place in the modern world. Yet modern slavery is more widespread than many of us can imagine, occurring in any sector, industry or country, and affecting some 40 million people worldwide.¹

While those most at risk live in poor, conflict-ridden nations where governance is weak, modern slavery is present in the world's wealthiest countries too, including Australia and New Zealand.² Low skilled migrant workers from less developed countries are particularly vulnerable.

From the outset, Chartered Accountants Australia and New Zealand (CA ANZ) has been a thought leader in the accounting profession, advocating for legislation to eradicate modern slavery and human trafficking.

Now, as an Australian-based organisation with more than \$100 million in revenue, we welcome our obligation under the *Modern Slavery Act* 2018 (Cth) to prepare and publish this annual statement.

This statement is our second since the Australian Modern Slavery Act came into force. It describes the risks of modern slavery in our operations and supply chain and provides an opportunity to show our commitment to upholding human rights. It also explains the measures we've adopted, the policies, systems and processes we use to continually assess our modern slavery risks, and how managers of our day-to-day operations are held accountable.



More importantly, we hope it creates greater awareness and understanding of human rights issues among our 131,673 members.³

As Chartered Accountants in public practice or employed in key roles within diverse organisations, our members can use their influence as difference makers in their communities to promote awareness and action to eradicate modern slavery.

Modern slavery is a complex issue and clandestine in nature. We are confident that with the concerted efforts of our management team, and support of our board and membership, the robust measures and plans we have adopted are appropriate for our organisation.

We plan to share our experiences openly in this annual statement and through other ways in the spirit of making a difference to peoples' lives wherever we have a chance to do so.

John Palermo FCA
Chair

Ainslie van Onselen LLB MAppFin
Chief Executive Officer

This Modern Slavery Statement was approved by the Board of Chartered Accountants Australia and New Zealand in their capacity as principal governing body of Chartered Accountants Australia and New Zealand on 17 September 2021. John Palermo has signed this statement in his role as Chair of that body.

1. Walk Free, Global Slavery Index | 2. Walk Free (2020) Murky waters: A qualitative assessment of modern slavery in the Pacific region | 3. As at June 30 2021



Structure, Operations and Supply Chains

Statement

This Modern Slavery and Human Trafficking Statement (**Statement**) has been prepared by Chartered Accountants Australia and New Zealand (ABN 50 084 642 571) (**CA ANZ**) on behalf of itself, its subsidiaries and the New Zealand Institute of Chartered Accountants, a regulatory body established under the New Zealand Institute of Chartered Accountants Act 1996 and controlled by CA ANZ (**we, us, our**).⁴

This Statement has been prepared to comply with section 16 of the *Modern Slavery Act 2018* (Cth) and section 54 of the *Modern Slavery Act 2015* (UK) (**MS Laws**). CA ANZ is an Australian

registered body corporate that is governed by its Supplemental Royal Charter and the CA ANZ By-Laws and is domiciled in Australia. CA ANZ operates in six jurisdictions, namely Australia, New Zealand, Hong Kong, Singapore, Malaysia and the United Kingdom.

This Statement sets out how we manage and minimise the risk of modern slavery and human trafficking (together, **modern slavery**) in our business and supply chains and how we comply with our obligations under the MS Laws. It has been prepared in respect of the financial year ending 30 June 2021.

Our commitment

We believe respecting and protecting human rights enables individuals, societies and businesses to flourish. We are committed to promoting responsible business and upholding high ethical standards in all aspects of our working practices.

As part of that commitment, we do not tolerate modern slavery within our business or our supply chains, wherever they operate and have systems and processes in place to address modern slavery risks where they are identified.

Moreover, we hold our members accountable to professional codes of ethics and professional standards.⁵ They must act with integrity and in the public interest, as well as respond to non-compliance with laws and regulations.

⁴ The reporting entity is Chartered Accountants Australia and New Zealand (ABN 50 084 642 571). Members of CA ANZ are not liable for the debts and liabilities of CA ANZ.

⁵ Accounting Professional and Ethical Standards Board Code of Ethics in Australia and the New Zealand Regulatory Board of the New Zealand Institute of Chartered Accountants Code of Ethics.



Organisation

CA ANZ at a glance (as of 30 June 2021)



131,673
MEMBERS



522
FULL & PART TIME
EMPLOYEES



6
COUNTRIES WITH
OUR OFFICES

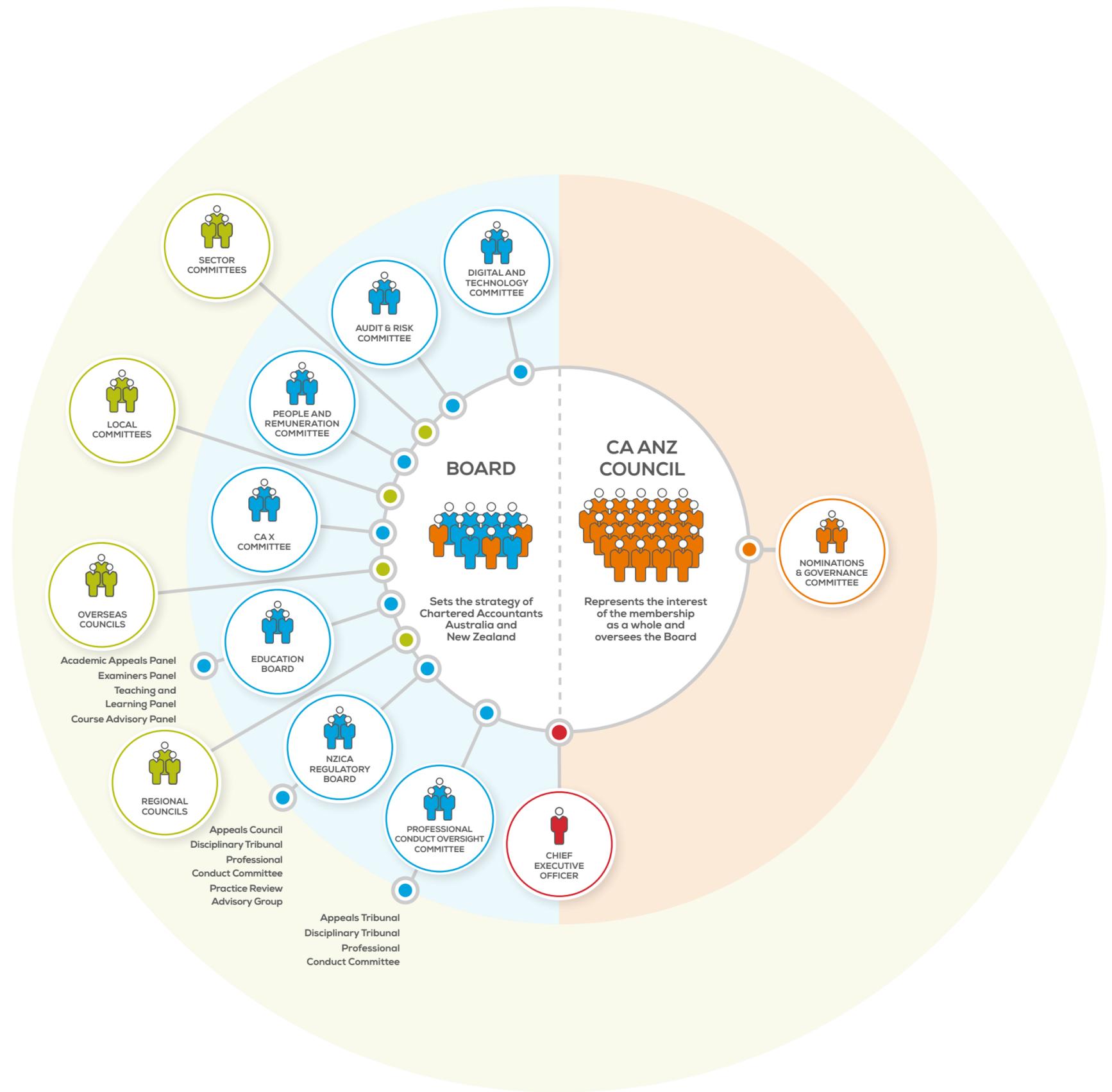


\$61 million
SPENT ON GOODS
AND SERVICES

CA ANZ was formed on 1 January 2015 through the amalgamation of the former Institute of Chartered Accountants Australia and the New Zealand Institute of Chartered Accountants. Our principal objectives include:

- › advocating on behalf of the accounting profession and our members
- › training and educating present and future members
- › prescribing and regulating high standards of practice and professional conduct
- › advancing the profession of accounting

Governance model



-  Board Committee
-  Council Committee
-  Member-based Committee



Members

Our professional body represents 131,673 members globally, as of 30 June 2021.

We support our members to make a difference in the communities in which they work and live. We are committed to advancing the profession through high ethical standards, delivering world class services and education, and advocating for the public good.

CA ANZ offers lifelong learning opportunities, networking events and professional support. We maintain a robust process to discipline poor conduct and support Chartered Accountants who offer services directly to the public. We also review chartered accounting practices to protect the public and the reputation of the profession.

We promote prosperity in the countries in which we operate by supporting our members to work effectively. As a thought leader, we actively engage with governments, regulators and standard-setters in Australia and New Zealand, on behalf of members and the accounting profession, to advocate in the public interest. Our members expect us to keep them informed about the latest regulatory and topical issues.





Locations

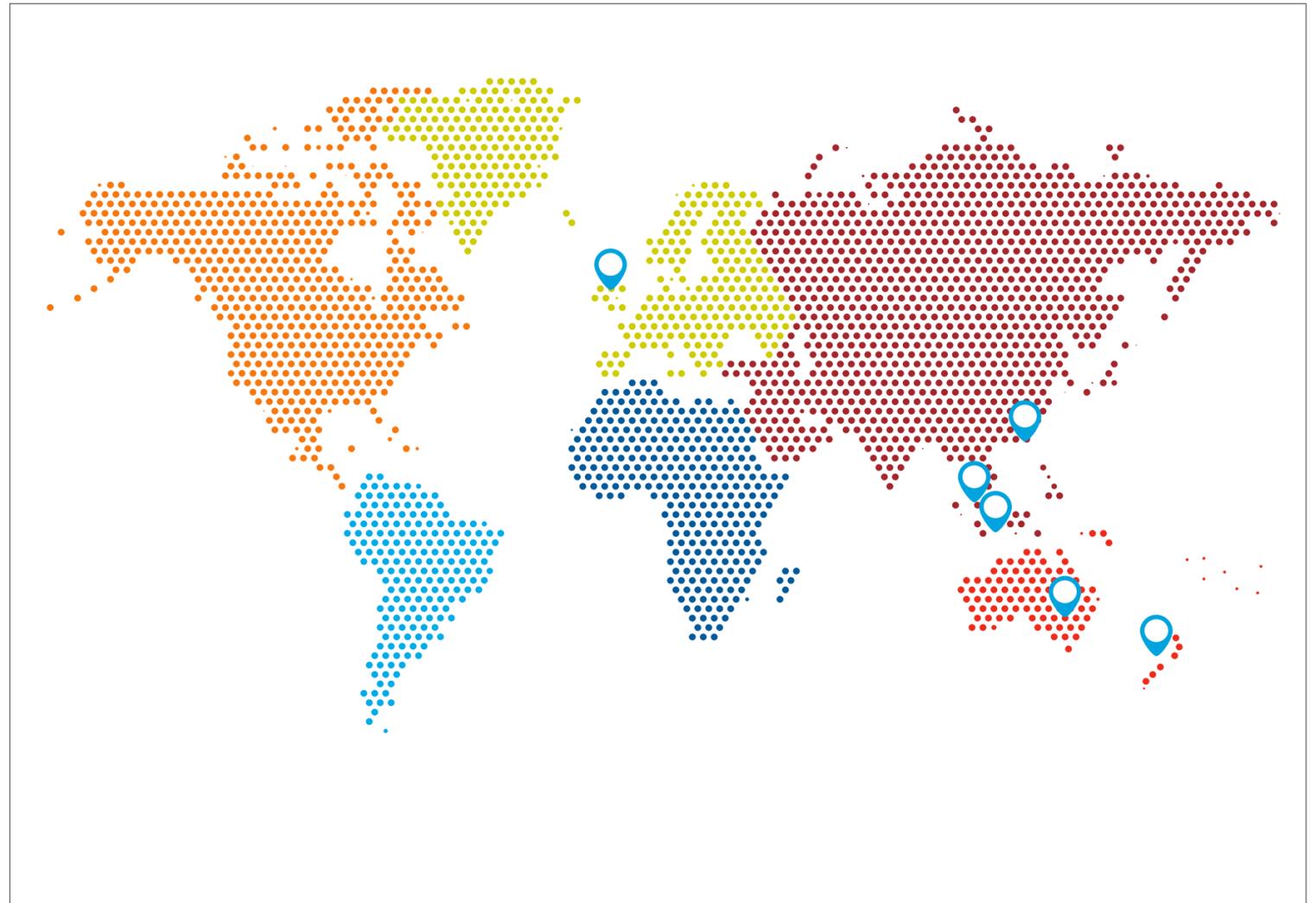
Our main offices are in Sydney, Australia and Wellington, New Zealand.

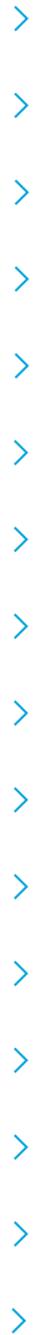
We employ 522 people in full and part time roles plus casual employees, mostly in Australia and New Zealand. The legal entities that comprise us includes wholly-owned subsidiaries formed in the UK, Hong Kong, Malaysia and Singapore.

Consultation

As an organisation, we take a global approach to modern slavery compliance. Both CA ANZ senior management and external independent member directors serve as directors on these subsidiaries' boards and each subsidiary board has reviewed and contributed to this Statement and CA ANZ's approach to reducing modern slavery risk. Our people employed by these subsidiaries are required to follow CA ANZ policies and procedures, including those relating to modern slavery.

In the 2020-21 financial year, the CA ANZ procurement team held meetings with local employees in each overseas subsidiary to discuss procurement and reduce modern slavery risk. These meetings confirmed the typical categories of expenditure and procurement processes followed by each subsidiary. CA ANZ continues to communicate with them and support their progress.





Supply chain

Our total spend in the year ended 30 June 2021 across our supply chain was approximately \$61 million to support our members and run our business operations.

CA ANZ's major areas of expenditure include



Professional services including:

- Management, business
- Insurance, finance
- Editorial, design
- Computer support or administration



Goods and services to support learning for our members and future members, such as:

- Educators
- Speakers and facilitators



Technology for course delivery, examinations, virtual engagement and CA ANZ operations.

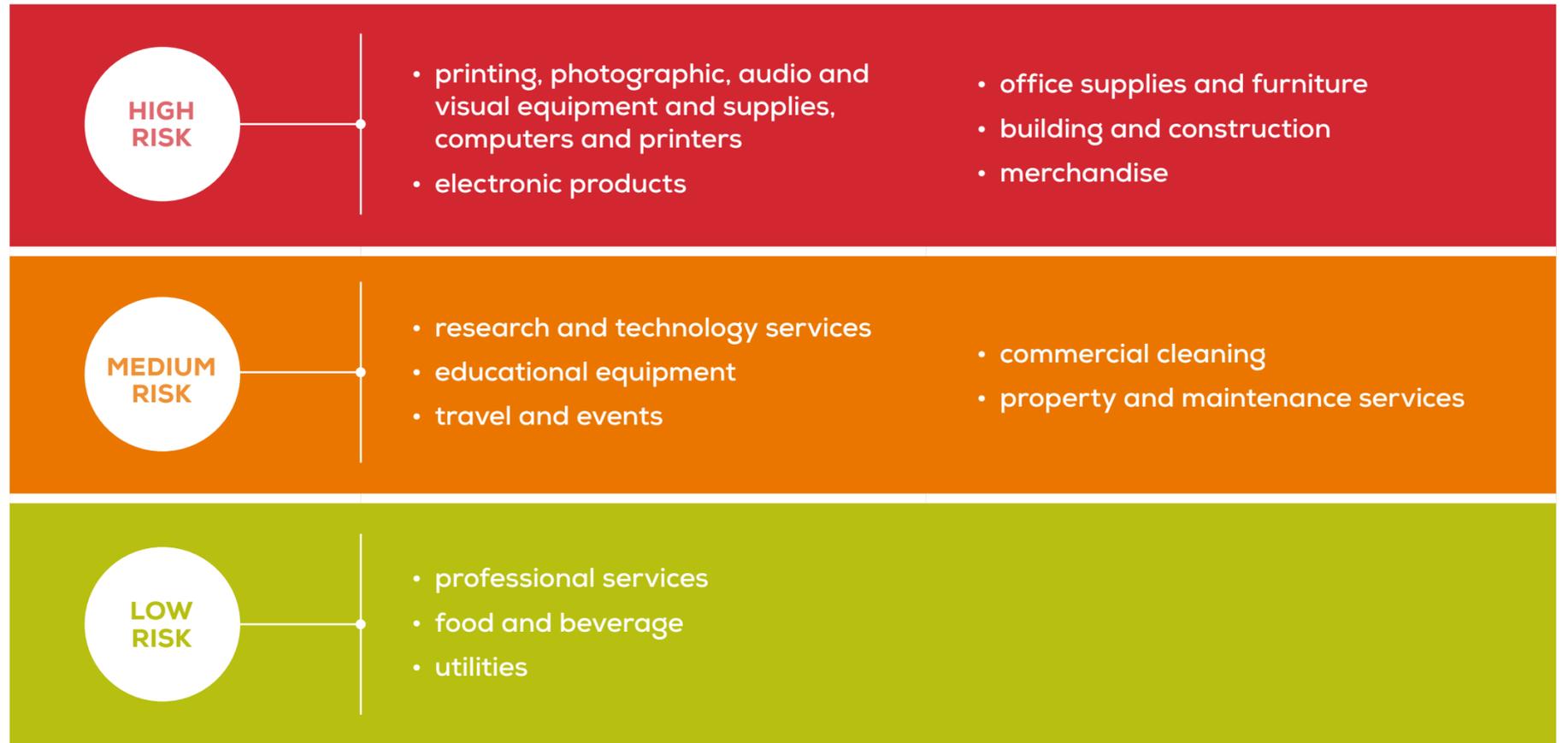


Supply chain (continued)

The risks associated with the following categories of supplier relevant to CA ANZ are classified by a third-party social risk ratings provider. This helps CA ANZ identify potential risks in our own supply chain and prioritise steps to mitigate those risks.

For the financial year ending 30 June 2021, CA ANZ did not identify or receive any reports of incidents of modern slavery in our operations or supply chain.

Examples of supplier categories by inherent risk profile





Risks

CA ANZ built on the work undertaken in the financial year to 30 June 2020 to map our entire supply base for modern slavery risk factors based on three criteria:



Product or service
(what we purchase)

The majority of CA ANZ's purchases are from suppliers located in Australia and New Zealand. A relatively small amount of goods and services come from suppliers based in other countries including the UK, Hong Kong, Malaysia, and Singapore. CA ANZ does not directly or knowingly source any goods and services from suppliers based in Xinjiang, China.

We identified that the greatest inherent risks of modern slavery in our supply chain are present in suppliers that provide or utilise offshore IT services and those suppliers who manufacture promotional branded goods offshore. Consequently, CA ANZ's procurement, marketing & communications and facilities teams, worked closely together to prioritise



Geography
(where it is produced)

specific modern slavery risk assessments on these suppliers.

CA ANZ also assesses for modern slavery risks occurring directly in its operations, especially in connection with our people in Australia, New Zealand and overseas. As a membership body mainly employing and contracting with highly skilled office-based professionals, the modern slavery risks are typically lower than those that can arise in other parts of our supply chain. Our people and employment policies, including our Human Rights policy, codify our commitment to engaging with and remunerating our people (including both employees and contractors) fairly and in compliance with the relevant local legislation.



Supplier complexity
(our supplier's supply chain)

RESPONSE TO COVID-19

We recognise that COVID-19 has disrupted supply chains globally and remain vigilant to any modern slavery consequences of this for our organisation.

CA ANZ responded to the pandemic by shifting priorities and creating tailored resources to help our members assist businesses and communities affected by the pandemic. This included the digital delivery of resources for members, as well as the CA Program itself, enabling candidates to continue their path to obtaining accreditation.

These changes, as well as having employees work from home and conforming to COVID-19 safe standards, affected our supplier spending profile. We spent more on technology-related goods and services, and less on face-to-face events, printed materials, promotional goods and hospitality suppliers.



Actions



Actions

Building on the foundations developed last year, we piloted an approach this financial year to set specific milestones and measurable results against which stakeholders will be held accountable.

Overall, CA ANZ's assessment of its actions and practices to reduce modern slavery risk is that they are effective and

appropriate for the risk profiles of its suppliers which are mainly professional services and located in Australia. However, we are continually assessing what we can do better. We will continue to remain vigilant to ensure that our actions and practices to reduce modern slavery risk continue to remain relevant, effective and appropriate.

Collaboration

In New Zealand in March 2021, CA ANZ members attended the *Tango i Te Kaupae Muri - Take the Next Step Conference*, which brought together businesses, education, government and not-for-profits to discuss how to end modern slavery and worker exploitation.

Our current practices are based on five levers:



Governance and resources



Policies and procedures



Systems and processes



Buyers' capacity building



Reporting



Governance and resources

As part of the implementation of our approach, we developed a comprehensive modern slavery risk management program with visibility and sponsorship from the CA ANZ leadership team.

Our governance model informs our supplier selection and management decisions, with defined internal roles and responsibilities across the organisation to support the program.

Buyers:	Responsible for supplier selection and due diligence. They serve as the contact point between business and supplier, and ensure collaboration and communication of program objectives
Executive team:	Helps define the organisation’s vision and the modern slavery risk management strategy
Legal team:	Ensures that modern slavery obligations on CA ANZ’s suppliers have contractual force
People and Culture team:	Ensures that we comply with all workplace laws and champions our people’s engagement and performance
Procurement team:	Defines the modern slavery risk management framework, drives implementation, provides clear targets and clean supplier data, trains buyers and participates in the monthly steering committee
Public Affairs team:	Strengthens our messaging, both internally and externally about our efforts to combat modern slavery
Risk, Compliance and Operational Excellence team:	Operates as a second-line of defence and reviews the efficacy of CA ANZ’s modern slavery risk management program

Policies and procedures

Our key policies and procedures help us assess, monitor and reduce the risk of modern slavery in our global supply chain.

Human Rights Policy

This policy formalises our commitment to support and respect all internationally recognised human rights as defined by:

- › Universal Declaration of Human Rights
- › International Bill of Rights
- › International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- › United Nations Guiding Principles on Business and Human Rights

Our Human Rights Policy applies to all our people (including employees, contractors, agents and officers) and our suppliers and their employees, sub-contractors (back to source), agents and business partners.

By requiring compliance with this policy, we seek to uphold and protect fundamental human rights (including preventing modern slavery) not just within our operations, but within our supply chains as well. Our Human Rights Policy is reviewed every three years.

Supplier Code of Conduct

This code sets out the standards for each supplier that provides goods or services to us, or performs work for us globally, as well as their personnel. Our requirements include:

- › follow best practice
- › counter modern slavery in their supply chains and operations
- › comply with applicable anti-modern slavery laws
- › notify us of any breach
- › comply with minimum wage and overtime laws

Our Supplier Code of Conduct is published on our website and reviewed once every three years. Compliance is monitored through the due diligence process described below.



Policies and procedures (continued)

Procurement Policy and Framework

Our Procurement Policy defines our minimum expectations for the consistent application of robust ethical and commercial procurement practices in all external financial commitments made by us to our suppliers.

Effective application of this policy will help achieve our enterprise objectives to:

- › ensure all procurement is fair and ethical, socially responsible, and transparent

- › optimise expenditure sustainably and represent value for money
- › respond to industry and technology innovation as well as facilitate improved delivery of member services

The Procurement Framework sets out the steps buyers are required to follow in the acquisition of goods and services. CA ANZ also provides helpful tools and templates for its buyers on an internal procurement intranet site.

Whistleblower Policy

We are committed to act on any suspicion of modern slavery, as well as when actual incidents are identified. Our Whistleblower Policy allows for anonymous reporting of modern slavery incidents. Any person who suspects or believes there is any incident, practice or conduct of

modern slavery in any part of our operations or supply chains may notify us via our **Whispli service** that protects the identity of our complainant.

Anti-Bribery and Corruption Policy

CA ANZ is committed to conducting its business with honesty and integrity and to ensure high ethical standards are demonstrated in our actions and business relationships. In FY21, CA ANZ developed an Anti-Bribery and Corruption Policy which will take effect in the 2022 financial year. Due to potential connections between bribery and corruption and modern slavery, our Anti-Bribery and Corruption Policy also provides a level of assurance from a modern slavery perspective.

Statement on Diversity and Inclusion

Equality, diversity and inclusion are at the heart of all that we do at CA ANZ – they are ingrained in our workplace values, our advocacy efforts and our ethical code.

Our commitment is to lead the way in diversity and inclusion for the benefit of our profession and our broader community. As a global professional body, we also strive to build a society free of prejudice and racism, where difference is celebrated and valued, and everyone has equal opportunities. These values underpin our commitment to work with our suppliers to eradicate modern slavery, which are practices that are the antithesis of this ideal.

Systems and processes

Wherever possible, CA ANZ seeks to include contractual terms in its supply and tender contracts, to monitor for and prevent modern slavery. These contractual terms ensure suppliers comply with our relevant policies, are obliged to take reasonable steps to ensure that there is no modern slavery in their own operations or supply chain and must notify CA ANZ if they become aware of any breaches.

We have conducted an initial risk assessment of all our suppliers based on industry and country. With suppliers that were identified as potentially high risk from a modern slavery perspective, we requested that they complete a detailed assessment with EcoVadis, the world's largest provider of business sustainability ratings. Upon completion, EcoVadis provided a supplier scorecard with detailed insights on labour and human rights risks, highlighting performance strengths and improvement areas.

As of 30 June 2021, CA ANZ has requested 93 suppliers to undertake a modern slavery risk assessment. Out of the 93 suppliers, 50 suppliers have completed, or are in the process of completing, an EcoVadis assessment. So far, only two suppliers have had low labour and human rights scores on the basis of a lack of documentation in their submissions. We are working with them to remediate this situation and will closely monitor their performance in the future.

For suppliers that were unable to complete an EcoVadis assessment, we developed an alternative internal review

process as an upstream gatekeeper, to identify potential high-risk suppliers. Through this process, we completed 43 assessments. Where we deemed a supplier had high residual risk, we worked with the supplier to mitigate the risks and promote better practice or, as a last resort, source an alternate supplier in the future. We recognise that a collaborative approach with our suppliers is a more effective response to combating modern slavery than simply dropping suppliers which can drive modern slavery deeper underground.

For those suppliers we identified with medium residual risk, we will conduct periodic assessments to monitor their performance going forward.

We also require all new and renewing suppliers to undergo the same modern slavery risk assessment outlined above, as part of the competitive bidding and business awarding process. We record suppliers and their modern slavery risk assessment in CA ANZ's internal registers and systems.

We have developed formal modern slavery risk management internal guidelines, which outline key definitions, processes, supplier communication templates and frequently asked questions. This enables buyers at all levels to execute the modern slavery risk management program goals. The guidelines are shared through the CA ANZ intranet portal, so they are accessible to all team members.



Information for members to create awareness and action

CA ANZ has created a comprehensive section on our website that informs members about modern slavery. It includes videos explaining the NSW and Commonwealth modern slavery acts, what the requirements are for reporting and the support available for businesses. It also links to relevant government sites. In addition, we have published articles about modern slavery in Acuity, our magazine distributed to almost 90,000 members quarterly. Our teams present on modern slavery to member groups throughout Australia on an ongoing basis.

Buyers' capacity building and training

The CA ANZ Procurement team have conducted buying workshops at the divisional level and one-to-one training to ensure that all buying is done within our enterprise risk management and policy frameworks. It emphasises the importance and value of eradicating modern slavery risk in our supply chains.

CA ANZ has also created a network of champions, made up of frequent and influential buyers, who have increased awareness at the grassroots level among suppliers and supported the program rollout.

We ensure that our champions and buyers, who are geographically dispersed and represent different teams across CA ANZ, are trained and engaged in the program and assist us to:

- › standardise processes and tools
- › gather and document key information internally
- › support and coach teams
- › conduct training sessions

When engaging with suppliers, we have trained our buyers to explain the importance of the program and how it aligns with CA ANZ's values. Our buyers also help suppliers understand the benefits of a detailed EcoVadis assessment. This includes analysis and delivery of their corporate social responsibility scorecard which they can share with other clients, detailed scoring and feedback on their performance and access to a corrective action plan.



Reporting

The CA ANZ Procurement team generates a monthly internal management report that goes to a steering committee made up of senior management and executives. The report shows progress towards achievement of the goals by tracking the number of assessed and high-risk suppliers.

Future plans

We will continue to monitor, review and improve the effectiveness of our modern slavery risk management framework and processes with our suppliers, building on the insights we've gained over the past two years. The four areas we will focus on in 2021-22 are:

Prioritising supplier engagement

Supply chains are complex and often opaque. They can involve various stakeholders with different interests and levels of maturity to manage modern slavery risk.

To maximise our program's impact and mitigate risk, it is important that we prioritise suppliers based on risk, spend, supply criticality and purchasing leverage.

To achieve this, we are conducting a full refresh of our supplier segmentation model, updating risk ratings and supplier data.

By prioritising supplier engagements, we will increase our internal focus on initial engagement with suppliers, manage assessment outcomes and develop supplier corrective action plans.

We will also dive deeper into suspected high-risk areas of our supply chain to develop a better understanding and undertake more detailed due diligence.

Streamlining policies, procedures and processes

We are digitising and automating our supplier qualification and tender process, while incorporating modern slavery risk assessments into procurement operations.

CA ANZ is exploring different assessment and risk mitigation tools and integrating them with EcoVadis where possible to pre-screen suppliers.

We are also reviewing existing internal policies and procedures to ensure that modern slavery is referenced where appropriate in internal guidelines, induction and training, supplier audit procedures and access to remedy arrangements. We will communicate changes in policies and procedures to our people, including buyers, suppliers and partners.

Building supplier capacity

To strengthen our supplier engagement, we are holding a webinar on modern slavery risk management to share best practices and show how they can access resources on the EcoVadis platform.

We are developing an external webpage to communicate the program, share modern slavery-related information and provide a feedback mechanism to collect suppliers' requests and ideas for innovation.

Creating shared value

To define our approach to modern slavery risks more broadly, we will be incorporating this as part of an integrated reporting suite of metrics that we will be developing, aligning it with other corporate social responsibility initiatives. This will include other Key Performance Indicators (KPIs) relating to corporate social responsibility and initiatives to align with existing modern slavery risk management processes and systems.

We are also exploring ways to co-create corporate social responsibility value to increase CA ANZ's overall performance. This may include involving members, employees, suppliers and other stakeholders to generate innovation in sourcing and help build robust partnerships with our most important suppliers.



Appendix

The table below indicates which section of this Statement addresses the criteria set out in the Modern Slavery Act 2018 (Cth) and the Modern Slavery Act 2015 (UK).

AUSTRALIA - LEGISLATIVE REQUIREMENT Statement must provide information to...	Section
identify the reporting entity;	Statement (page 4)
describe the structure, operations and supply chains of the reporting entity;	Structure, Operations and Supply Chains (pages 3 – 10)
describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls;	Risks (page 11)
describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes;	Actions (pages 12 – 18)
describe how the reporting entity assesses the effectiveness of such actions;	Actions (page 13) & Systems and Processes (page 17)
describe the process of consultation with any entities that the reporting entity owns or controls; and	Consultation (page 8)
include any other information that the reporting entity, or the entity giving the statement, considers relevant.	This Statement

UK - LEGISLATIVE REQUIREMENT Details on an organisation's...	Section
structure, business and supply chains;	Structure, Operations and Supply Chains (pages 3 – 10)
its policies in relation to slavery and human trafficking;	Policies and Procedures (pages 15 and 16)
its due diligence processes in relation to slavery and human trafficking in its business and supply chains;	Systems and Processes (page 17)
potential risks of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk;	Risks (page 11) & Systems and Processes (page 17)
its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate; and	Actions (page 13) & Systems and Processes (page 17)
the training about slavery and human trafficking available to its staff	Buyers' capacity building and training (page 18)



We welcome feedback from our members and anyone in our community on this statement. Please email us at: service@charteredaccountantsanz.com