



Charles Darwin University 2022 Modern Slavery Statement

Reporting entity

Charles Darwin University (CDU) provides this statement in accordance with the *Modern Slavery Act 2018 (Cth)* (the Act). This is our third statement under the Act covering the period 1 January 2022 to 31 December 2022.

CDU is committed to eliminating all forms of modern slavery where coercion, threats or deception are used to exploit victims and undermine their freedom. Modern slavery is a complex global matter and can occur in various forms such as slavery, servitude, human trafficking, forced marriage, forced labour, debt bondage and child labour. CDU acknowledges its responsibility as a higher education provider, researcher, employer and a buyer/consumer of goods and services to safeguard human rights.

CDU is deeply committed to operating ethically and establishing processes to identify and mitigate the risks of modern slavery in our operations and supply chains.

Structure

CDU is a body corporate enacted on 5 November 2003 by the *Charles Darwin University Act 2003* (CDU Act). We are the parent entity domiciled in Australia with about 1,500 full-time equivalent employees. Staff are employed under the CDU Enterprise Agreement 2022 and governed by the staff Code of Conduct.

Our consolidated group consists of the following entities:

- Menzies School of Health Research (MSHR)
- Bridging the Gap Foundation Pty Ltd (a subsidiary of MSHR)

The governing authority of CDU is the University Council. The Council comprises 15 members, many of whom are appointed by the Administrator of the Northern Territory. The Council is responsible for overseeing management of the University including monitoring systems and accountability, reviewing management practices and performance, and overseeing risk management.

The Council is supported by two main sub-committees:

- Finance and Infrastructure Development Committee which reviews financial planning and reporting, people and culture, infrastructure reporting, risk management, and compliance
- Audit, Risk and Compliance Committee which reviews financial reporting, external/internal audit, risk management, fraud, internal controls and compliance

Operations

CDU is a dual-sector university committed to our core activities of vocational skills and training, higher education teaching and learning, research, and engagement.

We have about 20,000 students across eight campuses and centres in Australia.

15% of our students are international students from over 70 countries, 75% of which are from Asia.

CDU is a deeply connected university, working in partnership and collaboration with First Nations peoples, our communities and industries, government, and alumni to address the needs of the Northern Territory and regional, rural, and remote people nationally and globally.

Supply chains

Key statistics on our supplier spend in 2022 are as follows:

No. Suppliers	Total Spend	No. Countries
2,370	\$197.9m	41

The top 10 spend categories have not changed from 2021. However, there has been some minor movements in the ranking. The 2022 top 10 spend categories were as follows:

- | | |
|--------------------|-----------------------|
| 1. New build works | 6. Insurance Premiums |
| 2. Investments | 7. Student Placements |
| 3. Consultants | 8. Electricity |
| 4. Licences | 9. Advertising |
| 5. External Grants | 10. Property Rent |

- The new build works relates to the University constructing a new campus in Darwin City, NT, Australia and this category is expected to be the top category listing in 2023 and 2024 as construction comes to an end and the existing campuses are revitalised
- The University is undergoing a transformational change in systems to enhance student and staff experiences, which has attributed to the consultants and licencing spend moving from 4th and 5th place in 2021 to 3rd and 4th place in 2022
- There has been an increase in placement and electricity costs as a result of health placements and price increases

The above expenditure categories are primarily procured from Australian based suppliers. Over 90% of our suppliers are based in Australia. Less than 3% of suppliers are based in high risk-rated countries. However, this is not indicative of the origins of the supply chains involved in the goods and services obtained. CDU acknowledges that modern slavery may occur within our supply chains and is committed to understanding and mitigating these risks.

Risks of modern slavery practices in the operations and supply chains

The risk of modern slavery practices that CDU, or its controlled entities, may cause or be directly linked to due to our current operations has been assessed as low for the following reasons:

In respect to the direct employment of our people one of our goals in the Strategic Plan 2021-2026 is to be an employer of choice where people feel supported and happy. The risk of employment practices leading to modern slavery is low as most staff employed by the University are protected under the conditions in the Enterprise Agreement 2022 (EA). The EA provides support for our staff and requires the University to meet the employment conditions as a minimum. The EA effective from 2022 replaced the previous 2018 EA and has the following additional benefits:

- Salary increases as follows: 4% in 2022, 2% in 2023 and 2% in 2024
- Increased flexibility through the introduction of a working from home provision
- Gender Affirmation Leave – new provision to support employees affirming their gender
- Menstrual and Menopause Leave – new provision with five days per annum
- Three hours paid leave per annum to attend individual financial advice
- Compassionate Leave increased to six days per occasion – previously three days

- Increased paid Primary Care Giver Leave to 22 weeks paid leave after 12 months of service – previously 20 weeks, 26 weeks paid leave with 36 months or more of service
- Increased paid Partner Leave (non-primary caregiver) to 10 days – previously 5 days
- Increased paid Surrogacy Leave – 12 weeks paid leave for employees with 12 months service
- Paid Adoption leave – School Age increased to 12 weeks with up to an additional 20 weeks unpaid leave – previously 3 weeks with up to an additional 49 weeks unpaid leave
- New Paid Adoption leave – under school age entitlement is equivalent to Paid Primary Care Giver leave (22 weeks paid leave after 12 months of service or 26 weeks paid leave with 36 months or more of service)

In addition, the University has policies directly related to safety and wellbeing of people including:

- Academic Freedom and Freedom of Speech Policy
- Anti-Racism Policy
- Bullying, Harassment and Discrimination Policy
- Child Abuse Allegation and Reporting Procedure
- Child Safety Policy
- Code of Conduct – Staff
- Code of Conduct – Students
- Diversity, Equity and Inclusion Policy
- Enterprise Risk Management Policy and Procedure
- International Students – Welfare of International Students U18 Procedure
- Sexual Exploitation Abuse and Harassment Prevention Policy
- Sustainability Policy
- Whistleblower Reporting (Improper Conduct) Procedure
- Work Health and Safety Policy

Further to the above, CDU continues to be a values-led organisation. Our Strategic Plan 2021-2026 sets out the values in which we will engage with our people and stakeholders. Three of the values below are at the forefront in how we interact with people in our business operations:

- **Courage** – we make courageous decision to act in the best interests of our students, our people and our communities
- **Kindness** – in all things we act with respect, decency and integrity and strive to understand each other’s differences and points of view
- **Openness** – we communicate and listen openly and frankly in a way that is honest and respectful. We share information with candour and empower our people with knowledge

Procurement of goods and services at CDU is governed by the Procurement Policy and Procedure. The policy enables departments to undertake their own purchasing requirements with relevant endorsement by senior staff/executive and specialists against four benchmark principals of procurement. One of the principals details the assessment of modern slavery risks.

CDU continues to participate as a member of the Australian University Procurement Network (AUPN) and its Modern Slavery (MS) Working group. Through our membership with the AUPN, CDU is able to leverage the aggregated buying power of \$16b+ in procurement spend across 100k+ suppliers within the 38-member group. As a sector we hope this collaboration will enhance the capacity to identify modern slavery risks and mitigate these risks by driving effective change from our suppliers and the supply chains.

Actions taken to assess and address risks

As a sector via the AUPN Program the following were achieved in 2022:

Data & Technology

- ✓ FRDM (supply chain risk management) tool Participation Agreements signed and tool implemented – 35 Universities
- ✓ New Data Improvement Group established
- ✓ AUPN data hub tender undertaken

Training and Capacity

- ✓ Monthly university forums
- ✓ Response plan for media alerts via FRDM tool drafted
- ✓ Cleaning Accountability Framework (CAF) training delivered

Framework

- ✓ Guidance for grievance mechanisms and remediation
- ✓ Risks workshop held with FRDM

Engage & Comms

- ✓ Monthly updates & reports
- ✓ Engagement with community and industry

Governance

- ✓ New Academic Advisory Board members appointed and meetings held
- ✓ Monthly Modern Slavery (MS) Working Group meetings

Supplier Engagement

- ✓ Strategy for supplier questionnaires (SAQs) from FRDM tool approved
- ✓ Pilot SAQs issued to suppliers via FRDM tool
- ✓ SAQ and MS workshop with pilot suppliers
- ✓ Pilot Program Cleaning Accountability Framework (CAF) – objective is to end exploitation in property services and improve work standards through education and advocacy

The FRDM Tool was launched in February 2022. FRDM, founded in 2016 and based in California USA, is one of the world's first supply chain mapping technology. FRDM is part owned by Made in a Free World and donates 5% of gross revenue to charity. The FRDM tool aims to assist the University sector in achieving the following outcomes:

- Inform development of MS statements
- Manage scoring and nesting SAQs into supplier profiles
- Cleanse and standardise data
- Qualify suppliers for MS risks
- Provide potential MS risks of sub-suppliers
- Media alerts of MS risks of sector suppliers

In addition to the above, CDU undertook the below actions to assess and address risks in 2022:

- Health and Wellbeing continues to be a key KPI for Senior Executives. The People & Culture department at the University has conducted several information sessions for staff on employment provisions in the EA and has an employee assistance program

- Advised CDU's property management department on CAF
- Responded to three questionnaires from our debtors on MS risks in CDU operations and supply chains – no further actions were undertaken by our debtors based on our responses
- We continued with the awareness campaign of modern slavery – four presentations were held with CDU's stakeholders and community, including our controlled entities
- We received and reviewed 97 media alerts from the FRDM tool:
 - 19 general platform alerts
 - 52 alerts across 13 countries
 - 26 alerts from 17 industries

How assessment of the effectiveness of actions is being undertaken

- We improved on the number of engagement activities undertaken with University stakeholders
- \$8,543 was donated on behalf of the University by Made In a Free World to a charitable organisation working to reduce child labour
- 847 suppliers risk scores decreased as a consequence of actions taken, updated risk algorithm or media alert resolutions
- The University is implementing a new finance application in 2023, which will strengthen data collection
- In the next statement we will review reports from the FRDM tool on the effectiveness of actions via the benchmark scorings provided from 2021-2023
- CDU will continue to leverage its collaboration with the AUPN

Consultation with controlled entities

MSHR is the only controlled entity where modern slavery risks may occur in supply chains. CDU continued to engage directly with MSHR throughout 2022 with the awareness campaign. The representative from the procurement department participated in the presentation of the FRDM tool when it was implemented in February 2022.

MSHR continued reviewing their suppliers for any online alerts on modern slavery with minimal risks identified. CDU will be incorporating a review in the FRDM tool on new suppliers engaged by MSHR on risk ratings and media alerts that should be addressed with their suppliers.

Other relevant information

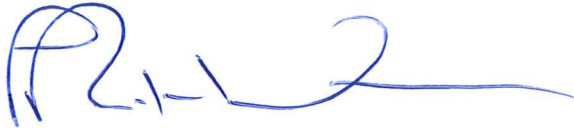
CDU is committed to the elimination of modern slavery by 2030, and in addition via the collaboration with the AUPN will undertake the following focused measures in 2023:

- The new finance application will strengthen data collection – this will be reviewed on how modern slavery risks can be assessed as part of the onboarding of suppliers via a supplier portal
- Continue reviewing contract renewals and update those that require modern slavery provisions
- Continue engagement with controlled entities, stakeholders including students
- Gather intel from the media alerts and issue advice to University stakeholders on the actions to undertake with affected category purchases and suppliers
- Issue SAQs to selected suppliers
- Benchmark University modern slavery statements to support continuous improvement
- Identify common areas of risk across the sector and create a remediation action plan

- Operationalise the FRDM tool in day-to-day processes
- Improve capability via training and leveraging subject matter experts
- Commence drafting best practice guidelines and templates

On the 15th June 2023 the CDU Council approved this statement for the year ending 31 December 2022 on behalf of CDU and its controlled entities pursuant to the Act.

Signed

A handwritten signature in blue ink, appearing to read 'P. Henderson', with a long horizontal flourish extending to the right.

The Hon. Paul Henderson AO
Chancellor

A handwritten signature in blue ink, appearing to read 'Scott Bowman', with a long horizontal flourish extending to the right.

Professor Scott Bowman AO
Vice-Chancellor and President