

2022

CPA Australia Modern Slavery Statement



Table of contents

Foreword	3
1 About this statement	4
2 Our structure, operations and supply chain	5
3 Our modern slavery risks	12
4 Our actions to assess and address modern slavery risks in our operations and supply chains	15
5 Member engagement and collaboration	22
6 Assessing the effectiveness of our actions	25
8 How we consulted with our controlled entities to prepare this statement	27
Appendix	28

Foreword



We are pleased to present CPA Australia’s third modern slavery statement. The *Australian Modern Slavery Act 2018 (MSA)* has now been in force for four years and has highlighted the important role businesses can play in addressing modern slavery.

As legislation on modern slavery and broader human rights issues continues to evolve in Australia and around the world, we look forward to working internally and with our members to continue our efforts to combat modern slavery

During 2022, our key achievements included:

- developing our first human rights policy, which confirms CPA Australia’s commitment to respecting human rights
- establishing the CPA Australia Supplier Code of Conduct to set clear expectations for our suppliers in relation to business and ethical conduct, including in relation to human rights issues such as modern slavery
- engaging with the Australian Government’s three-year review of the MSA, including to share our members’ perspectives and experiences
- strengthening our efforts to communicate our work on environmental, social and governance (ESG) issues (including modern slavery) internally and externally, such as an intranet page for CPA Australia employees and a webpage for suppliers containing key resources
- delivering a webinar for our members about modern slavery, as well as an employee webinar to recognise the International Day for the Abolition of Slavery
- reviewing our modern slavery contract clauses and continuing to build an understanding of modern slavery risks in our supply chain using a Supplier Assessment Questionnaire (SAQ) and developing guidance to help suppliers better understand and respond to the SAQ.

CPA Australia has not yet identified any instances of modern slavery, however, we continue to apply our methodology to monitor for any modern slavery risk areas, and address gaps in policies and processes. We will also continue to actively partner with our members and other stakeholders to provide ongoing professional development, education and awareness.

This statement was approved by the Board of CPA Australia Ltd in May 2023 and signed by me in accordance with the requirements of the legislation.

A handwritten signature in black ink, appearing to read 'Merran H Kelsall'.

Merran H Kelsall
AO FCPA

President and Chair
of the Board
CPA Australia Ltd

18 May 2023

1 About this statement

This modern slavery statement ('statement') is made under the *Modern Slavery Act 2018* (Cth) by CPA Australia Ltd as the reporting entity (ABN 64 008 392 452) (CPA Australia, we, our, us).

It sets out our efforts to assess and address modern slavery risks over the 2022 calendar year (the reporting period). As required by the MSA, this statement also addresses modern slavery risks and actions in relation to our two subsidiaries.

These two subsidiaries are not individual reporting entities for the purposes of the MSA. Further information about our corporate structure is set out in section 2 of this statement.

Modern slavery

Modern slavery describes situations where “coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom”.¹ It involves serious exploitation and grave abuses of human rights.

As defined in the MSA, modern slavery practices include trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour (situations where children are subjected to slavery or similar practices, or engaged in hazardous work) and deceptive recruiting for labour or services. Modern slavery can occur in all sectors and can happen in Australia as well as overseas.

As outlined later in this statement, there are a range of risk factors which may indicate higher modern slavery risks. These include reliance on complex and fast-moving global supply chains, use of migrant workers, high rates of subcontracting, and use of short-term, unskilled labour.

CPA Australia's Modern Slavery Statement

As CPA Australia and our subsidiaries share similar business models and supply chains, this statement describes our modern slavery risks and responses to these risks across our corporate structure on a consolidated basis. The boards of all our controlled entities must act in accordance with all standards and policies that have been adopted and promoted by CPA Australia, including those relating to modern slavery and broader human rights issues.

CPA Australia is registered as a foreign corporation in the United Kingdom (UK) and this statement also meets the requirements of the *Modern Slavery Act 2015* (UK).

Our response to modern slavery is guided by three key principles:

- we actively seek to identify the risk of modern slavery in our operations and supply chains even if we don't find instances of modern slavery
- the risk to individuals is paramount to all other risk considerations
- assessing modern slavery risks and taking actions to address those risks is the right thing to do. It also drives commercial and social value for CPA Australia, which results in value for members.

This statement highlights how we have applied these principles to assess and address modern slavery risks in our operations and supply chains. The appendix at the end of this report explains how the content in this statement aligns with the requirements of the MSA and the *Modern Slavery Act 2015* (UK).

¹ Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities (p. 8).

2 Our structure, operations and supply chain



172,333

Members

Our supply chains



\$101.85 million



81%

Spend in Australia

Our operations



>630

Employees



20

Global offices

CPA Australia is one of the world's largest accounting bodies with a history of more than 135 years. Founded in 1886, we now have 172,333 members around the globe. Our core services to members include education, training, technical support and advocacy. Employees and members work together with local and international bodies to represent the views and concerns of the profession to governments, regulators, standard setters, industries, academia and the general public.

Our vision

Lead the future of the global accounting profession and develop business professionals with tomorrow's capabilities.

Our purpose

We're partners for progress. Strengthening trusted relationships with members and our communities.

This section describes the structure, operations and supply chains of CPA Australia.

The information provides important context for our modern slavery risk profile, which is outlined in section 3.

Our structure

CPA Australia is a company limited by guarantee incorporated in Australia.

We are governed by a Board of Directors elected by the Appointments Council. The Appointments Council comprises a representative from each Divisional Council. Divisional Councils are comprised of members who act as advocates for CPA Australia and for members of the Division in their regions and spheres of influence. Our governance structure is set out on page 8.

Further information about how we have integrated modern slavery into our governance structure, including the role of our Human Rights and Modern Slavery Working Group, is set out in section 4.

CPA Australia ultimately controls the following entities:

- CPA Australia (Shanghai) Co. Ltd. a private company incorporated in China to facilitate the provision of services to members in China
- CPA Australia (M) Sdn. Bhd a private company incorporated in Malaysia to facilitate the provision of services to members in Malaysia.

Our operations

CPA Australia is one of the world's largest accounting bodies, with a global presence. There were no significant changes to our operations over the reporting period.

During the reporting period, we released our new organisational strategy for 2022-27, which underscores our continued ambition to shape the future of the global accounting profession through education and advocacy.

One of the key initiatives highlighted in the strategy is to lead, support and advocate for our members, including through implementation of CPA Australia's ESG strategy which addresses, among other things, modern slavery which comes under the ESG strategy's social pillar.

The operations of CPA Australia and our subsidiaries are primarily focused on the provision of services to members in Australia and globally.

We are partners for progress, and through our trusted relationships, we continue to lead the future of the accounting profession and develop business professionals with tomorrow's capabilities. In doing so, we are helping to advance those who support their communities.

This means regularly engaging with members, employers, academia, government, regulators, standard setters and the community to ensure we understand the current and future needs of the profession. This is especially important when it comes to issues such as modern slavery. This helps us develop strategies, content, products and services to deliver an

experience that meets members' needs and goals throughout each stage of their professional journey.

As at 31 December 2022, CPA Australia and its controlled entities have more than 630 employees located in nine countries. This is a small increase on our last reporting period.

The majority (88 per cent) of our employees are engaged on a full-time basis, and undertake professional, office-based roles, including education, event planning and member engagement. We also engage a number of contingent workers, primarily for office-based roles. Employees and contingent workers overseas are engaged in accordance with applicable workplace laws.

Services

Our core services include education, training, resources and tools, technical support and advocacy. We provide these through a range of channels, including our website, INTHEBLACK digital magazine, face-to-face and online events, Centres of Excellence for six key policy issues, and a dedicated member contact centre in Melbourne. We also publish the *Australian Accounting Review*, a quarterly peer-reviewed journal.

Our member events



Approximately 1840 member events delivered in 2022 including conferences, forums, roundtables, discussion groups and information sessions.



More than 1190 of these events were virtual attracting over 221,000 registrations.

A large part of our work is advocating for the interests of our profession, members and the public. Employees and members work together with local and international bodies to represent concerns and issues, like modern slavery, to governments, regulators, standard setters, industries, academia and the general public. Further information about our member engagement and other collaboration is set out in section 5.

Figure 1: Our governance structure in 2022



Investments

As part of our operations, we invest in equities, equity funds, property funds and bonds, among other investments, in line with our Cash and Investment Policy. These investments are managed by an external investment manager. Information about our engagement with our investment manager during the reporting period in relation to modern slavery is set out in section 4.

INTHEBLACK

The INTHEBLACK digital magazine and website are a leading source of information on business, finance and accounting, offering key insights into strategic thought leadership by way of expert analysis. INTHEBLACK periodically publishes various articles on human rights related topics, including modern slavery and broader labour rights issues.

During 2022, we published a relevant article titled 'Shaping the gig economy. Gig economy workers set for new protections', (August 2022).

The article highlighted that while gig work contributes billions to the Australian economy, most gig workers don't have the same rights as regular employees. However, there may be a major shift after a recent Fair Work finding and an agreement signed between the Transport Workers' Union and gig work platforms Doordash and Uber.

CPA Program

Delivering the CPA Program is a key element of our operations. The program is run via distance learning by a dedicated team within CPA Australia.

The CPA Program is internationally recognised and has a strong focus on the practical application of knowledge within a real-world setting. It goes beyond the numbers to teach the skills needed to reach the next level in leadership, strategy and business. This includes:

- commercial awareness
- emotional intelligence
- communication and collaboration skills
- a technically skilled and solution-driven approach to problem solving
- awareness of the social impacts of accounting.

CPA Australia office locations

Our registered office is located in Melbourne, Australia. We have more than 172,333 members in Australia and overseas, who are attached to 13 Divisions.

There are eight Divisions in Australia and a further five Divisions across Europe, Greater China, Malaysia, New Zealand and Singapore.

CPA Australia (Shanghai) Co. Ltd has staffed branch offices in Beijing, Shanghai and Guangzhou, China. CPA Australia operates as a registered foreign corporation in the UK, Indonesia, New Zealand, Singapore, Malaysia and Hong Kong SAR, and has offices in each of these countries and regions.

CPA Australia has staffed regional representative offices in Beijing, China; Hanoi and Ho Chi Minh City, Vietnam, Jakarta, Indonesia and Abu Dhabi, United Arab Emirates (UAE).

There were no changes to our office locations during the reporting period.¹

We have 20 offices across:

- Melbourne, Australia
- Canberra, Australia
- Sydney, Australia
- Brisbane, Australia
- Adelaide, Australia
- Hobart, Australia
- Perth, Australia
- Darwin, Australia
- London, UK
- Beijing, Mainland China
- Guangzhou, China
- Shanghai, Mainland China
- Hong Kong SAR, China
- Kuala Lumpur, Malaysia
- Auckland, New Zealand
- Singapore
- Jakarta, Indonesia
- Abu Dhabi, UAE
- Hanoi, Vietnam
- Ho Chi Minh City, Vietnam.

Figure 2: Office locations



¹ CPA Australia opened an office in Abu Dhabi in January 2023 (outside of the reporting period covered by the statement). Abu Dhabi and Dubai were previously included as virtual offices. The change in reporting methodology now reflects only physical office locations occupied by CPA Australia.

Our supply chains

Procurement for CPA Australia and our controlled entities is managed by a centralised procurement team based in Melbourne. This team oversees key procurement activities and maintains and implements our procurement policies and processes.

Our supply chains reflect the services-based nature of our operations. Unlike many reporting entities in other sectors, we do not have a significant for-retail supply chain or produce or manufacture products.

Our procurement profile and spend remains similar to the last reporting period. We have assessed that our \$101.85 million spend across our global supply chains as at 31 December 2022 was spread across more than 1000 Tier One¹ suppliers of goods or services.

Top industries for procurement of goods and services based on spend



Financial services, including insurance broking



Education content, including the publishing of study guides



Media and marketing, including media and creative services



Recruitment, including recruitment agency services



Information and Communications Technology (ICT), including hardware, software and telecommunications goods and services



Construction, including interior design and fit out goods and services



Hospitality, including catering for member events in Australia and overseas



Cleaning, facilities management and security for our offices and events in Australia and overseas.

Each sector of spend may have potential exposure to modern slavery and the risks of modern slavery in our supply chains are detailed in the section 3.

Our supply chains below Tier One

The type and duration of our commercial relationships with our Tier One suppliers varies significantly. For example, in some cases we have longer-term relationships with key suppliers, such as financial and other professional services providers. In contrast, we also have a range of shorter, ad hoc relationships with other suppliers, such as a catering provider engaged for a specific event.

We also acknowledge that procurement expenditure does not correlate to the level of modern slavery risk, and that we may also be exposed to modern slavery risks through smaller or once-off procurements in other categories not identified above.

As we work to further strengthen our response, we are exploring options to build our understanding of our supply chains below Tier One. Key areas of our spend, including ICT and construction, rely on complex global supply chains which can involve a wide range of materials, activities and services. For example, ICT supply chains may involve sourcing of minerals and other raw materials, multi-stage manufacturing and assembly processes across multiple countries, and a variety of warehousing, transport and other logistics services. As set out in section 3, we recognise modern slavery could occur at a number of points in these supply chains and that we could be directly linked to this harm through the provision of goods or services to us.

During the reporting period, we undertook a modern slavery deep dive with a Tier One supplier from the catering sector to better understand our supply chains below Tier One and what leverage we may have, or need to build, to help mitigate any apparent risks. A detailed understanding from the deep dive is described on page 18. We will continue to consider additional opportunities for further deep dives in 2023.

¹ Our Tier One suppliers are our direct suppliers with whom we have a contractual relationship.

3 Our modern slavery risks

This section of our statement describes the modern slavery risks we have identified in the operations and supply chains of CPA Australia and its controlled entities. We consider that these risks are relevant to each of these entities and have not identified additional specific risks relating to particular entities within our structure.

We recognise that our modern slavery risks may change and evolve over time and we are committed to regularly reviewing our risk profile. However, we do not consider our risk profile has changed significantly since our last statement.

How modern slavery risks may be present in our operations and supply chains

As set out in our Human Rights Policy, we have a responsibility to respect human rights through all our business activities and relationships under the UN Guiding Principles on Business and Human Rights (UNGPs). This includes the human rights that protect against modern slavery.

UNGPs

The UNGPs are the recognised global standard for preventing and addressing human rights harm by businesses. They provide an important framework to help us, and other businesses, understand and respond to modern slavery risks. We applied the UNGPs in our modern slavery risk assessment (described in our 2020 statement) to identify and explain how we may cause, contribute to, or be directly linked to modern slavery, and understand how we should respond. Our ongoing risk assessment activities are described in section 4.

Modern slavery risks may be present in our operations and supply chains due to a range of factors, including:

- procurement of products or services from high-risk countries or sectors
- use of third-party recruitment providers, including the recruitment of contingent labour in countries with a high prevalence of modern slavery
- our investment activities, which could lead to us holding equities in other businesses that may have high modern slavery risks.

We believe that our most significant modern slavery risks are likely to be present in our supply chains, rather than our operations. This reflects the member-focused and services-based nature of our operations, which can present less scope for modern slavery conduct to occur than other sectors and business models. However, we recognise that the professional services sector, including accounting professionals, may face a range of modern slavery risks, including through their clients. CPA Australia members provide accounting advice and other professional services to a wide range of businesses and organisations, including those in high-risk sectors and geographies.

We remain committed to supporting and equipping members to respond to modern slavery risks they may encounter through the provision of accounting advice and services. More information about our engagement with members is set out in section 5.

Consistent with the UNGPs, we consider that our most significant modern slavery risks are those that would result in the most severe harm to people rather than our business. These risks are described in table 1.




Modern slavery risks in our supply chain

We seek to engage suppliers with proven values, ethics and business practices, including those related to modern slavery and broader human rights issues. This includes setting clear standards for supplier behaviour through our new Supplier Code of Conduct. We believe that we can also work with suppliers to positively influence their response to modern slavery risks.

Building on our 2020-21 review of modern slavery risks in our procurement spend and supplier spend data, for 2022 we continued to consider the following modern slavery risks in our supply chain to pose the most severe risks to people. Section 4 explains the actions we are taking to further assess and address these risks, including enhancements to our SAQ process.

In addition to the modern slavery risks below, we recognise that activities such as sourcing of merchandise and outsourced design and printing services, as well as office consumables, may also involve modern slavery risks.

Table 1: Modern slavery risks in our supply chain



Supply chain category	Potential risk description	Risk level	Potential level of involvement	Risk rationale
	Procuring ICT goods and services that are produced or delivered using modern slavery.	Medium to high	Directly linked	<p>We procure a range of electronic products like laptops, computers and mobile phones to support our business activities. These products have long and complex supply chains and can involve high modern slavery risks. This includes the use of exploited labour in overseas factories where these products are manufactured, and the use of conflict minerals in components, which may be mined or processed by victims of modern slavery. Demand for these products is likely to have increased during COVID-19, which may have increased modern slavery risks in this area. There may also be modern slavery risks associated with the provision of support services for ICT products, like offshore call centres, which may be located in countries with weaker enforcement of labour laws.</p> <p>Although the ICT sector can involve large multinational suppliers, these entities may not be taking adequate steps to address modern slavery risks. In 2022, the KnowTheChain benchmark assessed 60 global ICT companies' efforts to address forced labour in their supply chains. The average score received by the companies covered by the benchmark was 14/100 and KnowTheChain found that many were not undertaking sufficient due diligence to identify and manage forced labour risks.</p>
	Procuring cleaning, property management, maintenance and construction goods and services that are produced or delivered using modern slavery.	Medium to high	Contributor/ directly linked	<p>We rely on cleaning, property management, maintenance and construction goods and services to operate all our offices. These goods and services can involve high modern slavery risks, including risks associated with the widespread use of unskilled migrant labour and unauthorised subcontracting, which have been reported to be more vulnerable to modern slavery. In some cases, we may procure these goods and services directly, while in other cases they may be provided by our external building managers.</p> <p>Modern slavery in these sectors can occur in Australia, as well as overseas. However, modern slavery risks associated with these products and services may be greater in some high-risk countries where modern slavery is more prevalent. While we do not think it is likely that we would contribute to modern slavery in this area within the meaning of the UNGPs, we recognise that there may be a possibility we could if appropriate risk management steps were not in place (as set out in section 4).</p> <p>The potential modern slavery risks associated with commercial cleaning providers have been highlighted by various stakeholders. For example, a 2021 report by the Australasian Centre for Corporate Responsibility noted key risk factors include complex subcontracting, low barriers to entry, a largely migrant workforce and aggressive pricing competition.</p>
	Procuring hospitality goods and services (including labour and food and beverage products) that are produced or delivered using modern slavery.	Medium to high	Directly linked	<p>In 2022, we hosted 655 in-person events globally. For many of these, we relied on labour hire delivered by third party suppliers in the hospitality industry.</p> <p>The hospitality sector is a high-risk sector for modern slavery in Australia and overseas, due to the use of short-term unskilled labour. There is also a risk that some food and beverage products provided during our events (such as tea, coffee, fruit, seafood and other relevant products) may be linked to modern slavery. Modern slavery risks associated with these products and services may be greater in some high-risk countries where modern slavery is more prevalent. While we do not think it is likely that we would contribute to modern slavery in this area within the meaning of the UNGPs, we recognise that there may be a possibility we could if appropriate risk management steps were not in place (as set out in section 4).</p> <p>Hospitality services such as catering have also been identified as a potential modern slavery risk by other Australian companies from a range of sectors in their modern slavery statements, including professional services, banks, mining and airlines. We are continuing to monitor the evidence base for modern slavery in this area, to better understand our possible risk exposure, including by undertaking a deep dive with our catering services provider during the reporting period.</p>

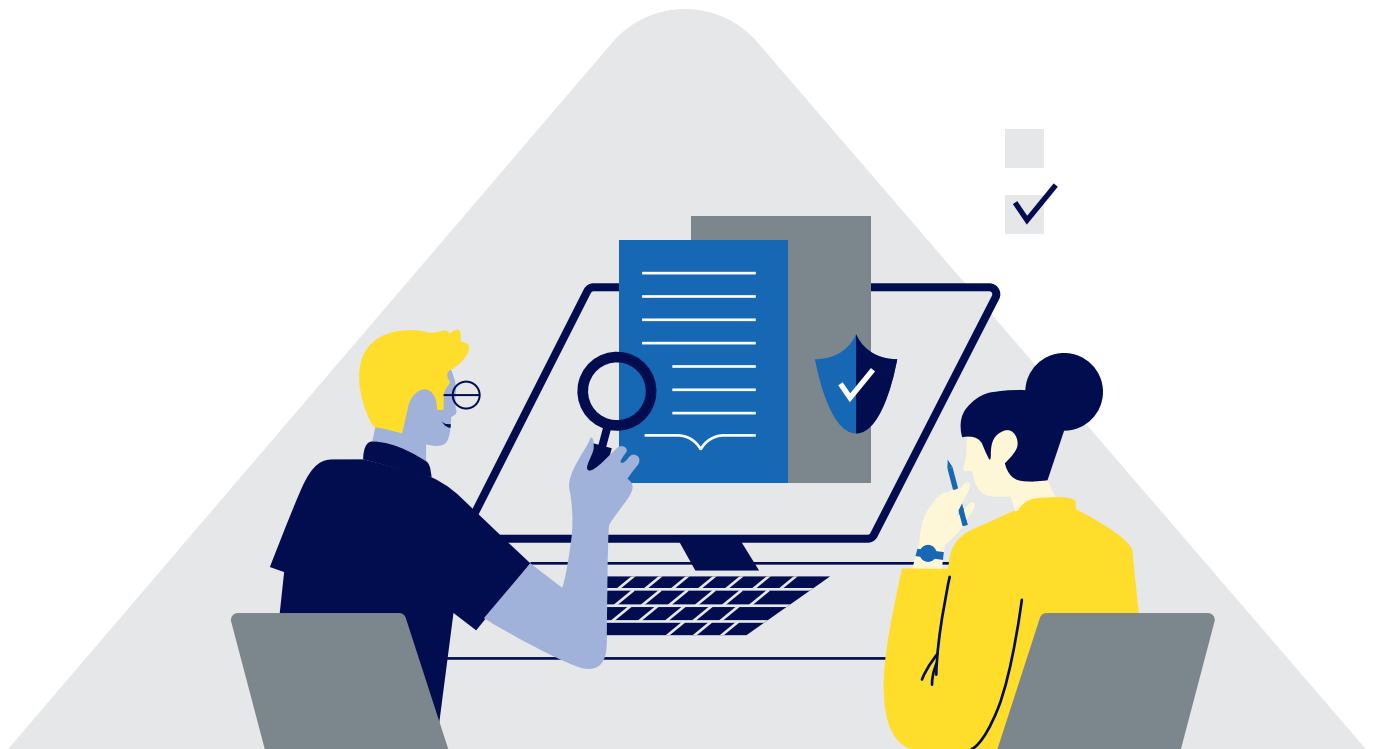
Modern slavery risks in our operations

Our operations primarily involve the provision of services to members, and our employees are engaged in accordance

with applicable workplace laws and protections. We have identified that the modern slavery risks in our operations include those set out in the table below.

Table 2: Modern slavery risks in our operations

Supply chain category	Potential risk description	Risk level	Potential level of involvement	Risk rationale
	Hiring arrangements for employees and contingent workers for overseas offices and our operations.	Medium	Directly linked	<p>In some circumstances, we recruit employees and contingent workers overseas, including through third-party recruitment firms. Generally, these recruitment processes are for professional, office-based roles which tend to carry a lower modern slavery risk.</p> <p>Recruitment processes can involve high levels of modern slavery risk, especially when recruiting for lower-skilled or temporary positions in countries where the use of recruitment fees is widespread. In some circumstances, recruitment fees can be used to hold victims in debt bondage, a form of modern slavery. While we do not think it is likely that we would contribute to modern slavery in this area within the meaning of the UNGPs, we recognise that there may be a risk we could if appropriate risk management steps were not in place (as set out in section 4).</p>
	Our investment activities and portfolios.	Medium to high	Directly linked	We invest funds in diverse equities, equity funds, property funds and bonds, among other investments. These investments are managed by an external investment manager. There is a risk that we may be directly linked to modern slavery through these investments. For example, we may invest in equities from a company that is found to have modern slavery in its operations or supply chains.



4 Our actions to assess and address modern slavery risks in our operations and supply chains

This section outlines our actions to assess and address modern slavery risks in our operations and supply chains during the reporting period, including those of our controlled entities. This section is structured to align with the core components of human rights due diligence set out in the UNGPs.

CPA Australia centralises the modern slavery actions identified in this section. The actions are indicative of an enterprise-wide approach. We are committed to continually improving our response to modern slavery and the actions detailed below build on key steps taken in 2020 and 2021, which are outlined in our previous statements. These actions support our modern slavery roadmap, which we developed in 2021 and described in our last statement. The roadmap includes more than 50 recommendations which we are implementing progressively over 2021-23.

Modern slavery incidents

In 2022, we did not identify any modern slavery incidents in our supply chains and operations. We are not aware of any current or pending legal action against us regarding the breach of a modern slavery or other human rights law. However, we recognise that modern slavery may be hidden in our supply chains and operations. We will continue to take action to assess and address our modern slavery risks and equip ourselves to respond to any future cases of modern slavery that we may identify in our operations or supply chains.

A) Strengthening our policies and governance processes

Strong governance and clear internal accountability are key elements of our response to modern slavery. Our policy documents and governance processes clearly express and reflect our commitment to combating modern slavery. A detailed overview of our governance framework is set out in section 2 of this statement. Figure 3 on page 16 summarises how our governance framework applies to modern slavery.

"Our Human Rights Policy helps to draw together the different work underway across our business relevant to human rights and makes it clear that respect for human rights is core to who we are as a business. Developing the Policy has also provided an important opportunity for discussion at Board level about human rights." *Company Secretary*

Developing our Human Rights Policy

During the reporting period, we developed our first Human Rights Policy. In line with the UNGPs, our Human Rights Policy sets out our commitment to respect all internationally recognised human rights.

Our Human Rights Policy was developed in collaboration with Pillar Two, an expert business and human rights advisory firm and endorsed by our Board.

It sets out the key actions we are taking to meet our commitment to respect human rights, including:

- working to enable the safe reporting of human rights concerns (including in relation to modern slavery) by relevant stakeholders without retaliation, including our people, contractors, members, suppliers and their workers
- implementing policies and processes to support us to identify and prevent or mitigate actual and potential human rights risks, including modern slavery
- recognising our responsibility to provide for or cooperate in remediating human rights harm we identify we have caused or contributed to (which could include modern slavery)
- communicating this Policy and our expectations to CPA Australia's people and other relevant stakeholders and sharing information with external stakeholders about our human rights performance, including through reporting such as this statement.

The Human Rights Policy complements and works in tandem with other initiatives across our business relevant to human rights, such as our Reconciliation Action Plan, ESG strategy, Net Zero Emissions Pathway and modern slavery reporting.

The Policy also supports provisions in our procurement policy which set out that we will verify compliance with applicable legal requirements through the procurement process, including those relating to human rights and environmental impacts.

The Human Rights Policy applies to anyone who is employed by CPA Australia and its related entities or works for, or on behalf, of CPA Australia, including employees (whether permanent, fixed-term or temporary), contractors, consultants, secondees and Directors and officers wherever located.

We have published the Human Rights Policy on the CPA Australia website.

Figure 3: Our policies and governance processes

<p>Board of Directors</p>	<p>The governing body of CPA Australia sets and approves our ESG strategy which includes our approach to modern slavery risk identification and mitigation referred to in the strategy’s social pillar as well as approval of our annual modern slavery statement.</p>
<p>Audit, Risk and Compliance Committee</p>	<p>The Board committee responsible for assisting the full board with overseeing the implementation of our modern slavery response, including internal risk management and external reporting through this statement.</p>
<p>Modern slavery and human rights working group</p>	<p>Responsible for implementing our modern slavery response at the operational level. The Procurement team is responsible for chairing the Working Group, and a number of Working Group members also have responsibility for implementing our modern slavery response at the operational level. The working group comprises representatives from key business units, including Procurement, Policy and Advocacy, People and Culture, Company Secretariat, Finance, Property and Facilities, International and Legal. The Procurement team is responsible for chairing the Working Group, and a number of Working Group members also have responsibilities in relation to our controlled entities.</p> <p>The Working Group is guided by terms of reference which sets out the Working Group’s primary responsibilities including:</p> <ul style="list-style-type: none"> • promoting an understanding and awareness of the roadmap and CPA Australia’s response to modern slavery across the organisation • providing briefings, advice and support to senior managers, relevant executive level committees and the Board • supporting the development of our annual statement. <p>The governance of our modern slavery work is considered by and reported to the Board and the ARCC which received updates relating to our modern slavery response throughout 2022 and 2023. For more information about our corporate governance framework please see page 8.</p>

Developing our Supplier Code of Conduct

During the reporting period, we also developed a Supplier Code of Conduct (Code) to set clear expectations for all CPA Australia suppliers in relation to business and ethical conduct. This includes expectations relating to modern slavery, the environment, privacy and inclusion and diversity, as well as compliance with applicable laws and regulations.

For example, our Code requires suppliers to prohibit modern slavery in their operations and supply chains and provide fair remuneration and working conditions. It also requires suppliers to put in place policies and processes to allow for the safe and anonymous reporting of misconduct, which could include modern slavery.

Where our prospective or current suppliers do not meet these standards, CPA Australia may choose to not work or not to continue working with those suppliers, although our preference is to work with suppliers to address any relevant issues.

We have made the Code available on CPA Australia's Corporate Responsibility webpage and are communicating the Code to all new suppliers as part of the Request for Proposal and onboarding processes. We will also work to share the Code with our existing suppliers.

We will regularly review the Code, including the consideration of feedback we may receive from our suppliers. We will also seek to discuss the Code with suppliers during contract management meetings to help identify any challenges with implementation and better understand the actions our suppliers are taking.

B) Identifying and assessing our modern slavery risks

We are continuing to build our understanding of our modern slavery risk profile (including supplier-specific risks) by engaging with selected suppliers.

We consider a range of factors, like:

- the use of labour hire in the delivery of the goods and services (including the employment of vulnerable people)
- whether the supplier has complied with the MSA and will comply with CPA Australia's modern slavery contractual terms and conditions
- action taken/planned to tackle modern slavery and other potential human rights risks that may be relevant to the organisation
- the supply chains involved in the delivery of the proposed services, as well as provision of training on modern slavery and/or broader human rights issues for relevant workers, such as personnel with responsibility for managing contracts.

Continuing to implement the SAQ

During the reporting period, we continued to implement the SAQ developed in 2020. We recognise that SAQs can have limitations (for example, in some circumstances it can be difficult to verify information provided by a supplier). However, as a comparatively smaller reporting entity, the SAQ provides us with a valuable tool to understand and assess supplier-specific modern slavery risks.

Our current SAQ focuses on identifying potential modern slavery and broader human rights risks through a series of targeted questions. These questions address a range of topics, including the supplier's current modern slavery risk management actions and how the supplier would respond to an allegation of modern slavery or substandard working conditions in its operations or supply chains.

During the reporting period, we requested that any new suppliers identified as posing higher modern slavery risks complete the SAQ as part of the Approval to Proceed step in our procurement process (refer to page 19).

We also updated the SAQ in 2022 to include a question to assess steps taken by suppliers to prevent fraud and corruption in their operations and supply chains. This supports our Fraud and Corruption Policy which was updated in 2021 and further updated in 2022 with regard to modern slavery and identifies that corruption and fraud can be closely linked to modern slavery.

Developing guidance for our suppliers to support analysis of SAQ results

In 2022, we developed guidance for our suppliers to support them to respond to the questions in our SAQ. We have published this guidance on our website.

We recognise that our suppliers' capacity and understanding of modern slavery risks may vary and the guidance provides practical, 'plain English' explanations of each question asked in the SAQ. The guidance also identifies a range of free resources and tools to support suppliers to identify and manage modern slavery risks. We also understand that every supplier is different and that the actions taken by small suppliers to manage these risks may differ from larger suppliers, including due to differences in size and capacity. Importantly, the guidance also outlines the types of actions we may expect from smaller and larger suppliers for each question.

Case study :

Deep Dive – Assessing modern slavery risks relating to hospitality

Hospitality services may involve modern slavery risks (section 3).

In 2022, we engaged with our key catering services supplier to better understand how they manage modern slavery risks associated with their extended supply chain.

We commenced the deep dive by requesting that the catering supplier provide a response to an extended version of our SAQ. Representatives from the supplier's Supply Chain, Sustainability and Risk team subsequently attended a session with our Property and Facilities and Procurement teams to further explain the supplier's responses and steps they are taking to assess and address potential modern slavery risks.

The in-person deep dive session allowed us to better understand the supplier's risk management processes and provided us with an opportunity to collaborate and share learnings. This process indicated that our supplier has a mature governance framework to support the reliable identification, assessment, and prompt response to potential risks of modern slavery within its operations and supply chains.

We also discussed with the supplier how they work with their sub-suppliers. For example, our supplier outlined how it works closely with supply chain partners to increase transparency and traceability by using tools such as Supplier Ethical Data Exchange, internal risk assessment tools and processes, and a requirement for audits for high-risk suppliers.

As part of the deep dive, we also reviewed the supplier's awareness of low-skilled migrant workers working in their supply chains locally and overseas. The supplier advised that it screens prospective suppliers to assess the risks of modern slavery or other human rights harms that may occur in their operations and supply chains, and holds regular meetings/business reviews with selected suppliers in their extended supply chains to discuss modern slavery and other relevant ESG matters. The supplier also communicates their global supplier code of conduct to their sub-suppliers as part of their onboarding process through pre-qualification and during contractual negotiations.

"We acknowledge the complexity and ever-evolving nature of modern slavery, and the vast scope of addressing the risks within our extended supply chain. As an industry leader in hospitality and support services, we are in a fortunate position to engage directly with our supply partners to increase the supply chain transparency and traceability. Our journey to date has focused on establishing strong governance, embedding modern slavery awareness and training as part of business-as-usual operations, and engaging with suppliers to enhance knowledge and information sharing. We will continue to focus on these fundamental aspects as we extend our supply chain transparency through tiers two and three." Hospitality supplier quote from SAQ

Engaging with the external investments manager to better understand how modern slavery risks relating to our investments are managed

As outlined in section 3, there is a risk we may be directly linked to modern slavery through our investment activities. In 2022, we continued to engage with our external investments manager to better understand how they are managing modern slavery risks. The external managers twice presented to the Board, in May and September 2022. During these presentations, the degree to which ESG matters generally are captured within our investment portfolio was highlighted, including those underlying funds that have an ESG policy in place, those that are a signatory to the United Nations Principles for Responsible Investment and those that have exposure to defined high risk industries.

"This process provided an important opportunity to better understand our external investments manager's risk management processes and explain our expectations. We'll continue to monitor potential modern slavery risks linked to our investment activities and engage further with the external investments manager as required."

Finance Team Member

Provision of a grant to the University of New South Wales (UNSW) for modern slavery research

During the reporting period, we supported UNSW with certain research relating to modern slavery and human rights due diligence. A CPA Australia grant supported a research assistant at the UNSW Australian Human Rights Institute.

Paper Promises?



Broken Promises:



CPA Australia provided support for two research reports titled 'Paper Promises? Evaluating the early impact of Australia's Modern Slavery Act' which was published in February 2022 and 'Broken Promises: Two years of corporate reporting under Australia's Modern Slavery Act' published 16 November 2022. The reports had multiple authors and supporters. Going forward, we are continuing to consider opportunities to support research on modern slavery and broader ESG topics.

C) Integrating and acting on our findings

The steps in Table 3 outline how we are continuing to take concrete steps to integrate and act on our risk assessment findings. In addition to the new actions outlined below, we are continuing to implement key actions described in our previous statements.

Table 3: Acting on our findings

Continuing to embed modern slavery risk considerations in our major procurement and sourcing projects valued at more than \$250,000 through the inclusion of modern slavery questions in relevant tenders and request for proposal documents.

Continuing to require mandatory consideration of modern slavery risks for all procurement valued at over \$25,000.
As part of the contract process, an Approval to Proceed form must be completed for contracts with a value greater than \$25,000. The form asks the contract manager to indicate whether modern slavery risks have been identified before engaging the supplier and provides practical examples of modern slavery risks. If any risks are identified, the contract manager must contact our Procurement team to obtain our SAQ and additional guidance regarding modern slavery in the procurement process.

Continuing to use modern slavery clauses in our contracts.

Among other things, the clauses require suppliers to acknowledge that CPA Australia is committed to complying with the MSA, and to warrant that the supplier has no knowledge of any risk of modern slavery offences within its organisation or supply chains and is taking reasonable steps to prevent the occurrence of modern slavery. We reviewed these modern slavery clauses during the reporting period, as described on page 20.

Continuing to provide modern slavery training to employees.

As part of our training compliance program, employees are required to complete compliance learning modules relating to modern slavery and broader human rights issues including fraud, whistleblowing and workplace bullying.

Revising our modern slavery contract clauses

During the reporting period, we continued to use modern slavery contract clauses to set clear expectations and requirements for our suppliers in relation to modern slavery risk management. Among other things, the clauses require suppliers to represent and to warrant that the supplier will comply with all applicable laws, rules and regulations relating to modern slavery, and that it has no knowledge of any risk of modern slavery offences within its organisation or supply chains and is taking reasonable steps to prevent the occurrence of modern slavery.

Further, management reviewed the modern slavery clauses in our master services agreement and we will conduct additional reviews in the 2023 reporting period. The reviewed clauses will include the requirement for suppliers to implement regular audits, grievance mechanisms, and an obligation for suppliers to conduct training of their personnel in relation to modern slavery legislation, and the prevention of modern slavery offences within their business, organisation and supply chain.

Our short-form master services agreement is published on our website so that future suppliers can clearly understand our expectations in relation to modern slavery.

If a supplier's performance relating to modern slavery is below standard during the term of an engagement, we would seek to engage positively with the supplier and use our leverage as a customer to address the issue in line with the UNGPs, prior to considering termination rights.

Establishing an intranet page for CPA Australia employees that brings together key policies, resources and other relevant information on modern slavery

We have created an ESG intranet site to cover all policies and resources in relation to net zero, modern slavery, and wellbeing, inclusion and diversity. The information available supports our ESG strategy and vision to incorporate ESG considerations into all our activities in order to meet the present and future needs of our members, employees and other stakeholders to support long-term environmental, social, and governance performance.

Presenting the information in this way also supports our people to understand modern slavery as one of a range of human rights issues relevant to CPA Australia and recognises that modern slavery is key to our wider work on ESG issues.

Establishing a webpage linked to the CPA Australia website for suppliers

To help us to better communicate and engage with our suppliers, we have also developed a Corporate Responsibility webpage for our supplier base. The webpage sets out information relevant to suppliers about modern slavery and broader human rights matters, including our Reconciliation Action Plan, Inclusion and Diversity Policy, Net Zero Emissions Pathway, Supplier Code of Conduct, Human Rights Policy and Modern Slavery SAQ guidance.

Delivery of a webinar to support members to address modern slavery in their day-to-day roles

As set out in section 5 of this statement, we see engagement with our members as a core part of our modern slavery response.

In October 2022, CPA Australia hosted a webinar for our members to support them to consider the implications of the MSA for the accounting profession. We invited Pillar Two, an expert business and human rights advisory firm, to present on this topic. This session covered the following key issues:

- a refresher on the regulatory landscape in Australia and overseas relevant to modern slavery and the aims and impact of the MSA
- an analysis of key reporting trends under the MSA, including good practice trends and areas for improvement
- practical guidance about enhancing and reporting on companies' modern slavery responses, including the role of accountants
- an overview of the Australian Government's review of the MSA and possible changes to the legislation, including opportunities for members to engage with the review process.

There were 267 member registrations for the webinar and we received positive feedback with an average rating of 4.5/5.

Hosting an employee webinar to mark the International Day for the Abolition of Slavery (2 December).

We delivered an awareness-raising webinar about modern slavery to CPA Australia employees to mark the International Day for the Abolition of Slavery with more than 120 employees taking part.

The webinar included presentations from the CPA Australia Procurement team and expert business and human rights advisory firm Pillar Two, as well as interactive discussion with attendees. The content of the presentations included:

- examples of modern slavery from Australia and around the world
- an overview of the role businesses can play in addressing modern slavery
- how accountants can support businesses' modern slavery risk management
- the steps CPA Australia is taking to manage its modern slavery risks.

Expanding modern slavery-related training for our members in Australia and overseas

As part of our commitment to supporting members, in 2022, CPA Australia launched four new ESG related learning modules aimed primarily at the SME and Public Practitioner market. The content is scalable and applicable to the broader member base. The modules sit within the My Firm, My Future eLearning suite of products and focuses attention on four considerations:

- ESG and business strategy
- ESG in practice
- ESG measurement, reporting and assurance
- Supply chain resilience.

Among other issues, the modules provide members with an understanding of modern slavery and its implications for business, including modern slavery reporting legislation.

We also continue to offer the 'Creating value through sustainability' micro-credential. This product is applicable to a broad range of finance professionals involved in external reporting for their organisation (such as modern slavery reporting) including Finance Managers, CFOs, and Financial Controllers. Starting with setting the value proposition for sustainability, the micro-credential delves into considerations around how to craft, or deepen their organisation's sustainability journey and considerations for external reporting and the selection and use of a framework.

D) Tracking the effectiveness of our actions

As outlined below, we are tracking the effectiveness of our response to monitor how the steps we are taking are impacting our risks.

Holding meetings of our Modern Slavery and Human Rights Working Group

Our Working Group is the primary way we track the effectiveness of our response to modern slavery risks. During 2022, the Working Group met to drive actions outlined in our roadmap, and track and review our progress. Further information about how we measure the effectiveness of our actions to assess and address modern slavery risks is set out in section 6.

E) Communicating our progress

As outlined below, we are sharing our progress and actions with members and the public to ensure we remain accountable for how we address our modern slavery risks.

Developing and publishing our 2021 Modern Slavery Statement

Our statement is the primary tool we use to communicate with members and the public about the steps we are taking to combat modern slavery. During the reporting period, we conducted a member webinar to increase member engagement and awareness on modern slavery issues as described on page 20.

We have a dedicated webpage about our response to modern slavery, which includes a copy of our 2020 and 2021 statements and which will house future statements. We communicated our progress in our 2022 Integrated Report and our 2022 Corporate Governance Statement highlighted the release of our second Modern Slavery Statement and continued commitment to deliver on our modern slavery roadmap to our members and external stakeholders.

F) Remediation

The below outlines how we are working to equip ourselves to respond to, and (where appropriate and in line with the UNGPs) remediate, cases of modern slavery we may identify in the future.

Maintaining processes to enable the reporting of modern slavery concerns

Our Whistleblower Policy specifically includes causing, contributing to, or directly being linked to modern slavery (defined broadly as all forms of human trafficking, forced labour and slavery-like practices) in supply chains or operations as conduct that could be reportable conduct.

The Whistleblower Policy is a key component of our risk and corporate governance framework and sets out the framework for receiving, investigating and addressing allegations of reportable conduct (including modern slavery) concerning the activities of CPA Australia or current and former Directors, officers, agents, employees and contractors. A whistleblower is anyone who makes, or attempts to make, a report of reportable conduct under the Whistleblower Policy, and is, or has previously been, an officer, employee, supplier of goods or services or an associate of CPA Australia or is a relative or dependent of such persons.

A whistleblower may make a report anonymously via CPA Australia's external and independent whistleblowing service provider 'Your Call' which allows for a report to be made anonymously and confidentially. Whistleblowers are not required to identify themselves and will not be named in any report to CPA Australia unless they have consented in writing to their identity being disclosed.

5 Member engagement and collaboration

Collaboration is the key to addressing modern slavery risks because it promotes best practice and idea sharing. In 2022, we continued to work closely with members and the broader profession to foster action to combat modern slavery.

As a member-based organisation, we are committed to supporting and equipping members with the tools to take action to address modern slavery. Accountants have a key role to play in supporting businesses to combat modern slavery. They must be able to recognise it as a risk to businesses' financial sustainability, support the identification and mitigation of modern slavery risks linked to procurement spend, and assure businesses' modern slavery responses.

Taking action on modern slavery is also consistent with accountants' responsibility to act in the public interest under the APES 110 Code of Ethics for Professional Accountants. This includes compliance with relevant laws and regulations, including those in relation to modern slavery. In this context, APES 110 emphasises the wider public interest of compliance with laws and regulations, including the potential harm to investors, creditors, employees and the general public.

Our key actions to engage with members and collaborate with stakeholders during the reporting period included:

- maintaining our membership of the UN Global Compact Network Australia, which provides us with opportunities to engage with business peers across sectors
- continuing to publish INTHEBLACK content relevant to modern slavery, labour rights and broader human rights issues as described on page 9
- supporting the development of research reports by UNSW published in 2022 described on page 19
- delivery of a member webinar as described on page 20
- continuing to engage our members through a suite of dedicated ESG micro-credentials including the launch of new modules as described on page 21
- actively seeking feedback from members as part of CPA Australia's response to the Australian government's MSA review as described on page 22.

Engaging with the Australian Government's three-year review of the MSA

In 2022, CPA Australia collaborated with an industry peer to provide feedback on the review of Australia's MSA issues paper to the Australian Government.

A sub-group of the CPA Australia ESG Centre of Excellence reviewed the issues paper and assisted in the development of CPA Australia's submission. We also shared a consultation notice through CPA Update seeking broader member views on the review. We reflected this member input in our submission.

Key points from our submission included:

- strongly supporting the establishment of an independent Anti-Slavery Commissioner which we see as serving as an important advocate and proactive collaborator with business, state governments and international stakeholders
- highlighting that some businesses appear to still be unaware that they are captured under the MSA and encouraging government to proactively identify and openly communicate with these businesses, which could include publishing a list of entities required to report
- suggesting that the Government consider assurance and/or third-party verification procedures to improve the quality of information and data provided in modern slavery statements
- encouraging continuous improvement of the MSA through ongoing statutory reviews to help ensure that Australia remains at the forefront of international modern slavery developments
- emphasising the importance of expanding and strengthening practical guidance to support businesses to improve reporting
- proposing that the Government consider through any future reviews how the MSA could be integrated into, or aligned with, potential future sustainability reporting requirements.

How can accountants help to address modern slavery?¹

Case one

Sam provides accounting services for a range of small businesses, including a company. After reviewing the company's financial data, Sam identifies a number of discrepancies relating to the payment of workers' superannuation and other entitlements.

After further engagement with the business owner, Sam suspects that the owner is also intentionally underpaying international students employed by the company. Sam reports his concerns to the relevant authorities, who investigate further.

This investigation reveals the company is exploiting a number of international students, who are in situations of forced labour (a form of modern slavery). The business owner pays these students a minimal wage 'off the books' and threatens them with deportation if they refuse to work or seek assistance from the authorities.

Case two

Nina is an in-house accountant at a global mining company. While assisting the procurement team with a review of supplier spend, she notices that one overseas personal protective equipment supplier in a high-risk country for modern slavery appears to have significantly lower costs than other similar suppliers used by the company. Nina flags this with her colleagues, who engage with the supplier.

A subsequent social audit of the supplier finds evidence of significant worker underpayment (a red flag that modern slavery may also be occurring).

Case three

Lin is the Finance Business Partner working in a medium-sized shipping company with extensive overseas operations. Lin notices that even though the amount of containers that have arrived into a key overseas port, through vessels provided by a third-party charterer, has remained consistent, and the manifestos indicate a stable amount of products being transported, the net profit yield has been steadily declining.

Further investigations show that the amount of units sold has decreased without a corresponding increase in stock being held. Although initial suspicion revolved around stock theft, surveillance showed no abnormal activity.

A thorough investigation of the container crates subsequently identifies that the internal space does not match the outside dimensions for a number of containers. A law enforcement investigation later determines that false walls were installed and some crates were used for human trafficking purposes by an organised crime group working with the third-party charter company.

¹ The businesses and individuals in these case studies are fictional.

Our ESG approach

Our approach to policy and advocacy and member engagement also follows our overall approach to ESG issues as captured in our ESG strategy.

CPA Australia has adopted a 'spheres of influence' approach to framing our ESG strategy. To varying degrees, CPA Australia exerts influence across three intersecting stakeholder groups.

1. Internal stakeholders within CPA Australia who control operational or day-to-day activities
2. CPA Australia members with diverse requirements and needs which vary with the size and nature of their organisations
3. CPA Australia's local and global advocacy and influence within the wider accounting profession and community, as well as engagement with academic institutions, standard setters, regulators and government agencies

United Nations (UN) Sustainable Development Goals (SDGs)

In 2015, all 193 Member States of the UN agreed the 2030 Agenda for Sustainable Development, which resulted in 17 SDGs that reflect global sustainable development priorities. CPA Australia considers the SDGs in its reporting on ESG issues, including our Modern Slavery Statement which supports UN SDG 8.



8 DECENT WORK AND ECONOMIC GROWTH
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

We do this by supporting our members in the work they do that impacts their organisations and the economies they work in, and by providing a workplace that values inclusion and diversity.

Figure 4: Our ESG Approach

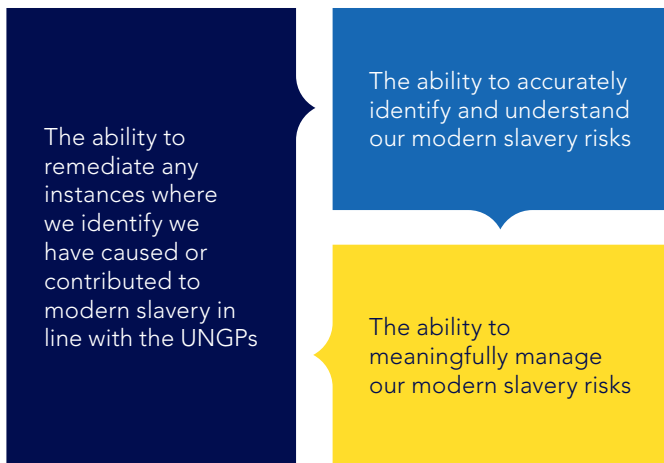


6 Assessing the effectiveness of our actions

Tracking the implementation and impact of our actions to combat modern slavery risks is a key part of our response to modern slavery. This monitoring and assessment helps us understand what works and where further action is needed.

We recognise that assessing the effectiveness of actions in a modern slavery context is challenging. For example, tracking quantitative metrics relating to numbers of people trained or suppliers engaged may not provide a clear indication of whether these actions are having a meaningful impact. In this context, we are working to continue to strengthen our approach to assessing effectiveness as outlined in figure 5.

Figure 5: How we understand effectiveness



Importantly, we recognise that the ultimate goal of an effective response to modern slavery risks should be to support changes on the ground in the lives of those who may be subjected to or who have survived modern slavery, and not just on changes to the organisation's risk profile.

"Since our first statement, CPA Australia's modern slavery response has developed significantly. As the procurement team, we've progressively built our understanding of CPA Australia's modern slavery risks and how to manage them. We're also refining the tools and controls we have in place to help enhance the effectiveness of our response. For example, this statement explains our work to further improve our SAQ and update our contract clauses."
Procurement Team Member

Figure 6 : How we track our effectiveness



7 Our future plans

CPA Australia has satisfied its 2022 plans as outlined in our 2021 statement. We understand the importance of continuous improvement and will continue to implement our modern slavery roadmap over 2023 (the final year of the roadmap).

We will also closely follow the outcomes of the Australian Government's review of the MSA to respond to any new requirements or additional expectations. In addition, we are monitoring broader developments around modern slavery and human rights due diligence legislation globally, including to consider what these changes may mean for our members and us.

Over 2023, our key planned actions include:

- considering options to review our implementation of our three-year roadmap and exploring next steps for our response going forward
- continuing to implement updated modern slavery contract clauses
- exploring opportunities for collaborative partnerships with external stakeholders, such as further deep dives with selected suppliers or opportunities to promote our whistleblower hotline or a supplier's grievance mechanism to vulnerable workers
- exploring opportunities to continue our support for external research on modern slavery and engaging with our members on modern slavery issues.

Our future plans for our modern slavery response are also shaped by the CPA Australia 2022-27 strategy. The strategy aims to equip current and prospective members to achieve career success and set the agenda to take the organisation forward over the next five years. The four key strategic goals for our strategy are outlined below. Importantly, Goal two is to lead, support and advocate for members as the profession evolves.

Two key initiatives under this goal include actions to support members to address modern slavery:

- implementing the ESG strategy that sets out the actions we are currently undertaking and those we will undertake in the future to support our ESG vision for members, employees, the organisation and the broader profession
- continuing to invest in policy and advocacy activities that are most important to members, the accounting profession and the public interest.

Figure 7: 2022–27 strategic goals



8 How we consulted with our controlled entities to prepare this statement

We worked with our two owned and controlled entities to prepare this statement. The boards of these controlled entities understand our expectation that they act in accordance with our values, standards, policies and procedures including those relating to modern slavery and broader human rights issues.

During the development of this statement, the CPA Australia Modern Slavery and Human Rights Working Group provided drafts to selected Directors of each of these controlled entities. A number of Working Group members also have responsibilities in relation to our controlled entities. We sought their contributions and feedback to ensure that the statement accurately reflects modern slavery risks and actions taken by these entities.

During the development of this statement, the CPA Australia Modern Slavery and Human Rights Working Group consulted with a number of directors of our controlled entities in order to seek their contributions and feedback and to ensure that the statement accurately reflects modern slavery risks and actions taken by these entities.

Some of the Board members of our controlled entities also had day-to-day management roles in CPA Australia and therefore had an operational understanding of the steps we are taking to reduce the risk of modern slavery in our operations and supply chains and how these actions relate to our controlled entities. For example, during the reporting period, two Directors of CPA Australia (Shanghai) Co. Ltd. were also members of the CPA Australia Executive Leadership Team and three Directors were members of our Modern Slavery and Human Rights Working Group.

Developing this statement through our Working Group allows us to consult with key business functions on the statement, including Procurement, Policy and Advocacy, People and Culture, Member Experience, Company Secretariat, Finance, Property and Facilities, International and Legal.

These functions have responsibilities in relation to CPA Australia as well as our controlled entities, which further strengthened our consultation process.

Collaboration and consultation are key to our values, in particular our value of achieving together.

The CPA Australia Way



Our organisational values under the umbrella 'The CPA Australia Way' are:

- Create opportunity
- Pursue excellence
- Achieve together.

The CPA Australia Way is the heartbeat of our organisation. It represents the fundamental beliefs and principles that drive how we deliver on our strategy.

Appendix

Mandatory requirements under Australia's *Modern Slavery Act 2018* (Cth) and the UK's *Modern Slavery Act 2015*.

Australia's <i>Modern Slavery Act 2018</i> (Cth) mandatory reporting criteria	UK's <i>Modern Slavery Act 2015</i> recommended reporting criteria	Statement section addressing this requirement
Mandatory criterion one: Identify the reporting entity.	Organisation's structure business and supply chain.	Section 1: About this statement
Mandatory criterion two: Describe the structure, operations and supply chains of the reporting entity.		Section 2: Our structure, operations and supply chains
Mandatory criterion three: 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.	The parts of the organisation's business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk.	Section 3: Our modern slavery risks
Mandatory criterion four: 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.	Organisation's policies in relation to slavery and human trafficking, its due diligence processes in relation to slavery and human trafficking in its business and supply chains; and the training about slavery and human trafficking available to its staff.	Section 4: Our actions to assess and address modern slavery risks in our operations and supply chains
Mandatory criterion five: Describe how the reporting entity assesses the effectiveness of such actions.	Organisation's 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.	Section 6: Assessing the effectiveness of our actions
Mandatory criterion six: Describe the process of consultation with any entities that the reporting entity owns or controls.	N/A	Section 8: How we consulted with our controlled entities to prepare this statement
In the case of a reporting entity covered by a statement under section 14 - the entity giving the statement.		
Include any other information that the reporting entity, or the entity giving the statement, considers relevant.	N/A	Section 5: Member engagement and collaboration Section 7: Our future plans

