



**Modern Slavery Statement**

2023 Financial Year





## Introduction

Deloitte acknowledges the Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of the lands on which we work and live. We pay our respects to their cultures, Elders past and present, and honour their continuing connection to land, waters and community.

*This Modern Slavery Statement is a joint statement made by Deloitte Touche Tohmatsu on behalf of Deloitte Touche Tohmatsu, Deloitte Services Pty Ltd, Deloitte Consulting Pty Ltd, Deloitte Risk Advisory Pty Ltd, Deloitte Financial Advisory Pty Ltd and Deloitte Tax Services Pty Ltd, which are all reporting entities, pursuant to section 13 of the Modern Slavery Act 2018 (Cth) for the financial year ending 31 May 2023.*



On 25 May 2023, the federal government released the outcome of a review of Australia's modern slavery legislation. The report made 30 recommendations for change which, if adopted by government, will mark a substantial strengthening in the country's efforts to combat modern slavery. What's likely to change is that businesses should expect increased requirements for human rights due diligence in their supply chains and greater scrutiny on how they act on the findings and report their anti-slavery efforts.

Modern slavery risks should be an important consideration for leaders of any organisation. At Deloitte, we are committed to respecting human rights and assessing and managing modern slavery risk in our operations and supply chain. We also work closely with our clients to help them on their journey to reduce modern slavery and to report on their efforts.

Through our Modern Slavery Working Group, we closely monitor the progress and effectiveness of our own actions. Across the FY23 reporting period, we further strengthened our risk management framework and conducted a deep dive into a range of suppliers to our business. We're making good progress in better understanding industry trends and strategies to prevent modern slavery and identifying modern slavery risks.

By setting the highest standards for ourselves and our suppliers, encouraging a culture of transparency, building employee knowledge – and working with our clients to achieve the same – we can help drive meaningful and enduring change in the fight against modern slavery.



**Adam Powick**  
**CEO of Deloitte Australia**

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**Adam Powick**  
**CEO of Deloitte Australia**

Approved by the Board on 30 October 2023

A handwritten signature in blue ink, appearing to read 'Tom Imbesi'.

**Tom Imbesi**  
**Chairman of Deloitte**  
**Australia Board**

# Contents

Introduction	3
Note from the CEO	4
Recognising the problem of modern slavery	6
Our people, culture and operations	7
Supplier risk management framework	13
FY23 key actions	16
Spotlight on actions	17
Grievance and remediation	18
Measuring effectiveness	19
Looking ahead	20

# Recognising the problem of modern slavery

Modern slavery, in all its forms, is a serious crime against the most vulnerable people in our communities and should not be tolerated by any humane and just society.

The Modern Slavery Act 2018 (the 'Act') encourages large organisations to exercise their corporate responsibility and examine any potentially harmful business practices in their operations and those of their suppliers.

On 25 May 2023, the Australian Government tabled a report of its statutory review of the Act. The purpose of the review was to consider the operation of the Act over the first three years and to look at options for improved operation and compliance. The review sought to address three key questions: Can a law such as the Modern Slavery Act be effective in combating modern slavery? Could the Act be more effective if changes were made to how it is framed and administered? Is the law being taken seriously? In answering these questions the report has made 30 recommendations for consideration and we look forward to engaging with the Government as they formulate their response.

Deloitte Australia's response to the Act focuses on the risk of violating fundamental human rights of vulnerable people through acts of modern slavery, as outlined in this statement.

Modern slavery is an umbrella term for exploitative practices against persons. These practices include but are not limited to:<sup>[2]</sup>

- Human trafficking or trafficking in persons: the physical movement of people either domestically or internationally, through coercion, threat or deception for the purpose of exploitation.
- Slavery: physical or financial control over an individual by another. Includes slavery-like practices such as forced labour, forced marriage, servitude, debt bondage and/or deceptive recruiting for labour or services.
- The worst forms of child labour: the procurement or offering of a child for the purpose of slavery-like practices or illicit activities.<sup>[3]</sup> Deloitte Australia recognises the potential for cyber-based child sexual exploitation (CSE) in this form of modern slavery.<sup>[4]</sup>

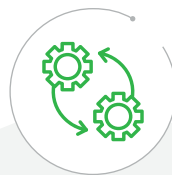
We understand that the protection of human rights and prevention of modern slavery practices is an ongoing process. We are committed to improving our due diligence and procurement processes through stakeholder engagement, internal resourcing and continuous review of existing controls. Our response is informed by domestic law, international guidance, and collaboration with the Australian anti-slavery community. We acknowledge that while we have found no evidence to date of a slavery threat within our practice, the potential for modern slavery does exist.

## To identify modern slavery risks, we consider the following risk factors or indicators:



### Geography

- Weak or no enforcement of laws prohibiting forced labour
- Weak or inconsistent labour inspection framework
- Jurisdictions with a history of:
  - Recruiting compulsory labour
  - Public corruption.



### Industry practices

- Sectors with intense competition between suppliers, causing pressure on time and costs
- Informal sectors, unregulated with poor visibility over lower-tier suppliers
- Sectors with decentralised operations
- Sectors with widespread use of third-party recruiters and subcontractors



### Labour levels

- Sourcing from a country with a high level of unemployment and poverty where the labour force may be more vulnerable to exploitative practices
- Migrant labour represents a large part of the workforce
- Low-skilled work and low minimum wage.

<sup>1</sup> Modern Slavery Act and Criminal Code

<sup>2</sup> National Action Plan to Combat Modern Slavery

<sup>3</sup> Business & Human Rights Navigator (Worst Forms of Child Labour Convention No. 182)

<sup>4</sup> Report of the statutory review of the Modern Slavery Act 2018 (Cth) The first three years

# Our people, culture and operations

## Structure and reporting entities

In this statement, Deloitte Australia refers to the Australian partnership of Deloitte Touche Tohmatsu and its operational and functional entities in Australia and Papua New Guinea (PNG). We are headquartered at 477 Collins Street, Melbourne, VIC. Deloitte Australia also has offices in all capital cities and a regional office in PNG.

We provide a range of professional services to clients in Australia and around the world, such as audit and assurance, tax and legal, consulting, risk advisory and financial advisory services.

We have designed a modern slavery framework that is applied across all Deloitte Australia entities to promote a unified and consistent approach to the management of modern slavery risks across all our business operations. This complements Deloitte Australia's centrally managed procurement and quality & risk framework across our operations. Accordingly, this joint Modern Slavery Statement is also provided on behalf of Deloitte Services Pty Ltd (ACN 087 279 678), Deloitte Consulting Pty Ltd (ACN 611 750 648), Deloitte Risk Advisory Pty Ltd (ACN 611 748 184), Deloitte Financial Advisory Pty Ltd (ACN 611 749 841), and Deloitte Tax Services Pty Ltd (ACN 092 223 240), which are also reporting entities under the Modern Slavery Act 2018.

Deloitte Australia administers its internal functions such as employment of staff, procurement of goods and services and its financial arrangements through several functional entities, including Deloitte Services Pty Ltd, D-Carbon Forests Pty Limited and Deloitte Touche Tohmatsu Ltd (1-9313) (PNG). Generally, Deloitte's services are provided by the partnership and the following entities:

- Deloitte Access Economics Pty Ltd
- Deloitte Actuaries and Consultants Limited
- Deloitte Consulting Pty Ltd
- Deloitte Corporate Finance Pty Ltd
- Deloitte DPA Pty Ltd
- Deloitte Economics (Australia) Limited NZ
- Deloitte Emissions Solutions Pty Ltd
- Deloitte Financial Advisory Pty Ltd
- Deloitte Legal Pty Ltd
- Deloitte Migration Services Pty Ltd
- Deloitte Real Estate Pty Ltd
- Deloitte Risk Advisory Pty Ltd
- Deloitte Tax Services Pty Ltd

- Deloitte Motor Industry Services Pty Ltd
- Deloitte Private Pty Ltd
- Deloitte PDS Pty Ltd
- Deloitte (Australia) Pty Ltd
- Deloitte Touche Tohmatsu Partnership (PNG).

Deloitte Australia is also a member of Deloitte Asia Pacific Limited, a UK company limited by guarantee, which in turn is a member firm of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK company limited by guarantee. Deloitte Australia is also a member of the Deloitte organisation. This comprises one or more of DTTL, its global network of member firms and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties.

This statement is made by Deloitte Australia in its own capacity and does not extend to other members of the Deloitte organisation.

This statement does not cover the business operations of other members of the Deloitte organisation, except to the extent that they are engaged by Deloitte Australia for the supply of specific services and form part of Deloitte Australia's supply chain.

## Our people

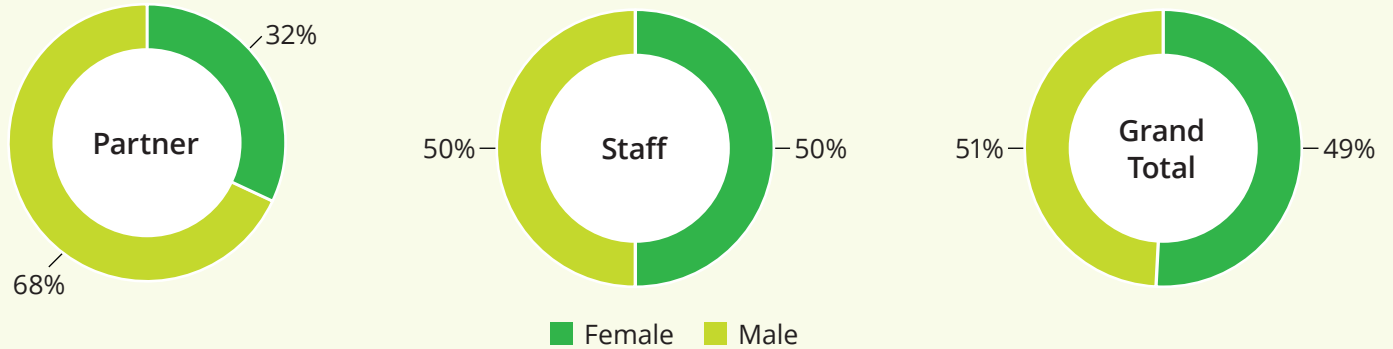
Deloitte Australia has a diverse workforce of over 13,000 people working together to serve our clients. Our recruitment processes, be it direct hiring, strategic sourcing, or collaboration with contracting agencies, are designed to maintain transparency and fairness.

# 13,758

Total workforce  
(May 2023)

## Workforce by gender (May 2023)

\*0.1 of our overall workforce is other/undisclosed



**12.2%**

YoY workforce growth  
(April 22 to May 23)

**75%**

Engagement score  
(November 22)

**2,910**

New hires  
(June 22 to May 23)

**1,421**

New graduates  
(June 22 to May 23)

**38.9%**

Diverse Cultural  
Background<sup>†</sup>



**17.8%**

of partners

**41.3%**

of workforce  
excluding partners

<sup>†</sup>Diverse Cultural Background (DCB) refers to self-disclosed cultural affiliation with Asian, Pacific Islander, New Zealander/Maori, African, Latin American and Middle Eastern cultures. Data represents cultural rather than racial identity.

For our direct employee workforce, modern slavery risk is considered low as Australia is the primary country of employment and the professional services industry typically consists of higher skilled and educated individuals whose duties are the provision of services in office environments.

Deloitte Australia's functional and service entities in PNG operate through a local regional office (Deloitte PNG). We also have auxiliary team members in India and the Philippines who support onshore teams with client deliverables, compliance and internal support functions. These nations all have a higher risk rating in the Global Slavery Index than Australia and may present more risk than Australian-based teams. As part of the Deloitte member firm network, these teams have the same shared values, support processes for addressing unethical conduct, and policies that underpin our culture in Australia. They also perform work that requires higher skilled and educated individuals whose duties are for the provision of services in office environments.

As part of our risk management approach, we have implemented robust processes to ensure that our employees are remunerated fairly. All our employees are paid in accordance with the applicable laws and award rates. We have established processes to identify where employees may be covered by an existing award or other lawful sources of employee entitlements, with the objective of ensuring that employees are remunerated to at least that level.



### Our culture

In FY23 Deloitte engaged a leading external workplace psychologist to undertake a Psychosocial Risk Review. This comprehensive review was designed to identify and assess workplace factors (enablers and barriers) that affect the wellbeing of our people.

As a result of these findings, towards the end of FY23 we started piloting Work Well – a transformation initiative to reimagine the future of work. Work Well is a bold, innovative and whole of system approach to modernise the way we work. Through this, we're creating a workplace culture that actively promotes positive mental health, flexibility, sustainable work practices and incentives to motivate healthy behaviours.

Additionally, this initiative aims to equip us with better insights into our team's activities and priorities, with a particular focus on 'time matters' and ensuring all working hours are captured to assist us to identify individuals and teams that are experiencing heavy workloads for further follow up.

We encourage our employees to speak up if they observe inappropriate business conduct or unethical behaviour. The Deloitte Speak Up channel is available online or by telephone and allows people to remain anonymous if they choose to do so. There were no matters relating to modern slavery raised in FY23.

As part of our commitment to reducing human rights concerns, Deloitte Touche Tohmatsu Limited, our global entity, is a founding signatory to the UN Global Compact and the World Economic Forum Partnering Against Corruption Initiative. Deloitte Australia is a member of the UN Global Compact Network Australia.

In June of 2023, Deloitte Australia attended the Governor General's Modern Slavery conference, alongside the UN Global Compact Network, as part of the 'Taking Action Together' initiative.


### Our operations


Our operations are centred on providing exceptional service in helping clients across a broad range of industries and sectors solve their most complex problems using a combination of full- and part-time partners, employees, independent contractors and subcontractors. From time to time, we engage the services of other members of our organisation to supplement our services. We also work collaboratively with select third parties across a range of different industries, such as software and other technologies.

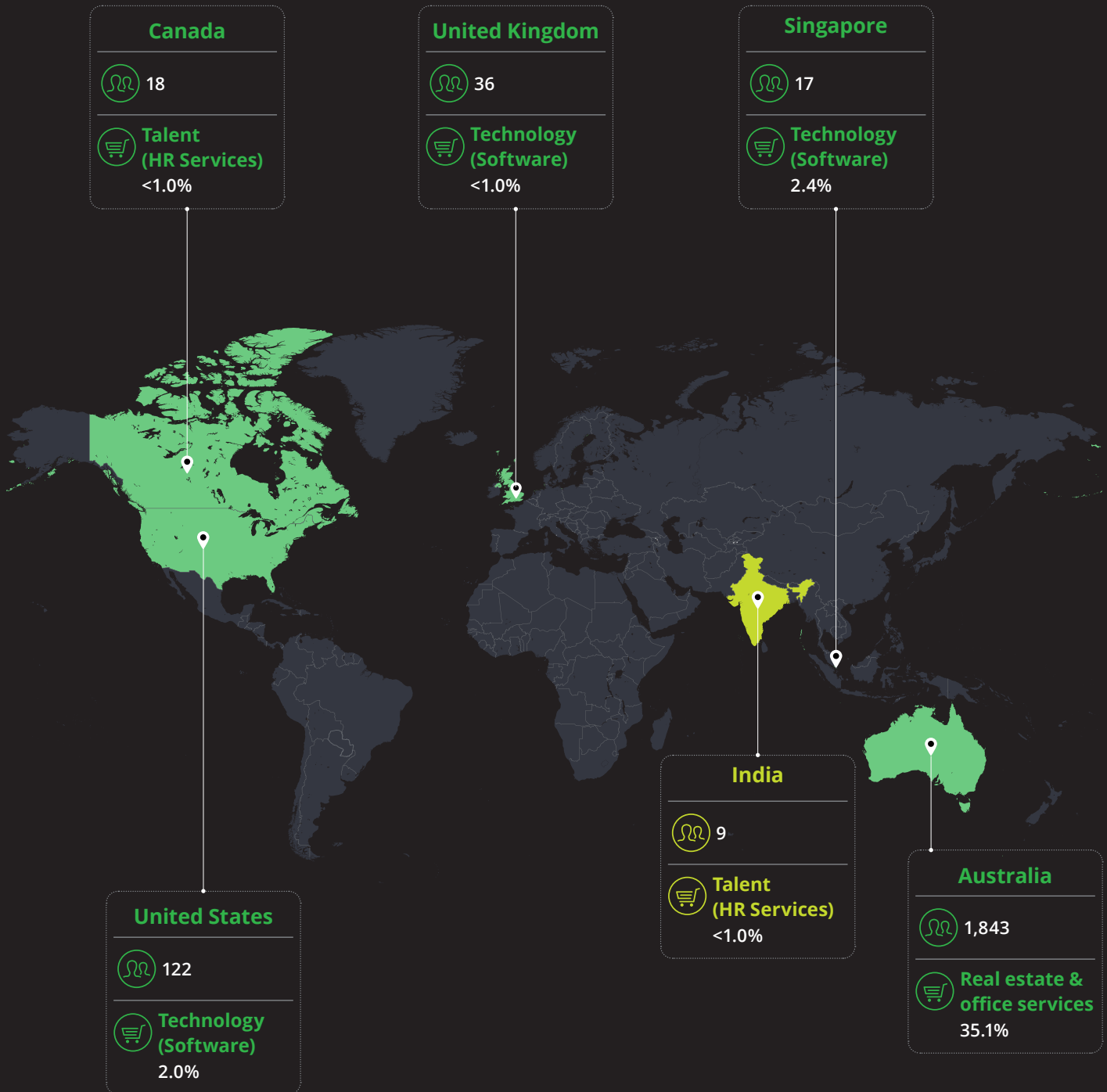
### Our supply chain

In Australia, our procurement team oversees ~\$457M in annual supplier spend. For FY23, three key categories made up 70% of the total spend: human resource services, real estate and technology. Our supply chains are expansive and extend beyond the supplier with whom we have the direct relationship.

We may also procure goods or services from a supplier for resale to clients in connection with the delivery of our professional services. These arrangements with suppliers are assessed as part of Deloitte's supplier due diligence process to identify modern slavery and other risk factors.

 No. of suppliers

 Top supplier category, % of total procurement spend



Note: The majority of Deloitte technology spend is on software. Research indicates that technology firms in this category have low operational modern slavery risks, as individuals tend to be highly skilled and software development is dependent on knowledge sharing. However, we acknowledge that technological hardware does have an inherent risk of modern slavery in its supply chain.

#### Colour Risk Rating

Rating



Our Risk Assessment Tool helps us to navigate the complexity of supply chains. We use internationally recognised databases and our human rights expertise to map and identify suppliers' modern slavery risk. Our Risk Assessment Tool assesses country risks and industry risks, as well as red flags for companies and product/location combinations that are known to be high risk. We assess country risk using the following indexes:

- Global Slavery Index
- Fragile States Index
- Freedom in the World Index
- Corruption Perceptions Index
- International Trade Union Confederation (ITUC) Global Rights Index
- Trafficking in Persons Report.

Industry risk assessment is based on in-depth research of modern slavery literature. We use 13 indicators of workplace behaviours and characteristics that are known to increase the risk of modern slavery in the workplace. We use these indicators to assess the potential modern slavery risk of 72 industries and sub-industries.

We also evaluate risk using data from the U.S Department of Labor's List of Goods Produced by Child Labor or Forced Labor, the ITUC Global Rights list of companies violating workers' rights, and the World Bank List of Fragile and Conflict-affected Situations to identify suppliers who may pose immediate risks of modern slavery.

Deloitte's primary supplier industry sectors	The modern slavery risk associated with those industry sectors	Deloitte's activities in FY23
<p>Real Estate and Office Services Representing 35.12% of our supplier spend</p> <p>Sub-industries include:</p> <ul style="list-style-type: none"> <li>• Property</li> <li>• Design</li> <li>• Construction</li> <li>• Facility operations and maintenance</li> <li>• Food and Beverage</li> <li>• Office supplies and furniture.</li> </ul>	<p>Sub-category industry risks identified in this supply sector:</p> <ul style="list-style-type: none"> <li>• Construction</li> <li>• Facility operations and maintenance</li> <li>• Food and beverage</li> <li>• Office supplies and furniture.</li> </ul> <p>Risks arise due to:</p> <ul style="list-style-type: none"> <li>• High demand for low-skilled labour and vulnerability of workers on temporary visas.</li> <li>• Complex Tier 2 supply chains, often operating out of high-risk jurisdictions. The use of raw materials in constructions, which is often sourced from high-risk jurisdictions.</li> </ul>	<ul style="list-style-type: none"> <li>• Deep dive into suppliers of cleaning services.</li> <li>• Due diligence conducted on all prospective suppliers including searches for modern slavery indicators.</li> <li>• The deep dive into cleaning services included follow up questioning around third party contingent labour and the supplier's workforce population.</li> </ul>

**Our operational governance and policies**

In 2019, Deloitte Australia established a Modern Slavery Working Group, which meets regularly throughout the year to progress our anti-modern slavery program. The working group is accountable to our Chief Risk Officer, a member of our executive responsible for the firm's risk and reputation. The working group includes:

- Ethics & Conduct leader who chairs the working group and provides an annual update to the Board's Ethics & Risk Committee;
- Human rights subject matter experts from our Risk Advisory team offering relevant insights on global and local best practice;
- Office of General Counsel representatives to review contractual engagements for the firm;

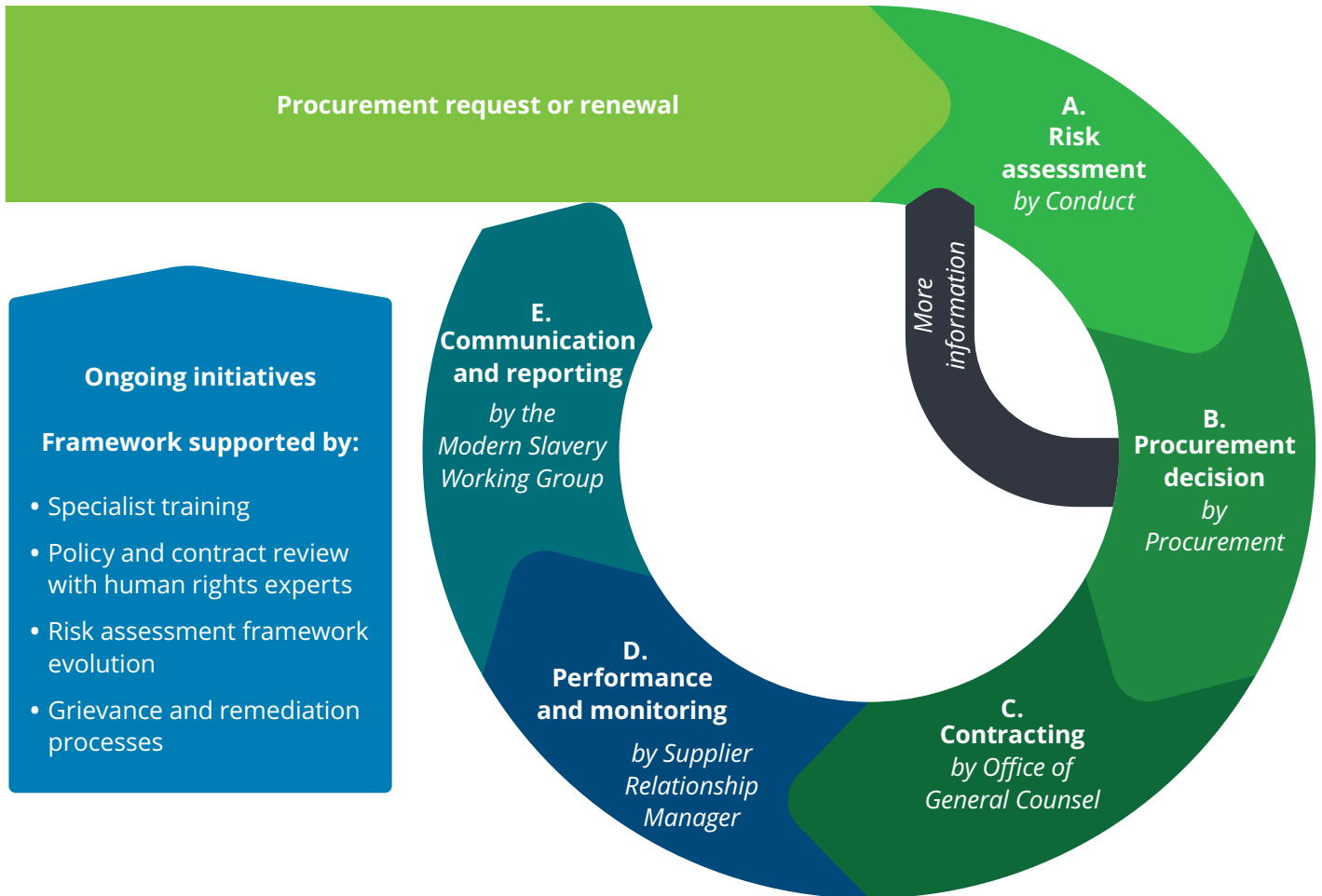
- Sustainable sourcing specialists from our Global Procurement team who support human rights and embed sustainable considerations into our procurement operations across the Asia-Pacific portfolio; and Responsible Business team representatives.

We have policies, processes and controls in place to guard against the risks of modern slavery and other forms of exploitation within our operations and workforce—whether located in Australia or overseas. The following policies and procedures are relevant to our approach to modern slavery:

Policy	Overview and relevance	Implementation
<a href="#">Australian Principles of Business Conduct</a>	Our Code sets out our values, ethical principles and expected conduct in undertaking our business operations including responsible procurement processes and respect for fundamental human rights.	Our Code is a key module in our mandatory onboarding process for all our employees and contractors and failure to adhere to its principles may result in disciplinary action.
<a href="#">Supplier Code of Conduct</a>	The Supplier Code expressly commits to alleviating risk of modern slavery practices and human rights violations within Deloitte's supply chains.	All suppliers are required to comply with the Supplier Code of Conduct.
<b>Deloitte Speak Up, Whistleblower and Non-retaliation policies</b>	The Whistleblower Policy is an important element in detecting and acting on corrupt, illegal or other undesirable conduct and is supported by Deloitte SpeakUp and our Non-retaliation policy. We strongly encourage individuals to speak up if they suspect or witness matters that concern them.	<p>The Whistleblower Policy is a key module in our mandatory onboarding process for all our employees and contractors.</p> <p>It describes the protections available to whistleblowers, what matters are reportable, how they can report concerns without fear of detriment, and how Deloitte will support and protect them.</p> <p>Deloitte Speak Up is a confidential hotline run by an independent third-party provider and enables Deloitte partners, employees, contractors, suppliers and clients to report any concerns.</p> <p>All reports are investigated.</p>
<b>Deloitte CoRe Procurement policies &amp; procedures</b>	Our Procurement hub on our intranet provides guidance and toolkits to our teams for engaging with proposed suppliers.	Our Procurement policies and procedures help our people to understand potential risk associated with our supply chains.

# Supplier risk management framework

Our risk management framework is described below.



Each of (A) to (E) are described further on pages 14 to 15.

## A Risk assessment

The risk assessment process covers:

### Frequency and nature of risk assessment

- A centralised team completes a modern slavery risk assessment for all new suppliers, on contract renewal for existing suppliers, and at regular intervals (a one or three-year basis) depending on the previous due diligence rating.
- The risk assessment calculates a risk score using the Global Slavery Index and the Social Hotspots Database (scored using the business's operating country and the goods/services category). Open-source reporting is also reviewed for reference to keywords relevant to modern slavery allegations.
- We may also undertake a desktop review of information published by the supplier (e.g. their modern slavery statement or publicly available policies) and ask the supplier to complete a questionnaire to understand the supplier's modern slavery risk and risk management framework.

### Escalation and outcomes

- If the assessment flags a risk, the matter is escalated to senior members of the Ethics & Conduct team in consultation with the area of Deloitte that is requesting or responsible for the supplier relationship and internal modern slavery risk subject matter experts.
- In higher risk situations (e.g. extremely high-risk locations, or failure to adequately respond to the survey or demonstrate knowledge of modern slavery risks), the Ethics & Conduct team will discuss with senior leadership the risks and proposed mitigations.
- Mitigations for high-risk cases may include the supplier undertaking our conduct training, which includes modern slavery awareness, or strengthening the contractual clauses relating to modern slavery with the supplier.
- We strive to build relationships with suppliers who demonstrate a commitment to responding to modern slavery risks including identifying and remediating risks and supporting those impacted by modern slavery. We are focused on influencing and, where possible, supporting suppliers to address these risks to achieve a better outcome for the victims of modern slavery.
- In cases where suppliers deny responsibility or fail to support those impacted by modern slavery directly linked to their operations, the relationship holder and senior leadership of Deloitte will determine whether to continue the relationship.

### Embedding learnings

- As we learn more and strengthen our risk management framework, we are better able to identify potential modern slavery risks in our supply chain. This helps us to refine and strengthen our due diligence questions and process.



## B. Procurement decision

Deloitte Procurement manages global and local procurement programs for major spend, which covers most of our tier one suppliers. The team undertakes sourcing and selection, contract negotiation, and management of major external supplier relationships. Following the completion of the risk assessment, Procurement is responsible for the final procurement decision and contract negotiation. In making its decision, Procurement considers risk assessment outcomes completed by the Ethics & Conduct team as well as other risk factors specific to the supplier.

## C. Contracting

Our Office of the General Counsel draws up and negotiates supplier contracts. Our standard procurement agreements contain a model set of modern slavery obligations that outline our expectations of all our suppliers. These terms help to hold suppliers accountable for maintaining ethical business practices, including implementing policies and procedures to identify and assess risks of modern slavery in their operations and supply chain and to mitigate any risk identified. They also ensure that we can obtain reasonable information from suppliers to help us assess compliance. If our risk assessment process identifies a supplier as presenting a greater modern slavery risk, we will ensure that the terms address that additional risk.

## D. Performance and monitoring

Where a supplier is identified as having a higher modern slavery risk rating, the modern slavery risk assessment is repeated more frequently to ensure that the risk is monitored appropriately.

Where a modern slavery issue is identified in relation to a specific supplier, the relevant Procurement Category Manager will engage with the supplier to understand the circumstances and work with the supplier to mitigate the risk.

## E. Communication and reporting

The Ethics & Conduct Leader, as chair of the Modern Slavery Working Group, reports at least annually to the Board's Ethics & Risk Committee on its activities and the preparation of the annual Modern Slavery Statement.

# FY23 key actions

This year, we engaged our Human Rights specialists to undertake a current state assessment of Deloitte’s approach to managing modern slavery risk across its operations. We sought to understand the extent to which modern slavery controls have been implemented within our operations and how effectively we are working to identify and manage modern slavery risks. The assessment consisted of desktop research, review of key documents and a series of interviews with relevant risk owners within Deloitte Australia. The outcomes of this assessment have informed our key activities going forward (see Looking Ahead section).

## Modern slavery maturity definitions and tracking

### Current State Assessment | Our Methodology

To assist in the identification of key operational risks, we performed a current state assessment, informed by Deloitte’s human rights maturity model that focuses on the integration of human rights commitments, including modern slavery, across the organisation. Our approach to benchmarking and standards alignment is informed by the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the requirements of the Modern Slavery Act 2018.

### Current state assessment



Maturity key based on UN Guiding Principles best practice:

Initial	Established	Embedded	Mature	Leading
No organised processes and processes are reactive and ad hoc	Processes have been established, they are documented and repeatable. Roles and responsibilities are aligned to the process	There are end-to-end defined and documented processes that are transparent and easily accessible. There is evidence that the processes are followed across the organisation	There are defined processes with built in mechanisms for effectiveness assessments that are measured and have KPIs	Proactive engagement in continuous improvement



# Spotlight on actions

## Spotlight on actions: Supplier deep dive

In FY23, we began the first of the planned deep dives into higher risk supplier industries. We focussed on Tier 1 and Tier 2 cleaning and property services suppliers, reflecting the higher inherent risks within these workforces and their supply chain.

The key steps involved:

1. Identifying suppliers across Tier 1 and Tier 2 across our Australian offices for further review.
2. Reviewing open-source information on selected suppliers including supplier websites for comments around workforces and modern slavery risks, modern slavery statements, and media checks against modern slavery related key words to identify suppliers that required further analysis. Each supplier was assessed against our modern slavery risk framework.
3. Using a refined modern slavery questionnaire we sought more detailed information from the Tier 1 suppliers on their policies, procedures, training, monitoring frameworks and engagement with peak bodies. Where necessary we sought more detailed information from suppliers about their approaches to managing modern slavery risks, especially concerning specific groups of employees, and were satisfied with their responses.

## Spotlight on actions: Legal clauses in property contracts

In conjunction with the deep dive into our cleaning and property services suppliers, we conducted a review of our lease agreements for our major premises across Australia to identify the extent to which existing contract terms support the management of modern slavery risks within our supply chain. This review involved a deep dive into the contractual provisions relating to higher-risk building services (security and cleaning services) to identify:

- what modern slavery protections are in place
- who is responsible for the selection of security and cleaning services
- what rights we have to intervene or engage directly with security and cleaning service providers if we identify modern slavery risks.

We are working to incorporate terms whereby Deloitte and the landlord agree to work together with the tier 2 suppliers to address any identified risks of modern slavery. We have taken steps to ensure that our standard modern slavery terms are incorporated in new lease agreements and renewals of existing leases, which reinforces our expectations with respect to the management of modern slavery risk in the landlord's operations and supply chain.

## Spotlight on actions: Submission to the review of the Modern Slavery Act 2018

On 31 March 2022, the Australian Government commenced a review into the Modern Slavery Act 2018. The review considered the operation of the Act in its first three years and measures to improve the operation of and compliance with the Act. A report was made public in May 2023.

Deloitte made a submission to the review, drawing on our experience as a reporting entity under the Act but also as a provider of modern slavery advisory and audit services to clients at all levels of risk appetite and maturity, from smaller businesses reporting voluntarily, to large multi-national enterprises with extensive risk management infrastructure and systems. In developing our submission, we consulted with clients to gain their perspective and attended round table consultations to share our insights. Our submission made several recommendations and can be found [here](#).

We look forward to the Government's response to the review's findings. We will continue to work with our clients to strengthen their modern slavery risk management.

## Spotlight on actions: FY22, FY21 and FY20 progress

### In FY22:

- Our human rights experts conducted a second risk assessment of new Tier 1 suppliers onboarded after the FY20 assessment. We confirmed higher risk categories for future deep dives.
- We improved our screening process to flag modern slavery risk in our supply chain. We flagged a modern slavery risk in the second tier of our supply chain, due to the geographic location of the professional education supplier. We gathered detailed information from the supplier about key risk management practices, and consulted our human rights experts before approving use of the supplier.
- We continued to roll out mandatory training to all new and existing partners and employees, with 98% completions.

### In FY21:

- Our human rights experts developed two training modules: 'What is modern slavery' training and an interactive module to help people discern modern slavery risks in their daily jobs.
- We provided advanced training to Ethics & Conduct and Procurement teams, who perform the risk assessments and have decision-making authority over major spend by the firm.

### In FY20:

- We formed a Modern Slavery Working Group with members of the operational teams that have ongoing responsibility for monitoring, assessing and actioning our Modern Slavery Framework.
- Our human rights experts conducted the first risk assessment of 944 Tier 1 suppliers, identifying higher risk categories and source countries.
- We reviewed, updated and put into practice our *Supplier Code of Conduct and CoRe Procurement Supplier Standards Requirement* to reflect the risk of modern slavery.
- We updated our standard supplier contract templates to establish minimum contractual expectations for suppliers.

# Grievance and remediation

Grievance mechanisms help to identify potential adverse impacts and provide remedies for victims and survivors. Any action taken in response to an identified case of modern slavery must place victims at the forefront of decision-making.

The United Nations Guiding Principles (UNGPs) state that effective operational level grievance mechanisms should be:

- Legitimate
- Accessible
- Predictable
- Equitable
- Transparent
- Compatible
- A source of continuous learning
- Based on engagement and dialogue.

Our whistleblower and complaints handling processes are readily available to our employees through our intranet, or through our website for our external clients, third parties and supply chain providers. Both are effective and secure channels for victims or interested parties to anonymously raise modern slavery concerns related to Deloitte. Any matter raised will be handled in accordance with our policies.

## Managing issues identified within our own operations

Any reports of misconduct are taken seriously and carefully assessed to reach an appropriate resolution. All investigations:

- Follow a fair process
- Are conducted as quickly and efficiently as the circumstances permit
- Maintain confidentiality
- Use trained investigators and subject matter experts
- Are independent of the person(s) concerned with the allegations.

## Managing issues identified in our supply chain

We may become aware of a potential case of modern slavery in our supply chain through our own investigation, the media, NGO reports or via our grievance mechanisms. If this happens, we will take one or more of the following steps:

- Engage with the supplier to raise the modern slavery risk and understand any risk management action that they have taken
- Use commercial drivers and contractual obligations to encourage the supplier to remedy any non-compliance with modern slavery requirements and make good the harm the supplier has caused, including by agreeing a corrective action plan with the supplier
- Identify and consult with relevant government agencies and NGOs to determine an appropriate response
- Report any possible criminal offences to the police
- Document and review complaints to capture lessons learned and strengthen complaints processes, remediation plans, contract provisions and our expectations of suppliers going forward.

We will respond in a way that listens to, supports and acts in the best interests of modern slavery victims.

# Measuring effectiveness

We are committed to doing business ethically and legally and we recognise the importance of measuring the effectiveness of our efforts.

We monitor the supplier due diligence assessments, modern slavery training completion rates, as well as any matters raised through our grievance channels as indicators of the effectiveness of our response to anti-modern slavery.

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## Framework focus

### Maintaining internal awareness of modern slavery and reporting channels

- 82% of all partners and employees completed modern slavery training
- 82% of all procurement employees completed specialised modern slavery training\*
- 93% of our people 'feel comfortable discussing or reporting ethical issues and concerns without fear of negative consequences', as reported in our 2022 Ethics survey
- 87% of our people 'know where to go to report incidents of possible unethical conduct', as reported in our 2022 Ethics survey

\* Note: Completion is required within six months of onboarding. Of those who have not yet completed the training none of the individuals are overdue.

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### Enhancing our risk management capability

- 1,855 suppliers were subject to routine anti-corruption due diligence (which includes Modern Slavery checks)
  - Deep dive into 17 suppliers in cleaning and property services category and completed in FY23.
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# Looking ahead

We have outlined a series of actions we plan to undertake over the next three years.

Category	Action	FY24	FY25	FY26
<b>Public commitment</b>	<ul style="list-style-type: none"> <li>Improve our FY24 Annual Report by acknowledging human rights commitments alongside other sustainability commitments.</li> <li>Develop a specific human rights policy and reference in the Principles of Business Conduct document.</li> </ul>			
<b>Policy and governance</b>	<ul style="list-style-type: none"> <li>Continue to refine our approach to working with suppliers that have a low level of maturity around modern slavery practices.</li> <li>Continue regular spot checks across high and medium risk suppliers to ensure compliance with the supplier code of conduct.</li> <li>Further develop detailed metrics and KPIs to assess the effectiveness of actions taken to address modern slavery risk.</li> </ul>			
<b>Workforce and operations</b>	<ul style="list-style-type: none"> <li>Further engage with Tier 2 suppliers in our delivery centres to ensure that they are adhering to modern slavery requirements.</li> </ul>			
<b>Risk management</b>	<ul style="list-style-type: none"> <li>Refresh both general Modern Slavery training and tailored mandatory training for higher risk roles such as procurement.</li> <li>Implement a consistent framework for identifying and escalating modern slavery risks.</li> </ul>			
<b>Supply chain management</b>	<ul style="list-style-type: none"> <li>Audit supplier contracts across high and medium risk suppliers to ensure modern slavery provisions are included.</li> <li>Enhance the modern slavery due diligence process when engaging with suppliers to place greater focus on Australian suppliers in high-risk industries and charitable organisations.</li> <li>Update supplier risk assessments in line with updated benchmark data.</li> <li>Enhance our understanding of our supply networks in our PNG practice and implement ongoing improvements.</li> </ul>			
<b>Monitoring, mitigation and remediation</b>	<ul style="list-style-type: none"> <li>Develop a documented remediation process for identified instances of modern slavery.</li> </ul>			

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