

FOR THE FINANCIAL YEAR
ENDING 30 JUNE 2020

MODERN SLAVERY STATEMENT



WE MUST
STAND UP
UNITE
INNOVATE
EMPOWER
CHANGE

CONTENTS

INTRODUCTION	1
OUR ORGANISATION AND STRUCTURE	3
OUR VALUES AND COMMITMENT TO ENDING MODERN SLAVERY	5
OUR OPERATIONS AND SUPPLY CHAIN	7
OUR APPROACH TO ASSESSING AND ADDRESSING RISK: MODERN SLAVERY FRAMEWORK	12
KEY RISKS AND OUR RESPONSE	18
CASE STUDIES	27
MEASURING EFFECTIVENESS AND OUR FUTURE COMMITMENTS	30
OTHER RELEVANT INFORMATION	34

INTRODUCTION

The Minderoo Foundation is a modern philanthropic organisation that aims to arrest unfairness and create opportunities to better the world. We take on tough, persistent issues with the potential to drive massive change. We incubate ideas and accelerate impact. We push the limits of what is believed possible.

Nowhere is this more important than in our work through Walk Free, Minderoo's initiative that focuses on ending all forms of modern slavery. Walk Free's work informs the approach we take across Minderoo to assess and address modern slavery risk in our own operations and supply chains. From Walk Free's research, we know that modern slavery affects every country and most supply chains – regardless of size, population, or wealth. Even in countries with seemingly strong laws and systems, there are critical gaps, particularly for the most vulnerable. Serious, collaborative action to respond to modern slavery is long overdue.

●●

We are all going to have slavery in our supply chains no matter how good we think our corporate social responsibility is. If we focus on it then we can identify it and root it out.

●●

Dr Andrew Forrest AO

We believe that the harder you look for forced labour, the more likely you are to find it, which is why we advocated for the *Modern Slavery Act 2015* (UK) and the *Modern Slavery Act 2018* (Cth) in Australia (Act). We are proud to submit our first statement under the Act.

It is our hope that this legislation will encourage every reporting organisation – and their suppliers – to examine their supply chains, identify and address risks, and provide effective remedy to victims.

Together, we all have a role to play in ending modern slavery.

At Minderoo we acknowledge the risk of modern slavery occurring in our own operations and supply chains. We recognise that we must continuously monitor and investigate modern slavery risks, holding ourselves accountable to the highest standards. We also recognise that to do this we must work closely with our suppliers and partners and use our collective leverage to prevent or mitigate modern slavery risks and ultimately provide remedy where harms have occurred. We know that we still have a long way to go and can always do more to ensure that no one in our supply chain is at risk of modern slavery.

This statement is signed by The Minderoo Foundation Pty Ltd as trustee for The Minderoo Foundation Trust pursuant to section 14(2)(e)(ii) of the Act on 25th February 2021.

Signed by



Dr Andrew Forrest AO
Chairman



Nicola Forrest
Co-Chair

The Minderoo Foundation Pty Ltd as trustee for The Minderoo Foundation Trust

25th February 2021

APPROVAL

This inaugural joint statement is submitted by The Minderoo Foundation Pty Ltd ACN 098 198 684 as trustee for The Minderoo Foundation Trust ABN 24 819 440 618 (Minderoo, we, or us) and by First Sourcing and Logistics Pty Ltd ABN 43 640 133 606 (First Sourcing and Logistics) to meet the reporting requirements of the Act for the year ended 30 June 2020 (FY20) and is made pursuant to section 14 of the Act.

It covers the activities of Minderoo, First Sourcing and Logistics (a special purpose vehicle that was incorporated to undertake Minderoo's emergency response to the COVID-19 pandemic) as well as the activities of the following entities which Minderoo *owns or controls*:

- Minderoo as Operator of a Public Benevolent Institution ABN 47 204 978 079, (Minderoo PBI) which employs, engages and manages staff and volunteers to promote the benevolent purposes of Minderoo;
- Tanarra LTV Minderoo Co-Investment Trust 1 ABN 45 847 142 351 (Tanarra LTV) is an externally managed investment fund, Minderoo's investment in which aligns with its Environmental Social and Governance Policy; and
- Collaborate Against Cancer Inc, a charitable non-stock corporation incorporated in Delaware, USA, of which we are the sole member, the activities of which have not yet been activated.

Minderoo, First Sourcing and Logistics, and Minderoo PBI are supported by a centralised shared services support function (including communications, finance, people and culture, legal and information technology) responsible for the implementation of policies and procedures relating to modern slavery and the preparation of this statement. Unless otherwise specified, the activities in this statement relating to modern slavery risks, the steps taken to assess and address these risks and how we assess the effectiveness of these actions relate to Minderoo, First Sourcing and Logistics and Minderoo PBI. Given the unique nature of First Sourcing and Logistics' activities and the scale of expenditure involved, we have presented a separate overview of our COVID-19 response through First Sourcing and Logistics, the expenditure committed to help support Australia's healthcare system, and the challenges this posed.

This statement has been reviewed by the boards of Minderoo, Minderoo PBI and First Sourcing and Logistics and approved by the board of directors of Minderoo and the board of directors of First Sourcing and Logistics on 25th February 2021.

OUR ORGANISATION AND STRUCTURE

Founded by Andrew and Nicola Forrest in 2001, Minderoo is an Australian philanthropic organisation that is independent and forward thinking. It seeks effective, scalable solutions to a diverse range of social and environmental challenges.

Minderoo is one of Asia Pacific's largest philanthropies with AUD \$2 billion committed to a range of global initiatives. It is funded by significant private donations from our founders, Andrew and Nicola Forrest and funding from public funds.

Our team comprises over 157 employees working across six countries. Our team is predominantly based in Perth, Western Australia, but we also have representatives in Amsterdam, Buenos Aires, Canberra, Hong Kong, Houston, London, Melbourne, Sydney, and Washington DC. Our consolidated revenue, including donations and income from investments, during the reporting period was \$584m.

Minderoo uses a collaborative, evidence-based approach to solve major global challenges through our ten key initiatives. We do this through our own work, and by collaborating with and funding others to achieve specific objectives aligned with our mission.



WALK FREE

We are an international human rights group focused on the eradication of modern slavery, in all its forms, in our lifetime.



BUILDING COMMUNITY

We work with strategic partners and projects to create a vibrant and sustainable Western Australian arts community, by enhancing the volume and value of arts and culture experiences. We empower vulnerable people and environments to identify their own solutions to create strong, healthy, and resilient communities and natural systems.



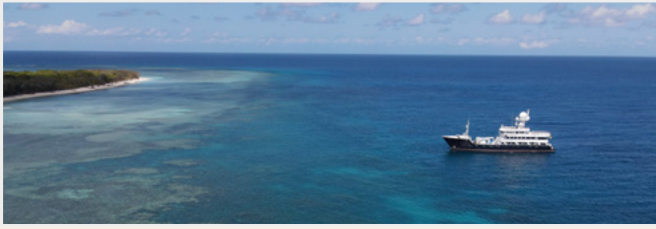
COLLABORATE AGAINST CANCER

We seek out collaborative projects with high-calibre partners to rapidly translate research or provide scale to deliver real health impacts for people with cancer. Together, we can make cancer non-lethal in a generation.



FIRE & FLOOD RESILIENCE

Our vision is to reduce the harm caused by fire and floods by harnessing the power of communities, industry, government, philanthropy and the research sector to lift Australia to be the global leader in fire and flood resilience by 2025.



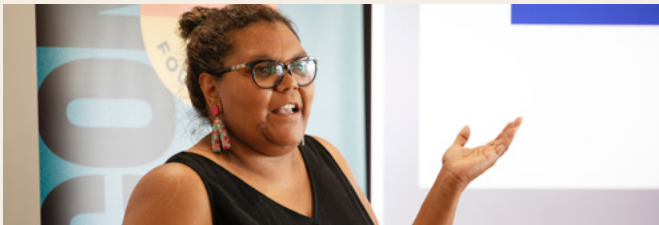
FLOURISHING OCEANS

We are focused on returning the world's ocean to a flourishing state by 2030 by tackling some of the most entrenched issues that are harming our ocean's health.



FRONTIER TECHNOLOGY

We tackle lawlessness in the tech ecosystem by promoting laws, policies, collaborations and institutions that effectively govern big tech, increase workers' rights, and give the public a louder voice.



GENERATION ONE

Our mission is to create employment parity with and for Indigenous Australians, within one generation. With a philosophy of 'a hand-up, not a hand-out', we support Indigenous Australians to achieve success in employment and business through a focus on training, education, and social policy reform.



NO PLASTIC WASTE

We seek to eliminate the negative impacts of plastic on people and the planet by enabling businesses, governments, and consumers to take effective actions that end plastic pollution in a generation.



RESEARCH

We are focused on the relentless pursuit of new ideas. Together with leading universities, international organisations, and civil society partners around the world, we engage in research to solve global challenges and enable action.



THRIVE BY FIVE

We want to ensure that every child thrives by the age of five. Together with our partners we invest in community-led programs, inspire movements for change, and advocate to policy makers to build the case for reform to early childhood development.

Further information on each of our philanthropic initiatives, activities, and organisation can be found in our Annual Report.

[Click here](#)

OUR VALUES AND COMMITMENT TO ENDING MODERN SLAVERY

Minderoo is committed to protecting and respecting the rights of all people including our employees, partners, and people who may be impacted by our activities, including those in our supply chains and broader value chains. Assessing and addressing the risk of modern slavery in our own supply chains is an absolute priority for Minderoo. In doing so, Minderoo draws directly on the UN Guiding Principles on Business and Human Rights and the ILO Fundamental Principles and Rights at Work.

Our commitment to addressing modern slavery risk in our supply chain is underpinned by our work to tackle modern slavery globally through the Walk Free initiative. Walk Free is an international human rights group founded in 2010 with a mission to end all forms of modern slavery in our lifetime. This aligns with our focus on achieving the Sustainable Development Goals, particularly Target 8.7 and the eradication of modern slavery by 2030.

Walk Free takes on this challenge through a combination of direct implementation, grassroots community engagement, and working together with faiths, businesses, academics, NGOs, and governments around the world. Walk Free actively campaigned for a Modern Slavery Act in Australia and is the Secretariat for the Bali Process Government and Business Forum, bringing together senior government and business leaders from over 40 countries to tackle modern slavery.

Since its inception, Walk Free has recognised that in order to end modern slavery, we must know how and where it occurs. Walk Free is the author of the Global Slavery Index, the world's leading dataset on measuring and understanding modern slavery at the country level. Walk Free also collaborates with the International Labour Organization (ILO) and the International Organization for Migration (IOM), to publish the Global Estimates of Modern

[Click here](#)

Slavery (**GEMS**). We know from the 2017 GEMS that there are an estimated 40.3 million people living in modern slavery. Of these, 24.9 million people are in forced labour, with 16 million people exploited in the private sector.¹

Minderoo's commitment to ending modern slavery is underpinned and supported by the Minderoo Values, which we continuously strive as an organisation to uphold and live by, and which drives our culture.

A snapshot of our key actions during the reporting period include:

Detailed mapping of supply chain

We analysed all of Minderoo's invoices over an 18-month period to map our supply chain and identify salient modern slavery risks.

Working with suppliers to improve practices

We worked closely with 12 key suppliers and grant recipients to understand their approach to modern slavery risk and supported them to strengthen their practices.

Improving Governance

We strengthened our governance framework by updating key policies and contractual terms relating to labour conditions and modern slavery.

Improving Procurement Processes

We recognised the need to strengthen our procurement and due diligence processes and are establishing a new procurement function and purchase order system which will be implemented during FY 21.

Worked with business and civil society groups

We collaborated with civil society organisations, business and government to discuss best approaches to tackling modern slavery in supply chains through a range of collaborative engagements, including the Western Australian Modern Slavery Collaborative and the Bali Process Government and Business Forum.

OUR VALUES

Courage & Determination

NEGU —we never, ever give up.

Empowerment

Go to your leader for advice, not permission.

Enthusiasm

Be the most positive person in the room.

Family

Support each other, always be kind.

Frugality

Think of ways we can do things better, faster, cheaper, safer.

Generating Ideas

Always be on the lookout for breakthroughs.

Humility

Be vulnerable, take risks to trust others.

Integrity

Do what you say you're going to do.

Safety

Look out for your mates and yourself.

Stretch Targets

Always be uncomfortable with your level of challenge.

OUR OPERATIONS AND SUPPLY CHAIN

Minderoo undertakes programmatic activities directly and provides grants to other organisations that are aligned with our mission. We also invest our corpus in companies and managed funds.

OPERATIONS

Minderoo's head office is in Perth, Western Australia and this is where the majority of our team is based. 157 individuals are employed across the ten initiatives of Minderoo and we have a presence in six countries as listed above. Our team comprises professionals with expertise that spans a wide range of subject matters, ranging from researchers and policy advisers to finance, legal, communications and administration professionals.

In addition to complying with all relevant employment laws (including minimum wage), we support our staff's mental and physical wellbeing through a variety of initiatives. All staff sign a contract with Minderoo 'PBI' which sets out details of their role, hours of work, leave entitlements and other benefits.

While we do use recruitment agents to recruit some staff, no staff paid recruitment fees to get a job with Minderoo.

Our activities during the reporting period are highlighted in our Annual Report and include:

- Providing and managing grants to a range of recipients including philanthropic organisations, universities, research institutions, community projects and arts and educational programs.
- Conducting research including field research and desk-based research through surveys, questionnaires, interviews, field observation, and focus group discussions either conducted by Minderoo staff or by hiring external contractors and consultants.
- Engagement and advocacy with governments around the world on policy issues relating to our initiatives.
- Engagement and collaboration with civil society organisations, industry stakeholders, peak bodies and institutions.
- Film production.
- Hosting and convening events, conferences, and online engagements.
- Development of marine research infrastructure.
- Development of a mobile phone application and an online data sharing platform.
- Coordination of volunteers in response to the Australian bushfires, in collaboration with others.
- Construction and transportation of temporary accommodation pods to communities affected by bushfires.
- Procurement of personal protective equipment, testing kits and other medical equipment.
- Manufacture and distribution of hand sanitiser to vulnerable communities.
- Funding of clinical trials.
- Financial investments.

SUPPLY CHAIN (TIER 1)

Our supply chain encompasses:

- Suppliers that we purchase goods or services from.
- Grant and donation recipients that we fund to further specific social or environmental aims.
- Investments (companies and managed funds that we invest our corpus into).

EXTENDED SUPPLY CHAIN (TIER 2)

- Our suppliers' suppliers.
- Our grant and donation recipients' suppliers.
- Our investees' suppliers.

We acknowledge that for each of these categories, a slightly different approach is needed to identify, monitor, and address the risk of modern slavery occurring in our operations and supply chain.



During the reporting period, Minderoo used over 460 Tier 1 suppliers (excluding grant and donation recipients) and processed over 4,400 supplier invoices worth over \$68.2 million.² Our total spend and number of supplier invoices processed includes grants and donations paid to our valued philanthropic collaborators and causes, as well as operating expenditure incurred in running our organisation.

In terms of value, our spending during the reporting period has been heavily concentrated with 60% of our total expenditure relating to grants and donations. We recognise that while many of the philanthropic organisations that we fund are low risk from a modern slavery perspective, we have fairly limited visibility of their suppliers (our Tier 2 suppliers).

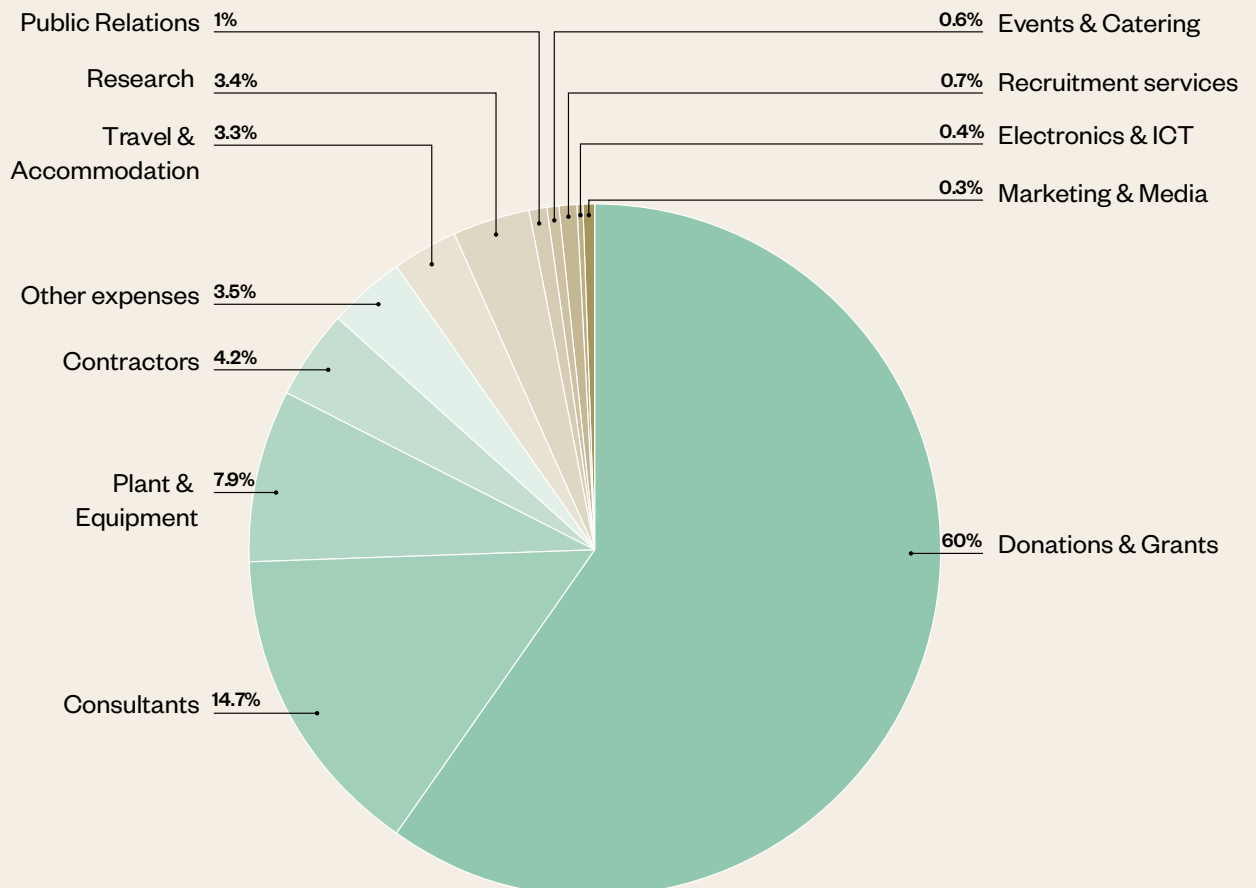
Aside from grants and donations, the major categories of supplier expenditure by value included consultants (14.7%) and plant

& equipment (7.9%). Other categories of expenditure include travel and accommodation (3.3%), independent contractors (4.2%), public relations (1.0%), and events and catering costs (0.6%).

Excluding grants and donations, the top 20 individual Tier 1 suppliers represent 65.5% of our total spend. Where possible we seek to develop ongoing supply relationships with trusted suppliers to reduce our risk. However, due to the specialist nature of our work, we engage a high proportion of suppliers (particularly consultants and contractors) on specific projects which run for a discrete period of time, meaning there is a relatively low number of recurring suppliers each year.

Where possible, we work with suppliers who are actively working to combat vulnerability to modern slavery. The case study below on one of our suppliers that employs survivors of human trafficking is a great example of this.

Figure 01: Analysis of supplier expenditure by category



ADDRESSING MODERN SLAVERY RISKS IN PRACTICE:

Employing survivors of modern slavery

Key Risk:

Victims of modern slavery are often highly vulnerable to being re-trafficked after having exited a trafficking situation. This can occur when victims do not have access to rehabilitation or a pathway into legitimate employment.

The Way Forward:

Minderoo has actively sought out opportunities to use suppliers that provide employment opportunities to survivors of human trafficking and other forms of modern slavery. Since 2014, Walk Free has been pleased to work with Regenesys BPO, an outsourcing company based in the Philippines. Regenesys provides employment to trafficking survivors to enable the last mile of their reintegration. Survivors gain skills to become professionals in data entry, bookkeeping, accounting, research, and post-production photo and video editing. Walk Free has hired the team to provide support to data collection and entry for the 2014, 2016, and 2018 Global Slavery Index, and the 2019 Measurement, Action, Freedom report. Regenesys BPO is currently supporting Walk Free with data collection for the next Global Slavery Index.

Our KPI:

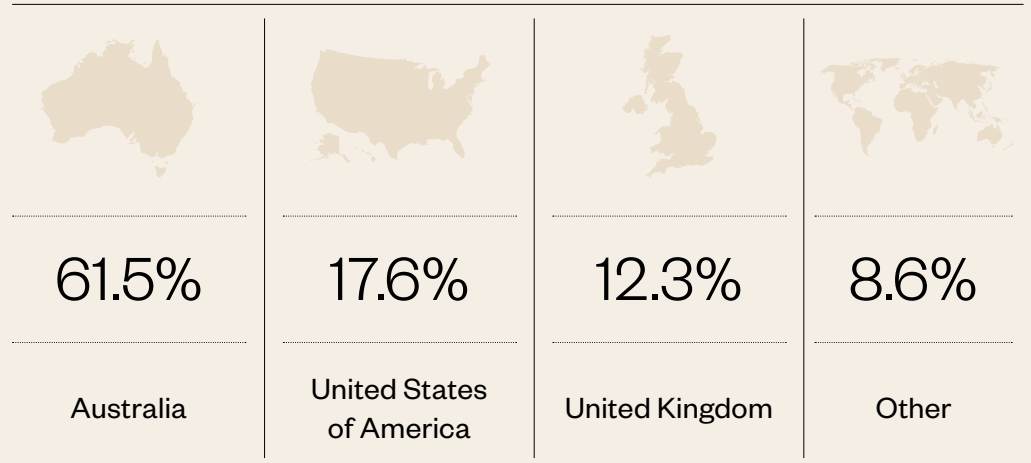
Identify other opportunities across Minderoo to use suppliers that provide employment to survivors of human trafficking.



..
Regenesys BPO, an outsourcing company based in the Philippines, provides computer-based employment to trafficking survivors to enable the last mile of their re-integration. Survivors gain skills to become professionals in data entry, bookkeeping, accounting, research, postproduction photo and video editing. Photo credit: Regenesys BPO

Figure 02 shows that 61.5% of our expenditure was with Australian-based suppliers, followed by 17.6% in the United States and 12.3% in the United Kingdom. Just over 4.5% of suppliers were located in mainland Europe followed by 2.6% in Asia and less than 1% in each of South America, Africa and the Arab States, respectively.

Figure 02: Supplier Expenditure by Country



..
A builder working on a construction site in Sydney's central business district on August 28, 2014. As in other regions of the world, the construction sector is at-risk of modern slavery. Photo credit William West/AFP via Getty Images.



OUR APPROACH TO ASSESSING AND ADDRESSING RISK: MODERN SLAVERY FRAMEWORK

Minderoo is committed to continuous improvement in our approach to addressing modern slavery, guided by our Modern Slavery Framework.

Minderoo has recently gone through a period of significant growth. In the past two years, Minderoo has more than tripled in size, going from 44 employees in 2018 to over 150 employees in 2020. We have implemented new systems to accommodate this growth including across our IT, people & culture and accounting functions. We also identified a need to establish a new procurement function and systems. These systems and processes accord with our commitment to addressing modern slavery.

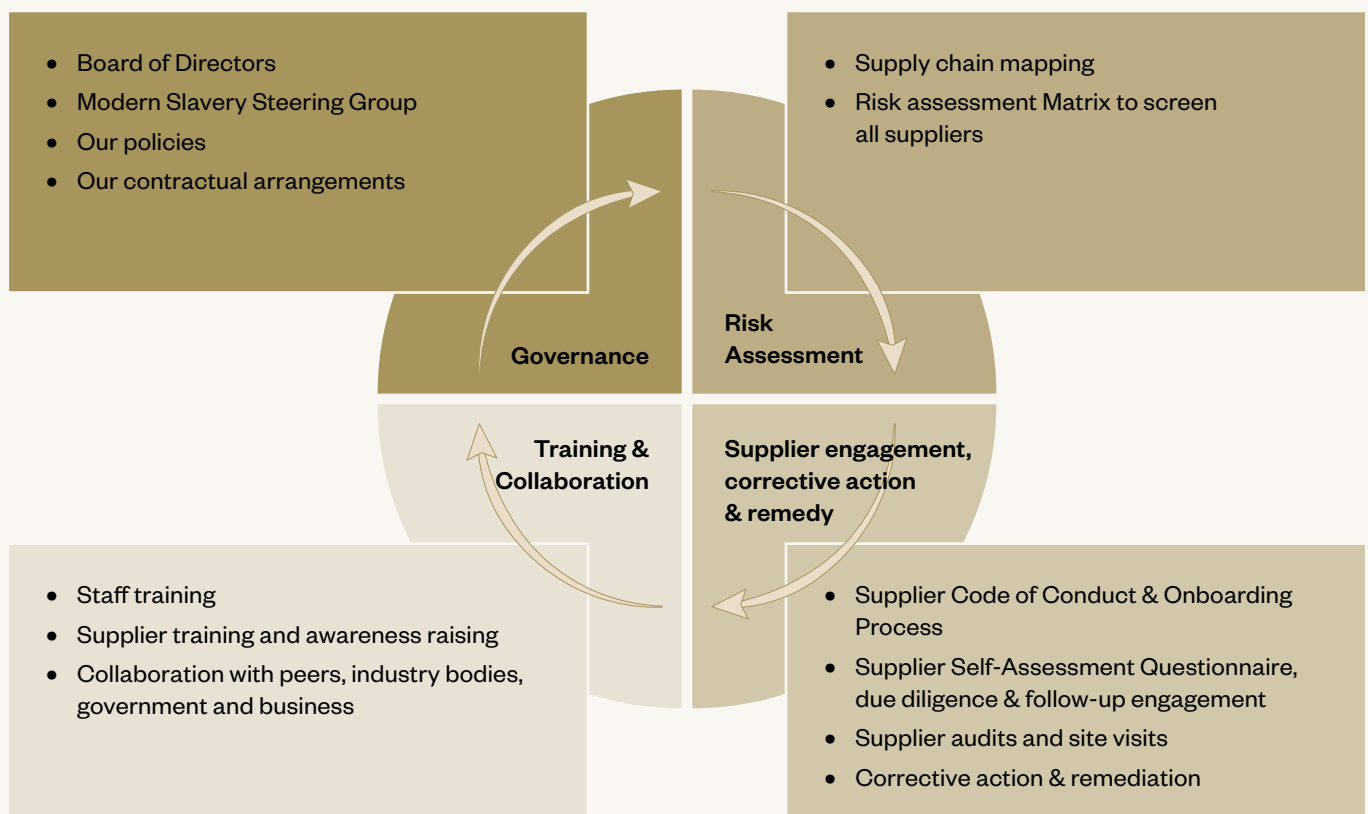
We recognise that further enhancements will be required as we continue to grow and that we must continually strengthen them in order to improve our effectiveness at combatting modern slavery.

Our Modern Slavery Framework comprises four key areas of focus:

- Governance
- Risk Assessment
- Supplier Engagement, Corrective Action & Remedy
- Training & Collaboration

We have summarised below the key elements of each of the four quadrants of our framework.

Figure 03: Modern Slavery Framework



GOVERNANCE

In accordance with Minderoo's Risk Management Framework, Minderoo's Board of Directors has ultimate responsibility for the oversight of all risk management matters, including ethical business practices and human rights related risks, which include modern slavery.

Minderoo has a multi-disciplinary Modern Slavery Steering Group, which includes members of our Walk Free initiative, finance, and legal functions and is responsible for implementing our Modern Slavery Framework. The Steering Group will be expanded to include members from our procurement team, partnerships team and investments team next year. The group meets regularly (and at a minimum quarterly) to monitor and coordinate Minderoo's response to modern slavery including by identifying improvements to the policies, systems and processes, discussing modern slavery risks, incidents, our response, and mitigation/prevention strategies. The group reports to our senior leaders who provide updates to the Board.

Policies

Our approach to governance includes developing strong policies that embed our values in the way we operate. During the reporting period we identified the need to strengthen our policy framework and commenced developing the following policies:

- **Minderoo's Modern Slavery Policy** reinforces our commitment to upholding the rights of individuals within our organisation, operations and supply chain. These include ILO's Fundamental Principles and Rights at Work among others, such as the elimination of all forms of forced or compulsory labour, a worker's right to freedom of movement, the right to bargain collectively and a child's right to gain an education instead of working. Our **Safety Pledge** also supports our Modern Slavery Policy.
- **Minderoo's Whistleblower Policy** details how employees can make anonymous or confidential disclosures to our external Whistleblower provider.
- **Minderoo's Procurement Policy** helps our employees align their purchasing practices with our values, including our approach to ethics, transparency, modern slavery, and indigenous procurement.

- **Minderoo's Supplier Code of Conduct** sets out our expectations for our suppliers in how they assess and address modern slavery in their own operations and supply chains.
- Minderoo's investment strategy is guided by our **Environmental, Social and Governance (ESG) Investment Framework**, developed by our external Investment Managers in consultation with our internal Investment Committee. Our Investment Managers collaborate with data providers to screen and determine the ESG rating of all potential investees. Particular attention is taken not to invest in companies that do not align with our philanthropic initiatives. In 2019, Minderoo committed funds from its corpus to a Strategic Impact Fund to invest in opportunities that complement and further our social and environmental goals. This includes Walk Free's goal to end modern slavery by investing in technologies and innovations that make supply chains more ethical and transparent and protect workers.

We also identified the need to develop guidelines on remedy and plan to adopt a **Remedial Action Plan**. This will provide practical guidance on how to respond to instances of exploitation that Minderoo has caused, contributed or is directly linked to. We plan to develop this guidance in collaboration with other Australian companies through the WA Modern Slavery Collaborative. This will follow guidance published by Walk Free which takes a victim-centred approach and recommends the use of collective leverage, working closely with suppliers and others to achieve the best outcomes for victims and prevent these harms from reoccurring.

Contractual arrangements

Our contractual arrangements with suppliers range from one-off transactional supply arrangements, to detailed partnership/contractual agreements for longer-term projects. Minderoo's preference is to always contract on its standard terms and conditions which impose obligations on a contractor to comply with anti-slavery legislation applicable to it, to investigate its labour practices and supply chains and to provide evidence to Minderoo to demonstrate its compliance with these obligations. These obligations are also included in our standard consultancy agreements and our grant agreements.

RISK ASSESSMENT

Our Modern Slavery Framework requires suppliers, including our grant and donation recipients, are assessed for potential modern slavery risks. During the reporting period:

Minderoo conducted an initial risk assessment on all suppliers and grant and donation recipients by applying our Risk Assessment Matrix, that considers sector risk, product or service risk and country risk. The matrix leverages findings and risk ratings contained in Walk Free’s *Global Slavery Index* (2018) and research from our partners and other data sources. Based on this initial risk assessment, suppliers and grant and donation recipients were designated as low, medium, or high risk.

- A Self-Assessment Questionnaire (SAQ) was sent to high-risk suppliers and a selection of our highest spend medium- and low-risk suppliers.
- Based on the information provided by suppliers through the SAQ process and follow-up meetings, we assessed whether further due diligence was required or site visits or audits to assess supplier labour practices should be undertaken.

Minderoo also conducted a supply chain mapping exercise to understand how goods and services deeper in our supply chain are managed and produced. This was done by performing a detailed analysis of our invoices, interviewing employees and suppliers, and assessing publicly available information about suppliers’ operations, supply chain and approach to modern slavery risk. We recognise the need to continuously review and improve this process, and to be able to scale it as Minderoo grows, for example by using software to help us assess modern slavery risks in our supply chain and manage the process of onboarding and conducting due diligence on suppliers. During the reporting period we trialled different modern slavery risk assessment software platforms and plan to select a preferred platform to implement in the next reporting period.

Our process for assessing modern slavery risk in our supply chain is set out in the figure below. Our key areas of risk are highlighted in the section: Key Risks and Our Response

Figure 04: Risk Assessment Framework



SUPPLIER ENGAGEMENT, CORRECTIVE ACTION & REMEDY

Our supplier assurance process focuses on working collaboratively and continuously with our suppliers to better understand their risk profile and any actions they are taking – or should take – to address risks. In addition to information provided by suppliers, we also conduct our own due diligence as well as independent audits where deemed necessary. Our engagement with suppliers includes:

- **Making our expectations clear:**
Our standard terms and conditions (for both suppliers and grant and donation recipients) clearly set out our expectations with regards to modern slavery. Namely that suppliers will investigate their labour practices and supply chains and provide evidence to Minderoo to demonstrate this. We also developed a Supplier Code of Conduct and Supplier Onboarding Form which both reflect these expectations.
- **Due diligence:**
Reviewing and verifying information provided in response to our Supplier Self-Assessment Questionnaire as well as other publicly available information about the supplier. This step often involves following up with the supplier to ensure they provide the information required.
- **Site visits and audits:**
Conducting site visits or third-party audits with selected suppliers to review potential modern slavery risks in their supply chain and gauge the effectiveness of the policies they have in place to help mitigate these risks. We select these suppliers based on the level of risk, the leverage that we have (noting that particularly with grant and donation recipients, this does not always correlate to the amount of spend). While we were able to conduct meetings and site visits with several suppliers during the reporting period, we were not able to conduct third-party audits that we had planned due to COVID-19 restrictions.

- **Corrective action and remedy:**
Where suppliers do not meet our expectations (as identified through due diligence, meetings, site visits or audits), we require the supplier to take steps (“corrective actions”) to address this. These corrective actions may focus on improving processes to prevent or mitigate modern slavery risks, or, where exploitation has occurred, providing compensation or other forms of remedy to victims. As part of this process, we also assess our own behaviours (e.g. whether our purchasing practices could be improved) and our role in providing remedy, based on whether we caused, contributed to or were directly linked to the harm.
- **Alternative suppliers:**
If a supplier does not take the corrective action that we have requested, we identify appropriate next steps, such as using collective leverage to improve practices. In some cases, we recognise that it may be necessary to end our relationship with a supplier. However, our approach is that this should only be done where such action is not likely to result in continued harm to or worse outcomes for victims and no other alternatives are available, in line with Article 19 of the UN Guiding Principles on Business and Human Rights.

While no instances of modern slavery were identified in the reporting period, we did identify a number of suppliers that did not provide adequate information and/or have adequate policies or processes in place. In these cases, we have requested further information and worked closely with suppliers to help them meet our expectations. We have also identified three suppliers that we will conduct third-party audits on in the next reporting period.

ADDRESSING MODERN SLAVERY RISKS IN PRACTICE:

Recognising the limitations of SAQs

While self-assessment questionnaires (SAQs) enable us to gather critical information on our suppliers including where their products are manufactured or raw materials are sourced from, this may not be enough. Suppliers may not disclose adequate information about how they assess and address modern slavery risks, or may be concerned that disclosing risks will impact the business relationship.

The Way Forward:

Building strong and transparent relationships with suppliers is essential. Supplementing the more formal SAQ process with informal discussions with suppliers can often provide much more insight than answers provided through the SAQ. It is also critical that we verify the information provided by suppliers, for example, requesting them to provide evidence of their policies, systems and processes. In many cases, it is also necessary to conduct independent due diligence including desk-based research, site visits and third-party audits.

Our KPIs:

- Work with our finance & procurement teams to ensure we set clear expectations as part of our supplier onboarding process.
- Supplement SAQ process with informal discussions and independent due diligence.
- Select modern slavery risk management software to help us to manage this process.



..

Photo credit: Ahsanization.



TRAINING & COLLABORATION

An important element of our framework is to raise awareness of modern slavery issues, both internally and through active collaboration with our suppliers, peers, corporates, governments and human rights advocacy groups. Through our Walk Free initiative, there is a high awareness of modern slavery across Minderoo, and members of the Walk Free team regularly present on relevant topics. During the reporting period this included Minderoo-wide presentations on Walk Free’s work to combat modern slavery; the increased risk of slavery arising from COVID-19 and steps business can take to protect vulnerable workers; and the use of forced labour in Xinjiang province and impacts on global supply chains. Other steps we have taken include:

- We have designed a modern slavery training program for all staff to raise awareness on modern slavery; the prevalence of modern slavery within Australia and across the globe; how to identify modern slavery risks in our own supply chain, and steps we can take to address these risks. This compulsory training program will be embedded in our induction program for all new staff moving forward and updated regularly as new, relevant content emerges.
- We share information on modern slavery, best practice resources, and case studies with our suppliers, grant and donation recipients, partners and investments for distribution among their own teams.

- Walk Free facilitates collaboration between business, investors, civil society, and government through several different initiatives, including the Bali Process Government and Business Forum, the Australian Government’s Expert Advisory Group, the United Nations Global Compact Network and the Western Australia Modern Slavery Collaborative. These initiatives are focused on sharing tools, knowledge and best practice and facilitating collaboration.
- Walk Free recognises the importance of sharing resources, tools and best practice to improve supply chain practices and has published a Toolkit for Business and Investors which collates a library of resources to help organisations combat modern slavery.

[Click here](#)

••
 Walk Free team at the Australian Catholic Youth Festival. Photo credit: Benjamin Horgan.

KEY RISKS AND OUR RESPONSES

Minderoo assumes that modern slavery takes place within its supply chain.

This is based on our knowledge that modern slavery occurs in every country and almost every supply chain in the world. We know that if we, or our suppliers, are not finding incidents of exploitation or modern slavery, we still have a significant amount of work to do.

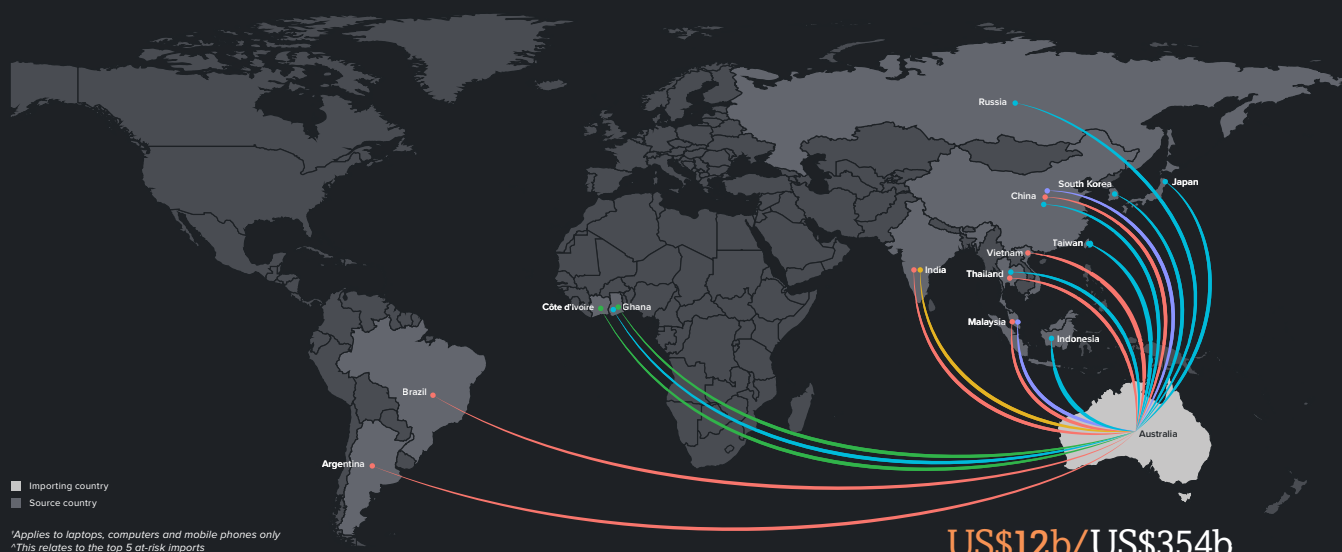
We adopt a risk-based approach in our supplier diligence process considering the risk of modern slavery based on the industry, product, and country where goods are sourced from, rather than focussing exclusively on spend. This recognises that modern slavery risks may present in a variety of forms, are usually hidden within supply chains and can easily be overlooked if the organisation is only focussed on its largest suppliers. In terms of geography, the majority of our spend is with suppliers based in Australia which has a relatively low prevalence of modern slavery within its

borders, but still has an estimated 15,000 victims.³ While these suppliers may appear low risk, we must also consider the source countries of the component parts in the goods we procure and the relative risk of modern slavery occurring in the making of that product or delivery of that service. We know from the Global Slavery Index that Australia alone imports an estimated 12bn of products at risk of modern slavery each year.⁴

Gaining greater visibility of our Tier 2 suppliers and beyond is therefore critical for us to make a more informed assessment of our risk. We recognise that this is particularly the case for the grants and donations we make to other philanthropic organisations. While our contractual terms require them to assess modern slavery risks in their supply chain (and to require the same of their suppliers), in practice we often have very limited information on their suppliers and how those suppliers address modern slavery risks.

AUS TOP 5 IMPORTED PRODUCTS AT-RISK OF MODERN SLAVERY

- 
ELECTRONICS*
- 
GARMENTS
- 
FISH
- 
RICE
- 
COCOA



US\$12b/US\$354b

Australia's at-risk imported products, of overall at-risk imports by G20 countries.[^]

*Applies to laptops, computers and mobile phones only
^This relates to the top 5 at-risk imports

ADDRESSING MODERN SLAVERY RISKS IN PRACTICE:

Donations and Grants

Key Risk:

We currently do not have adequate processes in place to conduct modern slavery due diligence on the supply chains of the philanthropic partners that we donate money to (our “Grantees”). While we conducted detailed due diligence on our philanthropic partners, we did not conduct a risk assessment of their supply chains (i.e. our Tier 2 suppliers and beyond). We have typically relied on contractual clauses that prohibit modern slavery and provide assurances that these partners have conducted due diligence on their suppliers.

The Way Forward:

We recognised that we need to treat our philanthropic partners as “suppliers” and have adapted our partnership process to include an assessment of modern slavery risk in the Grantee’s operations and supply chain. This includes requiring them to complete a self-assessment questionnaire and conducting further due diligence on their suppliers where we have identified a risk, as part of our Modern Slavery Framework see figure 03. See the Forrest Hall case study on [page 30](#) for an example of how we engaged the suppliers in a large construction project that we funded.

Our KPIs:

- All new grantees are to complete an SAQ and provide documentation to evidence their modern slavery policies and procedures.
- Conduct detailed due diligence and audits if necessary on any Grantees identified as high risk, as we would with any other supplier.

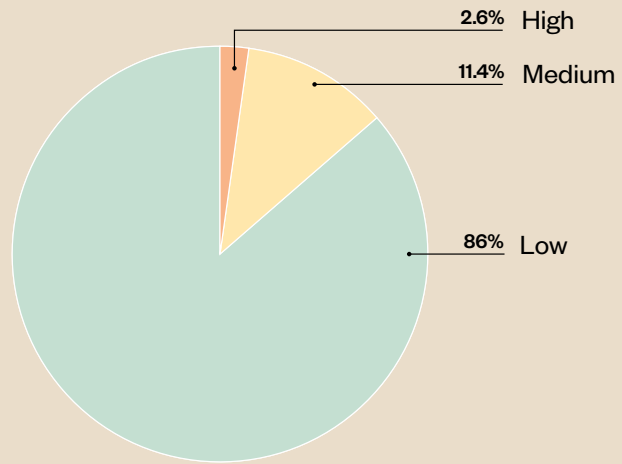
Using our Risk Assessment Framework to assess our suppliers and grant and donation recipients, we identified that most of our suppliers are low risk (86%), with 11.4% medium risk, and 2.6% high risk. (see figure 05).

We then analysed all high and medium risk suppliers by their product/service category to understand the nature of the key risks inherent in these expense categories and to help us identify the key actions we need to take to minimise these risks.

Some of the common challenges we face in working with our suppliers to address modern slavery risks include:

- relatively low level of “financial leverage” we may hold (i.e. our level of annual spending is not material or significant to the particular supplier);
- exploitation often occurs several layers deep in the supply chain; and
- some suppliers are of a size that they have very limited knowledge or information about modern slavery risk in their supply chains (and are not required themselves to report under the Modern Slavery Act).

Figure 05: Risk Rating of our Suppliers during the reporting period (466 suppliers total)*



*Some suppliers sit across multiple risk rating categories

Figure 06: Analysis of High risk suppliers

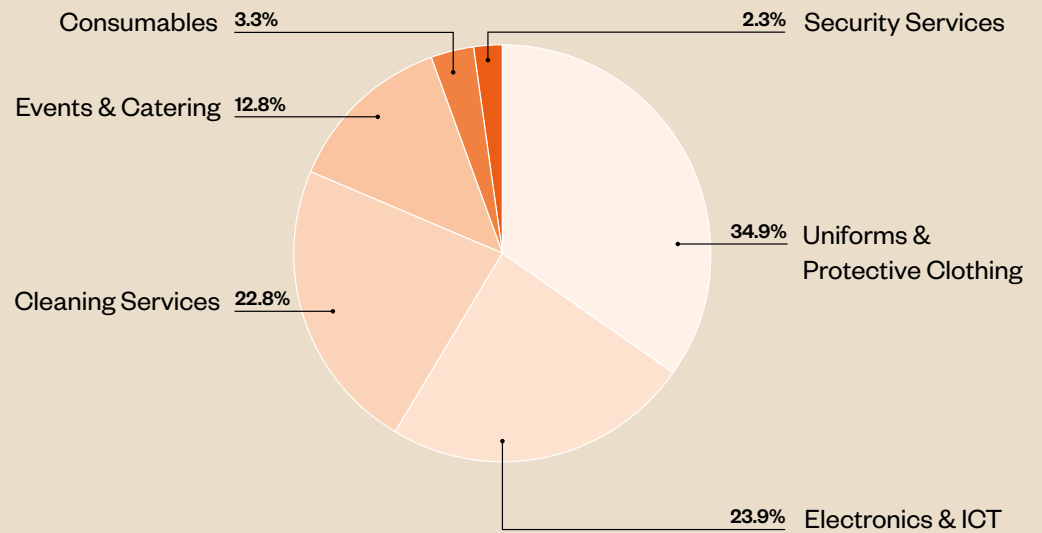
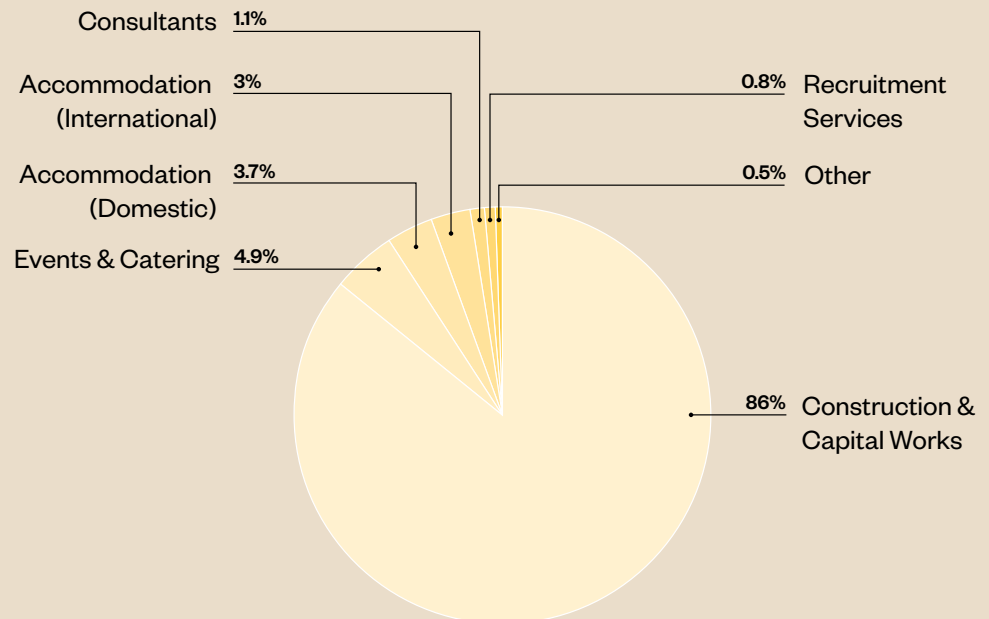




Figure 07: Analysis of Medium risk suppliers



We have outlined below the higher-risk areas for Minderoo and the main actions undertaken to address these risks:

CATEGORY	NATURE OF RISK	ADDRESSING RISK
GOODS		
 <p>Electronics & ICT</p>	<p>Minderoo purchases mobile phones, computers and AV equipment for use in our offices.</p> <p>The electronics industry is recognised globally as higher risk as manufacturing of products and component parts tends to take place in countries which have relatively cheap labour, weaker labour laws and where workers have less recourse against employers if they have been unfairly treated.⁵ There is also a high risk of the use of forced labour in the extraction and processing of source minerals used in many electronic devices (including mobile phones and computers).⁶</p>	<p>Garments, Electronics and ICT are areas where our leverage over major suppliers is limited due to the amount of our spend. Where we have little or no leverage, we first look at how transparent the organisation is in their approach to human rights and modern slavery, as part of our due diligence process. Where possible, we then aim to:</p> <ul style="list-style-type: none"> • build relationships with these suppliers and collaborate with them to identify and address risks. • use benchmarking indices such as Know the Chain and the Corporate Human Rights Benchmark to inform our purchasing practices. • consider whether the business is a member of an industry initiative such as the Responsible Business Alliance (electronics) or Better Cotton Initiative (garments), or has relevant certifications (ISO, GRI, Fair Trade, B Corporation).
 <p>Garments: Merchandise & Protective Equipment</p>	<p>Minderoo purchases merchandise (e.g. T-shirts) for events and, more recently, protective equipment such as face masks as part of our COVID-19 response.</p> <p>Purchasing of garments and apparel carries a risk of forced labour at every stage of the supply chain. Raw materials including cotton are at risk of being harvested using forced labour and state-sanctioned forced labour,⁷ and it is very difficult to trace.⁸ Textile production and manufacturing stages are associated with bonded labour, debt bondage and arrangements allowing for minimum wage exemptions.⁹</p>	

CATEGORY

NATURE OF RISK

ADDRESSING RISK

SERVICES



Cleaning, Catering & Security Services

Minderoo uses cleaning, catering and security services in our offices in Australia. We also contract catering companies to provide support for events.

Typically, these industries carry a higher risk of modern slavery due to their use of unskilled and migrant labour, subcontractors and cost pressures across the industry.

Our service agreements incorporate obligations in relation to labour exploitation and modern slavery.

We raise awareness on modern slavery and reinforce our minimum expectations to suppliers through our supplier onboarding process and clauses in our agreements.

We engage with suppliers to ensure they have adequate policies in place to protect their workers.



Construction & Capital Works

Minderoo is funding the construction of the Forrest Research Foundation residential building, Forrest Hall 2.

Construction carries a high risk of exploitation due to the use of materials sourced largely from overseas and a workforce that includes migrant and temporary workers.

Our request for tender requires tenderers to provide information on their approach to preventing modern slavery in their supply chains. All grant and donation recipients are required to comply with contractual clauses regarding modern slavery and receive further information on our expectations and follow up engagement. See our case study on [page 30](#) for further details.



Travel & Accommodation

The nature of Minderoo’s activities can, in non-pandemic times, require extensive travel by our staff.

There is a high-risk of exploitation within the hotel and accommodation sector as hotels tend to employ those who experience more structural disadvantages to accessing the market – such as women, young people, rural populations and migrant workers.¹⁰ Risk of exploitation is also heightened due to complex supply chains with little transparency, and limited oversight from brands and multinational hotel operators as a result of extensive franchising.

In 2019, Walk Free published a report titled *Beyond Compliance in the Hotel Sector*, which assessed how the hotel sector in the UK was responding to the high-risk of exploitation within the hotel sector. Looking forward, we plan to engage with our centralised travel management provider to raise awareness of the potential risks within the sector and assess how they manage modern slavery risks in their own business. We will also align our list of preferred hotels with those that perform well on benchmarking indices (including Walk Free’s *Beyond Compliance Report*).

CATEGORY

NATURE OF RISK

ADDRESSING RISK

GRANTS, DONATIONS & INVESTMENTS



Investment Portfolio

Minderoo invests its corpus across various asset classes that align with its Investment Policy.

One of the main asset classes is listed equities (both domestic and international equities). There is a risk we could invest in companies that do not have adequate processes to identify and address modern slavery risks in their operations and supply chains.

Our investment managers collaborate with data providers to screen and determine the ESG rating of all potential investees. Our Investment Policy sets out our position not to invest in companies that are at high risk of modern slavery or do not align with our other philanthropic initiatives.

We recognise that better tools and information are needed to help investors to identify and engage with high-risk companies. Walk Free is actively working with the financial sector to further these aims.



Grants & Donations

60% of Minderoo's annual spend was related to philanthropic grants and donations.

The nature of individual grants or donation agreements can vary depending on the parties involved, the purpose of the funding and level of visibility or control over how the funds are spent. While all agreements reinforce our expectations on modern slavery, there remains a risk that we do not always have oversight about where funds are being spent or the supply chains involved.

We undertake detailed due diligence on our grant partners before entering into any new agreement, which includes consideration of modern slavery risks. Our grant and collaboration agreement includes explicit clauses to reinforce our stance on modern slavery and human rights risks and requires our collaborators to observe similar standards in their own organisations. We reserve the right to request evidence from partners of the policies and procedures they have in place and undertake our own assessment of how effective those measures are in minimising modern slavery risks. Looking forward, our focus will shift to conducting deeper due diligence on more of our major grantees and donees in our supplier testing program.

CATEGORY



Risks associated with COVID-19

NATURE OF RISK

The impact of the global pandemic on supply chains increased the vulnerability of millions of workers to modern slavery.¹¹ It has also increased our exposure to these risks in our supply chains.

Our ability to undertake supplier audits was inevitably constrained during the second half of FY20 by the pandemic and the resultant disruption on travel and business operations it caused. A global reduction in supplier audits, site visits and other in-person oversight measures leaves workers vulnerable to exploitative labour practices. Border closures have restricted individuals' freedom of movement while fluctuating demand for certain goods and services has led to a volatile job market. While millions of workers lost their jobs, others were forced to work excessive hours to provide essential goods and services. Both factors have increased workers' vulnerability to modern slavery.

ADDRESSING RISK

We recognise these risks and are currently exploring alternatives to navigate COVID-19 restrictions, such as scheduling "hybrid" social audits that use both in-person and virtual engagement to assess practices.

We have also focused our supplier engagement on suppliers and grant recipients that we can engage more easily with while borders are closed, for example grant recipients and suppliers located in Perth.

ADDRESSING MODERN SLAVERY RISKS IN PRACTICE:

Hotels and hospitality

Key Risk:

Pre-COVID-19, travel and events made up 3.3% and 0.6% of Minderoo's expenditure respectively. This included travel within and outside Australia, encompassing flights, accommodation, venue hire, and catering. We recognise the risks associated with the hospitality industry, namely:

- Staff employed directly or indirectly in the hospitality industry becoming victims of forced or bonded labour.
- Use of hotel premises for forced sexual exploitation of adults and children.
- Products and services used by hotels being produced by forced or bonded labour, labour exploitation or unethical labour practices.

The Way Forward:

Walk Free raised awareness of the risks in the hotel sector by releasing a report in November 2019 assessing the statements produced by the hotel industry under the 2015 UK Modern Slavery Act, highlighting good practice as well as significant gaps. The report was part of a panel at the UN Business and Human Rights Forum and shared with the industry at the Elevate Conference in Singapore. All Minderoo travel is currently organised through a travel management company who are subject to our usual risk assessment framework and continuous supplier engagement.

Our KPI:

Develop a list of preferred hotels and suppliers in line with Walk Free's research and other benchmarking efforts.



••

Phuket, Thailand, 23rd August 2014. A migrant worker carrying some cushions at a hotel in Phuket. Every year hundreds of tourists come to Thailand. But in the shadow of mass tourism, there is a different reality. Reporters have found serious grievances among migrant workers in hotels used by tourists. Photo credit: Jonas Gratzner/LightRocket via Getty Images.

ADDRESSING MODERN SLAVERY RISKS IN PRACTICE:

Merchandise

Key Risk:

The merchandise we purchase for initiatives can be high-risk in terms of the product, industry, and country of manufacture. Our purchasing practices can also contribute to this risk when we require quick turnaround times to deliver merchandise for events. Two examples during the reporting period include T-shirts sourced for a march to raise awareness of cancer and, later in the year, T-shirts for volunteers responding to the Australian bushfires. In the past, this has been a key risk, where suppliers have been chosen with little or no due diligence on their labour practices. In 2019, Minderoo adopted a policy to only use Fair Trade accredited merchandise suppliers. However, despite having this policy, not all team members in each of the initiatives were aware of it, and in one instance the merchandise was not procured from Fair Trade suppliers and little due diligence was conducted.

The Way Forward:

1. Train our staff on modern slavery risks in accordance with our policies.
2. Better coordinate procurement across Minderoo and select preferred suppliers.

Our KPIs:

- Ensure all staff are made aware of existing policies and that policies are stored in a central, easily accessible location for staff.
- Ensure all staff are trained on modern slavery risks and how this impacts procurement decisions.
- Create a list of preferred merchandise suppliers that meet our ethical purchasing standards.
- Allow sufficient time to place orders to ensure we are not adding unnecessary pressure on manufacturers, and thereby workers (e.g. requiring workers to work excessive hours or outsourcing).



••
*Nicola Forrest embracing
Baxter Hutchinson at the
Walk4BrainCancer event.
Photo credit: Emma Dolzadelli.*

CASE STUDIES

Our Response to the COVID-19 Pandemic

In 2020, the COVID-19 pandemic caused unprecedented turmoil. It impacted individuals' health and overstretched healthcare systems, which required unparalleled government intervention. The pandemic adversely impacted global supply chains, and both created, and exacerbated existing social inequalities.

In March 2020, First Sourcing and Logistics, in collaboration with the Federal and Western Australian governments and Fortescue Metals Group (Fortescue), responded rapidly to the emerging COVID-19 pandemic to establish an emergency response initiative to support Australia's preparedness for an impending wave of infections that was expected to overwhelm the healthcare system. Minderoo committed up to AU\$320 million to First Sourcing and Logistics to procure personal protective equipment (PPE) for frontline health workers and to secure vital lab testing equipment and reagents. This supported a more than four-fold increase in daily COVID-19 testing capability across Australia.

In addition, Minderoo:

- helped fund three clinical trials aimed at protection for healthcare workers and testing new treatment options for patients, including expanding these benefits to vulnerable people in many low-to-middle-income countries;
- joined the Bill & Melinda Gates Foundation and Wellcome Trust to fund the COVID-19 International Data Alliance and Workbench for ensuring global data on COVID-19 is quickly and securely shared;
- supported multiple domestic community initiatives helping those most vulnerable to the effects of economic shutdown through funding and PPE donations.

During the reporting period, Minderoo funded over \$199 million of expenditure (excluding amounts committed to clinical trials and community donations) as part of the COVID-19 initiative as follows:

Figure 08 - Analysis of COVID-19 Expenditure (\$'m)

	<p>\$170m</p>	<p>COVID-19 Lab Testing Equipment & Supplies</p>
	<p>\$29m</p>	<p>Personal Protective Equipment Supplies</p>

The unique challenges facing supply chains during the pandemic:

“I particularly want to thank Andrew and Nicola Forrest and the Minderoo Foundation for their instrumental work in helping to secure this critical additional testing capacity for Australia...”

Greg Hunt, Minister of Health, Australian Government.

Minderoo and Fortescue actions were described as a “nation saving event” by the Federal Government which requested assistance in a time of national crisis.

With many international supply chains virtually shutdown, causing a global shortage, First Sourcing and Logistics quickly mobilised a procurement team, and working with Fortescue, undertook emergency sourcing of critical PPE and testing equipment from China. The COVID-19 testing equipment was sourced by FSL for purchase by the Commonwealth Government, and the PPE equipment was sourced and purchased for distribution to the Commonwealth Government and other stakeholders at cost or, in some cases, by donation. This occurred in a rapidly changing and intensely competitive environment, exacerbated by restrictions on travel which limited the ability to validate new suppliers through our normal procurement processes, which are

designed to reduce the risk of forced labour in the supply chain.

To mitigate this, First Sourcing and Logistics’ procurement team sourced PPE wherever possible from existing Fortescue suppliers, which had already been subject to their usual checks and due diligence. All suppliers and manufacturers were subject to upfront screening through analytics software, which incorporates checks for human rights and modern slavery violations. First Sourcing and Logistics also collaborated with local representatives of the Australian Trade and Investment Commission who assisted in the identification of reputable suppliers.

We would have preferred to do more if it had been possible. We would have liked to conduct on-site due diligence, such as visits to all manufacturing sites, but unfortunately COVID-19 travel restrictions inevitably prevented this. We understand that procuring goods and services in emergencies may limit our ability to do due diligence which carries some risk. Learnings from the COVID-19 Project will be incorporated into our Modern Slavery Framework so we are better prepared in emergency response initiatives in the future.



..
Andrew and Nicola Forrest
at St John of God Hospital
delivering critical PPE supplies.
Photo credit: Benjamin Horgan.

••
Responding to crises such as COVID and empowering frontline communities during emergencies such as bushfires is core to the work of Minderoo.

However, crises do not occur in isolation and can have unanticipated global consequences.

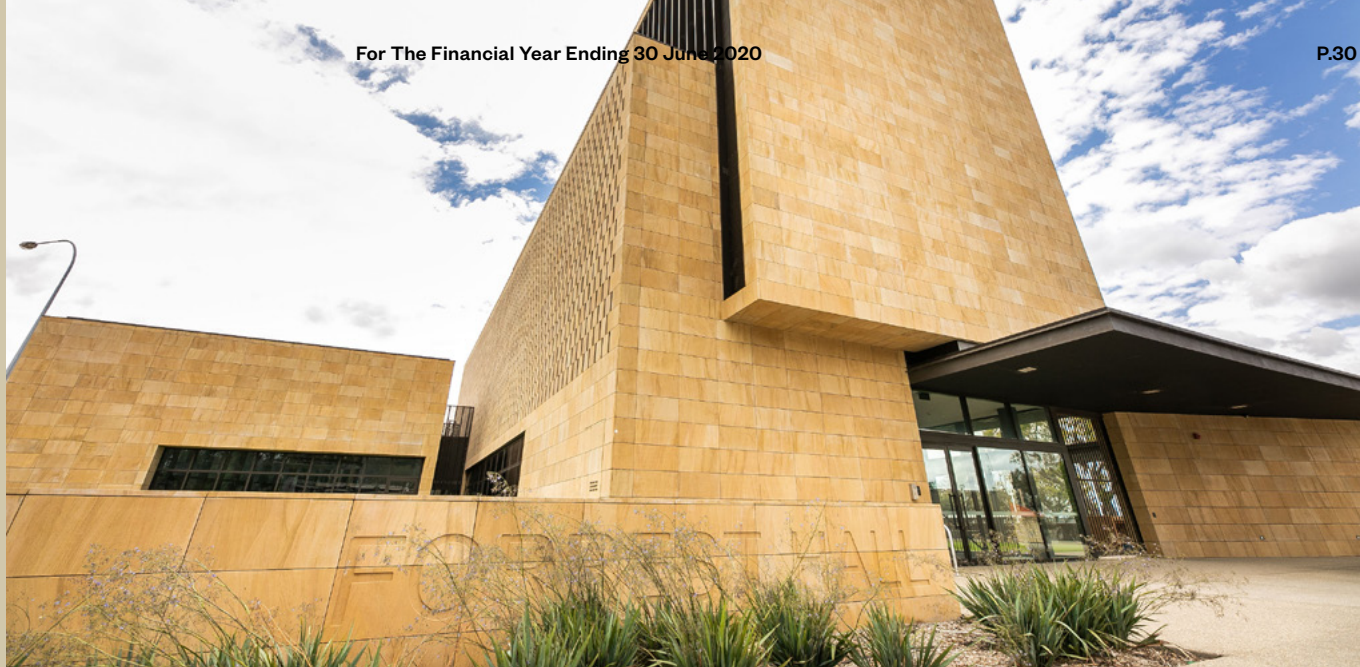
COVID, and responses to it, caused health, safety, and economic risks for vulnerable workers. This created a perfect storm for exploitation and modern slavery to flourish, not only compounding existing vulnerability, but making thorough due diligence more difficult.

When a crisis is in its critical phase, the need to assist our most vulnerable quickly and efficiently can compete with the time available to ensure supply chains are free of modern slavery.

This fragile balance must be proactively addressed to ensure robust systems are in place before a crisis strikes. This is why Walk Free is committed to creating systems change and policy protections that address vulnerabilities for workers in crisis as a priority.

••

Grace Forrest



Construction of Forrest Hall (Stage 2)

The Forrest Research Foundation (**FRF**) was established in 2014 to drive research and innovation capacity in Western Australia by providing financial support and accommodation to scholars and fellows. Minderoo provides philanthropic funding to FRF.

The Forrest Research Foundation's vision includes the construction of two mixed-use buildings at the University of Western Australia (**UWA**), designed to be a home and centre for intellectual exchange for Forrest scholars. The first building, Forrest Hall, was constructed in 2018 and accommodates recipients of the Forrest scholarship and fellowship programs. Preliminary works for the construction of Forrest Hall 2 (**FH2**) began in December 2019. FH2 comprises scholar accommodation, short-stay accommodation, office space, landscaped grounds and car parking.

While contracting for FH2 is overseen by UWA, and specifically the UWA Senate, the University and Minderoo work collaboratively on the main elements of the project. The two main avenues for this are:

- The Project Control Group (**PCG**), which includes a project manager seconded from Minderoo. The PCG is responsible for the detailed planning, design and construction of the building.
- The Forrest Research Foundation Board of Governors, which includes representatives from Minderoo. The Board of Governors provides recommendations to the UWA Senate.

The FH2 request for tender required tenderers to provide information on their ethical procurement policies and approach to modern slavery risk. The successful contractor provided details on their ethical procurement policies and their supplier due diligence, including:

- Revised General Conditions of Subcontract and Supply and Special Conditions to ensure that subcontractors and suppliers provide evidence that materials are ethically sourced.
- A procurement process that identifies and assesses ethical behaviour and sourcing of materials. All overseas procurement is subject to a pre-order assessment which reviews and assesses the supply chain including where the material is sourced. This includes an assessment of payment terms and security, verification of compliance records with relevant Australian Standards and may include a site visit.

Recognising the importance of continuous engagement, Minderoo plans to work with UWA to ensure we have oversight of contractors and suppliers, identify key risk areas for further due diligence, and enable regular exchange of information to address any issues as they arise.

..

Forrest Hall is a state-of-the-art accommodation facility designed with the purpose of attracting and inspiring top scholars in their academic pursuits. Photo Credit: Benjamin Horgan.

MEASURING EFFECTIVENESS AND OUR FUTURE COMMITMENTS

Minderoo assumes that modern slavery takes place within its supply chain. This is based on our knowledge that modern slavery occurs in every country and almost every supply chain in the world. Assessing our effectiveness therefore includes assessing whether we find instances of modern slavery or related exploitation. During this reporting period, we only identified two potential issues of concern, which we were not linked to directly. This tells us that we still have a significant amount of work to do.


The key improvements that we plan to make are set out below. Our Modern Slavery Steering Group will track these improvements and also report to the senior leaders on the following key performance indicators:

- suppliers assessed through our Risk Assessment Framework and % of high/medium/low risk;
- SAQs issued and completion rate;
- follow-up meetings held with suppliers/grantees;
- site visits/audits;
- corrective actions issued;
- incidents raised (cases of modern slavery or indicators of related exploitation); and
- remedy provided by Minderoo and/or suppliers.

As a priority we will focus on our grant and donation recipients. Over 60% of our spend (and a significant amount of leverage) is with grant and donation recipients. Our risk is increased due to the relatively low level of visibility we have over our grantees' supply chains. We plan to address this risk by increasing our due diligence so that we understand their supply chains better and by providing tailored training and workshops for philanthropic organisations to help them improve their practices. This and other key focus areas are detailed in the following table, see [page 32](#).

AREA OF FOCUS	IMPROVEMENT	GOAL/TIMEFRAME	
		FY 20-21	FY21-22
 <p>Governance</p>	Strengthen policies and review contract templates relating to modern slavery	<p>Implement updated Supplier Code of Conduct, Procurement Policy and Remedial Action Plan.</p> <p>Roll out purchase order standard terms and conditions that include clauses on modern slavery.</p> <p>Strengthen ESG Investment Framework with specific metrics on modern slavery.</p> <p>Establish centralised intranet portal to house all relevant policies.</p>	Identify areas for further improvement in our policies and contracts.
	Steering Group to increase engagement with each of the Minderoo initiatives to understand their future activities and associated risks.	Modern Slavery Steering Group to facilitate meetings with leads from each of the 10 initiatives and establish a feedback mechanism where initiative leads regularly feed into the Steering Group.	Continuous engagement with initiatives to better understand their future activities and associated risks.
	Conduct deeper due diligence on medium and high-risk suppliers (including grant and donation recipients).	Review SAQs and verify responses for all medium and high-risk/high-spend suppliers and all new grant and donation recipients.	<p>Identify priority actions for our high risk/high spend suppliers to implement and continue to develop relationships.</p> <p>Expand due diligence to Tier 2 of supply chain.</p>
 <p>Risk Assessment</p>	Improve supplier onboarding, risk screening and verification process.	<p>Select third party software to analyse risk throughout our supply chain and assist with verification of information provided by suppliers.</p> <p>Roll out new purchase order system across Minderoo.</p> <p>In-person training on supplier on-boarding for specialist staff (procurement, legal, people & culture, central operations).</p>	<p>Identify ways to improve our risk screening and supplier assessment processes.</p> <p>Develop standardised desk research protocol to incorporate additional data including benchmarking data, membership of industry bodies, and relevant standards.</p>

AREA OF FOCUS	IMPROVEMENT	GOAL/TIMEFRAME	
		FY 20-21	FY21-22
 <p>Supplier Engagement, Corrective Action & Remedy</p>	<p>Improve identification of incidents.</p>	<p>Increase our visibility of incidents by ensuring key medium and high-risk suppliers have an effective grievance mechanism and encourage them to report all incidents to us.</p>	<p>Ensure suppliers require their suppliers to have an effective grievance mechanism.</p>
	<p>Improve identification of corrective action and remedy.</p>	<p>Conduct site visits and/or audits on top 50% of high risk/high-spend suppliers.</p> <p>Explore alternatives to in-person audits to navigate COVID-19 restrictions and utilise technologies that better reflect worker voice and empowerment.</p>	<p>Conduct audits on a selection of our Tier 2 suppliers (e.g. our grant and donation recipients' suppliers).</p> <p>Based on recommendations, adopt hybrid model to audits, including role of worker voice.</p> <p>Online workshops focused on remediation held with all high-risk/high-spend Tier 1 suppliers.</p>
	<p>Review purchasing practices and business KPIs to assess “red flags” and impact on modern slavery risk (including turnaround time, pricing and sourcing of raw materials).</p>	<p>Identify types of purchases where “rush orders” are common (quick turnaround time or limited due diligence conducted), including, for example, purchase of merchandise or in response to emergencies.</p> <p>Where possible, build a list of preferred suppliers in these areas to reduce risk, including, for example, list of preferred hotels or merchandise suppliers.</p>	<p>Continue process of identifying “red flag” purchasing practices and preferred suppliers.</p>
	<p>Ensure a victim-centred approach when responding to instances of exploitation or modern slavery.</p>	<p>Adopt Remedial Action Plan.</p> <p>Assess both our and our suppliers’ response to any identified incidents of exploitation.</p>	<p>Survivors review our Remedial Action Plan and feedback incorporated.</p> <p>Continue to improve our Remedial Action Plan, based on actual responses to exploitation by us and/or our suppliers.</p>

AREA OF FOCUS	IMPROVEMENT	GOAL/TIMEFRAME	
		FY 20-21	FY21-22
 Training & Collaboration	Identify other opportunities for Minderoo to use services that provide employment opportunities to survivors.	<p>Map survivor-led organisations who provide contracting services.</p> <p>Identify and roll out contracting opportunities across Minderoo.</p>	Continue to increase opportunities for survivor engagement across Minderoo.
	Roll-out of compulsory training on modern slavery for all staff.	<p>Modern Slavery training module completed by all staff, and included in onboarding process for new starters.</p> <p>Develop and implement quiz to test knowledge on module.</p>	<p>Continue to improve training based on staff feedback/ test results.</p> <p>Develop annual training refresher courses tailored to specific staff (e.g. HR, procurement, senior management).</p>
	Supplier and grantee training.	Develop modern slavery training module for suppliers and grant and donation recipients.	<p>All high risk/high value Tier 1 suppliers attend training.</p> <p>All major grant and donation recipients to complete training module and attend a workshop with Minderoo on modern slavery best practice.</p>

OTHER RELEVANT INFORMATION

Machine readability and Modern Slavery Act statements.

Since May 2019, Minderoo, through Walk Free has been collaborating with The Future Society to develop an algorithm to “read” the statements produced under the UK Modern Slavery Act. Recognising that reading the statements produced by the estimated 17,000 companies that should be reporting each year is both time and resource intensive, Minderoo has invested in the development of natural language processing to speed up the process and to allow researchers to focus on more detailed analysis.

One of the key recommendations made under this project is for statements to be in a ‘machine readable’ format – that is ensuring any information included in infographics is described in text, ensuring that text is not split over multiple columns, and minimising the use of images. This statement adheres as much as possible to these recommendations, while we will continue to consult with The Future Society to review this statement against the algorithm.

ENDNOTES

- 1 International Labour Organization and Walk Free 2017, Global estimates of modern slavery: Forced labour and forced marriage, International Labour Office (ILO), Geneva. Available from: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_575479.pdf
- 2 Contestable spend includes all third-party supplier expenditure, including donations and grants in relation to Minderoo’s ongoing initiatives. This excludes the expenditure of First Sourcing and Logistics, which was incorporated in April 2020 to specifically undertake our COVID-19 emergency response initiative. We have separately profiled the expenditure committed by First Sourcing and Logistics in a case study presented later in this Statement.
- 3 Walk Free 2018, The Global Slavery Index 2018. Minderoo Foundation, pp 88. Available from: <https://www.walkfree.org/projects/the-global-slavery-index/> [29 January 2021].
- 4 Walk Free 2018, The Global Slavery Index 2018. Minderoo Foundation, pp 121. Available from: <https://www.walkfree.org/projects/the-global-slavery-index/> [29 January 2021].
- 5 Know the Chain 2018, ERADICATING FORCED LABOR IN ELECTRONICS: What do company statements under the UK Modern Slavery Act tell us?. Available from: https://knowthechain.org/wp-content/uploads/KTC-ICT-MSA-Report_Final_Web.pdf. [01 February 2021].
- 6 Verite n.d., Countries Where Coltan, Tungsten, & Tin are Reportedly Produced with Forced Labor and/or Child Labor. Available from: <https://www.verite.org/project/coltan-tungsten-tin-2/>. [01 February 2021].
- 7 See, for example, The Cotton Campaign 2021, About, Available from: <http://www.cottoncampaign.org/about.html>. [25 January 2021] and End Uyghur forced labour 2021, Call to Action. Available from: <https://enduyghurforcedlabour.org/call-to-action/>. [25 January 2021].
- 8 According to the 2019 Ethical Fashion Report, only 8 per cent of companies assessed had traced their supply chain to the raw materials stage.
- 9 US Department of Labor 2018, US Department of Labor’s 2018 list of goods produced by child labor or forced labor. Available from: <https://www.dol.gov/sites/dolgov/files/ILAB/ListofGoods.pdf> [5 August 2020]; Office to Monitor and Combat Trafficking in Persons 2020, Trafficking in Persons Report. United States Department of State. Available from: <https://www.state.gov/wp-content/uploads/2020/06/2020-TIP-Report-Complete-062420-FINAL.pdf> [25 August 2020].
- 10 Walk Free, Business & Human Rights Resource Centre, and WikiRate 2019, Beyond compliance in the hotel sector: A review of UK Modern Slavery Act statements. Available from: https://cdn.walkfree.org/content/uploads/2020/10/06163448/2632-MSA-statements.V8_FNL.pdf. [25 January 2021].
- 11 Walk Free 2020, Protecting People in a Pandemic.

ANNEX 1: ALIGNMENT TO REPORTING CRITERIA

Australian Modern Slavery Act Mandatory Reporting Criteria	Section in Minderoo Foundation Trust Statement
<p>Criterion One:</p> <p>Identify the reporting entity</p>	<p>Introduction</p>
<p>Criterion Two:</p> <p>Describe the reporting entity's structure, operations and supply chains</p>	<p>Our organisation and structure</p> <p>Our operations and supply chain</p>
<p>Criteria Three and Four:</p> <p>Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls;</p> <p>Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.</p>	<p>Our approach to assessing and addressing risk: Modern Slavery Framework</p> <p>Key risks and our response</p> <p>Case studies</p> <p>Addressing modern slavery risks in practice text boxes</p>
<p>Criterion Five:</p> <p>Describe how the reporting entity assesses the effectiveness of these actions</p>	<p>Measuring effectiveness and our future commitments</p>
<p>Criterion Six:</p> <p>Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)</p>	<p>Introduction</p>
<p>Criterion Seven:</p> <p>Provide any other relevant information</p>	<p>Our values and commitment to ending modern slavery</p> <p>Other relevant information</p>

