

# Modern Slavery Statement

1 July 2020 to 30 June 2021

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This statement is made pursuant to section 14 of the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**) for the period 1 July 2020 to 30 June 2021.

This statement is made on behalf of King & Wood Mallesons Australia (comprising the Australian partnership of King & Wood Mallesons and its associated entity Dabserv Pty Ltd).

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# Our structure

## Introduction

KWM Australia is committed to the identification, assessment and reduction of modern slavery risks in the management of our supply chain and business operations.

Our second Modern Slavery Statement sets out the work we have done during FY21 in assessing and addressing modern slavery risks across our Australian business.

## Our structure

KWM Australia is part of King & Wood Mallesons, a global law firm headquartered in Asia, with offices in 29 locations around the world.

Globally, King & Wood Mallesons operates under a Swiss Verein structure (a legal entity formed under Swiss law) and is comprised of member firms across different regions, including independent partnerships in Australia, the People's Republic of China and the Hong Kong Special Administrative Region of the People's Republic of China (**Hong Kong Partnership**).

Legal services are provided independently by each of the separate King & Wood Mallesons member firms. KWM Australia does not control the foreign business operations of these independent member firms of King & Wood Mallesons. See our website at [kwm.com](http://kwm.com) for more information on the King & Wood Mallesons global structure including KWM Australia's status within that global structure.

This Modern Slavery Statement is made by the Australian business, noting that, for the purposes of the Modern Slavery Act, the Australian business is conducted primarily through two "entities"<sup>1</sup>:

- **the Australian Partnership**: which provides our legal services to our clients; and
- **Dabserv Pty Limited**<sup>2</sup>: which provides various support services (such as premises, finance, technology, procurement, travel, people & development and business development services) to the Australian partnership,

(collectively "**KWM Australia**").

Each entity has its own employees and suppliers.

For convenience, a reference in this statement to KWM Australia refers collectively to both entities unless otherwise specified.

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<sup>1</sup> As the term is defined in the Modern Slavery Act.

<sup>2</sup> Dabserv Pty Ltd (ACN 008 551 993), with its registered office located at Level 61 Governor Phillip Tower, 1 Farrer Place, Sydney, is trustee of the firm's service trust which provides various support services to the partnership as described further below.

# Operations and supply chain

## Our operations

KWM Australia is a full-service commercial law firm delivering a range of transactional and disputes-based legal services and capability. We have market leading legal expertise in cross-border mergers and acquisitions; private equity; public M&A; employment; intellectual property; competition; international funds; commercial litigation; international arbitration; projects, energy and resources; real estate; construction; environment; tax; banking and finance; and restructuring and insolvency.

Our core business function involves the delivery of specialist professional legal services to our clients.

We advise and support our clients, both domestically and internationally on complex Australian law matters across a range of sectors.

KWM Australia employs approximately 1522 people in Australia and operates from five centres located in Brisbane, Canberra, Melbourne, Perth and Sydney.

Our workforce includes a small number of staff from outside Australia who have arrived in Australia on working visas. We use labour hire agencies in Australia in limited circumstances to support casual personnel requirements within our legal, hospitality and other shared services teams.

In addition to the provision of professional legal services, in Australia we also offer clients resourcing support through a short-term contract engagement service known as KWMConnexion.

## Where we operate

While KWM Australia's operations are predominantly based in Australia, as a member of the King & Wood Mallesons global network, KWM Australia has relationships with other members of that network which have operations outside Australia, as part of the pursuit of a common global strategy. The members of the network trade under a common name to provide seamless multi-jurisdictional legal services to the world's leading commercial entities.

As part of the global arrangements, some management, IT, procurement and other support services are provided by foreign Verein subsidiaries to member firms including KWM Australia.

KWM Australia has an affiliate entity, King & Wood Mallesons LLP (a Singapore limited liability partnership) which carries on a foreign law practice in Singapore (**Singapore LLP**). Under the arrangements with Singapore LLP, the Singapore LLP provides legal and representative services to KWM Australia in the South East Asian region, and KWM Australia provides professional legal services and a range of support services to the Singapore LLP.

KWM Australia's relationship with the Hong Kong Partnership has also included the provision of some support services, the mutual exchange of professional legal services and the transfer of KWM Australia partners and employees. KWM Australia does not control the Hong Kong Partnership or its operations.

KWM Australia's relationship with other parts of our global network includes:

- providing professional legal services to international clients;
- providing professional legal services to, and receiving professional legal services from, other King & Wood Mallesons offices, including offices located in the Peoples Republic of China, the United States of America, United Kingdom, Europe and the Middle East;
- the transfer of KWM Australia partners and employees to other King & Wood Mallesons offices; and
- receiving services from other entities within the network.

While our relationship with members within the King & Wood Mallesons global network is very important to KWM Australia and our clients, we do not control the foreign business operations of these independent member firms of King & Wood Mallesons. We recognise that overseas operations may carry a perception of elevated risk of modern slavery under the Global Slavery Index 2018. This risk may be diminished somewhat by the nature of the supply chains involved in providing the professional services, as explained and set out below.

## Our supply chain

KWM Australia procures goods and services to enable our delivery of legal services to our clients. Goods and services are sourced from both Australia and overseas.

During the FY21 reporting period, we engaged approximately 1933 suppliers and contractors, with 80% of those suppliers and contractors based in Australia. The remaining 20% of suppliers or contractors were based in 63 countries including the United Kingdom, United States, Singapore, New Zealand, Canada, Hong Kong SAR, Japan, Vietnam, China, India, Malaysia, Indonesia, Thailand, UAE, Netherlands, Republic of Korea, Brazil, Germany, Peru, Switzerland, France and Ireland.

Our supplier base primarily comprises professional services personnel, such as barristers, expert witnesses (forensic accountants, engineers, technical specialists), foreign law firms (e.g., in jurisdictions where we do not have local offices), sophisticated commercial suppliers and our KWM member firms.

Our major expense categories include professional services, premises, travel and accommodation, information technology (software and hardware), human resources and staffing services, print and mail management.

## Key supply chain categories



**Professional services**



**Premises**



**Travel and accomodation**



**Information technology  
(software and hardware)**



**Human resouces and  
staffing services**



**Print and mail management**

# Our modern slavery risk areas

## Key modern slavery risk areas

In our first Modern Slavery Statement we identified 4 key areas which we considered may have modern slavery risks for our business operations and supply chain.

In the second reporting period, we took steps to build on our foundational work and undertook a more in-depth analysis of potential risk areas. This analysis was performed by our Modern Slavery Working Group, who is responsible for driving the implementation of our modern slavery response.

The 4 key risk areas identified in our first Modern Slavery Statement remain relevant for our second reporting period, with the addition of 2 further risk categories for assessment.

The risk categories are set out below. We still consider the risk of modern slavery existing in our Australian business operations to be low. We have made this assessment based on an analysis of where our suppliers are located and the type of goods or services we procure from them.<sup>3</sup> In KWM Australia's case, most of the foreign suppliers provide legal or professional services. However, we remain vigilant in terms of assessing and identifying modern slavery risks in our business.

- **Workforce and recruitment**
- **Domestic contractors**
- **Suppliers of suppliers**
- **Offshore suppliers**
- **Procurement of goods on ad hoc basis**
- **Risk-based products identified for Australia<sup>4</sup>**

## Risk areas within our operations

- **Workforce and recruitment:** while our People and Development Team manage our recruitment and onboarding process so as to ensure compliance with employment laws and obligations, we do at times rely upon the use of labour hire agencies, short-term contractors and foreign staff who are in Australia on visas. We recognise that the reliance on those external workforce and recruitment agencies means that we have less visibility or control over the recruitment practices and employment conditions adopted by those external agencies and as a consequence, this outsourcing of workforce and recruitment creates an element of modern slavery risk.
- **Domestic contractor and service arrangements:** we have assessed and identified a risk for premises or business services where the services procured primarily involve work types such as cleaning services, indoor plant maintenance, document production and printing services and casual labour hire such as contracted hospitality staff.

## Risk areas within our supply chain

- **Suppliers of suppliers:** our supply chain, as with all supply chains, has multiple tiers and we accept that there are certain sectors and industries, products and services, geographic regions and supplier entities which carry a higher risk of modern slavery than others. While we can coordinate due diligence of our tier 1 suppliers and take action where high-risk suppliers come to our attention, we have less immediate visibility or control of the business practices and operations of the suppliers of our suppliers (tier 2 and beyond).
- **Offshore suppliers and contractors:** particularly in those countries or jurisdictions that are recognised on the Global Slavery Index as having a higher prevalence of modern slavery practices such as Papua New Guinea, Philippines, India, Sri Lanka, Thailand, Malaysia, Cambodia and Vietnam. Our offshore supply arrangements are varied and relate to items such as legal services and software subscriptions. As identified above, we also engage independent members of our King & Wood Mallesons global network (which are not controlled by KWM Australia) and other foreign law firms or professional services providers in countries where the perceived risk of modern slavery may be elevated.
- **Procurement of goods for corporate functions on an ad hoc basis:** there are times when gifts or promotional goods are procured for corporate functions in a decentralised manner by individuals or teams within our business. Such goods may be purchased in bulk (e.g., cups or stationery) and due to the low cost involved, do not always undergo the same level of procurement due diligence as higher value contracts managed by our procurement function. While we still have Procurement Policies in place to govern purchases made by KWM staff, this risk can be elevated where the goods are purchased (directly) from overseas countries which have been identified as high risk and they may have been produced by exploited or vulnerable workers.
- **Risk-based products identified for Australia:** For Australia, the Global Slavery Index 2018 identifies electronic goods (laptops, computers and mobile phones) as one of the top 5 imported products at most risk of modern slavery. The other 4 products are garments, fish, rice and cocoa. As a firm that procures electronic goods for use by our people, we perform due diligence on our Tier 1 suppliers of these goods. We recognise however the inherent risks that may be present further down the supply chain that are not immediately visible to us.

<sup>3</sup> The Global Slavery Index 2018 provides an assessment of the level of risk of modern slavery based on source country location and types of products procured.

<sup>4</sup> Based on the study published in Appendix 3 of the Global Slavery Index 2018 on page 220.

# Assessing and addressing modern slavery risks

## Actions taken to assess and address our modern slavery risks

During our second reporting period, we built upon the foundational work done in FY20 with the aim of undertaking more detailed analysis of the key risk areas and develop and implement processes to address those risks.

During FY21, the actions taken by our Australian business to assess and address our modern slavery risks cover the following areas:

- **accountability framework;**
- **procurement and supply chain due diligence;**
- **modern slavery education and awareness;**
- **people processes; and**
- **client processes.**

The actions taken in FY21 are ongoing and we recognise that these are not 'set and forget' exercises. We are committed to regular review of our modern slavery responses and always improving them to test their effectiveness.

### Accountability framework

In FY20, we established a Modern Slavery Working Group tasked with driving the implementation of the firm's modern slavery response. Due to the cross functional nature of modern slavery risks, the group is made up of representatives from Finance, Procurement, Strategy, People & Development, and Business Development. In addition, our Office of General Counsel provides advisory support to the Working Group.

In FY21, further representatives from our Business Services and Risk functions within the firm were added to the group.

The Working Group meets fortnightly to discuss and track the progress of the actions set out in our FY21 modern slavery workplan.

### Procurement and supply chain due diligence

During FY21 we selected and engaged a third-party platform to work with our Procurement Team to develop a modern slavery questionnaire to issue to our suppliers for the purpose of assessing the risk of modern slavery that may exist within their supply chain or operations. Suppliers are given a final risk rating score based on their responses to the questionnaire.

An initial tranche of suppliers located in both Australia and overseas were selected to complete the questionnaire, based on monetary spend thresholds and geographic location. While completion of questionnaires is ongoing beyond the FY21 reporting period, the response rate for returning the questionnaire was 30% as of 1 July 2021 (we have continued to engage with the nominated suppliers to respond to the questionnaires). We are currently in the process of evaluating responses and intend to use the risk ratings to identify medium to high-risk suppliers in our supply chain. Alongside this, we are in the process of incorporating a modern slavery clause into our supplier agreements based on the risk ratings coming out of questionnaire responses (high risk suppliers are prioritised).

We are conscious that modern slavery risk does not necessarily align with the volume or cost of the products or services procured from suppliers. Therefore, we also intend to issue supplier questionnaires to a second tranche of suppliers in FY22 based on a lower monetary threshold as well as based on other risk factors such as country and industry.

We also recognise the need to go beyond questionnaires and engage more deeply with our suppliers on potential modern slavery risks in their business. Our Procurement team and contract owners are encouraged to raise modern slavery risks during conversations with suppliers to better understand where risks might exist in our tier 1 supply chain. It is difficult to measure and track this engagement with suppliers and we acknowledge that there is still room for further improvement with this engagement.

We undertook a review of our current Procurement Policy to build and develop a more structured procedure document which sits alongside the Procurement Policy. The procedure document ensures each stage of our procurement process is conducted in a consistent manner regardless of which team within our decentralised procurement model undertakes the procurement. As part of this review, consideration was given to potential contract management tools that would capture and enhance contract management, including vendor meeting notes, audit schedules and key contract dates.

Finally, we made further enhancements to our tender documents by including a more detailed modern slavery provision and embedded links to our Supplier Code of Conduct.



## Modern slavery education and awareness

During FY21, we devised a modern slavery education plan with the goal of increasing our people's knowledge of modern slavery issues as well as their awareness to changes made to processes or procedures that intersect with our modern slavery response.

Elements of our modern slavery education plan completed in FY21 include:

- modern slavery training delivered to our 7 shared services teams (Business Development, Technology, Knowledge, People & Development, Business Services, Community Impact and Innovation teams).
- Training delivered to personnel involved in procurement of goods and/or services on KWM Australia Procurement policies to support compliance with these policies.
- Development of an online training module to educate our people more broadly across the firm. This will be rolled out in FY22.

In terms of our people's awareness, we saw a marked increase in the number of staff accessing our policies on our internal Intranet site in FY21 compared to FY20. In particular, there was a 62% increase in the number of staff accessing our Code of Conduct; 150% increase in views of our Procurement Policy and 146% increase in our Modern Slavery Policy.

As part of their induction to the firm, new employees are required to review our various policies, including our Modern Slavery Policy and Procurement Policy. The online training module currently being developed will be included as part of our new employee induction program once it is finalised in the latter half of FY22.

## People processes

We undertook an audit of our labour hire engagements to determine whether they included adequate references to modern slavery. As our use of labour hire providers tends to be on an ad hoc basis for short term contracts (e.g., 1–2-day agreement for casual waiter), our approach has been to negotiate the inclusion of our own modern slavery provisions and Supplier Code of Conduct into labour hire agreements as and when they arise.

Separately, our standard agency terms and conditions used to recruit staff have been amended to incorporate our Supplier Code of Conduct and Modern Slavery provision.

We recognise that every person in our organisation has a responsibility to understand and identify risks of modern slavery in our business. Accordingly, we established a mechanism for our people to safely report on modern slavery risks they have identified either within our internal operations or externally through our suppliers or clients.

## Client processes

A process was developed for the receiving and responding to ESG questionnaires from clients, including questionnaires relating to our modern slavery response. By centralising this process within our Business Development team, we can ensure that questionnaires are responded to in a consistent and timely manner. Our process involves the use of a centralised email inbox for the receipt of client questionnaires and the use of a compliance document setting out responses.



# Assessing the effectiveness of our actions

An important process we have in place for assessing our modern slavery response is ongoing review by our Modern Slavery Working Group. The group meets fortnightly to discuss the agreed workplan and reflect on how actions are being progressed and whether there are any challenges or obstacles to achieving those actions.

In addition, we developed key performance indicators (KPIs) during FY21 to measure how effective our actions are to identify and address modern slavery risks in our business operations or supply chain.

Our KPIs for FY21:

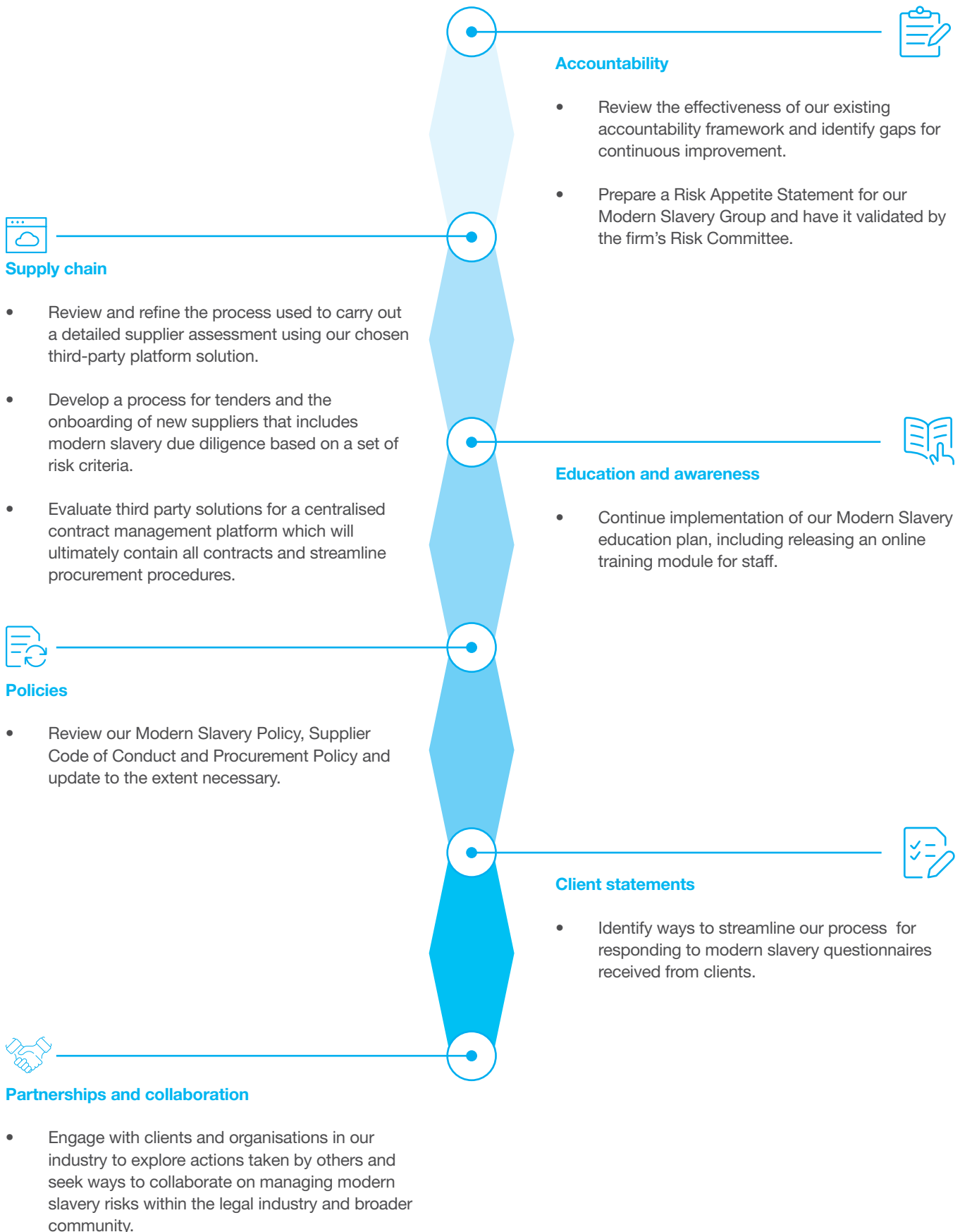
- Deliver training sessions on the topic of modern slavery to each of our Shared Services sub-teams (7 in total) who are involved in the procurement of goods and/or services.
- Demonstrate a year-on-year increase in the number of people within our business accessing our Modern Slavery Policy and Supplier Code of Conduct.
- 95% of supply contracts reviewed by our Office of General Counsel agreeing to the inclusion of our Supplier Code of Conduct and modern slavery provision.
- Modern slavery questionnaires issued to at least 50 of our suppliers based on spend.

We were successful in achieving all of our KPIs for FY21. We plan to use the KPIs to demonstrate year-on-year improvements in our modern slavery response for FY22 and beyond.

We have identified areas for continuous improvement to be undertaken during the FY22 reporting period (see the Looking Forward to FY22 section on page 10).

# Looking forward to FY22

For the reporting period 1 July 2021 to 30 June 2022, we plan to focus on the following areas:



## Other relevant information

Our response to modern slavery also includes the following:

- our Australian social impact practice, KWM Community Impact, is centred on creating a more just society, by reducing inequality and poverty among young people;
- the pro bono legal services provided by KWM Community Impact includes advice to community organisations on their modern slavery reporting obligations;
- KWM Community Impact also offers social mobility projects to provide or assist disadvantaged youth to secure meaningful and fair employment;
- KWM Australia has a robust set of policies that aim to discourage behaviour that may have a direct or indirect impact on modern slavery, such as our Anti-Bribery and Corruption Policy; and
- we have delivered seminars, tailored presentations and published publicly available resources on our website which help organisations understand their role and obligations and what services we are able to provide.

These measures demonstrate the effectiveness and importance of collaborating with communities and stakeholders to raise awareness of, and contribute to, combating modern slavery.

## Consultation and Board approvals

This statement was prepared through consultation with a team of representatives from our Executive, Procurement, Finance, People & Development, Strategy and Community Impact functions, which consisted of staff from the reporting entities to this statement. The statement was also reviewed by the Office of General Counsel. KWM Australia does not own or control any entities within the global KWM network.

The King & Wood Mallesons Australia Board approved this statement on behalf of the partnership on 7 December 2021.

The board of directors of Dabserv Pty Ltd approved this statement on 9 December 2021.

“Our second Modern Slavery Statement sets out how we have implemented processes for the better identification, assessment and addressing of modern slavery risks.

We have focused on risk identification in FY21, with the goal of making improvements to our procurement processes, reviewing and updating supply contracts, and increasing awareness amongst our people on the risks of modern slavery within our business or supply chains.

As we move through to the next reporting period, we will look to embed and further streamline these processes, identify gaps where we see them, and strive for year-on-year improvement.”

**KING&WOOD**  
**MALLESONS**  
金杜律师事务所



**David Friedlander**  
Chairman  
King & Wood Mallesons, Australia

**DABSERV PTY LIMITED**



**Berkeley Cox**  
Chief Executive Partner  
King & Wood Mallesons, Australia  
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