

The Plans of "Seeds" - Sprouting by Du Feichen

MODERN SLAVERY STATEMENT FY22

1 July 2021 - 30 June 2022

KING&WOOD
MALLESONS
金杜律师事务所

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 (ACN 008 551 993)).

This statement is made pursuant to section 14 of the Modern Slavery Act 2018 (Cth) (Modern Slavery Act) for the period 1 July 2021 to 30 June 2022.

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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 third Modern Slavery Statement sets out the work we have done during FY22 in assessing and addressing modern slavery risks across our Australian business. It also sets out the actions we plan to take to continuously improve our approach.

KWM Australia is part of King & Wood Mallesons, a global law firm headquartered in Asia, with offices in 30 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 (**China Partnership**) 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 own or control the foreign business operations of these independent member firms of King & Wood Mallesons. See our website at 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"¹:

- **the Australian Partnership:** which provides our legal services to our clients
- **Dabserv Pty Ltd²:** 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.

¹ As the term is defined in the Modern Slavery Act.

² 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.

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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 across a wide range of legal practice areas, including 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 1817 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 the Singapore LLP, the Singapore LLP provides legal and representation services to KWM Australia in the South East Asian region. KWM Australia also 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 own or 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 People's 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
- 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 perceived jurisdictional risk of modern slavery. However, this perceived jurisdictional 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.

Our major expense categories have not changed since our first reporting period and include professional services, premises, travel and accommodation, information technology (software and hardware), human resources and staffing services, print and mail management.



Professional Services



Premises



Print and mail management



Information Technology (software and hardware)



Travel and accommodation



Human resources and staffing services

During the FY22 reporting period, we engaged over 2400 suppliers and contractors, with 90% of those suppliers and contractors based in Australia. In Australia, our supplier base primarily comprises professional services personnel, such as barristers, expert witnesses (forensic accountants, engineers, technical specialists), sophisticated commercial suppliers and our KWM member firms.

The remaining suppliers or contractors are 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.

The United Kingdom, United States and Singapore are the top 3 countries where our foreign suppliers are located, based on number of suppliers and volume of spend. For all of our foreign suppliers, the majority of spend relates to professional services, IT services and legal services in those countries.

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OUR MODERN SLAVERY RISK AREAS

KEY MODERN SLAVERY RISK AREAS

Over the first and second reporting periods, we identified 6 key areas that we considered may potentially have modern slavery risks for our business operations and supply chain. These risk areas remain relevant in our third reporting period. Following analysis by our Modern Slavery Working Group, which is responsible for driving the implementation of KWM Australia's response to modern slavery, no additional areas of risk have been identified for this reporting period.

Our key risk areas are:

- Workforce and recruitment
- Domestic contractors
- Suppliers of suppliers
- Offshore suppliers
- Procurement of goods on an ad hoc basis
- Risk-based products identified for Australia

The 6 risk areas are discussed in more detail below.

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 applicable 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 acknowledge 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 act 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). To mitigate this risk, we have strengthened the due diligence conducted for our tier 1 suppliers to ensure they have active modern slavery programs in place within their own businesses.
- **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 include 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 (eg 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 King & Wood Mallesons 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. Education, awareness and training of our staff about our procurement policies is key to mitigating this risk and has been our focus since the first reporting period.
- **Risk-based products identified for Australia:** we acknowledge that the supply chain for electronic goods (laptops, computers and mobile phones) is generally considered a source of modern slavery risk. As a firm that procures electronic goods for use by our people, we perform due diligence during the tender process for our tier 1 suppliers on the modern slavery policies and procedures they have in place and final vendors are chosen with respect to these criteria. We recognise however the inherent risks that may be present beyond our tier 1 and tier 2 suppliers that are not immediately visible to us.

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ASSESSING AND ADDRESSING MODERN SLAVERY RISK

ASSESSMENT OF MODERN SLAVERY RISK

We assess the risk of modern slavery existing in our Australian business operations and supply chain to be low.

We made this assessment based on a number of factors, including a review of our 6 key risk areas within our operations (see [Section 3](#) above) and actions taken to address these risks both this year and in previous reporting periods. We conducted an analysis of where our suppliers are located and the nature of the goods and services that we procure from them.³ This analysis found that just 0.58% of our total expenditure was connected to countries deemed Very High Risk and High Risk based by the Global Slavery Index 2018.

However, the services in these foreign jurisdictions engaged by KWM Australia largely involved the provision of legal or professional services – which are highly regulated sectors with workforce compositions that are deemed to carry low risks of modern slavery. To add to this, most of our suppliers, both domestic and foreign, are global organisations with sophisticated modern slavery programs embedded in their operations and supply chain. The due diligence undertaken by these reputable suppliers reduces the risk that modern slavery exists within our supply chain.

This reporting period, we worked to improve the systems which hold our spend data so that we have more visibility into which countries and industries our suppliers are operating. Work is continuing to enhance this process moving forward.

While we have assessed our modern slavery risk to be low, we always remain vigilant in identifying modern slavery risks in our business and operations.

³ 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. A new report will be released in 2022.

ACTIONS TAKEN TO ADDRESS OUR MODERN SLAVERY RISKS

In FY22 we focused our actions on a number of areas we had identified for improvement. These are set out in the table below and in more detail on the following pages.

AREA OF FOCUS	ACTIONS COMPLETED
Accountability Framework	<ul style="list-style-type: none"> Added additional representatives to our Modern Slavery Working Group, including legal staff and manager of Operational Risk Prepared a draft Risk Appetite Statement
Supply Chain	<ul style="list-style-type: none"> Amended our modern slavery clause to include rights to request assistance, information or documents from our suppliers that enable us to comply with our modern slavery obligations
Policies and people processes	<ul style="list-style-type: none"> Reviewed our Modern Slavery Policy, Procurement Policy and Supplier Code of Conduct Undertook a review and testing of external anonymous reporting platforms, with the platform chosen for launch in FY23
Education and awareness	<ul style="list-style-type: none"> Launched our online modern slavery training module to the firm Delivered firmwide education session on modern slavery through legal staff that advise on modern slavery risks Participated in a roundtable discussion in collaboration with Australian Legal Sector Alliance Gave training to our People & Development team on procurement processes and modern slavery
Clients	<ul style="list-style-type: none"> Created a dedicated role for a compliance officer to manage client questionnaires on modern slavery
Partnerships and Collaborations	<ul style="list-style-type: none"> Collaborated with the Australian Legal Sector Alliance and other law firms to share learnings from our modern slavery journey Engaged with and met with suppliers to talk about modern slavery and what they are doing in this space

OUR ACTIONS IN DETAIL

Accountability Framework

In FY20, we established a Modern Slavery Working Group (Working Group) responsible for driving the implementation and ongoing monitoring of the firm's modern slavery response. The Working Group consists of representatives from Finance, Procurement, Strategy, People & Development, Business Development, Business Services and Risk. Our Office of General Counsel provides advisory support to our Working Group.

In FY22, we added representatives from our legal team who are experienced in providing modern slavery advice to our clients. The Working Group has benefitted from the insights that our lawyers have to offer in terms of what they are seeing in the modern slavery space in other industries. We have used this insight to inform our ongoing workplan.

Our Working Group plays a key role in keeping our workplan on track and progressing agreed actions. We also consider and agree on what our key performance indicators will be at the start of the reporting period to measure how effective our actions have been. A review of our KPIs is set out in more detail in [Section 5](#) below.

Another key component of our accountability framework is our risk strategy. Our Working Group committed to developing a framework (risk appetite statement) that would help inform our decision making when it came to all areas of risk identified in our operations and supply chain. The framework is intended to provide a clear escalation mechanism where the level of risk falls outside of our agreed threshold or tolerance. In FY22, the Working Group developed a draft risk appetite statement and is planning to finalise the framework in FY23.

Procurement and supply chain due diligence

In FY22 we refined our formal tender process to ensure that our Supplier Code of Conduct is included in all new tenders and a specific set of modern slavery questions must be answered by all suppliers to submit the tender. This process enables our procurement team to undertake modern slavery due diligence and make a preliminary risk analysis of suppliers at the tender and onboarding stage.

During this reporting period we also reviewed and amended our existing standard modern slavery clause in our standard supplier contracts to enable us to request suppliers to provide us with assistance, information and documents that enable us to comply with our own modern slavery obligations.

Policies and people processes

We recognise the importance of providing multiple avenues for the reporting of modern slavery risks and incidents, including the ability to report anonymously, to ensure effective remediation and grievance mechanisms. In FY22 we undertook a review and testing of an anonymous reporting platform, with the chosen platform to be launched in the first half of FY23. The anonymous reporting platform will enable employees of the firm to report concerns they have about modern slavery practices within our operations or supply chain. The platform currently complements our existing process that enables our people to report modern slavery risks (not anonymously) to either our Procurement Team or People & Development team.

Education, awareness, and engagement

Education was a major focus for us in FY22.

We developed our own in-house e-learning module on modern slavery which sets out the fundamentals of the modern slavery legislation and the actions required for organisations to comply with the legislation. The module also explains how modern slavery can exist throughout our global supply chains and includes examples of how modern slavery risks might be present in our everyday lives.

The aims of the module are to:

Educate: we wanted to educate our staff broadly on what businesses need to do to identify, assess and address modern slavery risk in our operations and supply chain.

Increase awareness and engagement: we offered our training module to all staff, including our lawyers. We see a benefit in building the knowledge of our legal teams (who do not already specialise in this area) so they can recognise modern slavery risks in their clients and be confident to start a conversation with them. The more we are talking to both our clients and suppliers on this topic, the more change we can influence.

Inform decision-making: we wanted the module to help all people in our firm make informed and ethical purchase decisions. This is particularly relevant for staff that make low-cost ad hoc company purchases that do not require involvement from our Procurement team. By completing the module, our staff will be better placed to consider modern slavery risks when making those purchases.

Collaborations and partnerships

In FY22, we met with representatives from other law firms with the aim of sharing learnings from our modern slavery journey and to examine other ways we could promote change in this space. We then partnered with the Australian Legal Sector Alliance (AusLSA) to hold a Modern Slavery Roundtable event. We invited members of AusLSA to hear from modern slavery consultant, Robin Mellon, on the importance of collaboration.

On the supplier front, we worked on increasing the number of conversations we had with our suppliers regarding modern slavery risks in their own operations and supply chain. We met with one of our key suppliers of office equipment, furniture, and stationery, who shared with us the various actions they were taking with respect to addressing modern slavery risks in their business. We also assisted one of our smaller printing suppliers by sharing the various actions that we have taken to address modern slavery risk.

Clients

As a supplier of legal professional services, we recognise the importance of accurately and efficiently providing our clients with the information they need to make their own modern slavery risk assessments. In FY22, we created a more centralised system and process for dealing with all queries and questionnaires received from our clients. A key part of the new system involved hiring a dedicated compliance officer who takes care of this process. We also undertook a wholesale review of the modern slavery standard text we include in our questionnaire responses and client tenders and pitches to ensure the text is informative, up-to-date and accurately reflects the current stage of our modern slavery response.

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ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

THE EFFECTIVENESS OF OUR ACTIONS IN FY22

In FY22 we set ourselves key performance indicators (KPIs) to measure the effectiveness of our actions.

Employee engagement and education:

- a) Attain a 95% completion rate for our modern slavery e-learning module for our Shared Services staff and 60% completion rate for our Legal staff.

Result: We achieved a 45% completion rate for our modern slavery e-learning module for our Shared Services staff and a 27% completion rate for our Legal staff. The total completion rate was 23% firmwide. We aim to improve on this completion rate in FY23.

- b) Demonstrate a year-on-year increase in the number of our people accessing our Modern Slavery Policy, Procurement Policy, and associated policies.

Result: We saw a significant increase in the number of our people accessing and viewing our Modern Slavery Policy and Procurement Policy (325% increase and 31% increase respectively compared to FY21).

Compliance:

- c) More than 80% of suppliers agreeing to the inclusion of our modern slavery clause and Supplier Code of Conduct in new material contracts (when appropriate to include).

Result: Achieved.

- d) 100% of all formal tenders include links to our Supplier Code of Conduct and questions relating to modern slavery risk.

Result: Achieved.

Supplier engagement:

- e) Send modern slavery questionnaires to second tranche of suppliers (based on monetary spend, industry and geographical location).

Result: The second tranche was deferred and will be released in FY23.

In addition to the KPIs we set ourselves each year, the Working Group assesses the effectiveness of our actions by undertaking a regular review of our agreed workplan and reflecting on how our actions are progressing.

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LOOKING FORWARD TO FY23

For the reporting period 1 July 2022 to 30 June 2023, we aim to continuously improve our approach to assessing and addressing modern slavery risks in our operations and supply chain. In addition to our ongoing workplan, we plan to focus on the following areas.

Partnerships and Collaborations

Extending on our work from FY22, we plan to continue to work with AusLSA to share our journey and learn from others in the legal industry. This will be particularly important as the review of the legislation is underway.

In FY23 we plan to also focus on increasing our conversations with suppliers. We are interested in learning their processes, challenges and wins.

Risk Assessments

We plan to formalise our approach to identifying and managing supplier risk and refine our supplier questionnaire process in FY23.

Employee Engagement and Education

We plan to continue to build the capacity of our Shared Services and Legal staff through training, including through our modern slavery e-learning module. We aim to improve on our staff completion rate for the current reporting period in FY23.

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OTHER RELEVANT INFORMATION

We recognise that modern slavery intersects with other social issues such as gender and racial equality, and climate change and sustainability issues.

Our modern slavery response forms part of our Responsible Business practice, which includes the following:

- [Community Impact](#) (our Australian social impact practice) works to strengthen communities where young people thrive, through a holistic and multi-disciplinary approach to social impact
- the pro bono legal services provided by Community Impact includes advice to community organisations on their modern slavery reporting obligations
- Community Impact also designs, develops and delivers social mobility programs 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
- we have delivered seminars, tailored presentations and published publicly available resources on our website on the topic of modern slavery and associated risks, 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.

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CONSULTATION AND BOARD APPROVAL

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 8 December 2022.

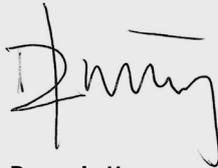
The board of directors of Dabserv Pty Ltd approved this statement on 14 December 2022.

KING & WOOD
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