



# MODERN SLAVERY STATEMENT

MÉDECINS SANS FRONTIÈRES AUSTRALIA LIMITED

Reporting Period:

1 January 2023 – 31 December 2023

# **MÉDECINS SANS FRONTIÈRES AUSTRALIA LIMITED**

## **MODERN SLAVERY STATEMENT 2023 REPORTING PERIOD**

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## 1 INTRODUCTION

- 1.1** Médecins Sans Frontières Australia Limited (**MSFA**) (**ACN 068 758 654**) has prepared this third Modern Slavery Statement (**Statement**) under the *Modern Slavery Act 2018* (Cth) (**the Act**), on behalf of MSFA and Médecins Sans Frontières New Zealand Charitable Trust (**MSFNZ / the Trust**) (**Charity Number 53189**).
- 1.2** MSFA is a reporting entity under the Act, and we are aware of our obligation to clearly address and engage meaningfully with the mandatory criteria for reporting as set out in s13 and s16 of the Act. The content below is provided in separated parts, containing headings that align with each of the Act's specific mandatory criteria.
- 1.3** This Statement sets out the steps MSFA has taken during the Reporting Period from 1 January 2023 to 31 December 2023 (**Reporting Period, RP**) to understand our Modern Slavery risk and the processes we have in place across our two related entities, to assess and address this risk.

### SUMMARY OF ACTIONS IN 2023 RP

<b>2023 RP - Goal 1 Further Training</b>	A broader rollout of our Modern Slavery training program was postponed due to a large-scale corporate transition.
<b>2023 RP - Goal 2 ESG Consolidation</b>	Successfully integrated the ESG Committee within MSFA's governance and reporting framework, enhancing ethical risk management and business practices.
<b>2023 RP - Goal 3 Expansion of LRCD</b>	LRCD expanded with a new Compliance Manager, increasing capabilities to manage Modern Slavery issues.
<b>2023 RP - Goal 4 Benchmarking Data Platform</b>	Despite a delay until early 2024, the integration of the Fair Supply ESG Platform has significantly improved supplier evaluation, risk analysis, and management capabilities.
<b>2023 RP - Goal 5 Reinforced Procurement Framework</b>	Expanded the Modern Slavery Supplier Questionnaire and incorporated a robust Modern Slavery clause into contract terms to better analyze and manage risks throughout the supply chain.

**1.4** Our goal is to have visibility in and across our operations and supply chains to enable us to reduce, as far as possible, the risk and presence of Modern Slavery<sup>1</sup> in all facets of our organisation.

**1.5** MSFA is wholly committed to acting ethically and operating responsibly. This commitment extends to continuously enhancing our practices and processes. We do this to better identify and minimise the risk of Modern Slavery in our operations and supply chains, ensuring we engage with suppliers who share that commitment.

- 1.6** During the Reporting Period, MSFA continued work to implement measures to reduce the risk of Modern Slavery in our supply chains. This was done through a continuation of our previous work and the implementation of new initiatives.
- 1.7** We have made meaningful progress in identifying Modern Slavery across our operations and supply chains in the reporting period. We expanded our evaluations to include Tier 2 suppliers, and leveraged advanced

<sup>1</sup> References to 'Modern Slavery' in this report refer to: Forced labour; slave-like practices; other forms of debt bondage; and human trafficking, as defined by the [International Labour Organisation \(ILO\)](#).

analytics along with real-time data to facilitate risk mitigation. We have focused on high-risk sectors and regions, enhancing our monitoring efforts and engaging more deeply with our supplier base to better comply with our Modern Slavery obligations.

- 1.8** While we have made progress, challenges remain. Our ongoing organisational transformation presented as a blocker on the implementation of a more comprehensive Modern Slavery training program in the RP. However, we proactively addressed these challenges by leveraging other tools and by collaborating across departments to ensure that broader awareness and mitigation of Modern Slavery risks could still occur.
- 1.9** We are committed to continuously improving our efforts to combat Modern Slavery. We will continue to refine our approach, strengthen engagement with our suppliers, and invest in resources and tools to further enhance our risk mitigation strategies in the coming reporting periods.

## **2 STRUCTURE, OPERATIONS & SUPPLY CHAINS**

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### **2.1 Structure**

- a) MSF is an international network of not-for-profit entities, providing independent humanitarian medical assistance to people affected by conflict, epidemics, disasters, or exclusion from healthcare. MSF operates as a movement in more than 70 countries around the world (**the Movement**).
- b) The Movement consists of MSF International, 24 'sections', 18 'branch offices', and additional satellite organisations (**Entities**), all supporting that humanitarian medical aid work.
- c) The Entities are guided by medical ethics and the principles of impartiality, independence and neutrality. While not a legal partnership, all Entities are tied together by a shared purpose that is underpinned by the MSF Charter and governing mechanisms.<sup>2</sup> All Entities are also expected to adhere to the following:
- i) the **La Mancha Agreement**;<sup>3</sup>
  - ii) the **Chantilly Principles**.<sup>4</sup>
- d) Established in 1994, MSFA makes up one of the Movement's 24 'sections'. MSFA is an independent charity registered with the Australian Charities and Not-for-Profits Commission (**ACNC**). Structurally, it is incorporated as a public company limited by

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<sup>2</sup> [MSF Charter](#)

<sup>3</sup> [La Mancha Agreement](#)

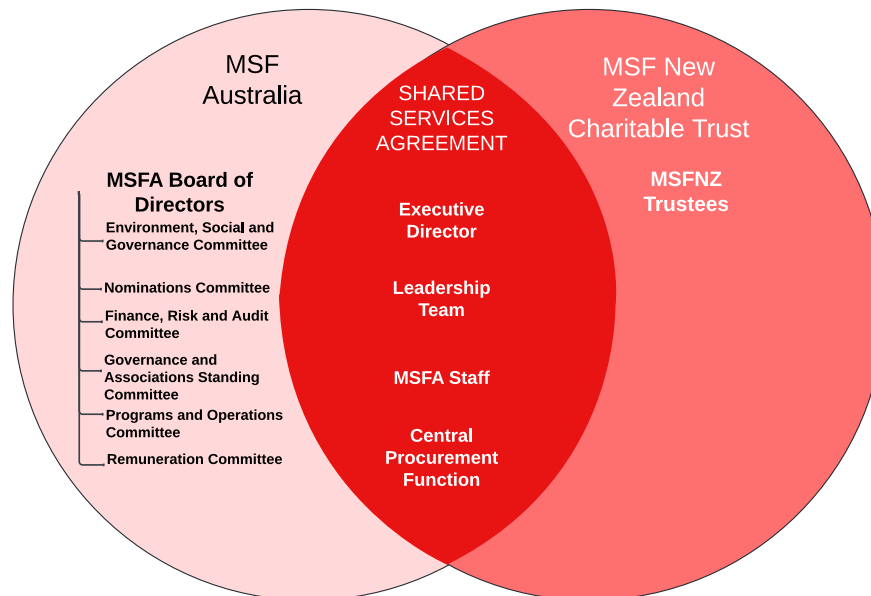
<sup>4</sup> [Chantilly Principles](#)



guarantee under the *Corporations Act 2001* (Cth), and is principally based and registered in Sydney, New South Wales.

- e) The creation of the MSFNZ Charitable Trust as a 'branch office' of MSFA followed in March 2016 when the entity was incorporated under the *Charitable Trusts Act 1957* (NZ), as part of a broader plan to expand the Movement's capacity for mobilisation, and for the provision of aid wherever it was most needed around the world.
- f) MSFNZ was also registered in March 2016 with the Charities Services department. As of 2024, the Trust has four sitting Trustees, all of whom were appointed by the Board of MSFA. However, throughout the relevant 2023 reporting year, the Trust had three appointed Trustees, all of whom have been Trustees since registration. MSFNZ's principal place of business is in Auckland, New Zealand.
- g) MSFA has, to date, managed and administered much of the Trust's activities under a **Shared Services Agreement**. This arrangement facilitates, among other things, a centralised procurement function, shared staff resources that are reasonable and in the best interests of both entities, and certain shared IT infrastructure.
- h) This shared services approach means that MSFA sees it as ever more critical to keep the risk of Modern Slavery under the careful supervision of the Leadership Team (**LT**), department heads, with the assistance of the Legal Department and the Procurement team, as MSFNZ continues to grow. The shared services arrangement informs numerous policies established via resolutions of the MSFA Board of Directors (**Board**).
- i) The Board are elected by the MSFA member cohort (known collectively as **the Association**), which consists of past and present MSF international and office staff from Australia and New Zealand. The Board governs and takes responsibility for the actions of MSFA.

- j) The Board delegates day-to-day operational management and decision-making to the Executive Director and the LT whilst retaining its oversight role. The Board also delegates some of its functions to Board Committees. The diagram below illustrates a general overview of the delegation of management between MSFA and MSFNZ:



## 2.2 Operations

- a) MSFA's key activities include:
- i) Raising funds from the Australian and New Zealand general public, in order to finance the medical humanitarian operations of the MSF Movement. MSFA manages fundraising activities in New Zealand for MSFNZ under the Services Agreement, mentioned in para 2.1f). The majority of funds raised are used in medical humanitarian programs run by the MSF Geneva and Paris Operational Centres. These Centres run and deliver programs in more than 55 countries worldwide.
  - ii) Collaborating with individuals and other humanitarian organisations to seek or provide operational support or funding for overseas humanitarian relief efforts.
  - iii) Provision of medical expertise in women's health, child health and sexual violence care through:
    - A) Direct visits to MSF medical humanitarian projects overseas and provision of technical support and oversight; and,
    - B) Preparing staff for MSF programs, which includes medical training, medico-operational research, medical

communications, and medical policy development.

- iv) Operational participation in the international MSF Movement's international projects, where this is accomplished through:
  - A) Financing international operations and recruitment of humanitarian relief workers; and,
  - B) Supporting various Australian and international training courses for these team members and undertaking evaluation missions for international projects.
- v) Engaging with communities via:
  - A) The distribution of publicly facing information on humanitarian and development issues (via materials and spokespeople, and through print and electronic media); and,
  - B) Publishing newsletters, participating in seminars or other public events, and guest lecturing at educational institutions.
- b) During this Reporting Period, MSFA directly employed 304 individuals, divided between 169 local office staff, and 135 international mobile team members who worked in various locations abroad.

### 2.3 Regional engagement

- a) Throughout 2023, MSFA along with two other MSF sections, also engaged in a partnership exercise focussing on the development of MSF's presence and the pursuit of specific activities in the APAC region.
- b) This activity is likely to be a matter for more detailed and specific coverage in the 2024 Reporting Period's Statement.
- c) However, with respect to the 2023 RP and the project's expenses for this Statement, the following is confirmed:
  - i) all MSFA expenses allocated to the partnership project have been accounted for; but
  - ii) accounting of expenditure has been analysed without specific delineation of the funds as partnership expenses.

### 2.4 Supply Chain

- a) As noted, MSFA partners with MSF Operational Centres to provide them with recruited Australian and New Zealander international team members and financial grants to support the medical humanitarian aid projects being undertaken overseas in each reporting cycle. The 2023 Reporting Period followed this same course.
- b) During the Reporting Period, MSFA procured a considerable amount of goods and services from **over 300 suppliers**, all to support our operations. MSFA's suppliers are predominantly located in Australia and New Zealand, countries with a low prevalence of Modern Slavery,



and with governments that take strong views—and actions—against those who engage in it.

- c) MSFA obtains goods and services across three broadly defined categories, each with various and overlapping sub-categories, as shown in the following table:



	<p><b>Regular Giving Program</b> Outsourced Face-to-Face Fundraising and tele-Fundraising services</p> <p><b>Appeals</b> Design, printing, mail house, postage services</p> <p><b>Digital</b> Media buying and other marketing services</p> <p><b>Communications &amp; Marketing</b> Design, printing services</p> <p><b>Advertising</b> Creative, print services</p> <p><b>Data</b> Database support, data analysis services</p>	
	<p><b>Apparel</b> T-shirts, stock</p> <p><b>Intercompany Financial Grants</b> To MSF Operational Centres</p> <p><b>Direct International Project Costs</b> Accommodation, materials</p>	<b>International Projects</b>
<b>Business Operations</b>	<p><b>Employment Costs</b> Salaries and wages, training, health &amp; wellbeing</p> <p><b>Insurance</b> Premiums</p> <p><b>Travel</b> Air travel, accommodation</p> <p><b>Professional Services</b> Audit services, legal services, translations, IT consulting services</p> <p><b>Systems and Support</b> Licensing, systems support</p> <p><b>Property</b> Rent, electricity, cleaning</p>	

### 3 RISK OF MODERN SLAVERY PRACTICES

- 3.1 MSFA has considered (and continues to consider) how it may contribute to or be linked to Modern Slavery in the course of our operations and through our supply chains. This evaluation extends to MSFNZ due to the shared functions governed by the Services Agreement (see paragraph 2.1f)).
- 3.2 As an organisation, we recognise that there is a complex network of interacting issues that potentially create increased Modern Slavery risk. These include:



- a) Total supplier spend amount;
  - b) Industry category, including industries that, in turn, feed into higher risk categories further down the supply chain;
  - c) Recognising that direct suppliers (**Tier 1**) have their supply chain (**Tier 2**), who, in turn, have their supply chain (**Tier 3**), and remaining cognisant that our responsibility to mitigate Modern Slavery risk is not limited to Tier 1 suppliers;<sup>5</sup>
  - d) Geographical areas and conglomerate locations of direct and 'tiered' suppliers, particularly relevant to country risk factors such as those that have not ratified the ILO fundamental conventions or have a weak record of implementation, those where there is a linkage to migration and employment informality, locations where debt-risk factors allow credit arrangements or debt schemes for workers with their employers, and other such issues;
  - e) Suppliers' approaches to Modern Slavery, their policies, tolerances for such activity, and education programs for their staff, amongst other things.
- 3.3 For this Statement, we assessed our Modern Slavery risk not only for Tier 1 ('direct') suppliers with a total spend exceeding AU\$10,000 during the reporting period, extending our assessment to include the Tier 2 suppliers of those Tier 1 suppliers.
- 3.4 MSFA's spend can be categorised into three main tranches:
- a) Grants;
  - b) Staff; and
  - c) Suppliers.

## 4 GRANTS

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- 4.1 MSF Operational Centres are spread across five European countries (all of which operate in highly regulated jurisdictions), and one in Africa. A significant source of expenditure for MSFA is the granting of funds to the Operational Centres in Paris and Geneva, which (as mentioned) are used to fund medical humanitarian aid operations worldwide. In turn, the use of the MSFA funds, is subject to each Operational Centre's international practices and procurement processes.
- 4.2 MSFA does not have direct control over the Operational Centres' decisions regarding how the MSFA funds are used, nor does MSFA have any direct control or oversight of the products and services that the MSFA funds ultimately purchase for the Operational Centres.
- 4.3 However, MSFA has the right to choose the projects it will fund within

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<sup>5</sup> Explanatory Memorandum, Modern Slavery Bill 2018 (Cth) 20 [130].



each of these Operational Centres. Therefore, if there were to be any identified single event of Modern Slavery, or an ongoing situation of concern arising in any aid project within the Operational Centres' collective remits, MSFA has been – and remains - entitled to:

- a) withdraw further funding from that project for the rest of the reporting cycle (or until it can be demonstrated to MSFA's satisfaction that the Operational Centre has investigated and remedied any concerns raised); or
- b) where the reporting year is almost at an end, refuse the disbursement of funding to a project in the following reporting year/s.

Naturally, this course of action is largely dependent on a reasonable basis for the decision to withdraw the funds, which will be assessed on a case-by-case basis.

- 4.4 MSFA does acknowledge that the Operational Centres with which we partner in the provision of funds are, in effect, largely unregulated in respect to Modern Slavery/forced labour and other work-based human rights and trafficking laws.
- 4.5 However, MSFA has provided funds to the above-mentioned two Operational Centres for many years. As such, there is a sufficiently strong and continuous relationship whereby both the Paris and Geneva entities are aware of the regulatory requirements in place in Australia, particularly with respect to Australia's Federal Modern Slavery Law regime.
- 4.6 The Operational Centres are also aware that the requirements of due diligence, care and vigilance set by the framework; including the natural cascade outwards of Modern Slavery risk from a company's immediate operations in terms of (in this instance) the supply chains involved. This framework informs how MSFA considers the international funding relationships maintained with the Operational Centres.
- 4.7 The Operational Centres also have a long history of championing human rights, by virtue of the work that they (and we as a wider Movement) undertake. This includes adhering to the previously mentioned **MSF Charter** and **Chantilly Principles**

## **5 STAFF (INTERNATIONAL WORKERS & OFFICE STAFF)**

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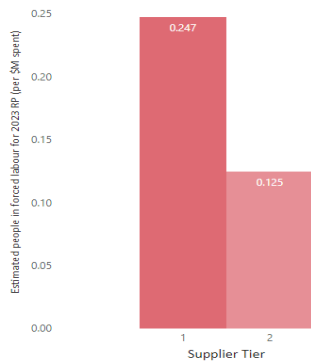
- 5.1 Internationally mobile staff, deployed in MSF projects globally, engaged by MSFA are Australian or New Zealand citizens.
- 5.2 These international staff are employed by MSFA under an Australian contract and work on humanitarian projects run by five of the six MSF Operational Centre partners (Belgium, France, the Netherlands, Spain,



and Switzerland).

- 5.3 These five Operational Centres are committed to remaining in compliance with:
  - a) their respective national laws concerning Modern Slavery; and
  - b) any EU regulations and directives that may be applicable to their operations at any given point in time.
- 5.4 The majority of MSFA's office staff are employed in Australia and their employment is governed by the *Fair Work Act 2009* (Cth).
- 5.5 MSFA carries out external reference checks on new staff, regardless of contract duration, and regardless whether they are to be engaged as international project staff or office staff.
- 5.6 Where MSFA engages external consultants, they are contracted on a case-by-case basis, and the consulting engagements are subject to applicable Australian legislation.
- 5.7 MSFNZ is staffed by the employees of MSFA, pursuant to the same Shared Services Agreement mentioned in paragraph 2.1f).

MSFA - 2023 Supply Chain Analysis



### CASE STUDY: DIRECT MARKETING

Supplier A (*pseudonym used for reasons of confidentiality*) operates in a sector with moderate inherent Modern Slavery risk and having subsidiaries in countries with moderate-to-high enforced labour risks, accounted for a significant portion of our expenditure from 2021 to 2023.

Our new Procurement Framework identified critical compliance gaps, particularly the supplier's reluctance to enforce Modern Slavery standards among its subcontractors and its failure to report breaches unless directly involved. Consequently, MSFA and MSFNZ have paused our engagement with this supplier, pending verifiable steps towards compliance.

## 6 SUPPLIERS

### 6.1 2023 RP Supplier Assessment

a) **COMBAT:** As part of MSFA and MSFNZ's joint commitment to combat Modern Slavery, we have deepened our evaluation of operations and supply chains for the 2023 Reporting Period. This enhanced scrutiny has now extended to both Tier 1 and Tier 2 suppliers for suppliers at or over AU\$10,000 total spend. Our focus was primarily on identifying and engaging suppliers, functions, and activities that carry a higher risk of involvement in Modern Slavery practices. This proactive approach aligns with our ongoing organisational transformation within MSFA, which has seen significant developments in our Procurement function. This function has reached a maturity level that supports a more refined and systematic assessment of suppliers, ensuring that our business interactions align with our ethical standards.

b) **MONITOR:** Grounded in a robust framework of risk indicators recommended by expert bodies, including the Global Slavery Index (**GS**I), our evaluations now incorporate advanced analytics from platforms like the Fair Supply dashboard.<sup>6</sup> This year, we significantly expanded our monitoring efforts to cover sectors and countries based on real-time data and rigorous risk profiling, including country-specific, industry-specific, product-specific, and service-specific risks.

c) **MANAGE:** We comprehensively evaluated our operations and supply chains during the Reporting Period, focusing on identifying suppliers, functions, and activities with heightened Modern Slavery risk. We closely monitored key suppliers with significant financial transactions and identified as high-risk. Our management of the company's relationship with those suppliers aligned with our broader organisational transformation during 2023, amidst MSFA and MSFNZ's comprehensive business and infrastructure overhaul.

d) During the Reporting Period, our Procurement function matured as we sought to streamline and

<sup>6</sup> Fair Supply offers an industry-leading platform, providing objective, data-driven platform for assessment of ESG [risk](#).



rationalise suppliers through a thorough tender process, allowing for a re-evaluation of longstanding supplier relationships through the lens of ESG risk.

- e) To date, we have not received any allegations of Modern Slavery involving our suppliers, nor have we heard of any allegations or statements made indirectly and subsequently reported to us.

## 6.2 Methodology

- a) Our 2023 RP Modern Slavery risk analysis, based on Fair Supply's analytics, is designed to provide a comprehensive view of the modern slavery risk associated with each supplier, assessing:
  - i) sector-specific and geographic risks; and
  - ii) supplier's individual supply chain.

Tier 1 Suppliers	Tier 2 Suppliers	Tier 3 Suppliers
Direct suppliers to MSFA/MSFNZ	Direct suppliers to MSFA/MSFNZ's Tier 1 suppliers.	Direct suppliers to Tier 2 suppliers, etc.
Product/Service Risk	Industry Risk	Geographic Risk
Evaluates the inherent risk associated with the specific products or services supplied.	Considers the risk associated with the industry in which the supplier operates.	Assesses the risk based on the supplier's geographic location, accounting for the prevalence of modern slavery in that region.

- b) We are working to **map each individual supplier's supply chain**, providing us with detailed insights into the subsidiary risk associated with supplier spend. For the purposes of the 2023 RP, our analysis specifically targeted those **suppliers with whom MSFA directly spent in excess of \$10k.**
- c) Figure B shows MSFA/MSFNZ's **top 10 suppliers, classed by their 'spend' to 'modern slavery risk' ratio:**

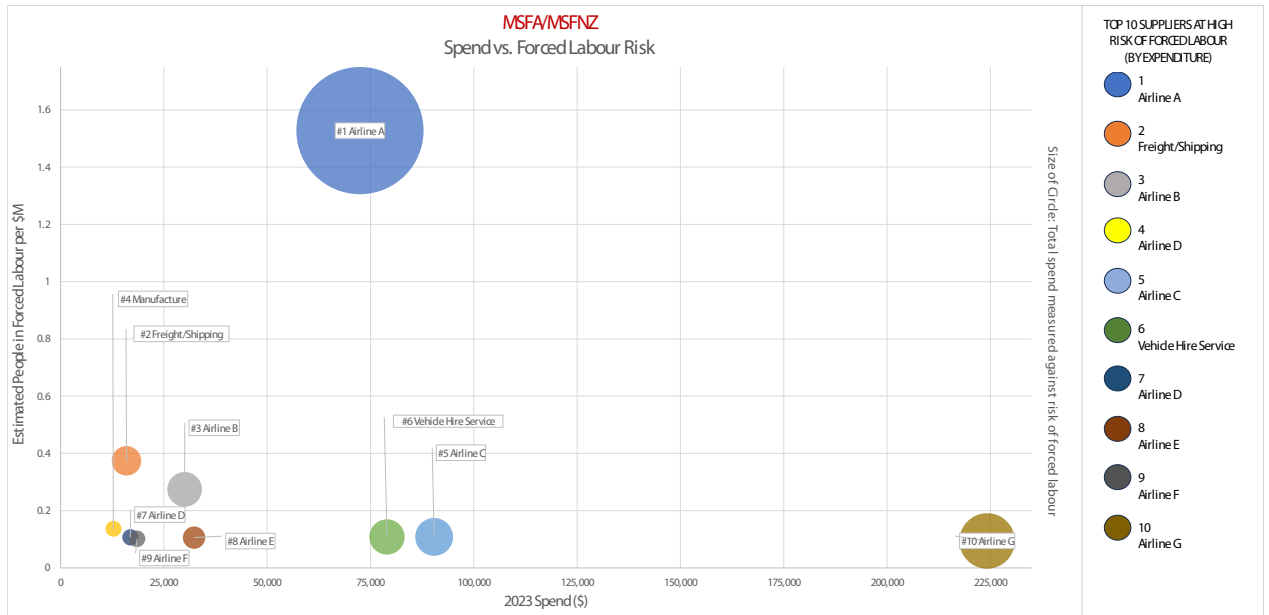


Figure A – Top 10 Suppliers at High Risk of Forced Labour (deidentified)

d) Once our high risk suppliers are identified, they are analysed on the basis of the ratio of 'expenditure' to 'risk'.

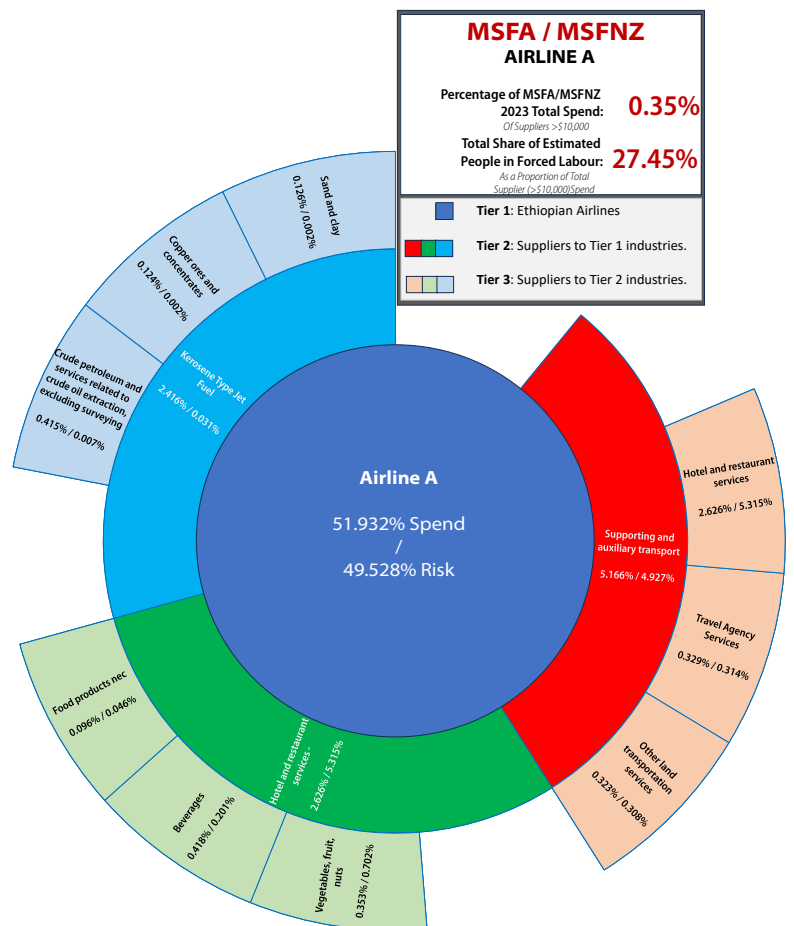
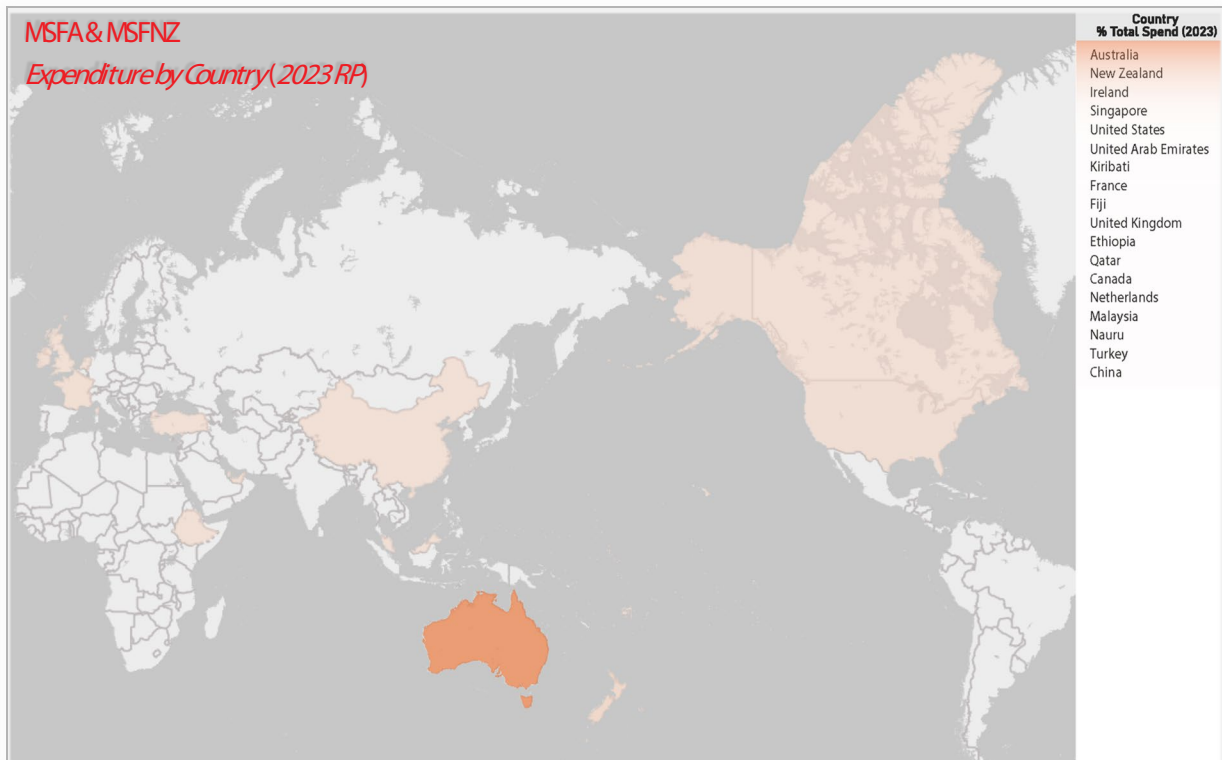


Figure B - Highest Risk Supplier for 2023 RP (deidentified)

### 6.3 Geographical and Industry-Specific Risk in Our Supply Chains



- a) Even where many of our direct suppliers are located in Australia and New Zealand, regions with robust governmental measures against Modern Slavery, we must nevertheless consider the continuous risk of Modern Slavery in any business context.
- b) To tighten control measures, we are developing our Procurement and supplier engagement frameworks. A key component of our strategy includes focus on contracting processes; particularly a limitation on the use of independent subcontractors by our suppliers – specifically in the Fundraising arm of the business. This decision to limit subcontractor use in our fundraising supply chain, reduces the risk of forced labour that occurs even within more regulated jurisdictions. It also helps to address issues such as deceptive recruitment practices, and may help to prevent workers from being misled about the nature of their labour arrangements, the conditions, or the pay, potentially leading to debt bondage.
- c) We have noted exceptionally high risks in regions like Kiribati and Ethiopia, where specific sectors such as hotel, restaurant, and air transport services show substantial percentages of forced labour. Due to the nature of our international operations, and an acknowledgement of and vigilance around this risk potential, our approach has been largely one of acceptance of the residual risk across the 2023 RP.
- d) Our approach to these risks in the 2023 RP was one of case-by-case



assessment. However, by leveraging detailed sectoral assessments through our new benchmarking utilities, we have a greater insight into our supply chain and, in the long term, it will allow us to make data-driven decisions to mitigate risks such as those in c) above.

#### 6.4 2022 – 2023 Reporting Period Changes

- a) Compared to the previous Reporting Period in 2022, when our focus was on reducing expenditures in countries with medium to high-risk of Modern Slavery to less than 1.34%, our 2023 approach has been refined to target specific industries within these countries, thereby providing a clearer picture of our direct impact and efforts.
- b) Notably, this targeted analysis has given us a more granular understanding and helped us to establish focused interventions to address and reduce the risk of Modern Slavery in these critical sectors.
- c) Overall, our expenditure on high-risk sectors showed a significant concentration in specific areas (as noted in **6.1c**) above), indicating a need for continued rigorous monitoring and targeted interventions. For suppliers up to Tier 2 of MSFA's supply chain (for direct suppliers with a spend greater than \$10,000), the **estimated number of people in forced labour per \$m spent can be quantified at 0.0194 for 2023**, with a **total estimated number of 0.4032 individuals** in forced labour across our supply chain.
- d) This data drives our commitment to further strengthen our supplier engagement and risk mitigation strategies in the coming reporting periods.

#### CASE STUDY: FUNDRAISING

Supplier B (*pseudonym used for reasons of confidentiality*) had previously commanded a significant portion of MSFA's budget (the 5th highest Fundraising expenditure in the 2022 FY). Due diligence on the part of MSFA's face-to-face Fundraising Specialist revealed the supplier was expanding its operations by opening new branches and businesses in a new location identified as high risk for Modern Slavery. On this basis, MSFA elected not to proceed with this supplier for the 2024 cycle. By integrating due diligence into MSFA's fundraising processes, we significantly strengthen our ability to mitigate Modern Slavery risk.

**0.0194**

**Estimated people in  
Forced Labour (per \$m)**

**0.4032**

**Estimated people in  
Forced Labour**

\*Up to Tier 2, excluding suppliers <\$10,000 expenditure

## **7 GOVERNANCE, ACTIONS TO ASSESS & ADDRESS RISK**

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- 7.1** The Board is responsible for leading the organisational governance framework and strategy for the elimination of Modern Slavery risks within our operations and supply chains.
- 7.2** MSF's extensive global operations naturally obligate the MSFA Board to comply with the External Conduct Standards set forth by the ACNC,<sup>7</sup> requiring careful evaluation of decision-making commensurate with the requirements of the Modern Slavery regime.
- 7.3** Diligent consideration is given to the potential impacts of organisational decisions on vulnerable individuals susceptible to exploitation, adding an additional layer of regulatory accountability to the actions endorsed and undertaken by our governing body.
- 7.4** Our governance principles are anchored in practice by way of policy and procedure. This operationalises our collective commitment to upholding human rights across our activity and supply chains. Protocols play an instrumental role in our work to minimise the risk of slavery and facilitate compliance.
- 7.5 Due Diligence Processes**

### **a) Recruitment**

We operate a recruitment process that includes right-to-work checks for all our prospective employees. This helps to reduce the risk of human trafficking and Modern Slavery.

Our Recruitment Policy aims for hiring decisions to be fair and equitable, and stipulates that all positions are subject to a Police Criminal History Check and, as applicable, a Working with Children Check.

### **b) Face-to-Face Fundraising Suppliers**

MSFA is committed to working with suppliers who champion lawful and socially responsible labour practices within our Fundraising supply chains. We expect these standards to be upheld by the suppliers of our Face-to-Face Fundraising services in particular (which, as noted at 6.1c), is a sector subject to a higher incidence of exploitation, including Modern Slavery).

As part of our Fundraising Supply Chain Governance Strategy, we conduct a rigorous supplier due diligence process. This includes requirements that our suppliers be accredited by the Public Fundraising Regulatory Association, and commit to adhering to our Fundraising Supplier Code of Conduct<sup>8</sup> (Code) and Supplier Responsibility Standards Statement.<sup>6</sup>

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<sup>7</sup> Australian Charities and Not-for-profits Commission Regulations 2022 (Cth) div 50.

<sup>8</sup> **Fundraising Code of Conduct**, MSF Australia



- c) The Code sets out expectations in the areas of:
  - i) Labour and human rights;
  - ii) Health and safety;
  - iii) Integrity, ethics and conduct; and,
  - iv) Corporate and supply chain governance.

## 7.6 Remediation Processes

- a) MSFA's policies have been constructed around our values - including those that touch on Modern Slavery. We seek to uphold a zero-tolerance stance against discrimination, violence, and exploitation, and work hard to foster an inclusive workplace where everyone has equal opportunities and protection.
- b) We encourage reporting of unethical or illegal behaviour, and we do our best to create an environment where this can be achieved with transparency and accountability, and without the fear of reprisal.
- c) We endeavour to ensure that all legitimate grievances and issues are addressed promptly, impartially, and confidentially. Through empowering employees to raise concerns, MSFA hopes to cultivate a culture of honesty and integrity, ensuring a safe and ethical working environment.
- d) These policies apply to employees, volunteers, interns, contractors, Board members, and the Association, provide robust mechanisms to report concerns:

**Code of Conduct** - Establishes a crucial framework for ethical decision-making and behaviour across all our operations;

**Equal Employment Opportunity, Discrimination and Harassment Policy** - Demonstrates a commitment to an inclusive, respectful work environment;

**Whistle-blowers Policy** - Provides mechanisms for anonymous reporting of unethical or illegal conduct;

**Complaints and Grievance Handling Policy; The Association Members Complaints Policy; Global Grievance Procedure** – A suite of grievance handling policies that prioritise prompt, impartial, and confidential resolution of grievances. Provides our Association (members of the company) with a platform for airing concerns; and extends protections to our international and international project-based staff.

## 8 REPORTING PERIOD: ACTIONS TAKEN IN 2023

### 2023 RP - Goal 1

#### Further Training

Implement a comprehensive Modern Slavery training program led by the General Counsel to enhance awareness and mitigation strategies across all staff and departments.

#### Actions Taken

The training program was delayed due to large-scale business transformation. General Counsel presented a training seminar to the whole office staff cohort on Modern Slavery, obligations and actions as an alternative measure.

Fortunately, access to the new HRIS system towards the end of the 2023 RP facilitated collaboration between the LRCD and Learning & Development teams. In the **2024 RP**, these two teams will work to ensure a wide-scale rollout of a more consistent and thorough training program via the new ELMO platform.

### 2023 RP - Goal 2

#### ESG Consolidation

Advance ESG commitments through a consolidated ESG Committee, focusing on strengthening risk management and reporting practices and integrating continuous learning and ESG principles, particularly Modern Slavery awareness.

#### Actions Taken

Successful consolidation of the ESG Committee and its place within MSFA's governance and reporting structure. This aided in cementing ethical risk management and business practices. Continuous learning for the members has been effectively integrated into expectations of the Committee's functioning value-add, enhancing overall compliance and understanding.

### 2023 RP - Goal 3

#### Expansion of the LRCD

Expand the LRCD to improve efficiency and effectiveness in addressing Modern Slavery risks, with ongoing development and implementation of a strategic multi-year roadmap.

#### Actions Taken

The LRCD expanded with the addition of a Compliance Manager in 2023, significantly improving the department's capacity to bring efficiency and effectiveness to the identification of and addressing of Modern Slavery risks. The annual iterative development of improvements, the focus on horizon scanning, best practice and inherently ethical business practices enhances our compliance framework, and brings greater focus and expertise to the implementation of MSFA's strategic multi-year anti-slavery roadmap.



#### 2023 RP - Goal 4

##### Benchmarking Data Platform

Investigate and integrate specialised ESG and Modern Slavery data suppliers to enhance supplier evaluation, risk analysis, and management capabilities.

##### Actions Taken

The integration of a specialised ESG data supplier was delayed due to the wider business transformation, mentioned above; however, MSFA integrated the *Fair Supply* ESG Platform in early 2024, and we have utilised its functionality to better assess our 2023 RP profile, so as to ensure a consistent path forward for MSFA's Modern Slavery controls and mitigation approach. The platform has significantly enhanced our capacity for efficient supplier evaluation, forward-looking supplier risk analysis, and provides valuable supplier management options in the form of detailed, data driven insights. We mitigate Modern Slavery risks within our supply chains.

#### 2023 RP - Goal 5

##### Strengthening Procurement Framework

Continue rolling out the revised Procurement Policy, integrating Modern Slavery risk principles, enhancing supplier evaluations, and expanding the Modern Slavery Supplier Questionnaire to cover subsidiary supply tiers.

##### Actions Taken

The revised Procurement Policy further integrated Modern Slavery risk-identification and minimisation principles, improving our supplier evaluations across MSFA and MSFNZ. The Modern Slavery Supplier Questionnaire has been reviewed and expanded to all suppliers, and a more robust Modern Slavery clause was implemented in our standard contracting terms, improving our ability to assess and mitigate risk throughout the supply chain.

### 8.1 Consolidated Goals for the 2024 RP

#### 2024 RP - Goal 1

##### Assess and Enhance Reporting Framework

Activate organisation-wide debate on the effectiveness, accessibility, and visibility of MSFA's Grievance Policy and Whistleblower Policy. The aim of this being to mature the company's approach to the ethical handling of stakeholder concerns.

##### Actions for 2024 RP

- a) Iteratively improve mechanisms for reporting concerns related to Modern Slavery, ensuring clarity and efficiency for stakeholders and responders.
- b) conduct targeted campaigns and training sessions to identified stakeholders, to raise awareness about the available grievance and whistleblower mechanisms;
- c) assess methods to strengthen protections for reported concerns, to foster a safe and supportive environment, with emphasis on confidentiality and protection against retaliation



### 2024 RP - Goal 2

#### Comprehensive Modern Slavery Training Rollout

Collaborate with HR's Learning & Development to finalise a comprehensive Modern Slavery training program that is tailored to different roles and departments within the organisation.

#### Actions for 2024 RP

- a) Launch MS training via the ELMO platform, ensuring all new hires complete it, and that select key personnel (those involved in high levels of procurement) complete the training by the end of Q4 2024;
- b) assess the effectiveness of prior training modules through comparative analysis with the new modules, collaborating with L&D to ensure a best-practice approach to wide-scale awareness building, with updated all-staff training seminar from General Counsel.

### 2024 RP - Goal 3

#### Enhanced ESG Committee Focus

Support the concept and development of the ESG Operational Committee, and further embed ESG within the organisation.

#### Actions for 2024 RP

- a) Conduct a gap analysis of current ESG practices against leading sector benchmarks to identify areas for improvement;
- b) integrate key performance indicators (KPIs) into the ESG Operational Committee members' personal performance framework for 2024, to assist progression of key issues incl. Modern Slavery, and to ensure the prioritisation of ESG within the business;
- c) evaluate the impact of the enhanced ESG focus on the organisation's overall modern slavery risk profile.

### 2024 RP - Goal 4

#### Procurement Framework Improvement

Identify available iterative improvements to the Procurement Framework (flexible approach, where it may be anything from risk assessment methodology to organisation-wide awareness-building and education).

#### Actions for 2024 RP

- a) Gather feedback from procurement staff and suppliers on the implementation of the policy, procedure and broader and identify areas for improvement;
- b) ensure an ESG-literate approach to commercial contracting, embedding Modern Slavery risk assessment as a key indicator of supplier viability;
- c) draft and approve revised Procurement Policy, and provide training to ensure consistent implementation across the organisation.



## 9 LOOKING FORWARD

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- 9.1 While MSFA acknowledges the challenges posed by time and resource constraints, the organisation's levels of engagement with ESG governance enhancement have grown significantly since the 2022 Reporting Period. This includes risk-mapping, engagement with international MSF sections, and the Operational Centres.
- 9.2 We remain committed to upholding human rights, with a particular emphasis on maintaining ethical standards and transparency throughout our entire supply chain.

## 10 CONSULTATION AND APPROVAL PROCESS

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- 10.1 This Statement has been reviewed by:
- a) MSFA's Executive Leadership Team;
  - b) The following Board Committees:
    - i) Environmental, Social, and Governance Committee; and
    - ii) Finance, Risk, and Audit Committee (whereupon, after receipt and review, a recommendation was provided to the Board of Directors that the Statement should be formally accepted); and
  - c) The Board of Directors.
- 10.2 This Statement was approved by the Board of Médecins Sans Frontières Australia Limited on 19 June 2024.



Ms Katrina Penney

President, Board of Directors

25 June 2024

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Date