



IDP is committed to building sustainable futures and improving the lives of our customers and their wider communities.

Principal registered office in Australia

Level 10 697 Collins Street DOCKLANDS VIC 3008 AUSTRALIA Ph: +61 3 9612 4400 This statement has been prepared by IDP Education Limited for the purposes of the Modern Slavery Act 2018 (Cth) (Act).

This statement has been approved by the Board of Directors of IDP Education Limited.

Further information on our broader approach to community and corporate responsibility is available at investors.idp.com.

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1. About IDP

At IDP we believe global education can change the world.

Over our 50-year history, we have guided people on their journey to achieve lifelong learning and career aspirations. We specialise in combining human expertise with our leading digital platform to help people get accepted into their ideal course, take an English language test or learn English in our schools.

With a presence in over 50 countries, we have the influence and reach to enact real change. IDP is committed to building sustainable futures and improving the lives of our customers and their wider communities.

IDP is a public company listed on the Australian Securities Exchange. IDP operates directly and through a number of Australian subsidiary companies and foreign branches. The subsidiaries are located in Australia, South Korea, Thailand, Vietnam, Cambodia, China, Indonesia, India, Canada, Egypt, Bangladesh, Turkey, New Zealand Nepal, Hong Kong, Pakistan, Japan, United Kingdom, Nigeria, Sri Lanka, Nepal, Singapore and the United States. IDP has branch offices in Malaysia, the Philippines, Mauritius, Singapore, Oman, the United Arab Emirates, Taiwan and Hong Kong. Further detail on our subsidiaries is set out in our Annual Report, which is available on our <u>Investor Centre site</u> (investors.idp.com).





2. IDP Operations

IDP's global network of more than 5,000 people spans 50 countries



Our services





As a global company, IDP is committed to playing our role in helping eradicate activities and systems that exploit human beings. We recognise that we have a responsibility to improve our understanding and build awareness to identify and mitigate the risks of modern slavery occurring within our operations and supply chains. This is our second Modern Slavery Statement. It outlines how we work to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chains. This year we have worked with suppliers to identify and address possible exposures to modern slavery in our supply chains. While we did not identify any instances of modern slavery in our operations or supply chain in FY22, we acknowledge that we must remain vigilant in monitoring and addressing these risks.

During FY22, IDP progressed several initiatives to address modern slavery within our operations and supply chain. These initiatives support our broader approach to corporate responsibility, which is aligned to the UN Sustainable Development Goals (SDGs).

4. Our Supply Chain

IDP's supply chain consists of thousands of suppliers, spanning more than 30 countries. Within this network we have identified over 900 major suppliers, totalling an annual spend of A\$124m in FY22. Our classification of "major supplier" is based on a supplier having expenditure equal to or more than A\$5,000 in a single financial year.

4.1 Nature of products and services (by spend)

As IDP is a service-based organisation, a majority of our spend sits within the services category and minimal spend in goods. The key categories of IDP's major suppliers include:

- > Analytics and Market Intelligence
- Computing, Infrastructure & Software
- > IT Equipment & Office Supplies
- Marketing
- Outsourced Labour
- Professional Services
- > Rent & Property Management Services
- > Third-party testing centres (IELTS Delivery Partners)

4.2 Geographic distribution

IDP has suppliers based all over the world, with most of them situated in the same locations as IDP offices. Below represents how the organisation's spend is distributed across the globe, based on the supplier invoicing entity, with most of our spend in Australia, India, the United Kingdom and the United States.

Supplier Geographical Distribution

Location based on supplier invoicing entity



5. Modern Slavery Risks

5. Modern Slavery Risks

5.1 Risk Identification

IDP assessed our supply chain and operations to identify areas that may carry a heightened risk of modern slavery practices, with a particular focus on suppliers in higher risk geographies¹ or that may use low skilled or migrant labour. The risk assessment covered suppliers for all entities which are owned or controlled by IDP.

IDP also analysed our supply chain using the categories of risks outlined in the United Nations Guiding Principles on Business and Human Rights, which consider whether the risk was 'caused', 'contributed to' or 'possibly related to' the company. Using that methodology, we did not identify any risks 'caused' or 'contributed to' by IDP. All the risks identified were in the category of 'possibly related to' IDP.

5.2 Risk assessment process

Within the major supplier pool, IDP identified a subset of material suppliers that became the primary focus of this assessment. This included the top 20 global suppliers by

spend and suppliers within IDP countries which may present a higher risk of modern slavery based on their location and types of goods or services provided. This assessment was undertaken in line with the guidance published by the Department of Home Affairs⁴ and using resources such as the Global Slavery Index.

In reviewing this subset of major suppliers, we identified the location of employees and contractors to determine which, if any, related to a heightened geographic risk of modern slavery.

The supplier categories considered to have higher inherent risk and the nature of that risk are tabled below. The risk assessment process identified 45 suppliers to engage with through the risk assessment process. Each of these suppliers was sent a modern slavery questionnaire to obtain a greater understanding of the policies, procedures, and processes to mitigate the risk of modern slavery.

| Inherent Risk | Nature of Risk |
|--|--|
| Marketing | There is a risk the production of goods used for marketing and promotion could be associated with vulnerable populations in higher-risk geographies due to it being a low-cost manufacturing activity. |
| Professional Services | There is a risk suppliers of these services do not meet minimum requirements for minimum wage and conditions in higher risk geographies. |
| Outsourced Labour | There is a risk suppliers of these services do not meet minimum requirements for minimum wage and conditions in higher risk geographies. |
| Third-party testing centres (IELTS Delivery Partners) | There is a risk third party IELTS test centres do not meet minimum requirements for minimum wage and conditions in higher risk geographies. |

1. Referencing the high-risk countries from the Walk Free Global Slavery Index.

 Commonwealth Modern Slavery 2018 - Guidance for Reporting Entities, at <u>https://www.homeaffairs.gov.au/criminal-justice/files/modern-slavery-reporting-entities.pdf</u>.

5. Modern Slavery Risks continued

5.3 Key Findings

The results of the survey were reviewed, and each supplier was given a score based on whether indicators of modern slavery risk were identified. The indicators we assessed included:

- > Whether they had a modern slavery policy in place.
- Whether they had written employment contracts for all workers which included clear terms and conditions.
- > Whether they have assessed the risk of modern slavery in their business.
- > Whether child labour checks were performed.
- > Whether the organisation has been investigated or convicted or breaching human rights.
- If they operated in a country which has a high risk of modern slavery according to the Global Slavery Index which is published by Walk Free.
- > If the goods or services provided were high risk.

Based on the indicators above, six suppliers were identified as having a potentially high risk of modern slavery. These suppliers were followed up to clearly communicate IDP's expectations relating to modern slavery and additional support was offered to help these suppliers understand their role in preventing modern slavery in IDP's supply chain. (Refer to table below.)

Case study

Consultation with third party IELTS test centres

IDP contracts with third parties in some countries under which these parties run English language test centres under licence. Some of these licensees are based in countries listed as high risk on the Global Slavery Index. In FY22 we set out to better understand the modern slavery risk in these arrangements. We identified the higher risk licensees and issued these licensees with a Modern Slavery questionnaire.

We analysed the responses and where the responses indicated areas for improvement, we provided guidance to the third party test centre operators. We also met with a third-party test centre to understand the policies and processes they had in place to combat modern slavery. This exercise reinforced the importance of providing context to modern slavery legislation in Australia and the objective of the requirements when engaging with parties in different countries.

High Risk Suppliers

Work undertaken

- Marketing in Cambodia
- Outsourced Labour supplier in Pakistan
- Outsourced Labour supplier in India
- Rental and Property Management Services in India
- Rental and Property Management Services in Pakistan

Third party IELTS test centres

Our global procurement team contacted these suppliers and raised awareness of the presence of modern slavery in their organisation. A range of modern slavery resources were provided to support the supplier in enhancing their modern slavery practices.

Actions taken by these suppliers to address the recommendations will be tracked through responses to the next annual Modern Slavery questionnaire.

We met with a third party IELTS test centre operator in the Middle East to identify improvements in their modern slavery practices. Please refer to the case study in this section for more information.

6. Approach to Address Risks

The key actions take to address modern slavery risks include:

6.1 Corporate Governance

To meet our responsibilities and obligations to our shareholders, stakeholders and employees, the IDP Board has a framework of corporate governance policies and practices, internal controls and risk and compliance management processes. These are designed to promote responsible management and ethical conduct in a range of areas, including sustainable supply chains. Our corporate governance practices for the year ended 30 June 2022 are outlined in our Corporate Governance Statement 2022.

Our Global Risk Management framework is designed to effectively identify, assess, manage, monitor and report risks including regulatory compliance such as modern slavery. We monitor compliance to the risk management framework including key internal controls and our regulatory obligations through a control self-assessment questionnaire. The questionnaire is completed by all countries where IDP has directly controlled operations on a semi-annual basis. In FY22 was updated to include a specific section covering modern slavery.

The IDP Employee Code of Conduct sets out the way employees work and the practical principles and minimum standards of expected behaviour. Each year certain employees undertake mandatory compliance training in areas including risk, anti-bribery and corruption, privacy, and bullying and harassment. In FY22, we incorporated expectations relating to Modern Slavery into the IDP Employee Code of Conduct.

6.2 Whistleblower Policy

We encourage a speak up culture and an environment where it is safe for employees to raise something that doesn't look right and for them to be protected if they do, in accordance with our Whistleblower Policy. In the last year, no calls relating to modern slavery were received. We acknowledge that this doesn't necessarily mean they don't exist, and we will continue to improve the effectiveness of our mechanisms to ensure these incidents are raised.

6.3 Supplier due diligence and contracting

Our Supplier Code of Conduct was released in 2022. It sets out our expectations of our suppliers in relation to human rights, environmental protection, human trafficking, health and safety, bribery and corruption, and data protection. We expect our suppliers to comply with all local, national and other applicable laws and regulations in the jurisdictions they operate. The Supplier Code of Conduct is provided as part of the process of signing up new suppliers and is available on our website along with our Purchase Order terms and conditions.

Our Supplier Terms & Conditions, which are incorporated into agreements for the purchase of goods and services, set out IDP's requirements relating to modern slavery. This gives us the ability to drive compliance within our direct suppliers and ensure they cascade our expectations into their supply chains. In FY22, we continued to include requirements relating to modern slavery in new contracts.

> IDP's Supplier Code of Conduct was released in 2022. It sets out expectations for our suppliers in relation to human rights, environmental protection, human trafficking, health and safety, bribery and corruption, and data protection.

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6. Approach to Address Risks continued

6.4 Supplier risk assessment and engagement plan

We believe in partnering with our suppliers and operational partners to collectively influence the improvement of human rights practices. As set out in section 5.2, the supplier risk assessment process conducted over our supply chain identified suppliers who we consider to be at higher risk of modern slavery practices.

In FY23, as part of enhancements to our Supplier Governance Framework, we intend to develop more formal remediation guidelines which will outline the steps that will be taken in the event a Supplier does not meet IDP's expectations.

6.5 Recruitment practices

IDP acknowledges that as a company with operations in several countries, including those with potentially higher risks of modern slavery, our recruitment practices are an important step in combatting modern slavery. In addition to the existing practices, in FY22 we reviewed our global recruitment policy to address modern slavery in our recruitment processes. This includes processes to ensure that all team members have a proof of right to work in the country.

6.6 Training and awareness

In FY22, we communicated to our team members to encourage all our employees to make conscious choices in their purchasing decisions and provided team members with information on IDP's approach to modern slavery.

For our suppliers, we prepared and published a Supplier Code of Conduct, which all suppliers are expected to comply with. The Supplier Code of Conduct includes a mechanism for suppliers to raise any actual or suspected breach of the Code, including modern slavery with IDP's global procurement team.

In FY23, we intend to develop broader based training to raise awareness of modern slavery, the types of vulnerable people it impacts, and what modern slavery activities could occur both at work and at home.

6.7 Modern slavery resources

In addition to internal and external documents used to educate team members and suppliers IDP's procurement team has been working towards increasing awareness when involved in procurement activities. Allowing us to works towards better ethical supplier recruitment.



7. Measuring Effectiveness

We are committed to improving the effectiveness of our approach to modern slavery and strengthening our position on human rights.

In FY22, we have set KPI's linked to our Modern Slavery Statement Action Plan. This included KPIs relating to:

- Undertaking modern slavery risk assessments on our top suppliers to better understand modern slavery risks within our supply chain.
- Prepare and publish a Supplier Code of Conduct to document IDPs requirements of suppliers relating to modern slavery.

In FY22, we embedded the monitoring of modern slavery risks into our established forums and frameworks. We also established a process for annual updates to our Audit & Risk Committee including reporting on the KPIs. This provides greater transparency to our Board that risks are being addressed as well as highlighting any opportunities for improvement.

IDP has had no complaints to date in relation to modern slavery risks in our operations or supply chains.

8. Consultation Process

In preparing this Modern Slavery Statement, IDP has communicated with relevant individuals across IDP to frame expectations, awareness and strengthen our approach to addressing modern slavery risks. This has included establishing a Modern Slavery Working group for modern slavery risk management which meets on a regular basis. Members of the Working Group also engaged in industry discussions to share approaches on combatting modern slavery.

There is also executive oversight of Modern Slavery through the IDP Group Corporate Responsibility Committee. This Committee comprises representatives across a broad range of functions including Operations, Corporate Affairs, People Experience, Finance and Legal. During FY22, the Procurement function also provided information to all IDP team members on steps IDP is taking to combat modern slavery in our workplace.





9. Next Steps

In FY23 we will focus on two key pillars that will enable us to progress and positively influence the eradication of modern slavery in our supply chain and operations. These pillars and focus areas are:

| Pillars | Areas of Focus |
|------------------------|--|
| Supplier governance | Continue risk assessment of our supply chain and operations |
| | More formally incorporate modern slavery into a supplier governance framework, including due diligence and remediation |
| Training and awareness | Continue to embed employee and contractor awareness of Modern Slavery across IDP |
| | Incorporate modern slavery training into the employee on-boarding and ongoing team members training awareness on Corporate responsibility issues |

10. Other Relevant Information

Through the COVID-19 pandemic, we kept our teams together and took steps to prepare for the industry's recovery. We were also aware that COVID-19 placed substantial pressure on many of our global suppliers and their workers. We continued to support and work with our suppliers through this period.





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