



# PwC Australia's Joint Modern Slavery Statement for FY21

This statement is a Joint Modern Slavery Statement made by PwC Australia and associated reporting entities in accordance with s16 of the Modern Slavery Act 2018 (Cth)





# A message from PwC Australia's CEO on behalf of the PwC reporting entities

Modern slavery is a serious and complex global problem. It's a problem that can only be tackled when we work collectively.

That's why at PwC, we support a unified approach. Businesses, not-for-profits and governments must continue to collaborate to address the tragic impacts of modern slavery on our local and global communities.

This Joint Modern Slavery Statement – our second – outlines the steps and actions we have taken over the past year. While we've made progress, we know there is always more to be done.

We hope that by sharing our experience, other businesses are encouraged to join us.

As a firm whose purpose is building trust in society and solving important problems, we know that problems are better solved together.

“When we work together we have a greater impact on complex social problems than when we are working alone.”



**Tom Seymour**

**CEO • Country Senior Partner • Member of  
PwC Australia's Executive Board**

*Signing on behalf of all reporting entities*

PricewaterhouseCoopers  
(ABN 52 780 433 757)

**This Joint Modern Slavery Statement has been approved by the Executive Board and Governance Board of the Australian partnership of PricewaterhouseCoopers and the Boards of PricewaterhouseCoopers Services Pty Ltd (the trustee for PricewaterhouseCoopers Services Trust), PricewaterhouseCoopers Securities Ltd, PricewaterhouseCoopers ASEANZ Consulting Pty Limited and PricewaterhouseCoopers Consulting (Australia) Pty Limited.**



## Acknowledgement of Country

PwC Australia acknowledges and pays our respects to Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia.

We pay our respect to their ongoing traditional custodianship of the ancestral lands and waters we work and live on throughout Australia.



# Overview



Modern slavery is a global issue that requires immediate attention. No country is immune. Respecting the human rights of all people is the foundation of a strong, inclusive society. We believe that everyone bears the responsibility to uphold human rights, and business has an important role to play in combating modern slavery in its operations and supply chains<sup>2</sup>.

At PwC, we take our ethical responsibilities seriously. Our people, our clients, and other stakeholders seek greater transparency about our [Environmental, Social and Governance \(ESG\)](#) performance and how we address real-world issues. This Joint Modern Slavery Statement (**Statement**) describes how the PwC reporting entities (see below) identified and addressed modern slavery risks to people involved in their (and their controlled entities') operations and supply chains in the financial year ended 30 June 2021 (FY21). Our approach is guided by international frameworks, including the UN Global Compact, and PwC network codes and policies.

While we continue to make progress, we recognise that reducing the risk of modern slavery will be an ongoing process. In FY20, we commenced our three-year plan. In FY21 we took further steps on our journey to tackle modern slavery risk in our Australian operations (defined on page 6).

In our Australian Operations we reviewed key firm policies and embedded modern slavery considerations where appropriate. We continued to assess our tier-one suppliers and began, for the first time, to assess some tier-two suppliers operating in modern slavery hotspot areas. We strengthened our due diligence by implementing a new supply base management system. This new system is designed to capture more information at supplier onboarding to identify risks early. We also reviewed our mechanisms for reporting illegal or unethical behaviour. We rolled out our Modern Slavery Awareness training program, which has now been completed by over 8000 people in our Australian operations.

Looking ahead, our focus will be on consolidating the progress of the past two years and continuing to make improvements in our approach and outcomes. We will strengthen our assessment process while increasing our attention on suppliers operating in known hot spots. We will keep investing in training to help our people better identify human rights and modern slavery risks in their day-to-day work. And we will continue to share our knowledge, insights and experience – across our business, with our controlled offshore entities and with our industry peers.

## Reporting entities

PricewaterhouseCoopers (ABN 52 780 433 757) has made this statement according to sections 14 and 16 of the Modern Slavery Act 2018 (Cth) (the **Modern Slavery Act**). The statement applies to the following PwC reporting entities (**reporting entities**) each with a Registered Office of One International Towers Sydney, Level 17, 100 Barangaroo Avenue, Barangaroo NSW 2000 Australia:

1. PricewaterhouseCoopers (ABN 52 780 433 757)
2. PricewaterhouseCoopers Services Trust (ABN 52 864 604 756) – its trustee is PricewaterhouseCoopers Services Pty Ltd (ABN 59 082 982 554)
3. PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617)
4. PricewaterhouseCoopers ASEANZ Consulting Pty Limited (ABN 77 606 603 436)
5. PricewaterhouseCoopers Consulting (Australia) Pty Limited (ABN 20 607 773 295)

A reference to **PwC** or **we** or **us** or **our** is a reference to the above reporting entities collectively or individually as the context requires. A brief description of the relationship between these entities, some of their controlled entities, and the PwC network, is set out in the section Our structure, operations and supply chains, on page 6.

For any references to an entity having '**control**' of another entity, the term '**control**' has the meaning given in the *Modern Slavery Act*.



# Our foundations

At PwC, we aim to do the right thing, no matter where we are or who we are dealing with. This mindset is fundamental to maintaining the trust that our people, clients and communities place in us. Doing the right thing includes respecting and upholding the human rights of our people and the people we work with. Our approach to human rights is guided by international frameworks and our PwC network policies, including the [Global Code of Conduct](#)<sup>3</sup> (**Code**) and [Global Third Party Code of Conduct](#)<sup>4</sup> (**TPCOC**).

## PwC Global Code of Conduct

Updated in April 2021, the Code underpins the expectation that we all behave in a manner consistent with our [Purpose and Values](#)<sup>5</sup>. We expect all our people across all our operations to comply with the letter and spirit of the Code. Knowing, understanding and living the Code is a fundamental part of who we are and what we stand for as PwC professionals. Whether we are working with our colleagues or others, the Code holds us accountable to our values and ethical responsibilities.

## PwC Global Third Party Code of Conduct

Updated in April 2021, the TPCOC requires that suppliers and subcontractors meet the same standard of behaviour that we expect of ourselves. Our TPCOC expressly forbids them from being involved in modern slavery: “Third Parties shall not engage in or support human trafficking or modern slavery, including forced, bonded or involuntary labour”. It also requires them to provide a healthy and safe working environment aligned with internationally declared human rights and standards, including the *International Bill of Human Rights*<sup>6</sup> and the *International Labour Organization’s Declaration on Fundamental Principles and Rights at Work*<sup>7</sup>.

## PwC Human Rights Statement

The [Global Human Rights Statement](#)<sup>8</sup> works to guard against complicity in human rights abuses, ensure compliance with applicable labour and employment laws, and draws on internationally recognised labour principles in how we do business.

# Our structure, operations and supply chains

In an increasingly complex world, PwC works with business, government and the community to help countries in which we operate, continue to thrive and grow. We deliver quality in audit, assurance, advisory, legal, consulting and tax services to more than 5,000 clients. Our purpose is to build trust in society and solve important problems. With the world facing new and growing challenges, we believe these problems are better solved together.

Our culture is grounded in a set of values that support and celebrate doing the right thing. Our values are part of our day-to-day conversations and the heartbeat of our business. They guide our decisions and determine our success.

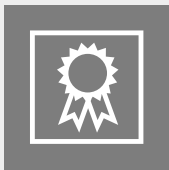
For more information about PwC Australia, see our firmwide [FY21 Transparency Report](#).

## Global PwC network

We are part of the global PwC network. This network, which operates across 155 countries, consists of professional services firms that are separate legal entities operating under the PwC brand. The PwC network is not a global partnership, a single firm, or a multinational corporation. All PwC network firms are members of PricewaterhouseCoopers International Limited (**PwCIL**) and must comply with global network regulations and certain common policies, including the PwC network Code and TPCOC. For more information about the PwC network, see [www.pwc.com/structure](http://www.pwc.com/structure).

In FY21 we launched [The New Equation](#)<sup>9</sup>, designed to deliver sustained outcomes which make a difference. It addresses the major challenges shaping the world today including technological disruption, climate change, fractured geopolitics, social tension and the continuing needs organisations are grappling with.

## PwC Values



Act with integrity



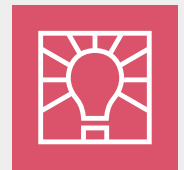
Make a difference



Care



Work together



Reimagine the possible



## How and where we operate

The Australian partnership of PricewaterhouseCoopers (the **Partnership**) is the controlling entity of a number of entities. These include the PricewaterhouseCoopers Services Trust (**PwC Services**), a trust established in Australia and its trustee, PricewaterhouseCoopers Services Pty Ltd, a company incorporated in Australia and PricewaterhouseCoopers Securities Ltd (**PwC Securities**), a public company incorporated in Australia (together **PwC Australia**).

The Partnership is also the ultimate beneficial owner of a majority of the shares in PricewaterhouseCoopers ASEANZ Consulting Pty Limited (**PwC ASEANZ**), a holding company incorporated in Australia. PwC ASEANZ acquired the Australian consulting business from the Partnership, the local consulting business from the existing PwC network firm in New Zealand, and the regional holding company of the PwC network consulting businesses in a number of other countries in South-East Asia. The significant majority of the Australian consulting business is operated by PricewaterhouseCoopers Consulting (Australia) Pty Limited (**PwC Australia Consulting**), a company incorporated in Australia, which is a wholly owned subsidiary of PwC ASEANZ.

PwC Australia's operations include a workforce of more than 9,000 partners and employees in Australia, with offices in Adelaide, Brisbane, Canberra, Greater Western Sydney, Melbourne, Newcastle, Perth and Sydney. Approximately 2,700 of those partners and employees are consulting professionals who, along with certain resources (including office space and other office related services), are made available to PwC Australia Consulting by the Partnership under a professional and office services arrangement so that PwC Australia Consulting can operate its business. PwC Australia's operations include a number of enabling functions, such as but not limited to central facilities, finance, technology, human resources and procurement teams, who support PwC Australia's Australian businesses as well as the Australian Operations of PwC ASEANZ (including PwC Australia Consulting) through that arrangement.

The Partnership has a financial interest in, and control of, the PwC network firm in Papua New Guinea (**PwC PNG**). As a member of the PwC network, PwC PNG is required to comply with network regulations and policies. PwC PNG is a separate legal entity with its own local management team. The Partnership also holds non-controlling interests in other entities based in Australia and overseas, including in the Philippines and India. The overseas entities, co-owned with other PwC network firms, include entities that are intended to provide regional governance, services and/or other assistance to PwC network firms. In Australia, the Partnership also holds a non-controlling interest in PricewaterhouseCoopers Indigenous Consulting Pty Limited, a majority Indigenous owned, led and staffed consulting firm.

PwC ASEANZ's operations outside of Australia include a workforce of approximately 1,400 partners and staff directly employed by PwC ASEANZ's offshore controlled entities across Indonesia, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. PwC ASEANZ's offshore controlled entities are supported by the separately owned PwC network firms in Indonesia, Malaysia, New Zealand, Philippines, Singapore, Thailand and Vietnam (each an **Offshore Local Firm**) through similar arrangements for the provision of services and access to resources as are described above for PwC Australia Consulting. In addition to being subject to PwC network regulations and policies, PwC ASEANZ's offshore controlled entities are also required to operate in accordance with the laws of the countries in which they are based as well as the policies and processes of their Offshore Local Firms.

For the purposes of this Statement, **Australian Operations** means, together, the operations of PwC Australia and the Partnership's other controlled entities in Australia, and the Australian operations of PwC ASEANZ (including PwC Australia Consulting). **PwC ASEANZ's offshore controlled entities** means entities controlled by PwC ASEANZ that operate outside of Australia including in Indonesia, Malaysia, Myanmar, New Zealand, Philippines, Singapore, Thailand and Vietnam. **PwC's offshore controlled entities** means entities controlled by PwC Australia and PwC ASEANZ, respectively, that operate outside of Australia.

## Goods and services we buy

In FY21, our Australian Operations sourced goods and services from more than 1700 tier-one suppliers. While over 90% of these suppliers operate in Australia, we also work with overseas suppliers, mainly in the United States and the United Kingdom. Some of these suppliers provide outsourced technology, finance, research or other professional services. We also engage other PwC network firms for various services. PwC's offshore controlled entities source goods and services from a range of suppliers, including the Offshore Local Firms and other PwC network firms, in various offshore locations.

### What we buy



Corporate real estate leasing



Office facilities management



Human resources services



Financial services



Information and research services



Marketing and events



Office services and products



Professional services



Technology services & products



Travel services and products



## The location of tier-one suppliers to our Australian Operations in FY21



\*Excludes other PwC network firms who are suppliers to our Australian Operations

As our tier-one supplier map indicates, PwC Australia sources goods and services from around the world. We acknowledge the continuing effects that COVID-19 has had on our supply chains throughout FY21. In some cases, we have assisted our suppliers in our Australian Operations by:

- providing guidance on managing procurement in high-risk categories, including office equipment/ supplies and technology peripherals.
- proactively monitoring supplier responses to COVID-19, including public disclosures of impediments in their operations and obligations relating to our TPCOC (particularly adverse impacts on their workers or subcontractors).
- supporting those suppliers impacted by COVID-19 by extending deadlines to complete our screening and due diligence processes or providing flexible options for completing our supplier questionnaire.



# Our approach and progress to date

This Joint Modern Slavery Statement is PwC's second. In our first Statement, we outlined a three-year plan to develop and implement a framework for assessing and addressing modern slavery risks to people involved in our Australian Operations and supply chains. We are taking a focused, phased approach as we know that modern slavery is a complex issue with many underlying contributing factors. While systemic issues that surround modern slavery must be addressed, we know that this will take time and ongoing vigilance. Our framework will allow us to monitor our progress, review the effectiveness of our actions and modify our approach as necessary.

This plan is based on existing PwC policies and processes, as well as relevant laws and guidance tools. The latter includes the Modern Slavery Act and related guidance materials, the UN Global Compact's [A Guide for Integrating Human Rights into Business Management](#)<sup>10</sup> and previous analysis conducted of our Australia Operations through the lens of the [United Nations Sustainable Development Goals](#)<sup>11</sup>.

Our framework consists of six key factors: governance, risk assessment, due diligence, grievance and remediation, training, and reporting and monitoring. We are using the framework to identify opportunities to enhance our overall approach. We have also made this modern slavery risk framework available to PwC's offshore controlled entities to encourage them to adopt it in their operations and supply chains.

## Learning and innovation

PwC's approach to addressing modern slavery risks and our FY21 focus areas for our Australian Operations



## Setting the baseline

PwC's approach to addressing modern slavery risks and our FY20 focus areas for our Australian Operations



# Our actions

This joint Modern Slavery Statement outlines what we have been doing in FY21 in our Australian Operations and the actions our offshore controlled entities have taken to further identify and address modern slavery risks to people involved in our operations and supply chains. This Statement also demonstrates our efforts to proactively embed modern slavery protections within our policies and processes, and maintain a response framework that is relevant and appropriate in tackling modern slavery risks.

Our FY21 actions are categorised against the six factors of our reporting framework. We recognise that a robust response to a complex issue like modern slavery requires a multi-year approach and we continue to review and enhance our approach to address these risks accordingly.



## 1. Governance

PwC Australia maintains multiple governance controls across its operations and tier-one suppliers. These controls (outlined below), help us identify and reduce the potential for unethical behaviour or criminal acts such as modern slavery.

### Human Rights Group (HRG)

PwC Australia's Human Rights Group works to identify gaps and opportunities to address human rights and modern slavery risks in our Australian Operations and supply chains. It includes senior representation from key functions responsible for respecting, protecting and remedying human rights at PwC, including Social Impact, Human Capital, Business Services and Procurement, Risk Operations and Diversity, Inclusion and Wellbeing.

The group was reconstituted in FY21 and held five meetings to discuss human rights and modern slavery risks and track progress against our three year plan. The group also began a review of PwC Australia's Human Rights policy, first published in 2018, to ensure it is consistent with best practice and aligned to our purpose and values. The policy is based on internationally declared human rights and standards, including those expressed in the *International Bill of Human Rights* and the principles concerning fundamental rights set out in the *International Labour Organisation's (ILO's) Declaration on Fundamental Principles and Rights at Work*. The policy also follows the *United Nations' Guiding Principles on Business and Human Rights (UNGPs)* Respect, Protect, Remedy framework.

### Ethics and conduct

Good governance is more than just following regulations and policies. Being a responsible business means applying our ethical behaviour, purpose and values into everything we do.

In FY21 the PwC Ethics Helpline was implemented in the Australian Operations, a confidential 24/7 service to report matters of concern. Replacing our previous locally resourced service, the Helpline is managed by NAVEX Global, a third party contracted by the PwC network to document all questions and concerns raised. While this is a global platform, recorded messages, consent language and reporting forms have been adapted to comply with our local whistleblower obligations.

PwC's offshore controlled entities also report and manage ethics and conduct issues through the PwC Ethics Helpline.



### Third party risk

PwC Australia's Procurement team has a dedicated Procurement Governance function that manages third party risk and compliance in our Australian Operations. This function screens suppliers, manages third party procurement policies and procedures and runs a supply base management system, among other activities. For PwC's offshore controlled entities, teams with procurement responsibilities work with their respective legal and risk teams to manage third party risk and compliance matters.

### PwC network's global codes and related policies

PwC adopts a number of PwC network global policies to guide the decisions and behaviour of our people and suppliers in our Australian Operations.

First, we and our controlled entities have implemented the PwC Global Code of Conduct. Second, we and our controlled entities have agreed to adopt the PwC Global TPCOC. Our FY21 actions to implement the TPCOC include assessing tier-one supplier risks and implementing a new supply base management system for our Australian Operations. The system captures relevant information from suppliers, including acceptance of the TPCOC or evidence of their equivalent, and compliance is confirmed annually. We continue to make available our insights about the TPCOC with other PwC network firms, including our offshore controlled entities.

Both the Code and the TPCOC were reviewed, updated and re-released in April 2021. Both codes now include specific references to OECD Guidelines for Multinational Enterprises, non-binding principles and standards for responsible business conduct when operating globally. The OECD Guidelines provide a valuable framework for setting applicable compliance requirements and standards. Even though the PwC network consists of firms that are separate legal entities that do not form a multinational corporation or enterprise, our network standards and policies are informed by, and meet, the OECD Guidelines' goals and objectives.

In addition to the global policies, we also have various local policies that directly or indirectly impact human rights and modern slavery risks in our Australian Operations. In FY22, we will work with policy owners to explicitly include these considerations in relevant policies.

- PwC Australia's [Whistleblower policy](#)<sup>12</sup> provides a framework for whistleblowers to report genuine concerns of misconduct, malpractice, irregularities or any other behaviour that is dishonest, corrupt, illegal or inconsistent with our values or policies in our Australian Operations and supply chains. The policy also applies to our suppliers and their personnel.
- PwC Australia's Grievance Procedure policy explains how our people can raise grievances about anything to do with their work or other matters connected with our firm.
- PwC Australia's Making Ethical Business Decisions policy sets expectations for the Australian Operations for working ethically and calls out our peoples' responsibilities for reporting unethical conduct and preventing corruption or unlawful behaviour.
- PwC Australia's Human Rights Policy sets out our belief that it's our shared responsibility to respect and uphold the human rights of our people and other individuals we are in contact with, either directly or indirectly.



### **PwC ASEANZ's offshore controlled entities**

In FY21, senior partners from PwC Australia and PwC ASEANZ agreed to address modern slavery and other human rights risks in the operations and supply chains of PwC ASEANZ's offshore controlled entities. The key focus was on enhancing existing frameworks and supply chain processes. Beginning with Singapore and Malaysia, we agreed on how they and PwC Australia could best share learnings and experiences in addressing human rights issues and enhancing our respective controls regarding the TPCOC and the Code. Also, in FY21 PwC Australia collaborated with the Offshore Local Firms in Singapore and Malaysia to screen their suppliers and implement tier-one supplier mapping and risk assessments. This process is ongoing and due to be completed in FY22.

### **PwC PNG**

In FY21, PwC PNG convened a governance group that included members from its Risk, Legal, Human Capital, Finance and IT functions. This group meets periodically to monitor PwC PNG's adoption of the TPCOC and human rights protections, among other things. Also, PwC PNG has begun to implement a supplier risk assessment framework. In FY22, PwC Australia will continue to consult with and support PwC PNG to address modern slavery risks in its operations and supply chains.



## 2. Risk Assessment

Modern slavery risks can arise in connection with the goods and services we procure or the regions in which we operate. Risks may relate to the country of origin, the type of supply or the business practices of entities in our supply chain. We continually review our risk profile in response to changing circumstances.

For FY21, our assessment of modern slavery risks in our Australian Operations and supply chains considered four categories of risk: industry, supply, geographic and entity.

When assessing these risks, we used reputable tools such as the [Global Slavery Index](#)<sup>13</sup>, the [Transparency International Corruption Perceptions Index](#)<sup>14</sup> and the [Responsible Sourcing Tool](#)<sup>15</sup>. We also used information collected in our due diligence processes, including the results from supplier questionnaires and desktop third-party information bureaus. The PwC Australia Human Rights Group supported our risk assessment ensuring oversight and mitigation of key risks by functional leaders across our Australian Operations.

In addition to mapping tier-one suppliers to our Australian Operations, we commenced mapping some of our tier-2 suppliers who operate in modern slavery hot spot categories. We thank those tier-1 suppliers who worked with us for their transparency and willingness to help us tackle modern slavery, and we recognise there's much more work to do.

In FY21, PwC Australia shared the risk categories and findings from our FY20 assessment with PwC's offshore controlled entities. We also started to work with some entities located in Malaysia, Singapore and PNG to help them to identify modern slavery risks to people involved in their supply chains.



### 1. Industry risks

- Reliance on migrant, seasonal, base skilled or unskilled workers
- Reported occurrences of modern slavery or other unlawful labour practices
- Reliance on offshore labour agencies



### 2. Supply risks

- Systemic excessive discounted pricing or shortened delivery times
- Known or reported association of labour exploitation with production/supply of goods/services



### 3. Geographic risks

- High prevalence of human rights violations or occurrences of modern slavery
- Reported weak rule of law, systemic corruption
- Inadequate worker protections or high prevalence of law enforcement hostility towards workers



### 4. Entity risks

- Reported non-compliance or convictions in connection with human rights or modern slavery laws
- Poor or inadequate policies, procedures, including candidate funded recruitment practices
- Poor reporting mechanisms or opaque and complex supply chains

## Results of our risk assessment

In FY21 we identified the following six modern slavery risk hotspots within our operations, the operations of our controlled entities and supply chains.

<p><b>1. Offshore operations</b></p> 	<p>Some of our owned or controlled offshore entities operate in countries with a higher prevalence of modern slavery and are therefore subject to heightened risks impacting people involved in those businesses. This risk increases where there is an overlap with other risk factors.</p>
<p><b>2. Contingent workforce</b></p> 	<p>Approximately 12% of the workforce for the Australian Operations are contingent workers. Some of PwC's offshore controlled entities also use contingent workers. Most of these contingent workers are skilled specialists, and in some cases, are self-employed, providing professional services for internal PwC or external client matters. Others, typically in administrative and support roles, may be more vulnerable to modern slavery when engaged via managed services providers, especially where there is poor visibility of the arrangement between the worker and the provider. This risk may increase when the arrangement is located overseas.</p>
<p><b>3. Facilities cleaning and simple maintenance services</b></p> 	<p>PwC and our offshore controlled entities engage suppliers who provide cleaning and simple maintenance services (including for COVID-19 safe practices) across our offices. Workers in these industries may come from vulnerable communities within and outside of Australia. This risk is heightened when we have limited visibility of their management and where workers perform base-skilled tasks or work outside of business hours.</p> <p>Less than 2% of suppliers to our Australian Operations operate in this hot spot category. The proportion is also less than 2% in PwC ASEANZ's offshore controlled entities in Singapore and Malaysia, and PwC PNG.</p>
<p><b>4. Stationery and branded merchandise products</b></p> 	<p>From time to time we buy stationery and branded merchandise for use by our people and in marketing campaigns or related initiatives. PwC Australia buys these products from a limited number of suppliers to our Australian Operations. PwC's offshore and/or complex controlled entities buy these products from various suppliers, either directly or through their respective Offshore Local Firms. A modern slavery risk exists when we use suppliers that rely on offshore supply chains as we have limited visibility of their operations and supply chains. This risk is heightened when goods are made by base-skilled workers on a demand basis.</p>
<p><b>5. IT hardware and peripherals</b></p> 	<p>We use various technology hardware as part of our day to day work, including laptops, monitors, headsets, mice, keyboards and other IT peripherals. In our Australian Operations, PwC sources laptops directly from the manufacturer. All other IT peripheral products are purchased from a limited number of suppliers based in Australia with onshore and offshore supply chains. PwC's offshore controlled entities buy these products from various suppliers, either directly or through their respective Offshore Local Firms. Modern slavery risks arise when we use suppliers that rely on offshore and/or complex supply chains as we have limited visibility of their operations and supply chains. This risk is heightened when goods are made by base skilled workers on a demand basis.</p>
<p><b>6. Offshore suppliers</b></p> 	<p>In FY21, PwC Australia engaged 160 offshore suppliers in our Australian Operations. We have identified tier-one suppliers based in countries with higher modern slavery risks. PwC's offshore controlled entities also use offshore suppliers, some of which are also based in high-risk countries. We also engage other PwC network firms, including India, the Philippines and the United Kingdom. These network firms perform, or help us perform, services for our clients, such as client relationship management, systems administration and quality reviews. This supply risk increases where there is an overlap with other risk factors.</p>





### 3. Embedding: Due Diligence

We continue to embed due diligence activities and protocols to tackle modern slavery risks in our day to day operations. In FY21, we enhanced our approach to due diligence in some areas to broaden our scope and reach for further action in FY22 as part of our three year plan.

#### Offshore operations due diligence

All PwC network firms (including PwC's offshore controlled entities) must abide by certain network policies including the Code and TPCOC. While compliance is subject to self-assessment, PwCIL may, from time to time, require PwC network firms to undergo reviews or audits.

In FY21, PwC Australia worked with our PwC ASEANZ' offshore controlled entities in Singapore and Malaysia and PwC PNG to align how we address human rights issues using the TPCOC, the Code and the PwC Human Rights Statement as our global standard. As part of this process, these offshore controlled entities (and their Offshore Local Firms, where applicable) began to formalise and enhance their supplier onboarding processes by developing supplier questionnaires and risk assessments specific to their local requirements and linked to the TPCOC. We will continue to support our other offshore controlled entities by sharing the findings from our activities to address modern slavery risks and encouraging collaboration across the region.

#### Contingent workforce due diligence

In our Australian Operations, we require our labour-hire suppliers to follow applicable laws regarding licensing, workplace health and safety, right to work, fair pay and human rights. In FY21, we identified approximately 12% of the workforce for the Australian Operations as contingent workers. Most are skilled specialists (in some cases self-employed) who provide professional services for internal PwC or external client matters. In addition to complying with applicable laws, the contingent workforce agencies we contract confirmed they comply with our TPCOC. Additionally, our due diligence activities did not identify any reported modern slavery incidents occurring in these agencies' operations or supply chains in FY21.

PwC ASEANZ's offshore controlled entities primarily engage any contingent workers directly or through their PwC Local Firms, which operate under the Code.

#### Supplier due diligence

##### *Open and transparent communication*

At PwC, we make it clear to our suppliers what we expect of them. New and existing tier-one suppliers in our Australian Operations are provided with our TPCOC and must confirm they comply with it. Most of our offshore controlled entities followed the same process with their tier-one suppliers. In FY21 we continued to meet with suppliers to our Australian Operations to discuss modern slavery risks impacting the people involved in their operations and supply chains and the ways we can support them to address those risks.



## Supplier screening

In FY21, we continued to screen tier-one suppliers to our Australian Operations via an enhanced self-assessment tool and desktop screening using third party information bureaus. Suppliers assessed as a 'high risk' or 'modern slavery hot spot' category may be required to undergo further due diligence, including interviews and additional contractual obligations. We reserve the right not to engage or terminate our existing engagement with suppliers that do not cooperate with our reasonable requests for information or action.

The self-assessment response rate from suppliers to our Australian Operations decreased in FY21 compared to the previous year. According to feedback, the reasons included assessment fatigue and limited resources to respond to the market's increasing volume of enquiries. As a result, we are exploring simpler, more streamlined self-assessment options. Despite the lower response rate, we continued to assess those suppliers to our Australian Operations based on available information. Our Australian Operations are also experiencing an increase in requests for self-assessment information as our clients continue to show interest in our practices, which we continue to support.

PwC ASEANZ's offshore controlled entities in Malaysia and Singapore are currently participating in a similar transition of systems that incorporates a shift to upfront supplier onboarding and due diligence practices, with subsequent reaffirmations from suppliers of their data and compliance with our TPCOC.

In FY21, for suppliers in our Australian Operations (other than suppliers who are PwC network firms) that we paid via our Accounts Payable function, we:

- Screened 100% of new and existing tier-one suppliers using desktop third-party information bureaus
- Commenced screening some tier-two suppliers who service our tier-one suppliers that operate in modern slavery 'hot spot' categories
- Screened suppliers with whom we spent more than \$5,000 in FY21 using our enhanced supplier self-assessment tool, which achieved a 32% response rate
- Conducted 12 video conference interviews with suppliers operating in modern slavery 'hot spot' categories.

We did not identify any modern slavery incidents through these screening activities. We acknowledge that this does not eliminate the possibility of the existence of modern slavery in our supply chains.

In FY21, we also implemented a new supply base management system for our Australian Operations. The system is designed to capture relevant information at onboarding to help us identify and assess relevant supply chain risks, including modern slavery and other human rights breaches. Tier-one suppliers must confirm their data in our system annually and provide additional information if required. PwC ASEANZ's offshore controlled entities in Malaysia and Singapore are currently participating in a similar system transition. They are shifting to upfront supplier onboarding and due diligence practices, with subsequent reaffirmations from suppliers of their data and compliance with our TPCOC.

In FY22, we aim to focus our risk assessment approach on suppliers in modern slavery risk hot spots, based on their country of operations/supply and category of supply. We will share this approach with our offshore controlled entities and aim to align our due diligence and risk assessment practices.

### Enhancing contractual terms

We continue to embed compliance with the TPCOC into our supplier contracts. In our Australian Operations we include our responsible supply terms and conditions in new supplier contracts (other than supplier contracts with other PwC network firms). We take a risk-based approach for incumbent contracts, with a focus on suppliers in modern slavery risk hot spots. In FY21, we included the responsible supply terms and conditions in our template Purchase Order terms, which are used for a broad cross section of our tier-one suppliers in the Australian Operations.

Our responsible supply terms and conditions make it clear we expect suppliers to implement reasonable mitigations and controls to ensure they appropriately remediate any actual or perceived breach of the TPCOC or modern slavery incident. If suppliers do not cooperate during our investigations or requests for remediation, we can terminate their agreement with immediate effect.

Many of our offshore controlled entities have embedded into their template supplier agreements an obligation for suppliers to comply with the TPCOC. PwC Australia's Procurement team is working with PwC PNG and PwC ASEANZ's offshore controlled entities in Malaysia and Singapore (and their respective Offshore Local Firms) to continue to enhance their supplier contracts.



## 4. Embedding: Grievance and Remediation

We understand that it's not always easy for people to speak up. At PwC, speaking up and raising concerns is an important part of who we are as a business. It ensures people know that when they speak up, they will be listened to and responded to without fear of retaliation or victimisation.

In FY21, we began reviewing the mechanisms for reporting actual or suspected violations of a law, regulation, Code of Conduct or firm policy, or unethical conduct for the Australian Operations. These mechanisms include [Ethics helpline](#), [Whistleblower policy](#), as well as related policies and guidance for our people such as our Workplace Behaviour, Grievance and Making Ethical Business Decisions policies.

As we continue to evolve these mechanisms we will draw on relevant guidance such as the core effectiveness criteria outlined in Principle 31 of the [United Nations \(UN\) Guiding Principles on Business and Human Rights \(UNGPs\)](#). As we move forward, this approach will also help identify broader environmental, social and governance (ESG) issues, in line with our commitment to the [UN Global Compact](#).

In FY21 PwC Australia, through its Business Risk and National Incident Response Teams, worked to identify, for the Australian Operations, the formal grievance and incident processes employed by each line of business and across the Australian Operations as a whole. We are working to ensure that appropriate triggers are included in these processes so that human rights and modern slavery concerns are flagged and escalated to the Human Rights Group.

By collaborating with the Human Rights Group when an incident is identified, we embed a respect for human rights in the business to ensure that people are at the heart of any grievance and remediation process, and secure an ongoing commitment to the management of our human rights risks.

PwC's offshore controlled entities also provide grievance mechanisms in line with their local policies and the global commitment to ethical behaviour, compliance with the law, PwC's Global Code of Conduct and embedding a Speak Up culture.

PwC Australia's April 2021 firmwide mojo survey

**81%** of our Australian Operations respondents agreed or strongly agreed with the statement:

“At PwC I feel comfortable discussing or reporting ethical issues and concerns without fear of negative consequences.”

#### CASE STUDY

## Modern slavery simulation tests the capability and effectiveness of PwC's response mechanism

In FY21, our Australian Operations ran a simulation to understand how we would respond to an incident of modern slavery identified in connection with our business activities.

Our decision to test ourselves in this way reflects the increasing number of human rights abuses and incidents of modern slavery being reported worldwide and a growing awareness of our responsibility to mitigate and remediate these issues.

The live simulation involved PwC's National Incident Response Team (**NIRT**) and the Human Rights Group. The NIRT consists of senior level representation from functional teams across the Australian Operations who provide oversight and professional advice at each step of the response process where an incident affects individuals, our clients or our ability to do business.

The exercise aimed to broaden the awareness of the NIRT process and assess the suitability of the NIRT framework for responding to a modern slavery allegation in our operations or supply chains. We put our internal reporting channels and procedures to the test to ensure that they identified the most appropriate people to respond to an incident of this nature, and escalated any modern slavery considerations accordingly.

We identified some areas for improvement and have committed to focus our attention on these in the future, using the United Nations Guiding Principles on Business and Human Rights as a guide.

“The NIRT simulation provided a clear indication of how a human-centred approach is imperative when a modern slavery incident is identified. An effective business-led grievance mechanism will embed a critical human rights lens to ensure that the welfare of people affected is at the heart of the process.”

Rosalie Wilkie

Partner • Leader of Social Impact •  
Chair of PwC's Human Rights Group



## 5. Embedding: Training

In FY21, we developed and implemented virtual Modern Slavery Awareness training as part of our mandatory training curriculum for partners and staff in our Australian Operations. More than 8,000 of our people have now completed the training which is also mandatory for our new starters.

Increasingly, our people are asking how we can better support their understanding of modern slavery and broader human rights risks in their day-to-day work. We recognise that awareness training is only one part of the solution.

In FY22, we aim to enhance Modern Slavery Awareness training for our Australian Operations to help our people better identify human rights risks in the work they perform and the third parties they engage with. We also plan to share this training module with our offshore controlled entities.

**PwC Australia's completion rate of the Modern Slavery Awareness training module by 30 June,**

**90%**



## 6. Monitoring & Reporting

Keeping track of our actions allows us to continually improve how we measure the effectiveness of our approach to tackling modern slavery.

In FY21, we developed a dashboard to identify areas of concern and track our progress in the supply chain of our Australian Operations. The dashboard leverages data from our supplier due diligence and risk assessments. We will continue to tailor our approach and constructively engage with our supply chains in our Australian Operations to enhance our reporting and risk assessment activities. In FY22 we aim to share our findings with suppliers of our Australian Operations - particularly those that are in modern slavery hotspot categories - and encourage them to do the same within their supply chains.

Globally, PwC Australia and PwC ASEANZ and our respective offshore controlled entities participate in PwC network reporting of actions taken to continue to improve the adoption of the TPCOC.

In FY21, the Human Rights Group reviewed PwC Australia's Human Rights policy, first published in 2018. A comprehensive analysis of the policy's current risk profile was completed. By assessing and prioritising risks, identifying and implementing control measures and reviewing the effectiveness of those measures we can work towards more proactive management of our human rights concerns.

Credible and transparent monitoring and reporting is key to adequately addressing human rights risks. While we have made progress in FY21, we have also identified areas where more work needs to be done. This process will be ongoing, with further analysis scheduled in FY22.



# Our consultation, collaboration and engagement

## Consultation

Management and personnel from all reporting entities have worked together on the activities described in this Statement, as well as the drafting of the Statement itself. As noted on page 1, the Boards of each reporting entity have approved this statement.

PwC Australia engaged widely about our progress on addressing modern slavery risks and how we are tracking against particular actions in our Australian Operations. We have consulted with senior management of the Australian Operations and PwC PNG, as well as senior management of PwC ASEANZ with regional-level management responsibilities for its controlled entities (including PwC Australia Consulting). We encourage supply chain assessments and actively share our learnings. These consultations are important to understand the views of senior management in our offshore controlled entities regarding modern slavery risks in their operations and supply chains and the steps that have been taken to assess and address those risks.

We aim to enhance this approach as we continue to engage with our offshore controlled entities to address modern slavery in our region and globally.

## Collaboration and engagement

With our increasing global focus on solving society's biggest challenges, we believe the most important problems are better solved together. Because there is no magic solution to eradicate modern slavery overnight, our response must involve sustained collaboration and engagement across our entire business. Various functions within PwC Australia, including Social Impact, Procurement, Ethics & Conduct, People & Culture, Diversity, Inclusion and Wellbeing, Strategy, Risk & Reputation and our business teams, all share responsibility for embedding human rights protections and policies into the way we do business. We will continue to evolve our Human Rights Group and look for opportunities to invite subject matter experts in other areas of our business, such as digital technology and First Nations representation, to contribute and help drive this firm-wide collaboration in FY22.

At a global level, PwC continues to be a proud signatory to the [United Nations Global Compact \(UNGC\)](#). We remain deeply committed to the UNGC's Ten Principles for responsible business practices and steadfast in delivering positive societal and environmental outcomes.

# Our future agenda

This Statement describes our evolving approach to addressing modern slavery risks for FY21. Developing the FY20 Statement was a learning experience that helped us better understand our operations and supply chain risks and the gaps and opportunities for improvement. But we know this is just the start of our journey. We aim to continually review our focus areas in line with our framework to increase governance and improve our processes. As outlined below, a targeted approach is planned in some areas, while in others, we will expand our scope to improve the way we assess and address our modern slavery risks. We will continue to collaborate and seek, within our spheres of influence, to raise awareness of modern slavery risks and provide an example of good practice through our conduct.

## Future focus areas



### 1. Governance

We will continue to consider all new and existing policies in our Australian Operations for opportunities to embed human rights considerations, including the Responsible Supply policy. We will work directly with People & Culture to review all people related policies to identify where modern slavery considerations can be embedded.

We will work with our People & Ethical Conduct Panel to assess the degree to which the Panel includes a focus on human rights issues, including modern slavery, as reported through Speak Up, PwC Ethics Helpline and other grievance mechanisms.



### 2. Risk Assessment

We will continue to map our tier-two suppliers within modern slavery risk hot spot categories in our Australian Operations to enhance our supply chain risk assessment. We will also support more of our offshore controlled entities in their supplier risk identification and assessment activities.



### 3. Embedding: Due Diligence

As part of PwC Australia's review of the talent acquisition process for contingent workers, we will identify any opportunities to improve, strengthen and streamline existing processes to better support the experience for our people and our contingent workers, and identify opportunities to mitigate modern slavery risks.

We aim to narrow the focus of our approach on supply chain due diligence and risk assessment for the Australian Operations to those suppliers in modern slavery risk hot spots. We will share this approach with our offshore controlled entities and aim to align our due diligence and risk assessment practices.

We will continue to embed our responsible supply terms and conditions in new supplier contracts and Purchase Orders issued within our Australian Operations. Additionally, we will continue to support our offshore controlled entities to enhance their supplier contracts.



### 4. Embedding: Grievance & Remediation

We will continue to embed human rights considerations into PwC Australia's National Incident Response and Business Continuity Plan and work with functional teams and frameworks when local incidents are identified.

Our Australian Operations will launch a new Speak Up campaign in FY22 to encourage our people to confidentially raise their concerns about the ethical conduct of the firm, its clients, its suppliers or others in the community they interact with as part of their role at PwC.



### 5. Embedding: Training

We will continue to enhance Modern Slavery Awareness training for our Australian Operations to ensure it remains relevant and appropriate. We aim to equip our people to identify human rights risks connected with the work they perform and the third parties they engage. Additionally, we aim to share this training module with our offshore controlled entities.



### 6. Monitoring & Reporting

We will continue to review and update our human rights risk analysis and reporting based on PwC Australia's Human Rights Policy to improve how we manage our human rights risks in our Australian Operations, including identifying potential modern slavery risks and implementing appropriate risk management measures.

We will improve the scope of our Modern Slavery In Supply Chain Risk dashboard and share it with our offshore controlled entities.

# Cross reference to *Modern Slavery Act*

Statement reference	Act reference	Reporting requirement summary
<b>Note from PwC Australia CEO on behalf of the reporting entities</b>	<b>Section 16.2 (b)</b>	Details of approval by the relevant principal governing body or bodies
<b>Overview</b>	<b>Section 16.1 (a)</b>	Identify the reporting entity
<b>Our foundations</b>	<b>Section 16.1 (d)</b>	Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes
<b>Our structure, operations and supply chains</b>	<b>Section 16.1 (b)</b>	Describe the structure, operations and supply chains of the reporting entity
<b>Our approach &amp; Our actions</b>	<b>Section 16.1 (c)</b>	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls
	<b>Section 16.1 (d)</b>	Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes
	<b>Section 16.1 (e)</b>	Describe how the reporting entity assesses the effectiveness of such actions
<b>Our collaboration and engagement</b>	<b>Section 16.1 (f)</b>	Describe the process of consultation with any entities that the reporting entity owns or controls; and in the case of a reporting entity covered by a statement under section 14—the entity giving the statement
<b>Our future agenda</b>	<b>Section 16.1 (g)</b>	Include any other information that the reporting entity, or the entity giving the statement, considers relevant



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- 1 Modern slavery has the same meaning as set out in section 4 of the Modern Slavery Act. It includes debt bondage, deceptive recruitment practices, forced labour, forced marriage, human trafficking, servitude, slavery and the worst forms of child labour such as sexual exploitation, harmful work, or producing or trafficking drugs.
  - 2 Supply chain means the products and services (including labour) that contribute to an entity's own products and services. This includes products and services sourced in Australia or overseas and extends beyond direct suppliers.
  - 3 PwC, 2021. Living our Purpose and Values: PwC's Code of Conduct. [Online] Available at: [www.pwc.com/gx/en/ethics-business-conduct/pdf/pwc-code-of-conduct-april-2021-v2.pdf](http://www.pwc.com/gx/en/ethics-business-conduct/pdf/pwc-code-of-conduct-april-2021-v2.pdf)
  - 6 PwC, 2021. Global Third Party Code of Conduct. [Online] Available at: [www.pwc.com/gx/en/about-pwc/assets/3rd-party-code-of-conduct-v2.pdf](http://www.pwc.com/gx/en/about-pwc/assets/3rd-party-code-of-conduct-v2.pdf)
  - 5 PwC, 2021. Living our Purpose and Values, PwC's Code of Conduct. [Online] Available at: [www.pwc.com/gx/en/about/purpose-and-values.html](http://www.pwc.com/gx/en/about/purpose-and-values.html)
  - 6 UN General Assembly, 1948. International Bill of Human Rights. [Online] Available at: [www.ohchr.org/Documents/Publications/FactSheet2Rev.1en.pdf](http://www.ohchr.org/Documents/Publications/FactSheet2Rev.1en.pdf)
  - 7 International Labour Organization, 1998. ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up. [Online] Available at: [www.ilo.org/declaration/thedeclaration/textdeclaration/WCMS\\_716594/lang--en/index.htm](http://www.ilo.org/declaration/thedeclaration/textdeclaration/WCMS_716594/lang--en/index.htm)
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  - 13 Walk Free Foundation, 2018. Global Slavery Index 2018 Dataset. [Online] Available at: [www.globalslaveryindex.org](http://www.globalslaveryindex.org)
  - 14 Transparency International, 2020. Corruption Perceptions Index 2020. [Online] Available at: <https://www.transparency.org/en/cpi/2020/index>
  - 15 United States State Department's Office to Monitor and Combat Trafficking in Persons, Verité, Made in a Free World, and the Aspen Institute, 2020. Responsible Sourcing Tool. [Online] Available at: [www.responsiblesourcingtool.org/](http://www.responsiblesourcingtool.org/)

