

This statement sets out actions taken by the Abt Australia and Abt Britain Corporate Group (“**the Group**”) to assess and address modern slavery risks in its global operations and supply chain for financial year starting 1 April 2019 and ending 31 March 2020, pursuant to s54(1) of the *Modern Slavery Act 2015 (UK)* and the *Australian Modern Slavery Act 2018 (Cth)*.

The Group is wholly owned by Abt Associates Inc. (F.I.D. 04-2347643), a company incorporated under the laws of the Commonwealth of Massachusetts and registered in the State of Maryland in the United States of America (collectively referred to as “**Abt Associates**”).

REPORTING ENTITIES

This joint statement is prepared and submitted by Abt Associates Australia Pty Ltd (A.C.N. 161 695 156) on behalf of the following reporting entities which are wholly owned subsidiaries: (1) Abt Holdings Australia Pty Ltd (A.C.N. 129 332 681); (2) Abt Group Australia Pty Ltd (A.C.N. 120 662 026); and (3) Abt Associates Pty Ltd (A.C.N. 091 591 294) for the Australian *Modern Slavery Act 2018 (Cth)*; and (4) Abt Britain Limited (Company Number 10633588) (referred to as “**Abt Britain**”) for the *Modern Slavery Act 2015 (UK)*. Abt Associates Australia Pty Ltd has prepared this statement in consultation with the reporting entities listed above.

Abt Associates Australia Pty Ltd and its Australian reporting entities are collectively referred to as “**Abt Australia**”. A joint statement has been prepared because these entities use the same policies and processes, operate in the same sector and have shared suppliers. This also applies to the other Australia-based and overseas entities that Abt Australia owns or controls.

Abt Britain has adopted Abt Australia’s compliance framework and has comparable policies and procedures as Abt Australia, operates in the same sector, and has comparable procurement needs.

The Abt Australia and Abt Britain boards comprise the same directors and company secretary. Abt Australia and Abt Britain senior management have also reviewed and participated in the preparation of this statement. Both Abt Australia and Abt Britain own and control other entities to facilitate the delivery of services in its home office locations and overseas.

ABOUT ABT ASSOCIATES

Abt Associates is defined by its mission to improve the quality of life and economic wellbeing of people worldwide. We are a mission-driven, global leader in research and program implementation in the fields of health, social and environmental policy, and international development. Known for our rigorous approach to solving complex challenges, Abt Associates is regularly ranked as one of the top 20 global research firms and has been recognised as one of the top 40 international development innovators.

Our global staff of over 3,600 work in more than 60 countries and includes national and international experts who are recognised for their knowledge, innovative research techniques, and insightful analyses and recommendations.

The Group’s operations include direct employment of workers, predominantly in professional services roles, with provision of program management services and specialist advisory

services including but not limited to: governance and public sector reform, health services, policy and systems, research monitoring and evaluation, and gender equality and social inclusion. As part of our program management services, we may manage the following on behalf of our clients: procurements (including of technical assistance), grants, delivery of remote health services, subcontracting of construction projects, security and/or subcontracting of local security services, impact investing, behavioural change initiatives, and more.

Abt Australia’s home office locations are based in Australia, with overseas operations in the Asia Pacific region. Abt Britain’s home office is based in the United Kingdom with overseas operations in Asia, Africa and Eastern Europe. The Group’s supply chain is complex and dispersed across these regions. In addition to standard procurement required to support a professional services firm, the supply chain also consists of downstream partners (subcontractors and grantees) engaged to support delivery of international development programs overseas. The diverse supply chain consists of NGOs, research institutions and universities, consultancy companies, church partners, local in-country suppliers, self-employed consultants, travel and accommodation providers, security firms, suppliers of medical and IT equipment and consumables, and more.

Supply chain: sample of key¹ products and services sourced in Australia and overseas during the reporting period

Construction work	Insurance	Professional services, including cybersecurity, legal, tax, and other accounting services
COVID-19 pandemic emergency procurement and logistics services	IT and office equipment, consumables, etc	Security
Flights and other travel expenses	Motor vehicles, rental vehicles, and other vehicle running costs	Software
Housing and accommodation (short-term and long-term)	Office rent, including cleaning and maintenance	Telephone and internet

POLICIES

Abt Associates is a signatory to the United Nations Global Compact (UNGC), and supports the Ten Principles of the UNGC on human rights, labour, environment and anti-corruption, including the elimination of all forms of forced and compulsory labour (principle 4), and the effective abolition of child labour (principle 5). We are committed to continual improvement so that our policies, procedures and processes remain effective with the aim to prevent modern slavery.

Abt Australia introduced its Child Protection Policy in 2016 and its Prevention of Sexual Exploitation, Abuse and Harassment Policy in June 2020. While these policies do not directly address modern slavery, they do address common vulnerabilities and power imbalances that are relevant to combatting modern slavery.

During this reporting period, Abt Britain introduced its own Safeguarding and Child Protection Policy (contextualised to its operations), along with its Modern Slavery and Human

¹ Products and services supplied by our top suppliers (determined by spend)

Rights Abuses Policy and expanded its ethical training package to include a module on recognising and reporting human rights abuses such as modern slavery and human trafficking. The ethical training package is provided to all staff upon induction, and then completed every two years after that.

Abt Australia intends to also introduce its own Modern Slavery Policy based on the UN Guiding Principles on Business and Human Rights (UN Guiding Principles), being the global standard for preventing and addressing business-related human rights harm.

Both Abt Australia and Abt Britain's **Safeguarding Codes of Conduct** prohibit personnel from: engaging in any sexual relationships with beneficiaries of assistance (as they are based on inherently unequal power dynamics); and hiring children for domestic or other labour which is inappropriate given their age and developmental stage, which interferes with their time available for education and recreational activities, or which places them at significant risk of injury. These standards of conduct contribute towards a safer environment for all, reducing the risk of sex trafficking, and the worst forms of child labour.

In addition, to encourage reporting of any suspected modern slavery cases, personnel have access to protections under Abt Australia and Abt Britain's Whistleblower Protection Policies, and can report anonymously through the Ethics and Compliance Helpline. Personnel also have access to country specific focal points to report safeguarding incidents; and all Abt Britain personnel are informed of the Foreign, Commonwealth & Development Office (FCDO) reporting channels as well.

RISK ASSESSMENT AND CONSULTATION

During the reporting period, Abt Australia and Abt Britain began preparing to conduct a group wide risk assessment: resources were dedicated to understanding key risk factors related to modern slavery, including the ILO indicators of forced labour, and private sector best practice in managing and mitigating the risk of modern slavery practices in operations and supply chains.

This culminated in a group wide assessment of the risk of modern slavery practices in our operations and supply chain. While the assessment was conducted after the reporting period, it is detailed in this statement to provide transparency about the Group's risk profile.

Consultation with overseas entities owned and controlled by Abt Australia and Abt Britain was conducted at the program level as the Group's overseas entities are set up to facilitate the delivery of programs overseas. Australia-based entities owned and controlled by Abt Australia were represented by the higher entity.

All programs and home office locations completed a local risk assessment (inherent risk only) pertaining to their local operations and supply chain and informed by their country/regional context. These local risk assessments were then analysed and consolidated to produce the Group's overall risk assessment.

FINDINGS

The Group's risk rating of modern slavery practices in its operations and supply chain are outlined below. Please note that the inherent risk rating does not account for existing controls

such as the safeguarding and child protection policies and measures, and procurement due diligence processes.

Key risk sources identified include:

- Lack of transparency in the supply chain, which is aggravated by its complexity and that it includes high risk locations and high-risk industries, such as medical equipment, cleaning services and the hotel industry.
- Prevalence of modern slavery in the Asia Pacific region – the region accounts for 62% of the global estimate (even though it only accounts for 56% of the world’s population). It also has a high prevalence of forced labour compared to other regions. Abt Australia has programs in Papua New Guinea, the Philippines, Timor-Leste and Indonesia where the estimated prevalence of modern slavery victims per 1,000 population are 10.3, 7.7, 7.7, and 4.7, respectively. Australia and the United Kingdom rates are 0.6 and 2.1 for every thousand people in the country, respectively.²

Abt causes or contributes to	Risk events	Likelihood	Consequence	Inherent risk rating	Abt's supply chain causes or contributes to	Likelihood	Consequence	Inherent risk rating
	Slavery	Rare	Severe	Medium		Possible	Severe	Very High
	Servitude	Rare	Major	Medium		Possible	Major	High
	Forced Labour	Unlikely	Major	Medium		Possible	Major	High
	Deceptive Recruiting	Unlikely	Major	Medium		Possible	Major	High
	Debt Bondage	Unlikely	Major	Medium		Possible	Major	High
	Human Trafficking	Rare	Major	Medium		Possible	Major	High
	Forced Marriage	N/A	N/A	N/A		N/A	N/A	N/A
	Worse Forms of Child Labour	Unlikely	Severe	High		Possible	Severe	Very High
	Abt is directly linked to modern slavery	Unlikely	Major	Medium				

PROCUREMENT AND GRANTS DUE DILIGENCE

As identified above, the risks of modern slavery practices are highest in our supply chain. We have in place baseline and comprehensive due diligence assessments when engaging downstream partners as part of our procurement and grants management. As we develop and introduce a formal control framework in response to the Group’s modern slavery risk assessment, we will review and amend the due diligence framework accordingly. Currently, our baseline measures include:

² The Walk Free Foundation, 2018 Global Slavery Index: Asia and the Pacific Report (accessed 18 September 2020) <<https://www.globallslaveryindex.org/2018/findings/regional-analysis/asia-and-the-pacific/>>

- Abt Britain's procurement policies and processes follow the FCDO Supply Partner Code of Conduct and other client contract requirements, including safeguarding checks when undertaking UK Government-funded procurement.
- Abt Australia's procurement policies and processes follow the principles of the Commonwealth Procurement Rules, Commonwealth Grant Rules and other client contract requirements, including child protection risk-based assessments and controls strategies when undertaking Australian Government-funded procurement.
- Our due diligence framework requires that all downstream partners are checked against sanctions lists, such as the World Bank Listing of Ineligible Firms and Individuals and the Asian Development Bank Anticorruption Sanctions List. This prevents funds being diverted to terrorist organisations or individuals, who may engage in modern slavery practices to fund or further their objectives. We are aware that there is a growing nexus between modern slavery and terrorism.

REMEDATION PROCESSES

As part of the formal control framework to be developed and introduced in response to the Group's modern slavery risk assessment, we intend to introduce an incident management procedure and remediation action plan for modern slavery, detailing the processes to enable mitigation and remediation to the extent that we caused or contributed to modern slavery and have control over the incident and its causes. The process would sit alongside current mechanisms which would strengthen any formal control strategies implemented, including:

- Ethics & Compliance Helpline
- Whistleblower Protection Policy and Procedure
- Incident management procedures for child protection (CP) and prevention of sexual exploitation, abuse and harassment (SEAH) – to the extent that any modern slavery incident overlaps with CP or SEAH.

COVID-19

During this reporting period (ending 31 March 2020), the World Health Organisation (WHO) Director-General declared the novel coronavirus outbreak a public health emergency of international concern (PHEIC), WHO's highest level of alarm (30 January 2020), and subsequently characterised the COVID-19 outbreak as a pandemic (11 March 2020).

The Crisis Management Team was activated on 3 February 2020 to protect the health and safety of our workers, not only in Australia and Britain, but also in our overseas program locations. Acknowledging that there are various reasons why some workers may be or become more vulnerable to modern slavery due to the pandemic (such as inability to safely return to home countries, loss of income or fear of loss of income, etc), a variety of measures were put in place, including:

- Collaborating with the peak industry body in Australia to identify best-practice approach to protect and support workers.
- Recognising the impact of the pandemic on international travel and movement across borders, by the end of March 2020, we had arranged for all international personnel to

return to their home country or Australia (with only a few permitted to stay overseas due to exceptional circumstances).

- Prioritising our capacity to retain and pay workers despite interruptions, uncertainties and threats to business arising from the pandemic.

Where possible, our overseas health programs have pivoted to support the local response to COVID-19, including facilitating the procurement of protective equipment.

MEASURING EFFECTIVENESS

Abt Australia and Abt Britain measures the effectiveness of actions taken to combat modern slavery by measuring:

- percentage of programs and home office locations that provided input into the group-wide risk assessment – being 100% for this reporting period. This ensures that the consolidated assessment is informed by on-the-ground, local insight, and the resulting control strategy will be fit-for-purpose.
- percentage of Abt Britain personnel who received the ethical training package during their induction.
- percentage of Abt Britain personnel who completed training on modern slavery and human rights abuses.

As Abt Australia and Abt Britain introduce other control measures in response to the Group's Modern Slavery Risk Assessment to identify, aim to prevent, mitigate and account for how the group addresses modern slavery, we expect that other key performance indicators will be introduced to measure the effectiveness of our actions.

In addition, our internal audit department provides independent assurance that our risk management, governance and existing internal control environment are operating effectively, and will similarly provide a measure of effectiveness as future modern slavery policies and processes are introduced.

NEXT STEPS

Having conducted a group-wide risk assessment to ensure we take an informed approach towards combatting modern slavery, we intend to:

- develop and introduce a risk-based and proportionate modern slavery policy framework for Abt Australia
- develop and introduce a control framework, including an incident management procedure and remediation action plan for modern slavery, detailing the processes to enable mitigation and remediation to the extent that we caused or contributed to modern slavery and have control over the incident and its causes.
- introduce modern slavery training to Abt Australia personnel.

Abt Australia and Abt Britain are committed to identifying and aim to prevent and mitigate modern slavery in our operations and supply chain. We have a zero-tolerance approach towards modern slavery in our operations, and to the extent that we can influence the different tiers of our supply chain, in our supply chain as well. This means that we will continue to

monitor the effectiveness of our policies and actions, investigate reports of policy non-compliance, investigate all complaints about suspected and confirmed modern slavery activities in our operations and supply chain, and take prompt corrective action wherever required. To date, we have not received any such complaints.

STATEMENT APPROVAL

This statement was approved by the boards of Abt Associates Australia Pty Ltd, Abt Britain Limited and each of the reporting entities they own and control, on 6 October 2020.

Signed,



Jacqui De Lacy

Managing Director, Abt Australia and Director, Abt Britain