

Charles Darwin University 2021 Modern Slavery Statement

Reporting entity

Charles Darwin University (CDU) provides this statement in accordance with the *Modern Slavery Act 2018 (Cth)* (the Act). This is our second statement under the Act covering the period 1 January 2021 to 31 December 2021.

CDU acknowledges that modern slavery is a complex global matter where coercion, threats or deception are used to exploit victims and undermine their freedom. Modern slavery can occur in various forms such as slavery, servitude, human trafficking, forced marriage, forced labour, debt bondage and child labour.

CDU is deeply committed to operating ethically and establishing processes to identify and mitigate the risks of modern slavery in our operations and supply chains.

Structure

CDU is a body corporate enacted on 5 November 2003 by the *Charles Darwin University Act 2003* (CDU Act). We are the parent entity domiciled in Australia with 1,500 full-time equivalent employees. Staff are employed under the CDU Enterprise Agreement 2018 and governed by the staff Code of Conduct.

Our consolidated group consists of the following entities:

- Menzies School of Health Research (MSHR);
- Bridging the Gap Foundation Pty Ltd;
- Charles Darwin University Foundation; and
- Charles Darwin University Foundation Trust.

The CDU Council is the principal governing body of the University. The Council comprises 15 members, many of whom are appointed by the Administrator of the Northern Territory. The Council is responsible for the governance of the University, acts in its best interest and drives performance through strategy and stewardship.

The Council is supported by two major sub-committees, the Finance and Infrastructure Development Committee and the Audit, Risk and Compliance Committee.

Operations

We are a dual-sector university committed to our core business of vocational skills and training, higher education teaching and learning, research and engagement. We have about 20,000 students across eight campuses and centres in Australia.

CDU is a deeply connected university, working in partnership and collaboration with First Nations peoples, our communities and industries, government and alumni to address the needs of the Northern Territory and regional, rural and remote people nationally and globally.

The University works with a number of on-shore and off-shore Regional Marketing Managers in relation to international student recruitment activities. Regions of focus include Australia, America, Europe, Asia and the sub-continent.

CDU is an exciting and progressive research-intensive university with outstanding performance and recognized excellence in Indigenous and tropical health, environmental science and public policy. Our research profile has a real-world impact, within and beyond our unique location in Northern Australia.

Supply chains

Key statistics on our supplier spend in 2021 is as follows:

No. Suppliers	Total Spend	No. Countries
2,230	\$138.6M	31

We procured across 137 categories based on the Australian Universities Procurement Network (AUPN) Category 4 Taxonomy with the top 10 categories being:

1. New build works
2. Other grants & contributions
3. Loan repayments & investments
4. Consulting services
5. Licences
6. Insurance premiums
7. Advertising
8. Student Placements – domestic
9. Electricity usage
10. Property rent

96% of our suppliers are based in Australia. However, this is not indicative of the origins of the supply chains involved in the goods and services obtained. CDU acknowledges that modern slavery may occur within our supply chains.

Risks of modern slavery practices in the operations and supply chains

The risk of modern slavery practices that CDU, or its controlled entities may cause or be directly linked to, by our current operations and/or supply chains have been assessed as low for the following reasons:

In respect to the direct employment of our people, the risk of employment practices that would lead to coercion, threats or deception that would lead to the exploitation of our people and undermine or deprive them of their freedom is extremely low due to the employment rights, terms and conditions in our Enterprise Agreement 2018 (EA). The EA provides protection for our staff and requires the University to meet the employment conditions as a minimum. In addition, the University has policies directly related to Workplace Health and Safety and recruitment processes that governs the safety standards and equitable treatment of our people.

Further to the above, CDU aspires to be a Values led organization. Our Strategic Plan 2021-2026 sets out the Values in which we will engage with our people and stakeholders in the way that we operate:

- **Courage** – we make courageous decision to act in the best interests of our students, our people and our communities.
- **Kindness** – in all things we act with respect, decency and integrity
- **Openness** – we communicate and listen openly and frankly in a way that is honest and respectful

This means that we have a continuous improvement agenda to ensure that our business practices prioritises the way we engage with people and organisations with kindness and openness thereby reducing the risk of any contribution to modern slavery.

Procurement of goods and services from external suppliers requires assessment of modern slavery risks in accordance with our updated Procurement Policy and Procedures.

Oversight of our modern slavery risk is managed by a central procurement function within the University, which ensures the adoption of consistent practices across CDU and its controlled entities in relation to supplier onboarding, terms and conditions with suppliers and tendering conditions to mitigate the risks.

In addition to ensuring our internal business and procurement practices are established in such a manner that minimizes the risk of modern slavery, CDU is a member of, and has aligned itself with the AUPN. The AUPN has led the Australian university sectors approach to develop a program of activity and a common supplier data base to address risks associated with modern slavery. The adoption of a sector wide approach has allowed CDU to benefit from the improved operational efficiencies and strive towards improving effectiveness in mitigating risks and improving social performance within our supply chains.

Actions taken to assess and address risks

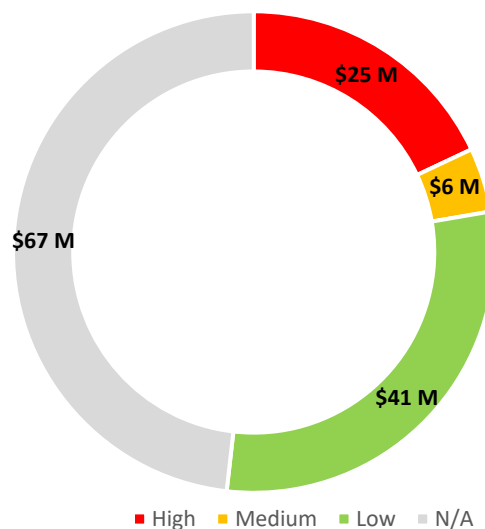
Health and Wellbeing is a key KPI for senior executives and several training and information sessions have been delivered to staff and students to ensure that the risks to our people in regards to their safety and wellbeing is prioritised.

Through our membership with the AUPN we are able to leverage the aggregated buying power which includes \$10.5 Billion of procurement spend across 106K suppliers within the 38-member group.

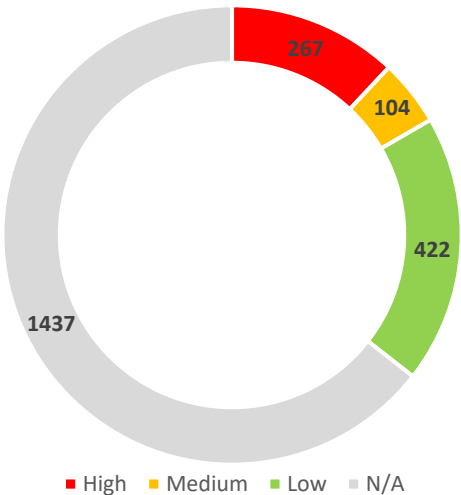
In addition, we have access to a discovery tool to assist CDU understand the potential risk of modern slavery in its procurement activities via Arc Blue Global (<https://www.arcblueglobal.com/>).

12% of our suppliers and 18% of our spend has been highlighted as having a potential high risk for modern slavery.

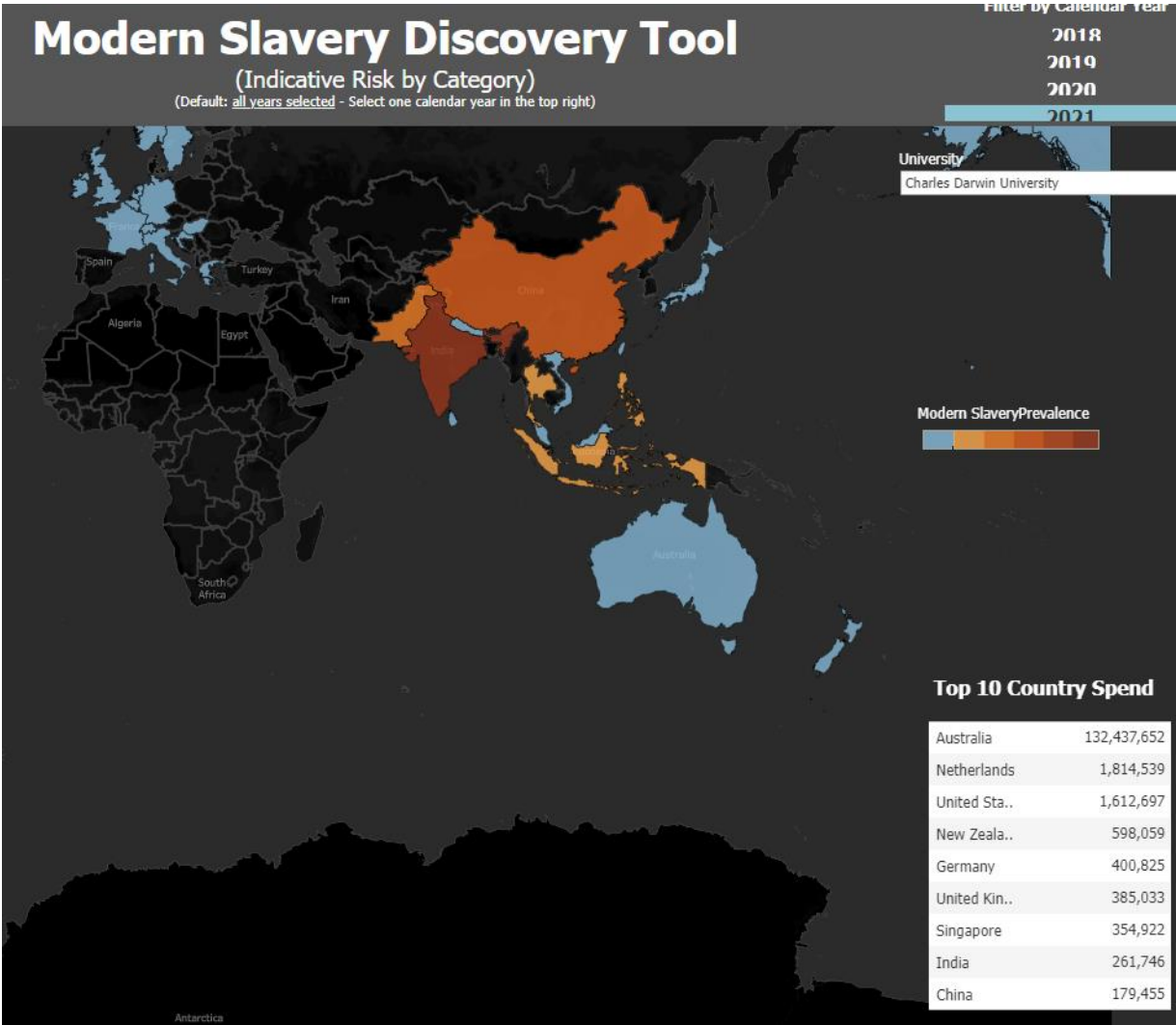
Indicative Risk Rating (\$ Spend)



Indicative Risk Rating (# Suppliers)



The below figure highlights the potential modern slavery country risk of our supplier spend which in 2021 was 0.39%.



We have undertaken the below actions to assess and address risks:

- Raising awareness of modern slavery and the requirements under the law through education and information sharing within CDU's stakeholders and community, including our controlled entities. In particular, the University has focused on the issues and risks of modern slavery and identifying practical ways to help eliminate modern slavery practices
- Undertaking preliminary web research of suppliers to identify any signs of modern slavery risks – our initial review did not highlight any major red flags in this area.
- The procurement policy incorporating value for money as one of the four principles for supplier selection and highlighting that the lowest price should not be the focus on assessing suitability of suppliers and that assessing modern slavery risks is an important one.
- Inclusion of anti-modern slavery clauses in all procurement documentation, contracts for goods and services and supplier onboarding questionnaires.
- Revision of the supplier form to capture additional information to assist with identifying potential modern slavery risks such as the Data Universal Numbering System (D.U.N.S. reference).
- Via the AUPN, we have implemented a technology solution called the FRDM (pronounced freedom) tool that provides insights into our suppliers and any media alerts of modern slavery risks. FRDM is part owned by Made in Fee Word and donates 5% of gross revenues to charity.
- AUPN undertook engagement activities outside the sector on highlighting modern slavery risks.

How assessment of the effectiveness of actions is being undertaken

The AUPN established the Academic Advisory Board which held quarterly meetings in 2021 – the board provides its academic experience and learnings to enrich the AUPN Modern Slavery program. The insights the board provided included building awareness with decision makers, external staff to procurement teams and student lead advocacy.

In 2021:

- We furthered awareness by providing three training and awareness programs to staff on modern slavery (internal procurement staff, senior executives and our controlled entity MHSR)
- All contractual agreements included modern slavery clauses
- All standard purchase orders included clauses on modern slavery
- We gained further insights into our procurement spend and understanding where potential risks lie

CDU will continue to leverage the AUPN methodology, reporting and technology to measure the effectiveness of modern slavery initiatives.

Consultation with controlled entities

The controlled entity where modern slavery risks is most relevant and could occur is MSHR. We engaged directly with MSHR throughout 2021 through an awareness campaign with their procurement section, presentation of modern slavery and legislative requirements and actions that CDU were undertaking to manage the risks.

MSHR have now amended their standard contracts template to incorporate additional clauses relating to modern slavery. In addition to this, further work is being encouraged to review procurement templates such as tender documents and supplier onboarding to include specific questions to tenderers and suppliers on how modern slavery are being managed in their organisations. MSHR also

commenced reviewing their suppliers for any media alerts on modern slavery with minimal risks identified.

In 2022, CDU will be forwarding any media alerts on modern slavery from the FRDM tool to MSHR to assist in their review of suppliers.

Other relevant information

CDU is committed to the elimination of modern slavery by 2030, and in collaboration with the wider University sector will be undertaking the following measures throughout 2022:

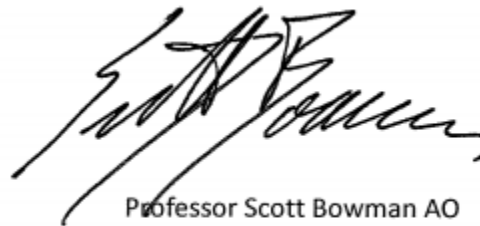
- The University's Investment Portfolio will be reviewed to assess the risks of modern slavery
- Establishment of a reporting mechanism to allow staff to assess and safely report modern slavery risks in our operations and supply chains
- Strengthening the process for onboarding new and continually reviewing existing suppliers for risks of modern slavery via the FRDM tool
- Identifying and preventing suppliers, that are known to contain modern slavery in their practices, from being inadvertently selected in future procurement activities
- Reviewing existing contracts and updating those that require modern slavery provisions
- Implement more in-depth consultation with controlled entities to ensure their respective procurement policies include modern slavery considerations as part of their guiding principles and coordinating efforts on supplier management where modern slavery risks is an issue

On the 16th June 2022 the CDU Council approved this statement for the year ending 31 December 2021 on behalf of CDU and its controlled entities pursuant to the Act.

Signed



The Hon. Paul Henderson AO
Chancellor



Professor Scott Bowman AO
Vice-Chancellor and President