

Modern Slavery Statement for FY2021

This Modern Slavery Statement is made pursuant to the *Modern Slavery Act 2018* (Cth) (**the Act**) by the Clayton Utz partnership (ABN 35 740 217 343), Tonclay Services Trust (ABN 86 726 924 905), CU Services Trust (ABN 98 393 517 932), Budage Pty Ltd (ACN 053 989 843), CU Services Pty Ltd (ACN 619 289 093) and CU Shareholding Pty Ltd (ACN 115 486 336). This Statement relates to the reporting period 1 July 2020 to 30 June 2021.

This Modern Slavery Statement

Clayton Utz does not tolerate modern slavery within its business and supply chains. We are committed to acting ethically and with integrity and transparency in all business dealings and to putting effective and reasonable systems and controls in place to reduce the risks of Modern Slavery, and to best ensure that Modern Slavery is not taking place within our business or our supply chains.

This document explains the steps Clayton Utz has taken to prevent, detect and respond to slavery and human trafficking within our business and throughout our supply chains.

About our business

The Clayton Utz Partnership and other related entities (together **Clayton Utz**) are an Australian law firm operating across Australia. We have 168 Partners and employ 1460 employees across our 6 offices in Sydney, Melbourne, Brisbane, Canberra, Perth and Darwin.

As a leading legal services organisation, Clayton Utz recognises that the social and environmental performance of our business, our customers and our suppliers plays a significant role in our long-term success. We are committed to understanding the social and environmental consequences of our business.

Our structure

Clayton Utz consists of the Clayton Utz partnership, together with several companies incorporated in Australia which are controlled by the partnership. Budage Pty Ltd and CU Services Pty Ltd carry on various activities acting as trustees for two services trusts for the Clayton Utz partnership. This includes engaging employees, entering various contracts for supply of goods and services and managing a charitable foundation on behalf of the partnership. CU Shareholding Pty Ltd holds shares in Budage Pty Ltd, CU Services Pty Ltd and other Clayton Utz entities on behalf of the Clayton Utz partnership. The registered office of our incorporated companies is in Sydney, Australia.

Our operations

The activities undertaken by Clayton Utz are fundamentally the provision of legal and other professional services to clients in Australia and around the world. Our legal, forensic and technology services are provided by members of the partnership as well as employed lawyers, accountants, forensic and technology experts and support staff. Our clients are predominantly government, medium to large corporates and other professional services firms.

Clayton Utz also carries on some ancillary activities, primarily food and catering for employees and clients. The Clayton Utz Foundation supports organisations that have a strong and meaningful connection to the firm through our Pro Bono practice, Community Connect (our community involvement program) and the volunteering and fundraising commitments of our partners and employees. Community Connect programs in all our offices provide opportunities for our people to volunteer and fundraise for the charities we have a connection with. We run skills workshops in women's prisons, participate in a 450km cycle challenge to fundraise for people living with a disability and write over 1,000 letters in a year to children in disadvantaged communities.

A crucial part of our Pro Bono practice since 2009 has involved acting for dozens of people who have been held in Australia in slavery and forced labour. We have championed Australia's employment laws as a basis for recovering hundreds of thousands of dollars in unpaid wages, helped to shine a light on the

slave-like conditions of domestic workers in foreign embassies, and in 2012 were awarded the Anti-Slavery Australia Freedom Award for "opening up a new path to statutory victims' compensation for women who have been trafficked into Australia and held in sexual servitude". In 2021 we acted in ground breaking litigation on behalf of Shahid Mahmood, a domestic servant employed in deplorable conditions. The litigation confirmed that a former diplomat could be held accountable in Australian courts for breaches of workplace laws: *Mahmood v Chohan* [2021] FCA 973.

Our expert modern slavery lawyers have an active role in advising, training and updating our clients in relation to modern slavery risks in their businesses, and assist our clients in meeting their obligations under the Act.

Our supply chains

The Clayton Utz supply chain involves over 2,500 vendors of goods and services. The goods and services acquired by Clayton Utz include electronics and hardware, cleaning services, produce (including fresh fruit and vegetables), clothing and clothing accessories, repairs and maintenance for facilities and amenities and professional services including legal services, consulting and software.

Approximately 98% of our expenditure is within Australia, with our overseas expenditure largely confined to professional services and software.

The services provided by Clayton Utz to its clients are overwhelmingly legal and other professional services provided directly to end users, being predominantly medium and large corporations and government.

The risks of modern slavery in our operations and supply chains

Local supply chain

As noted, the vast majority of Clayton Utz's expenditure during the assessment period was to suppliers in Australia. The 2018 Global Slavery Index ranks Australia 163 of 167 countries on estimated prevalence of modern slavery and 161 of 167 on estimated vulnerability to modern slavery.

There is generally a low risk of modern slavery in the first tier of our Australian supply chain. We have, however, identified some potential modern slavery risks in the areas of food and primary produce. For example, there have been reports of exploitation occurring in the Australian agricultural industry, including severe underpayments to temporary migrants (such as backpackers) working as fruit and vegetable pickers.

In relation to the extended Australian supply chain, goods we have acquired in Australia in many cases may be imported by Australian suppliers or are manufactured using raw materials and components obtained overseas in locations and circumstances which may involve a risk of modern slavery. High risk goods we consumed are electronics and computer hardware, apparel, and food products (fish, rice and cocoa). In relation to these categories:

- The electronics industry is recognised as a high-risk industry for modern slavery and similar mistreatment. Manufacturing often occurs in locations with minimal regulation and oversight. There have been reports of forced labour in electronics factories in China and Malaysia, including factories supplying large multinational companies. There is also a risk that products are manufactured from raw materials the production of which involved workers being subjected to modern slavery.
- There have been reports of forced labour within the apparel industry in China, as well as instances of abuse including forced overtime and excessively long hours at clothing factories. Modern slavery practices have been identified in India under "camp labour" schemes and practices withholding identity passports from migrant workers have been identified in Thailand.
- There have been reports of modern slavery in the supply chains for rice, cocoa and fish including multiple identified cases of forced labour in the Indian rice industry, instances of modern slavery in the cocoa industry in Ghana and Côte d'Ivoire, and forced labour practices and very harsh conditions in the fishing industry in South East Asia.

International supply chain

Clayton Utz international spend involved suppliers in a range of countries. The countries have diverse rankings in prevalence of, and vulnerability to, modern slavery. However:

- (a) the majority of the expenditure (approximately 80%) is in the United States, United Kingdom and Ireland, which are low-risk countries; and
- (b) the expenditure in higher risk countries was in low risk categories of legal advice, software subscriptions and consulting services.

We have not identified high risk goods that have been imported into Australia by Clayton Utz during the assessment period.

Conclusion as to risks of modern slavery in the supply chain

- (a) There was a low risk of modern slavery in our international supply chain.
- (b) There was a low risk of modern slavery in the Australian supply chain in respect of first tier suppliers, with some risks in relation to primary produce.
- (c) There is some modern slavery risk in the extended supply chains of some of our Australian suppliers, including in relation to certain foodstuffs, clothing and clothing accessories, and electronics.

Given the outcomes of our risk assessment, no steps were required to remediate or mitigate the risks of modern slavery in our supply chain.

The actions we are taking to assess and address those risks, including due diligence and remediation

Assessment

The Clayton Utz Risk Management Team and Procurement Teams conducted modern slavery risk assessments throughout the reporting period. The risk assessment included the introduction of analysis of first tier suppliers that the firm entered into supplier arrangements throughout the reporting period, excluding those with whom we spent less than \$1,000 or less than \$5000 where a low modern slavery risk was identified. The analysis considered the country of operation and the industry or products or services against the variety of factors considered by the 2018 Global Slavery Index.

The assessment involved:

Phase 1:

The National Procurement Manager determined the level of risk associated with each supplier by considering:

- (a) whether this supplier provides any of the following goods or services: cleaning services, food and catering, fish, rice, cocoa, apparel or electronics and/or computer hardware; and
- (b) whether Clayton Utz is procuring goods or services from a supplier or a known supplier's supply chain located within a country with a high vulnerability or prevalence to modern slavery (i.e. countries with a vulnerability or prevalence score of greater than 50 according to the 2018 Global Slavery Index).

Phase 2:

Clayton Utz used a risk-based approach to determine the level of diligence required. Based on the responses to the questions above, the level of due diligence required was determined using the below table:

Responses	Risk Category	Due Diligence Required (New Supplier)	Due Diligence Required (Existing Supplier)
Yes to both questions	High Risk	Long form modern slavery questionnaire	Modern slavery statement (if available) or short questionnaire every year. Long form questionnaire every two years.
Yes to one question only	Medium Risk	Short form modern slavery questionnaire or modern slavery statement (if available)	Short form modern slavery questionnaire or modern slavery statement (if available) every three years.
No to both questions	Low Risk	Short form modern slavery questionnaire or modern slavery statement (if available)	Short form modern slavery questionnaire or modern slavery statement (if available) every four years.

Phase 3:

Upon receipt of the completed due diligence questionnaire or modern slavery statement, the documentation was uploaded to the firm's contractor management system and provided to the Risk Management team for review.

Under the firm's Modern Slavery Procedure, any concerns with the supplier's response are escalated to the firm's Head of Risk for review and advice. In the event that the due diligence is not satisfactory or includes incidents of modern slavery, the firm may consider termination of any contract in accordance with the firm's modern slavery policy, or reach agreement with the supplier in relation to appropriate mediation.

Modern slavery mitigation

Clayton Utz has established a policy framework in respect of modern slavery. The framework includes the Clayton Utz Modern Slavery Policy and Supplier Code of Conduct. The Policy and Code of Conduct articulate Clayton Utz's stance against modern slavery in any form, describes the actions Clayton Utz will take in relation to those risks and explain how modern slavery risks are addressed and reported on by Clayton Utz.

Among other things, the Policy and Code:

- (a) prohibit modern slavery in any form in Clayton Utz's supply chain;
- (b) require that all suppliers and contractors understand and comply with the Policy and Code as a condition of doing business with Clayton Utz;
- (c) require that all suppliers and contractors assist Clayton Utz in identifying and addressing incidents and risks of Modern Slavery in any part of its business and supply chain;
- (d) establish processes for reporting modern slavery concerns, and identifies the persons responsible for acting on any reports;

- (e) create a set of specific obligations of suppliers and contractors including in relation to subcontracting, compliance with laws (including modern slavery and labour laws) and vulnerable and migrant workers.

Clayton Utz has also developed modern slavery clauses for inclusion in contracts with suppliers and its tender/procurement processes.

In this reporting period, Clayton Utz approved an Introductory National Procurement Policy for adopting a new approach to how the firm procures goods and services from external suppliers. The Introductory National Procurement Policy supports the firm's legal and social responsibilities (including with respect to Modern Slavery) and includes among its objectives the identification, assessment and management of risks associated with buying goods or services.

Clayton Utz has also established a Whistleblowing Policy and associated processes which encourage the raising of any concerns about reportable conduct, including any modern slavery concerns. The whistleblowing process ensures that people (including our suppliers) can raise such concerns safely, securely and with confidence that they will be protected and supported.

In this reporting period the National Procurement team began implementing a supplier contact management system, Gatekeeper, that performs as a comprehensive contract repository and delivers automated workflow and risk management.

We encourage our suppliers to consider our standards and expectations primarily by way of:

- (a) the due diligence checks undertaken when on-boarding a new supplier, upon contract renewal and in accordance with the risk-based schedule outlined above;
- (b) our approach to market in setting criteria for Requests for Proposals and Tenders; and
- (c) our supplier code of conduct.

As explained above, the Clayton Utz Risk Management Team and Procurement Team conducted a review of the Clayton Utz supply chain focusing on first tier suppliers. Given the outcomes of our risk assessment, no steps were required to remediate or mitigate the risks of modern slavery in our supply chain.

The Clayton Utz Managers that may have responsibility for procurement have completed interactive modern slavery training designed to enhance awareness and an understanding of modern slavery. The training involves 4 modules covering an explanation of what modern slavery is, what the signs of modern slavery are, countering modern slavery in the supply chain and the modern slavery laws.

The ways we assess the effectiveness of the actions we are taking

Clayton Utz monitors and reports on a range of indicators to assess the effectiveness of its modern slavery framework, seeking to review and enhance measurement indicators in line with continuous improvement. Areas include:

- (a) Number of staff completing modern slavery training;
- (b) Number of staff completing whistleblowing training;
- (c) Number of suppliers completing modern slavery questionnaires; and
- (d) Number of reports of modern slavery through whistleblowing hotline.

Our modern slavery framework is reviewed annually as part of our regular audit and assurance processes. This includes continuing to assess new suppliers and undertake appropriate supplier due diligence, training staff and suppliers of Clayton Utz of behavioural expectations, our Code of Conduct and policies and whistleblower framework.

The Head of Insurance and Risk and National Procurement Manager have primary responsibility for auditing our modern slavery systems and procedures to ensure they are effective in identifying and addressing any identified risks of Modern Slavery in the firm's supply chain.

Clayton Utz will also continue to consult with reporting entities Budage Pty Ltd, CU Services Pty Ltd and CU Shareholding Pty Ltd throughout FY2022.

Consultation and approval

The Clayton Utz partnership developed this statement in consultation with Budage Pty Ltd, CU Shareholding Pty Ltd and CU Services Pty Ltd. The Board of each reporting entity was also given an opportunity to consider and provide comments on the statement prior to publication.

This statement was approved by the Board of Clayton Utz on 13 December 2021.

Name: Bruce Cooper, Chief Executive Partner

Date: 13 December 2021

A handwritten signature in black ink, appearing to read 'B. Cooper', is positioned below the date. The signature is written in a cursive, flowing style.