

Hall & Wilcox Modern Slavery Statement FY21

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Introduction

The COVID-19 pandemic has affected every facet of people's lives and has brought unprecedented challenges to communities and businesses. The International Labour Organization has noted the unequal employment impact of the COVID-19 crisis in 2020, with women, youth, and the medium-skilled and low-skilled disproportionately affected, as well as the fragile, and often uneven, recovery trends over the first half of 2021.¹ Hall & Wilcox recognises that the pandemic has exacerbated risks for those already in situations of labour exploitation, increased the risks of exploitation and disrupted anti-slavery efforts.

Hall & Wilcox is dedicated to our community and corporate social responsibility. We recognise our responsibility to contribute to the elimination of modern slavery and that responding effectively to modern slavery is a process of continuous improvement. Our approach aims to be consistent with the UN Guiding Principles on Business and Human Rights (UN Guiding Principles).

This is our second Modern Slavery Statement made pursuant to the requirements of the *Modern Slavery Act 2018* (Cth) (Act). It has been prepared in respect of the year 1 July 2020 to 30 June 2021 (Reporting Period). It sets out the risks of modern slavery practices in our operations and supply chains and the ongoing actions taken by us to assess and address modern slavery risk over the Reporting Period. It also outlines how we assess the effectiveness of these actions, together with other steps we propose to take in future reporting cycles to strengthen our response.

Reporting entity

Hall & Wilcox (ABN 58 041 376 985) is a single reporting entity under the Act. This statement is made in accordance with section 13 of the Act on behalf of the partnership of Hall & Wilcox and the entities it controls, being Francis Gillman Pty Ltd as trustee for the Francis Gillman Unit Trust (Francis Gillman), Francis Gillman Finance Pty Ltd as trustee for the Francis Gillman Finance Trust, Francis Gillman Holdings Pty Ltd and H&W Nominees Pty Ltd (Associated Entities).

¹ 'ILO Monitor: COVID-19 and the world of work. Eighth edition', International Labour Organization, 27 October 2021

Our structure

Hall & Wilcox is a leading independent Australian law firm with offices in Melbourne, Sydney, Canberra, Newcastle, Brisbane, Perth and Darwin.² We are a firm of around 800 people, including 96 partners, delivering outstanding legal services to corporate, public sector and private clients, both Australian-based and those offshore doing business in Australia.³

Our core practice areas are: Banking and Financial Services, Corporate and Commercial, Commercial Dispute Resolution, Employment, Insurance, Private Clients, Property and Projects, and Tax. We also have a thriving pro bono and community practice, with a dedicated Pro Bono Partner.

Our pro bono practice embraces our ethical responsibility as a firm to help those in need and enriches the personal and professional lives of the Hall & Wilcox lawyers who get involved. A core focus of this work is enabling Aboriginal and Torres Strait Islander communities to thrive and our Reconciliation Action Plan (launched on 19 March 2020) provides us with a plan to fulfil that purpose.

Our industry focus is on Technology and Digital Economy, Financial Services and Insurance, Health and Community, Public Sector, Retail & FMCG (fast-moving consumer goods), Education & Training, Transport & Logistics, Energy, Resources & Utilities, and Sports & Entertainment.

Our approach

At Hall & Wilcox, we live by our purpose of enabling our clients, people and communities to thrive. We are committed to nurturing, enhancing and evolving our culture. Our Hallmarks are our core values and an expression of how we expect our people to go about their work. Living our Hallmarks remains central to our culture.

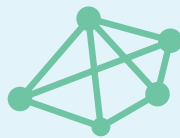
Our purpose and Hallmarks are integral to our practice of Smarter Law. Smarter Law means we look beyond the status quo to think differently and find better and more efficient solutions. Smarter Law includes enabling technology, challenging business models, innovative pricing and creative resourcing.

Beyond compliance, Hall & Wilcox has long been dedicated to community and corporate social responsibility and is fully committed to a continuous improvement approach in relation to modern slavery that will be consistent with the UN Guiding Principles.

Our commitment to contributing to our communities is embedded in our culture. We deliver this through a range of areas, including our substantial pro bono work, community initiatives and partnerships, and sustainable environmental and supply chain practices.



Stay true



Better together



Respect respect



Evolve always



Be remarkable

² The head office of Hall & Wilcox is 525 Collins Street, Melbourne, Victoria 3000

³ The number of our people as at 30 June 2021

Our operations

Hall & Wilcox is a professional services business which predominantly employs professionally qualified and highly skilled people. We have a well-established human resources framework of policies and procedures to ensure compliance with labour laws and regulations and with our core values.

The conduct of our lawyers is regulated by legal profession legislation in each jurisdiction in which we operate, so we consider the risk of causing modern slavery in our operations to be very low.

In the next reporting period, the firm is intending to require that any Hall & Wilcox person (partner, employee or contractor) who attends a Hall & Wilcox office must be fully vaccinated against COVID-19.

Francis Gillman provides administrative and support services to Hall & Wilcox and employs all non-legal staff. Corporate Services roles in our operations (including IT, People & Culture, Finance and Operations) are also considered low risk due to their location within Australia and our commitment to operating in compliance with our human resources framework.

Hall & Wilcox is committed to building a workplace that reflects the communities in which we operate by investing in a diverse and inclusive workforce and providing opportunities for under-represented groups. Our commitment in this area is reflected in our WGEA Employer of Choice for Gender Equality citation (2019-2021).

The COVID-19 pandemic has changed the way we work. Hall & Wilcox was well placed to respond to the pandemic; our culture, workplace practices, technology and systems all supported remote working. To build on what we learned during COVID-19, and in response to employee feedback, we introduced HW Evolve,

a hybrid way of working that combines the personal benefits of flexible/remote working with the benefits for our clients, people and business of collaborating in the office.

We empower and encourage our people to work flexibly and in a way that works for them. We also encourage our people to spend time with clients and colleagues in the office. Our general expectation (depending on role) is that our people will spend on average at least half of their time working from one of our offices.

Throughout the pandemic, we have prioritised the health and safety of our people, our clients, our suppliers and our communities. As an employer, we have a duty of care to provide and maintain a working environment that is, as far as reasonably practicable, safe and free of health risks. Our people also have a personal obligation to take reasonable care for their health and safety in the workplace, and to take reasonable care for the health and safety of others.

In the next reporting period, the firm is intending to require that any Hall & Wilcox person (partner, employee or contractor) who attends a Hall & Wilcox office must be fully vaccinated against COVID-19. This extends to any other location considered to be part of the firm's workplace (including social, business and client events, and work-related travel). Any client, visitor or service provider that attends a Hall & Wilcox office must also be fully vaccinated against COVID-19.

Hall & Wilcox will be introducing a COVID-19 vaccination policy to reduce the risk of our people and any client, visitor or service provider contracting the virus, transmitting the virus and becoming severely ill. Containing and reducing the impact of the virus reduces the pressure on our health system and supports the re-opening of the economy.

Our supply chains

Our supply chain consists of products and services procured to enable our people to deliver our services. Our procurement is decentralised, with purchasing control granted to departments and to a lesser extent local offices. Most of the products and services we procure are from suppliers with headquarters and/or operational facilities in Australia or other countries with a lower risk of modern slavery.⁴

Our main categories of procurement include:

-  Information Technology
-  Construction
-  Rental, Hiring and Real Estate Services
-  Facilities Management and Property Maintenance
-  Financial and Insurance Services
-  Administrative and Support Services
-  Memberships and Subscriptions
-  Professional and Technical Services

Unlike the previous reporting period, travel, accommodation, food and entertainment do not feature in our main categories of procurement as a result of the pandemic.

⁴ Global Slavery Index 2018

Our risk areas

Hall & Wilcox considers the risk of modern slavery in our operations to be very low due to our commitment to operating in compliance with our human resources framework (as described under 'Our operations'). We recognise that there is a risk that we, like other businesses, may be directly linked to the modern slavery practices of other entities deep within our supply chain, including entities with which we do not have a direct contractual relationship.

We have not identified any specific instances of modern slavery and our analysis has found that most tier one suppliers pose a low overall risk of modern slavery. Where suppliers were connected to an industry/sector and products/services associated with higher modern slavery risk, the risks were mainly associated with the following categories:

Information technology – hardware and services

We procure electronic goods and IT support and consulting services directly and through third parties who procure these goods and services on our behalf.

Modern slavery risks are most pervasive in the raw material extraction, manufacturing and disposal stages that are known to attract vulnerable populations in high-risk countries.⁵ These risks may have been exacerbated during the pandemic by the increase in demand for electronic equipment to enable people to work remotely.

Our visibility of risks relies on suppliers providing information on their standards and risk management and compliance systems. While most of these goods are produced by multinational IT companies whose modern slavery statements are publicly accessible, we will also encourage action to address the risks by third parties who procure these goods and services on our behalf.

Construction – building and services

Our procurement in this category relates mainly to office fit-outs.

We recognise that the subcontracting of base-skill labour is a factor that heightens the risk of modern slavery in this category. We also recognise the risks in the materials and labour used in manufacturing processes, and the possible high-risk geographic location of their manufacture.

While we prioritise procurement from local manufacturers, particularly of finished goods such as loose furniture and workstations, we are committed to having additional oversight of the procurement of raw building materials by our builders/subcontractors.

Rental, Hiring and Real Estate Services, Facilities Management and Property Maintenance

Our procurement in this category includes office cleaning services, which may feature a combination of factors that heighten the risk of modern slavery, including the high demand for base-skill labor, reduced visibility of labor standards due to outsourcing, and workers from vulnerable backgrounds.⁶

Risk may be exacerbated by labour shortages and short lead times for more COVID-19 safe cleaning regimes. At various times during the pandemic the scope of routine cleaning reduced but opportunities for sanitising and deep cleaning increased.

Associated with this has been the unprecedented demand for certain products such as cleaning products, hand sanitiser and masks which can put enormous pressure on suppliers and may also require unreasonably tight production turnaround heightening the risk of labour exploitation. Those pressures may contribute to modern slavery risks.

Hall & Wilcox aims to work with key suppliers who can demonstrate their adoption of safe and fair employment standards and practices.

⁵ Modern Slavery Risks, Rights & Responsibilities, A guide for Companies and Investors, commissioned by the Australian Council of Superannuation Investors and conducted by KPMG, February 2019

⁶ Office cleaning services were classified as Administrative and Support Services in FY20 Modern Slavery Statement

Our actions to assess and address modern slavery risks

During the Reporting Period we formally established a modern slavery working group to implement our response to modern slavery risks in our operations and supply chains. The group includes our Chief Operating Officer, General Counsel, Senior Risk & Compliance Advisors, Operations Manager and Employment and Human Rights lawyer, and draws on a range of expertise across the firm.

The working group considered the findings of the audit and gap analysis of modern slavery risks in the firm's supply chain, which was completed in September 2020 as part of a social procurement project. It then determined key actions to be taken as part of a continuous improvement roadmap, including the actions to assess and address potential modern slavery risks listed below.

Self-assessment questionnaires and due diligence

Modern slavery self-assessment questionnaires were sent to existing suppliers selected to receive a questionnaire in the first reporting period. We applied a two-step risk analysis process to identify potential modern slavery risks with new suppliers. A preliminary risk assessment of these suppliers was conducted to identify suppliers to be prioritised for further analysis. Consideration was given to suppliers' potential association with a higher risk industry/sector and product/service. A self-assessment questionnaire was then issued to prioritised suppliers.

Suppliers were asked a range of questions, including about the terms of employment of their workers, the working environment and whether they have policies, processes and procedures to identify, investigate, mitigate and remedy risk of any instance of modern slavery within their organisation.

Spend data and the responses of suppliers were analysed against four dimensions that inform modern slavery risk: Geographic Risk, Supply Category Risk (Industry & Sector Risk and Products & Services Risk) and Entity Risk. Consideration was also given to the business criticality of suppliers. Risks were categorised as being either significant, high, medium or low. These

ratings were then combined to provide an overall risk rating.

More so than in the previous reporting period, the pandemic impacted our ability to engage with some suppliers, and the ability of some suppliers to prioritise completion of the self assessment questionnaire. Suppliers identified as of significant or high criticality to the business warrant further follow up as part of ongoing supplier management.

Guided by the results of questionnaires, we determine the level of due diligence we undertake. We have followed up directly with suppliers where there has been a need to clarify or investigate issues raised by answers to questionnaires. Where further monitoring or specific action is considered appropriate, we will put in place a program to foster collaborative efforts to address potential risks but will consider severing ties with suppliers who are not aligned with our values.

In future reporting periods we intend to increase our level of engagement with suppliers to enable us to develop an understanding of where Australian-based suppliers are sourcing goods and services.

Policies, processes and templates

Procurement policy (forthcoming)

As recommended by the audit and gap analysis report, we are developing an overarching procurement policy and framework. We aim to implement these in 2022 with the aid of a procurement consultant who is currently working with the firm.

The procurement policy will reference all policies, processes and guidelines relating to procurement, including the social and sustainable procurement policy which the firm adopted in the Reporting Period.⁷ It will set out a process for assessing and monitoring suppliers and will include the firm's modern slavery controls and assessment, monitoring, reporting and remediation processes (existing and forthcoming). Templates have been created for supplier contracts which incorporate modern slavery controls for our suppliers and their supply chains.

In the next reporting period, a separate plan to implement the policy and framework will be developed by the firm's procurement consultant.

Human rights policy (forthcoming)

The firm is utilising its internal human rights expertise to prepare a policy that will set out the firm's commitment and approach to respecting human rights in a way that is consistent with the UN Guiding Principles. We intend to implement the policy during the next reporting period.

Training and external engagement

During the Reporting Period we extended our modern slavery training offering by compiling and launching a modern slavery awareness module, which all our people are required to complete by 30 June 2022. The module provides examples of how we all intersect with modern slavery in our daily lives, including how cobalt used in smartphones and computers can be traced to mines in the Democratic Republic of the Congo, where children work in life-threatening conditions. One of our people has remarked:

'I did this training yesterday and it was such an eye-opener. Having a 14 year old son, it just made me imagine him in those scenarios. I actually got him and my husband to watch the videos and we had a discussion about gratitude over dinner.'

'My husband is a hairdresser and I love my make-up, so it had us googling the ingredients of the products.'

During the Reporting Period we also established a Business & Human Rights practice as part of our Employment practice. The practice aims to help businesses, non-profits and public sector entities to develop an approach to human rights that integrates seamlessly with their operations, objectives and brand, and which reflects international human rights standards and best practice. It provides advice and representation to enable businesses to comply with all of their legal obligations in all areas relating to human rights, including by working with clients at all stages of the modern slavery reporting cycle. Our pro bono practice also provides specialist advice on human rights law to a variety of clients, including non-profit entities.

⁷ Referred to as the social procurement policy in our FY 20 Modern Slavery Statement

How we assess the effectiveness of our actions and our next steps

To assess the effectiveness of our actions:

- we have assessed our suppliers against our risk framework and categorised suppliers by risk;
- we have compared modern slavery questionnaire responses for the current and previous reporting period for changes in the risk profiles of suppliers and have identified some areas where we will work with the supplier to collaborate further on modern slavery awareness;
- we will be monitoring the completion rate and feedback on training initiatives, including our modern slavery awareness module; and
- we will continue to develop measures to assess the effectiveness of our actions as further social procurement and modern slavery initiatives are implemented.

Hall & Wilcox is taking a continuous improvement approach to combatting modern slavery, including the following immediate and longer-term actions:

- follow up various suppliers who did not respond to the request to complete the self-assessment questionnaire as part of ongoing supplier management;
- identify suppliers requiring further due diligence and develop a program with suppliers to address potential risks, as required;
- introduce the modern slavery questionnaire as part of our sourcing process;
- finalise and implement an overarching procurement policy and framework;
- expand the modern slavery controls for our suppliers and their supply chains;
- adopt a human rights policy, supplier code of conduct and human rights due diligence framework;
- continue to regularly review our policies and processes;
- incorporate the modern slavery awareness module into our induction program for all new personnel; and
- provide modern slavery and broader human rights training to key personnel, including those involved in procurement, which will cover (among other things) the cause, contribute and direct linkage framework and the firm's suite of policies and processes (existing and in development) relating to procurement.

Consultation and Board approval

This statement was prepared by our Risk team in consultation with our broader Modern Slavery Working Group, relevant Corporate Services heads and our Employment team. The process was inherently consultative due to the shared management and governance of the partnership and Associated Entities.

This statement was approved by the Board of Partners of Hall & Wilcox on 23 November 2021.



Tony Macvean
Managing Partner



Mark Dunphy
Chair of Partners

