

# How we're tackling modern slavery

PwC Australia's (and associated reporting entities')  
Joint Modern Slavery Statement for FY20



# Note from PwC Australia CEO on behalf of the PwC reporting entities

Respecting and upholding human rights is critical in all the work we do, to building trust in society and solving important problems. Our approach to upholding human rights is embedded into our business practices in Australia and across the PwC network.

In FY20, we commenced a three-year plan to develop and implement an enhanced framework for assessing and addressing modern slavery risks in our Australian operations. PwC's Joint Modern Slavery Statement outlines the steps and actions we have taken to address modern slavery risks and, while we are pleased with our progress, we recognise there is always more to do.

Addressing modern slavery risks in business operations and supply chains requires meaningful and effective action at all levels. When we talk about modern slavery risk, our approach is focused on the risks to the people involved in our operations and supply chains.

We support a unified approach for Australian businesses, not-for-profits and governments to address modern slavery and its impacts on our local and global communities. We hope that by sharing the steps we have taken at PwC, as well as by continuing to work with our suppliers and helping our clients in this area, we will encourage other businesses to join us in taking action to assess and address modern slavery risks.

“Addressing modern slavery risks in business operations and supply chains requires meaningful and effective action at all levels.”



A handwritten signature in black ink, appearing to read 'Tom Seymour'.

**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.**

# Overview

The International Labour Organization estimates that over 40 million people are in some form of slavery today, with over half in forced labour<sup>1</sup>. While some countries are more vulnerable than others, modern slavery<sup>2</sup> exists. Businesses have an important role to play in combating modern slavery in their operations and supply chains<sup>3</sup>.

At PwC, we take our ethical responsibilities seriously. 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 ending 30 June 2020 (**FY20**). Our approach is guided by international frameworks, including the UN Global Compact, and PwC network codes and policies.

While we have confidence in the steps we have taken so far, we recognise that reducing the risk of modern slavery is an ongoing process. There is always more to do. In FY20, we commenced a three-year plan to enhance the way we assess and address modern slavery risk in our Australian Operations (defined on page 5).

Using a risk framework based on our research and international guidance, we considered the risks arising from our Australian Operations including suppliers we directly engaged, which excluded other PwC network firms (**tier-one suppliers**). We identified and focused on areas we assessed as being higher risk, such as facilities maintenance and cleaning services, office stationery and branded merchandise products, and other offshore suppliers. We found that less than 1% of screened offshore tier-one suppliers are based in places with a high prevalence of modern slavery.

Going forward we will build on progress to date and continue to evolve and implement our risk framework. We aim to extend supplier screening activities, implement additional control measures and enhance how we monitor the effectiveness of our actions. We also intend to continue to support and consult more with our controlled entities located outside of Australia.

## Reporting entities

This Statement is made by PricewaterhouseCoopers (ABN 52 780 433 757), pursuant to sections 14 and 16 of the *Modern Slavery Act 2018* (Cth) (the **Modern Slavery Act**), and covering 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 organisational structure, operations and supply chains*, on page 5.

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

Doing the right thing, no matter where we are or who we are dealing with, is fundamental to maintaining the trust that our clients, communities and people place in us. These responsibilities include respecting and upholding the human rights of our people and the people we work with. At PwC, our people are guided by our values and our approach to human rights is guided by international frameworks and our PwC network policies, including the Global Code of Conduct<sup>4</sup> (**Code**) and Global Third Party Code of Conduct<sup>5</sup> (**TPCOC**).

## PwC Global Code of Conduct

Our Code is based on the PwC network Purpose and Values<sup>6</sup>. It defines how we expect our people to behave. All our people across all our operations are required to comply with the letter and spirit of the Code. Knowing, understanding and living the Code is a fundamental part of who we are as PwC professionals and what we stand for. 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

We also have expectations of the people who work with us. Our TPCOC expressly forbids our suppliers from being involved in modern slavery: *“Third parties must not engage in or support human trafficking or modern slavery, including forced, bonded or involuntary labour”*. It also requires third parties and suppliers to maintain working conditions that meet internationally declared human rights and standards, including the *International Bill of Human Rights*<sup>7</sup> and the *International Labour Organization’s Declaration on Fundamental Principles and Rights at Work*<sup>8</sup>.

# Our organisational structure, operations and supply chains

## About us

In an increasingly complex world, PwC works with business, government and the community to help the countries in which we operate, to continue to thrive and grow. We deliver quality in audit, assurance, advisory, legal, consulting and tax services to more than 5,000 clients. We also develop and deliver a number of software solutions.

Our purpose is to build trust in society and solve important problems. These problems, we believe, are better solved together. PwC is a multiplier of connections and innovation - it's what we do best: connecting people, businesses, technology and ideas to solve important problems.

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.

## 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).

## PwC Values



Act with integrity



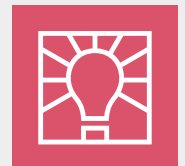
Make a difference



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, a trust established in Australia (**PwC Services**) and its trustee, PricewaterhouseCoopers Services Pty Ltd, a company incorporated in Australia and PricewaterhouseCoopers Securities Ltd, a public company incorporated in Australia (**PwC Securities**) (together **PwC Australia**).

The Partnership is also the ultimate beneficial owner of a majority of the shares in PricewaterhouseCoopers ASEANZ Consulting Pty Limited, a holding company incorporated in Australia (**PwC ASEANZ**). 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 2,300 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, 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 by PwC network regulations 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 1,000 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 FY20, our Australian Operations sourced goods and services from more than 2,300 tier-one suppliers. While over 90% of these suppliers operate in Australia, we also work with suppliers mainly in the United States, United Kingdom, New Zealand and Singapore. Some of these entities 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



Facilities Management



Human Resources Services



Financial Services



Information and Research Services



Marketing and Events



Office Services and Products



Professional Services



Technology Services & Products



Travel

### Where tier-one suppliers to our Australian Operations are based\*



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

# Our approach

We understand that the journey to protect human rights and combat modern slavery cannot be made alone or in a single action, so we are taking a focused, phased approach.

In FY20, we commenced a three-year plan to develop and implement a framework for assessing and addressing modern slavery risks in our Australian Operations and supply chains. 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 and the UN Global Compact's *A Guide for Integrating Human Rights into Business Management*<sup>9</sup>. We have

also incorporated the findings of an analysis we conducted of our Australia Operations through the lens of the United Nations Sustainable Development Goals<sup>10</sup>.

The 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 baseline our Australian Operations and to identify ways to enhance our overall approach. In FY21, we aim to make available this modern slavery risk framework to PwC's offshore controlled entities to encourage them to adopt it in their operations and supply chains.

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





# Our actions

This section of our Statement outlines what we have been doing to identify and address modern slavery risks in FY20. Actions are categorised against the six factors of our framework. We recognise that risk mitigation is a journey and our work to enhance our approach to address these risks is ongoing.



## 1. Governance

PwC maintains the below governance controls across its operations and tier-one suppliers to, among other things, help us identify and reduce the potential for unethical behaviour or criminal acts such as modern slavery.

### Human Rights Group

PwC Australia's Human Rights Group was established to identify gaps and opportunities to improve policies and practices that risk harming the human rights of the people involved in our Australian Operations and supply chains, including improving our approach to addressing modern slavery risks. The group acts to enable our firm's commitment to upholding human rights through the work practices and policies in the Australian Operations.

### Ethics and conduct

PwC's leaders and leaders of our controlled entities monitor our compliance with ethical obligations respectively. Our leaders strive to embrace the spirit and not just the letter of our ethical obligations. In our Australian Operations, activities are coordinated through PwC Australia's Ethics and Business Conduct Programme which manages policies, procedures, guidance and training, as well as a confidential [Ethics & Conduct Helpline](#). PwC's offshore controlled entities also provide mechanisms for reporting and managing ethics and conduct issues. Additionally, the PwC network provides a confidential global [Ethics & Conduct](#) contact for clients, our people and the communities in which we operate.

### Third party risk

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

### PwC network's global codes

PwC and our controlled entities have implemented the Code. Additionally, each of us and our controlled entities have agreed to adopt the TPCOC and are working on implementing it into each of our operations and supply chains; however, the degree of progress of implementation of the TPCOC across operations and supply chains differs among us and our controlled entities. Activities undertaken by some of us and some of our controlled entities in FY20 to implement the TPCOC include identifying tier-one supplier risks, embedding compliance with the TPCOC into tier-one supplier contract templates and some incumbent tier-one supplier contracts and actively monitoring tier-one suppliers' compliance. Further detail about these processes is set out later in this Statement. PwC Australia continues to make available its insights about the TPCOC with other PwC network firms, including PwC's offshore controlled entities.

## Related policies

PwC and our controlled entities have various policies to guide the decisions and behaviour of our people and suppliers in our Australian Operations. While some of these policies support human rights initiatives, in the future we aim to explicitly include human rights and modern slavery risk considerations in all of these policies.

PwC Australia's [Whistleblower policy](#)<sup>11</sup> provides a framework for whistleblowers (including our suppliers and their personnel) to report genuine concerns relating to 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 chain. The policy is designed to ensure that the person raising the concern is not subject to victimisation, harassment or discriminatory treatment. 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 behaviour and preventing corruption or unlawful behaviour.



## 2. Risk Assessment

For FY20, our assessment of modern slavery risks in our Australian Operations and supply chain considered four categories of risk: industry risks, supply risks, geographic risks and entity risks. When assessing these risks, we used reputable tools such as the [Global Slavery Index](#)<sup>12</sup>, the [Transparency International Corruption Perceptions Index](#)<sup>13</sup> and the [Responsible Sourcing Tool](#)<sup>14</sup>. We also used these risk factors to identify modern slavery risks in connection with PwC's offshore controlled entities and 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 identification

The table below highlights the result of our risk identification for FY20. In FY21, we aim to share these findings with PwC's offshore controlled entities to encourage them to enhance their risk identification and supplier due diligence practices and provide support (as needed) to do the same.

### Operational risks

<p><b>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>Contingent workforce</b></p> 	<p>Approximately 9% of the workforce for the Australian Operations are contingent workers. Some of PwC's offshore controlled entities also use contingent workers. Most of these are skilled specialists, and in some cases are self-employed, providing professional services for internal PwC or external client matters. Others, who are 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>

### Supply chain risks

<p><b>Facilities maintenance &amp; cleaning services</b></p> 	<p>PwC and our offshore controlled entities engage service providers who supply facilities maintenance and cleaning services (including for COVID safe practices), across our offices. Workers in the cleaning and maintenance industry may come from vulnerable communities within and outside of Australia. This risk is heightened when workers perform base skilled tasks or work outside of business hours and we have limited visibility of their management.</p>
<p><b>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 relation to marketing campaigns or related initiatives. PwC Australia buys these products from a limited number of suppliers to our Australian Operations. PwC's offshore 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 who 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>Offshore suppliers</b></p> 	<p>In FY20, PwC Australia engaged approximately 200 offshore suppliers in connection with our Australian Operations. We have identified tier-one suppliers who are based in countries with higher modern slavery risks. PwC's offshore controlled entities also use offshore suppliers, some of whom are also based in those higher risk countries. We also use other PwC network firms, including those located in India, the Philippines and the United Kingdom. These firms perform or help us perform, services for our clients, client relationship management, systems administration and quality reviews. This risk increases where there is an overlap with other risk factors.</p>

Some of our and our controlled entities' supplier categories (as set out on page 6) are in industries whose supply chains are typically complex and would be considered to be at a higher risk of involving modern slavery when considering suppliers at lower levels of the chain. As mentioned above, in FY20 our effort to identify modern slavery risks in supply chains was focussed on tier-one suppliers to the Australian Operations (excluding other PwC network firms). We intend to, over time, work with our tier-one suppliers to identify and manage modern slavery risks further down our supply chain. Set out below is our assessment of the risks of modern slavery affecting the tier-one suppliers in our supply chains and the supply chains of PwC's offshore controlled entities.



### 3. Embedding: Due Diligence

#### Offshore operations due diligence

All PwC network firms (including PwC's offshore controlled entities) must abide by certain common policies and maintain the requirements of the PwC network as put forward by PwCIL, including the Code and TPCOC. Compliance is subject to self-assessment requirements. PwCIL may also, from time to time, require PwC network firms to undergo reviews or audits in connection with their compliance with PwC network standards and policies.

#### Contingent workforce due diligence

As an employer and purchaser of contracted labour, we take our obligations to workers seriously. In our Australian Operations, we require labour-hire agencies that we engage follow applicable laws regarding labour-hire licensing, workplace health and safety, right to work, fair pay and human rights. PwC ASEANZ's offshore controlled entities primarily engage any contingent workers directly or through their PwC Local Firms, which both operate in accordance with the PwC Code. Most of PwC's offshore controlled entities are working on implementing the TPCOC as described previously.

#### Supplier due diligence

##### Open and transparent communication

We make it clear to our suppliers what we expect of them. In FY20, we shared our TPCOC with the tier-one suppliers to our Australian Operations and most of PwC's offshore controlled entities did the same with many of their tier-one suppliers. In our Australian Operations we also communicated with relevant suppliers about modern slavery risks to better understand the challenges they face.

#### Supplier screening

In our Australian Operations, we screen tier-one suppliers via supplier self-assessment tools and third party information bureaus. Suppliers assessed as fitting into a 'high risk' category in respect of modern slavery risks based on that screening may be required to undergo further due diligence, including interviews and additional contractual obligations to address modern slavery risks in their operations or supply chains. We reserve the right not to engage or terminate our existing engagement with suppliers who do not cooperate with our reasonable requests for information or action.

During the COVID-19 pandemic, a significant number of suppliers in our Australian Operations struggled to keep up with screening activities due to a lack of resources or capacity. To support their efforts to remain compliant, we adopted alternative screening methods (for example, video conference) and reduced the assessment scope based on risk.

In FY20, for suppliers in our Australian Operations (other than suppliers who are PwC network firms) and that we paid via our Accounts Payable<sup>15</sup> function, we:

- Screened 100% of our tier-one suppliers using desktop third-party information bureaus
- Screened suppliers with whom we spent more than \$5,000 in FY20 using our supplier self-assessment tool and achieved a 68% response rate
- Conducted five video conference interviews with suppliers rated as 'high risk' based on screening.



Less than

1%

of screened suppliers in our Australian Operations are based in locations or industries with a high prevalence of modern slavery risks.

Approximately

2%

of our total spend on purchases in FY20 in our Australian Operations are connected to the supply chain risk categories set out on page 10.



These statistics represent the focus of our initial modern slavery risk management actions, before expanding out to all suppliers.

### Enhancing contractual terms

Over the past several years, we and most of PwC's offshore controlled entities have been incrementally working on implementing the TPCOC (as described previously) including embedding compliance with it into our supplier contracts (other than supply contracts with other PwC network firms, as they are already required to comply with PwC network standards and relevant policies, including the TPCOC).

In 2019 we began introducing our *responsible supply* terms and conditions in template procurement contracts for our Australian Operations, which allow us to suspend the supply of goods and services where we consider there has been a breach or potential breach of the TPCOC, including alleged incidents of modern slavery. We have also begun embedding these terms into incumbent agreements with suppliers to our Australian Operations (other than suppliers who are PwC network firms).

This is an ongoing process and has been delayed as result of COVID-19 impacting our suppliers' businesses in 2020. We have recommenced these activities on a risk-based approach to focus on higher risk suppliers prior to the expiry of their agreements.

Our *responsible supply* terms and conditions make it clear we expect our 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 with us during our investigations or requests for remediation, we can terminate their agreement with immediate effect.

As described above, many of PwC's offshore controlled entities are also embedding into their template supplier agreements an obligation for their suppliers to comply with the TPCOC.



#### 4. Embedding: Training

On joining PwC, our people receive training about the Code and are expected to comply with it. Our people undertake regular mandatory training and assessments and must submit annual compliance confirmations.

In FY20, PwC Australia developed and delivered face to face training to people in its Procurement function that supports the Australian Operations. The training focused on identifying, assessing, responding to and mitigating modern slavery risks.



#### 5. Embedding: Grievance and Remediation

In FY20, we strengthened processes by providing PwC Australia's Procurement function with additional options for dealing with alleged occurrences of modern slavery in our Australian Operations, including:

- consulting with the impacted suppliers to develop and implement audit and remediation plans
- referring known or suspected human rights breaches to relevant authorities
- terminating supplier agreements where a supplier does not cooperate with us during our investigations or take reasonable steps to remedy the identified issue.

PwC Australia is in the process of reviewing its grievance and remediation frameworks of the Australian Operations, including the *Whistleblower policy* and the *Grievance policy*, to embed modern slavery considerations.



#### 6. Monitoring & Reporting

PwC Australia monitors the actions of the Australian Operations to address modern slavery risks. We participate in global initiatives such as the TPCOC implementation program, reporting periodically to local management and the PwC network about the effectiveness of our actions in connection with that program.

In FY20, our Australian Operations developed and implemented a supplier risk reporting dashboard. The dashboard is made available to management across our Risk & Quality, Ethics & Conduct, Procurement and Social Impact functions.

It aggregates data from our supplier screening activities and produces on-demand analysis about our supplier risks, including modern slavery risks, in their operations or supply chains. We assess and benchmark our performance using relevant tools from industry and anti-slavery organisations. Using this dashboard we produce reports which include the metrics we use to monitor modern slavery risks in our tier-one suppliers, the actions we have taken to address risks and the effectiveness of those actions.



# Responding to the impact of COVID-19

The COVID-19 pandemic is impacting the health and wellbeing of millions of people around the world and is impacting economies. We recognise that the risks of modern slavery in businesses and their supply chains are likely to increase in the face of such challenges.

We assessed our response to COVID-19 in our Australian Operations, including any human rights and modern slavery impacts, using the United Nations' [Human Rights Due Diligence and COVID-19: Rapid Self-Assessment for Business framework](#)<sup>16</sup>. As a result of this assessment, we incorporated the following additional controls in our Australian Operations and supply chain:

- Provided guidance to manage procurement in high-risk categories, including personal protective equipment, office equipment/supplies and technology peripherals.
- Increased communication with our suppliers to monitor their responses to COVID-19 (particularly adverse impacts on their workers or subcontractors) and offered appropriate support.
- Assisted more vulnerable suppliers to go through our screening and due diligence processes by extended deadlines or providing flexible options for completing the supplier questionnaire.

Like many businesses, we are managing the commercial impact of COVID-19 while ensuring the safety, health and wellbeing of our people and the people we work with. We recognise that many of our suppliers are facing the same challenges. We acknowledge our suppliers' efforts to assess and address modern slavery risks, given the additional challenges caused by the pandemic. While, as mentioned above, we developed a suite of alternative approaches to support their efforts in FY20, we will continue to support our suppliers through the pandemic and consider what additional actions are needed.



# Our collaboration and engagement

## Consultation

Management and personnel from all reporting entities have been working together in relation to the activities described in this Statement, as well as the drafting of the Statement itself. Approval of the Statement by the Boards of each reporting entity is noted on page 1.

PwC Australia has 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), about PwC Australia's approach to tackling modern slavery risks. With some of our reporting entities, we shared how we are tracking against particular actions in our Australian Operations. We used these consultations to also understand the views of senior management of PwC PNG and PwC ASEANZ regarding the risk of modern slavery in their offshore operations and supply chains, and the steps that have been taken to assess and address those risks.

Looking ahead, we intend to support and consult more with our offshore controlled entities in relation to modern slavery issues. We also aim to continue to exchange insights with them around our work to implement the TPCOC (as described previously) such as embedding supplier due diligence and related reporting.

## Firm collaboration

At PwC, we believe the most important problems are better solved together. That's why we make sure we collaborate across our firm's layers and functions so that our response to addressing modern slavery risk within our Australian Operations is not siloed or one-dimensional.

Our various functions within PwC Australia – Social Impact, Procurement, Ethics & Conduct, People & Culture and Diversity & Inclusion – all share responsibility for embedding human rights protections and affirmative policies into the way we do business. Our Human Rights Group will be enhanced to oversee and drive this firm-wide collaboration in FY21.



# Our future agenda

This Statement describes our current approach to addressing modern slavery risks for FY20. However, we know this is part of a journey and we can increase our governance and improve our processes. Going forward, we plan to focus on improving our approach and expanding our scope for assessing and addressing risks as outlined below:

## Future focus areas



### 1. Governance

Formalise key elements of our future plans with the Human Rights Group to enhance our approach to human rights and modern slavery risks across our Australian Operations, and discuss and report this at relevant governance forums. PwC Australia will engage further with the leaders within PwC's offshore controlled entities to share learnings and enhance approaches.



### 4. Embedding: Training

Enhance and digitise existing training resources to include mandatory annual training for our people in our Australian Operations on modern slavery. We also aim to make this training module available to other PwC network firms.



### 2. Risk Assessment

Enhance supplier data and collaboration channels with our suppliers in our Australian Operations, through digitisation, to evolve our risk assessment.



### 5. Embedding: Grievance & Remediation

Embed modern slavery considerations into the PwC Australia *Grievance policy* and *Whistleblower policy* and appropriately enhance remediation processes that support those policies.



### 3. Embedding: Due Diligence

Continue to embed our responsible supply terms and conditions into our incumbent and new supplier contracts in our Australian Operations and consider increasing the scope for further risk identification.




### 6. Monitoring & Reporting

Under the guidance of the Human Rights Group, further develop our measurement reporting cadence to better track the effectiveness of our actions in our Australian Operations and report on this to relevant governance forums.

# Cross reference to *Modern Slavery Act*

Statement reference	Act reference	Reporting requirement summary
<b>Note from PwC Australia CEO on behalf of the PwC reporting entities</b>	<b>Section 16.2 (b)</b>	Include details of approval by the relevant principal governing body or bodies of each reporting entity
<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 organisational structure, operations and supply chain</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>Responding to the impact of COVID-19</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 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

- 
- 1 International Labour Office, Walk Free Foundation and International Organization for Migration, 2017. *Global estimates of modern slavery: forced labour and forced marriage*. [Online] Available at: [www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms\\_575479.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_575479.pdf)
  - 2 **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.
  - 3 **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.
  - 4 PwC, 2017. *Living our Purpose and Values: PwC's Code of Conduct*. [Online] Available at: [www.pwc.com/gx/en/ethics-business-conduct/pdf/living-our-purpose-and-values-pwc-code-of-conduct-2017.pdf](http://www.pwc.com/gx/en/ethics-business-conduct/pdf/living-our-purpose-and-values-pwc-code-of-conduct-2017.pdf)
  - 5 PwC, 2018. *Global Third Party Code of Conduct*. [Online] Available at: [www.pwc.com/gx/en/about-pwc/assets/3rd-party-code-of-conduct.pdf](http://www.pwc.com/gx/en/about-pwc/assets/3rd-party-code-of-conduct.pdf)
  - 6 PwC, 2017. *Living our Purpose and Values, PwC's Code of Conduct*. [Online] Available at: [www.pwc.com/gx/en/about/ethics-business-conduct/code-of-conduct.html#1](http://www.pwc.com/gx/en/about/ethics-business-conduct/code-of-conduct.html#1)
  - 7 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)
  - 8 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)
  - 9 United Nations Global Compact, 2009. *A Guide for Integrating Human Rights into Business Management*. [Online] Available at: [www.ohchr.org/Documents/Publications/GuideHRBusinessen.pdf](http://www.ohchr.org/Documents/Publications/GuideHRBusinessen.pdf)
  - 10 United Nations, 2015. Department of Economic and Social Affairs: The 17 Goals. [Online] Available at: <https://sdgs.un.org/goals>
  - 11 PwC Australia, 2020. *Whistleblower Policy*. [Online] Available at: [www.pwc.com.au/about-us/whistleblower-policy/pwc-australia-whistleblower-policy-2020.pdf](http://www.pwc.com.au/about-us/whistleblower-policy/pwc-australia-whistleblower-policy-2020.pdf)
  - 12 Walk Free Foundation, 2018. *Global Slavery Index 2018 Dataset*. [Online] Available at: [www.globalslaveryindex.org](http://www.globalslaveryindex.org)
  - 13 Transparency International, 2020. *Corruption Perceptions Index 2020*. [Online] Available at: <https://www.transparency.org/en/cpi/2020/index>
  - 14 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/)
  - 15 This excludes any purchases by our people of goods and services that were individually expensed then reimbursed via our Purchases, Payables & Expenses function.
  - 16 United Nations Development Programme, 2020. *Human Rights Due Diligence and COVID-19: Rapid Self-Assessment for Business*. [Online] Available at: [www.undp.org/content/undp/en/home/librarypage/democratic-governance/human-rights-due-diligence-and-covid-19-rapid-self-assessment-for-business.html](http://www.undp.org/content/undp/en/home/librarypage/democratic-governance/human-rights-due-diligence-and-covid-19-rapid-self-assessment-for-business.html)

