

CLAYTON UTZ

# Modern Slavery Statement For FY2023

December 2023

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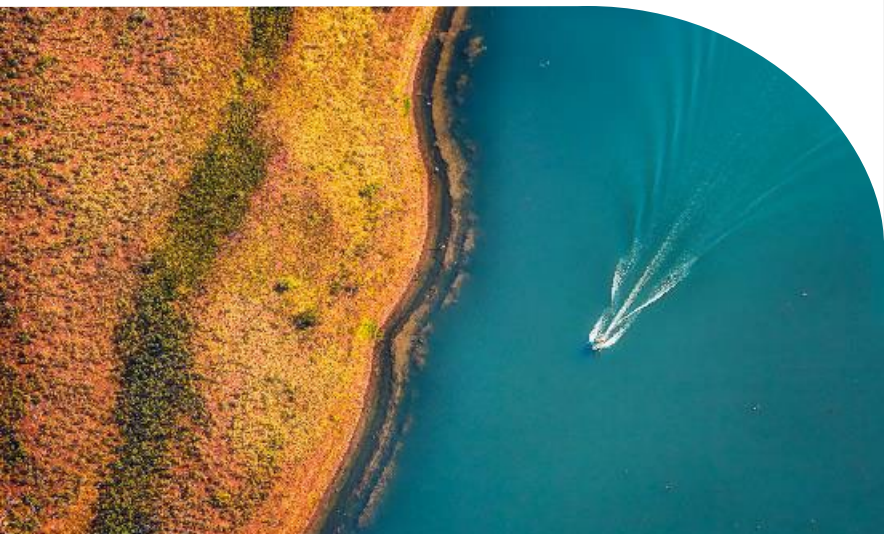
## This Modern Slavery Statement

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 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.

We acknowledge the Traditional Custodians of the land on which we work and their continuing connections to land, waters and community.

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 2022 to 30 June 2023.



## About our business

The Clayton Utz partnership is an Australian law firm operating across Australia. The Clayton Utz partnership and other related entities (together **Clayton Utz**) have 175 Partners and employ approximately 1500 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 corporations and other professional services firms. In addition to the provision of legal and other professional services, Clayton Utz also offers clients flexible resourcing solutions through our CU Connect program.

Clayton Utz carries on some ancillary activities, primarily food and catering for partners,

employees and clients. Since 2003, we have had a structured community program - Community Connect, with a focus on addressing disadvantage and facilitating access to justice through utilising the skills, resources and enthusiasm of our people. We have 25 community partnerships nationally and support local communities all over Australia. Supported by the partnership and through our workplace giving program, the Clayton Utz Foundation has granted over \$14 million to charities since inception.

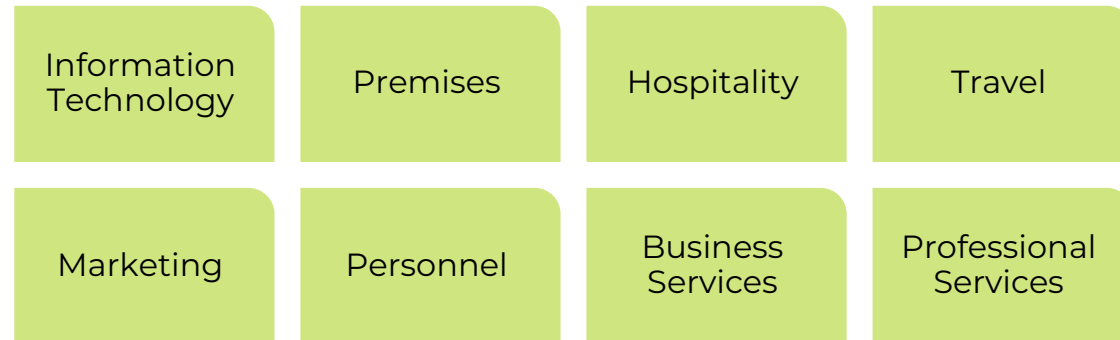
A crucial part of our Pro Bono practice since 2009 has involved acting for dozens of people who have been held in Australia in slavery and forced labour. We have championed Australia's

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".

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 suppliers within our supply chain have been more precisely categorised since the last reporting period, as we introduced a more detailed analysis of our suppliers. Our supply chain primarily relates to goods and services to support the delivery of our legal services to clients including:

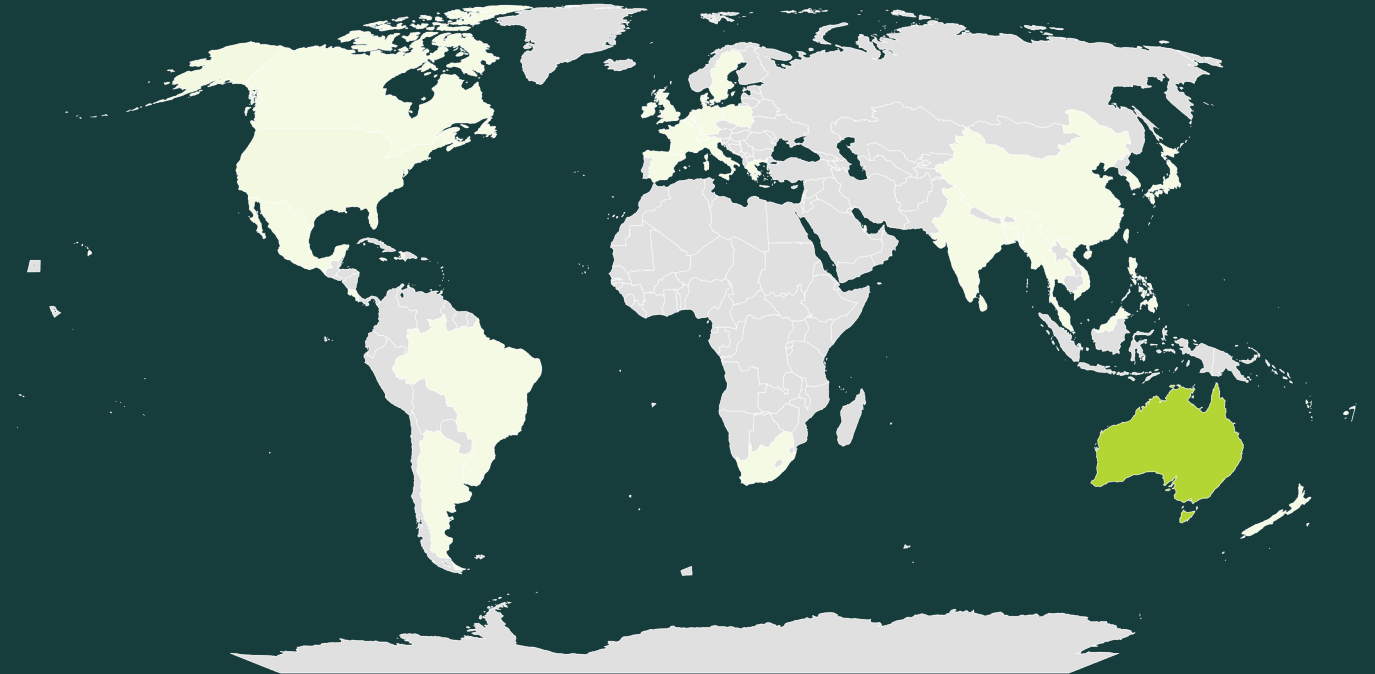


# Our supplier locations

Approximately 95% of our expenditure is within Australia, with our overseas expenditure largely confined to obtaining legal advice in foreign jurisdictions, consulting and specialised software from suppliers based in 42 countries.

Our largest overseas expenditure was for suppliers located in United States, United Kingdom, Singapore, Hong Kong, and Switzerland. These countries have diverse rankings in prevalence of, and vulnerability to, modern slavery.

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.



- Domestic
- International

# The risks of modern slavery in our operations and supply chains

There were no significant changes to our operations or supply chains during the reporting period.

The Clayton Utz Forensic and Technology Services team conducted a modern slavery risk assessment over the reporting period. The risk assessment included analysis of Tier one suppliers', contractors' or agents' country of operation, industry or products or services against a variety of auxiliary factors that form part of the 2023 Global Slavery Index, published by Walk Free, a human rights organisation funded by the Minderoo Foundation. The risk assessment provided us with key observations and recommendations to assist with our risk management in priority areas.

There is generally a low risk of modern slavery in our operations. As a legal services organisation, most of our activities relate to legal and other professional services within Australia. With occasional temporary exceptions, all our employees are located in Australia, which has a low prevalence of modern slavery practices. The 2023 Global Slavery Index ranks Australia 149 of 160 countries on estimated prevalence of modern slavery and 155 of 160 on estimated vulnerability to modern slavery.

The Clayton Utz People & Development Team manages our recruitment process and is responsible for compliance with employment laws and obligations.

At times, we do rely on the use of short-term contractors, labour hire agencies, and foreign staff on visas. We recognise we may have less visibility and control over workers

and their employment arrangements in this situation.

As noted, the vast majority of Clayton Utz's expenditure during the assessment period was to suppliers in Australia. The 2023 Global Modern Slavery Index provides a list of products at risk of modern slavery by source country, and the top five at risk products being imported into Australia (electronics, garments, solar panels, textiles, and fish).

As part of our risk assessment over our supply chain, the Clayton Utz Forensic and Technology Services team looked to identify the amount of spend per supplier, the types of goods and services sourced and the country of origin of the products over the reporting period. The information identified such as the types and origin of goods and services procured was risk rated using the 2023 Global Modern Slavery Index.

# The risks of modern slavery in our operations and supply chains

There is generally a low risk of modern slavery in the first tier of our Australian supply chain with some risks in relation to primary produce. We recognise 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. We have identified some potential modern slavery risks in the following areas:

## Electronics and Computer hardware

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.

## Merchandise, promotional items, and apparel

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.

## Facilities Management (including cleaning and security)

There is a higher risk of modern slavery risk in the cleaning and security industry due to the complexity of supply chain structures, high rates of subcontracting, and nature of the workforce. Approximately 85% of the cleaning workforce for office buildings and shopping centres of major cities in Australia are international students or temporary workers. There has been reports of underpayment, excessive working hours and withholding of wages experienced by those working in the cleaning industry.

## Hospitality, food products and catering services

There have been reports of modern slavery in the supply chains for fish including multiple identified cases of forced labour practices and very harsh conditions in the fishing industry in South East Asia. In the areas of food and primary produce, 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. We are aware that because some Australian producers use migrant fruit pickers in their process that this is considered high risk in terms of modern slavery in Australia.

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. We acknowledge that our risk assessment has been undertaken on Tier one suppliers and goods purchased from Tier one suppliers in a lower risk country may have been imported by Tier two suppliers and above from a higher risk country in the supply chain. High risk goods we consumed include electronics (laptops, computers and mobile phones), garments, and food products (fish, rice, cocoa and chestnuts). We have not identified high risk goods that have been imported into Australia by Clayton Utz during the reporting period.



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


During the reporting period, we continued to build upon our efforts and the work done in FY22 to identify, prevent, mitigate, and account for the risks of modern slavery. Our actions taken cover the following areas:




**Policies and procedures**



**Supplier due diligence**



**Employee awareness and training**



**Collaboration**



**Remediation and grievance mechanisms**

# Policies and procedures

We continue to address the risks of modern slavery practices in our operations and supply chains through our policies and procedures to ensure we provide a fair and safe workplace for our partners, employees and suppliers. Relevant policies and procedures include:

- Anti-bribery and Corruption Policy
- Anti-Discrimination, Sexual Harassment and Bullying
- Working with Vulnerable People/Children Policy
- Workplace Code of Conduct
- Work Health and Safety Policy
- Modern Slavery Policy
- Supplier Code of Conduct
- National Procurement Policy
- Whistleblowing Policy

Clayton Utz has 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 of Conduct:

- 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 of Conduct 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.

In this reporting period, Clayton Utz reviewed and amended our Supplier Code of Conduct, and subsequently revised the minimum standards we required from our suppliers, including in relation to human rights, modern slavery, and consequences of non-compliance. The Code requires suppliers to take reasonable steps to identify, assess and address risks of Modern Slavery practices in their operations and supply chain. It also allows us to request assistance, information and documents from our suppliers that enables us to comply with our own modern slavery obligations.

# Supplier due diligence

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 our risk-based schedule;
- b) our approach to market in setting criteria for Requests for Proposals and Tenders; and
- c) our Supplier Code of Conduct.

Clayton Utz's supplier contract management system has effectively operated for two years and is actively fulfilling its role as a comprehensive contract repository, facilitating automated workflow and risk management capabilities. The contract management system continues to oversee both existing and new supplier agreements, monitoring high

risk suppliers and proactively mitigating associated risks. We conducted a review of the system processes and subsequently refined them, improving efficiency for both our suppliers and system users, and adapting it to better address the challenges related to modern slavery risk mitigation. We standardised the naming convention for supplier unique identifiers recorded in both our supplier contract management system and finance system, which will enhance our ability to conduct modern slavery risk assessments over the data in the future. We continue to enhance our tools for mitigating modern slavery risks and have been actively integrating them into the firm's procurement process. These system improvements and integrations have led to increased awareness across the business and have improved the effectiveness of our supplier risk assessments.

The Clayton Utz National Procurement Team conducted modern slavery risk assessments on our first tier suppliers throughout the reporting period on our contract management system. We used a risk-based approach to determine the level of due diligence required on new and existing suppliers. The risk assessment considered the country of operation, industry, products and services provided against the variety of factors considered by the 2023 Global Slavery Index.

Under Clayton Utz's Modern Slavery Policy, any concerns with a supplier are escalated to the firm's National Risk Manager for review and advice. In the event the due diligence was not satisfactory or included incidents of modern slavery, we consider termination of any contract in accordance with our Modern Slavery Policy, or reach agreement with the supplier in relation to appropriate remediation.

In this reporting period, we increased the scope of our risk assessment to include additional data fields on purchases made by Clayton Utz partners and employees on corporate cards. The Clayton Utz Forensic and Technology Services team found corporate card transactions included spend related to airfares, entertainment, facilities operations, and accommodation, as well as groceries and computer supplies. Some electronics and computer hardware supplies were procured from international vendors using corporate cards. We will continue to engage with the relevant teams to determine the necessity of procuring electronic goods using corporate cards and improved employee and management awareness of modern slavery risks through additional awareness-raising and training.



## Employee awareness and training

The Clayton Utz Managers that may have responsibility for procurement are given training in relation to the firm's zero-tolerance approach towards modern slavery in any part of its business and supply chain. All Clayton Utz Managers 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. Our partners and employees with procurement responsibilities are required to complete modern slavery procurement training every 2 years.

Contractors and suppliers are advised of their responsibilities through our Supplier Code of Conduct.

# Collaboration

We acknowledge the significance of engaging in multi-stakeholder initiatives to exchange knowledge and refine best practices.

In FY23, Clayton Utz formed a Modern Slavery Working Group (**Working Group**) with the responsibility of overseeing the implementation and ongoing monitoring of our firm's response to modern slavery. The Working Group comprised of representatives from Legal, Business Operations, Procurement, People & Development, and Risk, with advisory support from our Office of General Counsel. They play a pivotal role in maintaining the trajectory of our work schedule and advancing agreed actions in relation to modern slavery. The Working Group conducted a comprehensive review of the lessons learned from the

previous year and made improvements to strengthen the firm's approach to risk assessment, refining our processes, ongoing monitoring, and reporting related to modern slavery.

As members of Australian Legal Sector Alliance (**AusLSA**), we actively participated in a Modern Slavery Co-Lab, a platform designed to facilitate collaborative discussions and knowledge sharing. We engaged in meetings with AusLSA representatives from other law firms to exchange insights gained from our journey addressing modern slavery, and to explore united approaches to drive change in this field. This platform offered a confidential and interactive environment for law firms to establish connections, share experiences, and provide

information, advice, case studies, and potential solutions related to key issues in modern slavery. It aimed to articulate common concerns and actions for sustainable collaboration among law firms.

Clayton Utz attended the 2023 Australian Government Modern Slavery Conference, which facilitated the sharing of best practices, case studies, lessons learned, data, and research from various sectors for combating modern slavery. The conference was structured to promote collaboration across different sectors in addressing modern slavery. Additionally, the conference aimed to enhance stakeholder engagement and strengthen responses to modern slavery, both domestically and internationally.

An aerial photograph of a stone-lined water channel, possibly a dam or spillway. The water is clear, revealing the grey and white stones beneath. A teal gradient overlay covers the top half of the image, fading into the water. The stones are arranged in a regular pattern, and some small plants are visible at the bottom.

## Remediation and grievance mechanisms

Clayton Utz's Whistleblowing Policy and associated processes encourage the raising of any concerns about reportable conduct, including any modern slavery concerns. The whistleblowing process ensures that people can raise such concerns safely, securely and with confidence that they will be protected and supported. Clayton Utz partners and employees who make a report in relation to modern slavery in our business or supply chains will not experience any adverse consequence.

Clayton Utz also encourages its contractors and suppliers to report any incident of modern slavery (actual or suspected) in any part of the firm's business or supply chain. Suppliers and contractors can confidentially access Clayton Utz's Whistleblower Hotline in this regard. There have been no concerns raised or reported relating to modern slavery under the Whistleblowing Policy during the reporting period.

# 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 to assess whether our efforts in emphasising the importance of this issue internally are effective;
- b) Number of staff completing whistleblowing training to assess whether our actions to promote the use of our whistleblower channels are effective;
- c) Number of suppliers completing modern slavery questionnaires to assess whether our due diligence activities are comprehensive and fit for purpose; and
- d) Number of reports of modern slavery through our whistleblowing hotline, to assess whether the whistleblowing

hotline is an effective channel to bring instances of modern slavery to our attention.

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 employees and suppliers of Clayton Utz of behavioural expectations, our Code of Conduct and policies and whistleblower framework.

The Director – Risk and Insurance 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 FY2024.





## 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. All of Clayton Utz's associated entities have been made aware of the Act's requirements, the policies set by the Clayton Utz partnership, and the actions required to address the modern slavery risks in Clayton Utz's operations and supply chain. As part of the development of this statement, a Modern Slavery Working Group was established to inform and contribute to the development of the statement. Senior leaders with knowledge of the operations and supply

chains of each of the associated entities were actively engaged and consulted to identify, assess and address the modern slavery risks in Clayton Utz's operations and supply chain and prepare this statement. 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 the Clayton Utz partnership in their capacity as principal governing body of Clayton Utz on 12 December 2023 and is signed by Emma Covacevich in her role as Chief Executive Partner.



**Emma Covacevich**  
Chief Executive Partner  
for Clayton Utz  
Date: 12 December 2023



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