



Modern Slavery Statement

Australia
2023

The Salvation Army Statements

Our Movement

The Salvation Army is an international Christian movement, united by faith and giving hope where it's needed most.

Since our foundations in 19th century London, we express our faith in charitable work to provide both spiritual and social support, with one hand reaching out to God and with the other reaching out to the world

Our Mission

The Salvation Army is a Christian movement dedicated to sharing the love of Jesus.

We share the love of Jesus by:

CARING FOR PEOPLE

Being there when people need us most

We offer care and compassion as a sacred encounter with transformative potential

CREATING FAITH PATHWAYS

Taking a holistic approach to the human condition that values spirituality

We graciously share the Good News of Jesus and grow in faith together

BUILDING HEALTHY COMMUNITIES

Investing ourselves in relationships that promote mutual flourishing

We find the wholeness God intends for us in community

WORKING FOR JUSTICE

Tackling the social systems that harm creation and strip away human dignity

We join God's work to build a fairer world where all can thrive

Our Vision

Wherever there is hardship or injustice, Salvos will live, love and fight, alongside others, to transform Australia one life at a time with the love of Jesus.

Our Values

Recognising that God is already at work in the world, we value:

INTEGRITY

Being honest and accountable in all we do

COMPASSION

Hearing and responding to pain with love

RESPECT

Affirming the worth and capacity of all people

DIVERSITY

Embracing difference as a gift

COLLABORATION

Creating partnerships in mission

The Inclusion Statement



The Salvation Army Australia acknowledges the Traditional Owners of the land on which we meet and work and pay our respect to Elders, past, present, and future. We value and include people of all cultures, languages, abilities, sexual orientations, gender identities, gender expressions, and intersex status. We are committed to providing programs that are fully inclusive. We are committed to the safety and well-being of people of all ages, particularly children.

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Message from the Territorial Commander

The Salvation Army, as both a church and charity, works in cities, country towns, and rural communities, with every demographic and age group, to meet human need, without discrimination, with the love of Jesus.

The Salvation Army, in Australia, is one of the largest providers of social services and programs for people experiencing hardship, injustice, or social exclusion. As part of realising our vision and living our values, we are strengthening our response to modern slavery in Australia and continue to uphold our responsibility for supporting victims of modern slavery who are disproportionately represented in the communities we serve.

We are committed to our ethical, social, and legal responsibility to ensure modern slavery does not take place in our operations and supply chains, and we value and respect the human rights of all including our officers, employees, volunteers, contractors, suppliers and community members.

I am pleased to share with you our progress over the past year in our 2023 modern slavery statement. In doing so I recognise the collective efforts of our personnel in the undertaking of the various activities and initiatives to build effective frameworks and processes to prevent modern slavery in our operations and supply chains. I also acknowledge that this work is part of a journey and will continue to be supported by programs of awareness, process improvements, and adaptability over the years to come.

God bless you,



Miriam Gluyas (Commissioner)
Territorial Commander and Chair of the Board Australia Territory

Message from the Chief Secretary

The Salvation Army Australia continues to progress on its journey in responding to the complex issue of modern slavery, as we live our vision of seeing lives transformed with the love of Jesus.

The 2023 reporting period has been another challenging year, particularly with the cost of living pressures, which have increased vulnerability and demand for those we serve.

As we continue to manage modern slavery risks in our operations and supply chains, this year we have improved our detection and response processes and strengthened general awareness amongst our personnel. Further, we have embedded a centralised responsible sourcing approach to all national sourcing and procurement activities.

I am pleased to report The Salvation Army Australia's progress this year towards recognising and reducing modern slavery risks, and I acknowledge wholeheartedly that this is the result of an aggregated effort by many of our teams and suppliers. I also acknowledge that this statement presents an opportunity to share the work we are undertaking above and beyond a compliance-based approach, noting that it will expand in future reporting periods for long-term, sustainable results.

God bless you,



Winsome Merrett (Colonel)
B.Sp.Thy., MA Arts (Theological studies) A.Mus.A
Chief Secretary
Australia Territory



Who we are

Across Australia – in cities, country towns and rural communities – our work touches every demographic and age group. We're involved in national issues while also bringing hope to people who may be experiencing hardship or injustice.

This Joint Modern Slavery Statement is submitted on behalf of the following incorporated and unincorporated entities under section 14 of the *Modern Slavery Act 2018 (Cth)* for the reporting period 1 July 2022 to 30 June 2023.

- The Salvation Army Australia (unincorporated association)
- The Salvation Army (New South Wales) Property Trust ABN 57 507 607 457
- The Salvation Army (Northern Territory) Property Trust ABN 65 906 613 779
- The Salvation Army (Queensland) Property Trust ABN 32 234 126 186
- The Salvation Army (South Australia) Property Trust ABN 13 320 346 330
- The Salvation Army (Tasmania) Property Trust ABN 94 917 169 560
- The Salvation Army (Victoria) Property Trust ABN 64 472 238 844
- The Salvation Army (Western Australia) Property Trust ABN 25 878 329 270
- The Salvation Army (Australia) Redress Limited ABN 94 628 594 294
- Salvation Army Housing ABN 59 608 346 934
- Salvation Army Housing (Victoria) ABN 85 133 724 651
- Salvos Legal Limited ABN 14 147 213 214
- Salvos Legal (Humanitarian) Limited ABN 36 147 212 940
- The Salvation Army Community Housing Service ABN 47 152 257 728

The reporting entities:

The Salvation Army is a worldwide, unincorporated association, led by the person appointed from time to time holding the office of the 'General of The Salvation Army'. The General is a corporation sole and is the actual trustee of two separate trusts, known as 'The Social Work Trust' and 'The General Work Trust'. In order to hold property and conduct operations of The Salvation Army around the world, there are a range of different legal structures in place. In Australia, the relevant legal vehicles are the State/Territory-based statutory corporations, each given the name 'The Salvation Army ([State/Territory]) Property Trust' ('the Property Trusts').

The Property Trusts were established and / or are authorised under each of the following Acts of Parliament:

- (a) *The Salvation Army (New South Wales) Property Trust Act 1929* (NSW);
- (b) *Salvation Army (Queensland) Property Trust Act 1930* (Qld);
- (c) *Salvation Army (Tasmania) Property Trust Act 1930* (Tas);
- (d) *The Salvation Army (Victoria) Property Trust Act 1930* (Vic);
- (e) *The Salvation Army (South Australia) Property Trust Act 1931* (SA);
- (f) *The Salvation Army (Western Australia) Property Trust Act 1931* (WA);
- (g) *Salvation Army Property Trust Act 1934* (ACT); and
- (h) *Salvation Army (Northern Territory) Property Trust Act 1976* (NT).

The Property Trusts are not actually trusts themselves; they are corporate trustees of the General Work / Social Work Trusts. Officers of the Property Trusts are constituted as a body corporate called 'The Trustees', consisting of individuals appointed from time to time by the General of The Salvation Army.

Essentially, the difference between the Social Work and General Work Trusts lies in the purposes for which the assets of each of those trusts can be applied. The Social Work is essentially social / benevolent work; The General Work is essentially religious work.

The Social Work Trust is a Public Benevolent Institution with deductible gift recipient status. The General Work Trust is a Charitable Institution.

Some employees and other non-employee personnel (e.g. Clergy) within The Salvation Army are employed / engaged under the General Work Trust (usually Corps [Church] based / religious workers). Others are employed / engaged under the Social Work Trust. Even further still, some personnel are apportioned partly under General and partly under Social (e.g. 50% of their time is classified as being related to General Work and 50% Social Work), based on the role and responsibilities of the individual.

The following companies limited by guarantee are wholly owned by The Salvation Army (New South Wales) Property Trust:

- i. Salvos Legal Limited ABN 14 147 213 214
- ii. Salvos Legal (Humanitarian) Limited ABN 36 147 212 940
- iii. The Salvation Army Community Housing Service ABN 47 152 257 728

The following companies limited by guarantee are wholly owned by The Salvation Army (Victoria) Property Trust:

- iv. Salvation Army Housing (Victoria) ABN 85 133 724 651

The following company limited by guarantee is jointly owned by the Northern Territory, South Australia, Tasmania and Western Australia Property Trusts:

- v. Salvation Army Housing ABN 59 608 346 934

The following company limited by guarantee is jointly owned by the Property Trusts:

- vi. The Salvation Army (Australia) Redress Limited ABN 94 628 594 294

Throughout this Joint Modern Slavery Statement, unless otherwise specifically indicated, the companies listed above at (i)-(vi) are collectively referred to as the 'Companies'.

Throughout this Joint Modern Slavery Statement, unless otherwise specifically indicated, all of the above entities / bodies are collectively referred to as 'The Salvation Army Australia'.

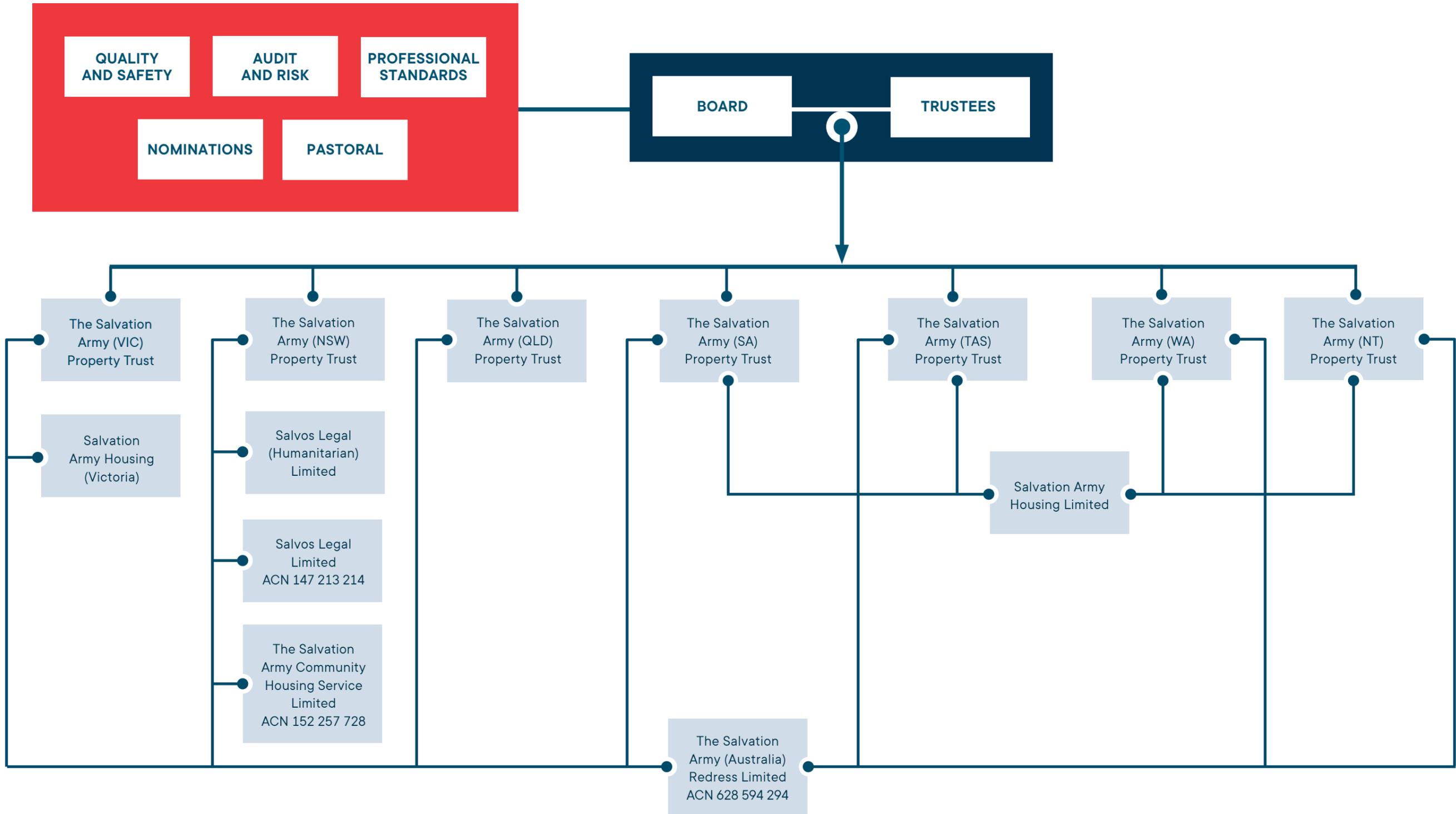
Each of the above entities / bodies consisting of The Salvation Army Australia are charities registered with the Australian Charities and Not-for-profits Commission ('ACNC') and as such, are subject to the ACNC Governance Standards.

In 2018, The Salvation Army Australia established a body known as The Salvation Army Australia Territory Board (the 'Board'), which, together with the Trustees is responsible for effectively representing and promoting the interests of The Salvation Army Australia, with a view to adding long term value to the movement's mission. The purpose and objects of the Board are to provide governance oversight to The Salvation Army Australia in accordance with law; to strategically position The Salvation Army Australia so that it has a sustainable, major influence on Australian society; and to provide advice and assistance to the Trustees in the discharge of their responsibilities.

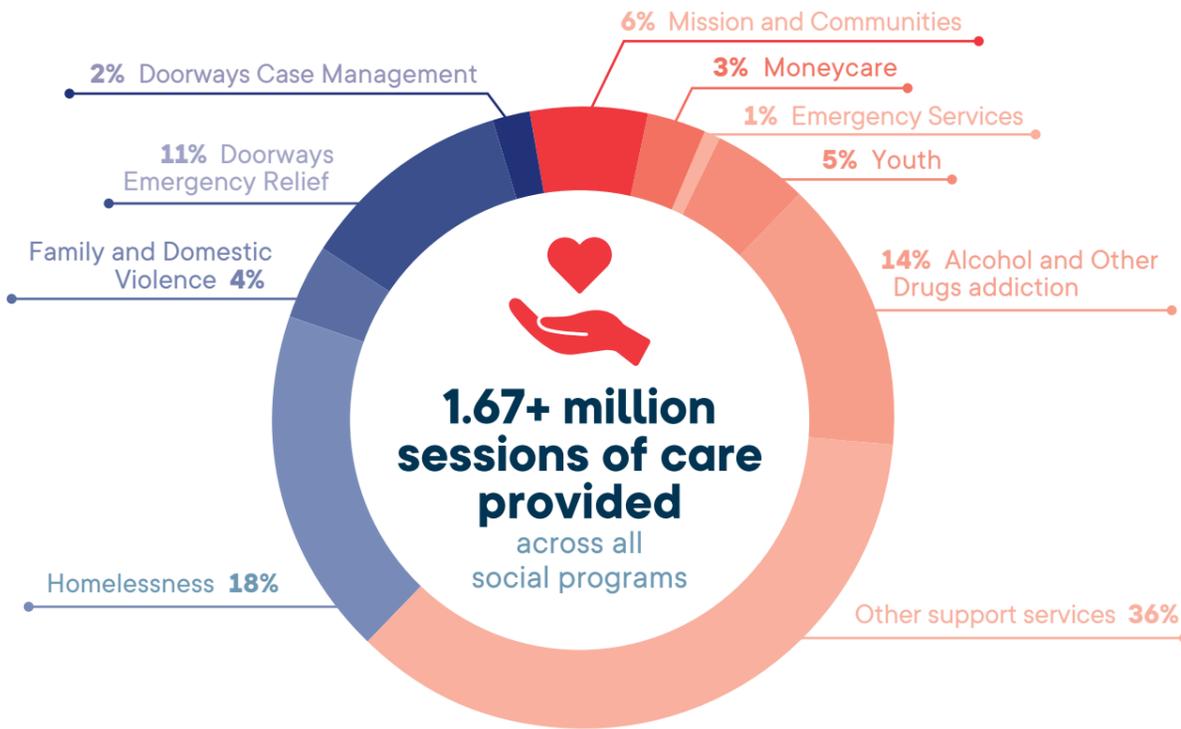
Members of the Board are appointed by the General of The Salvation Army, on recommendation by the Chair of the Board, who is the General's personal representative in Australia, known as the Territorial Commander.

The Salvation Army Australia structure, operations and supply chains

BOARD COMMITTEES



The Salvation Army Australia highlights 2022-2023



nearly \$25 million of financial assistance provided
in cash, gift card, vouchers, etc

250,000+ people assisted
across all social programs

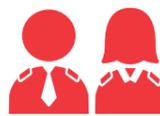
provided 1.2 million+ nights of accommodation
across all social programs

Salvation Army faith ministry

300+ Salvation Army corps (churches)
in the community



700+ Salvos officers
actively serving in the community



nearly 439,000 church attendances
on weekday and Sunday



Homelessness

1.63+ million meals provided
to people who accessed homelessness services



nearly 820,000 crisis beds provided
to people who experienced homelessness



Salvos Housing

3,000+ people provided with housing



Moneycare

more than 13,000 people provided financial counselling



Addiction

12,000+ people assisted with addiction
to alcohol and other drugs, gambling at rehabilitation services



Salvos Stores

42 million+ items were sold for reuse in Salvos Stores
translating into a remarkable reduction of 583,800 tonnes of CO2 emissions



Doorways & Mission and Communities

more than \$16.6 million of financial assistance distributed



Family and Domestic Violence (FDV)

10,000+ women and children supported



123,000+ nights refuge/emergency accommodation provided



Salvation Army Emergency Services (SAES)

\$8.3+ million of financial assistance distributed
to those impacted by disaster



Youth

more than 4,200 young people assisted



Employment Plus

assisted 36,000+ job seekers
to find employment



Aged Care

3,000+ seniors being cared for
in residential Aged Care facilities



Salvos Funerals

nearly 600 families served with their funeral needs



THE SALVATION ARMY AUSTRALIA IS HEADQUARTERED IN BLACKBURN, MELBOURNE, SUPPORTED BY AN OFFICE IN REDFERN, SYDNEY, HOWEVER, OPERATES IN ALMOST EVERY POSTCODE WITHIN AUSTRALIA.

What we do - our services, operations and supply chains

Corps

The Salvation Army is a worldwide Christian church. Our local churches (known as corps) offer a community presence around the country. We provide a wide variety of spiritual and social activities such as church services, prayer meetings, men's and women's groups and community support services. Our faith convinces us that hope, purpose and fulfilment can be everyone's story. Whether you're looking for connection, guidance or a community of like-minded people, The Salvation Army welcomes you.



Red Shield Defence Services

The Salvation Army Red Shield Defence Services (RSDS) in Australia provides the Australian Defence Forces with practical, emotional and spiritual support in difficult times, times of grief and in the everyday.

We support members and their families according to their needs. Whether it be a chat over a cuppa, a referral or a prayer, we want to be there. Where there's a need, we are here to support our troops as they serve our country and risk their lives in the line of duty.

Disaster and Emergency Recovery

The Salvation Army Emergency Services (SAES) have served Australian communities for over 40 years. Whether it's a natural disaster or a missing person search, SAES volunteers are among the first to arrive on the ground, providing immediate, medium and long-term support to victims and emergency personnel on the front line. Services provided aim to meet people at their point of need and this help doesn't stop when the crisis has passed.



Salvos Housing

Salvos Housing is a community housing organisation. Homes are provided for individuals and families who are homeless or at risk of homelessness, are on low incomes and those with specific support needs. We run a range of programs which include Long Term, Transition Housing Management, Crisis Housing and rooming house properties.

Youth Support Networks and Programs

The Salvation Army's network of youth services offers targeted programs that support and engage youth across Australia as they transition to independence. Pathways include accommodation and material aid, drug and alcohol counselling, youth justice, mental health and advocacy support, education and training, driver training, creative arts and multimedia, safe places and support to build a better future.

Property Management and Development

The Salvation Army property solutions are designed to best support mission delivery at a local level. This includes sales and leasing, facility management and development to build and fit-out premises that best meet mission and business requirements. A centralised approach to property management enables stewardship of the portfolio for maintenance of a sustainable resource, which will continue to support the future financial and operational needs of The Salvation Army.

Doorways

Doorways provides emergency financial relief and holistic case management with referral to internal and external support services. Each year thousands of individuals and families come to The Salvation Army for help meeting day to day expenses or paying unexpected bills. Our aim is to journey with individuals to find long-term solutions to their struggles with the goal to end the cycle of poverty.

Microfinance

Microfinance provides small no-interest loans for essential items or services that help to build capability and provide an alternative for "predatory" commercial very high-interest loans. No-interest loans are a safer way to pay e.g. household items or car-related expenses. The Salvation Army's Micro-finance service is available across Australia, and our team can assist community members as needed.



Moneycare

The Salvation Army's Moneycare service provides information, support and advocacy to assist people in financial difficulty. Our qualified team offers free and confidential financial counselling to people from all walks of life and understand that everyone's finances are different. They offer step-by-step advice and help with:

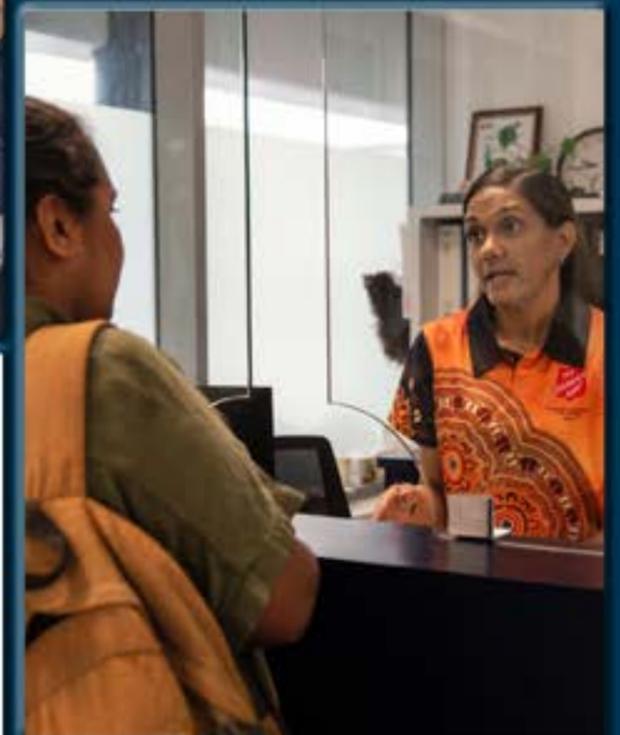
- Financial coaching
- Financial counselling

Alcohol and Other Drug Recovery

The Salvation Army offers several services and programs across Australia that provide safe and high-quality support for people adversely affected by alcohol and drugs. These services help encourage a sense of hope and freedom, and enable those affected to pursue a holistic transformation, which improves outcomes for not just themselves but also their families and communities.

Aboriginal and Torres Strait Islander Programs

The Salvation Army respects, values and acknowledges the unique histories and languages of the Aboriginal and Torres Strait Islander communities and aims to walk alongside them, to improve outcomes through social programs. At the heart of all work is a commitment to reconciliation – a faith movement committed to social justice, equity and freedom. Reconciliation Action Plans (RAPs) are a key vehicle for driving the reconciliation processes.



What we do - our services, operations and supply chains (cont.)

Family Domestic Violence

The Salvation Army provides a wide range of services around the country to support women and women with children impacted by family and domestic violence. We understand that experiencing family violence can be frightening and isolating. We offer refuge, children's and parenting services, counselling, support, men's programs, accommodation and advice to women and children who are experiencing, or who have experienced, family violence.



Fundraising and Financing

The primary goal of The Salvation Army's fundraising is to raise funds by inspiring the hearts of our supporters, unlocking their generosity and journeying with them to enable The Salvation Army's mission. The primary fundraising campaigns annually are the Red Shield Appeal and Christmas campaign. Following changes implemented during COVID-19, a majority of community collections have been converted to on-line fundraising. The Salvation Army's mission is additionally funded through investment activities. Funds are invested to further the achievement of mission objectives and include equity, hybrid and fixed interest instruments.

International Development Partnerships

The Salvation Army's International Development office supports community development by working in partnership with communities in Asia, Africa and the Pacific. Our focus is to work alongside communities to enable them to alleviate poverty. We believe that for any project to be successful it is crucial to train people and provide tools to enable them to achieve their full potential.



Salvos Stores/Family Stores/Thrift Shops

Our Salvos Stores and op shops specialise in the sale of pre-loved items generously donated by the Australian public. Ranging from our family stores and thrift shops to our well-known Salvos Stores, all our stores sell quality used goods, including furniture, clothing and shoes, homewares and books. All profits made through our stores go to funding Salvation Army programs and services around Australia.



Aged Care

The Salvation Army aims to promote a unique experience of choice, lifestyle and belonging for all people as they age. Our Aged Care services span across Australia in twenty residential aged care centres, seven retirement villages, one respite centre, and community care services. We offer support to people based on their needs — those older Australians who choose to live independently in their own home or those who require short-term or full-time care.

Homelessness Services

The Salvation Army has a long and successful history in responding to the immediate needs of those experiencing or at risk of homelessness. While services may vary depending on location, they are united by a singular purpose – to end homelessness, transform lives and restore hope and dignity. Catering to different stages of homelessness, these services also help those affected connect with a range of services aimed at helping them get back on their feet.



The Salvation Army Employment Plus

The Salvation Army Employment Plus was established as an agency in 1998 by The Salvation Army to deliver on the aim of helping people to find work that supports their wellbeing and benefits the community. As one of Australia's largest recruiters, we provide our job seekers with specialised training, work experience and a range of support services, to help them find meaningful employment. Everything we do is guided by our purpose of 'Work for All. Hope for all.'

Eva Burrows College

Eva Burrows College is the national learning centre of The Salvation Army. Drawing from our cutting-edge experience, the college exists to encourage and empower people for life, mission, and service through our nationally recognised and accredited courses. We can provide a comprehensive learning pathway that integrates practical experience with formal qualifications. We have campuses in Melbourne and Sydney and also offer online and blended learning.

Salvos Funerals

Salvos Funerals is a Salvation Army initiative that offers compassionate and affordable care to those in grief. By working with our trusted partners, Salvos Funerals provides real value for quality services. We are here to help people and thoughtfully plan and manage what can be an overwhelming task. Salvos Funerals is entirely owned and operated by The Salvation Army, with all profits reinvested into our charitable works.

Chaplaincy

The Salvation Army's network of Christian chaplains meet people at their point of need to provide support. They are committed to helping in any way they can, offering the highest level of professional confidentiality, no matter a person's belief. If people are interested, they are also happy to answer questions about God, faith, and spirituality. Our chaplains can provide support in schools, emergency services (police, fire brigade, etc), prisons, rural areas.



The Salvation Army Australia's supply chains

The Salvation Army Australia is a diverse, national organisation, offering a wide variety of services across approximately 4,000 locations including churches (Corps), and a mix of commercial and residential buildings.

Major spend categories

In alignment with its services, The Salvation Army Australia procures goods and services in 25 key categories:

 ALLIED HEALTH	 CLEANING	 CLINICAL CONSUMABLES	 CONTINGENT LABOUR & RECRUITMENT	 EMPLOYEE ASSISTANCE SERVICES
 FINANCIAL SERVICES	 FLEET	 FOOD & CATERING	 FURNITURE AND WHITEGOODS	 GIFT CARDS AND CRISIS PROGRAM SUPPORT
 HARDWARE	 INFORMATION TECHNOLOGY & COMMUNICATIONS	 INSURANCE	 KITCHEN, LAUNDRY & CLINICAL EQUIPMENT	 MARKETING, ADVERTISING & MEDIA
 OFFICE CONSUMABLES & PRINTING	 POSTAL & LOGISTICS SERVICES	 PROFESSIONAL SERVICES	 PROPERTY MANAGEMENT & MAINTENANCE	 REMOVALISTS
 SANITARY AND WASTE	 SECURITY SERVICES	 TRAVEL	 UNIFORMS & MERCHANDISE	 UTILITIES



As the nature of The Salvation Army Australia's activities directly support cities, country towns and rural communities across Australia, all Tier 1 suppliers continue to be Australian-based.



9,000+
employees



700+
ministers of religion



300+
contractors

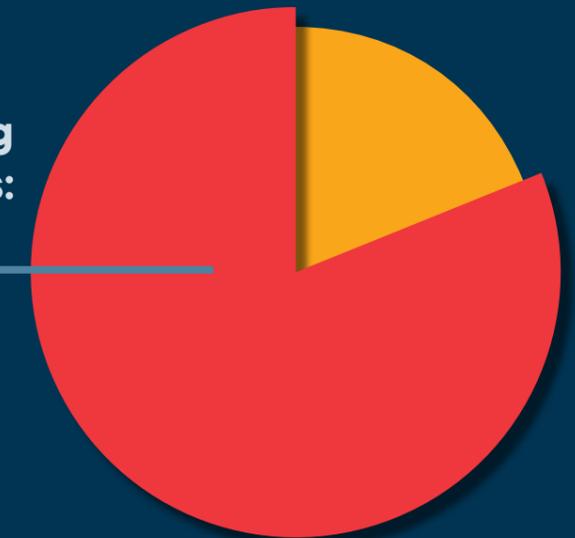


19,500+
volunteers

WORKFORCE COMPOSITION
The Salvation Army Australia manages its human resources utilising an operational model which integrates charitable and faith-based activities, is transparent, and in accordance with procurement and sourcing governance principles. It engages in excess of 30,000 personnel.

81% of total spend was within the following top 10 spend categories:

- Property Management and Maintenance
- Insurance
- Food and Catering
- Fleet
- Information Technology and Communications
- Financial Services
- Contingent Labour and Recruitment
- Utilities
- Gift Cards / Crisis Program Support
- Cleaning



The Salvation Army Australia's supply chains

The Salvation Army Australia's supply chains are complex and include thousands of suppliers. Mapping of the supply chains is underway and will be a long-term exercise that must be coupled with simplification.

With the advent of a dedicated Responsible Sourcing Manager during this reporting period, work has commenced on the mapping of spend categories (Tier 1) deemed to present salient risks (discussed further in Criterion 4 below).

The map on the right lists these, along with information gathered thus far on where these goods/services were sourced.

The Salvation Army Australia experiences two key challenges in knowing where its products and services are coming from:

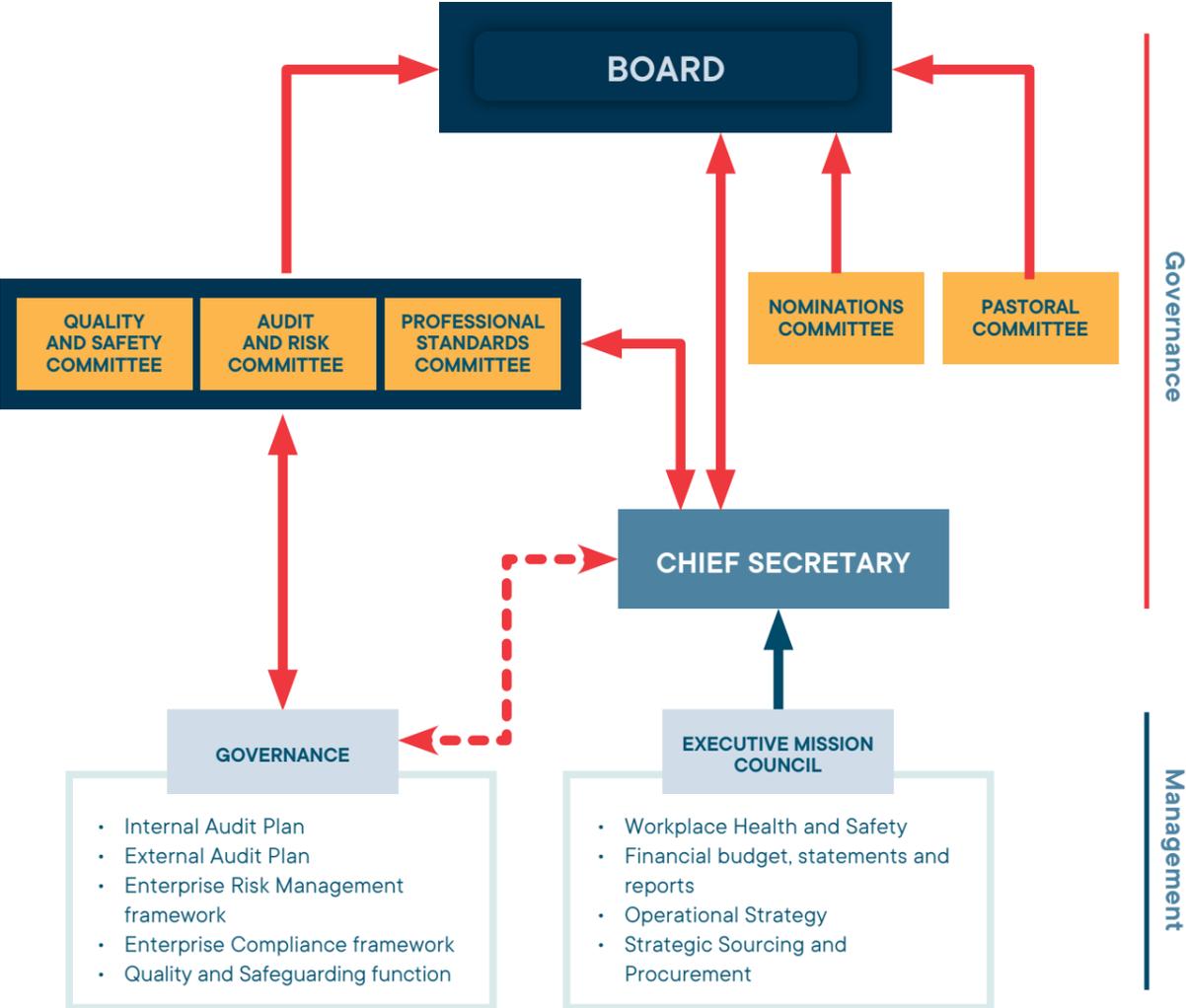
1. Limited mapping of various product lines by Tier 1 suppliers, many of whom are retailers; and
2. The de-centralised nature of procured products and services – whereby service programs and churches require a level of autonomy in purchasing products and services in order to effectively and efficiently meet community needs. The establishment of a preferred listing is being assisted by a dedicated procurement-to-payment (P2P) system (in partnership with Coupa). In time, the intention is to steer the majority of organisational purchasing via preferred suppliers, vetted for demonstrated success and impact in supply chain assurance.



Oversight of Modern Slavery

Governance Framework

The Salvation Army Australia has a robust governance framework, with oversight by the Board and direct monitoring of activities and decisions through its committees. The below diagram outlines The Salvation Army Australia’s governance structure.

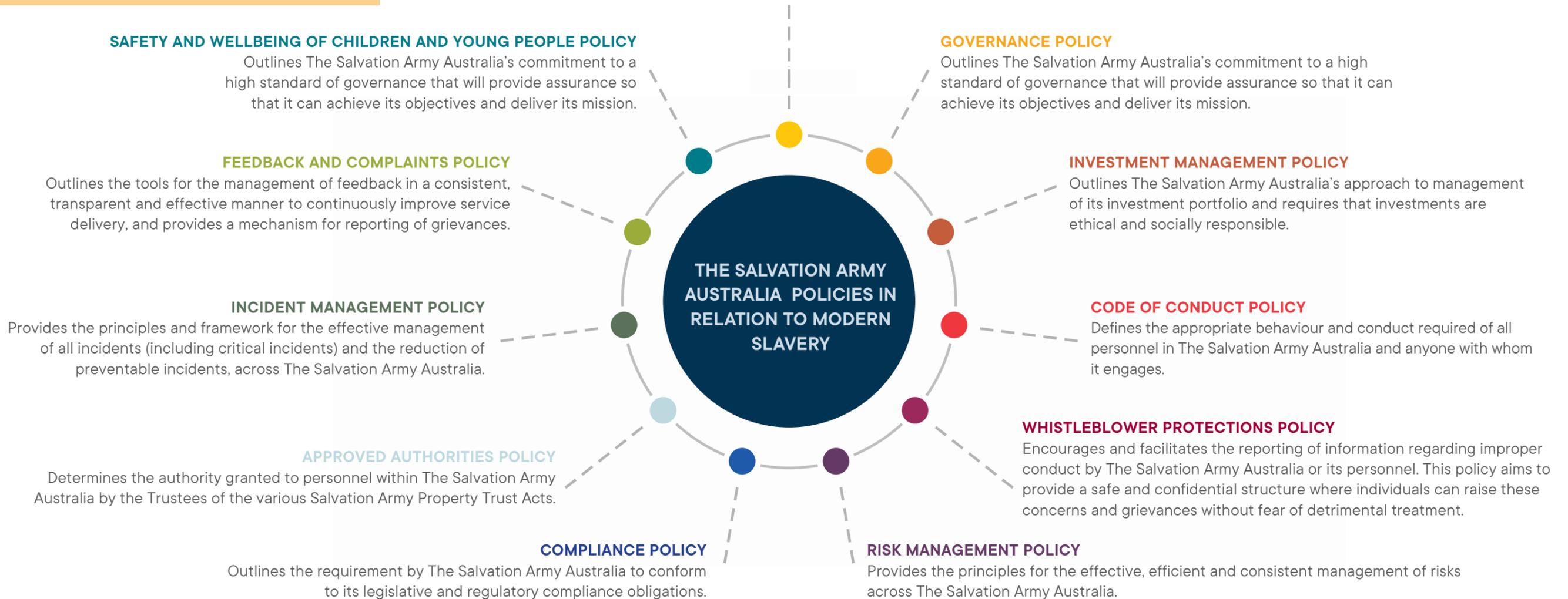


Governance Policies

Underpinning the governance framework are several policies, and, in particular, the following in relation to modern slavery, which cover and address a broad range of fundamental principles, which guide the delivery of The Salvation Army's mission, with a focus on ethical and lawful behaviour.

PROCUREMENT POLICY

The Salvation Army Australia's Procurement Policy outlines the principles and identifies the standards that apply to procurement and the purchase of goods and services. It outlines due diligence in the procurement process, which must be proportionate to the level of expenditure and associated risk. Further, the policy highlights the possibility that purchased goods and services may be the result of Modern Slavery and that this must be considered by all parts of The Salvation Army Australia that engage in procurement of goods and services.



The following procedures and standards have been implemented to strengthen the application of the Procurement Policy:

CONTINGENT LABOUR STANDARD

Provides guidance on the use of contingent workers by The Salvation Army Australia, including procurement of contingent workers, engagement of contingent labour (Professional Services / Independent Contractors / Labour Hire / Sole Traders), and management of contingent workers.

PURCHASING STANDARD

Provides guidance to The Salvation Army Australia's personnel in the purchase of goods and services, use of purchasing arrangements/ agreements, specified purchasing methods, and supplier selection.

SOURCING AND AGREEMENT STANDARD

Provides guidance to The Salvation Army Australia's personnel on the sourcing of goods and services on using quotes and tenders, creation of preferred supplier arrangements, including supplier risk assessments, and procurement agreements.

SUPPLIER OF CODE OF CONDUCT

Establish The Salvation Army Australia's expectations of suppliers and their supply chain when they are providing goods and services to The Salvation Army Australia.

Identification of Modern Slavery Risks in The Salvation Army Australia's supply chains and operations

As part of its Governance framework, The Salvation Army Australia's Enterprise Risk and Compliance function continues to actively consider and review risks throughout its operations and supply chain, and, in particular, assesses the overall links to and understanding of modern slavery, as well as other ethical, social and governance matters.

The Salvation Army Australia recognises that there are inherent risks of modern slavery within a number of its key supply chains and spend categories, and continues to focus on the following:

- Outsourcing and sub-contracting
- Financing and property activities
- Worker vulnerability and labour exploitation
- Forced labour;
- Child labour
- Poor Due Diligence undertaken in vetting and onboarding new suppliers
- Supplier values don't align to those of The Salvation Army Australia
- Supplier activities and behaviours directly impact The Salvation Army Australia's reputation and public trust
- Supplier agreements are implemented without appropriate governance considerations
- Failure by suppliers to comply with laws and regulations
- Supplier processes and systems do not adequately support The Salvation Army Australia's requirements
- The Salvation Army Australia's personnel do not appropriately follow established sourcing and procurement processes.

During the reporting period, The Salvation Army Australia's Strategic Sourcing and Procurement function conducted a comprehensive review and reorganisation of purchasing category management systems and processes to strengthen and simplify risk assessment.

This included the development of a category risk matrix, detailing risk ratings and their underlying rationale, as well as step-by-step guidance for managing procurement accordingly, including advice for contract terms and ongoing supplier engagement.

Further, this work considered all Australian and international suppliers across all supply chain activities, noting the adoption of centralised procurement practices across The Salvation Army Australia, and acknowledging that at times localised procurement decisions are required to meet the immediate needs.



Modern Slavery Risks in our supply chains and operations

The below table sets out areas of The Salvation Army Australia's spend categories deemed to pose moderate to high risk.

GOODS/SERVICE	SUMMARY	RISK RATING
 BUILDING MATERIALS	Australian companies commonly source raw building materials from countries considered high risk for modern slavery. Bricks, cement, granite, rubber and timber have been found to be produced by child and forced labour.	MODERATE 
 CLOTHING & TEXTILES (TSA UNIFORMS & MERCHANDISE)	Due to the combination of high-risk inputs, such as cotton, and high-risk production and manufacturing processes, such as fast turnarounds, clothing and textiles products represent a particularly high risk for modern slavery.	MODERATE 
 CONSTRUCTION SERVICES	Construction services present base-skilled labour risks, and the use of sub-contracting to reduce labour costs is common. Modern slavery conditions have been found to be present in Australia, however, a strong union presence may provide some deterrence, protection and access to remedies. Consideration should be given to limiting a suppliers' use of sub-contractors in contract terms and ensuring the cost is fair and reasonable for the services. Contracts should require site access if requested to conduct due diligence and respond to worker grievances.	MODERATE 
CONSUMABLES:  CLINICAL	Exploitation is known to occur in the production of medical goods. Products with particularly high risk include rubber gloves, surgical instruments, garments, masks, and medical electronics.	MODERATE 
 COFFEE	Child labour in particular is rife in the coffee industry across South and Central America and Africa. While the industry is known to have high levels of child and forced labour, this category is deemed moderate given the abundance of ethical options available on the market.	MODERATE 
 TEA	Child and/or forced labour has been identified in Myanmar, Kenya, Malawi, Rwanda, Tanzania, Uganda and Vietnam. While the industry is known to have high levels of child and forced labour, this category is deemed moderate given the abundance of more ethical options available on the market.	MODERATE 
 COCOA	Child labour and forced labour have been noted in Brazil and several African nations, including Ghana, Cote D'Ivoire and Nigeria. While the industry is known to have high levels of child and forced labour, this category is deemed moderate given the abundance of more ethical options available on the market.	MODERATE 
 IT HARDWARE (ELECTRONICS)	Due to the combination of high-risk component parts, such as precious minerals, and high risk production and manufacturing processes, IT hardware is a particularly high risk for modern slavery. Goods produced with mined materials, such as mobile phones, carry a high risk of modern slavery, particularly where materials are mined within high-risk geographical locations and complex supply chains.	MODERATE 

GOODS/SERVICE	SUMMARY	RISK RATING
 FOOD & BEVERAGES; CATERING	Due to the nature of the necessary work in the production, processing, packaging and transport of food and beverages, there is a high risk of modern slavery associated with food and beverages. This risk is considered higher for products produced outside of Australia.	MODERATE 
 FRESH PRODUCE (MEAT, FISH & ANIMAL PRODUCTS)	Due to the nature of the necessary work in the production, processing, packaging and transport of fresh produce, there is a high risk of modern slavery associated with fresh produce. This risk is considered high even for produce wholly produced in Australia.	MODERATE 
 FURNITURE	Modern slavery risks in furniture manufacturing are often linked to geographic regions. Child Labor or Forced Labor has been linked to Bangladesh, Turkey, Vietnam, Malaysia and China. Illegal logging is of considerable concern.	MODERATE 
 FLEET & AUTOMOTIVE	Modern slavery-related risks include labour rights abuses, specifically no freedom of association/union rights, living wage and forced labour. Raw material sourcing in conflict zones (where child labour and sexual servitude are common) is also a major issue. Suppliers should provide detail for how they manage these risks, including options for alternative supply outside conflict zones. Sourcing of fabric used for car seats; mining of metals for body should also be interrogated.	MODERATE 
 PROPERTY MANAGEMENT SERVICES	Property management services such as cleaning, security and maintenance present base-skilled labour risks, and the use of sub-contracting to reduce labour costs is commonplace. Modern slavery conditions have been found to be present in Australia. Breaches of basic employment rights, including wage theft, are extremely common. Consideration should be given to limiting a supplier's use of sub-contractors in contract terms and ensuring the cost is fair and reasonable for the services. Contracts should require site access if requested to conduct direct due diligence and respond to worker grievances. Direct employment of staff is preferred.	MODERATE 
 UTILITIES/ SOLAR PANELS	Utilities sourced within Australia are generally considered low risk, with modern slavery risk exposures often being related to the utility providers' own corporate services. However, solar panels carry significantly high risk. Almost the entire global solar panel industry is implicated in the use of forced labour. Of particular concern is the use of Uyghur workers in the first stages of production, including to crush quartz rocks and working in the coal-fuelled furnaces for the production of polysilicon, as well as further along the supply chain. Suppliers should demonstrate industry and government engagement to address uncontrolled risk, including developing alternative supply opportunities and building onshore manufacturing capability.	MODERATE 



What we are doing to manage Modern Slavery Risks in our supply chain

Building on past work reported in previous modern slavery statements, The Salvation Army Australia has developed a comprehensive program for addressing modern slavery based on three key pillars:

- 1. Supply chain governance
- 2. Stakeholder engagement
- 3. Internal capacity building

Leading this work is the Strategic Sourcing and Procurement Function's Responsible Sourcing Manager, whose responsibilities include embedding responsible sourcing across the organisation, conducting extensive proprietary research on procurements and suppliers to inform risk assessment and action; and supporting key stakeholders to better understand and respond to modern slavery in supply chains.

As reported previously, The Salvation Army Australia has established an internal cross-functional group representing key functions including Strategic

Sourcing and Procurement, Risk and Compliance, Aged Care, Property, and Salvos Stores, to share information and build out a consistent approach across the organisation. This approach is vital to communicating and consulting with impacted areas of our business regarding our modern slavery obligations.

The Salvation Army Australia holds its personnel accountable for supply chain governance through its Procurement Policy and Sourcing and Agreement Standard, both of which stipulate that The Salvation Army Australia must comply with all Modern Slavery legislation in Australia and that the possibility that purchased goods and services may be the result of Modern Slavery must be considered by all parts of the organisation that engage in procurement of goods and services.

All suppliers who are reporting entities under the *Modern Slavery Act 2018* (Cth) (the Act) are required to demonstrate compliance with their obligations under the Act. This requirement is stipulated in The Salvation Army's Supplier Code of Conduct and supplier pre-screening and tendering documentation.

Supply chain governance

Key activities:

- Updated supplier assessment materials, contract clauses and Supplier Code of Conduct to better reflect international best practice
- Refined supplier risk assessment framework
- Prepared step-by-step guidance for personnel to manage different levels of risk

To demonstrate continuous improvement and to enhance supply chain governance, The Salvation Army Australia has addressed a number of commitments made in the previous reporting period. The first of these was to review and refresh tender response and supplier assessment documentation to more clearly incorporate internationally-recognised standards from Know the Chain, the Ethical Trading Initiative and Verité.

Suppliers are now asked more targeted questions about how they uphold the 'employer-pays principle' when using sub-contracted labour, how they calculate and verify legal wages for sub-contracted labourers and how they hold suppliers accountable for promoting freedom of association.

Additionally, a supply chain mapping exercise has been added to supplier assessments through which information is sought about suppliers' current level of visibility and their willingness to be transparent.

The method for assignment of risk ratings to suppliers has been refined, using a category risk matrix and pre-screening tool that considers the quantum of the spend and the risk factors of the good or service to be procured.

These risk factors include:

- Geographic location/relevant contextual factors
- Whether adequate legal protections are present and enforced
- The nature of work, such as whether it is dirty, dangerous or demeaning and whether there is a pattern of human rights violations
- Workforce vulnerabilities, such as reliance on migrant workers, employer-sponsored workers, and/or sub-contracted or casual workers
- Industry and supply chain characteristics

Using this method, The Salvation Army Australia also conducts desktop research through a range of government websites, non-government, academic and industry reports and corporate reports to identify concerns and outliers. This can also include potential issues including enforceable undertakings and private civil matters, wage theft and employment entitlements, alleged tax avoidance and anti-competitive behaviour.

Suppliers assigned a risk rating of moderate or high are required to respond to additional questions, and, depending on the value of the contract, be active members of Sedex, online community and platform which provides practical tools, services and a community network to help organisations improve their responsible and sustainable business practices, and source responsibly.

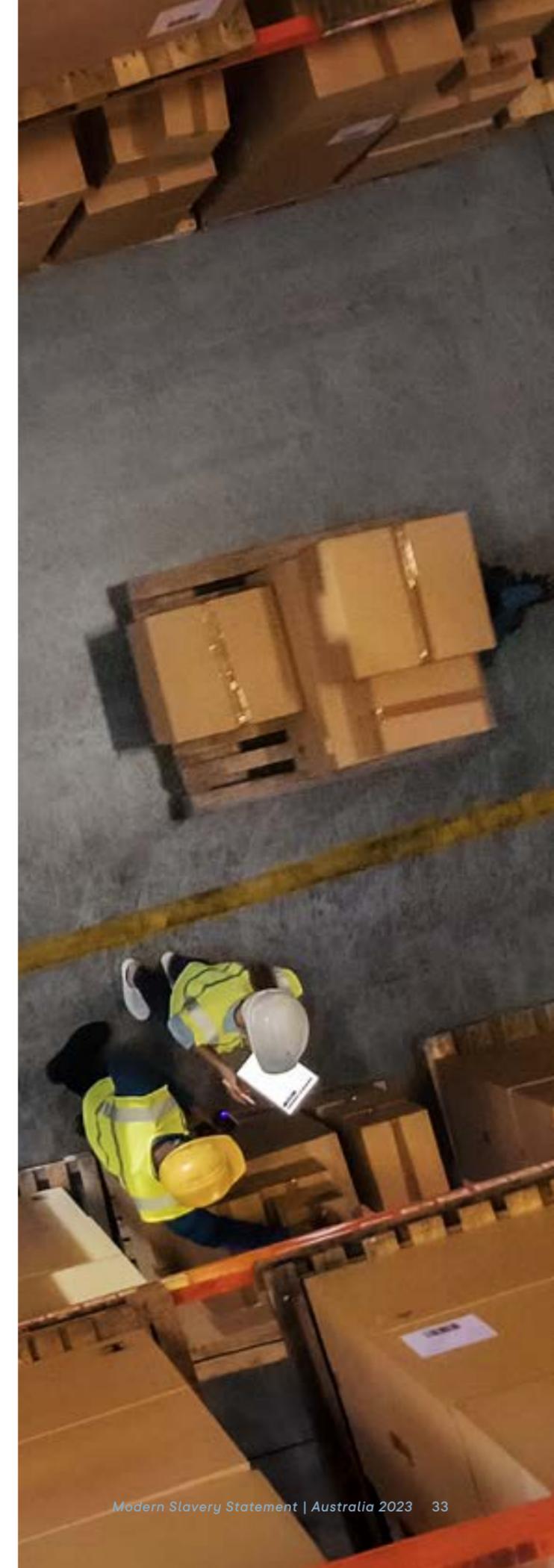
To illustrate how this is put into practice, the pre-screening process was applied in a security services tender during the reporting period. This identified

concerns regarding a potential bidder who had continued to operate under a "zombie" enterprise agreement (this was prior to the government-enforced sunset of such agreements), which resulted in security workers being legally paid wages that had not been adjusted for inflation since 2013. This behaviour was not consistent with The Salvation Army Australia's values and as a result, the bidder was not invited to tender for the services. Notably, that tender resulted in The Salvation Army Australia selecting a single, national supplier who, through the process, demonstrated incredibly strong commitment to transparency, decent work conditions and collaboration with workers.

Supply chain simplification is a key element of The Salvation Army Australia's supply chain assurance strategy, in addition to adding value and minimising risks. This is seen as a more effective way of managing risks where precious resources are better spent engaging fewer key suppliers who demonstrate a deep commitment to transparency and honesty; collaboration—up and down the supply chain; and a willingness to change business practices that may contribute to rights violations and indecent work.

In addition, The Salvation Army Australia's standard supply terms and conditions were updated during the reporting period to include standard clauses pertaining to modern slavery and human rights risks and incidents. Modelled on those drafted by the Australian Government, short, standard and long form clauses were implemented, aligned to the level of risk assigned to a particular procurement activity.

Suppliers must also agree to abide by The Salvation Army Australia's Supplier Code of Conduct, which was also updated this year to correspond more directly to international standards set out in the United Nations Guiding Principles on Business and Human Rights, the Ethical Trading Initiative Base Code and Know the Chain Benchmarking Methodology.



Stakeholder engagement

Key activities:

- Collaborated with NGO partners and tier 1 and 2 suppliers to verify working conditions in a high risk category
- Convened first Supplier Forum
- Surveyed key suppliers on capacity building needs to strengthen responsible sourcing

Engagement of stakeholders, including suppliers, sub-suppliers and local partners in sourcing areas is a key part of The Salvation Army Australia's work in combating modern slavery. Taking this approach, a sense of collective responsibility is cultivated to address shared challenges and diversify the sources of information used to inform points of strength and weakness in the supply chain.

Research has identified that a collaborative approach is more effective when working with suppliers, and by working with local organisations on the ground, The Salvation Army Australia can enhance its ability to hear directly from people most affected by modern slavery risks. The case study on the right illustrates how this approach has been implemented to verify working conditions in the manufacture of rubber gloves; an industry where numerous reports of forced labour and other rights violations have taken place in recent years.

CASE STUDY: RUBBER GLOVES

The Salvation Army Australia works through alternative, grassroots channels to verify how responsible sourcing standards are met in its supply chains, and it works with non-governmental organisations and trade unions in Australia and abroad to investigate work sites where there are risks and/or reports of modern slavery and other human and labour rights violations. Going through groups that have the trust of workers, rather than relying on strangers whom workers are less likely to trust, helps to gather vital information whilst also protecting the rights, privacy and safety of workers and potential victims.

In one example, The Salvation Army Australia collaborated with the Uniting Church in Australia, Synod of Victoria and Tasmania to bring together a shared supplier of rubber gloves, a shared tier-two supplier sourcing gloves from Malaysia for that supplier and a local migrant worker rights group with demonstrated success in addressing labour conditions in this industry in Malaysia. Taking this approach enabled the identification of which factories the sub-supplier was sourcing from to enable our local partner to make enquiries. This work was still in process at the end of this reporting period, thus results will be shared in the next reporting period.

During the reporting period, The Salvation Army Australia convened its first Supplier Forum, which brought together over 40 strategic suppliers to share its vision for strategic and responsible sourcing. Importantly, this event was attended and supported by several internal functions including Finance, Risk and Compliance, Corporate Partnerships, Property and Salvos Stores.

At this forum, an overview of modern slavery was provided to attendees, including how modern slavery occurs in supply chains and what The Salvation Army Australia is doing to address this problem. Further, a video featuring survivors of forced labour and debt bondage, and information on cases of slavery in Australia were shared.

The Salvation Army Australia's Strategic Sourcing and Procurement plans were also shared and suppliers were invited to come together in tackling modern slavery in supply chains. The group heard from representatives from three key suppliers who shared why their respective organisations have prioritised responsible sourcing, along with examples of wins and losses in confronting common supply chain challenges.

Feedback from the forum evaluation was overwhelmingly positive and at participants' request, this forum will be convened on an annual basis, bringing in additional topics and fostering a pre-competitive space for learning and information sharing.



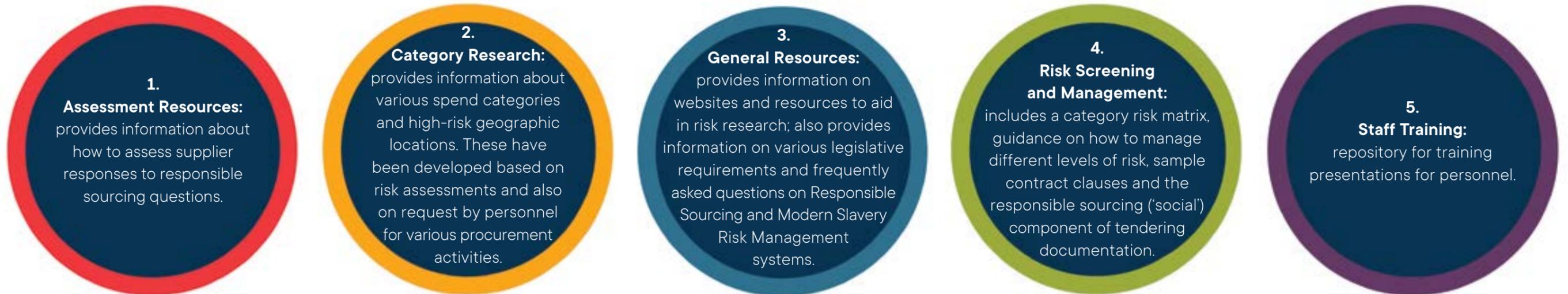
^ The Salvation Army Supplier Forum 2023

Internal capacity building

As noted, The Salvation Army Australia is a complex organisation with a significant decentralised procurement spend. Therefore, a key challenge is communicating the rationale and benefits of responsible sourcing to internal stakeholders who are accustomed to prioritising cost over all else to maximise value. Education and empowerment of personnel to support the responsible sourcing vision is therefore continuing.

To make this as easy as possible, a Responsible Sourcing Toolkit has been developed and is available to all personnel via the internal Strategic Sourcing and Procurement Sharepoint page.

This Toolkit has five key components:



The Responsible Sourcing Toolkit comes with a brief guide to orient new users to its contents, where to seek further information and how to request support.

The tender response documentation has thus far been well-received.

Training:

In addition to the above, during the reporting period training was refined and delivered for procurement personnel focused on the vetting of supplier responses. This detailed examples of what 'good' and 'bad' looks like and how to spot signs of exaggeration and oversimplification. The training emphasised collaboration over a compliance approach, noting the need to work together with suppliers to find solutions and to reflect on procurement behaviours.

The intended outcome from the training is to raise the standard for supplier disclosure from 'process' to 'outcome' and to engage suppliers to go beyond standard governance processes (i.e. contract clauses, codes of conduct and third party audits) to explain how they engage through their supply chain to verify standards are met.

In the next reporting period, The Salvation Army Australia plans to expand this training into a three-part series for all personnel that steps people through the Responsible Sourcing Program and Toolkit.

How we are assessing the effectiveness of our management of Modern Slavery Risks in our supply chains and operations

Research shows that organisations with strong corporate social responsibility programs perform better in addressing modern slavery in supply chains. With this in mind, The Salvation Army Australia has built a responsible sourcing program within which its anti-slavery work is embedded as part of its vision.

NATIONAL VISION STATEMENT
Wherever there is hardship or injustice, Salvos will live, love and fight alongside others to transform Australia one life at a time with the love of Jesus.

RESPONSIBLE SOURCING PROGRAM PURPOSE
To ensure we are not benefitting from, causing or contributing to hardship or injustice through the goods and services we procure.

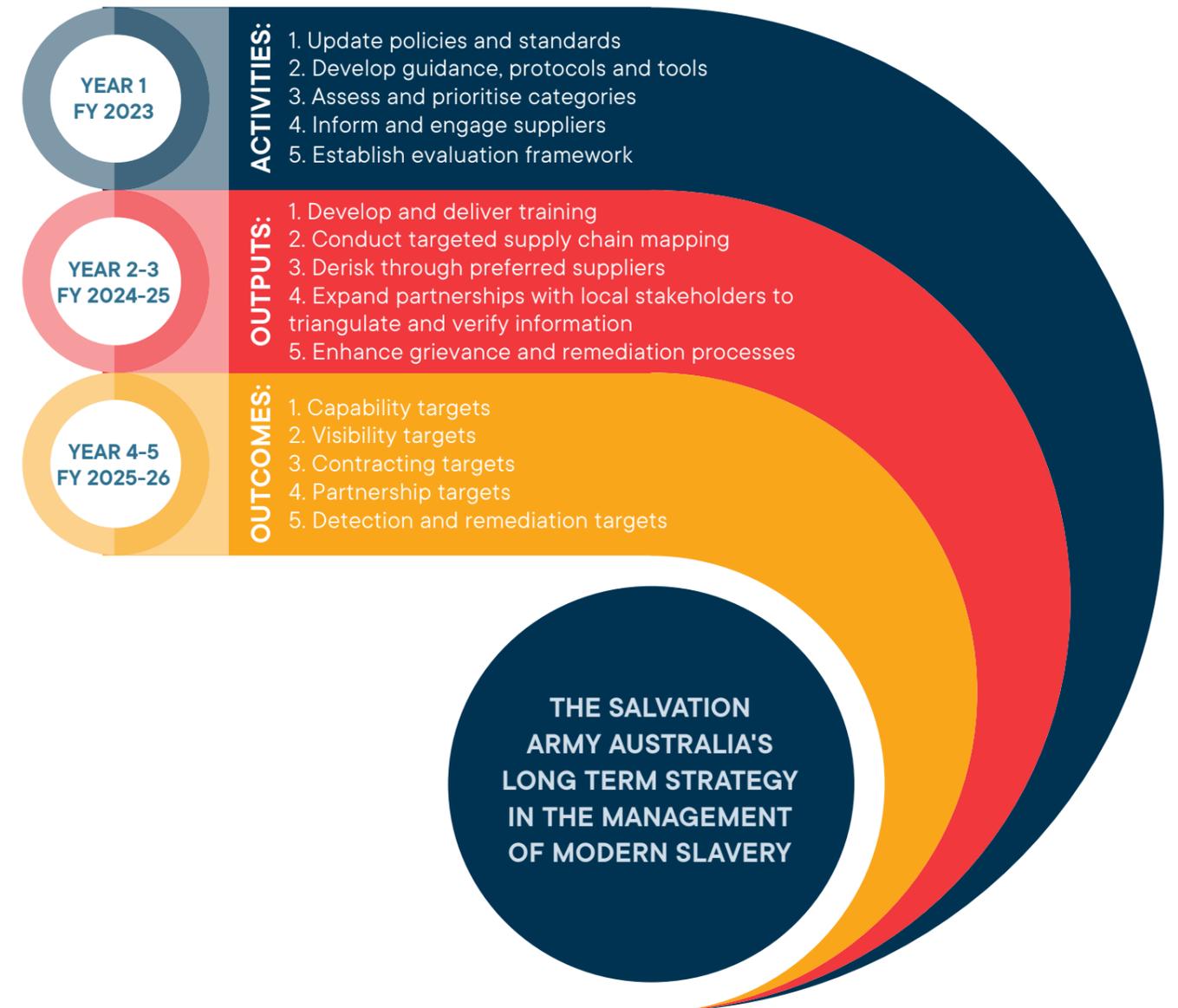
GOAL
To embed responsible sourcing into purchasing and procurement activity across the organisation.

The Salvation Army Australia has developed a 'theory of change' approach to measuring effectiveness. In doing so, it tests assumptions about the causal pathways between actions and the change expected as a result. It uses a logic model to contextualise contemporary, process-based activities and outputs within longer-term, outcomes-focused objectives.

Over time, it is expected that its focused activities will lead to measurable change in how key stakeholders are engaged within and connected to our supply chains. A key measure of success

is to identify issues and quite possibly violations. A second measure will inform whether efforts to remediate these problems have effectively resolved the matters in terms of both addressing the cause and the impacts of the harm.

Achieving effectiveness in the management of Modern Slavery risks continues to be a long-term strategy for The Salvation Army Australia. As referenced earlier in this statement, extensive work has been undertaken to improve supply chain risk management processes and practices to engage suppliers.



Enterprise risk and compliance program

The Salvation Army Australia's Enterprise Risk and Compliance function continues to actively monitor modern slavery risks, with formal mitigation, reporting and escalation protocols embedded to ensure risk concerns are appropriately escalated in a timely manner and mitigating actions are managed to completion.

The Enterprise Risk and Compliance function actively works with the Strategic Sourcing and Procurement function to identify and mitigate Modern Slavery risks.

Internal audit

The Salvation Army Australia's Internal Audit program provides independent assurance that risk management, governance and internal control processes are operating effectively. As such, a review of The Salvation Army Australia's efforts in combatting modern slavery and compliance with the *Modern Slavery Act 2018* (Cth) was conducted during the previous reporting period.

Much of the work noted earlier in this statement is in response to this review, with progress of implementation continuing to be monitored.



How we are working together to combat Modern Slavery Risks in our supply chains and operations

All of the Property Trusts share the same body of Trustees and executive management teams. All of the Property Trusts adopt the same policies, procedures and protocols, operate in the same sectors and, save for minor exceptions, share the same suppliers.

The Companies have Boards of directors appointed with the express approval of the Trustees of the Property Trusts who are the relevant parent entities of each company. Other than with respect to industry specific additional requirements, all of the Companies adopt the same policies, procedures and protocols, operate in the same sectors and, save for minor exceptions, share the same suppliers as the Property Trusts.

This Joint Modern Slavery Statement was prepared in consultation with The Salvation Army Australia's Enterprise Risk and Compliance, Strategic Sourcing and Procurement, and Policy and Advocacy Teams, together with in-house legal counsel. This Joint Modern Slavery Statement was prepared following discussions and involvement of these functions in so far as they operate and the relevant key individuals interact both with the Property Trusts and the Companies. The Salvation Army Australia's Board is committed to the modern slavery initiatives set out in this Joint Modern Slavery Statement.

Throughout the reporting period, updates on our activities of our Modern Slavery discussion group were provided to the Board Audit and Risk Committee for their awareness.

What else we are doing to fight Modern Slavery

The Salvation Army Australia continues to advocate to influence key decision makers and those who have the power to implement social policy change. This includes advocacy with federal, state and territory members of parliament, noting that social policy can make the most difference to those experiencing hardship, injustice and marginalisation.

Situated within The Salvation Army Australia's Policy, Research and Social Justice Department, the Policy and Advocacy team is responsible for coordinating social policy development, social justice education and advocacy efforts on social policy issues, including modern slavery and human trafficking.

Service, support and outreach

Since 2008, The Salvation Army Australia has continued to independently operate the only refuge in Australia dedicated exclusively for survivors of slavery and trafficking. The Safe House also supports men, women and children in the community who may be at risk of slavery and severe labour exploitation.

The Safe House provides flexible and comprehensive support to survivors including:

- Accommodation
- Emergency financial relief
- Access to health care
- Education/employment assistance
- Rights education
- Access to legal support
- International assistance
- Confidential advice

Pathways to independence

The Salvation Army Australia also operates the Australian Freedom Fund, which provides small, individual grants to survivors and people at risk of modern slavery.

The Salvation Army Australia also operates Australia's first and only Modern Slavery Transitional Housing Pilot in partnership with Salvos Housing and the Sisters of Charity Foundation, providing survivors with supported pathways to independence

Lived Experience Engagement Program (LEEP)

LEEP seeks to support direct contributions and advice to the Australian Government on human trafficking and modern slavery policy and programs from people with lived experience, specifically utilising their experience and knowledge of criminal labour exploitation. LEEP will pilot a Survivor Advisory Council to the government, the first of its kind in Australia and a first step in a partnership approach with modern slavery survivors to achieving change.

LEEP was funded by the Australian Government through Round 1 of the National Action Plan to Combat Modern Slavery 2020-25 Grant Program. LEEP successfully piloted a Survivor Advisory Council (SAC), working directly and constructively with the Attorney General's Department. SAC members utilised their knowledge of criminal labour exploitation in this first advisory of its kind in Australia.

In late 2022, the LEEP model was operationalised and brought together 6 people with lived experience in domestic, diplomatic, sex industry and agricultural settings.

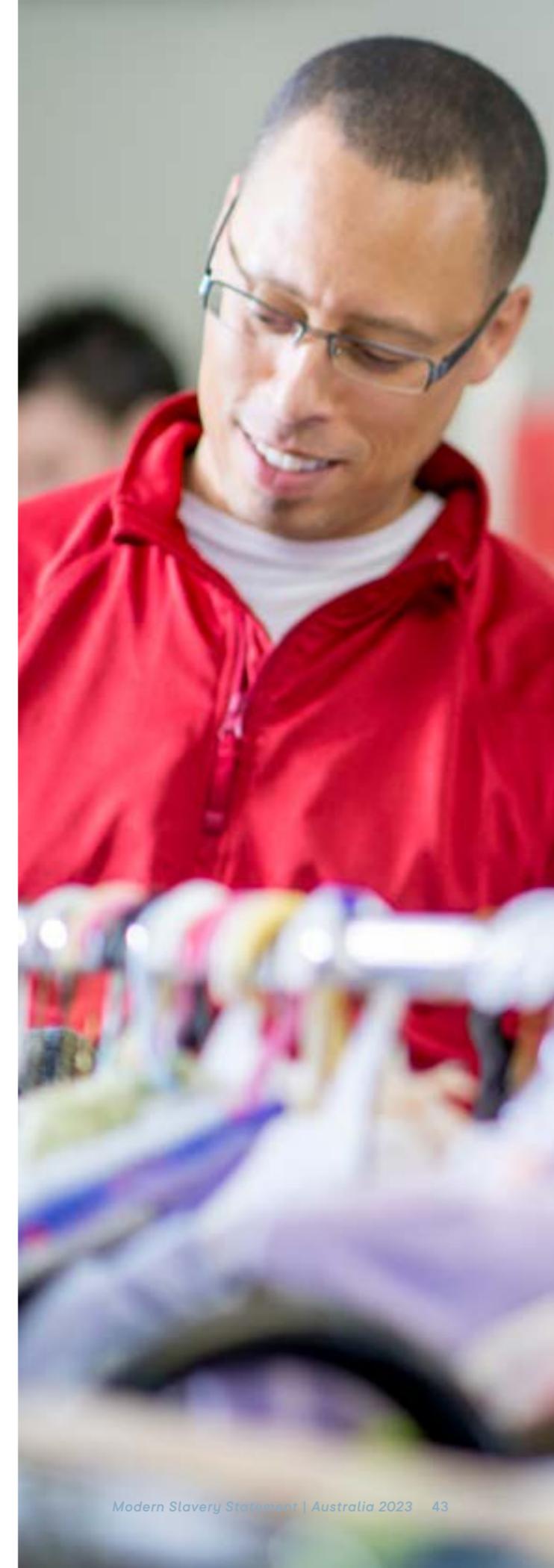
SAC engagements included five consultations with governmental officials from a number of

departments, advising on key legislation reviews; the awareness and training of frontline officials; victim and survivor engagement and empowerment; and remediation and practical support. The SAC also presented at the Ministerial Meeting of the National Roundtable on Human Trafficking and Modern Slavery (December 2022), and the National Slavery Conference (June 2023), heralding a new phase of antislavery efforts in Australia incorporating the leadership and expertise of those most affected.

Moving forward

The Salvation Army Australia has planned and in some cases already commenced work on the following activities, to be finalised during the next reporting period:

- Supplier enablement and engagement activities through an e-newsletter and webinars
- Category research and due diligence, specifically related to:
 - Salvos Stores purchased products
 - Food supply, catering, solar panels, gloves, contract cleaning and branded merchandise
- Review and update of policies
- Communication and furthering of training for all TSA personnel
- An internal audit of procurement activity to, among other objectives, identify areas requiring support regarding responsible sourcing.



**Modern Slavery Statement
Australia 2023**



**The Salvation Army
Australia**

salvationarmy.org.au

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