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# Modern Slavery Disclosure Quality Ratings

## ASX100 Companies Update

*FY2023 Modern Slavery Statements*

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**19 November 2024**



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If you have utilised Monash University's Modern Slavery Disclosure framework or incorporated Monash's research findings to enhance your modern slavery reporting, please ensure you provide the correct citation, as indicated above, in your modern slavery statement. This helps us track the reach and impact of our research.

For more  
information about  
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# KEY FINDINGS

- 1 56 statements received **A rating**.
- 2 07 statements were rated **E & F**.
- 3 03 statements were **downgraded**.
- 4 Disclosures of supplier due diligence results and specific issues are **limited** and often **lack consistency and standardisation**.
- 5 Major **areas of improvement** are the description of supply chains beyond tier 1, risk identification and exposure, grievance channels and remediation processes, and monitoring the effectiveness of their actions by more tangible outcomes.

# EXECUTIVE SUMMARY

The research team of the Monash Centre for Financial Studies has conducted a benchmarking review of the quality of the modern slavery statements of ASX100 companies for FY2023. This is the fourth annual benchmarking report.

The aim of the review is to have an in-depth understanding of how ASX100 companies' statements address the reporting requirements under Australia's Modern Slavery Act (2018), their progress made since the inaugural report in 2020, and identify areas for further improvements. The review was conducted using the Modern Slavery Disclosure Framework 2.0 (MSD2.0), developed by the research team in 2021.

This year's review welcomed 56 statements into the A league. However, seven statements received E and F ratings, and three experienced a downgrade.

Enhancements in ASX100 companies' modern slavery statements since their inaugural statements in FY2020 were evident in the disclosure of structure and operations, governance, more refined risk identification and assessment processes, supplier due, key performance indicators (KPIs), and an increased focus on fostering external collaborations.

Areas for further improvement in modern slavery reporting among ASX100 companies include providing detailed descriptions of supply chains beyond tier 1, enhancing the identification of risks and exposures in accordance with the United Nations Guiding Principles (UNGP), strengthening disclosure of grievance channels and remediation processes, and detailing how they monitor the effectiveness of their actions in managing these risks with more tangible outcomes and impact.

The deep dive into the disclosure quality of due diligence results and reporting of specific concerns revealed lack of consistency and standardization.

This year's report introduces three new features: **Bookmarks**, **Ideas**, and **Deep Dive**, aimed at providing specific examples of effective disclosures. These additions serve as reference points to help the market enhance its disclosure practices.

# Special contents in this report

As our effort to enhance the research and based on insights gathered from our dialogues with the industry, we will introduce three new features - **Bookmarks**, **Ideas** and **Deep Dive** - in this year's MSD research report.



The **Bookmarks** feature will highlight specific examples of effective disclosures selected during our review of companies' modern slavery statements, offering valuable reference points for improvement.



The **Ideas** feature will share initiatives and best practices that go beyond compliance and standard disclosures.



The **Deep Dive** feature will provide in-depth research insights on specific issues or disclosure practices relevant to the MSD framework.

The examples presented in **Bookmarks** and **Ideas** are not exhaustive, as other similar disclosures may exist. These examples, showcasing sections of effective disclosures, are drawn from ASX100 companies' modern slavery statements and should be viewed within the broader context of the complete statements.

This report includes two **Deep Dive** issues:

- (1) The governance of modern slavery risk and
- (2) Effective disclosures of audit findings and specific modern slavery concerns

These additions aim to strengthen the connection between our disclosure-focused research framework and the UN Guiding Principles, which serves as a good practice framework without focusing solely on disclosure requirements. This effort reflects our commitment to bridging research insights with actionable industry practices.

# Insights from Research Impact Interviews

In 2023 and 2024, Monash's modern slavery research team conducted a research impact study involving 14 in-depth interviews with ASX100 listed companies, investors, and other key stakeholders. The study aimed to gain a comprehensive understanding of how various stakeholders utilise Monash's MSD research outputs and insights, and how these insights have benefitted their organisations. Additionally, the study gathered valuable input from industry practitioners on ways to enhance the annual MSD reports to better meet industry needs and drive market practices.

The interviews revealed that companies find the annual benchmarking research valuable. Some companies reported that the rating information, the MSD framework, and insights from the annual research reports inform their disclosure practices. Companies use these ratings information in both internal and external communications.

Interviewees also shared that the annual benchmarking reports provides meaningful insights that can drive corporate commitment to continuous improvement.

For investors, the annual MSD benchmarking provides critical information for understanding disclosure quality, screening modern slavery risks and informing engagement strategies with ASX100 companies.

Additionally, the MSD research offers a growing set of empirical evidence that enables market participants to assess the effectiveness of Australia's Modern Slavery Act.

The interviews were an insightful experience and formed a part of our ongoing dialogue and engagement with the industry to refine our research for better relevance and impact.

We deeply appreciate the valuable feedback and suggestions provided by all participants, which will help shape and improve future research efforts.

The insights gathered from the interviews inspired us to introduce the new features of the report: [Bookmarks](#), [Ideas](#), and [Deep Dive](#).

# Modern Slavery Disclosure Quality Ratings of ASX100 Companies FY2023

This review covers 112 modern slavery statements of 100 companies in the S&P/ASX100 Index as at 30 June 2024 and 12 statements from companies that were no longer part of the ASX100 index this year but were included in our ASX100 coverage for FY2022.

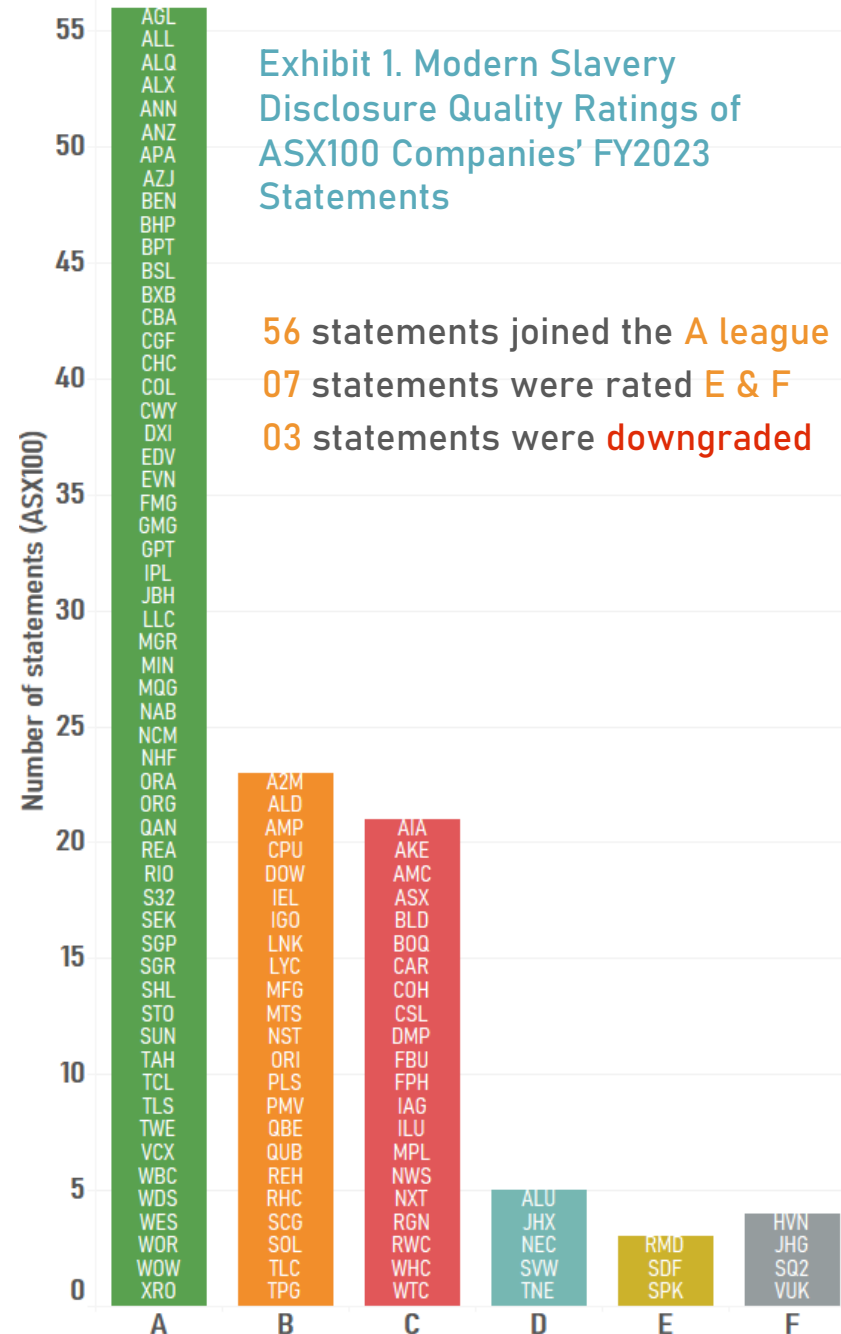
The review aimed to provide an understanding of the current quality of modern slavery reporting of ASX100 companies against the mandatory reporting criteria of Australia's Modern Slavery Act (detail in Appendix 1) and the progress observed compared to their inaugural statement submitted for FY2020.

The review was conducted using the Modern Slavery Disclosure Framework 2.0 (MSD2.0), developed by the research team in 2021, detailed in Appendix 2.

After four years of reporting under the Modern Slavery Act in Australia, we continue to see an uplift in the reporting quality of ASX100 companies. For the first time, half of the ASX100 statements reviewed received an A grade and 21% a B, illustrating a substantial improvement compared to the inaugural year of reporting in FY2020, when only 3% were A-rated and 12% B.

This year, while 56 statements were rated A grade, seven statements received E and F ratings, and three statements were downgraded.

Tickers of companies covered in this analysis and their ratings are shown in Exhibit 1. The transition matrix showing how statements' ratings have changed between FY2022 and FY2023 is provided in Appendix 4.



# The Four-year Journey

FY20-FY23 Grade changes	No. of statements
-1	1
0	14
1	29
2	32
3	19
4	7
5	2
n/a	16

Exhibit 2: Rating transition matrix FY2020 – FY2023

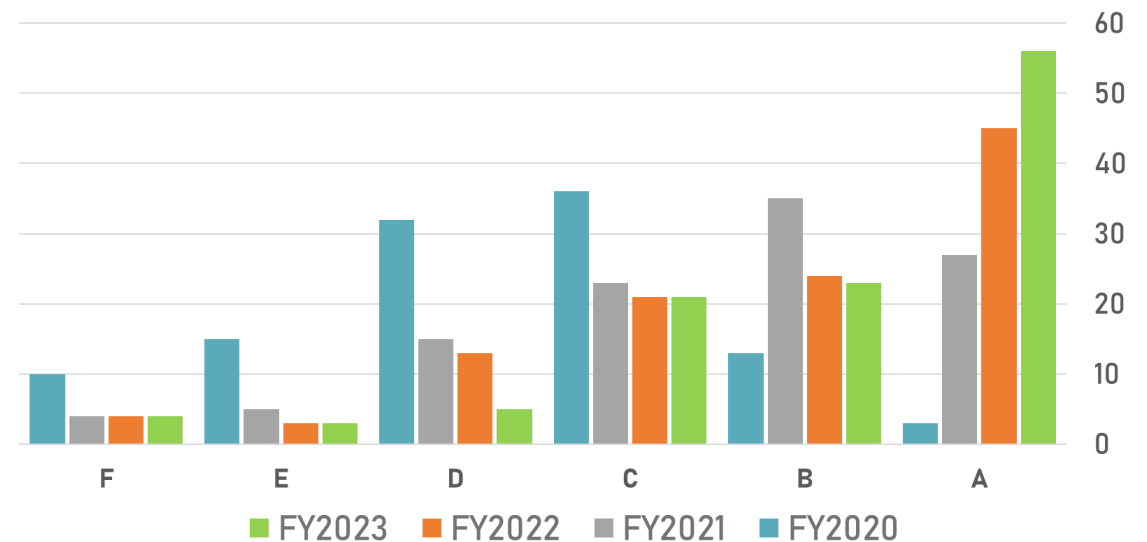
*n/a: Statement rating is not available for either FY20 or FY23.*

Assessing the progress of ASX100 companies since the introduction of modern slavery reporting obligations in Australia in FY2020 reveals promising improvements.

Over the past four reporting periods, when compared with the MSD ratings from FY2020, more than half of the statements have improved by at least one or two grades. Notably, 19 statements rose by three grades, 7 statements advanced by four grades, and 2 statements achieved an impressive increase of five grades, see Exhibit 2.

Among all ASX100 statements, comparing FY2020 and FY2023, 14 statements stayed at the same grade and one statement experienced a downgrade. The effort of moving up the grades could be limited by factors such as the complexity of supply chain transparency and the lack of resources to improve supply chain visibility, the challenge of identifying and mitigating risks of direct suppliers and beyond them, inconsistencies in data collection and reporting, varying levels of commitment and capacity among companies in tackling modern slavery issues.

Exhibit 3. Progress in Modern Slavery Disclosure Quality of ASX100 Companies since FY2020



There has been a great increase in the number of statements receiving an A rating. There has also been a noticeable decline in companies receiving F, E, and D, ratings, reflecting progress in addressing and improving reporting practices on modern slavery issues. The movement in the middle ratings, C and D grades, is moderate (see Exhibit 3).

# Leading and Lagging Sectors Remained Unchanged Compared to Previous Year

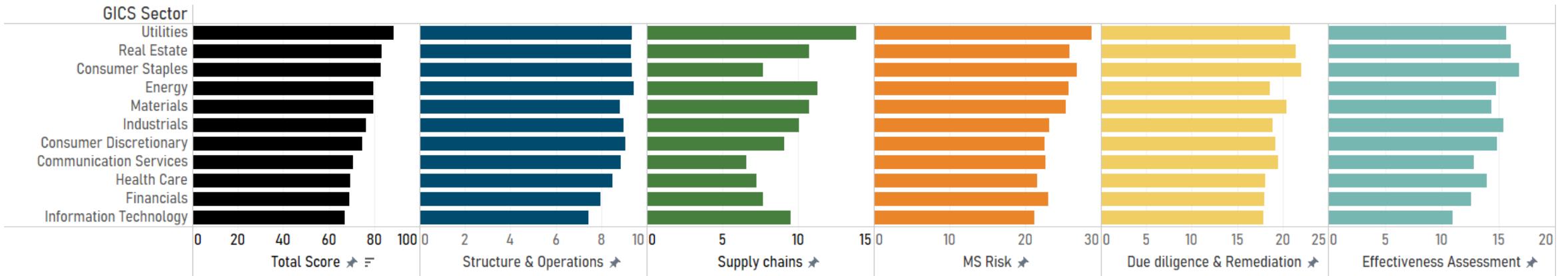
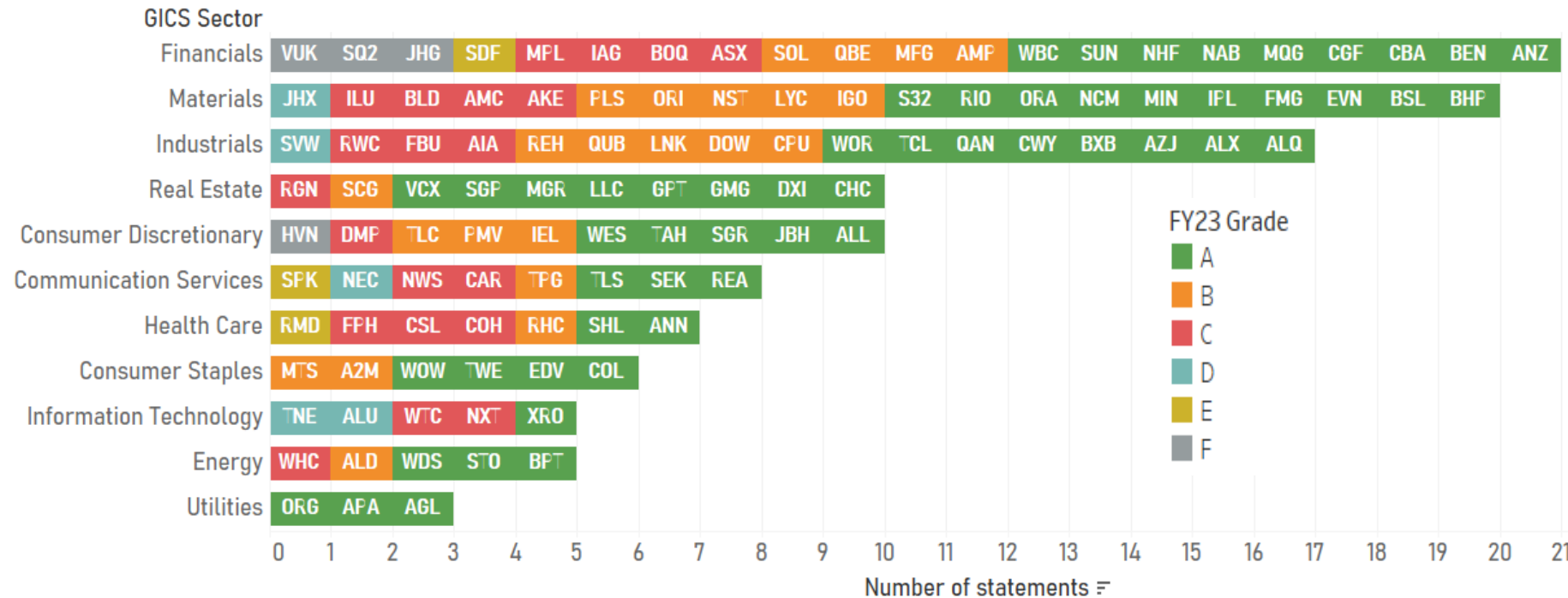


Exhibit 4: Total MSD Score and sub-scores by sector average



In terms of total MSD scores, the Utilities and Real Estate sectors continue to lead, while the Financial and IT sectors lag behind, as illustrated in Exhibit 4.

However, it is noteworthy that the Financials and Materials sectors dominate the market in terms of both the total number of companies and the number of top-rated statements, see Exhibit 5.

Exhibit 5: The number of statements in each rating category by sector



# Disclosure of Structure and Operations

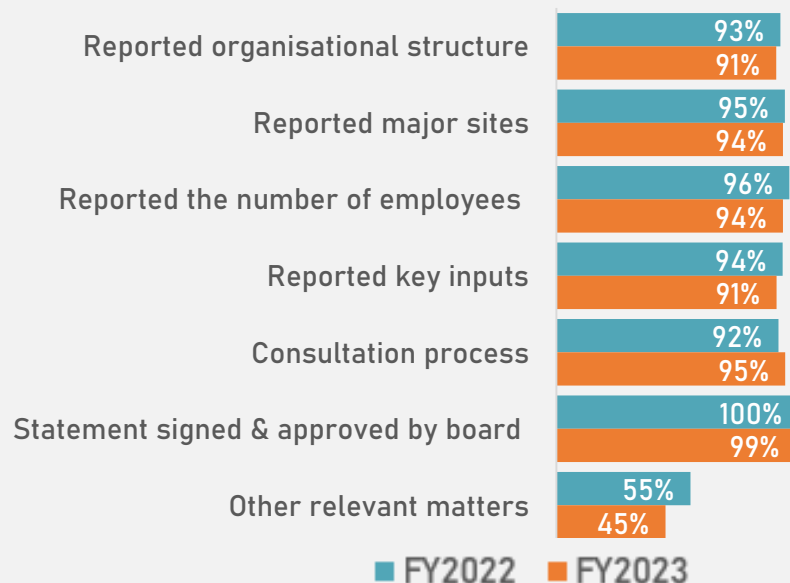
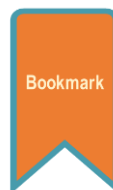


Exhibit 6: Disclosure of Structure and Operations

Modern slavery reporting has entered a new phase of maturity for a substantial number of ASX100 companies. Many have shown consistent reporting, particularly when disclosing their structure and operations. Disclosures typically include details of onshore and offshore operations. There are also statements that discussed structural changes (for example, M&As) and how modern slavery risks were considered as part of the process.

Our bookmarks for effective disclosures of structure and operations include the following examples.



Reporting workforce information: [APA Modern Slavery Statement FY23 \(Page 10\)](#)

APA statement provides a very thorough analysis of its workforce, including by location, by type of employment, by experience level and functions, and by age and genders.



Reporting Operations: [Origin Energy Modern Slavery Statement FY23 \(Page 6\)](#)

The infographic presents a well annotated map of operations, including the location of major sites, the type of services provided in the area, and the customer base in the area - a comprehensive presentation about Origin's operations.

# Disclosure of Supply Chains

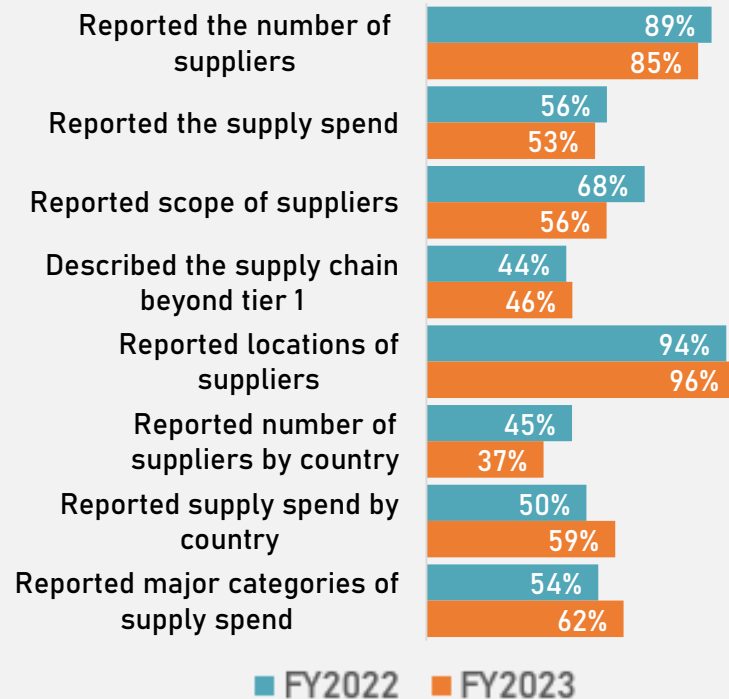


Exhibit 7: Disclosure of Supply Chains

While some statements have illustrated better visibility of the supply chains with efforts targeting high-risk locations; the disclosure of supply chains remains a major area for improvement for some companies. Further details of suppliers and supplier spend by country and spend category could enhance the disclosure.

Our bookmark for effective disclosure of supply chains include the following examples.



Reporting supply chains: [AGL Modern Slavery Statement FY23 \(Page 88\)](#)

The statement offers detailed information on the company's supply chains including the total number of suppliers, supply spend, and the distribution of suppliers and supply spend across countries. It also has specific geographic risk level for each country, which AGL uses as part of its sourcing due diligence process. It also specifies the supply spend that goes to Australian businesses.



Reporting Supply chains: [Endeavour Modern Slavery Statement FY23 \(Page 13\)](#)

The statement provides a multi-tier supply chain for each business activity to illustrate the different categories of workers, representing the effort to understand beyond Tier 1.



Reporting Supply Chains: [Fortescue Modern Slavery Statement FY23 \(Page 10 - 13\)](#)

Fortescue's statement provides a very thorough analysis of its supply chains with all key items under the MSD framework, with a map clearly indicating the top source countries and categories. It also provides an illustration of the Iron Ore Value Chain.

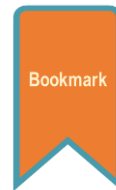
# Disclosure of Modern Slavery Risks



Exhibit 8: Disclosure of Supply Chains

Regarding identifying risk in operations and supply chains, we have seen improved transparency around the risk factors considered and assessment methodology and processes. However, some aspects have been neglected, such as explaining the connection between the reporting entity and the identified risks. Exposure could include the entity causing, contributing to or being linked to the risk, in accordance with the UNGP's key concepts.

Our bookmark for effective disclosure of modern slavery risks include the following examples.



Reporting modern slavery risks: [Rio Tinto Modern Slavery Statement 2023](#) (Pages 10-13)

The statement provides comprehensive details information on the company's salient human rights issues and offers a transparent overview of the risk profile indicators including Supplier, Worker and Country Profile, thereby enhancing the credibility of the risk assessment methodology. Additionally, the statement reports a significant number of assessments and reviews conducted and the resulting risk ratings in the reporting period.



Reporting modern slavery risks: [Lendlease Modern Slavery Statement FY23](#) (Pages 14-20)

The statement illustrates an effective implementation of the UN Guiding Principles (specifically Principle 17 in managing risk in a continuum of involvement related to the concepts of causing, contributing to and being directly linked to modern slavery practices in each area of business activity. It also provides a set of responses with specific risk mitigation and controls.



Reporting modern slavery risks: [Westpac Modern Slavery Statement FY2023](#) (Pages 9-32):

Westpac statement presents a comprehensive discussion of risk identification, due diligence activities, and grievance mechanisms, enhanced by a number of case studies.

# Disclosure of Due diligence and Remediation Processes

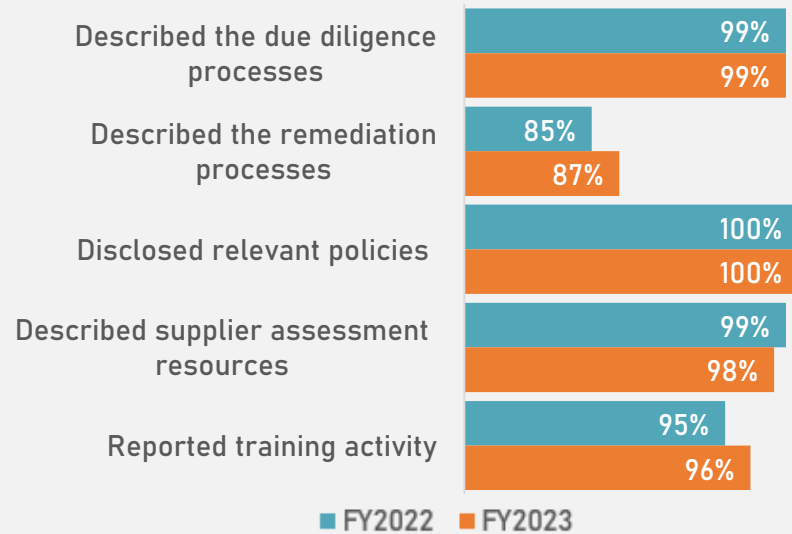


Exhibit 9: Disclosure of due diligence and remediation

Although there have been improvements in the disclosure of due diligence processes and their outcomes, there is still a need to enhance the description of grievance channels and remediation processes, particularly with more detailed attention on protecting and supporting victims. A few companies reported extending their due diligence activities beyond Tier 1 suppliers to reach Tier 2; however, these efforts remain quite limited.

Our bookmark for effective disclosure of the due diligence and remediation processes include the following examples.



Reporting due diligence and remediation processes: [Aristocrats Modern Slavery Statement FY23 \(Page 24\)](#)

The statement outlines the Modern Slavery Governance Structure, with the Modern Slavery Working Group serving as a bridge between internal stakeholders, the project stakeholder group, and board leaders. Aristocrat further identifies potential risks, detailing their current status, existing mitigations, projected changes in risk levels along with the rationale behind these projections, and future mitigation measures under consideration.



Reporting due diligence and remediation processes: [Evolution Mining Modern Slavery Statement FY23 \(Page 21\)](#)

The statement outlines the remediation framework with specific details of what needs to be done and who has the responsibility at each step in the process.



Reporting risks, due diligence, and remediation: [Coles Modern Slavery Statement FY23 \(Page 15-35\)](#)

Coles' statement is a comprehensive disclosure of its risk assessment methodology, due diligence approach, remediation framework, transparent and detailed due diligence and remediation results.

# Disclosure of Effectiveness Assessment

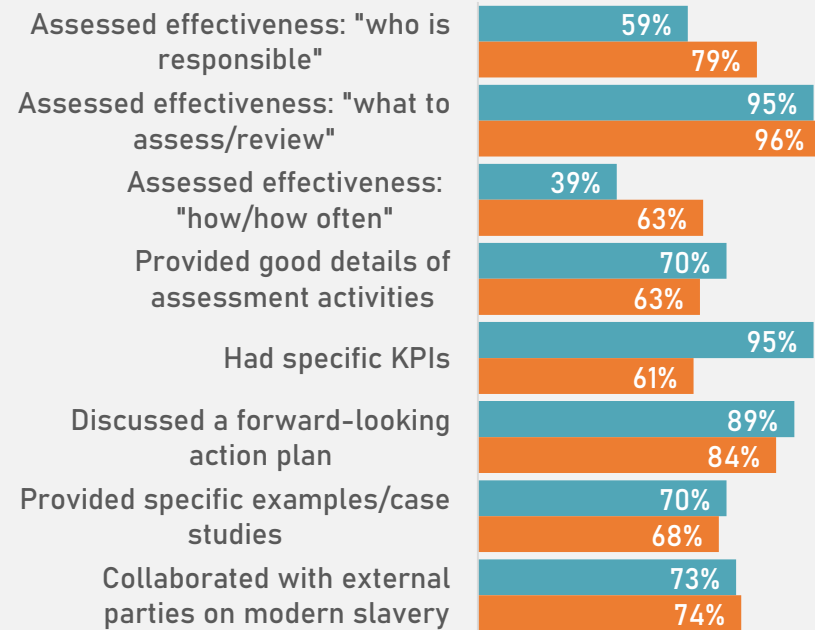


Exhibit 10: Disclosure of Effectiveness Assessment

Many ASX companies have established action plans and KPIs to monitor the effectiveness of their efforts. However, greater transparency in disclosing how they assess their outcomes and impacts in a more tangible way would strengthen the credibility of their statements.

Our bookmark for effective disclosure of effectiveness assessment include the following examples.



Reporting effectiveness assessment: [South32 Modern Slavery Statement FY23 \(Page 21\)](#)

The bookmarked section is an appendix providing a comprehensive three-year review of performance indicator from FY2021 to FY2023. The statement includes a clear assessment of the effectiveness of previously adopted controls and measures, providing readers with a transparent progress map.



Reporting effectiveness assessment: [Mirvac Modern Slavery Statement FY23 \(Page 26\)](#)

The statement provides a set of targets for FY23-25 by strategic pillars with qualitative and quantitative indicators of success.



Reporting effectiveness: [Wesfarmers Modern Slavery Statement FY23 \(Page 26\)](#)

Wesfarmers' statement outlines the way the company assess its effectiveness, including internal audit, independent reviews, risk reviews, and ongoing monitoring of activities in terms of current status and future focus. Additionally, a case study is provided for further illustration.



Reporting effectiveness assessment: [Lendlease Modern Slavery Statement FY23 \(Page 21\)](#)

Lendlease' statement outlines the way the company assess its effectiveness by a Progress Scorecard with activities, actions taken metrics and outcomes.



# Ideas

- Aristocrats developed the M&A due diligence process to ensure that the company's growth strategy is supported by the Anti-modern slavery program. The company also held cross-over Anti-Modern Slavery Champion & Community events to increase awareness.
- Woolworth launched a suite of pilots to test new interventions in extreme risk areas to drive change 'beyond audit' and begin to address root causes of exploitation.
- Endeavour developed and introduced a new Labour Hire Provider Management Framework with instructions for vineyard managers on the implementation of the framework.
- Lendlease organised posters prominently displayed with at least 3 in each retail site, at a range of locations including cleaning and security staff lunch areas, toilet and loading dock corridors, centre management and contractor sign-in stations. The posters provide awareness messaging about modern slavery, and information for raising concerns, in multiple languages.

## Progress since FY2020

### Beyond compliance

Over the past four years of benchmarking, we have observed significant improvements in the efforts of ASX100 companies, resulting in enhanced disclosure practices in the following areas beyond compliance.

- Integrated modern slavery due diligence as part of the business's strategic action (such as M&A)
- Improved commitment of resources to supply chain mapping and risk identification beyond tier 1 suppliers
- Disclosure of social audit results
- Transparent set of KPIs to monitor effectiveness
- More disclosure of accountability and governance responsibility of modern slavery
- Initiatives to uplift organisational awareness of modern slavery at leadership and employee levels
- Participation in industry initiatives to build awareness and capabilities for the sector

### Turning setbacks into insights

In the last two years, some ASX100 companies have experienced a downgrade. While various factors may contribute to a downgrade in disclosure quality, our observations of multiple downgrades highlight several common setbacks. These include:

- Limited effort to map out the supply chains
- No disclosure of modern slavery risk in operations
- Limited understanding of the relevant drivers or risk factors
- Over-reliance on third-party tools without describing their methodologies and/or factors considered
- Discontinued disclosure of supplier due diligence efforts and results
- Lack of continuity in the activities in the program of action



# Deep Dive Governance of Modern Slavery Risks

There are critical elements to ensure effective governance of modern slavery risks in a company's operations and supply chains. It all starts with the board and leadership commitment.

Leadership buy-in ensures accountability and strategic alignment of modern slavery initiatives within the broader corporate frameworks covering the following elements.

- **Governance structure:** 85% of ASX100 statements described some governance structure that governs modern slavery. The prevalence of governance structure disclosures highlights the importance of clear roles and responsibilities in managing modern slavery risks. Robust governance frameworks help companies operationalize their commitments and integrate ethical considerations into decision-making processes.
- **Dedicated teams:** Almost 87% of companies have established a dedicated team with information about their membership and work programs. Having designated teams with specified work programs reflects a coordinated and focused approach to modern slavery governance. These teams play a vital role in implementing policies, monitoring risks, and driving continuous improvement through specialised expertise and coordinated action plans.
- **Consultation process:** While 95% of statements mention a consultation process, the details are lacking. Better disclosure is needed regarding engagements across internal and external stakeholders, facilitating shared understanding and collaborative efforts to address complex risks.

“ [Modern slavery is] A governance risk. And one that is beginning to materialise in boardrooms, on balance sheets, and in Annual General Meetings, around the world. ”

*Dr James Cockayne  
NSW Anti-slavery Commissioner*

- **Risk management:** Although 95% of the statements discuss modern slavery risk factors being considered in their risk identification and management efforts, detailed reporting on the specific methodology used and the outcomes of these assessments is still limited.
- **Due diligence:** Disclosing due diligence efforts underscores a proactive approach to identifying, assessing, and addressing modern slavery risks. In FY2023, over 56% of statements mentioned the number of suppliers surveyed, and 33% reported the number of supplier audits conducted. Despite lower disclosure rates, reporting on supplier audits represents an important aspect of accountability. Auditing the supply chain allows companies to monitor compliance and verify risk management practices. Increasing transparency in this area could significantly enhance the overall impact of due diligence efforts and real impact on the working environment.
- **Remediation:** Having remediation processes demonstrates a commitment to continuous monitoring and providing remedy pathways when risks are identified. While 87% of the statements provide some information about remediation, detailed disclosures of these processes remain insufficient. Significant improvement is needed to ensure companies have accessible and trusted grievance channels and remediation processes.



## Deep Dive

# A Good Practice Note on Audit Findings and Specific Issues Identified

## *From the Guidance document*

In this year's report, we aim to explore a topic that we are frequently asked about the most effective ways to report social audit findings and disclose specific instances of modern slavery or, if not modern slavery itself, exploitative labour practices identified that could serve as early indicators of such issues.

The Guidance document for reporting entities does not provide instructions on how the entity should report social audit findings, but it does provide some guidance for reporting specific cases.

According to the Guidance document, the Act does not require reporting on specific cases or allegations of modern slavery. However, a reporting entity can decide to **voluntarily** include information about specific modern slavery allegations or cases in their statement. Including information about specific allegations or cases can help to show that the reporting entity's actions to identify and address modern slavery risks are effective.

The Guidance document also outlines key dos and don'ts, which are summarised in the adjacent columns for easy reference.

In FY2022 and FY2023, several statements reported specific incidents, often brought to companies' attention through their grievance mechanisms or identified during social audits. Companies have used a variety of styles and formats to disclose these cases. On the following page, we will highlight examples of what we consider to be effective disclosures.

### The dos

- respect the privacy of the victim and other individuals that may have been involved (such as the victim's family) at all times
- take into account any other potential impacts that reporting may cause to the victim and other individuals that may have been involved (such as the victim's family)
- comply with any relevant privacy legislation governing the collection and disclosure of personal information, and
- be clear about how you responded to the allegation or case

### The don'ts

- report on the allegation or case if doing so could put the victim at risk
- provide the name, age, or other personal information about the victim
- disclose the specific location of the allegation or case (such as city X) if doing so would put the victim at risk
- provide specific details about allegations or cases that are currently being investigated, or are before a court, or
- breach any privacy obligations that may apply to the collection and disclosure of personal data.

*Extracted from the Commonwealth Modern Slavery Act 2018  
Guidance for Reporting Entities - May 2023 (Page 41)*



# Disclosure Good Practice Note

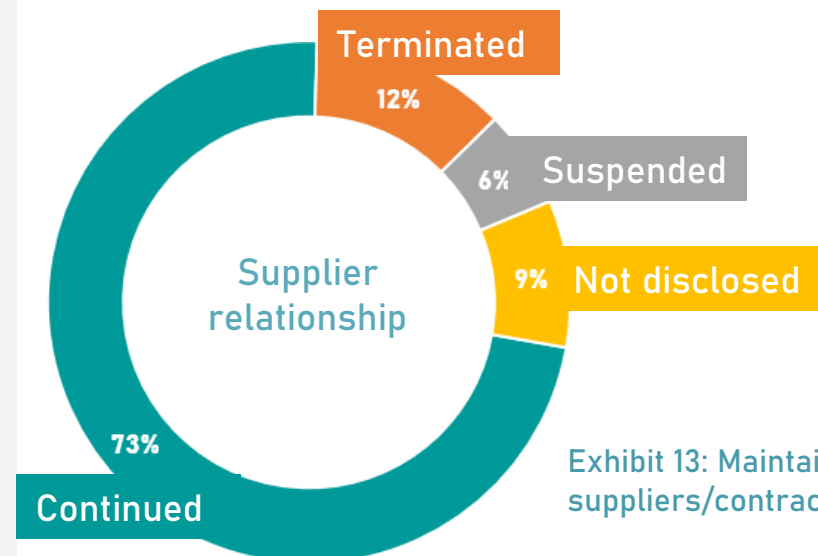
## *Audit findings and specific issues identified*

In 2022 and 2023, we reviewed 33 ASX100 company statements that included some level of specific information about modern slavery concerns and other issues identified via audits of operations and supply chains. Of these, 29 statements reported issues uncovered through external audits of suppliers and/or contractors, three through internal assessments, and one via grievance channels (see Exhibit 11).

There were domestic and overseas audits on tier 1 and tier 2 suppliers, demonstrating the commitment of Australian companies to conducting social audits abroad, aimed at enhancing practices throughout their extended supply chains. Some locations of audited suppliers are listed in Exhibit 12.

Among the issues identified through social audits were excessive overtime, underpayment, incorrect pay slips, safety, inadequate protective equipment, weak policies and procedures, recruitment fees, and passport retention. None of the identified were confirmed to be instances of modern slavery by the reporting entities.

Most of these statements also described the corrective action to fix these issues and the relationship with suppliers after the audit. Of the 33 statements reviewed, 73% mentioned continuing the relationship with suppliers/contractors while 6% suspended the suppliers until issues are fixed, 12% terminated due to uncooperative suppliers and 9% did not report on their relationship (Exhibit 13).



- Countries and regions of suppliers
- Africa
  - Argentina
  - Australia
  - China
  - Hong Kong
  - India
  - Malaysia
  - Mexico
  - New Zealand
  - Pakistan
  - Philippines
  - Singapore
  - South East Asia
  - Spain
  - Turkey
  - United Kingdom
  - Vietnam

Exhibit 12: Locations of suppliers audited

# Examples of Disclosing Instances Identified by Audit Findings



## Extracts from BHP Group Ltd FY2023 Statement (Page 17)

Companies have employed various styles and formats to disclose these cases, reflecting a lack of standardised and high-quality reporting for such a critical issue.

This observation has prompted us to conduct a deep dive into the current disclosure practices.

Through this mini-study, we have identified examples of good practices, which will be highlighted here and on the following pages as effective disclosures.

- Non-compliances identified from audits (passport retention and recruitment fees)
- Parties involved (non-identified)
- Confirmed that this was not modern slavery practice but a potential indicators of forced labour
- Remediation actions taken (reimbursement, improved governance (policies, follow-up audit ...))
- Resulting condition, outcome, and satisfaction of the affected workers
- Further reflection on the learning experience

## Case study: BHP attendance at follow-up audits in Southeast Asia and India

In our previous Statement, we reported that a SMETA audit had identified non-compliances relating to passport retention and recruitment fees at one of BHP's direct suppliers' manufacturing sites in Southeast Asia. While these are not considered modern slavery practices in themselves, both passport retention and recruitment fees are recognised as potential indicators of forced labour.

In addition to working with the relevant supplier to support its remediation of those issues (including the supplier's actions to reimburse affected workers and introduce new policies as reported in our previous Statement), in February 2023 two members of the Ethical Supply Chain and Transparency team within Compliance travelled to the manufacturing site to accompany our third-party auditor on a follow-up audit.

This was a valuable exercise. Our team members were able to confirm major findings from the initial audit have been closed out and that, based on the selection of workers interviewed, workers are satisfied with the outcome. Our team members also gained first-hand understanding of factory conditions and audit methodology.

We conducted a similar exercise in April 2023 with one of our senior Compliance leaders travelling to India to observe a follow-up audit at a different supplier manufacturing site. We were again pleased to confirm major findings from the previous audit (relating to labour, wages and hours, health and safety, management systems and environment) have been addressed.

We thank our suppliers and third-party auditors for their cooperation in having BHP representatives attend these follow-up audits.

# Examples of Disclosing Instances Identified by Audit Findings



In this disclosure, Wesfarmers reported the progress of remediation.

The statement also specifies the conditions under which the company will exit the relationship with the supplier.

Wesfarmers also reported the seven instances of suppliers failing to remediate non-conformances identified by audits. The disclosures were effective with details of locations and the specific issues, without revealing the identity of the suppliers exited.

The cases reported also highlight the challenges of being able to conduct audits, follow through for effective remediation and managing the supplier relationship without compromising ethical and responsible procurements.

Wesfarmers' disclosure on Page 40 is another example of detailed reporting of audit findings, at aggregate level, across multiple suppliers and sites. It highlights the identified breaches, resulting audit status, remediation of the issues, and improvement in the suppliers' quality of social practices.

## CASE STUDY

### Officeworks assessing the impact of remediation

Factory audits are one of a number of critical enablers in the Officeworks Ethical Sourcing Program, helping to identify and address modern slavery risks.

A pre- and post-comparison of audit findings for sites that had reportable breaches in FY2022 against their FY2023 ratings showed improvement in the audit status of 77 per cent of suppliers or their sites where Officeworks had ongoing commercial relationships.

In FY2022, 362 suppliers of goods were in the Officeworks Ethical Sourcing Program, covering 82 per cent of all goods for resale and goods not for resale suppliers. The audit program identified 79 reportable breaches at 18 suppliers (over 33 sites). These sites were subsequently given a red audit status.

The most common reportable breaches related to excessive working hours and falsification or inconsistencies with payroll or time records. The lack of freedom to choose employment was also detected, where workers pay excessive recruitment fees to agencies or employers when commencing their employment.

In accordance with the Officeworks procedure, the 33 suppliers or their sites were given red audit ratings. The ethical sourcing team worked with the supplier or their sites to remediate the items identified and a follow-up independent audit was undertaken within three months.

In FY2023, the audit results showed that for those supplier sites with whom Officeworks still had a commercial relationship, more than three-quarters (77 per cent) had improvements in audit ratings. There were still items raised in the audits, however they were of a lower level of impact – shown in the chart with green, amber or yellow status.

One of the suppliers was exited after four attempts to close excessive overtime breaches were unsuccessful.

Where an indicator of forced labour is identified, remediation may focus on:

- Ensuring the immediate safety and wellbeing of workers
- Supporting the supplier to better understand acceptable and unacceptable work practices
- Developing a corrective action plan, which may include measures like ensuring employment contracts are written in the language of the worker, maintaining responsible recruitment practices, implementing grievance mechanisms and ensuring workers retain their identity documents.

The emphasis placed on working with suppliers to remediate non-conformances means that it is rare for a supplier or supplier site to be exited. Instead, we support remediation, because it can help improve conditions for workers. This year, across the Group 39 per cent of reportable breaches were remediated and 49 per cent are in the process of being remediated.

Sometimes a supplier is not willing or able to remediate a non-conformance within an agreed timeframe, or it may be a severe breach of policy (such as bribery or unauthorised subcontracting). The division may then decide to no longer place orders with that supplier and the supplier may be exited.

Various factors influence decisions to exit a supplier or supplier site, including the nature and severity of the reportable non-conformance and an assessment of whether the supplier will satisfactorily remediate the issue.

This year, across the Group seven suppliers or their sites were exited where remediation could not be achieved:

- One site exit related to excessive overtime in China
- One site exit related to systemic occurrence of workers not receiving rest days, isolated incidents of locked fire exits and excessive overtime in China

- One site exit related to unauthorised sub-contracting in China
- One site exit related to attempted bribery in China
- One supplier exit in Vietnam related to employees not being paid and attempted bribery
- Two supplier exits related to ongoing lack of engagement with ethical sourcing program requirements in China.

In respect of these supplier and supplier site exits, remediation was attempted, including:

- Investigation and classification of the reportable breach and development of a corrective action plan
- Direct engagement with the supplier or supplier site management to discuss the breach and remedy to be implemented
- Follow-up audits and engagement to assess performance.

In response to the two instances of attempted bribery, the supplier or site was immediately exited or disqualified from registration in the ethical sourcing program.

When a division exits a supplier or supplier site it shares the decision (including the reason for the exit) with other divisions.

Extract from Wesfarmers FY2023 Statement (Page 27) on disclosing remediation and outcomes

Extract from Wesfarmers FY2023 Statement (Page 40)

# Examples of Disclosing Instances Identified by Audit Findings



## Extract from Woolworths' FY2023 Statement on disclosing social audit findings, corrective actions and outcomes

This example was taken from Woolworth's FY23 modern slavery statement. The effective disclosure of social audit findings is highlighted through several key elements:

- **Transparency of audits conducted:** The example clearly states the number of sites that were externally and internally audited in Australia and contractors in New Zealand.
- **Remediation approach:** There is a detailed explanation of the steps taken when non-compliance is identified, including partnering with primary contractors to remedy breaches and specific actions when contractors do not cooperate.
- **Detailed Non-Compliance Issues:** The disclosure details critical non-conformances identified by the audits, such as payment issues, shows a willingness to address and disclose specific issues found during the audits.
- **Quantitative outcomes:** The disclosure includes a specific financial outcome (\$41,166 repaid to 13 workers) as a result of the audits, showcasing a concrete impact.
- **Continued commitment:** The example demonstrates an ongoing commitment to due diligence and taking corrective action to remediate the issues identified.

This level of detail, commitment to corrective action, and transparency reflects strong practice in disclosing social audit findings and their associated risks and mitigations.

## Managing risks with our cleaning and trolley collection suppliers

Cleaning and trolley collection suppliers continue to be a focus. In F23, 67 Australian trading sites were externally audited, and 32 sites were internally audited by Woolworths' Facilities Management Compliance team. Where non-compliance is identified, our approach is to partner with primary contractors to remedy breaches and provide an appropriate outcome for affected workers. However, if the non-compliance is sufficiently serious or the contractor does not cooperate in remediation, we will no longer engage the contractor. As a result of audits in F23, \$41,166 was repaid to 13 workers. Corrective actions will continue to be implemented as the audits progress towards conclusion. Compliance activities will continue in F24 aligned with our Facilities Management Compliance team's ongoing due diligence program.

In New Zealand, work continued to have all cleaner and trolley collector contractors at trading sites complete a social practice audit by Building Service Contractors New Zealand (BSCNZ). In F23, four of these contractors received critical non-conformances in their audits, including potential underpayments for voluntary retirement savings scheme, Kiwisaver, and incorrect payment for holiday pay. Three contractors are under a Countdown monitored management action plan, which requires contractors to review their employment agreement templates and to update all employment agreements, and conduct a wage assessment and address any underpayments. We continue to investigate the fourth contractor.

## F23 RS audit outcomes – a critical issues approach

We work with moderate and priority risk suppliers with critical NCs to co-develop corrective action plans and, in some cases, conduct site visits to assist in capability building and issues monitoring. This year, 67 (28%) sites closed critical NCs, as verified by a third party. We conducted 48 virtual and onsite visits with suppliers who had a critical NC across our Asia supply chain, of which 31 sites improved their audit grading following the visits.

To address the systemic nature of the remaining critical NCs, a critical issues management squad was established. The squad:

- + identified that NCs relating to building and fire safety certification remain the most recurrent, accounting for 42% (F22: 46%), and environmental permits account for 27% (F22: 25%), largely due to government processes that prevent suppliers from accessing documentation in a timely manner. We estimate 10% can be addressed in the short term, and in F24 we will create procedures to manage the remainder
- + developed guidance on managing suppliers with shared facilities and conducted 13 new site assessments using the guidance
- + enhanced supplier pre-screening, including assessing modern slavery risks. One hundred and eleven sites were reviewed and 16 sites were rejected for reasons including severe fire safety and wage management.

Extracts from  
Woolworths Statement,  
Page 14

Extracts from  
Woolworths  
Statement, Page 9

# Examples of Disclosing Instances Identified by Audit Findings

Bookmark

## Extract from Telstra's FY2023 Statement (Page 18) on disclosing social audit findings, corrective actions and outcomes

In FY22, we reported on how we became aware of the risk of state sponsored forced labour and worker exploitation in the solar panel supply chain. Telstra buys and installs solar panels each year as part of our mobile equipment installations and network upgrades across Australia and the wider region. Our tier 1 suppliers in Australia source their panels overseas.

To respond to these concerns and better understand our exposure, we commenced the sustainability audit process for the three solar panel facilities being used to supply us. These audits include looking at labour conditions of workers on site. However, from the three facilities targeted for these audits, we have only been able to complete one audit to date.

The completed audit was undertaken on a site operated by our tier 2 supplier. We leveraged our relationship with our Australia-based tier 1 supplier to complete this audit. One finding related to working conditions was uncovered in this audit: staff not wearing appropriate personal protective equipment while performing hazardous work. We worked collaboratively with the tier 1 and tier 2 suppliers to verify that corrective action had been implemented. This included evidence that protective equipment and associated training have been provided to workers.

Of the remaining two sites, we continue to work with one to arrange an audit at the site operated by the tier 2 supplier. Finally, in respect of the last site, we encountered continual resistance to an audit. Ongoing attempts by us to secure agreement to the audit were unsuccessful.

Consequently, we have informed our tier 1 supplier that we will not accept supply from that facility until it can undertake an audit and have asked our tier 1 supplier for evidence on how it is managing modern slavery risk in its supply chain in compliance with its contractual obligation.

Our experience highlights the challenges faced in relation to transparency in the solar panel supply chain and the heightened risk in respect of suppliers further down the supply chain. To help mitigate this risk, we have implemented additional internal controls to ensure that our solar panel suppliers adhere to our sustainability standards, including:

- Cross referencing potential solar panel suppliers against a list of suppliers already audited by us or other Joint Alliance for Corporate Social Responsibility (JAC) members and suppliers that have had allegations of worker exploitation raised against them in the past. Where warranted, we will undertake additional due diligence.
- Engaging with tier 1 solar panel suppliers on this issue right from the outset of the procurement process. We will do this by explaining that worker conditions, and difficulties auditing, are a concern to Telstra and asking suppliers how they plan to manage this, prior to committing to the supplier.

Telstra's disclosure addresses the practical challenges of conducting social audits for overseas solar panel facilities while still providing detailed audit specifics. The company's efforts extend to engaging with Tier 2 suppliers despite these obstacles. Detailed disclosure include the audit plan, its implementation, targeted facilities, audit findings, ongoing efforts for further audits, corrective action plans, and additional measures introduced to enhance supplier compliance with Telstra's sustainability standards.

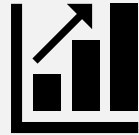
Companies employ various methods to report audit findings, either by presenting aggregate results across multiple sites, contractors, or suppliers, or by highlighting individual cases of concern using a case study approach. Regardless of the preferred disclosure format, we believe the following elements should be disclosed to enhance the credibility and transparency of the information:

- Timing and locations of the audit
- Entities or parties being audited
- Internal audit or external independent audit
- Auditing standards used
- Identification of non-conformances (if any) and their criticality level and any applicable audit ratings
- Corrective action plans for addressing non-conformances
- Level of cooperation of the suppliers of contractors
- Relationship with the suppliers
- Future plans for further due diligence and/or engagement for capability building.

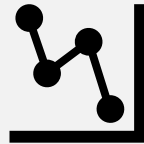
# Final remarks



This fourth annual benchmarking review underscores the importance of sustained evaluation and feedback to drive continuous improvement. By identifying strengths and areas for growth, this initiative plays a pivotal role in shaping the evolution of corporate responses to modern slavery and enhancing accountability within Australia's corporate landscape.



The benchmarking review highlights substantial improvements made by ASX100 companies in key areas such as governance, risk assessment, supplier due diligence, and collaboration since the inaugural report in 2020.



Downgrades in disclosure quality represent setbacks which could provide ASX100 companies with critical insights about the need to demonstrate a resilient, proactive approach to managing and mitigating modern slavery risks



While progress has been made, there remain critical areas requiring further development. Companies are encouraged to deepen their supply chain transparency beyond Tier 1, align risk identification practices with international standards like the UNGP, and strengthen their grievance mechanisms and remediation processes to achieve more effective and measurable outcomes.

# Appendix 1

## Reporting criteria of Australia's Modern Slavery Act (2018)

Since the enactment of the Modern Slavery Act by the Australian Parliament in 2018, awareness of modern slavery issues has notably increased. The legislation mandates that large organisations operating in Australia with annual consolidated revenue surpassing A\$100 million identify and report the risks associated with modern slavery within their operations and supply chains. Mandatory reporting criteria encompass seven elements for entities, as shown in Exhibit 14, while others can report voluntarily.

According to the Australian government, modern slavery entails situations where coercion, threats, or deceit are employed to exploit individuals, stripping them of their freedom. It extends beyond inadequate working conditions or underpayment, encompassing more severe circumstances. The Act delineates eight exploitative practices constituting modern slavery, such as human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruitment, and the worst forms of child labour, entailing hazardous work or slavery practices involving children.

In 2022, the Government started a statutory review of the Act on its impact and administration and enforcement of compliance with the reporting requirement. The Review Report of the Panel led by Professor John McMillan, AO, was released in June 2023 with 30 recommendations, including amending the reporting threshold and scope of the reporting entity, non-compliance penalties, improving guidance and establishing the role of the Anti-Slavery Commissioner.

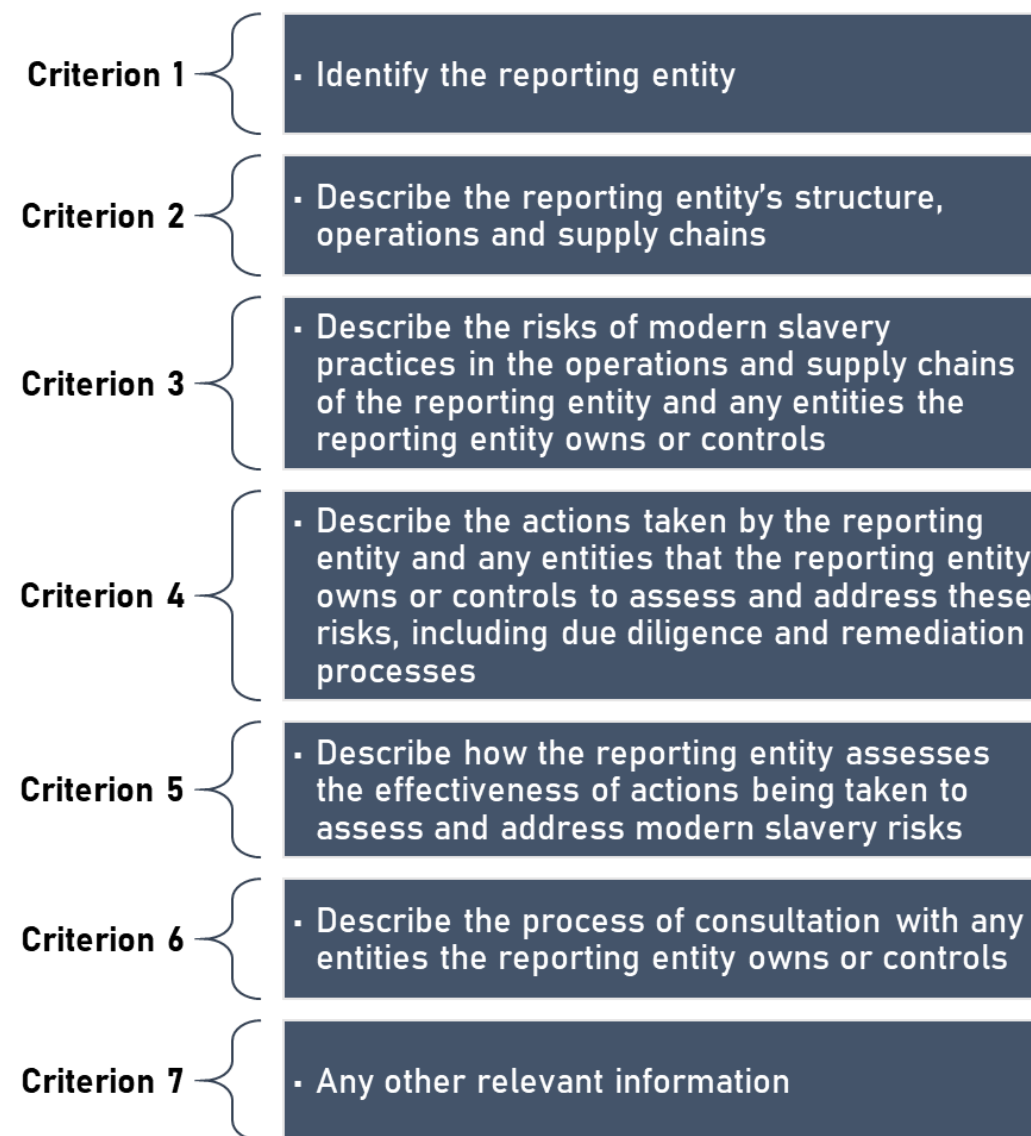


Exhibit 14: Australia's MSA mandatory reporting requirements

## Appendix 2

# Monash's Modern Slavery Disclosure (MSD) Framework: Scoring methodology

Monash's Modern Slavery Research Program, initiated in December 2020, developed a framework to evaluate the disclosure quality of modern slavery statements in line with the current government's guidance for reporting entities. The research provides an annual independent benchmarking assessment of the disclosure quality of the largest ASX-listed companies and highlights best practices.

In 2021, MCFS released a research brief detailing the MSD quality of ASX100 companies and a white paper analysing ASX300 companies based on their FY2020 statements.

In 2022, MCFS introduced the enhanced MSD 2.0 scoring methodology, capturing more intricate details in companies' disclosures pertaining to the reporting criteria. These criteria are summarised in Exhibit 15, and the letter-grading system is illustrated in Exhibit 16.

It's crucial to note that the entities' scores and ratings reflect their MSD quality and do not represent an assessment of their actual risk or exposure to modern slavery practices in their operations and supply chains.



We collected the statements from the Modern Slavery Statement Register or from the companies' websites



The research team scored each statement according to the MSD scoring template with the five disclosure categories.



Statements were rated based on the total MSD score.



# Modern Slavery Disclosure (MSD) Framework 2.0

MODERN SLAVERY DISCLOSURE SCORE 100%					
Disclosure category and scoring weight	Category 1 10%	Category 2 15%	Category 3 30%	Category 4 25%	Category 5 20%
	Structure and operations	Supply Chains	Modern slavery risks in operations and supply chains	Due diligence and remediation processes	Effectiveness assessment
Disclosure scoring checklist	<ul style="list-style-type: none"> <li>• Wordcount</li> <li>• Organisational structure</li> <li>• Major sites and locations</li> <li>• Employees</li> <li>• Key inputs</li> <li>• Consultation process among affiliated entities</li> <li>• Any other relevant matters</li> </ul>	<ul style="list-style-type: none"> <li>• No. of suppliers</li> <li>• No. of suppliers by country or region</li> <li>• Scope (Tier 1/2)</li> <li>• Total supply spend in dollars</li> <li>• Supply spend by country or region</li> <li>• Supply spend by category</li> </ul>	<ul style="list-style-type: none"> <li>• Expertise</li> <li>• Risk assessment model</li> <li>• Risk scoping</li> <li>• Assessment of the modern slavery risks in operations and supply chains</li> <li>• Risks possibly caused by/contributed to/linked to the reporting entity</li> <li>• Specific types of modern slavery risks</li> </ul>	<ul style="list-style-type: none"> <li>• Due diligence process</li> <li>• Remediation process</li> <li>• Relevant policies</li> <li>• Supplier assessment resources</li> <li>• Modern slavery risk training (employees, suppliers)</li> </ul>	<ul style="list-style-type: none"> <li>• Assessment of the effectiveness of modern slavery risk management</li> <li>• KPIs</li> <li>• Collaboration with external parties on modern slavery risk management</li> <li>• Examples of specific actions and case studies</li> </ul>

Exhibit 15: Monash's Modern Slavery Disclosure Framework (MSD2.0)

# The letter-grade rating system

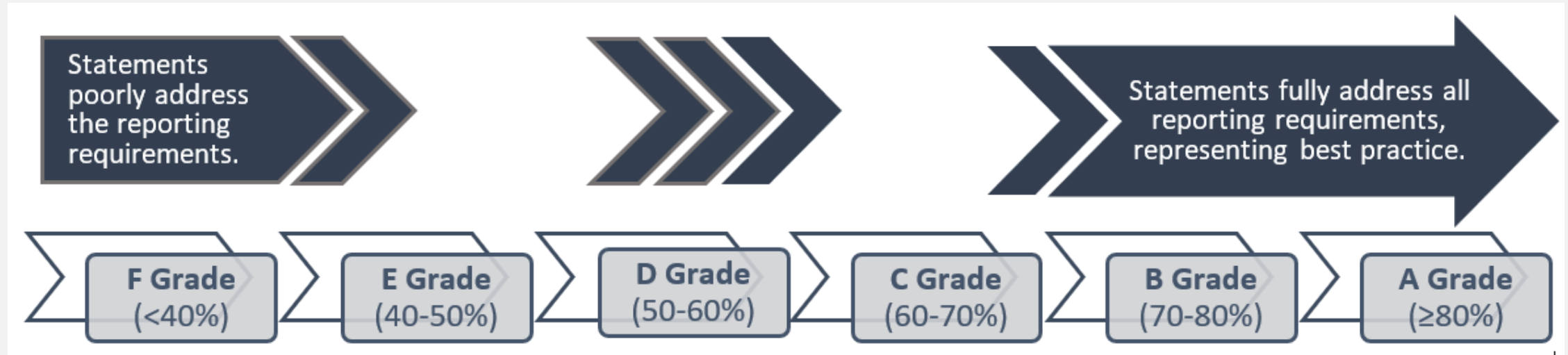


Exhibit 16: Monash's Modern Slavery Disclosure Rating System

For the methodology and previous reports, please see:

- Pham, N., Cui, B., & Ruthbah, U. (2021) *Modern Slavery Statements – the Disclosure quality of ASX100 companies* [research brief], Monash Centre for Financial Studies, [DOI: 10.26180/17170754](https://doi.org/10.26180/17170754)
- Pham, N., Cui, B., & Ruthbah, U. (2021) *Measuring the Disclosure Quality of Modern Slavery Statements: ASX300 Companies* [White Paper]. Monash Centre for Financial Studies, Monash Business School. [DOI: 10.26180/17170742](https://doi.org/10.26180/17170742).
- Pham, N., Cui, B., & Ruthbah, U. (2022) *Modern Slavery Disclosure Quality Ratings: ASX100 Companies Update 2022* [Research brief]. Monash Centre for Financial Studies, Monash Business School. [DOI: 10.26180/20224614](https://doi.org/10.26180/20224614).
- Pham, N., Cui, B., & Ruthbah, U. (2023) *Modern Slavery Disclosure Quality Ratings: ASX100 Companies Update 2023* [Research brief]. Monash Centre for Financial Studies, Monash Business School. [DOI: 10.26180/24419881](https://doi.org/10.26180/24419881).



# Appendix 3 – Modern slavery disclosure quality ratings

## FY20 | FY21 | FY22 | FY23

**FY2020 (MSD 2.0\*):** the rating of FY2020 statements using the enhanced scoring framework (MSD 2.0)

**FY2021 (MSD 2.0):** the rating of FY2021 statements scored using MSD 2.0

**FY2022 (MSD 2.0):** the rating of FY2022 statements scored using MSD 2.0

**FY2023 (MSD 2.0):** the rating of FY2023 statements scored using MSD 2.0

**N/A:** the statement was not assessed in FY20, FY21 and/or FY22 because the company joined the ASX 100 Index in FY23.

**Delisted:** the statement was not assessed in FY23 as the company was delisted.

\* Under MSD 2.0, the rating of some statements differed from the rating information under MSD 1.0 published in the 2021 whitepaper (Pham et al, (2021)). Details were provided in the Research brief in 2022. (Pham et al., (2022)).

Name	ASX Ticker (FY23)	FY20 Grade (MSD2.0)	FY21 Grade (MSD2.0)	FY22 Grade (MSD2.0)	FY23 Grade (MSD2.0)
A2 MILK CO LTD	A2M	D	D	D	B
AFTERPAY	APT	F	E	delisted	delisted
AGL ENERGY LTD	AGL	D	A	A	A
ALLKEM LTD	AKE	D	D	D	C
ALS LTD	ALQ	D	D	A	A
ALTIUM LTD	ALU	E	E	F	D
ALUMINA LTD	AWC	C	C	A	delisted
AMCOR	AMC	#N/A	#N/A	C	C
AMP LTD	AMP	C	B	B	B
AMPOL LTD	ALD	C	C	B	B
ANSELL LTD	ANN	B	A	A	A
ANZ GROUP HOLDINGS LTD	ANZ	B	A	A	A
APA GROUP	APA	D	A	A	A
ARISTOCRAT LEISURE LTD	ALL	D	A	A	A
ASX LTD	ASX	D	D	D	C
ATLAS ARTERIA	ALX	D	B	A	A
AUCKLAND INTL AIRPORT LTD	AIA	D	D	C	C
AURIZON HOLDINGS LTD	AZJ	C	A	A	A
AUSNET	n/a	C	B	delisted	delisted
BANK OF QUEENSLAND LTD	BOQ	E	C	E	C
BEACH ENERGY LTD	BPT	C	C	C	A
BENDIGO AND ADELAIDE BANK	BEN	E	B	A	A
BHP GROUP LTD	BHP	B	B	B	A
BLOCK INC./SQUARE	SQ2	#N/A	#N/A	F	F
BLUESCOPE STEEL LTD	BSL	D	B	A	A
BORAL LTD	BLD	D	A	A	C
BRAMBLES LTD	BXB	C	A	A	A
CARSALES.COM LTD	CAR	D	B	C	C
CHALLENGER LTD	CGF	E	C	C	A
CHARTER HALL GROUP	CHC	B	B	A	A
CIMIC GROUP LTD	n/a	C	B	delisted	delisted
CLEANAWAY WASTE MANAGEMEN	CWY	F	B	A	A
COCHLEAR LTD	COH	F	C	C	C
COLES GROUP	COL	B	A	A	A
COMMONWEALTH BANK OF AUSTR	CBA	B	A	A	A
COMPUTERSHARE LTD	CPU	E	B	B	B
CROWN RESORTS	n/a	C	C	delisted	delisted
CSL LTD	CSL	C	C	C	C
DEXUS/AU	DXI	B	B	A	A
DOMINO'S PIZZA ENTERPRISES L	DMP	D	D	D	C
DOWNER EDI LTD	DOW	C	B	B	B
ENDEAVOUR GROUP LTD/AUSTRAL	EDV	#N/A	#N/A	D	A
EVOLUTION MINING LTD	EVN	C	B	B	A
FISHER & PAYKEL HEALTHCARE C	FPH	F	F	C	C
FLETCHER BUILDING LTD	FBU	E	C	C	C
FORTESCUE METALS GROUP LTD	FMG	A	A	A	A
GOODMAN GROUP	GMG	E	B	A	A
GPT GROUP	GPT	C	A	A	A
HARVEY NORMAN HOLDINGS LTD	HVN	E	E	D	F
IDP EDUCATION LTD	IEL	F	F	C	B
IGO LTD	IGO	D	B	B	B
ILUKA RESOURCES LTD	ILU	C	C	C	C
INCITEC PIVOT LTD	IPL	C	A	A	A
INSURANCE AUSTRALIA GROUP	IAG	C	C	C	C
JAMES HARDIE INDUSTRIES-CDI	JHX	D	D	D	D
JANUS HENDERSON GROUP-CDI	JHG	F	F	F	F
JB HI-FI LTD	JBH	C	A	A	A
LENDLEASE GROUP	LLC	C	B	A	A
LINK ADMINISTRATION HOLDINGS	LNK	E	D	B	B
LOTTERY CORP	TLC	#N/A	#N/A	C	B

Name	ASX Ticker (FY23)	FY20 Grade (MSD2.0)	FY21 Grade (MSD2.0)	FY22 Grade (MSD2.0)	FY23 Grade (MSD2.0)
LYNAS RARE EARTHS LTD	LYC	C	B	B	B
MACQUARIE GROUP LTD	MQG	D	B	A	A
MAGELLAN FINANCIAL GROUP LTD	MFG	D	C	B	B
MEDIBANK PRIVATE LTD	MPL	C	C	C	C
METCASH LTD	MTS	E	C	B	B
MINERAL RESOURCES LTD	MIN	C	A	A	A
MIRVAC GROUP	MGR	C	A	A	A
NATIONAL AUSTRALIA BANK LTD	NAB	D	B	A	A
NEWCREST MINING LTD	NCM	B	A	A	A
NEWS CORP - CLASS B- CDI	NWS	C	C	C	C
NEXTDC LTD	NXT	C	C	C	C
NIB HOLDINGS LTD/AUSTRALIA	NHF	#N/A	#N/A	#N/A	A
NINE ENTERTAINMENT CO HOLDIN	NEC	F	F	D	D
NORTHERN STAR RESOURCES LTD	NST	D	B	C	B
ORICA LTD	ORI	C	C	B	B
ORIGIN ENERGY LTD	ORG	C	B	B	A
ORORA LTD	ORA	C	C	B	A
OZ MINERALS	n/a	D	B	delisted	delisted
PILBARA MINERALS LTD	PLS	E	D	D	B
PREMIER INVESTMENTS LTD	PMV	D	B	B	B
QANTAS AIRWAYS LTD	QAN	C	A	A	A
QBE INSURANCE GROUP LTD	QBE	F	B	B	B
QUBE HOLDINGS LTD	QUB	D	D	D	B
RAMSAY HEALTHCARE LTD	RHC	C	B	B	B
REA GROUP LTD	REA	E	B	A	A
REECE	REH	D	D	B	B
REGION RE LTD	RGN	#N/A	#N/A	D	C
RELIANCE WORLDWIDE CORP LTD	RWC	E	D	C	C
RESMED INC	RMD	F	E	E	E
RIO TINTO LTD	RIO	B	A	A	A
SANTOS LTD	STO	B	A	A	A
SCENTRE	SCG	B	B	B	B
SEEK LTD	SEK	D	A	A	A
SEVEN GROUP HOLDINGS LTD	SVW	D	B	C	D
SONIC HEALTHCARE LTD	SHL	D	B	B	A
SOUTH32 LTD	S32	C	A	A	A
SPARK INFRASTRUCTURE GROUP	n/a	C	C	delisted	delisted
SPARK NEW ZEALAND LTD	SPK	E	E	E	E
STAR ENTERTAINMENT GRP LTD/T	SGR	E	C	B	A
STEADFAST GROUP LTD	SDF	F	F	F	E
STOCKLAND	SGP	C	C	A	A
SUNCORP GROUP LTD	SUN	D	C	B	A
SYDNEY AIRPORT	n/a	C	B	delisted	delisted
TABCORP HOLDINGS LTD	TAH	D	D	B	A
TECHNOLOGY ONE LTD	TNE	#N/A	#N/A	#N/A	D
TELSTRA GROUP LTD	TLS	C	B	A	A
TPG TELECOM LTD	TPG	D	C	C	B
TRANSURBAN GROUP	TCL	C	B	A	A
TREASURY WINE ESTATES LTD	TWE	D	B	A	A
VICINITY CENTRES	VCX	C	A	A	A
VIRGIN MONEY UK PLC	VUK	#N/A	#N/A	#N/A	F (delisted)
WASHINGTON H. SOUL PATTINSON	SOL	D	B	B	B
WESFARMERS LTD	WES	B	A	A	A
WESTPAC BANKING CORP	WBC	A	A	A	A
WHITEHAVEN COAL LTD	WHC	D	D	D	C
WISETECH GLOBAL LTD	WTC	D	D	D	C
WOODSIDE PETROLEUM	WDS	B	A	A	A
WOOLWORTHS	WOW	A	A	A	A
WORLEY LTD	WOR	F	D	A	A
XERO LTD	XRO	C	C	C	A

## Appendix 4: FY2022 – FY2023 transition matrix

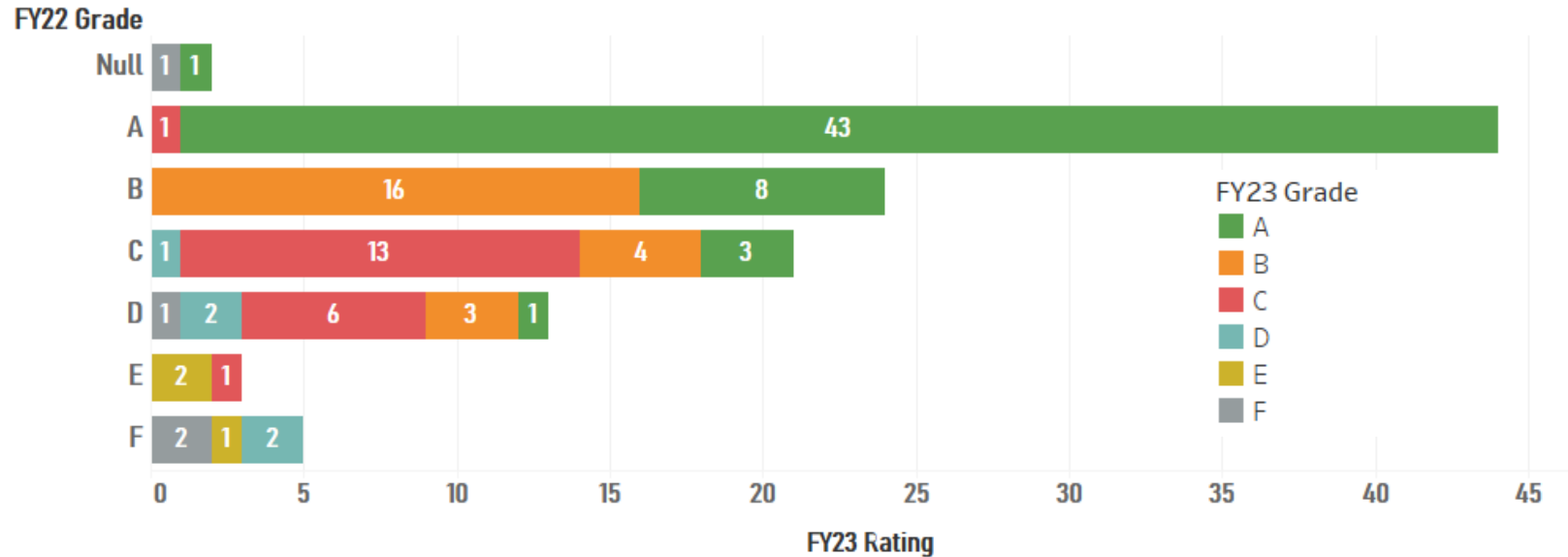


Exhibit 17: Rating transition matrix FY2022 – FY2023

Exhibit 17 shows the changes in MSD rating of ASX100 companies.

“Null” the companies added to the ASX100 in FY23, therefore, their FY2022 rating information is not available.

One FY2022 A-rated statement was downgraded to C and 43 A-rated statements in FY2022 remained A-grade in FY2023.

One D, three C and 8 B-rated FY2022 statements were upgraded to A grade in FY2023.

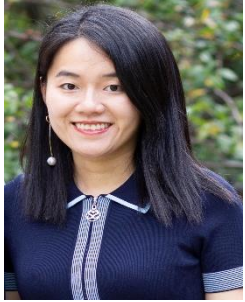
Among the E-rated FY2022 statements, two remained E and one moved to C in FY2023.

Among the F-rated FY2022 statements, two remained F, one moved to C and two to D in FY2023.

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# MCFS research team on modern slavery



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Bei Cui has a PhD degree in Finance from the University of Hong Kong. Bei is capable of conducting industry-relevant rigorous research of academic quality. Her primary areas of research include sustainable investments, superannuation funds, the Chinese bond market and market microstructure.



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We welcome further discussion of the company ratings and other findings in this report.

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# THANK YOU

The ratings published in this report are an assessment of the quality of a company's modern slavery disclosure statement and do not represent an assessment of the company's actual risk or exposure to modern slavery practices in its operations and supply chains.

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