

The logo for K&L GATES, featuring the company name in white, uppercase letters on a teal rectangular background.

K&L GATES

# Modern Slavery Statement

**Under the *Modern Slavery Act 2018* (Cth)**

**K&L Gates (ABN 81 310 965 026)**

Reporting Period

1 January 2023 – 31 December 2023

# INTRODUCTION

K&L Gates ABN 81 310 965 026 (K&L Gates, we, us, our or Reporting Entity) is pleased to present our fourth Modern Slavery Statement (Statement) made pursuant to the *Modern Slavery Act 2018* (Cth) (Act).

We are committed to opposing modern slavery in all its forms and acting in an ethical manner, with integrity and transparency in all of our business dealings. As part of this commitment, we have prepared this Statement to outline the actions taken by K&L Gates in 2023 to fulfil our strategy to assess, identify and mitigate the risk of modern slavery in our operations and our supply chains.

With support from specialists and technology providers within the modern slavery space, we undertook a detailed analysis of the risk of modern slavery in our operations and our supply chains. Whilst the results were positive with indications of a low risk of modern slavery, we have taken proactive steps to mitigate and minimise the risk of modern slavery and will continue our efforts to further reduce modern slavery risk in the coming years.

We continue to uphold our high standards of professionalism, ethical behaviour and integrity in everything we do. This extends not only to providing our clients with an unwavering standard of excellence in legal services, but also to positively contributing to the wellbeing of communities around the world. This Statement covers the initiatives implemented by K&L Gates to reduce the risk of modern slavery occurring as a result of the changing nature of our workforce, hybrid working, client engagement preferences and our actions more broadly.

K&L Gates is committed to the reduction of modern slavery risk and will continually strive to improve its approach. We will continue to monitor metrics and formulate initiatives to ensure we conduct our business operations in an ethical manner.

This Statement has been prepared under my supervision (with oversight by the Australian Board), and by our senior management team in consultation with external subject matter experts. This Statement has been duly approved by the K&L Gates Australian Board, in its capacity as the principal governing body of K&L Gates, for lodgement in accordance with the requirements of the Act.










**Jason Opperman**

Managing Partner, Australia, K&L Gates  
Member, K&L Gates Australian Board

On behalf of the K&L Gates Australian Board  
and as a Responsible Member (as defined in the Act) of the Reporting Entity

28 June 2024

## EXECUTIVE SUMMARY

Area	Actions Completed	Reporting Criteria Assessed
 <b>Entities and Structure</b>	<ul style="list-style-type: none"> <li>Identified the Reporting Entity and any controlled entities.</li> <li>Described our structure, operations and supply chain.</li> </ul>	<b>1 and 2</b>
 <b>Policies and Protocols</b>	<ul style="list-style-type: none"> <li>Reviewed current policies and procedures to ensure they reflect our commitment to addressing modern slavery.</li> <li>Started the process of implementing a supplier onboarding and engagement process.</li> </ul>	<b>3 and 4</b>
 <b>Due Diligence</b>	<ul style="list-style-type: none"> <li>Categorised direct suppliers based on industry and geography to understand our risk profile.</li> <li>Mapped and assessed our comprehensive supply chain.</li> <li>Performed in-depth analysis on identified elevated risk industries to inform future due diligence.</li> </ul>	<b>3 and 4</b>
 <b>Remediation</b>	<ul style="list-style-type: none"> <li>Implemented our Speak Up Policy (Whistleblower Policy) for the reporting of unethical conduct including occurrences of modern slavery.</li> </ul>	<b>3 and 4</b>
 <b>Training and Education</b>	<ul style="list-style-type: none"> <li>Conducted Continuing Professional Development (CPD) sessions for lawyers and clients.</li> </ul>	<b>3 and 4</b>
 <b>Post COVID-19</b>	<ul style="list-style-type: none"> <li>Established protocols for safe working conditions both on-site and remotely.</li> <li>Ensured safe transition to work-from-home and back to the office and continued "K&amp;L Gates Konnect" breakfasts.</li> </ul>	<b>3, 4 and 7</b>
 <b>Assessing Efficiency</b>	<ul style="list-style-type: none"> <li>Established our regular review process on an annual and ongoing basis to measure our modern slavery risk in our supply chain.</li> </ul>	<b>5</b>
 <b>Collaborative Efforts</b>	<ul style="list-style-type: none"> <li>Engaged with key personnel across our business units to ensure a unified and consistent approach.</li> </ul>	<b>6 and 7</b>

# OVERVIEW

## REPORTING ENTITY

K&L Gates is the reporting entity for the purposes of section 5(1) of the Act. The Statement is presented on a consolidated basis by K&L Gates and its controlled entities.

For the purposes of this Statement, our structure includes the following entities:

- K&L Gates (ABN 91 310 965 026)
- MMB Management Services Pty Ltd (ABN 25 837 078 022)
- MMB Property Services Pty Ltd.

## REPORTING PERIOD

This Statement is for the reporting period of 1 January 2023 to 31 December 2023. In this Statement, **FY23** means the financial year ended 31 December 2023, and other financial periods are referred to in a corresponding manner.

## OUR OPERATIONS

### Who We Are

K&L Gates is a fully integrated global law firm partnership with locations across five continents. With over 30 practice groups within nine broad practice areas, K&L Gates is committed to diligent and meticulous legal work delivered in an innovative and commercial way.

**Notwithstanding that we are part of a global law firm, the operations of the Reporting Entity are focused in Australia and overseen by the Australian Board.** This has limited our exposure to modern slavery risk on a geographical basis due to the robust regulatory framework enacted by the Australian government. This, in conjunction with our own governance framework as well as the nature of our workforce, has ensured that the risk of modern slavery in our operations is relatively minor.

Our clients include leading multinational corporations, growth and middle-market companies, capital market participants, entrepreneurs in every major industry group, public sector entities, education institutions, philanthropic organisations and individuals.

## Corporate Structure and Workforce

K&L Gates is an Australian partnership. As a professional services provider, we predominantly employ professionally qualified and highly skilled people. As at 31 December 2023, K&L Gates had approximately 460 partners and employees in Australia in both legal and non-legal roles across our operations.

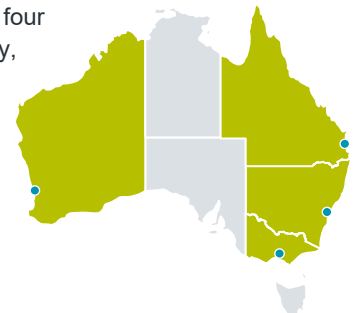
## Governance

We operate under a robust governance framework of an Australian Board, consisting of the Managing Partner, Australia, and six partner board members, supported by the Australian Chief Financial Officer (CFO) and Chief Operating Officer (COO). The COO leads a professional management team including Directors of Human Resources, Information Technology, Business Development & Marketing (Client Growth), Operations and Facilities, and Administration.

## Locations and operations

In Australia, K&L Gates has four offices in Melbourne, Sydney, Brisbane and Perth.

Our lawyers are able to advise on legal matters across all of Australia.



## OUR SUPPLY CHAINS

As a professional services firm, our supply chain largely consists of products and services which support our delivery of professional legal services to our clients.

An analysis of our spend data for our Australian offices, with almost 649 separate supplier entities, was conducted in conjunction with a third party technology provider. It identified that over 99% of our direct suppliers are Australian-based, with other suppliers based in the United States, Singapore, the United Kingdom, China, and Hong Kong. From our data, we were able to track the first ten Tiers of our supply chain.

The industries in which our direct suppliers operate were identified as:

- Hotels, clubs, restaurants and cafes
- Retail trade
- Education services
- Membership organisations
- Recreational, cultural and sporting services
- Printed matter and recorded media
- Post and telecommunication services.

## GLOSSARY

For the purposes of this Statement:

- **Tier 1 suppliers** are businesses that provide goods and services directly to K&L Gates
- **Tier 2 suppliers** are businesses that provide goods and services directly to our Tier 1 suppliers or that contribute directly to the goods and services our Tier 1 suppliers provide to K&L Gates, and
- **Tier 3 suppliers** are businesses that provide goods and services directly to our Tier 2 suppliers or that contribute directly to the goods and services our Tier 2 suppliers provide to our Tier 1 suppliers, which are then provided to K&L Gates,

and additional tiers of suppliers have a corresponding meaning.



# SUPPLY CHAIN MAPPING AND IDENTIFICATION OF MODERN SLAVERY RISK

In FY23 we engaged an independent external industry expert to provide K&L Gates with a quantitative risk assessment of the modern slavery risk in our supply chains. This assessment is weighted based on our annual spend with Tier 1 suppliers, and provides K&L Gates with a theoretical "number of slaves in our supply chain". The results of this analysis were positive, with a full description provided below.

**No actual or suspected cases of modern slavery were identified over the reporting period in our operations or supply chains.**

This analysis was done to create a comprehensive supply chain that identified any potential modern slavery risks from our direct suppliers to the tenth tier of our supply chain. The analysis involved the interaction of a number of factors that operate to elevate the risk of modern slavery within business operations and supply chains, including:

- Total supplier spend amounts (i.e., the value of our direct supplier contracts)
- Industry category and the industries that feed into them further down the supply chain, and
- Depth of "tiering" within the supply chain(s) (e.g., Tier 3 suppliers, Tier 5 suppliers).

The overwhelming majority of our direct suppliers are Australian-based entities. Due to the robust regulatory framework in Australia, these suppliers are less likely to have occurrences of modern slavery within their respective operations. Nevertheless, we conducted in-depth analyses of our direct suppliers to obtain a more holistic view of our modern slavery risk profile.

## IN-DEPTH ANALYSIS – DIRECT SUPPLIERS

In the further analysis conducted on our suppliers, our second, third and fourth Tier suppliers were identified as having a potentially elevated modern slavery risk profile compared to the otherwise low risk profile of our other suppliers in Tiers 1, 5 or other tiers.

However, additional desktop due diligence indicated that they are also mandatory reporting entities under the Australian and/or UK modern slavery legislation or possess robust policies and statements relating to ethical sourcing and a commitment to positive social outcomes. This does not, of itself, indicate the absence of modern slavery risk but rather is a positive indication to us that our suppliers are undertaking proactive steps with regard to modern slavery.

## IN-DEPTH ANALYSIS – SPECIFIC INDUSTRIES

As previously noted, the overwhelming majority of our direct suppliers do not present a geographic risk. However, in our efforts to ensure the minimisation of any risk, we undertook an identification and analysis of certain industry categories that were classified as potential risk areas, as geographical analysis alone provides limited insight into modern slavery risk.

By classifying our suppliers into specific industries and analysing the risk of modern slavery within those industries, K&L Gates was able to identify potential risk areas from which we plan to take proactive steps in future due diligence.

Three key industries were:

1. Retail trade services
2. Hotels and restaurant services.
3. Textiles and manufactured goods.

We did not identify these industries as having an elevated risk profile due to any specific high-risk activities being undertaken by our direct suppliers, rather, our identification of these industries was largely due to the more significant proportion of our spend over the reporting period which was attributable to suppliers in these industries. However, the majority of the minor risk identified in our comprehensive supply chain occurs in the more remote tiers of our supply chain, where K&L Gates has a reduced ability to exert influence, as the risks were related to labour-inputs for manufactured materials.

Despite this, K&L Gates conducted further analysis to gain an insight into the particular root causes of this increased level of modern slavery risk to better inform future supplier onboarding and the scope of our future activities in the modern slavery space.

## Retail Trade

As a professional services firm, K&L Gates sources food and beverages from local markets, supermarkets and wholesale businesses. The items are used for client events we host in our offices, internal meetings and for gifts. This is part of our service delivery for clients and guests who come to our offices and to provide food and drinks for our staff, including for initiatives to encourage and reward our staff when they work in the office post COVID-19.

An analysis of the key suppliers within this space indicated their increasing focus on corporate social responsibility initiatives in the form of wage security, working conditions, ethical sourcing policies, supplier codes of conduct and adherence to modern slavery legislation and guidance, both in Australia and abroad.

Similarly, the items we purchased were often from Australian businesses and sourced locally. There has been a slight shift in preferences as many Australian food and beverage brands are now considered the best in the industry. Our staff provide feedback about their likes and we are always keen to support local businesses.

The analysis yielded positive results in that the majority of the risk of modern slavery occurs in the remote tiers in K&L Gates' comprehensive supply chain, meaning **we are unlikely to have caused, or contributed to, modern slavery through our operations and supply chains** but rather are merely linked by virtue of the raw inputs sourced by our suppliers.

## Australian Hotels Restaurants, and Cafes

This industry category represents a range of small to large businesses that supply food and catering services to K&L Gates. Whilst our direct suppliers are not identified as carrying out activities that have an elevated risk of modern slavery, they source a broad range of inputs from other industries and services. These include:

- Retail trade
- Wholesale trade
- Paper containers
- Property operator and developer services
- Domestic telecommunications services.

The hospitality sector is recognised as a potential risk area for the occurrence of forced labour and other modern slavery practices within Australia. Migrant workers, such as international students in hospitality, are particularly vulnerable as evidenced by instances of exploitation that have been widely publicised in the media. Whilst we have not identified any specific allegations of modern slavery connected (either directly or indirectly) with our suppliers in this industry category, we recognise it as an area for ongoing due diligence.

The inputs for this industry also attract a risk of modern slavery given the raw inputs include the retail and wholesale sourcing of food products from Australia and overseas sources. The agricultural sector is an input for this particular industry and is subject to an elevated risk of modern slavery due to the exploitation of migrant workers on farms and the use of labour-hire companies, which may be undertaking risky practices. This, combined with the seasonal nature of agricultural work, may lead to poor labour practices.

Considering the above, whilst K&L Gates has not identified any instances of modern slavery occurring, we will be using the findings to inform any future engagement with suppliers in the area, as well as engage with current suppliers to ensure positive practices.

# ADDRESSING MODERN SLAVERY RISKS – FURTHER DUE DILIGENCE AND REMEDIATION

## ONGOING DUE DILIGENCE

The information gleaned from our second assessment, of over 400 unique suppliers, has formed the basis of ongoing due diligence activities beyond our reporting period. In undertaking such analysis, risk factors for modern slavery have become readily apparent and we now capture relevant information to inform future decision-making based on industry and geographic factors. This has allowed us to take a proactive approach to engaging and onboarding new suppliers and allow us to mitigate modern slavery within our supply chain before we engage with the prospective supplier.

## POLICIES AND AGREEMENTS

K&L Gates has a number of firm-wide policies that have been implemented to address social and ethical issues. These policies have been reviewed to ensure they reflect our commitment to addressing modern slavery in our operations and supply chains.

K&L Gates has developed a supplier onboarding and engagement process utilising public search tools, such as Supply Nation, and implemented a supplier questionnaire to query the supplier's modern slavery risk, including material sourcing and staffing. This has been applied in parallel with the initiatives associated with our firm's Innovate Reconciliation Action Plan and ongoing activities to support Indigenous and First Nations peoples.

In 2022 K&L Gates joined the Australian Legal Sector Alliance (AusLSA), an industry-led association working collaboratively to promote best practice sustainability commitments and performance across the legal sector. AusLSA's sustainability framework includes sustainable and inclusive workplaces, community support, environmental conservation and responsible governance.

In keeping with our holistic approach to environmental, social, and governance (ESG) and sustainability, our membership of AusLSA promotes greater transparency, and additional tools and resources to law firms that assist the implementation of programs and policies that improve their sustainability impact. Using a collaborative and inclusive approach facilitates the development of best practice sustainability frameworks, guidance and reporting for the Australian legal sector.

These actions have allowed K&L Gates to appropriately communicate our commitment to mitigating modern slavery to our staff, suppliers, clients and stakeholders generally, as well as equip key members of our firm to appropriately engage with at-risk aspects of our operations in a holistic way.

## Grievance Mechanisms

In July 2023, K&L Gates put in place a Whistleblower policy called the "Speak Up Policy." The policy provides both our current and former employees, partners and contractors with a mechanism to anonymously report behaviour that is dishonest, fraudulent, illegal, unethical, or any conduct that would be detrimental to K&L Gates, including concerns relating to modern slavery.

In FY23, K&L Gates did not receive any reports of actual or suspected instances of modern slavery in its operations or supply chains through any whistleblower channels.

## EDUCATION AND TRAINING

As part of our ongoing Learning and Professional Development Program, training continued.

As part of our Continued Professional Development (CPD) education for clients and K&L Gates lawyers, two presentations which included identifying and remediation of modern slavery risks. The topics were given on:

- Climate change related disclosures and accuracy of ESG product marketing
- ASIC Enforcement Trends and Priorities.

These sessions allow lawyers to gain CPD points (with 1 hour of training equivalent to 1 CPD point) in which 10 points are needed each year, ending 31 March.

Internal meetings, including with partners and senior lawyers in Australia, have also been conducted to provide updates in relation to modern slavery, and to increase awareness of our clients' and our own modern slavery footprint.

This action was undertaken to educate our lawyers and support staff about modern slavery as they are the group most likely to identify and potentially report any perceived instances of modern slavery due to the extent of their involvement in the day-to-day operations of K&L Gates.



# CONSULTATION

K&L Gates recognises the importance of engaging with its numerous constituencies to formulate a holistic and fulsome approach to the risk of modern slavery.

In the process of drafting this Statement, K&L Gates engaged numerous business units within the firm, including senior lawyers of various practice areas, human resources, corporate services, and our business development and marketing departments in addition to our committees for ESG and Sustainability, and Reconciliation Action Plan. As part of this dialogue, requests for information, discussion on risk factors and an agreement on the course of action for this reporting period and future reporting periods were facilitated.

K&L Gates and its controlled entities are centrally managed by the Board, Deputy Chief Operating Officer, Australia and Deputy Chief Financial Officer, Australia. As the Australian Board has members from each Australian office, this allows us to coordinate our response and approach to addressing modern slavery risks across our operations. The Australian Board meets monthly and any issues or matters pertaining to modern slavery can be discussed at those meetings.

In addition, every two years we undertake a global internal engagement survey. This survey was completed by 79% of people across the globe in May 2023. The survey measures how enabled, engaged and energised people are across various categories including sustainable engagement, collaboration, career, senior leadership, immediate management and retention. The results are broken down across demographics including race/ethnicity, gender, LGBTQ (where consistent with local laws), caregiving status. From these results we are able to target policies and initiatives to improve the experience of people in the workplace.

This extensive consultation process allowed for the identification of modern slavery risk factors in our operations and supply chain and helped inform the actions taken by K&L Gates to manage our firm-wide exposure to modern slavery.

# MEASURING THE EFFECTIVENESS OF OUR MODERN SLAVERY RESPONSE

K&L Gates is committed to ensuring ongoing compliance and refinement in the modern slavery space. We intend to continue to update our analysis of our comprehensive supply chain and conduct year-on-year comparative analyses in order to discern quantitative changes in our modern slavery risk profile and assess the effectiveness of our response.

In addition, we have established a number of Key Performance Indicators (KPIs) to measure, on an ongoing basis, the effectiveness of implemented measures for addressing modern slavery risks in our business operations and supply chains.

## Key Performance Indicators

These KPIs have included:

- The rollout and implementation of new policies to directly address modern slavery issues in the context of a global law firm.
- Updated and introduced new procedures for supplier onboarding to assess modern slavery risks. As per our ethical sourcing strategy, we are updating our supplier self-assessment questionnaire to include a broader range of risks and more concise questions that are more directly related to our Supplier Code of Conduct. Improved the tracking of goods and services purchased by K&L Gates to increase transparency of our supplier chains beyond Tier 1 suppliers.
- Conducted regular reporting and tracking of new suppliers.
- Embedded a Speak Up Policy (Whistleblower Policy), including the ongoing monitoring of the handling of any complaints or grievances.
- Firm-wide rollout of targeted modern slavery training.
- Ongoing collaboration with local organisations and businesses with ethical supply practices and a commitment to alleviating modern slavery.
- Monitoring and increasing the level of supplier engagement specifically for addressing modern slavery issues.
- Establish a K&L Gates committee focused on modern slavery which includes members from various departments including Finance, Office Services (including our Risk Manager), Information Technology, Human Resources, Marketing and Business Development, and Client Services. These groups have the largest responsibility to identify, engage and monitor suppliers and vendors and must be part of the process to generate ideas for best practice to mitigate any potential risks.

## Priority Areas

K&L Gates has identified specific priority areas for due diligence activities in upcoming reporting periods including:

- **Product-specific modern slavery analysis.** Building on the industry-category risk analysis that has been at the core of the modern slavery risk assessment activities carried out during the reporting period, we intend to focus on the specific products that form part of the 'typical' supply chain for a professional services/law firm including:
  - paper products and other office consumables
  - computers, printers, servers and other electronic items.
- We also recognise that **targeted supplier engagement** can form an important part of holistic modern slavery due diligence activities, particularly in relation to going beyond an analysis of Tier 1 suppliers. We intend to continue carrying out comprehensive supplier questionnaires (and, where appropriate, further engagement) in conjunction with our product-specific modern slavery analysis.
- **More internal training to improve awareness of where modern slavery can occur**, how to engage with vendors and suppliers and ways to remediate. This is also more relevant as we improve how we track our expenditure (better categorisation and data entry) and identify suppliers beyond Tier 1 suppliers.
- **Investment in Finance tools** by implementing a new global financial system using 3E which is integrated with time recording, billing, expense and other payment and tracking systems.

We are embarking on the above priority activities with the aim of further examining key product groups to identify areas of potential modern risk. We recognise that, whilst complete supply chain visibility may be practically unachievable, the goal is to identify, well beyond those products directly supplied to us, a comprehensive dataset of every component that forms part of a particular supply chain, and where (in terms of country of origin or region) that component has come from.

## 2024 AND BEYOND

K&L Gates remains committed to ongoing improvement in the modern slavery space.

K&L Gates is committed to ongoing action and continuing improvement within the modern slavery space and will undertake the proposed initiatives to uphold our values in a practical and tangible manner. During 2024 and future reporting periods, K&L Gates plans to focus on the following specific issues as part of our commitment to continually improving our capacity for effective modern slavery risk identification and mitigation:

- Update our relevant policies and agreements where needed to appropriately reflect our commitment to mitigating modern slavery and raise awareness of the issue with our stakeholders
- Implement a modern slavery policy
- Introduce mandatory modern slavery training for all staff across our Australian offices, and investigate publishing a modern slavery training module on our internal online learning platform, K&L Gates University
- Implement supplier self-assessment questionnaires as part of our standard onboarding process
- Enact additional initiatives to better improve outcomes for our suppliers and other stakeholders.

# K&L GATES

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