

Incremental progress, persistent gaps

October 2026

ASX200 reporting under
Australia's Modern Slavery Act

About ACSI

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Through our company engagement, policy advocacy, research and education, ACSI supports members in exercising active ownership, which enhances the long-term value of the retirement savings entrusted to them to manage.

ACSI members can achieve value for their beneficiaries through genuine and permanent improvements to the environmental, social and governance practices of the companies in which they invest.

Acknowledgements

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About Pillar Two

Pillar Two is a specialist global business and human rights advisory firm with extensive experience supporting businesses and other organisations to identify, assess and develop effective responses to their human rights risks including modern slavery, and to meaningfully engage stakeholders around their human rights approaches. It takes a principled, integrated and practical approach founded on international frameworks, national laws and policies, evolving stakeholder expectations and leading practice. It has team members based in Australia, Asia, Europe and North America and works across sectors and geographies.

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Acknowledgement of Country

We acknowledge and respect the traditional lands and cultures of First Nations people in Australia and globally. We pay our respects to Elders past and present and recognise First Nations peoples' longstanding and ongoing spiritual connections to land, sea, community and Country. Appreciation and respect for the rights and cultural heritage of First Nations peoples is essential to the advancement of our societies and our common humanity.

Foreword

Modern slavery has a devastating impact on more than 50 million people around the world. Due to Australia's reliance on imported goods, our businesses are particularly at risk of exposure to modern slavery practices across global supply chains. Increasing use of migrant worker labour in Australia also means that domestic operations and supply chains are facing greater exposure around modern slavery. Alongside the impact on people, modern slavery is a financially material risk for investors and can impact the commercial success, stability and longevity of the companies in which superannuation funds invest.

This year marks the sixth cycle of annual reporting under the Modern Slavery Act. The legislation has helped put this serious issue on the corporate agenda and has driven many companies to establish modern slavery risk management policies and processes, including in relation to due diligence and remediation.

This is our third report assessing the quality of company disclosure on modern slavery risks under the Modern Slavery Act. Our second assessment, published in 2023, was titled "Compliance without Ambition" to reflect the observation that listed company reporting was relatively formulaic and at risk of not providing investors and other stakeholders with a true picture of those companies' risks and how they were being managed. While most ASX200 companies had incrementally improved their disclosure of modern slavery risks, there were clear signs of stagnation, and little evidence of actions being taken to address identified risks.

Our analysis this year used a new methodology to assess the quality of 189 ASX200 listed companies' (referred to in this report as the 'ASX200 companies') modern slavery statements, and for the first time, also undertook a deeper assessment using additional targeted indicators for 51 of those companies identified as operating in sectors that are likely to have higher modern slavery risks. This new methodology focuses on indicators that drive meaningful progress in identifying and addressing modern slavery risks.

Through this assessment, we found progress is uneven. Some companies, particularly those operating in sectors that are likely to have higher modern slavery risks, are demonstrating more sophisticated modern slavery risk management approaches. However, others have made only incremental progress.

Disappointingly, few companies in higher-risk sectors indicated that they are integrating their modern slavery risk assessments into business decisions in a meaningful way, including sourcing, procurement or market entry decisions.

More broadly, many statements still fail to demonstrate concrete action being taken to prevent or mitigate these risks. In short, our concerns about future potential stagnation in the second assessment appear to have been borne out. While some of this likely reflects a period of uncertainty, potential legislative change provides an opportunity to accelerate progress.

Six years into modern slavery reporting, it is not enough to learn whether companies have policies and processes in place. Investors need to know whether those policies and processes are preventing and mitigating, and where appropriate remediating, modern slavery risks in practice, and delivering meaningful outcomes for affected rightsholders. We congratulate those companies that have reported on these issues.

Changes to the Modern Slavery Act are coming, and we support amendments that are proportionate, risk-based and aligned with international business and human rights standards including the UN Guiding Principles on Business and Human Rights ('UNGPs'). It is important that any changes continue to drive disclosure, so that the goals of the Modern Slavery Act are sustained. Transparency should be encouraged to support the ongoing provision of decision-useful information to investors.

We look forward to using this assessment and its findings to engage with companies on their approaches and reporting. We will also draw on the evidence to advocate for appropriate amendments to the Modern Slavery Act, along with the creation, dissemination and implementation of associated guidance and tools.




Louise Davidson AM
Chief Executive Officer

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Executive Summary

This report, commissioned by ACSI and prepared by Pillar Two, assesses the quality of ASX200 companies' modern slavery statements under the Australian Modern Slavery Act 2018 ('MSA'). It offers insight into the extent to which ASX200¹ companies' modern slavery risk management approaches are maturing.²

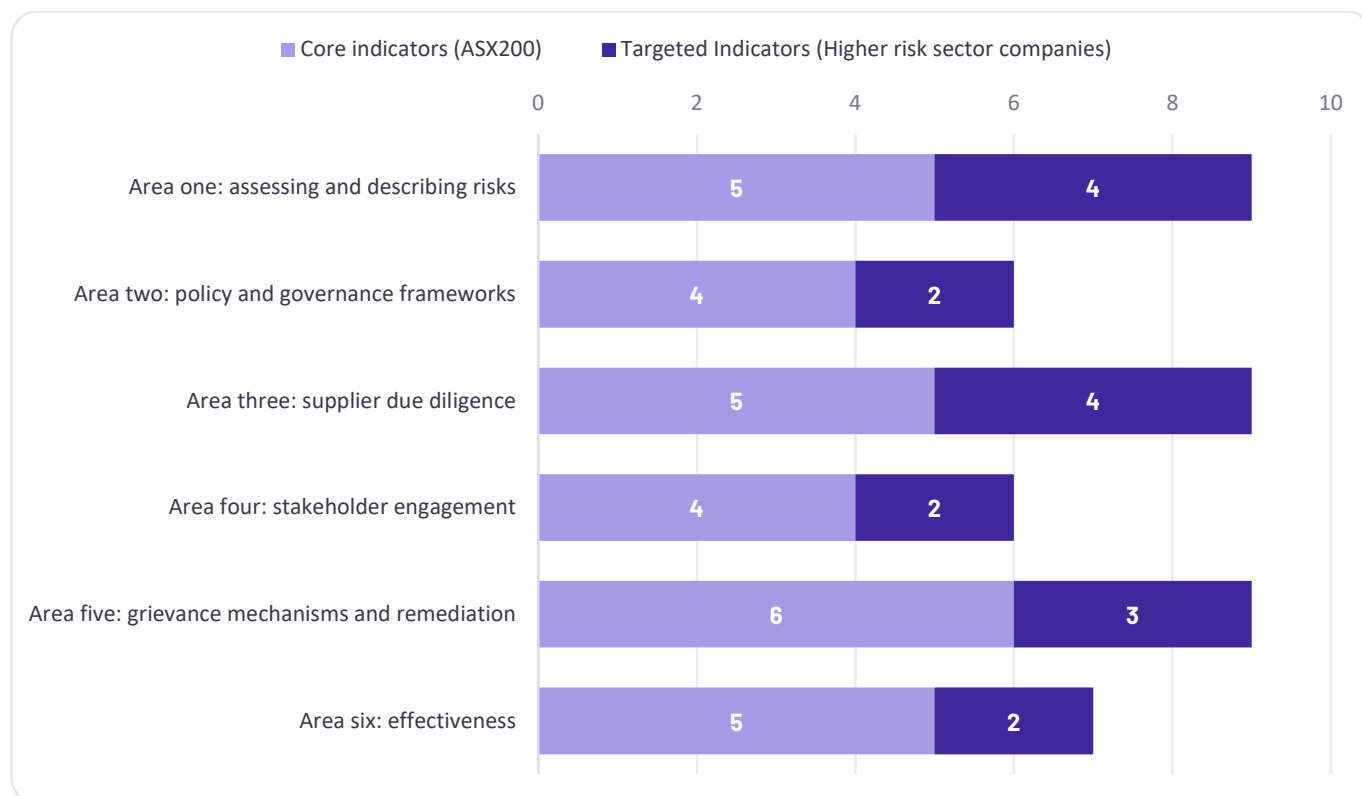
This is the third ACSI and Pillar Two assessment of modern slavery reporting, with the first in [2021](#) and the second in [2023](#). This time, 189 ASX200 company statements were assessed against an updated methodology developed by Pillar Two and ACSI which covers the below six key areas.

01 Assessing and describing risks assessing and describing reporting entities' modern slavery risks	02 Policy and governance frameworks describing reporting entities' policy and governance frameworks
03 Supplier due diligence describing reporting entities' supplier due diligence and related engagement	04 Stakeholder engagement describing reporting entities' engagement with external stakeholders to address modern slavery risks, including civil society, peers and affected rightsholders
05 Grievance mechanisms and remediation describing reporting entities' grievance mechanisms and approaches to identifying and remediating modern slavery	06 Effectiveness describing actions to assess the effectiveness of reporting entities' modern slavery response

¹ The statistics related to the ASX200 companies set out in this report reflect scores for all 189 assessed ASX200 companies (including the 51 higher-risk sector companies) across the 29 core indicators (see the Methodology section below for why all ASX200 companies were not assessed). The statistics related to the higher-risk sector companies reflect scores for only the 51 companies (out of the ASX200 selected for targeted assessment) across the 17 additional targeted indicators.

² To the extent these actions were disclosed in statements.

FIGURE 1: NUMBER OF INDICATORS ACROSS SIX ASSESSMENT AREAS



All companies were assessed against 29 core indicators across these six areas to gauge the overall quality of their modern slavery reporting and risk management approaches. This new methodology narrows the number of indicators assessed, focusing on indicators that move the dial on modern slavery progress, and excluding those that are focused on legal compliance.

For the first time, we also selected a subset of 51 ASX200 companies operating in sectors that may have higher modern slavery risks due to the nature of the business models, geographic footprint and / or supply chains ('higher-risk sector companies'). We assessed these companies against 17 additional targeted indicators on topics ranging from actions taken to support a living wage and supplier engagement beyond tier 1 to worker voice initiatives.

These areas reflect investors' expectation that companies operating in sectors with a higher risk profile should have more mature modern slavery risk management approaches that are proportionate to their level of risk and clearly show a commitment to continuous improvement. Further information is set out in the Methodology in Appendix 1.

The early years of MSA reporting were largely characterised by companies establishing the foundations of modern slavery risk management. With six MSA reporting cycles now complete, alongside the [McMillan Review](#) into the Act, the Government's response to it, its [reform announcement](#) and the [recently released consultation paper](#), expectations have increasingly shifted towards stronger transparency showing more evolved risk management and meaningful steps to assess the effectiveness of actions taken to address modern slavery risks.

However, our assessment finds this evolution is limited at many ASX200 companies. While incremental improvements have continued, many companies are still focused on building and maintaining foundational risk management practices, instead of demonstrating how they have enhanced or progressed these practices over successive reporting cycles. ACSI and Pillar Two's 2023 report recognised the potential for stagnation in corporate responses, which appears to be reflected in this year's findings.

FIGURE 2: AVERAGE AND HIGHEST SCORES BY INDICATOR SET



While some higher-risk sector companies have strengthened and matured their approaches against the core indicators, only a handful are demonstrating more advanced risk management practices.

The findings point to a disconnect between the incremental pace of corporate progress and the scale and complexity of modern slavery risks. Relatively few companies demonstrate the robust practices needed to identify, prevent and remediate these risks in line with international business and human rights standards including the UNGPs.

Incremental improvements are important, but are unlikely, on their own, to drive the level of change needed to meaningfully prevent and mitigate modern slavery risks, and to meet existing and potential regulatory developments in Australia and abroad. To

keep pace with this complex landscape, modern slavery reporting needs to focus on whether the building blocks of risk management are delivering meaningful outcomes. Statements should increasingly demonstrate that companies' due diligence and remediation processes are leading to better identification of modern slavery risks, more effective responses to identified risks, and appropriate responses where modern slavery occurs.

Questions remain as to how proposed reforms to the Modern Slavery Act will balance these expectations so that any new reforms continue to encourage and support complete modern slavery due diligence and remediation approaches. Investors continue to support ongoing commitments to transparency by companies.

Key statistics

01 Many ASX200 companies remain focused on foundational risk management actions, with improvements in some areas. For example, 80% of companies identified modern slavery risk areas or factors relating to their operations (56% in 2023) and 82% in their supply chains (96% in 2023, with the decrease attributable to a different sample). Other foundational actions include implementing of modern slavery-related checks during supplier onboarding (75%) and post onboarding (69%), and establishing processes that could be used to remediate modern slavery in company operations (80%) and supply chains (70%).	02 Few ASX200 companies are demonstrating mature risk management actions, including: • providing training to suppliers (25%); • consulting with affected rightsholders (2%), civil society groups (11%) and / or peer companies (42%) to support with addressing modern slavery risks; • providing targeted training to key internal business units (50%); and • defining what an effective response to modern slavery looks like to assist with tracking performance (13%).
03 Only a small number of higher-risk sector companies are demonstrating advanced risk management practices, including: • consulting with rightsholders (such as supply chain workers or their representatives) (4%) and / or civil society groups (6%) as part of risk assessment processes; • engaging with suppliers at tier 2 or below (14%); • conducting living wage (18%) or worker voice (8%) initiatives; and • taking steps to ensure grievance mechanisms are trusted and accessible (31%).	04 While most ASX200 companies have grievance mechanisms in place to receive modern slavery-related concerns, their ability to identify and address modern slavery incidents or allegations appears to remain limited. Only 13% of statements identified an instance of modern slavery, with 8% of these providing detail about how these instances were remediated. Investors encourage robust supplier due diligence that identifies instances of modern slavery so they can be appropriately remediated.

We assessed 189 ASX200 companies against 29 core indicators across six assessment areas. The 'core indicator' figures present results for this broad sample and the 'targeted indicator' figures show the 51 company subset's results on only the 17 additional targeted indicators across the same six assessment areas.

FIGURE 3: AVERAGE SCORE BY ASSESSMENT AREA – CORE INDICATORS (ASX200)

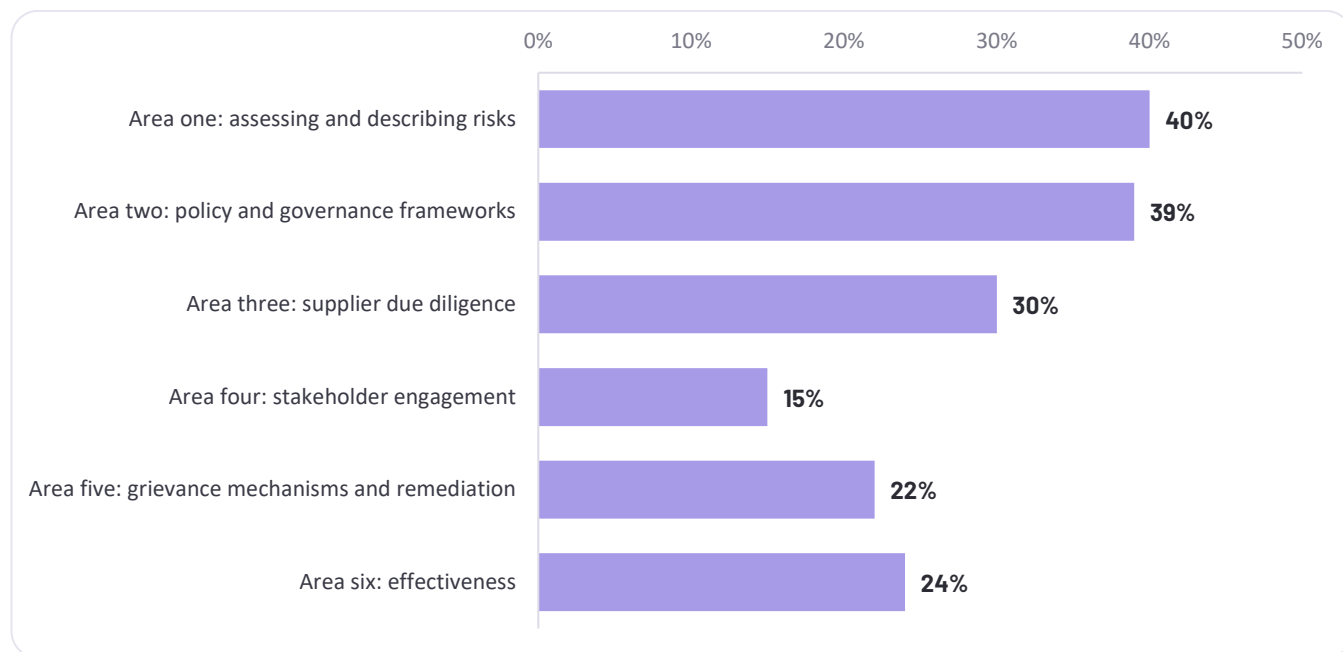


FIGURE 4: AVERAGE SCORE BY ASSESSMENT AREA –TARGETED INDICATORS (HIGHER-RISK SECTOR COMPANIES)

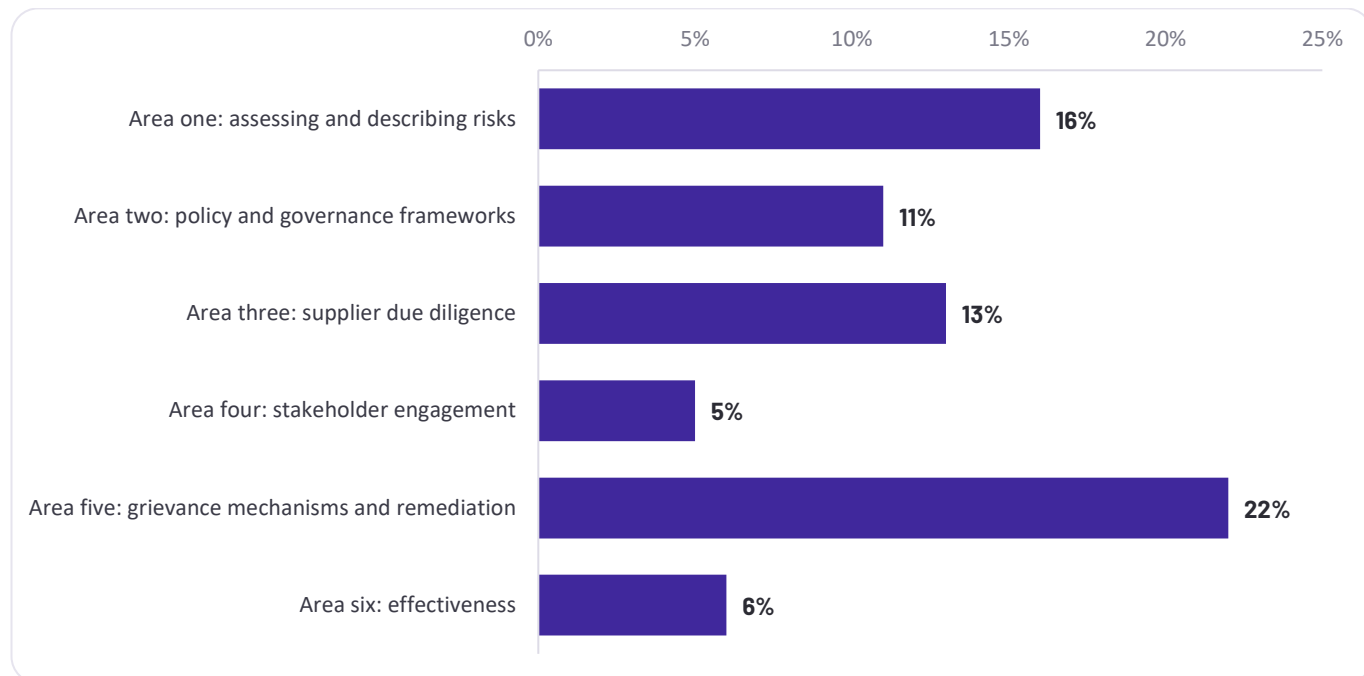


FIGURE 5: DISTRIBUTION OF STATEMENTS BY SCORE – CORE INDICATORS (ASX200)

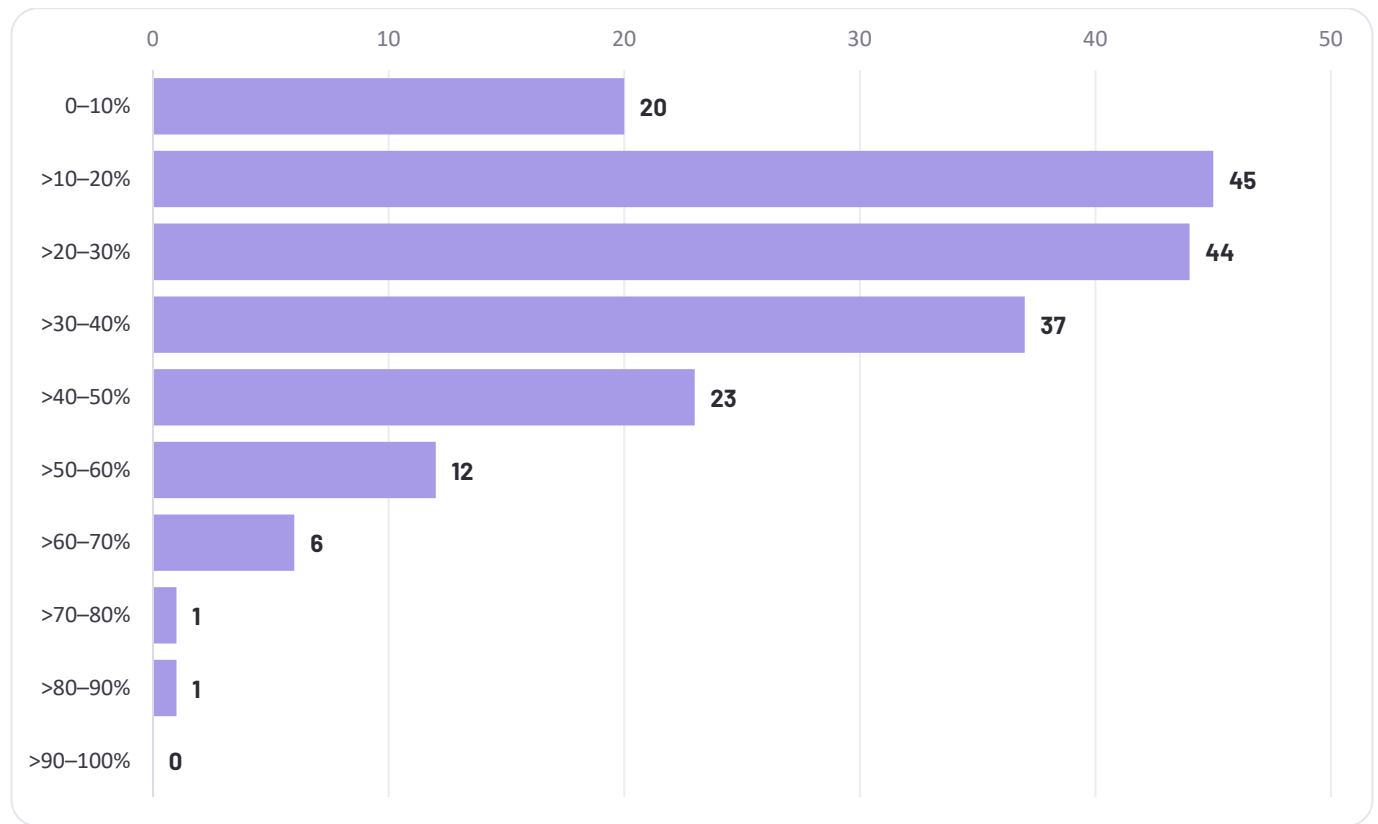


FIGURE 6: DISTRIBUTION OF STATEMENTS BY SCORE – TARGETED INDICATORS (HIGHER-RISK SECTOR COMPANIES)

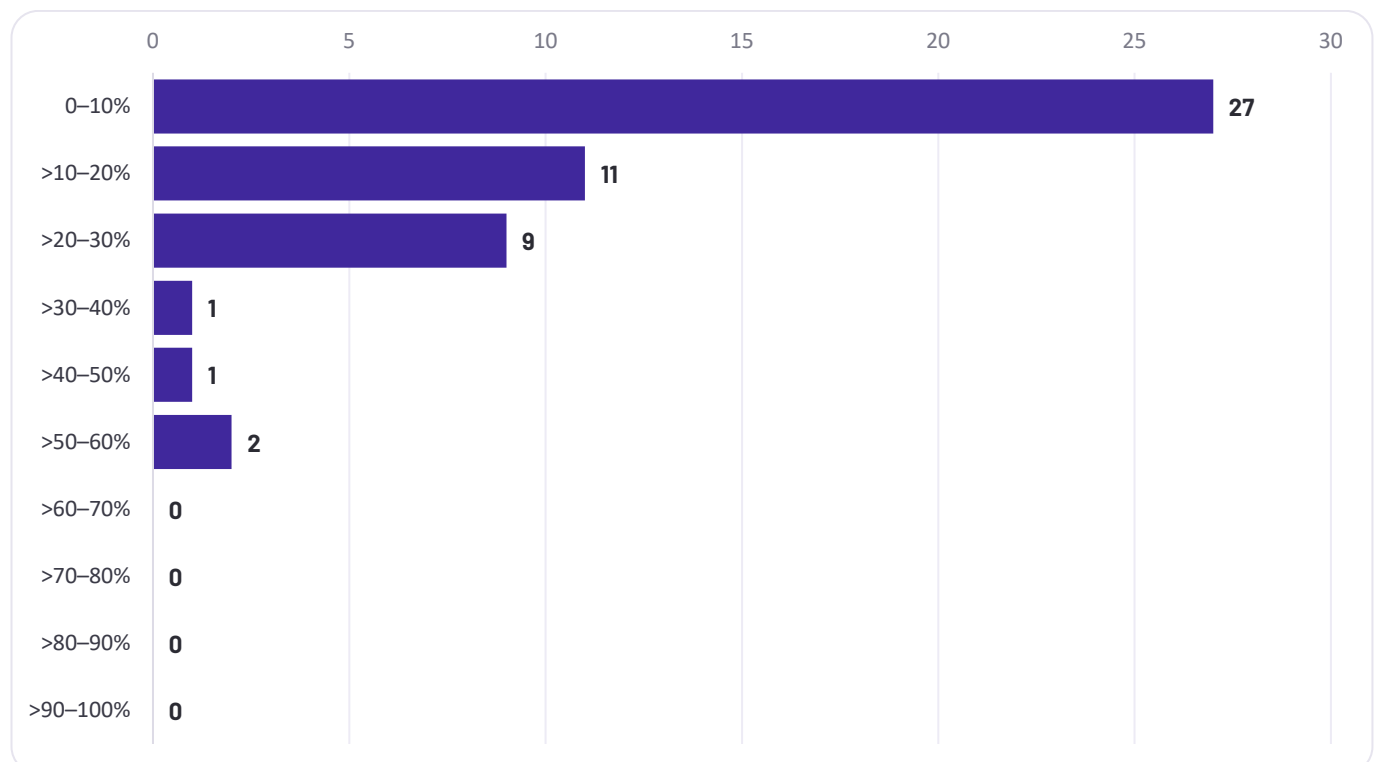


FIGURE 7: AVERAGE SCORE BY SECTOR – CORE INDICATORS (ASX200)

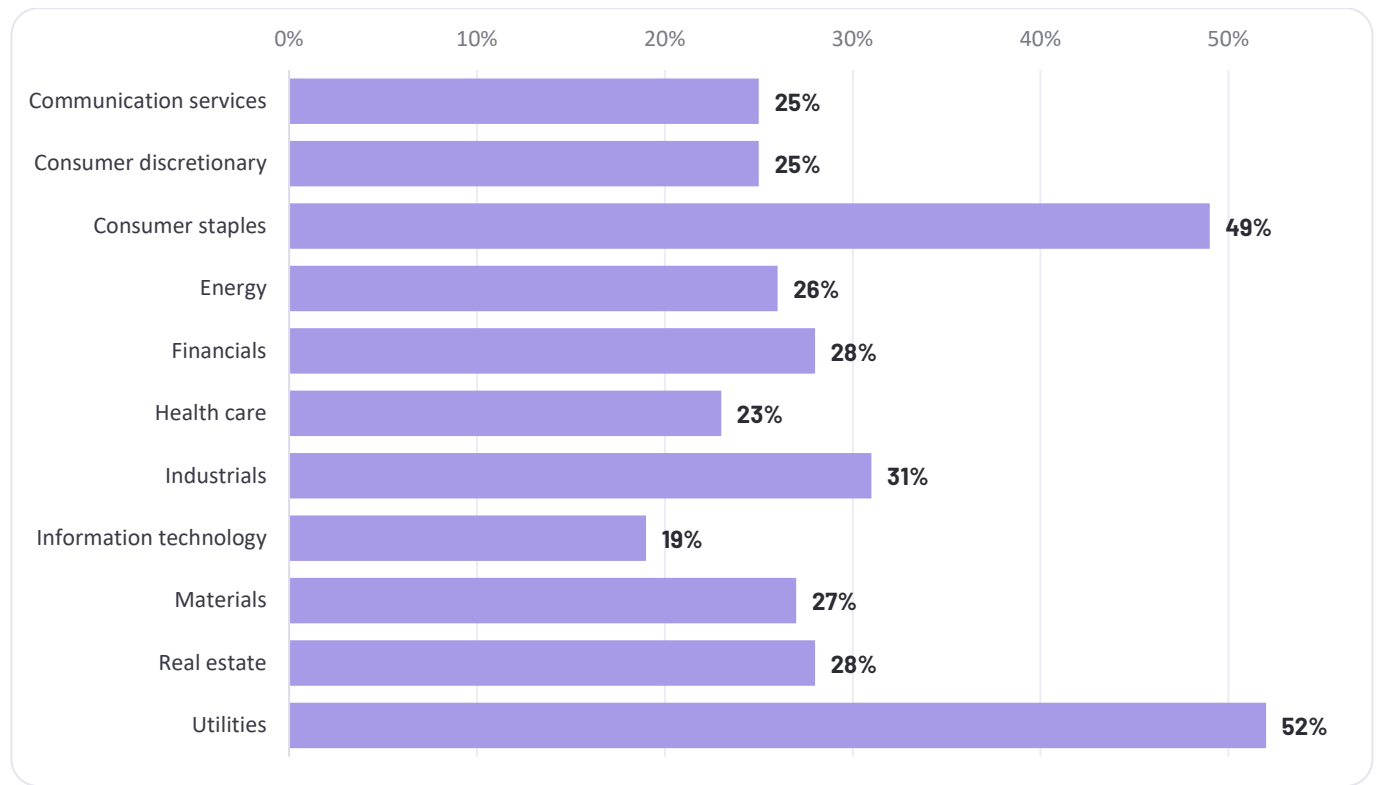
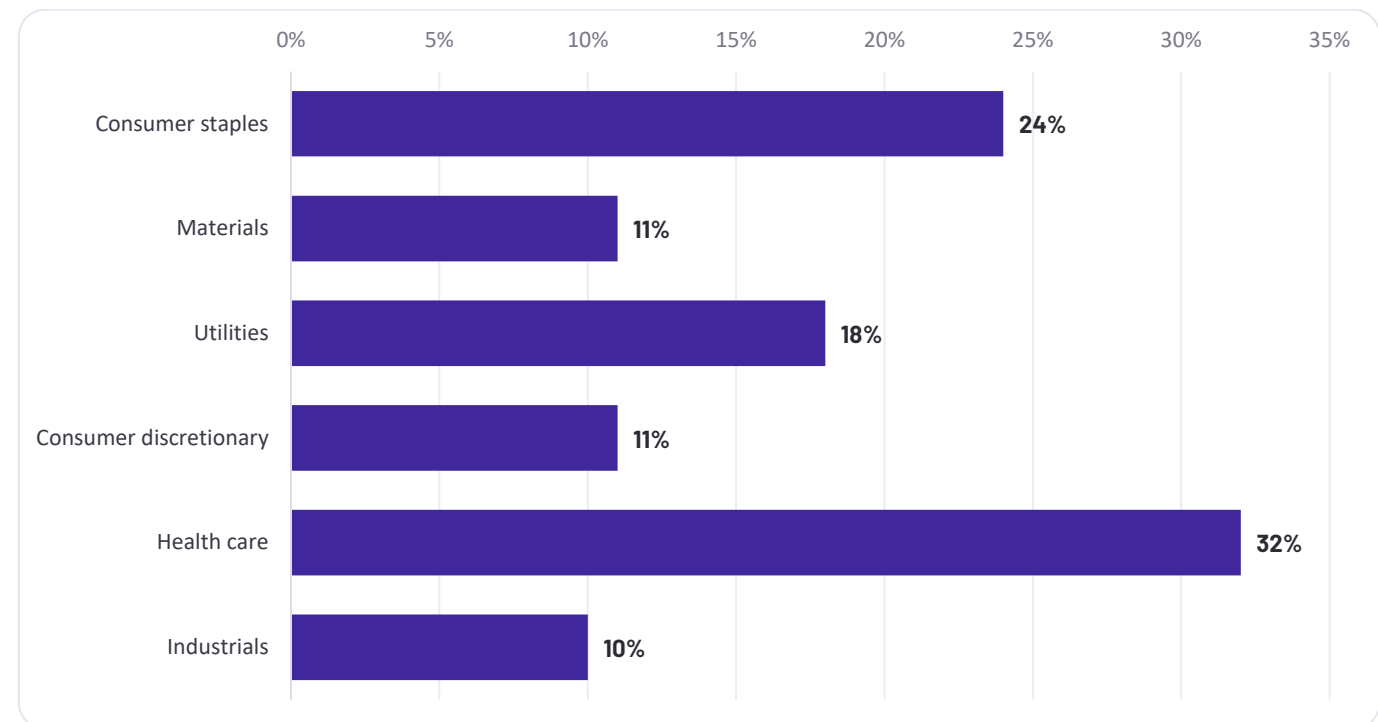


FIGURE 8: AVERAGE SCORE BY SECTOR – TARGETED INDICATORS (HIGHER-RISK SECTOR COMPANIES)



Recommendations for action

While this report does not provide recommendations specifically aimed at improving modern slavery risk management, reporting enhancements are expected to have a flow-on effect on risk management where all information reported is accurate. It also sets out recommendations for investors and the Australian Government.

Recommendations for companies

Companies can enhance their modern slavery reporting by implementing the recommendations and good practice examples set out below. The recommendations are relevant to the core indicators and targeted indicators. Some are foundational, reflecting areas where many companies continue to have gaps or opportunities to strengthen their approaches. The good practice examples build on these foundations and demonstrate how companies can move towards more mature and sophisticated reporting and underlying risk management practices.

01

Assessing and describing risks

Improve the level of detail provided about modern slavery risks by:

- using the UNGPs continuum of involvement to explain the company's potential involvement in modern slavery risks;
- explaining how modern slavery risk factors may arise across operations and supply chains, supported by examples relevant to a company's modern slavery risk profile;
- describing the methodology used to identify and assess modern slavery risks including how relevant rightsholders or their legitimate representatives were consulted as part of this process;
- identifying key modern slavery risk factors relevant to a company's risk profile; and
- describing how risk assessment findings have informed business decisions and actions.

GOOD PRACTICE EXAMPLES

- Moving beyond stating that the UNGPs' continuum of involvement is used to understand the company's level of involvement in modern slavery risks to describing its risks of involvement in modern slavery risks for specific areas and explaining whether it takes into account its level of involvement in mitigation actions. This could be shown through a table showing those risks the company considers it could cause or contribute to (e.g. potential exploitation of contracted workers on its sites or issues that may arise for workers in supply chains due to purchasing practices) and those risks it could be directly linked to through its products, services or operations by its business relationships (e.g. potential exploitation in the production of raw materials or components), as well as expected action.
- Providing short hypothetical examples of how modern slavery could occur in key elements of the company's operations or supply chains. For example, if cleaning was listed as a high-risk procurement category, this could include noting that there is a risk that cleaners employed through a labour hire or subcontracting arrangement may be subject to debt bondage, withheld wages or restrictions on freedom of movement and how the company has determined that this risk could exist.
- Explaining key modern slavery risk factors in the company's operations and supply chains, such as the use by the company or its suppliers of migrant, temporary or other vulnerable workers, reliance on the use of third-party labour hire, use of child labour or sourcing from higher-risk geographies and again how the company has determined these risk factors are relevant to them.
- Providing examples of how rightsholders, such as supply chain workers and contractors or their representatives, including at risk or vulnerable groups such as migrant workers or female workers, were consulted to support identifying and assessing modern slavery risks, including how their input informed the company's risk assessment.
- Providing examples of how identified modern slavery risks have informed business decisions, such as procurement requirements, supplier selection, contract terms, risk assessment, sourcing decisions or decisions to exit.

02

Policy and governance frameworks

Improve the level of detail provided about policies and governance by:

- explaining how modern slavery-related policies are implemented including how implementation is monitored and enforced;
- outlining how the board oversees modern slavery, including how information on identified risks, actions and effectiveness is escalated to the board and informs decision-making beyond approval of modern slavery reporting;
- explaining how a company is working to adopt or evolve responsible purchasing practices to reduce the risk that procurement activities contribute to or exacerbate modern slavery risks in its supply chain; and
- explaining how living wage risks are identified and addressed within its supply chain, including how initiatives are linked to identified modern slavery risks and whether they are delivering improved outcomes for workers.

GOOD PRACTICE EXAMPLES

- Describing how modern slavery-related policies are communicated to relevant employees and suppliers, embedded across the business, monitored and enforced in practice including how this has changed over multiple reporting periods and why.
- Explaining how the board (or board committees) are engaged around modern slavery beyond the statement approval process, such as through periodic reports to the board on the implementation of key risk management actions and deep dives on particular risk factors or categories or countries of concern.
- Describing specific actions taken to support responsible purchasing, such as changing procurement practices including key performance indicators and supplier order targets to avoid unrealistic lead times, last minute changes or cost pressures that could incentivise labour exploitation.
- Describing steps taken to identify where supply chain workers may be paid below a living wage and engage suppliers to understand and address wage gaps, such as through a living wage gap assessment.

03

Supplier due diligence

Improve the level of detail provided about supplier due diligence by:

- explaining modern slavery-related supplier due diligence processes relevant to onboarding, as well as checks for higher-risk suppliers after onboarding;
- describing how supplier capacity building initiatives (including training) are targeted to identified modern slavery risks, assessed for effectiveness and used to strengthen supplier practices;
- explaining a company's approach to resolving modern slavery-related issues identified in its supply chain;
- explaining how engagement with suppliers beyond tier 1 is used to identify and address modern slavery risks deeper in supply chains; and
- disclosing information on supplier modern slavery-related non-conformances identified through due diligence and expectations set of suppliers in response.

GOOD PRACTICE EXAMPLES

- Describing onboarding checks, as well as post-onboarding checks conducted on suppliers, such as adverse media checks, supplier self-assessment questionnaires and audits, and explaining how these checks are tailored to suppliers' modern slavery risk levels.
- Describing support provided to suppliers to build their modern slavery-related capacity, such as training and its outcomes, as well as more detail about the type of guidance material provided and how it was drafted (i.e. in consultation with suppliers).
- Explaining the company's approach to termination of suppliers as a last resort measure and what work the company may generally do with suppliers where possible to respond to modern slavery-related issues while keeping the supplier on board.
- Describing how a company engages with higher-risk tier 2 or lower-tier suppliers, such as through supplier mapping, audits, deep dives or site visits, and providing examples where appropriate. This could also include describing the challenges the company is having in such engagement and how it is managing these challenges.
- Disclosing the type and frequency of supplier modern slavery-related non-conformances and how the company has engaged with the supplier as a result.

04

Stakeholder engagement

Improve the level of detail provided about stakeholder engagement by:

- explaining how engagement with relevant stakeholders has informed the management of identified modern slavery risks;
- describing how modern slavery training provided for key internal business units is tailored to their roles and responsibilities, informed by identified risks and assessed for effectiveness; and
- explaining how worker voice initiatives are designed to identify and respond to modern slavery risks and whether they are delivering improved outcomes for workers.

GOOD PRACTICE EXAMPLES

- Outlining how the company engages with external stakeholders (e.g. civil society groups including workers' associations) including affected rightsholders to help inform its modern slavery risk management. For example, this could include engagement with workers' representatives or use of a trusted worker voice app to help assess and manage risks relating to issues such as suppliers' workers' accommodation conditions or working hours.
- Explaining how targeted training is provided to relevant business units and how it is being updated and continuously improved, such as for procurement, human resources, operations and risk teams, including the type of content covered and training outcomes.
- Describing initiatives to obtain feedback from the company's own or supply chain workers, such as through surveys or interviews, as well as the outcomes of those initiatives, including how the company uses this feedback to identify and address potential labour exploitation. This could include challenges in rolling out these initiatives where this may be the case and how the company is managing these challenges.

05

Grievance mechanisms and remediation

Improve the level of detail provided about grievance mechanisms and remediation by:

- describing how grievance mechanisms have been designed to ensure they are trusted and accessible for relevant stakeholders across a company's operations and supply chain; and
- describing how a company would respond to a modern slavery incident.

GOOD PRACTICE EXAMPLES

- Providing information about steps taken to help ensure grievance mechanisms are trusted and accessible in line with the UNGPs' criteria of effectiveness for non-judicial grievance mechanisms, such as promotion of mechanisms to workers or training for grievance mechanism operators on how to identify modern slavery.
- Explaining what steps were taken to respond to a modern slavery incident (while respecting the privacy and other human rights of the survivor(s) and other relevant rightsholders and any reasonable commercial confidentiality requirements). This could include the reasoning behind, or at least approach the company took to, identifying its level of involvement in the modern slavery incident in line with the UNGPs.
- Describing the steps a company would take once it receives a modern slavery concern, including investigation, remediation and monitoring, and whether and how these steps are integrated with existing incident management processes.

06

Effectiveness

Improve the level of detail provided about tracking effectiveness by:

- describing key actions to assess the effectiveness of modern slavery risk management programmes; and
- demonstrating a continuous improvement approach.

GOOD PRACTICE EXAMPLES

- Defining what an effective modern slavery response looks like in the context of the company's specific risk profile, including the outcomes and characteristics it expects to achieve, and establishing indicators that assess whether these outcomes are being achieved and inform continuous improvement.
- Explaining lessons learned from the company's modern slavery risk management efforts and how those lessons have informed its response going forward including through specific examples as appropriate.
- Describing progress against past commitments and concrete actions that will be taken in the future to strengthen the company's modern slavery response and how they will be measured.
- Describing feedback provided by external sources (e.g. civil society organisations, investors, etc.) on the company's modern slavery reporting or risk management, including how it was considered in assessing the effectiveness of the company's actions.

Recommendations for investors

Strategic modern slavery engagement Integrate modern slavery into broader engagement with investee companies, with clear engagement objectives and indicators to assess companies' implementation of international standards and commitments to continuous improvement. Engagement should also address escalation pathways where unacceptable gaps in risk management are identified and encourage regular dialogue that demonstrates progress over time. Use the Australian Government's Modern Slavery Register and third-party benchmarking to identify companies where engagement may be most needed.	Board accountability and oversight Promote board accountability by engaging directors on their oversight of modern slavery risks, incidents and remediation efforts. This includes engaging on appropriate resourcing, as well as the effectiveness of company responses.
Integrated risk management and rightsholder engagement Encourage investee companies to demonstrate how: • modern slavery risk assessments inform key business decisions (e.g. procurement requirements, including supplier selection, contracting, sourcing and market entry, as well as decisions to continue or exit business relationships), • risk management processes are helping to identify, prevent, mitigate and remediate modern slavery risks, including how modern slavery risk management is integrated into broader enterprise risk management; and • the company engages meaningfully with affected rightsholders (e.g. supply chain workers) and other external stakeholders, using these stakeholders' feedback to inform risk management approaches.	Meaningful disclosure on modern slavery incidents Encourage investee companies to disclose, where appropriate, modern slavery allegations, incidents and relevant supplier non-conformances, including their responses, lessons learned and evidence that actions taken are effective. Investors should take a supportive approach that welcomes responsible disclosure recognising that the identification of issues can demonstrate effective due diligence, as well as and strong risk visibility.

Recommendations for Government

We acknowledge that at the time of publication the Government is consulting on changes to the Modern Slavery Act, and we have provided a separate submission to that process. In addition, we believe the following would be helpful steps for Government to take.

Driving concrete action and regulatory alignment Ensure reforms to the Modern Slavery Act place greater emphasis on concrete action to prevent, mitigate and otherwise address modern slavery risks across value chains, alongside meaningful disclosure and accountability. Maintain alignment between reforms and international regulatory developments, as well as international business and human rights standards including the UNGPs.	Guidance on incident reporting and complex contexts Develop practical guidance on reporting modern slavery incidents, allegations and supplier non-conformances, as well as the modern slavery risks relevant to complex operational and supply chain contexts, including heightened human rights due diligence and responsible disengagement in conflict-affected and other high-risk areas.	Practical examples of measuring effectiveness Develop practical guidance and examples on assessing the effectiveness of modern slavery risk management, including outcome focused indicators to help companies assess whether their actions are preventing and mitigating modern slavery risks and improving outcomes for workers.
Facilitating collaboration Identify and address regulatory, competition and other barriers to collaboration between companies and investors, particularly on systemic modern slavery risks across sectors and supply chains.	Using data to drive improvements Use the Modern Slavery Register data to identify reporting trends, highlight persistent gaps and showcase good practice, helping companies and other stakeholders understand where improvement is needed.	

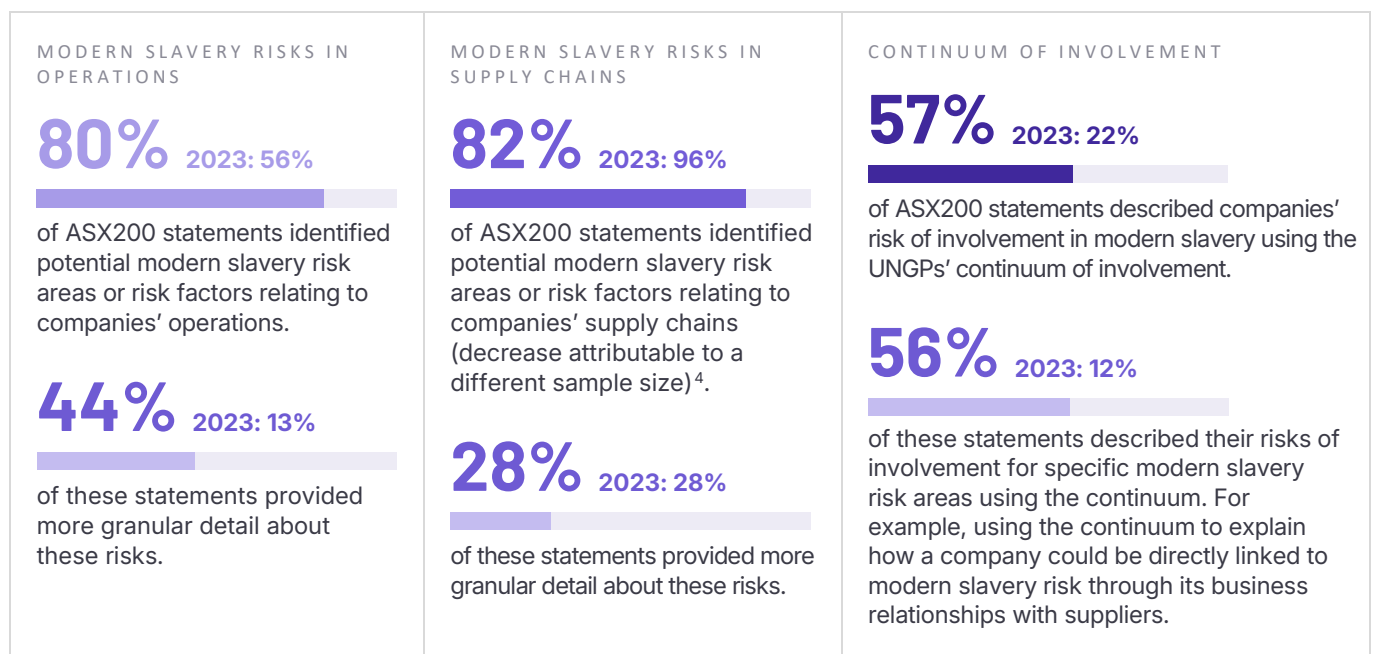
ASSESSMENT AREA

01 Assessing & describing risks³

How did ASX200 companies perform on the core indicators?

ASX200 companies are continuing to improve their disclosure of modern slavery risks. More companies identified and explained modern slavery risks relevant to their operations and supply chain. However, aside from a small number of companies, risk disclosures across both operations and supply chains remain relatively high-level, focusing on broad risk factors such as geography and industry rather than providing more granular examples of how modern slavery could occur in specific parts of the business or supply chain.

There has, however, been a notable increase in companies drawing on the UNGPs' continuum of involvement to describe their risks, more than double that in 2023. This indicates growing recognition that companies may be involved in modern slavery in different ways (i.e. they can cause, contribute to or be directly linked to modern slavery), including through their business relationships.



³ This assessment area section and the following sections describe the performance of the ASX200 companies. Each section describes how the 189 assessed ASX200 companies performed against the 29 core indicators (see the sub-sections titled "How did the ASX200 companies perform on the core indicators?") and how the 51 higher-risk sector companies performed against the 17 additional targeted indicators (see the sub-sections titled "How did the higher-risk sector companies perform on the additional targeted indicators?").

⁴ While the overall percentage of ASX200 companies that identified potential modern slavery risk areas or risk factors relating to their supply chains decreased, the 2023 assessment benchmarked 126 companies, and this assessment benchmarked 189 companies. Therefore, the number of companies that disclosed the relevant information increased between assessments.

How did the higher-risk sector companies perform on the additional targeted indicators?

Most higher-risk sector companies disclosed the modern slavery risk factors that shape their risk profile, such as reliance on the use of migrant labour. However, few disclosed that rightsholders (less than 5%), such as supply chain workers, or civil society groups (less than 10%) were consulted as part of the modern slavery risk assessment process. This indicates a potential gap in companies' approaches to risk assessment, with limited evidence that the perspectives of rightsholders are being incorporated alongside internal assessments and publicly available information.

Few higher-risk sector companies (10%) indicated that the findings of their modern slavery risk assessments were integrated into key business decisions, including sourcing, procurement or market entry decisions. This suggests that these risk assessments are not yet consistently functioning as inputs into key decision-making tools that influence companies' relevant business decisions.



ASSESSMENT AREA

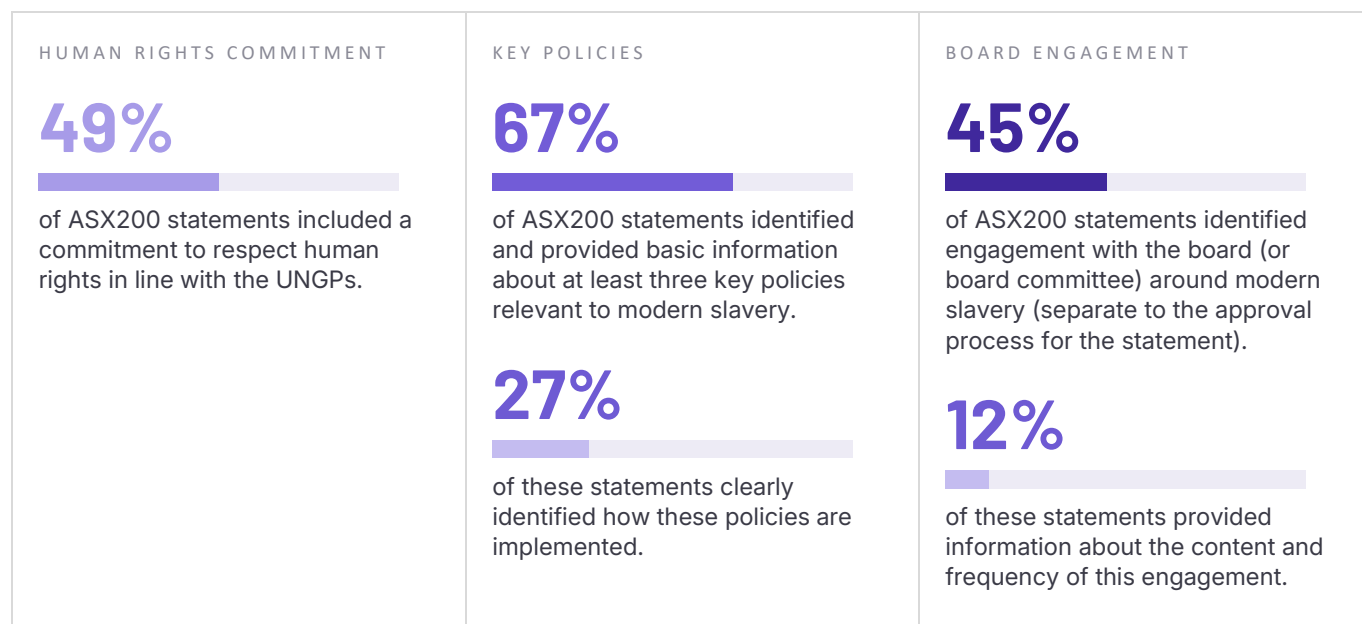
02

Policy and governance frameworks

How did ASX200 companies perform on the core indicators?

The evolution of ASX200 companies' modern slavery-related policy and governance frameworks remains limited. While more than half of ASX200 companies' statements reported key modern slavery policies, fewer than a quarter indicated how these policies are meaningfully implemented, including how they are communicated, monitored and enforced.

Additionally, fewer than half of statements disclosed board-level engagement on modern slavery beyond statement approval. This indicates that board-level oversight of modern slavery may be limited to statement approval, rather than extending to companies' broader modern slavery risk management approaches.



How did the higher-risk sector companies perform on the additional targeted indicators?

There is limited disclosure by higher-risk sector companies on what they have done to address the underlying drivers of modern slavery risks in their supply chains. Few higher-risk sector companies' statements identified actions taken to support a living wage in their supply chains, such as conducting living wage gap assessments across parts of their supply chains.

Similarly, few higher-risk sector companies' statements (12%) identified actions taken to support responsible purchasing practices. This includes, for example, incorporating responsible sourcing considerations into procurement-related key performance indicators and adjusting order timelines for certain products to reduce the risk of purchasing practices exacerbating modern slavery risks for supply chain workers.

RESPONSIBLE PURCHASING PRACTICES

12%

of higher-risk sector company statements indicated that companies were working to adopt responsible purchasing practices.

50%

of these statements provided more granular detail about the actions taken to support responsible purchasing.

LIVING WAGE INITIATIVES

18%

of higher-risk sector company statements recognised the importance of supply chain workers being paid a living wage.

44%

of these statements provided more granular detail about the actions taken to support a living wage.

Living wage

Living wage is relevant to modern slavery risk management because inadequate or irregular wages can increase workers' vulnerability to exploitation and, in some circumstances, contribute to modern slavery (including forced labour and debt bondage).

A small number of higher-risk sector companies have reported initiatives aimed at understanding and improving wages in their supply chains. Some initiatives are stated to involve assessing the gap between wages currently paid and independently established living wage benchmarks at selected supplier sites, while others say they are seeking to address the underlying factors that can impact suppliers' ability to increase workers' wages (e.g. purchasing practices).

There are also reported examples of companies using supplier engagement, costing information and purchasing data to better understand wage conditions and identify opportunities for improvement. However, most disclosed initiatives are still at an early or pilot stage, with limited information on the number or proportion of workers covered, the size of identified wage gaps or whether suppliers have subsequently increased wages. Reporting also tends to focus on commitments, assessments and frameworks rather than measurable outcomes for workers.

In general, the link between these living wage initiatives and modern slavery risk management was not clearly articulated. It would be useful to see companies reporting on these initiatives, clearly explaining how they are intended to address identified modern slavery risks.

Overall, the examples identified suggest that some companies are starting to consider how to identify and address living wage gaps in their supply chains, but this remains an emerging area.

ASSESSMENT AREA

03

Supplier due diligence

How did ASX200 companies perform on the core indicators?

ASX200 companies are disclosing supplier due diligence processes, but their statements suggest many of these processes are not tailored to the risk levels of the relevant suppliers. Most ASX200 companies disclosed information about due diligence checks conducted on suppliers at and after the onboarding stage. This included adverse media checks, supplier self-assessment questionnaires and targeted audits.

However, fewer companies explained how these checks are designed to identify modern slavery risks or how the nature and extent of due diligence is informed by the risk profile of individual suppliers.

This suggests that, while modern slavery-related supplier due diligence is being conducted as part of broader procurement processes, reporting provides limited evidence of a risk-based approach to identifying and managing modern slavery risks.

Around a quarter of ASX200 companies' statements disclosed providing suppliers with modern slavery-related training to build their capacity to identify and manage risks. Similarly, around a quarter of statements reported the company would seek to work with a supplier to address an identified issue before considering termination. These disclosures indicate that some companies are taking a more collaborative approach to managing supplier risks, including through capacity-building.

ONBOARDING CHECKS

75%



of ASX200 statements included information about supplier due diligence checks at onboarding stage.

35%



of these statements explained how these checks are relevant to modern slavery and tailored to suppliers' risk level.

POST-ONBOARDING CHECKS

69%



of ASX200 statements included information about supplier due diligence checks after onboarding.

33%



of these statements explained how these checks are relevant to modern slavery and tailored to suppliers' risk levels.

SUPPLIER TRAINING

25%



of ASX200 statements included information about supplier training relevant to modern slavery.

4%



of these statements explained the outcomes of the training such as how training improved supplier understanding of the UNGPs' continuum of involvement including expected action.

WORKING WITH SUPPLIERS

32%



of ASX200 statements confirmed that companies would seek to work with a supplier before considering termination in response to an identified supplier issue.

How did the higher-risk sector companies perform on the additional targeted indicators?

Around a third of higher-risk sector companies' statements indicated that their supplier due diligence processes involve site visits conducted by the buying company, with modern slavery considerations incorporated into those assessments. However, fewer than a quarter of higher-risk sector companies' statements identified modern slavery-related engagement beyond tier 1 suppliers, including through site visits, audits or deeper supply chain assessments. This suggests that, for most companies, modern slavery due diligence remains concentrated at the first tier of the

supply chain, limiting companies' visibility of risks further upstream.

Additionally, fewer than a quarter of higher-risk sector companies' statements provided details on the type and frequency of instances in which suppliers did not meet modern slavery-related expectations. This limited disclosure makes it difficult to assess whether supplier due diligence processes are identifying failures to meet expectations rather than just setting those expectations, and how companies are responding to these failures.

TIER TWO ENGAGEMENT

14%

of higher-risk sector company statements identified modern slavery-related engagements with tier two suppliers. This included conducting third-party audits of, providing training to and engaging in deep dives with tier 2 or lower suppliers.

NON-CONFORMANCES DISCLOSED

22%

of higher-risk sector company statements disclosed the type and frequency of supplier non-conformances or broader failures to respect labour rights identified through due diligence checks (e.g. audits).

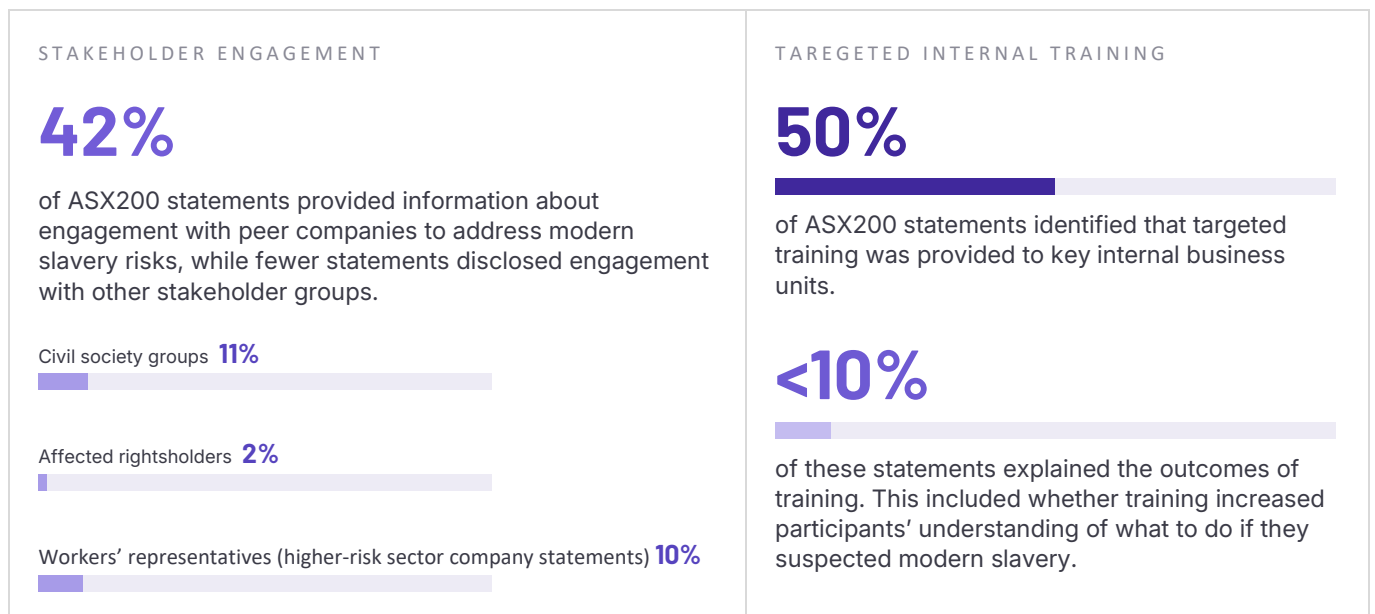
ASSESSMENT AREA

04 Stakeholder engagement

How did ASX200 companies perform on the core indicators?

Half of ASX200 companies' statements disclosed targeted training for key internal business units such as procurement. However, limited reporting on training outcomes makes it difficult to assess whether training is improving employees' understanding of modern slavery and their ability to identify and manage modern slavery risks.

Additionally, engagement with external stakeholders to address modern slavery risks is limited. Fewer than half of ASX200 companies' statements referred to such engagement with peer companies, with even fewer disclosing such engagement with other relevant stakeholders. This suggests companies' approaches are not consistently informed by external expertise or the perspectives of affected rightsholders amongst other key stakeholders.



How did the higher-risk sector companies perform on the additional targeted indicators?

Using worker voice initiatives remains uncommon among higher-risk sector companies. Where these were disclosed, limited reporting on their outcomes makes it difficult to assess whether they are helping companies identify and respond to modern slavery risks.

WORKER VOICE INITIATIVES

8%

of higher-risk sector company statements provided information about using worker voice initiatives relevant to modern slavery.

25%

of these statements explained the outcomes of these initiatives.

Worker voice

Eight percent of higher-risk sector companies reported adopting initiatives designed to engage directly with workers in their supply chains. These initiatives recognise that workers' perspectives can provide insights into working conditions and risks that may be missed through conventional supplier assessments or social audits, including situations of modern slavery or factors that could lead to it developing. Approaches include worker education sessions, worker sentiment surveys conducted alongside or following audits, confidential interviews and targeted worker engagement programs in higher-risk supply chains. Based on the sample of higher-risk sector companies, these initiatives are particularly focused on sectors and workforces where vulnerability to exploitation may be heightened, including agriculture, manufacturing and contracted services.

Some companies report they are beginning to use the information gathered directly from workers to test audit findings, identify emerging risks and inform supplier remediation, suggesting a shift towards more worker-centred due diligence. However, disclosure of these initiatives remains limited, and there is relatively little information on their scale, coverage, frequency or the extent to which workers beyond those in direct suppliers are reached. There is also little evidence on how worker perspectives are systematically incorporated into risk assessments and decision making. This suggests direct engagement with supply chain workers remains an emerging practice, rather than a core component of supplier due diligence for MSA reporting entities.

ASSESSMENT AREA

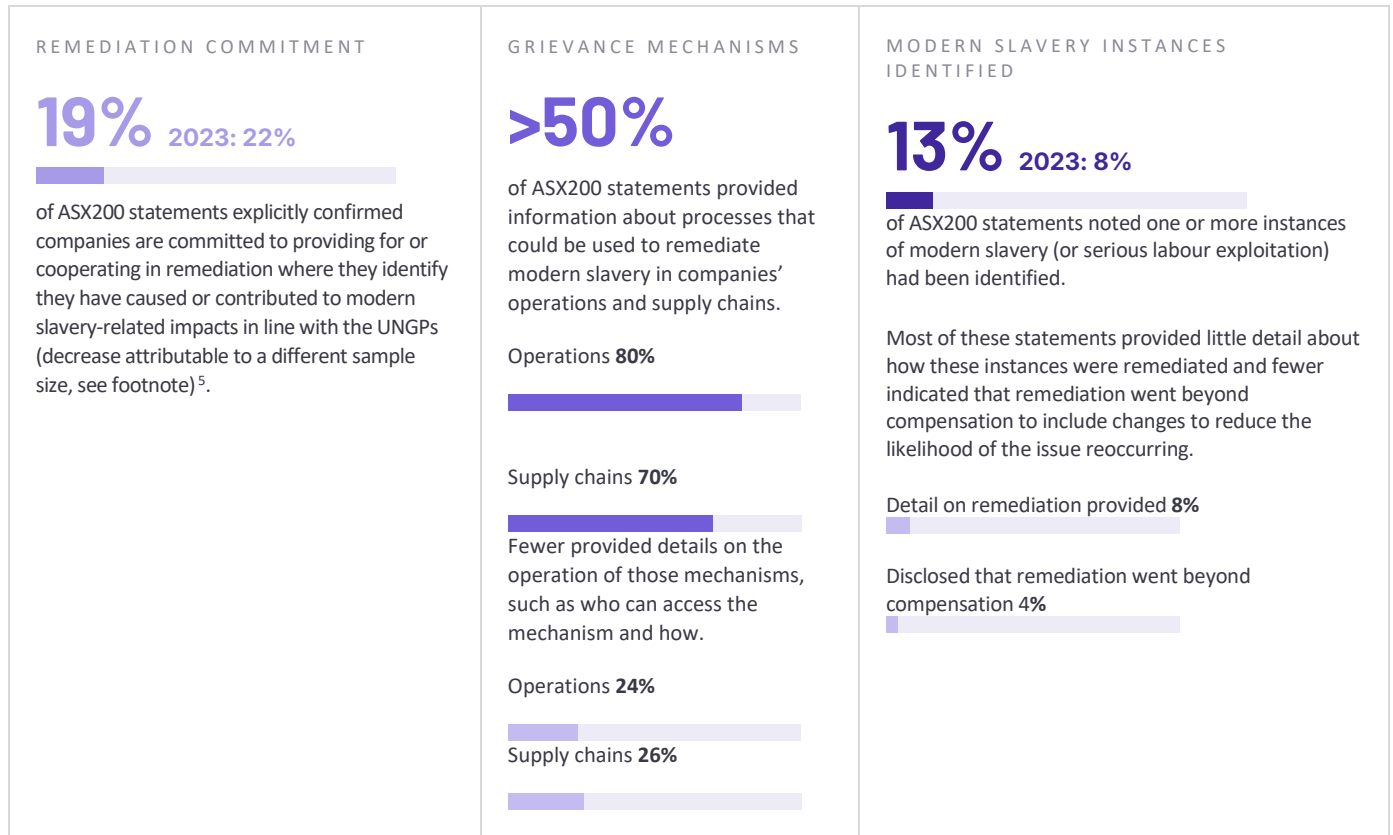
05

Grievance mechanisms and remediation

How did ASX200 companies perform on the core indicators?

Consistent with previous findings, a significant gap remains in disclosures about ASX200 companies' ability to identify, respond to and remediate modern slavery incidents in their operations and supply chains. While most disclosed processes that could be used to remediate modern slavery, these disclosures often provided limited information about how grievance mechanisms operate in practice. Many companies identify whistleblower hotlines or similar grievance mechanisms, but relatively few explain how workers and other affected rightsholders can access these mechanisms, how complaints are assessed and investigated, or how identified harms are remediated.

Most company statements still provide no indication that the company identified any incidents or allegations of modern slavery in their operations or supply chains. It is difficult to determine if this absence reflects effective prevention and risk management, limited visibility of incidents or a lack of disclosure. Overall, these findings indicate ASX200 companies continue to place greater emphasis on disclosing the existence of processes that could support remediation than on demonstrating their capacity to identify and address actual harm.



⁵ While the overall percentage of ASX200 companies that explicitly confirmed they are committed to providing for or cooperating in remediation where they identify they have caused or contributed to modern slavery-related impacts in line with the UNGPs decreased, the 2023 assessment benchmarked 126 companies, and this assessment benchmarked 189 companies. Therefore, the number of companies that disclosed the relevant information increased between assessments.

How did the higher-risk sector companies perform on the additional targeted indicators?

Beyond whistleblower hotlines, few higher-risk sector companies' statements identified a grievance mechanism workers could use to raise modern slavery-related concerns. Additionally, few higher-risk sector companies' statements disclosed steps to ensure their grievance mechanisms are trusted and accessible, such as through promotion to workers and/or consultation with stakeholders in the mechanism's design.

More than half of the higher-risk sector companies disclosed a modern slavery response plan (or indicated how companies would respond to a potential incident). However, fewer explained how these plans work in practice and the key steps involved. This suggests companies still place greater emphasis on disclosing the existence of formal processes than on demonstrating how they would operate in practice.



ASSESSMENT AREA

06

Effectiveness

How did ASX200 companies perform on the core indicators?

The [Government Guidance](#) says statements must outline how companies assess the effectiveness of their actions to manage modern slavery risks, but it does not state that companies must disclose whether their modern slavery risk management is effective. ASX200 companies continue to have difficulties in reporting how they assess the effectiveness of their modern slavery response. Consistent with 2023, few ASX200 companies' statements disclosed meaningful information about the approach they use to assess effectiveness.

Where companies did disclose effectiveness measures, the focus remained predominantly on quantitative outputs, such as the percentage of employees that received modern slavery training, rather than outcomes indicating whether these actions reduced modern slavery risks or improved conditions for potentially affected people. Few companies disclosed

whether they incorporate feedback from external stakeholders, such as suppliers, workers, other affected rightsholders and civil society organisations, into their assessment of effectiveness.

Few ASX200 companies also define what they believe an effective modern slavery response looks like. Establishing a clear definition of effectiveness by, for example, identifying the outcomes or characteristics of an effective response, can provide a framework for determining what should be measured and how performance should be assessed. This may include robust policies and governance frameworks, due diligence processes that identify and address modern slavery risks, and trusted and accessible remediation processes that deliver meaningful outcomes for affected rightsholders.

DEFINING EFFECTIVENESS	MEASURING OUTCOMES	USING EXTERNAL FEEDBACK
13% 2023: 10%  of ASX200 statements explained how companies understand or define effectiveness or an effective response to modern slavery.	17% 2023: 36%  of ASX200 statements indicated companies were attempting to measure outcomes and not just outputs as part of their effectiveness assessments. This included assessing whether team members are equipped to recognise modern slavery red flags and escalate them appropriately and whether grievance mechanisms are trusted and accessible.	13% 2023: 30%  of ASX200 statements indicated that companies used feedback from external stakeholders (such as civil society groups, suppliers or suppliers' workers) in assessing the effectiveness of their actions. This included engaging with suppliers, civil society organisations, industry partners and human rights experts to understand improvement opportunities.

How did the higher-risk sector companies perform on the additional targeted indicators?

Higher-risk sector companies' statements provided limited information about the effectiveness of their modern slavery risk management efforts. Few statements provided concrete examples of how they see their actions having reduced worker vulnerability to modern slavery in practice, or explained how lessons learned have refined approaches over time.

REDUCING WORKER VULNERABILITY

10%



of higher-risk sector company statements disclosed at least one concrete example of how a company's actions have been effective in reducing worker vulnerability on the ground.

LESSONS LEARNED

<5%



of higher-risk sector company statements disclosed how at least one lesson learned from the company's modern slavery risk management efforts has been used to refine its response.

Appendix 1: Methodology

The findings in this report are based on a comprehensive assessment of ASX200 companies' most recent statements. The assessment included statements from 189 companies.⁶ These results build on research conducted by Pillar Two in [2021](#) and [2023](#), which evaluated ASX200 companies' statements from the MSA's first and third reporting cycles.

Through the assessment process, statements were assessed against six assessment areas covering:⁷

- assessing and describing reporting entities' modern slavery risks;
- describing reporting entities' policy and governance frameworks;
- describing reporting entities' supplier due diligence and related engagement;
- describing reporting entities' engagement with external stakeholders to address modern slavery risks, including civil society, peers and affected rightsholders;
- describing reporting entities' grievance mechanisms and approaches to identifying and remediating modern slavery; and
- describing actions to assess the effectiveness of reporting entities' modern slavery response.

Across the six areas, ASX200 companies were assessed against a set of 29 core quality indicators covering the assessment areas above. 51 of those companies identified by ACSI were assessed against an additional 17 targeted indicators across the same six assessment areas. These assessed more advanced risk management practices that are more relevant to companies operating in higher-risk sectors from a modern slavery perspective, including actions taken to support a living wage, supplier engagement beyond tier 1, supplier capacity building, worker voice initiatives and trusted and accessible grievance mechanisms.

Each indicator was scored using criteria on a three-tiered scale of 0.0 to 0.5 and 1, with 1 indicating a high-quality response.⁸ The 46 indicators align with the Australian Government's [official guidance](#) (Government Guidance) on reporting under the MSA and relevant international standards, including the UNGPs.

Where relevant, this report compares findings with the 2023 research. Comparisons focus on indicators that are consistent, or sufficiently similar, across the 2023 and 2026 methodologies. Where indicators are not sufficiently comparable, no comparison is provided as changes in methodology may otherwise result in differences being attributed to changes in company performance when they may instead reflect differences in what was assessed or how it was assessed. Changes to the ASX200 over time mean that not all companies assessed in previous years are included in this assessment.

This research assessed the quality of ASX200 companies' modern slavery statements and did not consider other sources of information or whether disclosures accurately reflect underlying actions. However, reporting quality is likely to provide an indication of the maturity of companies' modern slavery risk management approaches, as meaningful disclosure against the MSA's mandatory criteria generally requires companies to have taken concrete action. As such, the assessment provides insight not only into reporting practices but also into companies' broader approaches to managing modern slavery risks. This report does not provide company-specific results from the assessment, but rather summarises overarching trends and related insights. ACSI members have been provided with the full assessment results.

As stated in the Government Guidance, the Government expects companies to pursue continuous improvement, meaning that companies should improve quality and demonstrate progress over time. While higher assessment scores may indicate more meaningful action than peers, they do not necessarily mean that a company is effectively managing all modern slavery risks or that there is no room for improvement.

⁶ The 11 ASX200 company statements that were not benchmarked were excluded because the companies either did not meet the reporting threshold or, despite meeting the threshold, had not made a statement available to ACSI as at 14 August 2026.

⁷ Unlike previous years, ASX200 companies' statements were not benchmarked in relation to the following areas: identifying reporting entities; describing reporting entities' structure, operations and supply chains; and describing consultation between reporting entities and with any owned or controlled entities, as well as addressing approval and signature requirements.

⁸ 3 core indicators and 3 additional targeted indicators were scored on a two-tiered scale ranging from 0.0 to 1.

Appendix 2:

List of assessed companies

This Appendix lists the 189 ASX200 companies assessed and should be read together with the methodology section, which explains the basis for inclusion.

AGL Energy Limited	Bank of Queensland Limited	Charter Hall Group
Alcoa Corporation	Beach Energy Limited	Charter Hall Long Wale REIT
Alkane Resources Ltd	Bega Cheese Limited	Charter Hall Retail REIT
ALS Limited	Bellevue Gold Limited	Chorus Limited
Ancor Plc	Bendigo and Adelaide Bank Limited	Cleanaway Waste Management Limited
AMP Limited	BHP Group Limited	Cochlear Limited
Ampol Limited	Block, Inc.	Codan Limited
Ansell Limited	BlueScope Steel Limited	Coles Group Limited
ANZ Group Holdings Limited	Brambles Limited	Commonwealth Bank of Australia
APA Group	Breville Group Limited	Computershare Limited
ARB Corporation Limited	BWP Trust	CSL Limited
Arena REIT	Capricorn Metals Ltd	Dalrymple Bay Infrastructure Limited
Aristocrat Leisure Limited	Capstone Copper Corp.	Data3 Limited
ASX Limited	CAR Group Limited	Deterra Royalties Limited
Atlas Arteria	Catalyst Metals Limited	Dexus
AUB Group Limited	Centuria Capital Group	Domino's Pizza Enterprises Limited
Auckland International Airport Limited	Centuria Industrial REIT	Downer EDI Limited
Aurizon Holdings Limited	Challenger Limited	DroneShield Limited
Aussie Broadband Limited	Champion Iron Limited	

Dyno Nobel Limited	IGO Limited	National Australia Bank Limited
Eagers Automotive Limited	Iluka Resources Limited	Netwealth Group Limited
Elders Limited	Imdex Limited	Neuren Pharmaceuticals Limited
Emerald Resources NL	Infratil Limited	New Hope Corporation Limited
Endeavour Group Limited	Ingenia Communities Group	Newmont Corporation
Evolution Mining Limited	Insurance Australia Group Limited	News Corporation
EVT Limited	IRESS Limited	NEXTDC Limited
Fisher & Paykel Healthcare Corporation Limited	James Hardie Industries Plc	NIB Holdings Limited
Fletcher Building Limited	JB Hi-Fi Limited	Nick Scali Limited
Flight Centre Travel Group Limited	Judo Capital Holdings Limited	Nickel Industries Limited
Fortescue Ltd	Karoon Energy Ltd	Nine Entertainment Co. Holdings Limited
Generation Development Group Limited	LendLease Group	Northern Star Resources Ltd
Genesis Minerals Limited	Life360 Inc	NRW Holdings Limited
Goodman Group	Light & Wonder Inc.	Ora Banda Mining Ltd
GPT Group	Liontown Limited	Orica Limited
GQG Partners Inc.	Lovisa Holdings Limited	Origin Energy Limited
GrainCorp Limited	Lynas Rare Earths Limited	Orora Limited
Greatland Resources Limited	Macquarie Group Limited	Paladin Energy Ltd
Guzman Y Gomez Limited	Magellan Financial Group Limited	Perenti Limited
Harvey Norman Holdings Ltd	Medibank Private Limited	Perpetual Limited
Helia Group Limited	Megaport Limited	Perseus Mining Limited
HomeCo Daily Needs REIT	Metcash Limited	PEXA Group Limited
HUB24 Limited	Mineral Resources Limited	Pinnacle Investment Management Group Limited
IDP Education Limited	Mirvac Group	PLS Group Limited
	Monadelphous Group Limited	

Premier Investments Limited	Sigma Healthcare Limited	Tuas Limited
Pro Medicus Limited	Sims Limited	Vault Minerals Limited
Qantas Airways Limited	SiteMinder Limited	Ventia Services Group Limited
QBE Insurance Group Limited	Sonic Healthcare Limited	Vicinity Centres
Qube Holdings Limited	South32 Limited	Viva Energy Group Limited
Ramelius Resources Limited	SRG Global Limited	Vulcan Energy Resources Limited
Ramsay Health Care Limited	Steadfast Group Limited	Washington H. Soul Pattinson and Co. Limited
REA Group Ltd	Stockland	Waypoint REIT Limited
Reece Limited	Suncorp Group Limited	WEB Travel Group Limited
Region Group	Super Retail Group Limited	Wesfarmers Limited
Regis Resources Limited	Superloop Limited	West African Resources Limited
Reliance Worldwide Corporation Limited	Tabcorp Holdings Limited	Westgold Resources Limited
ResMed Inc.	Technology One Limited	Westpac Banking Corporation
Resolute Mining Limited	Telstra Group Limited	Whitehaven Coal Limited
Rio Tinto Limited	Temple & Webster Group Ltd	WiseTech Global Limited
Sandfire Resources Limited	The a2 Milk Company Limited	Woodside Energy Group Ltd
Santos Limited	The Lottery Corporation Limited	Woolworths Group Limited
Scentre Group	TPG Telecom Limited	Worley Limited
SEEK Limited	Transurban Group	Xero Limited
SGH Limited	Treasury Wine Estates Limited	Zip Co Limited

Australian Council of Superannuation Investors

Melbourne office

Tenancy 1, Level 15, 2 Lonsdale Street
Melbourne VIC 3000 Australia

Sydney office

The Commons, 121 Castlereagh Street
Sydney NSW 2000 Australia

P: +61 8677 3890

E: info@acsi.org.au

W: www.acsi.org.au