

**DRAFT**

NSW Modern Slavery  
Reporting Requirement  
**Guidance Material**

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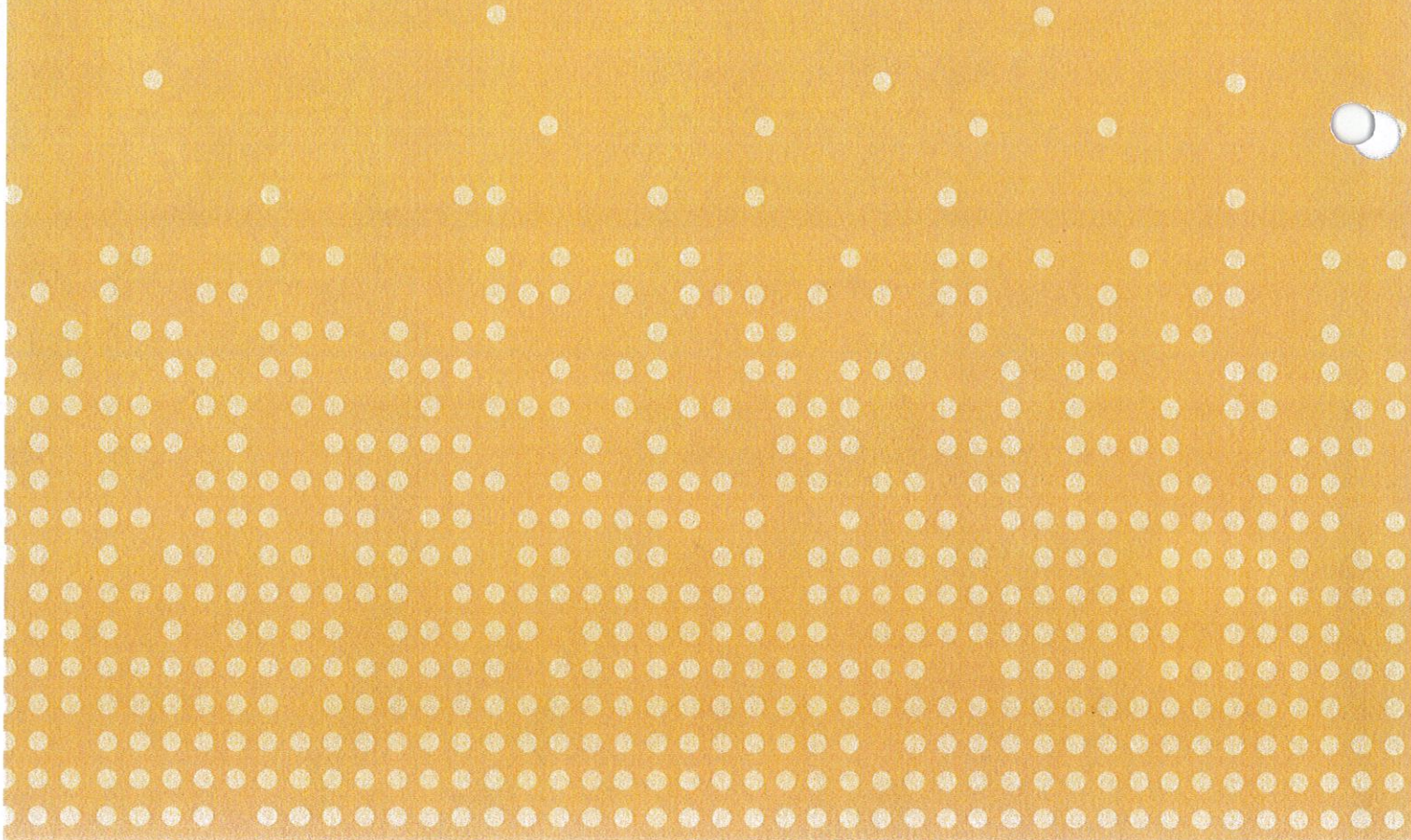
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# Contents

<b>Executive summary</b>	<b>2</b>
How to comply with the reporting requirement in the NSW Modern Slavery Act	3
<b>Foreword</b>	<b>4</b>
<b>Introduction</b>	<b>5</b>
What is modern slavery?	5
What is the business case for taking action?	5
What is the <i>Modern Slavery Act 2018 (NSW)</i> ?	6
Comparing the NSW and Commonwealth modern slavery reporting requirements	10
<b>Do I need to report?</b>	<b>12</b>
Is your business a 'commercial organisation that supplies goods or services for profit or gain'?	12
Does your business have 'employees in the state of NSW'?	12
What is the 'total annual turnover' of your business?	13
Are you required to report under the Commonwealth Modern Slavery Act?	13
Can you voluntarily report to the Commonwealth Government?	14
<b>Can I report voluntarily to NSW?</b>	<b>16</b>
<b>When do I report?</b>	<b>18</b>
<b>How do I prepare a statement?</b>	<b>19</b>
Criterion One	21
Criterion Two	21
Criterion Three	24
Criterion Four	29
Criterion Five	36
Criterion Six	38
Criterion Seven	38
<b>How do I approve and publish a statement?</b>	<b>39</b>
How to get your statement approved	39
How to get your statement signed	39
How to publish your statement	40
How to revise your statement	40
<b>Can I prepare a joint statement?</b>	<b>41</b>
How to prepare a joint statement	41
<b>How can the Anti-Slavery Commissioner help me?</b>	<b>43</b>
What is the role of the Anti-Slavery Commissioner?	43
How can the Anti-Slavery Commissioner support me?	43
<b>APPENDIX A What is modern slavery?</b>	<b>45</b>
<b>APPENDIX B The business case for taking action</b>	<b>48</b>
<b>APPENDIX C How can you work with your suppliers?</b>	<b>50</b>
<b>APPENDIX D How do I respond to a case of modern slavery?</b>	<b>52</b>
<b>APPENDIX E How can I collaborate with civil society organisations?</b>	<b>54</b>
<b>APPENDIX F Checklist for preparing a modern slavery statement</b>	<b>55</b>
<b>APPENDIX G Key contacts and helpful resources</b>	<b>57</b>

# Executive summary

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The New South Wales *Modern Slavery Act 2018* (the NSW Act) created a Modern Slavery Reporting Requirement for certain businesses in NSW. The NSW Government has prepared this guide to explain what organisations need to do to comply with the reporting requirement.

Under the NSW Act, commercial organisations with an annual turnover between AU\$50 million and AU\$100 million are to lodge annual modern slavery statements with the NSW Anti-Slavery Commissioner (the Commissioner). The statement needs to describe actions the organisation has taken to assess and address modern slavery risks in its operations and supply chains. If applicable, the statement should describe action taken both in Australia and overseas. These statements will be available on an online public register.

The NSW Act aims to raise awareness of modern slavery and drive change in business practice. This is not a new compliance exercise, but a framework to support the NSW business community to play their role in combating modern slavery.

## What is modern slavery?

Modern slavery describes the most extreme form of exploitation. It includes crimes such as slavery, servitude, forced labour, debt bondage and human trafficking. Modern slavery can occur in every industry and sector. The nature and extent of modern slavery means that there is a high risk that it is present in most businesses' operations and supply chains. Businesses have an opportunity to use their influence and purchasing power to affect genuine change.

The NSW Act is separate, but consistent with, the Commonwealth *Modern Slavery Act 2018*. The Commonwealth Act requires entities with a consolidated revenue of AU\$100 million or more to submit modern slavery statements to the Commonwealth Government. The Commonwealth Government has also prepared [guidance for reporting entities](#).

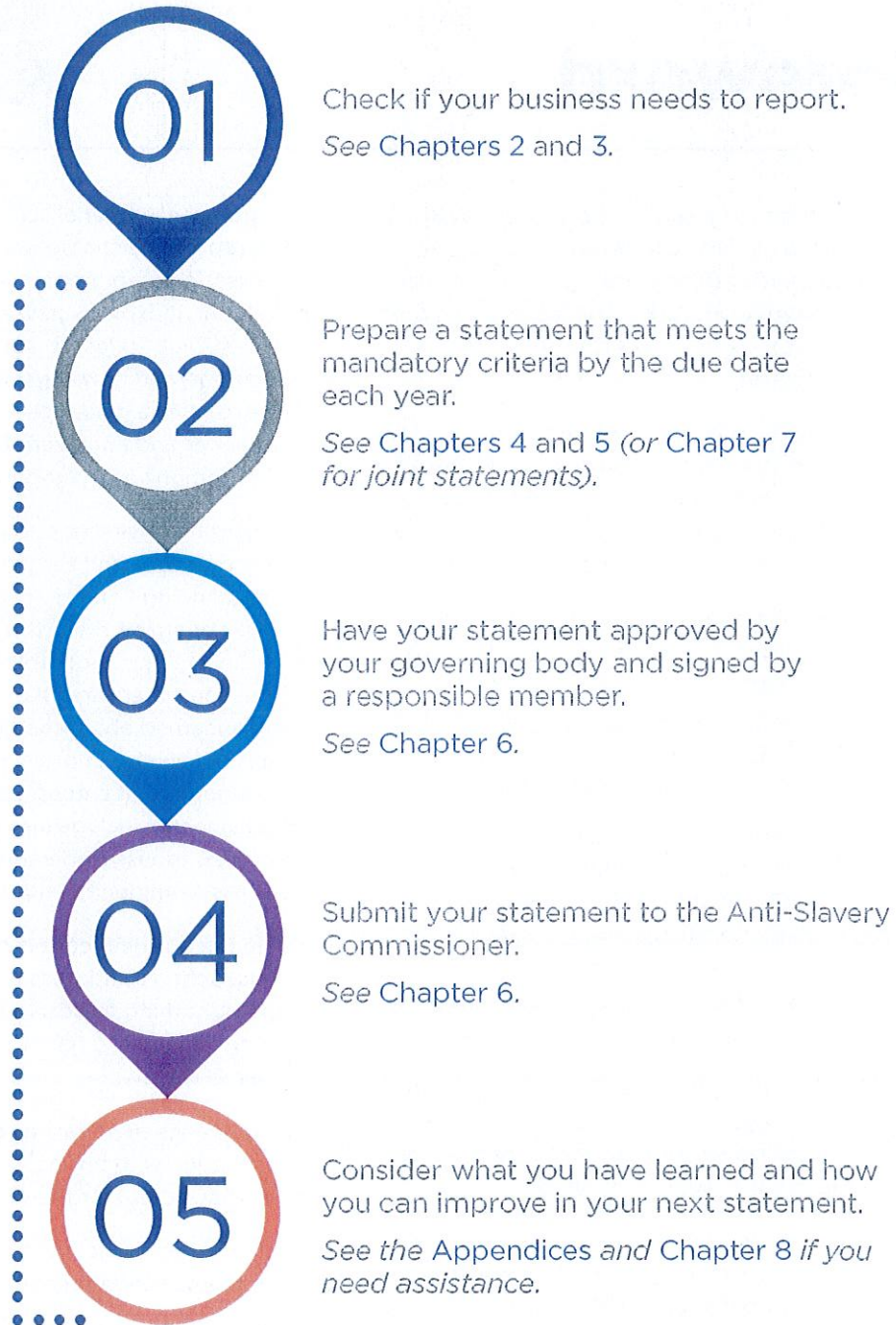
The NSW Government has worked with the Commonwealth to ensure they have the same expectations of businesses when it comes to preparing a statement. These are based on the [UN Guiding Principles on Business and Human Rights](#), which set out the responsibility of business to respect human rights. Because of this, you may notice some similarities between this guide and the Commonwealth's *Guidance for Reporting Entities*. The NSW Government thanks the Australian Border Force for its cooperation in preparing this guidance material.

You should use **this guide** if you are preparing a modern slavery statement under the NSW Act. The guide will help you understand how to prepare a statement, and what it should include.

You can access additional support and advice by contacting the NSW Anti-Slavery Commissioner and the Modern Slavery Team in the NSW Department of Premier and Cabinet at [anti.slavery@dpc.nsw.gov.au](mailto:anti.slavery@dpc.nsw.gov.au)

## How to comply with the reporting requirement in the NSW Modern Slavery Act

Take action early to assess and address modern slavery risks in your business. The action you take will inform the report.





# Foreword

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**Modern slavery is a global epidemic involving the callous exploitation of men, women and children for commercial gain. The term 'modern slavery' includes the heinous crimes of slavery, servitude, forced labour and forced marriage.**

There is growing awareness internationally that goods and services in global supply chains may be the product of modern slavery. For the first time, broad coalitions of government, business and civil society have formed to help end modern slavery.

Australia is not immune to modern slavery in its global or domestic supply chains. Closer to home, we know there are people in NSW who have experienced modern slavery, such as those exploited in commercial hospitality, domestic slavery, or in the agriculture, security and cleaning sectors.

Recognising the moral imperative to respond to modern slavery, in 2018 the NSW Government passed Australia's first Modern Slavery Act. The Act has five main focus areas, including establishing an Anti-Slavery Commissioner to raise awareness about modern slavery, victim support and the introduction of new criminal offences.

The NSW Government will lead by example and require that its agencies take reasonable steps to ensure that the goods and services they procure are not the product of modern slavery.

The NSW reporting scheme requires commercial organisations with employees in NSW and an annual turnover between AU\$50 million and AU\$100 million a year will be required to report on the risks of modern slavery in their operations and supply chains.

This guidance material summarises how the NSW reporting scheme will operate and how organisations can prepare a modern slavery statement. It explains how modern slavery manifests in businesses' supply chains and operations, and how organisations can respond to these risks. The guidance material also explains the differences and intersections between the NSW and Commonwealth modern slavery acts.

Business has a vital role to play in preventing modern slavery, and the positive business case for responding to modern slavery is powerful. Taking action improves the quality of supply chains and can increase profitability in an environment where consumers are increasingly socially aware and concerned about the integrity of supply chains. It can also improve investor confidence and engagement among staff and employees. Other benefits include inspiring local communities through business leadership and fostering positive business-community engagement.

While the business case is clear, the critical reason to take action to address modern slavery is that it is the right thing to do. None of us want to benefit from the tragic and harsh exploitation of fellow human beings.

The guidance material has been developed in consultation with business groups and civil society, and I thank them for their feedback.

I am privileged to join with you in our collective work to end modern slavery.

**Professor Jennifer Burn**

# 01

## Introduction

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Modern slavery, far from being a relic of the past, continues to affect millions of people in the world today. It is an abhorrent crime and serious violation of human rights.

The NSW Government is committed to combatting modern slavery and providing better protection for the human rights and dignity of all people.

The *NSW Modern Slavery Act* (the NSW Act) requires commercial organisations to report on their modern slavery risks and how they are addressing them. Organisations must consider their operations and supply chains in NSW, Australia and overseas. This guide sets out how businesses can do this and how the NSW Government will support them.

This is not a compliance exercise but a **framework to help businesses take action on this issue and benefit from responsible business practices.**

### What is modern slavery?

The term 'modern slavery' is used to describe situations where men, women and children are exploited because they have been coerced, threatened or deceived. It describes situations where a person's freedom is taken away.

The NSW Act defines modern slavery broadly. Modern slavery includes slavery or slavery-like conditions, servitude including sexual servitude, forced labour, debt bondage, human trafficking, deceptive recruiting for labour or services, child abuse including child pornography, forced child labour, and forced marriage. These are crimes under Australian and NSW laws.

Modern slavery takes many forms. It could be:

- a worker on a farm who is unable to leave or stop working due to threats of violence from his employer
- a young bricklayer who is coerced into taking a job on a dangerous site, paid very little and required to live on site
- a teenager who is overseas on a family holiday and forced or coerced into marriage
- a migrant worker in a factory who has not received any wages while he works to repay an exorbitant debt owed for his recruitment
- a woman in a brothel who is threatened by her employer when she complains about having to engage in unsafe sex.

For more information about modern slavery and its indicators, see Appendix A.

### What is the business case for taking action?

Few businesses would knowingly deal with suppliers that use exploitative practices, and most Australian consumers would be dismayed to think there may be modern slavery in the supply chains of goods they purchase. Modern slavery can occur in every industry and sector. **There is a high risk that it is present in your business's operations and supply chains.**

Modern slavery has severe consequences for victims. Many victims do not have access to proper health care, a decent livelihood or any way of escaping the continuous cycle of exploitation. Modern slavery is a grave abuse of human rights and a serious crime.

Modern slavery can also greatly impact your business. Modern slavery distorts global markets and undercuts responsible business. If not addressed, modern slavery in your operations and supply chains can **pose reputational and legal risks and damage your commercial relationships.**

Addressing modern slavery risks **makes good business sense.** It can:

- ensure your products and services are not tainted by slavery
- improve the integrity and quality of your supply chains
- increase your profitability and market share in response to increasingly discerning and socially-aware global customers
- improve investor and consumer confidence and financing opportunities
- grow staff pride and employee loyalty in your organisation
- improve your relationship with your workers and local communities
- create access to new business opportunities.

The UN Guiding Principles on Business and Human Rights (UN Guiding Principles) provide the global standard for preventing and addressing adverse human rights impacts linked to business activity. The UN Guiding Principles clearly set out the responsibility of your business to respect human rights, including taking action to prevent, mitigate and remedy modern slavery. **Investors, the business community, non-government organisations (NGOs) and governments expect you to understand and meet this responsibility.**

Remember that this is just one aspect of responsible business conduct. You should also consider other ways that your business may adversely impact human rights and take steps to prevent, mitigate and remedy these impacts.

For more information about why it is good to take action, see Appendix B.

## What is the *Modern Slavery Act 2018 (NSW)*?

On 21 June 2018 the NSW Parliament passed the *Modern Slavery Act 2018*.

The NSW Act:

- establishes Australia's first Anti-Slavery Commissioner to raise community awareness of modern slavery
- requires commercial organisations with employees in NSW and an annual turnover of between AU\$50 million and AU\$100 million to report on modern slavery risks in their operations and supply chains (with penalties for non-compliance)
- requires NSW Government agencies to take reasonable steps to ensure there is no modern slavery in the goods and services they purchase. Agencies are also required to report on the steps they've taken each year
- provides support for victims of acts of modern slavery
- introduces new offences into the *NSW Crimes Act 1900*, in addition to the existing criminal penalties for modern slavery offences.



# THERE ARE 40 MILLION VICTIMS OF MODERN SLAVERY GLOBALLY



25 million

are in situations of forced labour and debt bondage



Of these

16.5 million

are in the Asia Pacific region

Source: International Labour Organization and the Walk Free Foundation



Up to 1900

people in Australia were living in conditions of modern slavery in 2015-16 and 2016-17

Source: Australian Institute of Criminology



There are around

4

undetected victims for every victim detected

Source: Australian Institute of Criminology



## CASE STUDIES

### Modern slavery in business operations and supply chains

*Note: All case studies used in this Guidance Material are hypothetical examples based on real scenarios.*



#### Producers of raw materials

Natural Counters is an Australian company that produces kitchen countertops using natural stone from overseas. The company's marketing manager comes across a report from an NGO that reveals children as young as 14 years old are working in the quarries. The report also finds that many of the workers were recruited by providing exorbitant loans with a high interest rate that could never be repaid. This ties workers and sometimes their families to their employer indefinitely, as they work to pay off the debt.



#### Suppliers of raw materials

Free Seas is an Australian food processing company that supplies prawns to many major food retailers. A media investigation uncovers a pattern of long-term slavery in the fishing vessels that supply seafood to Free Seas – workers are not allowed to leave their vessels and they work excessively long hours without enough rest.



#### Manufacturers

Released Landscapers manufactures hard landscaping products for clients across NSW. On a visit to suppliers, a senior executive witnesses serious exploitation of workers. Many of the workers had been approached by a recruitment company, and accepted the job because they were promised they would receive a good wage and have time off each month to visit their family. Instead, they are paid a very low wage, required to work every day and rarely have a day off. They are also threatened with a large debt should they decide to leave.



#### Distributors

Trub L Truckers is a transportation company that transports goods from a major industrial port to sites around NSW. Trub L Truckers relies on independent contractors to drive its trucks. Many drivers, several of whom cannot read English, are forced to sign a contract under threat of immediate termination. The contract obligates the drivers to pay back excessive debts for the truck they 'bought' and allows them to be terminated at will. Workers who refuse a shift (often 20 hours long) lose their truck and the payments they have made towards it.



#### Retailers

Dishes Delight is a small late-night restaurant in Sydney that relies on casual staff. Dishes Delight employs many international students willing to do shift work. Investigative journalists reveal that workers are routinely forced to do at least a week's 'training' without pay, paid as little as half their wage entitlement, and forced to work up to 18-hour shifts without breaks. They are threatened with deportation or physical violence if they complain.

## How do the NSW Act's requirements apply to your business?

If your business is a commercial organisation with employees in NSW and an annual turnover between AU\$50 million and AU\$100 million, you need to provide an annual modern slavery statement to the NSW Anti-Slavery Commissioner.

The statement must explain what your business is doing to assess and address the risks of modern slavery in your operations and supply chains, both in Australia and overseas.

Your statement must be approved and signed by the principal governing body of your organisation (in most cases, this will be the chair of the board). All statements will be made available on a public online register to promote transparency.

The statement does not have a prescribed form or length, it simply has to demonstrate a genuine effort to tackle modern slavery by taking action against each of the seven mandatory criteria (see Chapter 5).

Your business can be required to pay penalties of up to \$1.1 million if:

- you do not submit a modern slavery statement complying with the reporting requirements for each financial year of your organisation
- you do not make your modern slavery statement public
- you provide information in the modern slavery statement that you or your organisation knows, or reasonably ought to know, is false or misleading.

The aim of the NSW Act is to raise awareness of modern slavery and drive change in business practice, not to administer fines. The requirement to submit a modern slavery statement aims to support the NSW business community to identify and address their modern slavery risks. Businesses have a unique opportunity to use their influence and purchasing power to create meaningful change.

The Anti-Slavery Commissioner will provide assistance and support your business as you prepare your modern slavery statement. You can read more about how the Anti-Slavery Commissioner can help you in Chapter 8.



## Comparing the NSW and Commonwealth modern slavery reporting requirements

The NSW *Modern Slavery Act 2018* has been designed to complement the Commonwealth's *Modern Slavery Act 2018* ('the Commonwealth Act') which applies to businesses with a consolidated revenue of \$100 million or more.

The Commonwealth Government has also prepared a guide for entities with a consolidated revenue above \$100 million.

You can learn more about the similarities and differences between the NSW and Commonwealth modern slavery acts in the table below.

**TABLE 1.1 COMPARISON OF NSW AND COMMONWEALTH REPORTING REQUIREMENTS**

	<b>NSW Modern Slavery Act</b>	<b>Commonwealth Modern Slavery Act</b>
<b>Mandatory criteria for statements</b>	Seven mandatory criteria	The same seven mandatory criteria
<b>Who reports?</b>	Commercial organisations including companies, partnerships and associations: <ul style="list-style-type: none"> <li>• with employees in NSW</li> <li>• that supply goods and services for profit or gain and</li> <li>• have an annual <i>individual</i> turnover of between AU\$50m and AU\$100m.</li> </ul>	Reporting entities (commercial and not-for-profit): <ul style="list-style-type: none"> <li>• that are Australian entities or</li> <li>• foreign entities carrying on business in Australia, and</li> <li>• have an annual <i>consolidated</i> revenue of at least AU\$100m.</li> </ul>
<b>Reporting period</b>	The organisation's financial year or another annual accounting period applicable to that organisation.	The organisation's financial year or another annual accounting period applicable to that organisation.
<b>Report due date</b>	Within 6 months after the end of each financial year of the organisation.	Within 6 months after the end of each financial year of the organisation.
<b>Publication</b>	NSW public register	Commonwealth public register
<b>Option to prepare a joint statement</b>	Yes	Yes
<b>Penalties</b>	Criminal penalties for: <ul style="list-style-type: none"> <li>• failure to prepare a statement</li> <li>• failure to publish a statement</li> <li>• providing false or misleading information.</li> </ul>	No financial penalties. The Act empowers the Minister to 'name and shame' noncompliant entities.
<b>Support for business</b>	Anti-Slavery Commissioner to oversee NSW response to modern slavery, including supporting business.	Business Engagement Unit to advise and support business.
<b>Act's commencement</b>	TBC	1 January 2019



# 02

## Do I need to report?

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Under Section 24 of the NSW Act and the Modern Slavery Regulation, your organisation needs to submit a modern slavery statement in NSW if it:

- is a **commercial organisation** that supplies goods and services for profit or gain and
- has **at least one employee** in the state of **NSW**, and
- employs **20 or more people** in any place in the organisation, and
- has a total annual turnover of **not less than AU\$50 million and not more than AU\$100 million**.

You may be required to report under the Commonwealth Act if your entity has a consolidated revenue of at least AU\$100 million over its 12-month reporting period.

You are responsible for determining if your organisation is required to report to the NSW or Commonwealth government. You should consider all the information below when determining if you are required to report under the NSW Act.

### Is your business a 'commercial organisation that supplies goods or services for profit or gain'?

The NSW Act requires certain commercial organisations to prepare an annual modern slavery statement. This applies to a range of organisation types. It includes companies, partnerships, education institutions (including universities), associations, trusts, superannuation funds and other types of investment organisations. It also includes State-Owned Corporations. Under the Act, a sole trader is not considered a 'commercial organisation'.

Charities and not-for-profits that supply goods or services through which they receive a profit or financial gain to support their charitable work are considered 'commercial organisations' under the Act. However, these organisations are exempt from preparing an annual modern slavery statement.

### Does your business have 'employees in the state of NSW'?

The NSW Act applies to organisations with 'employees in the state of NSW'. This includes organisations that have, or had at any point in the reporting period, employees working in the state of NSW. This includes casual and part-time employees.

Your organisation is exempt from the reporting requirement if you have less than 20 employees in your organisation, no matter where those employees are based. This also includes casual and part-time employees.

The NSW Act does not define 'employee'. In working out if someone is an employee of your organisation, you should first consider if they have a valid employment contract. You might also consider:

- the relationship between your organisation and the employed person, including the level of control you may have over that person
- the way you pay that person
- the level of obligation they have to work for your organisation
- the hours of work and the provision of holidays
- the extent to which the public would consider that person part of your organisation.

A truly independent contractor that works for your organisation is not considered an employee.

## What is the 'total annual turnover' of your business?

The NSW Act requires organisations with a total annual turnover of not less than AU\$50 million and not more than AU\$100 million to prepare a modern slavery statement.

The 'total annual turnover' means the total annual revenue of your organisation, calculated in accordance with Australian Accounting Standards. You should use these standards even if they do not otherwise apply to your organisation.

The Australian Accounting Standard AASB15 – Revenue from Contracts with Customers defines revenue as income arising in the course of your organisation's ordinary activities. This includes interest revenue, as well as revenue from contracts with customers. It includes revenue that your organisation has gained in operations outside of NSW, as well as your operations in NSW.

When calculating your total turnover, you should only consider the revenue of your organisation. You do not need to consider the revenue of subsidiary organisations, or the revenue of organisations that own or control you. In understanding 'control' you should consider the meaning of 'control' in the Accounting Standards.

## Are you required to report under the Commonwealth Modern Slavery Act?

Any entity that is required to report under the Commonwealth Modern Slavery Act is exempt from reporting under the NSW Act.

You are required to report under the Commonwealth Act if your entity:

- has a consolidated revenue of at least AU\$100 million over its 12-month reporting period, **and**
- is an Australian entity at any time in that reporting period, **or**
- is a foreign entity carrying on business in Australia at any time in that reporting period.

In calculating your revenue under the Commonwealth Act, you must consider the revenue of your entity and any entities you control. This is different to the NSW Act, where you are only required to consider the revenue of your individual organisation.

If you meet these requirements, you do not have to submit a modern slavery statement to the NSW Anti-Slavery Commissioner.

## Are you a subsidiary of a Commonwealth reporting entity?

If you are required to report under the NSW Act, but your parent company prepares a Commonwealth modern slavery statement, you do not need to prepare your own NSW modern slavery statement.

If your parent company explicitly covers your organisation in its statement:

- you must notify the NSW Anti-Slavery Commissioner, in writing, of those facts
- you must provide the NSW Anti-Slavery Commissioner with a copy of the modern slavery statement given to the Commonwealth by your parent company.

The NSW Government can still require you to pay a penalty of up to \$1.1 million if you know, or ought to know, that information included in your corporate group's statement to the Commonwealth about you as a subsidiary contains false or misleading information.

## Can you voluntarily report to the Commonwealth Government?

Any entity may voluntarily report to the Commonwealth Government. If you are required to report under the NSW Act, you can fulfil the requirement by voluntarily reporting under the Commonwealth Act instead.

To do this:

- you must prepare a voluntary statement under section 6 of the Commonwealth Modern Slavery Act, and

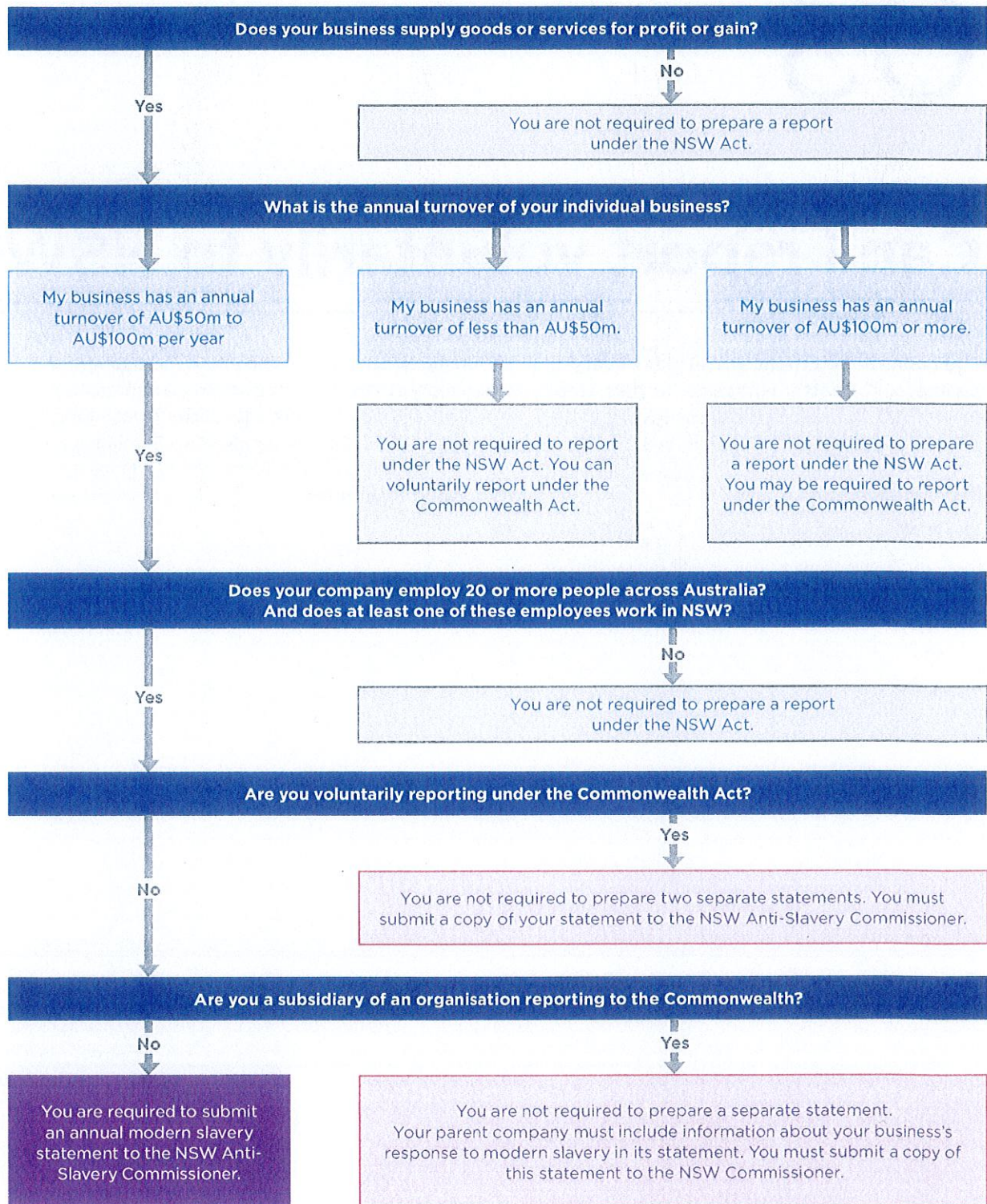
- you must give your modern slavery statement to the Commonwealth Minister, and
- you must notify the NSW Anti-Slavery Commissioner, in writing, of those facts, and
- you must provide the NSW Anti-Slavery Commissioner with a copy of the modern slavery statement.

The NSW Government can still require you to pay a penalty of up to \$1.1 million if you know, or ought to know, that information included in your voluntary statement to the Commonwealth contains false or misleading information.





FIGURE 2.1 ARE YOU REQUIRED TO REPORT UNDER THE NSW ACT?



# 03

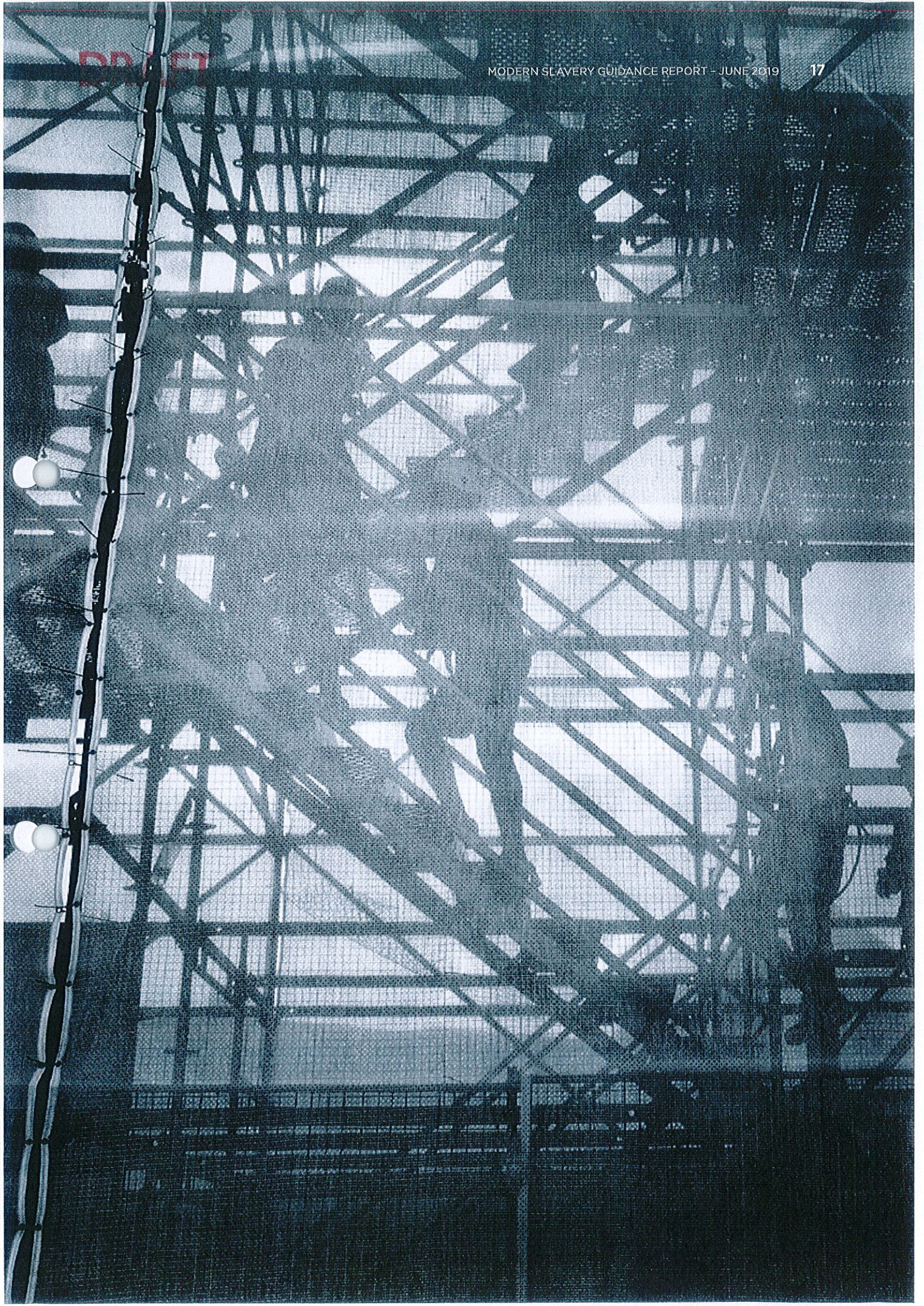
## Can I report voluntarily to NSW?

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The NSW Government encourages every business, no matter what size, to take steps to address the risk of modern slavery in its operations and supply chains. We all have a responsibility to take action and an ability to make a difference.

The NSW Government is developing a system to enable businesses to voluntarily report to the NSW Commissioner.

In the meantime, you can voluntarily submit a report to the Commonwealth Government. You can find out more about how to voluntarily report to the Commonwealth Government in Chapter 3 of the [Commonwealth Guidance for Reporting Entities](#).



# 04

## When do I report?

The *NSW Modern Slavery Act 2018* requires certain commercial organisations to submit a modern slavery statement every year in which their total annual turnover is between AU\$50 million and AU\$100 million. You must prepare a new statement each year. This is so that you can continually assess your modern slavery risks and improve your response over time.

Each report must cover only action taken in the most recent financial year of your organisation.

It is important that your business reports not on general action you have taken to address modern slavery, but **specific action taken in the latest financial year**.

Each report must be submitted to the NSW Anti-Slavery Commissioner within **6 months after the end of each financial year of your business**. The timing for reporting is based on your business's financial year, not the standard Australian Financial Year.

FIGURE 4.1 TIMING FOR REPORTING - EXAMPLE USING THE AUSTRALIAN FINANCIAL YEAR

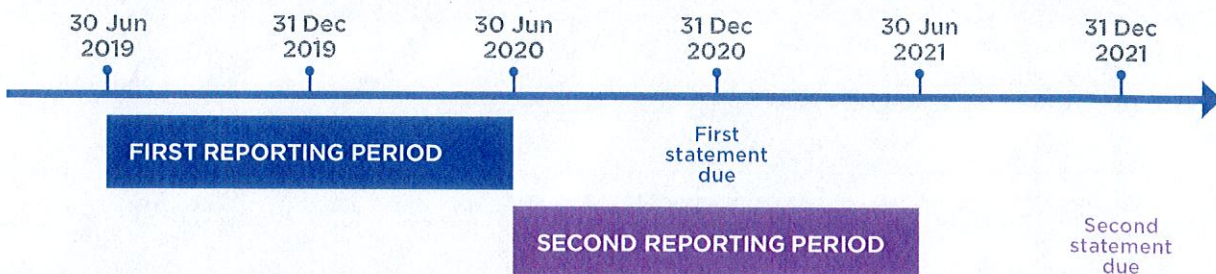
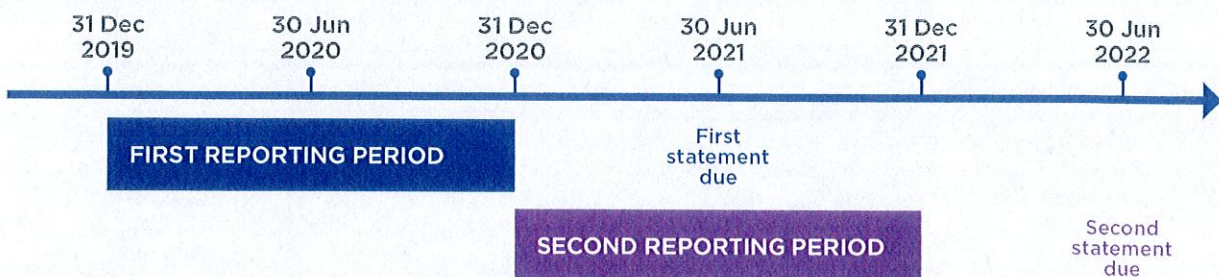


FIGURE 4.2 TIMING FOR REPORTING - EXAMPLE USING THE CALENDAR FINANCIAL YEAR



## 05

## How do I prepare a statement?

To meet your obligations under the NSW Act, you need to prepare a statement that addresses seven mandatory criteria contained in the Modern Slavery Regulation.





The Commonwealth *Modern Slavery Act 2018* requires entities to address the exact same 7 criteria. The guidance provided in this chapter is consistent with that provided in Chapter 5 of the Commonwealth guidance material.

**TABLE 5.1 MANDATORY CRITERIA FOR MODERN SLAVERY STATEMENTS**






No.	Mandatory criteria	What does this mean?	Page
1	Identify the reporting organisation	What is your organisation?	Pg 21
2	Describe the organisation's structure, operations and supply chains	How is your organisation structured? How does your business operate? What products or services are part of your supply chain?	Pg 21
3	Describe the risks of modern slavery practices in the operations and supply chains of the reporting organisation and any organisations it owns or controls	What are the risks of modern slavery in your organisation and your suppliers?	Pg 24
4	Describe the actions taken by the organisation and any organisations it owns or controls to assess and address these risks, including due diligence and remediation processes	What are you and your suppliers doing to reduce the risk of modern slavery?	Pg 29
5	Describe how the reporting organisation assesses the effectiveness of these actions	How do you measure whether your actions are having an impact?	Pg 36
6	Describe the process of consultation with any organisations the reporting organisation owns or controls (a joint statement must also describe consultation with the organisations covered by the joint statement)	How have you consulted with organisations you own or control (or are reporting on behalf of)?	Pg 38
7	Any other relevant information	Is there anything else relevant?	Pg 38

## KEY TIPS TO PREPARE FOR AND WRITE A MODERN SLAVERY STATEMENT

### Preparing to write your statement

-  Consider what action your business will take to respond to modern slavery risks during the reporting period. Your statement will include a summary of these actions.
-  Involve relevant areas of your organisation in the planning process as you implement actions to identify and respond to modern slavery risks. You should also involve these groups in the eventual writing process. Consider involving teams such as human resources, finance, procurement, sourcing, legal, risk, sustainability, major projects and senior leadership. **You should ensure you include your sourcing and/or procurement teams in all your countries of operation.**
-  Engage senior management, executives and board members as early as possible to ensure they understand the reporting requirements and possible steps that can be taken to assess and address modern slavery risks.
-  Consider how you can benefit from third-party expertise and partnerships to improve your response to modern slavery. You may consider working with relevant industry bodies, international organisations, unions and expert non-government organisations.

### Writing your statement

-  Avoid copying generic templates or statements from other entities.
-  Be honest about your organisation's situation, risks and what you are doing to improve.
-  Be clear about what your next steps will be and how you will show improvement in your next statement.
-  Avoid aspirational statements that are not supported by action.
-  Check you have complied with all the legal requirements set out in the NSW Act, including addressing all of the mandatory reporting criteria.

## Criterion One

Identify your organisation.

### *Identify your organisation*

Your statement must clearly identify the commercial organisation that is covered by the statement.

To do this, you may:

- clearly set out the name of your business on the front page of the statement and in any introductory text
- consider including the logo of your business in a visible location in the statement.

## Criterion Two

Describe the structure, operations and supply chains of the organisation.

### *Describe your organisation*

Your statement must describe the structure, operations and supply chains of your business, and any other business you own or control.

This will help readers understand your business and provide important context for your statement. If your organisation is part of a corporate group, you should make sure you also describe the overall structure of the group.

In considering whether you 'control' another business, you should consider the definition of *control* contained in the Australian Accounting Standards.

You may already use the terms 'operations' and 'supply chains' when complying with other legislation. However, you need to make sure that you use these terms in the way they are described in this guide.

### **How do I describe my business's structure?**

The **structure** of your business means the legal and organisational form of your business.

This includes information about the number of employees in your business, whether your business is part of a larger corporate group, or whether you own or control any other businesses.

In describing your structure, you should include the following type of information:

- Explain the general structure of your business (for example, is the organisation a public company, a partnership or a trust). If your business is part of a larger group, explain the general structure of the overall group (both upstream and downstream from the organisation).
- Explain whether your business owns or controls other businesses. If you do, explain what these businesses do and where they are located. For example, you may own a foreign subsidiary in another country.
- Identify any trading names or brand names associated with your business.
- Provide your Australian Company Number (if relevant) or other public identifying information.
- Provide the details of your registered office.
- Indicate the approximate number of people you employ.

## Criterion Two

*continued*

### How do I describe my business's operations?

The **operations** of your business means any activity or business relationship undertaken to pursue your business objectives and strategy.

This includes research and development, construction, production, arrangements with suppliers, distribution, purchasing, marketing, sales, provision and delivery of products and services, financial lending and investments. It includes activities in Australia and overseas.

In describing your operations, you should include the following type of information:

- Explain the nature and types of activities undertaken by your business (for example, mining, retail, manufacturing) and any businesses you own or control.
- If your business's activities involve investments or financial lending, explain the type and nature of these activities.
- Identify the countries or regions where your operations are located or take place.
- Provide facts and figures about your operations, such as the total number of employees, factories and/or retail stores.
- Explain in general terms the type of arrangements you have with your suppliers and the way these are structured (are they often short-term and changeable or stable longer term relationships?)
- Explain other types of business relationships you have, such as joint venture partners.

### How do I describe my business's supply chains?

The **supply chains** of your business means the products and services (including labour) that contribute to your business's own products and services. This includes the products and services sourced in Australia, or overseas, and extends beyond direct suppliers.

In describing your supply chains, you should include the following type of information:

- Identify the countries or regions where your suppliers are located.
- Explain the main types of goods and services you procure, including the inputs for these goods and services, such as their raw materials.
- To the extent possible, identify the source countries for these goods and services, and their inputs.
- Link to any disclosures by your business about the identity of your suppliers (such as a public supplier list).



## CASE STUDIES

### How to describe your operations and supply chain

Elliptical Australia is an Australian IT company. It specialises in the provision of computing services, related advisory services, data analytics and technology solutions.

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**Structure:** Elliptical Australia is a publicly-listed company incorporated in Australia. Its Australian headquarters is in Melbourne, and it has offices in Sydney, Canberra and Brisbane. Elliptical employs approximately 350 staff across these locations. Elliptical is part of a corporate group whose global headquarters is in London.

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**Operations:** Elliptical provides IT-related services, including providing clients with strategic advice on IT transformation and business strategies. It employs consultants, administrative staff and contractors at all four of its Australian offices. Its consultants work directly with businesses to design appropriate IT solutions. It also has a marketing and sales division, a small research and development arm, and an investment arm. The investment arm provides funding to start-up technology businesses for their projects, particularly those that are still in the development stage.

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**Supply chains:** The supply chain for Elliptical is the labour and physical infrastructure that goes into its offices, including the cleaning, catering, security and IT services that it contracts. While the majority of services are procured from Australian companies, Elliptical procures the majority of its office furniture and ICT equipment from companies that source from overseas companies based in Vietnam and China. Other key supply chains for Elliptical are those involved in the services they deliver, including the labour and goods going into the technologies.

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### Criterion Three

**Describe the risks of modern slavery practices in the operations and supply chains of the organisation, and any entities that the organisation owns or controls.**

#### *Describe the risks*

For this criterion, you are required to identify the risks that may be in your operations and supply chains, and the operations and supply chains of any other business you own or control. This is sometimes called 'risk mapping'.

You can map your modern slavery risks by identifying how your business and any businesses you own or control may **cause, contribute to, or be directly linked to** modern slavery through your operations and supply chains.

Your statement should identify the general types of modern slavery risks that may be present in the operations and supply chains of your business. Once you have identified your modern slavery risks, you can develop an appropriate response.

For example, a fashion company's statement may explain that it has identified a risk of modern slavery practices occurring in its third-party supplier factories. The statement could also explain that the business has identified modern slavery practices further down its supply chains, including through the labour practices used by raw material suppliers.

You are not required to:

- certify that your business is 'slavery-free'. Every business has modern slavery risks in its operations and supply chains
- provide a comprehensive list of every modern slavery risk in your business. You should include sufficient detail to clearly show the types of products and services in your business that may involve risks of modern slavery
- report on specific individual risks or actual cases of modern slavery.

You may choose to include in your statement specific risks or cases, such as through an anonymised case study. This can be a helpful way to show that your organisation's actions to identify and address modern slavery risks are effective. It is important to make sure that there is no information provided that could identify a person or a community, as this could place them at risk. In reporting on specific cases, you should:

- be clear about how you responded to the case
- respect the privacy of the victim and other individuals involved. You should not include the name or any personal information about the victim
- not include any specific details about cases that are currently being investigated or before a court.

## Criterion Three

*continued*

### What are 'risks of modern slavery practices'?

The 'risks of modern slavery practices' means the potential for your business to **cause, contribute to, or be directly linked to** modern slavery through its operations and supply chains. In other words, the risk that your business may be involved in modern slavery.

The concept of risk in this context means risk to people rather than risk to your business (such as reputational or financial damage). This 'people-focused' approach to risk may be different from how your entity normally deals with risk.

The concepts of cause, contribution and direct linkage are set out in the UN Guiding Principles and are part of a continuum of conduct. This means that your business's risks may not always fit neatly into one of these categories.

'Cause' refers to risks that your own business's operations may directly result in, or increase the risk of, modern slavery practices. For example:

- A fashion business owns or runs a factory where workers are held in forced labour.
- An agricultural fruit and vegetable supply business recruits migrant workers and requires them to work in dangerous conditions or lose their jobs.
- A mining company provides accommodation for mining employees and the company knows, and ignores, sexual servitude of local women and girls taking place on site.

'Contribute to' refers to risks that your business's operations and/or actions in its supply chains, and the operations and supply chains of businesses you control, may contribute to modern slavery. This includes acts or omissions by your business that may facilitate or incentivise modern slavery, or make modern slavery more likely to occur, even if the action in and of itself would not be enough to result in that impact. For example:

- A development company specifically asks a construction company to find the cheapest possible labour for a project and knows, or should have known, that the workers are being exploited as a result.
- A bank knowingly invests in an infrastructure project where it knows, or should have known, there is a high risk that forced labour is used and it fails to act.
- A business knowingly sets unrealistic cost targets for a supplier that can drive exploitative labour practices.

## Criterion Three

### *continued*

**'Directly linked to'** refers to risks that your business's operations, products or services (including financial products and services) may be connected to modern slavery through the activities of another business you have a business relationship with. Your business relationships include all of the entities in your supply chain, including businesses you do not have a direct contractual relationship with, such as the suppliers of raw materials used in the production of products you sell. Your business relationships also include your business partners and customers, including entities you provide with financial products or services. For example:

- An electronic goods retailer stocks goods manufactured by another entity using minerals sourced from a third entity that were mined using forced labour.
- A business provides the finance for a client to undertake an overseas infrastructure project. Despite the business putting appropriate safeguards in place, the client engages subcontractors that use forced labour to complete the project.

### **How to check the risks of modern slavery in your business**

Every organisation's modern slavery risks will be different. Completing a basic scoping exercise will help you to understand which parts of your organisation's operations and supply chains may involve modern slavery risks. This process is a first step that will help you to consider the nature and extent of your modern slavery risks. It is not the same as a detailed risk assessment.

**You may start by mapping out the operations and supply chain structure of your business.** This involves identifying the industries, products, services, countries and organisations that are involved in your organisation's operations and supply chains. You should start by identifying and mapping your direct suppliers, and then look further into your supply chain.

You can then use this information to check your modern slavery risks. Your business's most severe modern slavery risks may not align with the volume or cost of the products and services you produce. You should focus your attention on the parts of your business where there is the highest risk of modern slavery practices.

Figure 5.1 will help you understand where there might be risks of modern slavery in your business's operations and supply chains, and some indicators you might consider. Appendix F includes a list of resources if you need further information.

**FIGURE 5.1 INDICATORS OF MODERN SLAVERY RISKS**



### Sector and industry risks

Certain industries are high risk because of their characteristics, products and processes.

Risk indicators include the use of unskilled or seasonal labour; use of short-term contracts and outsourcing; use of foreign workers or temporary workers that carry out work that is not visible (e.g. work at night); and recruitment strategies that target marginalised communities.

*Examples of high-risk industries include extractives, textiles and fashion, fishing, electronics, cleaning and agriculture.*



### Product and services risks

Certain products and services may be high risk because of the way they are produced, provided or used.

Risk indicators include delivery timeframes that push suppliers to engage in excessive work hours, make cost savings or rapidly recruit new workers; using children in the development of a product; and producing goods in high-risk countries.

*Examples of high-risk products include bricks, cobalt, cotton and rubber. Similarly, services such as cleaning and manual labour are recognised as high risk.*



### Organisation risks

Some businesses may have particular modern slavery risks because they have poor governance structures, a record of treating workers poorly or a track record of human rights violations. Risk indicators include organisations that have previously been reported as noncompliant with human rights standards; organisations with poorly managed procurement and sourcing processes; and audits that appear unreliable or conflicting with other reports.



### Geographic risks

Some countries may have higher risks of modern slavery, including due to poor governance, weak rule of law, conflict, migration flows and poverty.

Risk indicators include working in places where the country has not ratified relevant international conventions, such as the International Convention to Suppress the Slave Trade and Slavery (1926); the country has inadequate protection for workers; law enforcement agencies are hostile to workers; or the country has a high number of people who are vulnerable to exploitation due to poverty or displacement.



### Hidden risks

You should also identify the parts of your business that you do not have visibility over and consider if they may involve modern slavery risks.

For example, you may purchase uniforms for staff from a supplier. Although textiles and clothing is a high-risk sector, you may not have any information about where and how the uniforms are made.

## CASE STUDIES

### Describing the risks of modern slavery in your business



Tech.A is an Australian retailer of electronic goods. To prepare for describing the risks of modern slavery in its business, Tech.A starts by mapping out its key operations and supply chain, identifying the products, services, industries and countries involved in its business. It considers not only the supply chain of the computers and laptops it sells, but also the services that support its operations, including the subcontracted security and cleaning staff for its building, the catering it uses for business lunches, and the uniforms worn by retail assistants.

Tech.A finds that many of the products it sells, the countries it sources from, and the sectors supporting its operations are considered as having a 'high risk' of modern slavery.

In particular, Tech.A finds that the supplier of its staff uniforms has been criticised by a credible NGO for sourcing garments from a factory that is reportedly paying the workers only a fraction of the market rate. Tech.A has identified a high risk it is contributing to modern slavery by buying a large number of staff uniforms at the lowest possible price, and requesting last-minute changes to their design.

### Human rights due diligence



Fashion Fleet is an Australian-owned fashion and beauty company that sells handbags, jewellery and make-up to customers across Australia through its physical and online stores. After a human rights risk assessment, Fashion Fleet becomes concerned about potential modern slavery risks in the supply chains that produce the products it retails to customers. To address and prevent these risks, Fashion Fleet introduces numerous measures including:

- providing training on its modern slavery requirements to both employees and suppliers
- requiring human rights impact assessments be conducted for all its operations. Identified risks are recorded on a risk register for ongoing management, with periodic internal audits
- auditing suppliers on their modern slavery risks before entering into any supply contracts. This is done through adaptation of its existing supplier pre-qualification survey
- ongoing engagement with suppliers, including the purchasing team conducting visits and audits at supplier sites to review conditions
- ensuring all new supply contracts have a standard clause on compliance with human rights. Monitoring adherence to the contract clause is essential to making sure that it is effective
- requiring direct employment of migrant workers in the supply chain where possible and prohibiting recruitment fees from being passed on to new employees
- developing a whistleblowing policy and grievance mechanism to enable employees to raise any concerns
- publicising a clear policy that non-compliant suppliers will be required to take corrective action, may be subject to remediation programs and risk their contracts being terminated
- entering discussions with other companies in its industry about creating a shared human rights audit database, as many use the same suppliers.

### Criterion Four

Describe the actions taken by the organisation and any entity that the organisation owns or controls, to assess and address those risks, including due diligence and remediation processes.

### Assess and address the risks

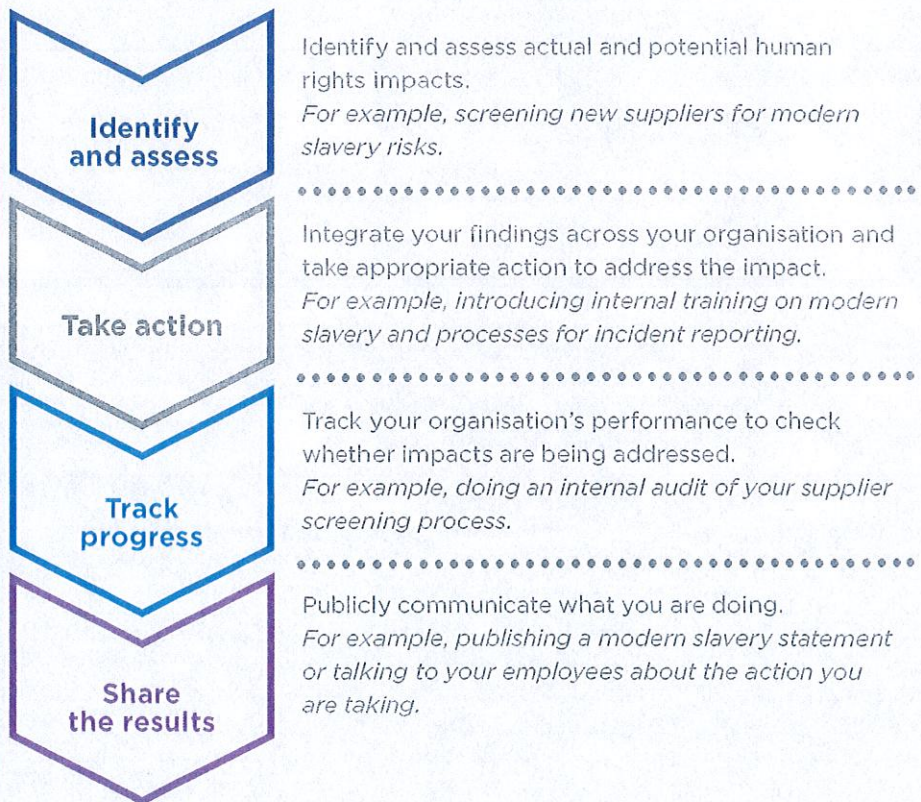
Your statement should describe the actions your business has taken in that financial year to assess and address the risks of modern slavery practices occurring in your operations and supply chains. In your statement, you also need to include a description of your due diligence and remediation processes.

If you own or control other businesses, then you also need to describe the actions these businesses are taking, and the due diligence and remediation processes they have in place.

Under the UN Guiding Principles (Principles 15 and 17) your business is expected to undertake human rights due diligence. Your statement should explain how you are undertaking **human rights due diligence** to address modern slavery risks. Due diligence is an ongoing process to identify, prevent, reduce and account for how your organisation addresses actual and potential negative human rights impacts in your operations and supply chains.

There are four key parts to due diligence. These are explained in figure 5.2. Taking steps in each of these four areas is a great way for you to demonstrate you understand and are taking action to prevent and reduce modern slavery risks. The action you take should be specific to your sector, relative to the size of your organisation and the level of risk in your supply chain. The due diligence done by each business will be different. The UN Guiding Principles (Principle 22) also explain the responsibility of business to actively remediate adverse human rights impacts caused by business activity. This is a core part of your business's responsibility to respect human rights. Your statement should include information about the processes you have in place to remedy situations.

FIGURE 5.2 HUMAN RIGHTS DUE DILIGENCE PROCESS







## CASE STUDY

### Remediation

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Pied Patch is a boutique chocolate company. A human rights NGO issues a report that some of the factories that process the cocoa beans bought by Pied Patch are using forced labour. Pied Patch works with a trusted NGO to establish due diligence and remediation measures that can address potential future instances of forced labour. Its actions include conducting an anonymous survey that workers can participate in using their mobile phones in key supplying countries, and establishing and promoting a confidential whistleblowing hotline for workers to report wrongdoing in collaboration with local NGOs in the source countries.

Pied Patch also works with the International Cocoa Initiative to establish a more active monitoring system and considers how to remedy the harm that has already occurred. It works with the factories to set up processes for victims to access compensation and begins investing in local community development projects that build the capacity of workers to advocate for their rights at work.

---

### Criterion Four

*continued*

Remediation is about 'making good' the negative impact caused by your business. Your business's relationship to the harm will affect how you respond. If your business may have **caused or contributed** to modern slavery, you should consider how you can provide for, or cooperate in, the remediation of that impact. For example, you may consider compensation payments for victims who have experienced harm, issuing a formal apology, changing certain business practices, or supporting community projects that build the capacity of local communities to prevent that harm from reoccurring.

If your business did not cause, but is **directly linked to**, the issue by a business relationship, you could use your leverage to work with the organisation that caused the harm to prevent or reduce the harm and its recurrence. 'Leverage' means your ability to influence other businesses to change their behaviour. In this situation, you may consider whether your business could provide for, or cooperate in, remedying any actual impact. You could also consider ending the business relationship if your business lacks the leverage to influence the business that has caused the risk to change its behaviour.

It is important that you have systems and processes in place that will ensure your business can be made aware of harms that occur, and take action to remedy the harm. Often this will take the form of a grievance mechanism. A grievance mechanism is a way for people to safely raise concerns about the negative impact an organisation is having on them and will support your business to remedy the situation at an early stage. The UN Guiding Principles (Principle 31) sets out criteria to help your business establish an effective grievance mechanism.

## KEY PRINCIPLES IN ASSESSING AND ADDRESSING YOUR MODERN SLAVERY RISKS

- 1 **It takes time:** Developing an effective response to the risk of modern slavery takes time. You are not expected to certify that your supply chain is free from slavery, or that you have taken all reasonable actions by the time your first report is due.
- 2 **Be honest:** You should be honest and transparent about your situation. Describe what you are doing to develop your response and try to show how you are working to improve. You may consider including information about what you want to achieve and the time frames you have set to do this.
- 3 **It is an iterative process:** Your business will need to assess and address risk on an ongoing basis. It is likely that new modern slavery risks will emerge that you will need to manage.
- 4 **Learn and seek help:** For many businesses, assessing and addressing modern slavery risks will be a new process. You should take time to learn about the issue, develop your understanding of effective ways to take action, and build on the lessons learnt by other businesses. You can find some helpful resources at [Appendix G](#). You can also contact the Modern Slavery Team for advice.
- 5 **Prioritise risks:** It will not be possible to immediately take action to respond to risks in every part of your business. You should focus on areas of your operations and supply chains where modern slavery risks are likely to be most significant and most severe. This means focusing on the risks that have the gravest impact, affect the greatest number of people, or where delayed response would make them irremediable (for example, because delay would cause loss of life). Your business's most severe modern slavery risks may not relate to the most costly or highest volume products or services you produce. Once you have addressed your most severe risks, you should ensure you move on to address the other risks. This concept is expressed in the UN Guiding Principles (principles 17 and 24).
- 6 **Consider your relationship to the risk:** The way you respond to your modern slavery risks will depend on whether you are causing, contributing to, or are directly linked to the risk. If the risk is not caused by your business, then the type of action you take will also depend on your 'leverage' with the other businesses involved. 'Leverage' means your ability to influence the other entities to change their behaviour. If you lack leverage, you should consider ways to increase your leverage, including by collaborating with other entities. You could also incentivise the entity to improve its performance, including through offers of capacity-building assistance or future business opportunities. A lack of leverage in the relationship does not mean that your business does not have a responsibility to respond. See [Figure 5.X](#) for more information about how your relationship to the risk should affect your response.
- 7 **In cases of high risk, go deep into your supply chain:** Supply chains are often long and complex. In many cases, you may not have a direct contractual relationship with many of the businesses in your supply chain. If there is a high risk of modern slavery in your supply chain, it is important to consider what action you can take to address this risk.

## Criterion Four

*continued*

### What can you do to assess and address risks of modern slavery?

These are some types of actions you can take to assess and address modern slavery risks. Note, this is not a complete list.

#### ASSESS RISKS

- **Review existing information** about your business's operations and supply chains, such as Human Rights Impact Assessments, Environmental and Social Impact Assessments and WH&S inspections.
- **Review existing reports or assessments of your business** from credible sources, such as audit reports or NGO reviews.
- **Map your operations and supply chains** to improve your understanding. You might consider publishing a list of your suppliers in your modern slavery statement. Use this information to **undertake a detailed risk assessment**, including a process to assess particular suppliers using enhanced checks where necessary. You may consider working with other businesses in your sector or a trusted NGO to do a joint risk assessment of a high-risk part of the supply chain.
- **Request information from your direct suppliers about sub-suppliers.** This will help you learn more about risks of modern slavery deep into your supply chain.
- **Develop trusted relationship with those 'on the ground'**, such as civil society stakeholders working in the country where your suppliers are based.
- **Assess the risks of modern slavery in your investment portfolio.**
- **Develop tools and policies** to monitor high-risk suppliers and mitigate associated risks.
- **Bring together key areas of your business** to help assess and respond to key risks, including human resources, finance, procurement, sourcing, legal, risk, sustainability, major projects and senior leadership.
- **Develop a specific action plan** for how you will improve your response to modern slavery risks and include measurable outcomes and deadlines.
- **Assign responsibility for assessing and addressing modern slavery risks** to a senior manager and brief your board or other principal governing body appropriately.
- **Set up a mechanism to allow people to safely report modern slavery risks** in your entity's operations and supply chains.
- **Build partnerships** with business peers, expert civil society groups, local community groups, and industry bodies to improve your understanding of modern slavery risks.
- **Engage directly with workers** and other potentially affected groups in your operations and supply chains, as well as credible experts, to assess risks.

## Criterion Four

*continued*

### CHANGES TO POLICIES AND PROCESSES

- **Make your business's policies on modern slavery publicly available**, including online. Where relevant, translate them into local languages.
- **Review and improve existing policies and procedures**, including supplier codes of conduct, and sourcing policies. Ensure you communicate these changes to staff and suppliers and make regular updates as your understanding of modern slavery risks evolves.
- **Improve staff and management awareness of modern slavery risks** through awareness-raising and training, including staff orientation. Ensure training is fit for purpose.
- **Ensure you are prepared to respond if you find modern slavery** occurring in your operations or supply chains, including by developing an agreed procedure.
- **Address practices in your operations and supply chains that may lead to modern slavery**, such as charging recruitment fees for workers, tying workers' accommodation to their employment status, sham contracting, unmanageable lead times and purchasing practices, unlawful wage deductions or underpayment.
- **Review and improve policies and processes used to screen potential investees** to ensure they appropriately address modern slavery risks.
- **Consider ways to engage with investees** directly or collectively to encourage them to address their modern slavery risks.
- If your operations involve direct engagement with children (such as charities, corporate social responsibility programs, or travel and tourism operators), **review and improve your child protection processes and policies**.

### SUPPLIER ENGAGEMENT

- **Improve supplier awareness** of modern slavery risks and how they may contribute to modern slavery through awareness raising and training.
- Take steps to **build supportive, transparent and collaborative relationships with suppliers**, including encouraging suppliers to be honest with you about modern slavery risks.
- Where possible, **ensure workers in your supply chains have access to information** about their rights, obligations, ways to access support and how to highlight concerns.
- **Clearly communicate your expectations to suppliers**, including by ensuring modern slavery issues are specifically addressed in supplier contracts, prequalification and other relevant mechanisms.

You can read more about engaging with suppliers at [Appendix C](#).

## CASE STUDY

### Assessing your modern slavery risk



Empresa is a mid-sized retailer of household groceries and goods. It begins assessing its modern slavery risk by mapping its operations and supply chains to better understand its business. Empresa then undertakes a detailed risk assessment. This involves identifying human rights impacts, including modern slavery, across its operations and supply chains including offices, retail operations, property, logistics and distribution, HR and IT. High-risk service providers are then identified based on contract type, service or product type, wages, skill level of the work and the visibility of the provider.

To undertake the risk assessment, Empresa meets and has regular dialogue with employees, trade unions, workers in factories, labour providers, contractors, NGOs, industry bodies and independent experts. Empresa representatives also go out on a mix of announced and unannounced visits to the farming communities from which its agricultural products are sourced. There are dedicated Responsible Sourcing Managers who conduct these assessments across all key sourcing countries, and in some situations they engage an auditor to conduct an independent social audit.



## Criterion Five

Describe how the reporting organisation assesses the effectiveness of actions being taken to assess and address modern slavery risks.

### *Effectiveness*

In your statement you must describe how your business assesses the effectiveness of the actions you are taking to assess and address the risks of modern slavery practices in your operations and supply chains.

If your business owns or controls any other businesses, you also need to describe how the business is assessing the effectiveness of the actions these businesses are taking.

You only need to explain how you assess the effectiveness of your actions. You do not need to certify that your actions are effective.

This means that you need to explain what your business is doing to check whether your actions to **assess** and **address** modern slavery risks are working.

In responding to this statement, you may consider the following:

- Has human rights due diligence become part of your organisational culture?
- What evidence can you see that the senior management in your business is taking seriously the need to address modern slavery?
- How do you know your actions are making a difference?

There are a range of ways that you can demonstrate how you assess the effectiveness of your organisation's actions. For instance:

- **Establish a process to regularly review the actions you have taken.** For example, you could set up an annual senior management review of your organisation's response to modern slavery.
- **Regularly check your risk assessment processes** to ensure they remain up to date. For example, if your organisation commences operations in a high-risk country or region, it is important that you identify and assess any new risks that may result.
- Set up a **process for regular engagement and feedback** between key areas of your organisation (such as sourcing, human resources and legal), as well as with any entities you own or control.
- **Conduct internal audits or monitor specific steps** you have taken to assess and address modern slavery risks. For example, you could audit your prequalification checks for suppliers to determine if mitigation measures have been consistently actioned. You should ensure that employees in your business, or workers in your supply chain, are involved in this process.
- **Track the actions you have taken and measure their impact.** For example, you could track the number of actions that have been implemented to deadline, the number of high-risk suppliers or investees engaged, and levels of awareness among staff.
- **Work with suppliers** to check how they are progressing any actions they have put in place to address modern slavery risks.
- **Consider any trends in cases reported through grievance mechanisms** and how these cases were handled.
- **Partner with an industry group, external auditor or trusted NGO** to undertake an independent review of your actions, with input from workers in your supply chain, or a local union or NGO representatives.

## DO YOU NEED MODERN SLAVERY KEY PERFORMANCE INDICATORS (KPIs)?



It is important that you assess the effectiveness of your business's actions in both qualitative and quantitative ways.

One way you can assess the quantitative impact of your actions over time is by developing KPIs.

These could include:

- the number of modern slavery training and awareness raising programs delivered
- the proportion or number of complaints resolved by a grievance mechanism
- the number of contracts that include modern slavery clauses
- the number of actions taken with suppliers to improve their response to modern slavery risks
- the number of cases of modern slavery identified and remediated.

Using KPIs in this way can be helpful. However, you should make sure you also continue to use a range of other methods to assess the effectiveness of your actions.

## CASE STUDY

### Assessing the effectiveness of your actions



Sky Tees is a Sydney-based clothing company. Most of its suppliers are located overseas, so Sky Tees has implemented a range of measures to check whether the actions it is taking are effective and its suppliers are complying with its code of conduct. Methods used by Sky Tees include:

- interviewing foreign workers in their native languages, with assistance from a trusted local NGO or union to ensure worker safety and confidentiality is maintained
- interviewing labour agents, asking about labour hire processes and recruitment fees
- reviewing site CCTV footage and documents
- encouraging staff of all levels (from senior management to junior workers) to visit sites, talk informally to workers and report any concerns
- engaging a third-party organisation with strong local connections to check processes agreed with suppliers are being upheld.

**Note:** Engaging directly with workers in your supply chain can be an important way for you to understand the true effectiveness of your actions to combat modern slavery. It is important that workers have an opportunity to be involved in the evaluation process. In these situations, it is critical that you consider the confidentiality and safety of workers. There may be situations where it is not safe for you to speak to workers about their experience as it may place them at risk of reprisal.

## Criterion Six

Describe the process of consultation:

- (i) with any entities that the organisation owns or controls, and
- (ii) in the case of organisations jointly preparing a statement under clause 6 - between those organisations.

### *Consultation*

Your statement should include a description of how your business has consulted on its statement with any businesses you own or control.

You do not need to respond to this criterion if you do not own or control any other businesses.

If you are preparing a joint statement, you will also need to describe how the business giving the statement consulted with each business covered by the statement. [Chapter 7](#) explains how to prepare a joint statement.

It is up to you to decide how best to consult with these businesses. You are also able to decide at what level this consultation should occur.

The level of consultation you undertake should reflect your relationship with the other business and the risk profile of that business. Your consultation should be sufficient to ensure that the modern slavery risks relating to the other business have been appropriately identified, assessed and addressed and that the other business is aware of what actions it needs to take.

For example, you may own several businesses that operate in different sectors and so need to respond to modern slavery risks in different ways. In this case, your statement should demonstrate that there is meaningful and ongoing dialogue between each business. This could include regular meetings between each business's sustainability or procurement teams and/or briefings for the boards of the other businesses.

## Criterion Seven

Include any other information that the organisation considers relevant

### *Other information*

You may choose to include in your statement any other information that you think is relevant but that is not covered by the other six mandatory criteria.

You do not need to include information for this criterion if you consider your responses to the other six criteria are sufficient.

Any information you include should be connected in some way to how your business is responding to modern slavery. For example, you could provide information about:

- whether your business has participated in external forums on modern slavery to help improve awareness in the business community
- how your business has partnered with a civil society organisation, union or industry body or participated in international or multilateral fora
- how your business contributed to addressing the root causes or structural factors that contribute to modern slavery, such as poverty, forced migration and education
- how your business has supported the development of legislation on modern slavery in another country
- if you reported on a situation of modern slavery in a previous statement, any updates on how the situation has been addressed.



## 06

## How do I approve and publish a statement?

Your modern slavery statement must:

- be approved by the principal governing body of the organisation, and
- be signed by a responsible member of the organisation, and
- be made public by lodging the statement with the Anti-Slavery Commissioner for publication on the statement register.



### How to get your statement approved

It is important that senior management leads your organisation's response to modern slavery and is accountable for the actions your organisation takes. You must ensure that your statement is approved by the principal governing body for your organisation.

The principal governing body is the group of members of the organisation that is responsible for its governance. For most businesses, this will be the board of directors. If your organisation is a trust, the principal governing body will be the board of trustees.

Your statement must clearly state that it has met this requirement for approval. This means that your statement must:

- say that it has been approved by the principal governing body for the reporting organisation
- name that governing body, and

- specify the date that governing body approved the statement.

You cannot delegate this approval process to a subcommittee or to another body.

You should also ensure that your statement is approved by the board as a standalone document and not as part of a larger document, such as a sustainability report.



### How to get your statement signed

Once your statement is approved, you must also ensure it is signed by a responsible member of the principal governing body. For most organisations, this means a director on the board of your organisation.

This signature can be done electronically and must be clear and easy to find in your statement. You should also ensure that your statement specifies the name and position of the signatory next to the signature.

You can choose which responsible member signs your statement, but it is best practice for the head of the principal governing body to sign it (for example, the chair of the board or the Chief Executive, if they are a member of the board).

If you are preparing a joint statement you should read Chapter 7 to learn more about the specific requirements for approving and signing a joint statement.



## How to publish your statement

Once your statement is approved, you need to lodge it with the Anti-Slavery Commissioner.

The Anti-Slavery Commissioner is developing the process for businesses to lodge their statement and will make this available before the first statements are due. See [nsw.gov.au/modernslavery](http://nsw.gov.au/modernslavery) for updates.

All statements will be published on a central online public register by the Anti-Slavery Commissioner.

You can also choose to publish your statement in other ways, including on your website or in your annual report. This can be a way to demonstrate your organisation's leadership on modern slavery and encourage a 'race to the top' to improve workplace practices among your peers. It can also be a way to promote and share best practice between organisations.



## How to revise your statement

In exceptional circumstances, you may need to revise your modern slavery statement. This will usually only be necessary if it is incomplete or does not satisfy the mandatory criteria.

You can revise your modern slavery statement at any time. If you think you need to revise your statement you should advise the Anti-slavery Commissioner as soon as possible.

You can revise your statement by providing an updated copy to the Modern Slavery Team and requesting that it be uploaded to the register. [Chapter 8](#) explains how to contact the Modern Slavery Team.

The revised statement needs to clearly indicate the date of the revision, explain what changes have been made and outline the reasons for these changes. For example, you could add a short note to the front page of the statement that explains the reason for the revision.

You also need to ensure that your revised statement has been re-approved by the principal governing body of your organisation and signed by a responsible member of your organisation.

## 07

## Can I prepare a joint statement?

Your business may choose to prepare a joint modern slavery statement. Joint statements ensure your business has flexibility to report in the way that is most appropriate for its circumstances.

A joint statement is a modern slavery statement submitted on behalf of two or more organisations, where at least one is a commercial organisation and required to report under the NSW Act (see Chapter 2).

The organisation that submits the joint statement may or may not be a reporting commercial organisation (required to submit a statement under the NSW Act) – for instance, a foreign parent that does not trade or have employees in NSW, but has two subsidiaries that do, each of which is a ‘commercial organisation’ under the NSW Act. In this case, the foreign parent may decide to prepare one joint report for both itself and its subsidiaries.

Joint statements may be used to report on several related organisations (such as subsidiaries, organisations with close commercial ties or a legal relationship, or organisations using the same policies and systems).

A joint statement must:

- meet the mandatory criteria (explained in Chapter 5), and
- be in a form approved by the Commissioner (but no form is currently prescribed), and

- be prepared in consultation with each organisation covered by the statement, and
- be approved and signed as outlined in Figure 7.1.

### How to prepare a joint statement

**Carefully consider whether a joint statement is appropriate in your situation.** For example, investors and consumers may expect a reporting organisation that has a strong public identity and brand to provide a separate statement.

**Address all the mandatory criteria for every reporting organisation covered by the statement.**

This does not mean that you need to respond to each criterion separately for each organisation. However, your statement should clearly show how your responses to each criterion address each reporting organisation.

**Consult with each reporting organisation covered by your statement.**

The level of consultation you undertake with each reporting organisation should reflect your relationship with that organisation and the risk profile of that organisation. At a minimum, you should ensure that the reporting organisation's senior management is aware of the content of your statement.

**Ensure you have the correct approvals.** There are three options for approving your joint modern slavery statement:

**FIGURE 7.1 STATEMENT APPROVAL AND SIGNING PROCESS**

Your statement is approved by the principal governing body of **each organisation** covered by your statement. You must also have a responsible member of each of these organisations sign the statement.

OR

Your statement is approved by the principal governing body of the **higher organisation** on behalf of each of the organisations covered by your statement. A responsible member of the higher organisation must sign the statement.

OR

Your statement is approved by at least one of the organisations covered by the statement. If you choose this option, your statement must still be signed by a **responsible member of each commercial organisation covered by the statement.**

We recommend the first option for approving a joint statement. This shows that each organisation has meaningfully engaged in the statement process. It also sends a clear message to the principal governing bodies that these organisations are committed to addressing modern slavery.

## 08

## How can the Anti-Slavery Commissioner help me?

### What is the role of the Anti-Slavery Commissioner?

The *NSW Modern Slavery Act 2018* established the position of the NSW Anti-Slavery Commissioner. The Commissioner's functions include:

- advocating for and promoting action to combat modern slavery
- identifying and providing assistance and support for victims of modern slavery
- making recommendations and providing information, advice, education and training about action to prevent, detect, investigate and prosecute offences involving modern slavery
- cooperating with or working jointly with government and non-government organisations and persons to combat modern slavery and support victims of modern slavery
- monitoring reporting that concerns risks of modern slavery occurring in supply chains of government agencies and commercial organisations
- monitoring the effectiveness of legislation and governmental policies and action in combating modern slavery
- raising community awareness of modern slavery.

The Commissioner is supported by the Modern Slavery Team in the NSW Department of Premier and Cabinet.

### How can the Anti-Slavery Commissioner support me?

#### THE TEAM CAN:

- help you understand the reporting requirement and what you need to do to comply
- provide general advice about best practice responses to modern slavery
- help you collaborate with other organisations
- provide you with contacts or links to resources where available

#### THE TEAM CANNOT:

- give you legal advice
- write all or parts of your statement
- prepare training materials or information specifically for use by your organisation
- provide detailed advice on actions you plan to take to address modern slavery, such as developing a grievance mechanism
- provide detailed advice about modern slavery risks in specific countries or sectors

### Contact the Anti-Slavery Commissioner

You can contact the Commissioner by email at [anti.slavery@dpc.nsw.gov.au](mailto:anti.slavery@dpc.nsw.gov.au)

You can also visit [nsw.gov.au/modernslavery](http://nsw.gov.au/modernslavery) for more information on the role and functions of the Commissioner.



# APPENDIX A

## What is modern slavery?

Modern slavery is a serious violation of an individual's dignity and human rights. The term describes situations where coercion, threats or deception are used to exploit victims and undermine their freedom.

Modern slavery describes the most serious forms of exploitation in global supply chains and can result in the products of forced labour being imported into Australia. While substandard working conditions and underpayment of wages are illegal in Australia, they are civil breaches of law and usually not criminal conduct. In some situations, underpayment of wages and poor working conditions may be indicators of more serious criminal exploitation and modern slavery in the workplace. You can find out more about employee entitlements and fair work practices for Australian workers from the Fair Work Ombudsman.

Modern slavery is defined in section 5 of the *Modern Slavery Act 2018 (NSW)*. Modern slavery covers a number of specific crimes in the *NSW Crimes Act 1900* and the Commonwealth Criminal Code. It includes slavery or slavery-like conditions, servitude including sexual servitude, forced labour, debt bondage, human trafficking, deceptive recruiting for labour or services, child abuse including child pornography, forced child labour and forced marriage. These offences are listed in Table A.1.

In learning to assess risks of modern slavery, you should familiarise yourself with these indicators and the industry, product, geographic and organisational risks outlined in Chapter 5. You are not required to assess whether the conduct amounts to a criminal offence.

### MODERN SLAVERY CAN BE HARD TO IDENTIFY

**There are signs that might indicate a person is in a situation of modern slavery and that further investigation is needed. These include noticing that a person:**

- is living at their workplace
- is underpaid or not paid at all
- is required to work excessive hours
- is confined or isolated in the workplace, or only leaves at odd times
- is guarded at work or in their accommodation
- is managed by an intermediary or third party who 'holds' or 'invests' their money for them
- is subject to different working conditions than other workers
- is unable to terminate their employment at any time
- appears to be servicing a debt to an employer or a third party (such as a recruitment agent)
- appears to be subjected to, or threatened with, violence in connection with their employment
- appears to have false travel or personal documents and/or is not allowed to access their personal documents
- appears to have been deceived about the conditions of their employment
- is not provided with contracts in a language and format that they can easily understand
- is not able to understand the terms and conditions of their employment
- is not provided with any protective equipment for, training on or means to refuse participating in dangerous work practices
- does not have permission to work because they are from another country or appears to be working in breach of visa requirements.

FIGURE A.1 EXAMPLES OF MODERN SLAVERY

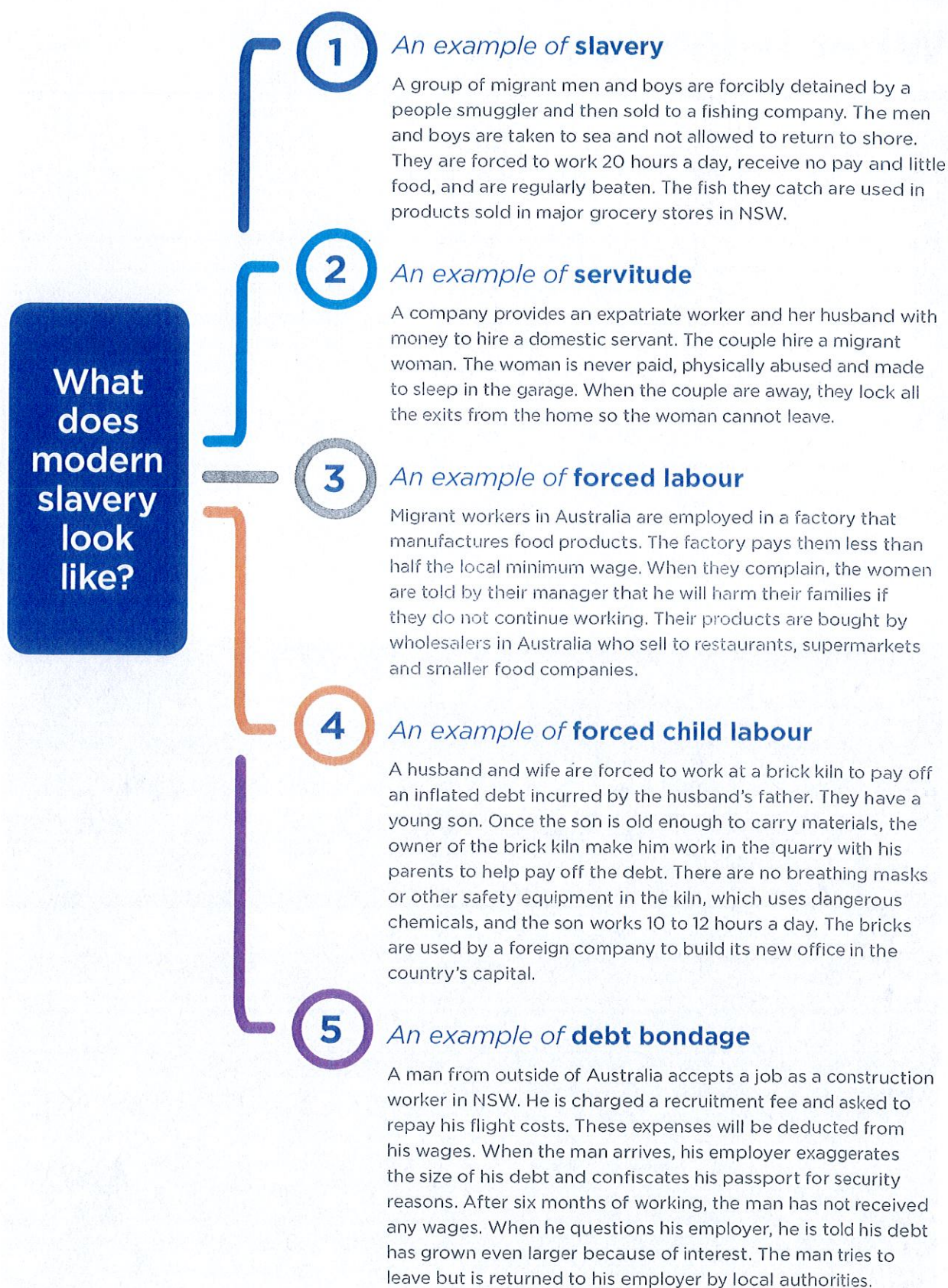




TABLE A.1 MODERN SLAVERY OFFENCES

<b>Crimes Act 1900</b>	
<b>80D</b>	Causing sexual servitude
<b>80E</b>	Conduct of business involving sexual servitude
<b>91G(1) (2)</b>	Children not to be used for production of child abuse material
<b>91G(3)</b>	Aggravated offence of using children for production of child abuse material
<b>91H</b>	Production, dissemination or possession of child abuse material
<b>91HAA</b>	Administering a digital platform used to deal with child abuse material
<b>93AA-93AC</b>	Slavery and slavery-like offences
<b>Human Tissue Act 1983</b>	
<b>32</b>	Trading in human tissue prohibited
<b>Commonwealth Criminal Code</b>	
<b>270.3</b>	Slavery offences
<b>270.5</b>	Servitude offences
<b>270.6A</b>	Forced labour offences
<b>270.7</b>	Deceptive recruiting for labour or services
<b>270.7C</b>	Offence of debt bondage
<b>270.7B</b>	Forced marriage
<b>270.8</b>	Slavery-like offences - aggravated offences
<b>271.2 &amp; 271.3</b>	Offence of trafficking in persons, and aggravated offence
<b>271.4</b>	Offence of trafficking in children
<b>271.5 &amp; 271.6</b>	Offence of domestic trafficking in persons, and aggravated offence
<b>271.7</b>	Offence of domestic trafficking in children

# APPENDIX B

## The business case for taking action

### The moral case

#### Building a better world



#### Impact on victims

Modern slavery is one of the worst human rights abuses. It has a severe impact on victims, often resulting in long-lasting physical, emotional and psychological trauma. Addressing modern slavery helps to **restore the human dignity** of its victims.

Australian businesses have a key role to play, as it is the inadvertent demand for goods and services produced by modern slavery that continues to fuel the practice across the world.



#### Stakeholder expectations

The UN Guiding Principles on Business and Human Rights is the international standard that investors, business peers, boards, employees, consumers, civil society and governments expect businesses to uphold.

Ignoring business impacts on human rights is wrong and **stakeholders everywhere are moving their support** to businesses doing the right thing and leading the way to a better future.

### The viability case

#### The changing operating environment



#### Future trends

The world is moving towards socially and environmentally conscious ways of doing business. Businesses leading the way are the ones with a **competitive advantage and head start** of several years in the sustainable transformations of the future.

Businesses not making the shift risk being stranded in an outdated business model and are facing mounting reputational, legal and commercial risks.



#### Sustainability

Businesses are embedded in an ecosystem of communities, workers and stakeholders who want business prosperity to be built on decent work and positive impact rather than exploitation. Ignoring human rights supply chain impacts undermines stakeholder support and a business' social licence to operate. Moving to sustainable models ensures a **prosperous world to continue doing business in**.

## The commercial case

### Driving business opportunities



#### Innovation and performance

Growing evidence shows good environmental, social and governance performance delivers **significantly better financial performance** and attracts more investment.

Sustainable businesses are able to access more financing opportunities, better able to survive crises and more driven to innovate, leading to large efficiency gains. It is estimated sustainable models could open up over US\$12 trillion in market opportunities.



#### Customer loyalty

Sustainable companies are increasing their market share given customers, especially younger generations, are increasingly demanding social responsibility from businesses. Studies show revenues from sustainable products and services grow faster, overall sales revenue increases from sustainability practices, and sustainability significantly **improves customers' evaluation of a company and purchasing intent**.



#### Talent

Sustainable businesses attract and retain the best talent. Embedding sustainability enhances staff satisfaction and reduces turnover and replacement costs. Studies show sustainable companies have **significantly better morale, employee loyalty and productivity**. This trend is only amplifying, as Gen Y is the most environmentally and socially aware generation yet and will account for the majority of the workforce within a decade.

# APPENDIX C

## How can you work with your suppliers?

You will need to work closely with your suppliers to assess and address your organisation's modern slavery risks. This framework will help you engage constructively with your suppliers.



### Build meaningful partnerships with your suppliers

- Provide **support for your suppliers** to improve their response to modern slavery, including providing training and raising awareness.
- **Avoid outsourcing compliance** to your suppliers. Remember, you share responsibility for assessing and addressing modern slavery risks.
- Clearly **communicate your expectations** to ensure your suppliers understand what actions you want them to take and how they can engage with you.
- Recognise your suppliers may need to respond to requests from multiple reporting entities, and where possible, consider options to **reduce the compliance burden** for your suppliers. For example, you could agree to mutual recognition of audits so that your supplier does not need to undergo multiple modern slavery audits.
- Consider how you can **use existing supplier engagement processes**, such as when engaging with suppliers to assess workplace health and safety standards. You may be able to adjust these existing processes to also address modern slavery.
- Ensure any 'zero tolerance' policies **focus on zero tolerance for inaction, not cases**. Your suppliers may be reluctant to raise issues with you if they believe this may lead to the immediate termination of the business relationship under a 'zero tolerance' policy.



### Ensure your engagement with suppliers is risk based

- Try to **avoid blanket approaches** and take a **risk-based approach** that prioritises high-risk suppliers. For example, a lower-risk supplier may not need to undergo the same audit processes as a supplier in a high-risk sector. Remember that modern slavery risks need to be understood in terms of 'risk to people' rather than risk to your organisation or to a supplier.



### Recognise the leverage that you and your suppliers have to influence change.

- Consider how your organisation may be **contributing to suppliers' modern slavery risks**. In some cases, your purchasing practices may be increasing your suppliers' modern slavery risks. For example, you may require suppliers to meet unrealistic pricing and deadlines.
- Encourage suppliers to **respond to modern slavery risks in a way that is appropriate** to their circumstances, including their size, risk profile and leverage with their sub-suppliers. The size and capacity of your suppliers does not change their responsibility to assess and address their modern slavery risks, but will affect how they do this. For example, smaller suppliers with financial and resource constraints may need to prioritise the order in which they respond to risks.
- Identify and **engage with suppliers that operate at 'control points'** in your supply chains, as they will often have particular leverage and visibility over activities further down the supply chain.

## CASE STUDY

### Working with suppliers



Grocery Circuit is an independent Australian supermarket chain. It requires suppliers to develop tailored sustainable trade strategies that include an assessment of supply chains for modern slavery and other human rights risks, and corresponding action plans. Throughout this process, Grocery Circuit engages with the suppliers to provide support. This includes regular meetings on responsible sourcing of labour and products with key grocery suppliers. Grocery Circuit has also established supplier forums for high-risk products such as fresh produce, and meat, fish and poultry. The meetings and forums allow suppliers to share experiences and learn from good practices. Grocery Circuit also conducted capacity-building workshops with all first and second-tier suppliers in high-risk countries. Refresher training is planned for next year.

# APPENDIX D

## How do I respond to a case of modern slavery?

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As you work to assess and address your organisation's modern slavery risks, you may identify suspected situations of modern slavery in your operations or supply chains.

You will be able to respond more effectively if your organisation has a pre-agreed process or policy in place to guide your actions. You may also be able to respond more effectively if you are able to engage directly with key stakeholders who understand the local operating context, such as NGOs, other civil society groups, and workers and their representatives. Building trusted relationships with these stakeholders in advance can help ensure you are able to respond appropriately if modern slavery is identified.

### **Address the harm caused.**

If your organisation has caused or contributed to the exploitation, you should provide for, or cooperate in, the remediation of that harm. If you are directly linked to the exploitation by a business relationship, you should use your leverage to work with the organisation that caused the harm to prevent or mitigate its recurrence.

### **Do not attempt to resolve the situation by yourself.**

Trying to deal with the situation without support from other areas of your organisation, governments or trusted partners may lead to further harm to the victim or victims.

### **Ensure your actions are always in the best interests of the suspected victim or victims.**

This means you should take steps to prevent further harm and achieve the best possible outcome for the victim or victims. For example, immediately removing workers from an exploitative situation without appropriate support may have unintended consequences, including re-exploitation, blacklisting by employers and/or violence from creditors. In Australia, it is good practice to refer any suspected victim of modern slavery to an organisation that can provide independent legal advice.

### **Consider if further action is required to verify if modern slavery is occurring.**

For example, if allegations of modern slavery are made through unsubstantiated media reporting, you may need to confirm these reports are correct. You should ensure any actions you take do not alert the suspected offenders or have any unintended consequences for the affected worker.

### **Consider whether and how to involve law enforcement.**

Modern slavery involves serious crimes and severe harm to victims. In Australia, you should report any suspected situations of modern slavery to the Australian Federal Police (you can do so anonymously). This will ensure the situation is properly investigated, any victims are identified and protected, and that the perpetrators are held to account. You can contact the Australian Federal Police on 131 237.

### **Respond in a way that is appropriate to the circumstances.**

Every situation of modern slavery will be different, and it is important you respond in the most appropriate way. For example, your response will vary depending on whether the affected organisation was aware that modern slavery was occurring in part of its operations and supply chains.

### **Recognise that you may not be aware of all the victims involved or the extent of the exploitation.**

You should be careful that any actions you take do not have unintended consequences for other victims you are not aware of.

**Carefully consider the consequences of ending your relationship with the affected organisation.**

If the situation of modern slavery has occurred in the operations of one of your suppliers or other business partners, you should usually avoid immediately ending the business relationship. Generally, you should only consider ending the relationship if the affected organisation refuses to address the issue and there is no real prospect of change. Ending the relationship may have unintended consequences - for example, negative flow-on impacts for other workers in the supply chain who may be unable to access income and be at risk of further exploitation.

**Consider opportunities to collaborate with international and local organisations or civil society groups.**

These organisations may be able to assist you by providing an 'on the ground' perspective and advice about the most appropriate way to respond in a given location or context.

## CASE STUDY

### Responding to a case of modern slavery



Mermont is a wholesaler of technology products and equipment. It distributes equipment including printers and computers to companies across Australia. A recent modern slavery assessment led it to suspect potential cases of modern slavery at the regionally located industrial plant producing silicon for the computers it sells. Mermont partnered with the industry peak body to commission a study into the conditions. Research was undertaken by an Australian university and confirmed the exploitation of workers, including gross underpayment, lack of contracts, excessive hours, and health and safety violations.

In response to this, Mermont worked with its industry peak body to set up a working group of concerned companies, NGOs and unions. This working group liaised with local partners including government agencies, silicon industry bodies, local councils and trade unions. The working group developed a program to improve labour standards in supplier factories, together with forensic auditing and a worker's helpline. The working group is also establishing stronger partnerships with a consolidated base of suppliers and has referred specific cases to local police for investigation.

# APPENDIX E

## How can I collaborate with civil society organisations?

Collaboration with non-government organisations, workers and their representatives can be an important way to strengthen your organisation's response to modern slavery. It can help you to:

- **better understand issues 'on the ground'** where you may not have visibility
- **verify what is happening in your operations and supply chains** by providing access to the views of workers and vulnerable groups
- **access expertise on key issues** such as child protection, and country or sector-specific risks
- **check if your response to modern slavery is working** by providing a 'critical friend' who can impartially review and assess your actions
- **identify actual, or potential, risks of harm as part of your ongoing due diligence processes** and develop effective and context-appropriate responses
- **provide information about what constitutes an appropriate remedy** in a particular context
- **raise awareness about the risks and potential remedies** within your own organisation, your suppliers or other business partners.

Civil society organisations are often diverse and can vary widely in their expertise. It is important that any organisations you engage with are reputable and have expertise on modern slavery. Consider:

- Is the organisation **well established with a track record of engaging productively** with governments, other businesses and/or industry organisations? Is it affiliated with credible international networks or bodies?
- Does the organisation **have genuine expertise on modern slavery**? What experience does its staff have? Has the organisation published information or articles in well-regarded media and/or participated in key fora?
- Is the organisation **willing to genuinely partner with you to create long-term change** or is it advocating simplistic 'quick fix' solutions or trying to sell you a product or system to 'improve' your response?

### CASE STUDY

#### Collaborating with civil society



Leafy Goods is a wholesaler of forestry products. It partners with local labour NGOs in its supplier countries to address modern slavery and human rights risks in its supply chain. The NGOs manage a hotline system on behalf of Leafy Goods, receive worker complaints and report key issues back. Key stakeholders, such as government agencies and civil society, are consulted as necessary during investigations into complaints. The NGOs also offer counselling to workers and educate them about their rights. In addition, Leafy Goods collaborates with a sustainability forum run by the United Nations Food and Agriculture Organization and commits to paying living wages by ordering directly from suppliers at 5 per cent above the Fairtrade Minimum Price. Leafy Goods also continues to work with the UN Food and Agriculture Organization to ensure workers benefit from the higher price.



# APPENDIX F

## Checklist for preparing a modern slavery statement

Requirement	Questions to consider
<b>Requirement to prepare a statement</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Is your organisation a commercial organisation?</li> <li><input type="checkbox"/> Does your organisation have at least one employee in NSW?</li> <li><input type="checkbox"/> Does your organisation employ 20 or more people, regardless of where the employees are based?</li> <li><input type="checkbox"/> Is the total annual turnover of your organisation no less than AU\$50 million and no more than AU\$100 million?</li> <li><input type="checkbox"/> Are you a subsidiary of a parent reporting entity under the Commonwealth Act? If so, have you notified the NSW Anti-Slavery Commissioner and provided a copy of your statement?</li> <li><input type="checkbox"/> If you are otherwise required to report under the NSW Act, but you choose to voluntarily report to the Commonwealth, have you notified the NSW Anti-Slavery Commissioner and provided a copy of your statement?</li> </ul>
<b>The reporting period</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Does your statement cover only specific actions you have taken in the most recent financial year of your organisation?</li> </ul>
<b>Mandatory criteria 1</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Have you clearly identified which organisation is covered by your statement (for example, by setting out the name and logo of your organisation)?</li> </ul>
<b>Mandatory criteria 2</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Have you described the structure, operations and supply chain of your organisation?</li> </ul>
<b>Mandatory criteria 3</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Have you mapped out the operations and supply chain structure of your organisation?</li> <li><input type="checkbox"/> Have you identified which of the sectors, types of products and services, countries and organisations in your supply chain may involve high risks of modern slavery?</li> <li><input type="checkbox"/> Have you identified the parts of your operations (including any investment or financial lending portfolios) or supply chains that you do not have visibility over? Have you considered if they may involve modern slavery risks?</li> <li><input type="checkbox"/> Have you identified your organisation's relationship to those risks (cause, contribute or directly linked)?</li> <li><input type="checkbox"/> Have you identified where risks are more likely (for example, in which products and services)?</li> <li><input type="checkbox"/> Have you described in your statement what types of risks of modern slavery practices may be present in your organisation's operations and supply chains?</li> </ul>

Requirement	Questions to consider
<b>Mandatory criteria 4</b>	<input type="checkbox"/> Have you assessed and prioritised which risks you are responding to first? <input type="checkbox"/> Have you updated your policies and procedures? <input type="checkbox"/> Have you engaged with suppliers to manage risk? <input type="checkbox"/> Have you described what due diligence measures (to identify, prevent, reduce and account for modern slavery) your organisation is taking? <input type="checkbox"/> Have you described what remediation processes (to 'make good' negative impacts on victims of modern slavery) your organisation is taking?
<b>Mandatory criteria 5</b>	<input type="checkbox"/> Have you described how your organisations is measuring the effectiveness of actions you are taking to <b>assess</b> modern slavery? <input type="checkbox"/> Have you described how your organisations is measuring the effectiveness of actions you are taking to <b>address</b> modern slavery?
<b>Mandatory criteria 6</b>	<input type="checkbox"/> If your organisation owns or controls other entities, have you described how your organisation has consulted with organisations it owns or controls, or other organisations covered by a joint statement? <input type="checkbox"/> Are the other organisations aware of the actions they need to take to address modern slavery?
<b>Mandatory criteria 7</b>	<input type="checkbox"/> Have you included any other information relevant to your organisation's actions to address modern slavery?
<b>Approving and signing a statement</b>	<input type="checkbox"/> Has your statement been approved by your organisation's governing body? <input type="checkbox"/> Does your statement say it has been approved, name the governing body and specify the date of the approval? <input type="checkbox"/> Has your statement been signed by a responsible member (usually a member of the governing body)? <input type="checkbox"/> Is the signature, including the name and position of the signatory, clear and easy to find in the statement?
<b>Joint modern slavery statements</b>	<input type="checkbox"/> Is at least one of the organisations covered by the joint statement required to report under the NSW Act? <input type="checkbox"/> Does the statement meet all the mandatory criteria? <input type="checkbox"/> Has the statement been prepared in consultation with each organisation covered by the statement? <input type="checkbox"/> Has the statement been approved and signed by the appropriate governing body/bodies?
<b>Publishing your statement</b>	<input type="checkbox"/> Has your statement been lodged with the Commissioner within 6 months after the end of the latest reporting period?

# APPENDIX G

## Key contacts and helpful resources

The resources listed below can help you learn more about modern slavery and how to respond. The government is not responsible for the content of these resources and has not approved their content.

**TABLE G.1 INFORMATION ABOUT MODERN SLAVERY**

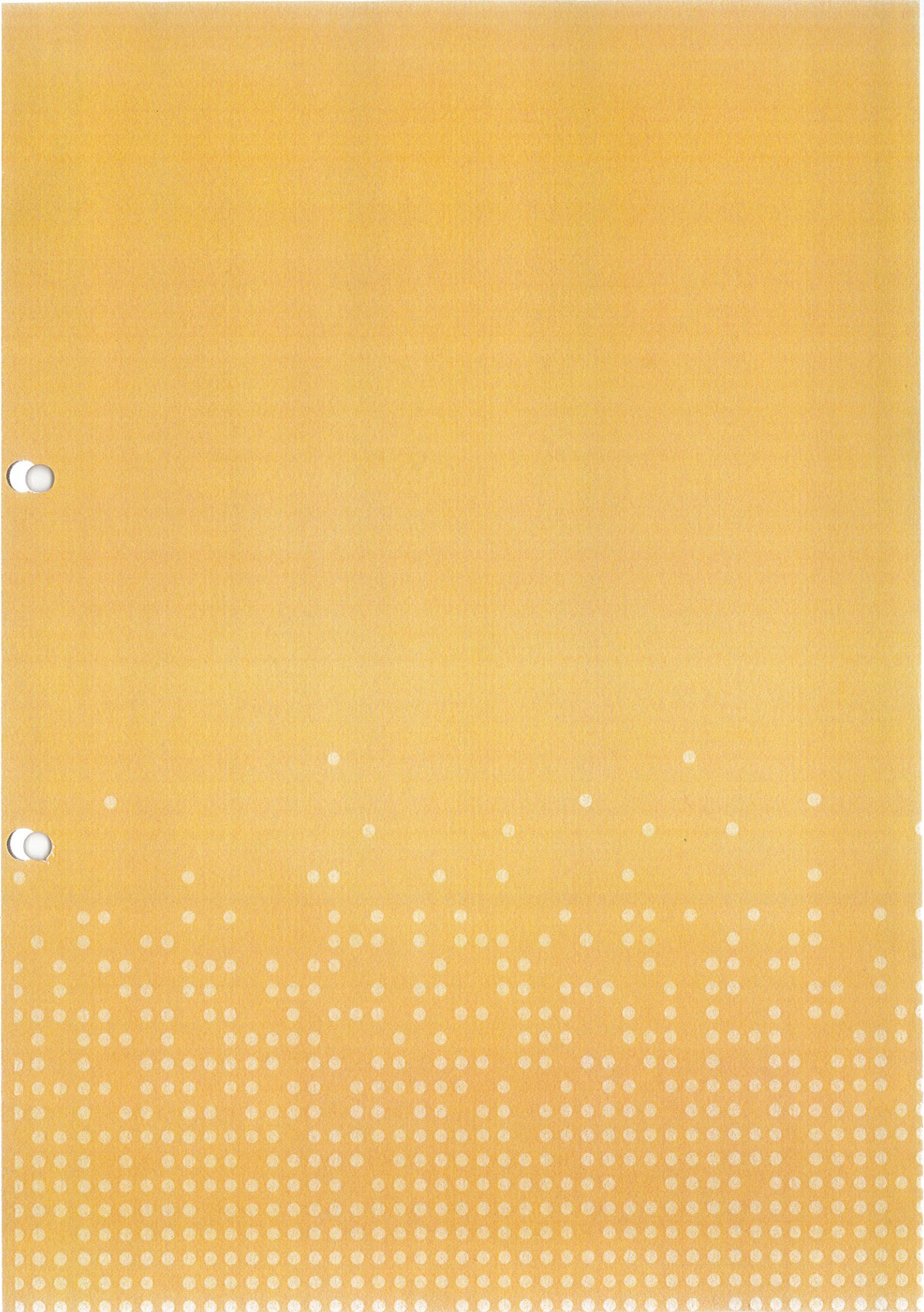
Title	Overview	Why should I read this?
2017 Global Estimates of Modern Slavery: Forced Labour and Forced Marriage	These estimates provide a detailed breakdown of the extent of modern slavery globally and by region. They were compiled by the International Labour Organization and the Walk Free Foundation, in partnership with the International Organization for Migration.	To learn more about the global prevalence of modern slavery
2018 Global Slavery Index	The Global Slavery Index is produced by the Walk Free Foundation. It provides a country-by-country estimate of people living in modern slavery.	To learn more about the country-level prevalence of modern slavery, how modern slavery impacts specific countries, and what governments are doing to respond
Trafficking in Persons Report	The US Government produces the annual <i>Trafficking in Persons Report</i> , which ranks the efforts of countries around the world to respond to trafficking in persons.	To learn more about what specific countries are doing to combat modern slavery
US Department of Labor's List of Goods Produced by Child Labor or Forced Labor	The US Government maintains a list of goods and their source countries, where it has reason to believe the goods are produced by child labour or forced labour	To identify and learn more about goods that may involve a high risk of modern slavery
Hidden in Plain Sight: Report of the 2017 Parliamentary Inquiry into establishing a Modern Slavery Act in Australia	The Australian Parliament's Joint Standing Committee on Foreign Affairs, Defence and Trade conducted a detailed inquiry into Australia's response to modern slavery in 2017.	To learn more about modern slavery in Australia
Human trafficking in New South Wales Report of the 2017 Parliamentary Inquiry into Human Trafficking in New South Wales	The NSW Parliament Select Committee on Human Trafficking in New South Wales conducted an inquiry into measures to address human trafficking in NSW.	To learn more about modern slavery in NSW
Business & Human Rights Resource Centre	The Business & Human Rights Resource Centre website provides a wide range of business and human rights resources.	To learn more about modern slavery and human rights issues, and identify helpful resources
Anti-Slavery Australia e-learning course	This online course includes important information about modern slavery.	To learn more about modern slavery in Australia

TABLE G.2 INFORMATION ABOUT RESPONDING TO MODERN SLAVERY

Title	Overview	Why should I read this?
UN Guiding Principles on Business and Human Rights	The UN Guiding Principles are the recognised global standard for preventing and addressing business-related human rights harm. The UN Human Rights Council endorsed the Guiding Principles in June 2011.	To learn more about your organisation's responsibility to respect human rights, which includes taking steps to prevent, mitigate and, where appropriate, remedy modern slavery
The Corporate Responsibility to Respect Human Rights: An Interpretive Guide	This guide was prepared by the Office of the UN High Commissioner for Human Rights and provides additional background explanation about the <i>UN Guiding Principles on Business and Human Rights</i> .	To understand the meaning and intent of the UN Guiding Principles and how to apply them to your organisation. This guide includes detailed discussion of key concepts such as leverage, remediation and due diligence
OECD Due Diligence Guidance for Responsible Business Conduct	<p>This guide was prepared by the Organisation for Economic Co-operation and Development (OECD) to support entities to implement the <i>OECD Guidelines for Multinational Enterprises</i>. It includes a detailed explanation of the role of due diligence in responsible business conduct.</p> <p>The Australian National Contact Point promotes this guidance in Australia and further advice is available at <a href="http://www.ausncp.gov.au">www.ausncp.gov.au</a></p>	To learn more about due diligence and how your organisation can implement appropriate due diligence processes
OECD sector-specific guidance about due diligence in key sectors and industries, including: the extractive sector, mineral supply chains, agricultural supply chains, garment supply chains, and the financial sector	This sectoral guidance has been prepared by the OECD to help entities identify and address risks to people, the environment and society associated with business operations, products or services in particular sectors.	To learn more about how your organisation can identify and address risks in specific sectors
Remediation Guide for Victims of Exploitation in Extended Mineral Supply Chains	This guide was prepared by the International Organization for Migration. It aims to provide concrete operational guidance for companies and their business partners about remediating adverse human rights impacts in their operations and supply chains.	To learn more about assisting and protecting victims of exploitation in global supply chains

Title	Overview	Why should I read this?
Guidance from the Australian Fair Work Ombudsman about monitoring and managing contract arrangements	The website for the Australian Fair Work Ombudsman includes a range of resources, including guidance about labour contracting and monitoring your labour contracting.	To learn more about monitoring and managing contracts
Guidelines for NGOs Working with Trafficked People	These guidelines reflect best practice in working with victims of human trafficking. It is an important resource for any organisation working with trafficked people.	To learn more about engaging with victims of modern slavery
Investor Toolkit: Human rights with a focus on supply chains	This toolkit is produced by the Responsible Investment Association Australasia. It aims to engage with investees about human rights risks in supply chains.	To learn more about engaging with investees about modern slavery risks
Modern Slavery Risks, Rights & Responsibilities: A Guide for Companies and Investors	This report was commissioned by the Australian Council of Superannuation Investors. It identifies high-risk factors and sectors, and includes practical checklists to diagnose companies' modern slavery readiness.	To learn more about developing responses to modern slavery
Supply Chain Sustainability School of Australia	The Supply Chain Sustainability School provides free e-learning and face-to-face training for construction and infrastructure suppliers, contractors and service providers.	To learn more about how to address modern slavery in the construction and infrastructure sector
Shift	Shift is an independent, non-profit centre for business and human rights practice. Its resource library includes educational material about the UN Guiding Principles, as well as information about key challenges and trends.	To identify key resources, help you prepare your statement and learn about issues like remediation





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