

PREVENTING MODERN SLAVERY

YOUR BUSINESS' LEGAL OBLIGATIONS

Preventing modern slavery does not just protect the vulnerable. It can protect the integrity and quality of your business' supply chains, as well as increase investor confidence, profitability and access to capital.

This factsheet explains what is modern slavery, whether your business needs to comply with modern slavery law, and how to do so.

WHAT IS MODERN SLAVERY?



Modern slavery includes 8 serious types of exploitation, including:

- trafficking people;
- slavery;
- servitude;
- forced marriage;
- forced labour;
- debt bondage;
- deceptive recruiting for labour services; and
- the worst forms of child labour.

Modern slavery does not include substandard working conditions or wage underpayment.

WHAT LAWS APPLY IN AUSTRALIA?



Federal law (Modern Slavery Act 2018) applies to Australian entities, which:

- conduct business in Australia; and
- have \$100m+ annual turnover in the reporting period (a financial year or another accounting period).

There are no financial penalties or strict enforcement. However, non-compliance risks include reputational damage and public criticism.

Entities earning less than \$100m can choose to report voluntarily.

New South Wales (NSW) also has legislation, the NSW Modern Slavery Act, which has not commenced.

WHAT IS AN ENTITY?



For reporting purposes, an entity includes:

- individuals;
- partnerships;
- associations; and
- legal entities such as companies, trusts, superannuation funds and other types of investment organisations.

This includes both commercial entities and not-for-profit entities, such as charities.

A MODERN SLAVERY STATEMENT



There are seven mandatory reporting requirements, including:

- identifying the reporting entity;
- describing the reporting entity's structure, operations and supply chains;
- the risks of modern slavery practices in the operations and supply chains;
- actions taken to assess and address these risks;
- how the reporting entity assesses the effectiveness of these actions;
- the consultation process with any entities the reporting entity owns or controls; and
- providing any other relevant information.

The statement must be approved and signed by the reporting entity's governing body and submitted annually.

HOW CAN I PREVENT MODERN SLAVERY IN MY BUSINESS?



1. Start by using the 7 mandatory reporting requirements and working backwards to ensure there is a framework in place to ensure compliance and mitigate risk.
2. Know your business and supply chains, including internal stakeholders and high-risk locations, industries, and product and service categories.
3. Implement tools for ongoing compliance, including:

Criterion	Tools for Compliance
Describe the reporting entity's structure, operations and supply chains.	Internal stakeholder business questionnaires
	Supplier risk mapping
The risks of modern slavery practices in the operations and supply chains	Conduct supplier due diligence and screening
	Undertake targeted supplier risk analysis
	Determine high risk areas
Actions taken to assess and address these risks	Contract clauses and warranties in supplier agreements
	Supplier code of conducts and audits
	Staff and supplier training
	Establish an internal reporting mechanism
	Establish an internal framework and implement a company anti-slavery policy
How the reporting entity assesses the effectiveness of these actions	Establish an internal review process of actions taken
	Determine Modern Slavery KPIs and benchmarks and track those KPIs
	Track engagement and actions taken across the business
	Work with suppliers to understand how to improve processes
	Engage with third parties to undertake an independent review