



Complying with the NSW Modern Slavery Act

Everything you need to know



What is Modern Day Slavery?

Modern Day Slavery includes the use of any form of slavery, servitude or forced labour to exploit children or other persons (NSW Modern Slavery Act 2018).

Modern Day Slavery is not always obvious and can occur across all levels of supply chain, in both developing and developed countries, whether an organisation is aware or not.

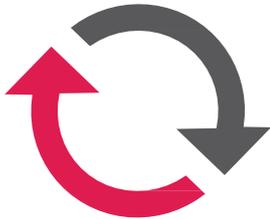


Introduction of the Modern Slavery Act 2018



As a result of the continued abundance of modern slavery all over the world, various countries began to implement action to tackle this issue. This year, NSW introduced the Modern Slavery Act. This requires organisations in Australia who have an annual turnover of at least \$50 Million, to prepare and publish a statement on the steps they have taken to ensure that there is no modern slavery in their business or in their supply chains (NSW Modern Slavery Act 2018).

Why has this change occurred?



It is estimated that 15,000 people suffer from Modern Day Slavery in Australia. Across the world, the number rises to over 45 million (antislavery.org). The objective of the act is to raise awareness, encourage collaborative action and combat modern slavery. This Act requires businesses that operate in Australia to outline the steps they are taking to ensure that its goods and services are not a product of supply chains in which Modern Day Slavery is taking place (NSW Modern Slavery Act 2018).

Does this apply to **your** business?

- If your business, or any part of your business is headquartered or have any part of their operations in Australia and
- If your business has an annual turnover of no less than \$50 Million

Just so you know...

If this does not apply to your business, volunteering to comply with the reporting standards increases transparency and encourages collaborative action against Modern Day Slavery in supply chains.

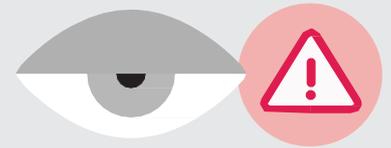
How to spot signs of modern slavery or human trafficking:

The Australian Federal Police outline the potential signs businesses should be aware of that may indicate modern slavery (please visit afp.gov.au for the full list): Workers....

- not having possession of their legal documents/no contract
- Works excessively long hours and have few, if any, days off
- being transported to work at unusual times or in groups
- having limited contact with their families/non-work friends
- not owning their own bank account
- having other people speak for them
- providing inconsistent information
- displaying a fear of authorities



Monitoring and mitigating risk



Legislation and Regulation

Certain countries, with less stringent regulations or enforcement laws for human rights - relating to recruitment processes, contract details, amount and delivery of wages, visa blocking or poor worker disclosure availability, carry a greater risk of modern slavery. Businesses should pay closer attention if elements of their supply chain are located in higher risk areas to ensure all employees are working in safe and comfortable conditions.



Industry Sector

The level of risk a worker may face is also dependent on the type of work they are involved in. Businesses should be aware of the risks which are present in their specific industries and implement appropriate policies to mitigate modern slavery issues. Those most at risk may be: contract workers, agricultural labourers, seasonal employees, factory or construction workers, housekeeping or hospitality staff.



Working Relationships

When creating joint ventures or onboarding new suppliers, it is important to seek complete transparency in the partner's operations, to ensure businesses aren't increasing risk in their own supply chain. Establishing supportive and communicative relationships with a mutual goal of preventing and eradicating forced labour risk is crucial.

What Sedex products can help you?

Sedex is home to one of the world's largest collaborative platforms for sharing responsible sourcing data on supply chains, used by more than 50,000 members in over 150 countries.



1 Forced Labour Indicator Reports:

Our Forced Labour Indicator Reports look at various indicators, both independently and in combination, to pinpoint where forced labour may be occurring in your supply chain.

2 Risk Assessment Tool:

Our Risk Assessment Tool provides an indication of the possible risks present in your supply chain, allowing you to prioritise resources and proactively manage your business.



3 Impact Assessment Tool:

Our Impact Assessment Tool allows Sedex members to measure and understand issues that are important to workers in their supply chain. The tool uses a survey to gather first hand feedback about working conditions from people working on their sites, helping to identify areas for improvement.

4 Supplier Workbook:

Our Supplier Workbook helps suppliers around the world understand what 'good practice' looks like when working towards the Ethical Trading Initiative (ETI) and other Code requirements.



Sedex can help you monitor your data and assist your business in tracking information on Forced Labour within your supply chain, contact us to find out more:



Call **+44(0)20 3893 8318**



Email modernslavery@sedexglobal.com

Since 2004, there have been more than 750 human trafficking and trafficking-related referrals to Australian authorities

(parliament.nsw.gov.au)



referrals of alleged human trafficking and slavery-related offences

Australian Federal Police Report 2015/16

An estimated **45.8 million** people living in modern slavery today

(Global Slavery Index)

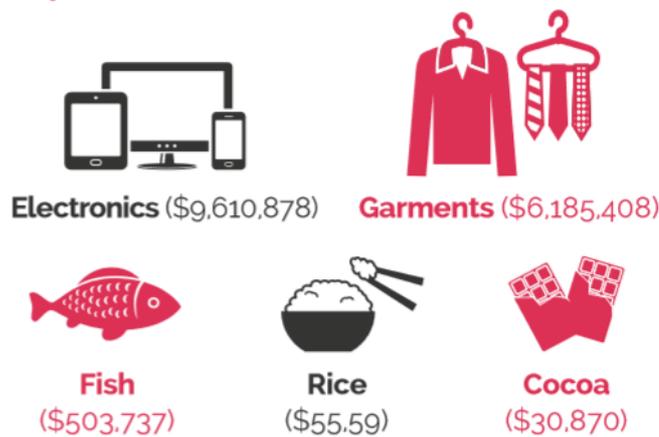


An estimated **15,000** potential victims of modern slavery are in Australia

(Global Slavery Index)



Top 5 imported products at risk of Modern Slavery (Australia) and their import value:



(Global Slavery Index)

Top industries at risk of forced labour



(Global Slavery Index)



Combat Modern Day Slavery

New legislation requires Australian businesses with a turnover of \$50 million+ to publish an annual statement on how they are combatting modern slavery.

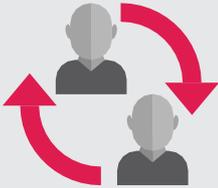
Sedex can help you identify and manage risks in your supply chain. Becoming a Sedex members will help you manage your ethical and social performance, helping to protect your business and the people who are part of it.

For more information please call +61 284172844



Actions your business can take

Contributing to eradicating modern slavery helps to protect vulnerable people. Businesses should want to improve the working conditions for employees across their business and supply chain, and in doing so, there can be several additional benefits to their business:



Publish your statement to enhance your business reputation by showing your customers, investors and suppliers that you care about how you operate and that you are committed to doing the right thing.



Encourage new customer loyalty and future retention. As customers become more aware of modern slavery issues, they are increasingly seeking products from companies that employ good governance and ethical consideration.



Protecting and rewarding your workers can help to improve employee satisfaction, which contributes to a happier, more productive workforce.



Producing a modern slavery and human trafficking statement lets you get to know your business better. Understanding your whole supply chain and seeking transparency will aid business governance, decision-making and strategy planning.

What happens if you don't comply?

If a business fails to publicly publish their an a statement in accordance with regulation or produces false and misleading information they may be penalised up to **\$1.1 Million**.



GOOD TO KNOW!

A business is only required to publish a statement for if they have an annual turnover of at least \$50 million.

Whilst a business is only required to publish a statement if they earn above a certain turnover, at Sedex, we encourage every business to opt into publishing a statement. By volunteering to write a Modern Day Slavery statement, you are demonstrating leadership in Australia's collaborative action to combat modern slavery. This helps illustrate that your business wants to publish a statement, rather than being required to do so by law. It also showcases good practice and a commitment to achieving transparency. Similarly, in the years where a company is on the threshold or just below the turnover, we highly recommend continuing to publish a statement, to help keep yourself on track and to act a leader in the sustainability industry.



What to include in your statement

There is no specific structure of a modern slavery statement. There is no right or wrong way to write the statement, and it can reflect the style and tone of your organisation, as long as the information provided is factually correct.

You may want to include:



The structure of your business - this includes information on: the due diligence process and remediation processes relating to modern slavery, key risk areas and steps taken to manage those risks, training practices on modern slavery available.



Those responsible for activities relating to eliminating human slavery.



The results of past interventions and policies.



Any previous successes the business may have had in combatting modern slavery and human trafficking – this can include projects which were developed later.

Organisations can also include past policies that have been used or ones that are in the process of being implemented. This should be a detailed analysis of the steps the business is taking and might specify the following;



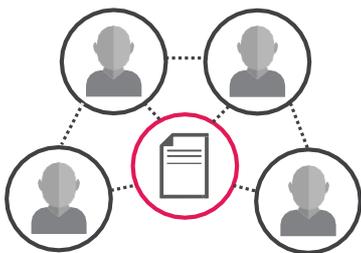
- membership to external bodies that help facilitate analysis and transparency
- minimum labour standards and wages
- training and education schemes or sponsorships

- increased monitoring and continuous reporting
- stricter rules and regulations
- increased frequency of external auditing
- general due diligence across the supply chain

- how the business reacts to evidence of modern slavery
- More stringent checks and questions during recruitment
- changing and tightening of employee and supplier contracts

Publishing your statement

The Act states that a business must make its modern slavery statement public. This person needs to ensure that the information given is factually correct, and reflects the business' honest activity.



The first statements are due on June 30th, 2020

Anti-Slavery Commissioner

An Anti-slavery commissioner will be appointed to encourage good practice in the prevention, detection, investigation and prosecution of slavery and human trafficking offences (aph.gov.au).

The commissioner will keep a public register that identifies any commercial organisation that has disclosed a modern slavery statement and whether the organisation has taken necessary steps to address any risk areas within their supply chain.