



MODERN SLAVERY ACT SUPPLEMENTARY GUIDANCE: SINGLE REPORTING ENTITY PRINCIPAL GOVERNING BODY APPROVAL

The Australian Border Force (ABF) has developed this supplementary guidance to clarify how entities should comply with the requirements set out in the *Modern Slavery Act 2018* (the Act) for principal governing body approval of modern slavery statements (statements). These requirements for approval ensure that senior management is involved in and accountable for their entity's response to modern slavery. They also ensure that statements submitted to the ABF are suitable and approved for publication on the Online Register for Modern Slavery Statements. **The ABF will not publish statements that do not meet the Act's requirements for approval and signature.**

WHAT DOES THE MODERN SLAVERY ACT REQUIRE?



Section 13 of the Act requires statements given by single reporting entities to be approved by the principal governing body of the reporting entity and signed by a responsible member of the reporting entity.

The principal governing body is the body or group of members with primary responsibility for the governance of the reporting entity. A responsible member is a decision-making member of the reporting entity. Where a reporting entity has a principal governing body, the responsible member will be a member of that body.



The Act does not permit delegation of approval authority, including to an Individual, Executive Committee, Sub-Committee, or Work group.

To ensure an entity's statement can be registered by the ABF, entities should ensure there is no ambiguity in the clearance of their statements.

Groups like 'Executive Leadership Committee', 'Members of the Board', and 'Senior Executive on behalf of the board' leave it unclear whether the entities principal governing body has cleared their modern slavery statement; or if it was approved by a select few members.



The Act does not require the date of approval to be included in the statement but it is recommended that statements include this as good practice.

*The Information in this guidance is not legal advice.

HYPOTHETICAL EXAMPLES OF A GOOD PRACTICE RESPONSE FOR SINGLE REPORTING ENTITIES

Good Practice Example for a Company:

This statement was approved by the board of Unicorn Pharmaceuticals in their capacity as principal governing body of Unicorn Pharmaceuticals on 21 November 2020.

Good Practice Example for a Partnership:

This statement was approved by all partners of FellCo Confectionary in their role as principal governing body of FellCo Confectionary on 12 September 2020.

Good Practice Example for an Entity managed by a Senior Officer Outside Australia:

This statement was approved by Senior Officer Outside Australia John Smith in his role as principal governing body of Grey Bank on 21 November 2020.

Good Practice Example for an Entity managed by a Sole Director:

This statement was approved by Jane Doe as the Sole Director and principal governing body of Simple Building Co.

Good Practice Example for an Entity managed by a Trust:

This statement was approved by the board of trustees (principal governing body) for Rapid Trust on 21 November 2020.

Good Practice Example for an Entity managed by a University Council:

This statement was approved by the University Council of Australia University in its role as principal governing body on 21 November 2020.

HYPOTHETICAL EXAMPLES OF A COMPLIANT RESPONSE SINGLE REPORTING ENTITIES

Compliant Example for a Company:

This statement was approved by the board of Unicorn Pharmaceuticals on 21 November 2020.

OR

This statement was approved by the principal governing body of Unicorn Pharmaceuticals on 21 November 2021.

Compliant Example for a Partnership:

This statement was approved by all the partners of FellCo Confectionary on 12 September 2020.

Compliant Example for an Entity managed by a Senior Officer Outside Australia:

This statement was approved by John Smith, Senior Officer Outside Australia (principal governing body) on 21 November 2020.

Compliant Example for an Entity managed by a Sole Director:

This statement was approved by Jane Doe as the Sole Director of Simple Building Co.

Compliant Example for an Entity managed by a Trust:

This statement was approved by the board of trustees for Rapid Trust on 21 November 2020.

Compliant Example for an Entity managed by a University Council:

This statement was approved by the University Council of Eastern Australia on 21 November 2020.

HYPOTHETICAL EXAMPLES OF A NON-COMPLIANT RESPONSE SINGLE REPORTING ENTITIES

Non-Compliant Example for a Company:

This statement was approved by the Executive Leadership Team of Unicorn Pharmaceuticals on 21 November 2020.

OR

This statement was approved by the directors of Unicorn Pharmaceuticals on 21 November 2020.

Non-Compliant Example for a Partnership:

This statement was approved by select partners of FellCo Confectionary on 12 September 2020.

Non-Compliant Example for an Entity managed by a Senior Officer Outside Australia:

This statement was approved by the Senior Officer Outside Australia John Smith on 21 November 2020.

Non-Compliant Example for an Entity managed by a Sole Director:

This statement was approved by Director Jane Doe of Simple Building Co.

Non-Compliant Example for an Entity managed by a Trust:

This statement was approved by the trustees of Rapid Trust on 21 November 2020.

Non-Compliant Example for an Entity managed by a University Council:

This statement was approved by the Chancellor on 21 November 2020.



MODERN SLAVERY ACT SUPPLEMENTARY GUIDANCE: JOINT REPORTING ENTITIES PRINCIPAL GOVERNING BODY APPROVAL

The Australian Border Force (ABF) has developed this supplementary guidance to clarify how entities should comply with the requirements set out in the *Modern Slavery Act 2018* (the Act) for principal governing body approval of modern slavery statements (statements). These requirements for approval ensure that senior management is involved in and accountable for their entity's response to modern slavery. They also ensure that statements submitted to the ABF are suitable and approved for publication on the Online Register for Modern Slavery Statements. **The ABF will not publish statements that do not meet the Act's requirements for approval and signature.**

WHAT DOES THE MODERN SLAVERY ACT REQUIRE?



Section 14 of the Act provides three options for approval of joint statements:

OPTION ONE: The principal governing body of each reporting entity covered by the statement approves the statement.

OPTION TWO: The principal governing body of a higher entity (such as a global parent), which is in a position to influence or control each entity covered by the statement approves the statement. The higher entity does not have to be a reporting entity itself.

OPTION THREE: If it is not practicable to comply with Option One or Option Two, the principal governing body of at least one reporting entity covered by the statement may approve the statement. In this case, the statement must also explain why this option was taken.



The Act does not require the date of approval to be included in the statement but it is recommended that statements include this as good practice.

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HYPOTHETICAL EXAMPLES OF A GOOD PRACTICE RESPONSE FOR JOINT REPORTING ENTITIES

Good Practice Example Option 1:

This statement was approved by the boards of each of the three reporting entities covered by this statement. The board of Unicorn Pharmaceuticals approved this statement on 21 November 2020. The boards of EZ Access Healthcare Australia and Unicorn Laboratories Australia approved this statement on 23 November 2020.

Good Practice Example Option 2:

This statement for BrightArm Security Australia was approved by the board of BrightArm Security Services International as the parent entity on 5 December 2020.

Good Practice Example Option 3:

This statement was approved by the board of Far'n'Wide Constructions on 12 December 2020. The board of Far'n'Wide Constructions approved this statement on behalf of Far'n'Wide Constructions and the second reporting entity covered by the statement, Far'n'Wide Holdings Australia.

The board of Far'n'Wide Holdings Australia did not approve this statement because Far'n'Wide Holdings Australia is a holding company which does not have any outward facing operations or undertake external procurement. All procurement for Far'n'Wide Holdings Australia is undertaken through Far'n'Wide Constructions. Page 8 of this statement outlines how Far'n'Wide Holdings Australia was consulted on the development of this statement.

HYPOTHETICAL EXAMPLES OF A COMPLIANT RESPONSE FOR JOINT REPORTING ENTITIES

Compliant Response Example for Option 1:

This statement was approved by the boards of each of the three reporting entities covered by this statement.

Compliant Response Example for Option 2:

This statement for BrightArm Security Australia was approved by the board of BrightArm Security Services International as the parent entity.

Compliant Response Example for Option 3:

This statement was approved by the board of Far'n'Wide Constructions on behalf of itself and the second reporting entity covered by the statement, Far'n'Wide Holdings Australia.

The board of Far'n'Wide Holdings Australia did not approve this statement because it is a holding company and does not have any outward facing operations or undertake external procurement.

HYPOTHETICAL EXAMPLES OF A NON-COMPLIANT RESPONSE FOR JOINT REPORTING ENTITIES

Non-Compliant Response Example for Option 1:

This statement was approved by Unicorn Pharmaceuticals.

Non-Compliant Response Example for Option 2:

This statement was approved on behalf of the board of Unicorn Pharmaceuticals.

Non-Compliant Response Example for Option 2:

This statement for BrightArm Security Australia was reviewed by the board of BrightArm Security Services International as the parent entity on 5 December 2020.

Non-compliant Response Example for Option 3:

This statement was approved by the board of Far'n'Wide Constructions on 12 December 2020, but not approved by the board of the second reporting entity covered by the statement, Far'n'Wide Holdings Australia.

It was determined the board of Far'n'Wide Holdings Australia did not need approve this statement.