

MODERN SLAVERY ACT SUPPLEMENTARY GUIDANCE: GOOD PRACTICE EXAMPLES OF MANDATORY REPORTING CRITERIA THREE: *Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls*

The Australian Border Force (ABF) has developed this supplementary guidance to demonstrate examples towards good practice, compliant and non-compliant responses to mandatory reporting criterion three 'Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls'. These examples relate to compliance in the first reporting cycle. All modern slavery statements must address all mandatory reporting criteria.

WHAT DOES THE MODERN SLAVERY ACT REQUIRE?



Mandatory reporting criteria three requires statements given by reporting entities to describe the risks of modern slavery practices in their operations and supply chains. If the reporting entity owns or control any entities, it also needs to describe the risks of modern slavery practices in the operations and supply chains of those entities.



This criterion only requires reporting entities to identify how risks of modern slavery practices may be present in their operations and supply chains. It does not require entities to certify that their reporting entity is 'slavery free'. While entities may not identify any modern slavery practices in their operations or supply chains, every entity has modern slavery risks need to be considered.

It is important that reporting entities consider the risks present in their onshore supply chains and operations, as well as their overseas operations and supply chains.

This criterion does not require entities to report on actual cases of modern slavery. However, an entity can voluntarily include information about specific cases if it wishes to do so, taking into account any relevant privacy implications.

*The Information in this guidance is not legal advice.

HYPOTHETICAL EXAMPLES TOWARDS A GOOD PRACTICE RESPONSE**

Example 1:

We undertook risk assessments of modern slavery risks in our operations and supply chains over the reporting period to consider the risk that we are causing, contributing, or directly linked to modern slavery practices. Following this assessment, areas of vulnerability in our operations were found to include outsourced services such as cleaning, catering, security and facilities management, and use of labour hire contractors. We use a number of factors to assess the potential risk of modern slavery in our supply chains, including geographic risks from where we source materials, the products and services that we source, the sectors that we operate in and the supply chain model involved. Following this assessment, areas of vulnerability in our supply chains included the use of forced and bonded labour, child labour and the use of migrant workers in the textiles sourced from Asia.

OR

Example 2:

We acknowledge that the risks of modern slavery may be heightened in some of our groups supply chains and operations as a result of the geographical location of some suppliers, our areas of operation, and the source of materials used in products supplied to us. In particular, materials like natural rubber sourced from South East Asia has been identified as a product whose production carries with it particular risks of modern slavery. We also acknowledge that, we lack visibility in certain overseas markets and this carries additional risks of modern slavery especially in secondary levels of our chain of suppliers and source materials used in our group's goods and services.

**These examples are illustrative of reporting that went beyond minimal compliance and towards better practice. As per our *Guidance for Reporting Entities*, entities should look to continually improve and build on their response each reporting period.

HYPOTHETICAL EXAMPLES OF A COMPLIANT RESPONSE

Example 1:

While we are not directly involved in activities such as the building construction, corporate cleaning and maintenance of office (and other commercial) buildings, and the manufacture of building materials and textiles used in property developments, we recognise that these are all sectors with known modern slavery risks. We have identified cleaning and maintenance services as our highest risk and have focused our investigation on this area in this statement.

OR

Example 2:

During this reporting period, we analysed our supply chains and operations to identify modern slavery related risks and established a risk register of the key risk areas identified. During the assessment process, we identified the areas with the lowest risk, such as local operations handled by staff directly employed by us. Currently our highest risk area is offshore labour organised by third party consultants in [Country X] and [Country Y].

HYPOTHETICAL EXAMPLES OF A NON-COMPLIANT RESPONSE

Example 1:

We have concluded that we have no modern slavery risks.

OR

Example 2:

[No evidence of this criterion being addressed in the statement]