



## MODERN SLAVERY ACT SUPPLEMENTARY GUIDANCE: GOOD PRACTICE EXAMPLES OF MANDATORY REPORTING CRITERIA FIVE: *Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks.*

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 five 'Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks'. 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 five requires a reporting entity to describe *how* it assesses the effectiveness of the actions being taken to assess and address the risks of modern slavery practices in its operations and supply chains.

If the reporting entity owns or controls any other entities it is required to describe how it is assessing the effectiveness of the actions being taken by those other entities.



The Act requires the reporting entity to explain *how* it will assess the effectiveness of its actions. This is important to ensure that the entity will know whether the actions it is taking are addressing identified modern slavery risks.

\*The Information in this guidance is not legal advice.

### HYPOTHETICAL EXAMPLES TOWARDS GOOD PRACTICE RESPONSE\*\*

#### Example 1:

*We will use key performance indicators (KPIs) to measure how effective our actions to identify and address modern slavery practices in any part of our operations and supply chains have been. Over our first reporting period, we assessed the effectiveness of our actions across four key performance areas:*

- Governance & due diligence;
- Procurement & supply chain;
- HR practices, training & education;
- Grievances and reporting.

*Against each of these focus areas we have developed KPIs that we will use to assess the effectiveness of our actions. These include: the percentage of precedent contracts with modern slavery clauses included; number of suppliers completing our modern slavery questionnaire; completion rates for modern slavery awareness training; and the number of modern slavery cases identified and remediated. Over subsequent reporting periods, we will continue to review and enhance these KPIs and develop further metrics to assess the effectiveness of our actions, in line with continuous improvement.*

OR

#### Example 2:

*We are monitoring the effectiveness of the processes and procedures to address the modern slavery risks that our business causes, contributes to, or is directly linked to, in line with the UN Guiding Principles. We will continually assess the effectiveness of our actions in identifying and managing modern slavery risks by: tracking our actions and outcomes, partnering with suppliers and other external partners, and undertaking regular internal governance and external assurance processes. Based on the results of these processes we will adapt and strengthen our actions to continually improve our response to modern slavery.*

\*\*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:

*During this reporting period, our focus was to gain a better understanding of our modern slavery risks and how such risks may be present in our operations and supply chains. At this early stage, we are unable to adequately assess the effectiveness of measures we have undertaken. However, we have commenced and will continue to work on developing frameworks and processes to ensure we can review the effectiveness of the actions we are taking to assess and address modern slavery risks in our operations and supply chains.*

OR

#### Example 2:

*We recognise that our review and assessment of our actions to identify and address our modern slavery risks in our operations and across our supply chain will be an ongoing and evolving process that we are committed to continue to build upon. To this end, we set ourselves annual goals to reach so we can look back and assess the effectiveness of our approach and inform our path forward.*

### HYPOTHETICAL EXAMPLES OF A NON-COMPLIANT RESPONSE

#### Example 1:

*We understand we are at the beginning of our journey to combat modern slavery and will review our modern slavery statement every year to ensure it remains effective.*

OR

#### Example 2:

*We will re-assess our actions to combat modern slavery every year.*

OR

#### Example 3:

*We will look to develop a framework to assess the effectiveness of actions taken to manage modern slavery risks in the future.*

OR

#### Example 4:

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