

VOLUNTARY MODERN SLAVERY RISK STATEMENT FINANCIAL YEAR 2020

Mandatory Criteria 1 & 2

Identify the reporting entity and describe its structure, operations and supply chains

Be Slavery Free is the business name of STOP THE TRAFFIK (ABN 33 160 723 348 registered in 2012). STOP THE TRAFFIK was the first charity registered with the Australian Charities and Not for Profit Commission and that registration continues. STOP THE TRAFFIK operates the STOP THE TRAFFIK Public Fund and donations by individuals to that fund have Deductable Gift Recipient status. The registered office is SAP House, Level 5, 224 Bunda Street, Canberra City, ACT 2601.

Be Slavery Free is a coalition of civil society organisations with on-the-ground experience in preventing, disrupting and remediating modern slavery. The governance of Be Slavery Free is undertaken through the members and an elected Board of Directors. Members are completely autonomous legal entities who voluntarily choose to collaborate for the purposes of ending slavery and slavery-like practices in all its forms.

We believe everyone has a role to play in ending the demand and supply of slavery. Our advocacy and resources empower others to help the world be slavery free.

BUSINESS AND INVESTORS

- We activate the co-design of slavery-free business practices to prevent and disrupt slavery, through learning and working with business and industry leaders across multiple sectors
- We collaborate to enable learning within and across industry sectors to establish innovative and practical solutions through our Business Affiliation
- We educate Australian companies with services that showcase best practice solutions to mitigate the risks of slavery in supply chains and lead industries in Modern Slavery Act reporting
- We curate and deliver business-to-business discussion on compliance requirements, industry standards and how to lead the fight against slavery
- We innovate solutions to address the complexity of ending modern slavery through catalysing shared responsibility across sectors and industries

Be Slavery Free, PO Box 1703 Castle Hill 1761, NEW SOUTH WALES

T +61 (0) 438 040 959 / australia@beslaveryfree.com / www.beslaveryfree.com

Be Slavery Free is a Company Limited by Guarantee, registered with the Australian Charities and Not-for-Profit Commission. ABN 331 6072 3348. Be Slavery Free manages "STOP THE TRAFFIK Public Fund" listed on the Register of Harm Prevention Charities. Donations to this fund are tax deductible.

CONSUMERS

- We activate community-based campaigns to raise awareness and change consumer behaviour
- We collaborate using our shared responsibility model to focus the responsibility of consumers to drive the demand for slavery-free supply chains and products
- We educate consumers about how their purchasing decisions drive demand for slavery with a specific focus on raising awareness of the issues with young people, faith-based communities and the media
- We curate opportunities for consumers and constituents to request change from companies and retailers they buy from, and from their parliamentarians
- We innovate by researching modern slavery in supply chains of high-risk businesses and transforming this knowledge into actions and attitudes aimed to achieve the abolition of modern slavery

GOVERNMENT

- We activate timely and responsive policy dialogue to help position Australia as a leader in the fight against modern slavery
- We collaborate with other civil society groups to bring a focused voice to policy making
- We educate parliamentarians and public servants about best practice and evidence-based policy solutions
- We curate opportunities for governments to hear the needs and demands of the public and business, and learn from international experience
- We innovate by creatively exploring how government can be supported by other sectors and can in-turn can be supportive of new approaches locally to internationally

CIVIL SOCIETY AND ACADEMICS

- We activate the potential influence civil society can have in ending slavery
- We collaborate with civil society to work together with partners to prevent, abolish and disrupt modern slavery in Australia and around the world
- We educate the wider community on the harm and abuse of modern slavery through our civil society networks
- We curate gatherings of civil society, especially small and medium size groups, with a focus on practices to end slavery
- We innovate by teaming with academics and civil society to visualize data and connecting research and strategic action with evaluation and creatively invent fresh approaches

Be Slavery Free has no employees. It contracts other businesses and sole traders to undertake the tasks necessary for its operations. These contractors supply the equipment necessary to fulfill their contracts. Any new supplier is be required to show the entirety of their supply chain is traced and steps have been taken to address slavery and slavery-like practices in all its forms.

The additional major services procured by Be Slavery Free are that of 'off-the-shelf' software platforms. The primary suppliers are headquartered in Australia, The Netherlands, Republic of Ireland and the USA and considered low-risk of using off-shore forced labour in their development.

From time to time Be Slavery Free also procures merchandise. The cotton for these are grown by small-hold famers in Uganda. The cotton is ginned in Kasese, western Uganda and then sent to Kampala, Uganda and made into cotton fabric. This part of the process is overseen by the Cotton Made iin Africa nnetwork. Fabric is then shipped to Kiboko, Kenya to the only garment manufacturer in Kenya guaranteed by the World Fair Trade Organization. Unprinted T-shirts are shipped to the Empower Collection in Brisbane, Australia who screen print them and sustainably wrap and ship products to order.

We purchase a limited number of other products, however when we do, we prioritise purchasing of goods that have traced their supply chain. For example, when providing gifts to speakers and guests at events we usually give gifts of chocolate procured from Haigh's, Darrell Lea or Whittaker's chocolatiers. In each case, these companies have traced their cocoa or beans to the farm where it is grown and harvested. Systems for monitoring child labour and remediating the same are in place.

Mandatory Criteria 3

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

Be Slavery Free takes all efforts to ensure we do not cause, contribute to or are directly linked to modern slavery. Any new supplier will be required to show the entirety of their supply chain is traced and steps have been taken to address slavery and slavery-like practices in all its forms.

Of major concern is appropriate due diligence in relation to the travel undertaken by contractors to locations where human traffickers and slave traders operate. The potential personal risks connected with 'calling out' such organised crime can be considerable. Further the methods used by such persons and gangs can involve public naming and shaming to discredit and denigrate those who expose their actions.

Mandatory Criteria 4

Describe the actions taken by the reporting entity (and subsidiaries) to assess and address these risks, including due diligence and remediation processes

Be Slavery Free seeks to uphold and promotes the UN Guiding Principles on Business and Human Rights in all its campaigning, training and research.

Human Rights

- <u>Principle 1</u>: Businesses should support and respect the protection of internationally proclaimed human rights; and
- <u>Principle 2</u>: make sure that they are not complicit in human rights abuses.

Labour

- <u>Principle 3</u>: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- <u>Principle 4</u>: the elimination of all forms of forced and compulsory labour;
- <u>Principle 5</u>: the effective abolition of child labour; and
- <u>Principle 6</u>: the elimination of discrimination in respect of employment and occupation.

Be Slavery Free provides training for businesses on topics including processes for remediation. We also regularly provide businesses and other entities with advice concerning how best to engage in effective and trauma-informed remediation processes.

The risks to contractors travelling in areas where human traffickers and slave traders operate is mitigated as follows:

- Clear itineraries developed with local NGO's and contacts who are aware of the context and ways to address or avoid potential danger
- Working in collaboration with people on-the-ground who are aware of the signs, and able to advise if changes to itineraries are needed
- Through registration with the Department of Foreign Affairs and Trade 'Smart Traveller' program and additional contact with local consulates and embassies, and national authorities as necessary

Mandatory Criteria 5

Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks

Be Slavery Free uses an evidence-informed approach to assessing its progress in its campaigning in particular. We closely monitor the response of governments, business and consumers. The case study below highlights the successes and progress still needed in the campaign to end state-enforced labour in the growing and harvesting of cotton in Uzbekistan and Turkmenistan.

Case Study

Forced labour, child labour (including worst forms) and state-enforced forced labour is not unknown in cotton. In fact, of the top ten cotton producing countries in the world (including the USA), only Australia has a clean record for its cotton.

Uzbekistan

For years, Uzbekistan was one of the world's largest cotton exporters, ranking 3rd at one stage (it is now 6th). Since before 2012, the government of Uzbekistan used one of the largest state-orchestrated systems of forced labour to produce it. In 2013, the International Labour Organization (ILO) began monitoring the situation. The Government of Uzbekistan forcibly mobilised over a million citizens (including children, young people, students, teachers, doctors, nurses, and employees of government agencies and private businesses) to the cotton fields to grow cotton and deliver production quotas under threats of penalty. These included the loss of the lease to farm the land, criminal charges and fines, expulsion from school, job loss, and loss of social security benefits.

Profits of the Uzbek cotton sector supported only the inner circle of Uzbek government. Uzbek farmers were forced to meet state-established cotton quotas, purchase inputs from one state-owned enterprise, and sell the cotton to a state-owned enterprise at artificially low prices. The system trapped farmers in poverty, and the state profited from sales to global buyers. The profits disappeared into a secret fund to which only the highest-level officials had access.

The practice violated Uzbek labour laws and fundamental international labour and human rights conventions ratified by the Uzbek government.

Turkmenistan

Neighbouring Turkmenistan has been the ninth largest producer and seventh largest exporter of cotton in the world (it is now 14th). It has maintained that status through a system of forced labour under the auspices of the State. The Government had complete control over cotton production and obliges cotton farmers to respect annual quotas.

In a 2016 report the ILO expressed 'deep concern [of] the widespread use of forced labour in cotton production which affects farmers, businesses and private and public sector workers, including teachers, doctors and nurses, under threat of losing their jobs, salary cuts, loss of land and extraordinary investigations.'ⁱ

Using the sharing responsibility model of campaigning which takes into account the roles and responsibilities of government, civil society, trade unions, academics, business and local communities, following are examples of how we have engaged with each sector

 In 2016, Be Slavery Free (then known as STOP THE TRAFFIK) joined 57 stakeholders (companies, investors, business associations, trade unions and human rights organisations) in writing to the President of Turkmenistan requesting action from the Turkmen Government to end these practices and pointing out the importance of, 'brand reputation is a vital part of success in the competitive textile and apparel industry.'ⁱⁱ

- We worked with other NGO's to have businesses all over the world who sold and produced products made with cotton sign pledges to not knowingly source cotton from Uzbekistan.ⁱⁱⁱ
- We invited consumers in Australia to write to companies in the ASX200 asking them to sign the above pledge
- We consulted with local Uzbek and Turkmen activists and civil society groups in shaping our campaign.

The good news is Uzbekistan is gradually reforming its cotton industry, thanks to the pressure of civil society, the garment industry and diplomatic engagement.

In Turkmenistan forced labour remains entrenched. Earlier this year Be Slavery Free interviewed exiled journalist Ruslan Myativ and heard first-hand of the ongoing situation in Turkmenistan. The interview can be viewed as part of our webinar 'Cotton is Soft; Forced Labour is Not'.^{iv} We will now begin to call on businesses to 'not knowingly' source Turkmenistan cotton.

Mandatory Criteria 6 and 7 do not apply.

Approval by Board

Approved by the Be Slavery Free Board on 29th March 2021

loe

Ruth Dearnley Chair of the Board of Directors Be Slavery Free Date : 29th March 2021

ⁱ ILO Report on Turkmenistan <u>https://www.ilo.org/dyn/normlex/fr/f?p=NORMLEXPUB:13100:0::NO::P13100_COMMENT_ID,P13100_LANG</u> <u>CODE:3284601,en</u>

" Letter to the President of Turkmenistan

http://www.cottoncampaign.org/uploads/3/9/4/7/39474145/multistakeholder_letter_to_turkmenistan_president201 6.pdf

The Cotton Campaign <u>http://www.cottoncampaign.org</u>

^{iv} Cotton is Soft, Forced Labour is Not <u>https://vimeo.com/user101846231</u>