

Commonwealth Modern Slavery Act 2018

Guidance for Reporting Entities

May 2023*

* This guidance was updated to reflect that the Modern Slavery and Human Trafficking function moved from the Australian Border Force to the Attorney-General's Department in late 2022. The updated guidance document also provides further clarification on voluntary statements and the requirement to consult with entities the entity owns or controls. The department will be considering the range of guidance material feedback received in 2022 and 2023 to further assist entities understand the reporting obligations.

OVERVIEW OF THE MODERN SLAVERY ACT



49.6 million

The Modern Slavery Act 2018 (the Act) aims to combat modern slavery in global supply chains. The United Nations and the Walk Free Foundation estimate that in 2021 there were approximately 49.6 million victims of modern slavery around the world.



\$100 million

All entities with at least AU\$100 million annual consolidated revenue must comply with the Act. The Act applies to Australian entities and foreign entities carrying on business in Australia.



3,000 entities

The Act applies to approximately 3,000 entities. These reporting entities must prepare annual Modern Slavery Statements (statements) covering their financial year. The Australian Government will also prepare a statement.



Seven criteria for content

The Act sets out seven mandatory criteria for the content of statements. These criteria require reporting entities to explain their actions to assess and address modern slavery risks in their operations and supply chains.



Board approval

Statements must be approved by the principal governing body of the reporting entity and signed by a member of that body. For companies, this means statements must be approved by the board and signed by a director.



Publication

Reporting entities must provide their statements to the Australian Government for publication on a central online website.



Support to comply

The Australian Government has established a Modern Slavery Business Engagement Unit to support reporting entities.



3 year review

The Australian Government will review the Act after three years to ensure it is as effective as possible. The Australian Government must also report annually to Parliament on the implementation of the Act.

Figure 1: Overview of the Commonwealth Modern Slavery Act 2018

Table of Contents

Introduction	5
Chapter Overviews	6
1. Overview	8
What is modern slavery?	8
How does modern slavery impact your entity?	9
What is the Modern Slavery Act?	13
What is the Modern Slavery Reporting Requirement?	13
How do I comply with the Modern Slavery Reporting Requirement?	14
Summary: Chapter 1	16
2. Do I need to report?	17
What does the Modern Slavery Act say I need to do?	17
Why is this requirement in the Modern Slavery Act?	18
How do I work out if I need to report?	18
Summary: Chapter 2	21
3. Can I report voluntarily?	22
What does the Modern Slavery Act say I need to do?	23
Why is this option in the Modern Slavery Act?	23
How do I report voluntarily?	23
How do I stop voluntary reporting?	23
Summary: Chapter 3	25
4. When do I report?	26
What does the Modern Slavery Act say I need to do?	26
Why is this requirement in the Modern Slavery Act?	26
How do I work out when I need to report?	27
Summary: Chapter 4	28
5. How do I prepare a statement?	29
Mandatory Criteria One and Two	32
Mandatory Criterion Three	39
Mandatory Criterion Four	46
Mandatory Criterion Five	54
Mandatory Criterion Six	57
Mandatory Criterion Seven	58
Summary: Chapter 5	60
6. How do I approve and publish a statement?	62
What does the Modern Slavery Act say I need to do?	62
Why is this requirement in the Modern Slavery Act?	63
How do I approve a statement?	64
How do I publish a statement?	64

How do I revise a statement?	65
Summary: Chapter 6	67
7. Can I prepare a joint statement?	68
What does the Modern Slavery Act say I need to do?	69
Why is this option in the Modern Slavery Act?	69
How do I prepare a joint statement?	69
How do I approve a joint statement?	70
Summary: Chapter 7	72
8. How can the Modern Slavery Business Engagement Unit help me?	73
What is the Modern Slavery Business Engagement Unit?	73
How can the Modern Slavery Business Engagement Unit support me?	73
How can I contact the Modern Slavery Business Engagement Unit?	74
Summary: Chapter 8	75
Appendix 1. What is modern slavery?	76
Appendix 2. How can I work with suppliers?	84
Appendix 3. How do I respond to a case of modern slavery?	86
Appendix 4. How can I collaborate with civil society organisations and other stakeholders?	88
Appendix 5. Helpful Resources	90
Appendix 6. Frequently asked questions (FAQ)	94
Appendix 7. Supplementary Guidance documents	98
PRINCIPAL GOVERNING BODY APPROVAL: Single reporting entity	98
PRINCIPAL GOVERNING BODY APPROVAL: Joint reporting entity	99
SIGNATURE OF A RESPONSIBLE MEMBER	100
MANDATORY REPORTING CRITERIA THREE	101
MANDATORY REPORTING CRITERIA FOUR	102
MANDATORY REPORTING CRITERIA FIVE	103
MANDATORY REPORTING CRITERIA SIX	104

Introduction

The Commonwealth *Modern Slavery Act 2018* (the Act) established Australia's national Modern Slavery Reporting Requirement (reporting requirement). The aim of this Guide is to explain in plain language what entities need to do to comply with the Act.

Under the reporting requirement, certain large entities must publish annual Modern Slavery Statements (statements) describing their actions to assess and address modern slavery risks. The reporting requirement applies to commercial and not for profit entities with annual consolidated revenue of at least AU\$100 million.

The main audience for this Guide is people that need to prepare a statement for their entity. You can also read this Guide if you do not have to report but want to learn more about the reporting requirement or provide a voluntary statement.

Each chapter of this Guide will help you to understand a specific part of the reporting requirement. These chapters clearly identify what you need to do to comply with the reporting requirement. You should carefully follow these instructions.

Some chapters in the Guide also provide extra information and advice about modern slavery and how you can respond. You can also find more information and advice about key issues in the appendices at the end of this Guide. This extra information and advice will help you to improve your response to modern slavery. However, you do not need to follow all of this information and advice to comply with the reporting requirement.

We recommend that you share this Guide with other relevant areas of your entity. For example, this Guide may include helpful information for your entity's procurement, legal, compliance, and finance teams. You may also wish to encourage your business partners, including suppliers, to read this Guide.

This Guide addresses the main issues and concepts that you need to understand to comply with the reporting requirement. You can access additional support and advice by contacting the Modern Slavery Business Engagement Unit in the Attorney-General's Department at slavery.consultations@ag.gov.au.

Corporate Commonwealth entities covered by the reporting requirement should use this Guide to prepare their statement. Separate information will be provided for non-corporate Commonwealth entities covered by the consolidated Commonwealth Government statement.

The information in this Guide is not legal advice.

Chapter Overviews

Chapter 1: Overview

This chapter explains the context for the reporting requirement. It also outlines how to comply with the reporting requirement and the consequences for noncompliance.

Chapter 2: Do I need to report?

This chapter explains how to work out if your entity is required to comply with the reporting requirement.

Chapter 3: Can I report voluntarily?

This chapter explains how to voluntarily comply with the reporting requirement and whether your entity is eligible to do so.

Chapter 4: When do I report?

This chapter explains how to determine when you will need to report.

Chapter 5: How do I prepare a statement?

This chapter explains how to draft your statement, including how to respond to each of the mandatory criteria.

Chapter 6: How do I approve and publish a statement?

This chapter explains how to finalise your statement, including how to have your statement approved within your entity. This chapter also explains how to publish your statement on the central register.

Chapter 7: Can I prepare a joint statement?

This chapter explains how to draft and finalise a joint statement on behalf of one or more reporting entities.

Chapter 8: How can the Modern Slavery Business Engagement Unit help me?

This chapter explains the role of the Unit and how it can assist you.

Appendix 1: What is modern slavery?

This appendix explains the definition of modern slavery and provides examples and indicators of modern slavery.

Appendix 2: How can I work with suppliers?

This appendix sets out recommendations for working with your entity's suppliers to assess and address modern slavery risks.

Appendix 3: How do I respond to a case of modern slavery?

This appendix sets out recommendations to help you respond to cases of modern slavery in Australia and overseas.

Appendix 4: How can I collaborate with civil society organisations?

This appendix explains how collaborating with civil society can strengthen your response to modern slavery.

Appendix 5: Helpful resources

This appendix includes links to other resources that can help you learn about modern slavery and how you can respond.

Appendix 6: Frequently asked questions (FAQ)

This appendix provides concise answers to key frequently asked questions about modern slavery and the reporting requirement.

Appendix 7: Supplementary Guidance

This appendix demonstrates examples towards good practice, compliant and non-compliant responses for each of the mandatory reporting criteria.

1. Overview

You can read this chapter to learn:

- What modern slavery is
- How modern slavery can impact your entity
- How the Modern Slavery Reporting Requirement works

1. This introductory chapter explains the context for the Modern Slavery Reporting Requirement.

What is modern slavery?

2. The term modern slavery is used to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom.
3. Modern slavery is only used to describe serious exploitation. It does not include practices like substandard working conditions or underpayment of workers. However, these practices are also illegal and harmful and may be present in some situations of modern slavery. These practices may also escalate into modern slavery if not addressed.
4. The [Learn More](#) box on page 9 explains the differences between modern slavery, other forms of exploitation, and decent work.
5. The Australian *Modern Slavery Act 2018* (the Act) is the first national legislation in the world to define modern slavery.
6. The Act defines modern slavery as including eight types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour. The worst forms of child labour means situations where children are subjected to slavery or similar practices, or engaged in hazardous work.
7. You can learn more about each of these eight types of exploitation by reading [Appendix One](#).

LEARN MORE: WHERE DOES MODERN SLAVERY FIT?

Modern slavery happens at the most extreme end of a spectrum that ranges from decent work to serious criminal exploitation.



MODERN SLAVERY

Worker cannot refuse or cease work because of coercion, threats or deception.

Worker may also be deprived of personal freedom.

DANGEROUS OR SUBSTANDARD WORKING CONDITIONS

Worker can refuse or cease work but doing so may lead to detriment.

Worker is not paid fairly and does not receive some or all entitlements.

Worker may be required to work excessive hours.

Workplace is unsafe.

DECENT WORK

Workers' rights respected.

Worker free to refuse or cease work.

Worker paid fairly (at least the minimum wage).

Workplace is safe.

How does modern slavery impact your entity?

8. The nature and extent of modern slavery means there is a high risk that it may be present in your entity's operations and supply chains.
9. The United Nations (UN) and Walk Free Foundation estimate that in 2021 there were approximately 49.6 million victims of modern slavery around the world.
10. Australia is not immune from modern slavery. The Australian Government (the Government) estimates there were 1,567 modern slavery victims in Australia between 2015 and 2017.
11. Modern slavery can occur in every industry and sector. It is also often linked to other crimes and activities that adversely impact human rights, such as corruption and environmental damage.
12. Modern slavery has severe consequences for victims. It involves grave abuses of human rights and serious crimes. Often, modern slavery disproportionately impacts women and girls.

13. Modern slavery can also significantly impact your entity. It distorts global markets and undercuts responsible business. If not addressed, modern slavery in your operations and supply chains can pose substantial reputational and legal risks for your entity and damage your commercial relationships.
14. Freedom from slavery is a fundamental human right. Under the *UN Guiding Principles on Business and Human Rights* (UN Guiding Principles) entities have a responsibility to respect human rights in their operations and supply chains. This responsibility includes taking action to prevent, mitigate and, where appropriate, remedy modern slavery in your entity's operations and supply chains.
15. The UN Guiding Principles are the recognised global standard for preventing and addressing business-related human rights harm. Australia supports the UN Guiding Principles, which were unanimously endorsed by the UN Human Rights Council in 2011. Investors, business peers, clients, civil society and governments expect you to understand and apply the UN Guiding Principles in your response to modern slavery.
16. Taking action to address modern slavery in your entity's operations and supply chains is also good business sense. It can protect against possible harm to your business, improve the integrity and quality of your supply chains, increase profitability, improve investor and consumer confidence and financing opportunities, improve your relationships with your workers and local communities, and lead to greater access to business opportunities.
17. As part of the 17 UN Sustainable Development Goals, the international community has committed to end modern slavery by 2030 (Target 8.7). The chart on the following page explains how businesses, governments, civil society, investors and consumers all have a key role to play in this process.
18. You can learn more about the nature and extent of modern slavery by reviewing the resources listed in [Appendix Five](#).



Figure 2: How can we all play a role in combating modern slavery?

LEARN MORE: MODERN SLAVERY CASE STUDIES

The purpose of these hypothetical case studies is to show how modern slavery risks can be present in entities' operations and supply chains. The businesses named in these case studies are fictional.

CASE 1 – Food and groceries: EcoFresh Meats is an Australian company that processes certified organic meat products for retail domestically and overseas. EcoFresh often employs migrant workers in its factories, many of which are located in regional areas. Police begin investigating EcoFresh after a local resident complains that a large number of workers are being housed in a neighbouring property. The investigation reveals that the owners of EcoFresh are exploiting migrant workers through forced labour in several of their factories. EcoFresh charges the workers exorbitant recruitment fees that must be paid back through their wages. EcoFresh also confiscates workers' travel documents for 'safekeeping'. The workers do not speak English, are subjected to regular physical threats and abuse and are not permitted to leave the factories or their accommodation without an escort.

CASE 2 – Construction: Innovative Infrastructure Inc is a large Australian construction company specialising in road and rail bridges for national infrastructure projects. Innovative Infrastructure's bridge building programs include an emphasis on off-site pre-fabricated elements, which include large steel and concrete components. Innovative Infrastructure's extended materials supply chains for these components include overseas ship-breaking yards in coastal regions. In collaboration with specialist civil society organisations on the ground, Innovative Infrastructure obtains evidence that these ship-breaking yards are using forced labour to generate scrap steel to recycle for steel making. Further investigations reveal that Innovative Infrastructure cannot determine which of its bridge elements contain 'new' or recycled steel and other materials.

CASE 3 – Overseas Orphanages: Everfree Travel is an Australian wholesale travel company that specialises in arranging overseas volunteering 'adventures' for students and young adults. Everfree's packages are sold by many of the large travel retailers in Australia. The most popular package Everfree offers is a 'volunteering experience' at an overseas orphanage. This involves participants taking part in short-term placements at the orphanage to provide 'social and emotional support' to children. The orphanage operators appear legitimate and claim fees paid by Everfree are directly used to support the children. Everfree has not taken any steps to verify this is the case. After several years, Everfree is approached by an NGO with evidence the orphanage is trafficking children and exploiting them in the orphanage, including for the purpose of orphanage tourism. The orphanage actively recruits children from poor communities, often 'purchasing' children from their families. The children are not permitted to have contact with their families or leave the facility and are regularly abused by staff. The children are forced to lie to volunteers about being orphaned or abandoned. Further investigation revealed that donations from volunteers and fees paid by Everfree were pocketed by the orphanage operators.

CASE 4 – Textiles: Uniforms Galore is an Australian clothing company that supplies uniforms to a large number of Australian schools, hotels, sporting clubs and corporate businesses. Uniforms Galore engages a range of overseas subcontractors to produce its uniforms. To minimise costs, Uniforms Galore regularly changes subcontractors and often uses short-term contracts. A media investigation reveals one of Uniforms Galore's subcontractors is producing uniforms at prison factories in a country where state-imposed forced labour is prevalent. The uniforms are then falsely labelled by the supplier as made in a third country.

CASE 5 – Cleaning Services: Great Western Aged Care is a community-based, Australian charitable foundation that provides residential aged care services. Great Western Aged Care uses a cleaning contractor to provide cleaning services at its residential care facility. The cleaning contractor won its contract by underquoting its competitors. Great Western Aged Care is using the savings from this contract to improve its facilities for residents. The cleaners provided by the contractor appear to be from migrant backgrounds and speak limited English. All the cleaners arrive and depart in a van driven by their supervisor, who closely monitors and directs their activities. Further investigation reveals the cleaners are victims of debt bondage. Their supervisor has confiscated their passports and is claiming their wages as 'payment' for inflated debts incurred during their travel to Australia.

What is the Modern Slavery Act?

19. The Commonwealth *Modern Slavery Act 2018* (the Act) established Australia's national Modern Slavery Reporting Requirement (reporting requirement).
20. The Act was developed through extensive consultations with the Australian business community and civil society, including investors.
21. The Australian Parliament passed the Act on 29 November 2018 and the reporting requirement entered into force on 1 January 2019.

What is the Modern Slavery Reporting Requirement?

22. The reporting requirement aims to support the Australian business community to identify and address their modern slavery risks and maintain responsible and transparent supply chains.
23. Under the reporting requirement, certain large businesses and other entities must publish annual Modern Slavery Statements (statements) on an online, central register.
24. These statements must explain what the entity is doing to assess and address the risks that modern slavery practices may be occurring in its global and domestic operations and supply chains and the operations and supply chains of any entities it owns or controls.
25. The reporting requirement is focused on large businesses and other entities that have the capacity and leverage to drive change throughout their supply chains.
26. By improving transparency about modern slavery, the reporting requirement will increase business awareness of modern slavery risks, reduce modern slavery risks in the production and supply chains of Australian goods and services, and drive a business 'race to the top' to improve workplace practices. The reporting requirement will also increase information available to consumers, investors and business partners.
27. The [infographic](#) on page 2 explains the key features of the reporting requirement.
28. The reporting requirement is one part of Australia's broader response to modern slavery domestically and overseas.
29. It complements Australia's existing criminal justice response to modern slavery, which includes a National Action Plan to Combat Modern Slavery, specialist police investigative teams and a dedicated victim support program.

30. The Attorney-General's Department is responsible for implementing Australia's criminal justice response to modern slavery and the reporting requirement.

How do I comply with the Modern Slavery Reporting Requirement?

31. The [flowchart](#) on page 15 explains the main steps you will need to take to comply with the reporting requirement. The following chapters in this guide also explain each of these steps in detail.
32. You must comply with the reporting requirement if your entity is required to report under the Act. You can learn if your entity is required to report by reading [Chapter Two](#).
33. If your entity is not required to report you are still able to provide a voluntary statement. You can learn more about voluntary statements by reading [Chapter Three](#).
34. [Chapters Four, Five](#) and [Six](#) explain how to determine when your entity will need to report and how to prepare, approve and submit your statement. [Chapter Seven](#) explains how you can prepare a joint statement on behalf of one or more entities that need to report.
35. If you need additional support and advice to understand how to comply with the reporting requirement, you can seek assistance from the Modern Slavery Business Engagement Unit (the Unit) in the Attorney-General's Department. [Chapter Eight](#) explains how to contact the Unit.
36. You must ensure you comply with the reporting requirement if you are required to do so. Failure to comply can significantly damage your entity's reputation, undermine your ability to do business with other entities and damage investor confidence.
37. Under the Act, the Government has the power to publicly name entities that fail to comply in certain circumstances. The Government can also require noncompliant entities to take remedial action to ensure compliance, including requiring an entity to provide or revise a statement.
38. Over the first reporting period, the Government has focused on working with reporting entities to ensure they understand their obligations under the Act. Where instances of noncompliance are identified, the Government will seek to engage with noncompliant entities to support them to comply. However, in cases of deliberate and/or severe noncompliance the Government may choose to publicly identify the noncompliant entity.

39. The Government expects reporting entities to take a 'continuous improvement' approach to compliance. This means that reporting entities' statements should improve in quality and demonstrate progress over time as the business community increases its understanding of modern slavery.
40. Modern slavery is a significant issue for the Australian business community. However, modern slavery is only one aspect of responsible business conduct. It is important that you also consider other ways that your entity may adversely or favourably impact human rights through its operations and supply chains.
41. You can read [Appendix Five](#) to learn more about resources that will help you understand your entity's responsibility to respect human rights.

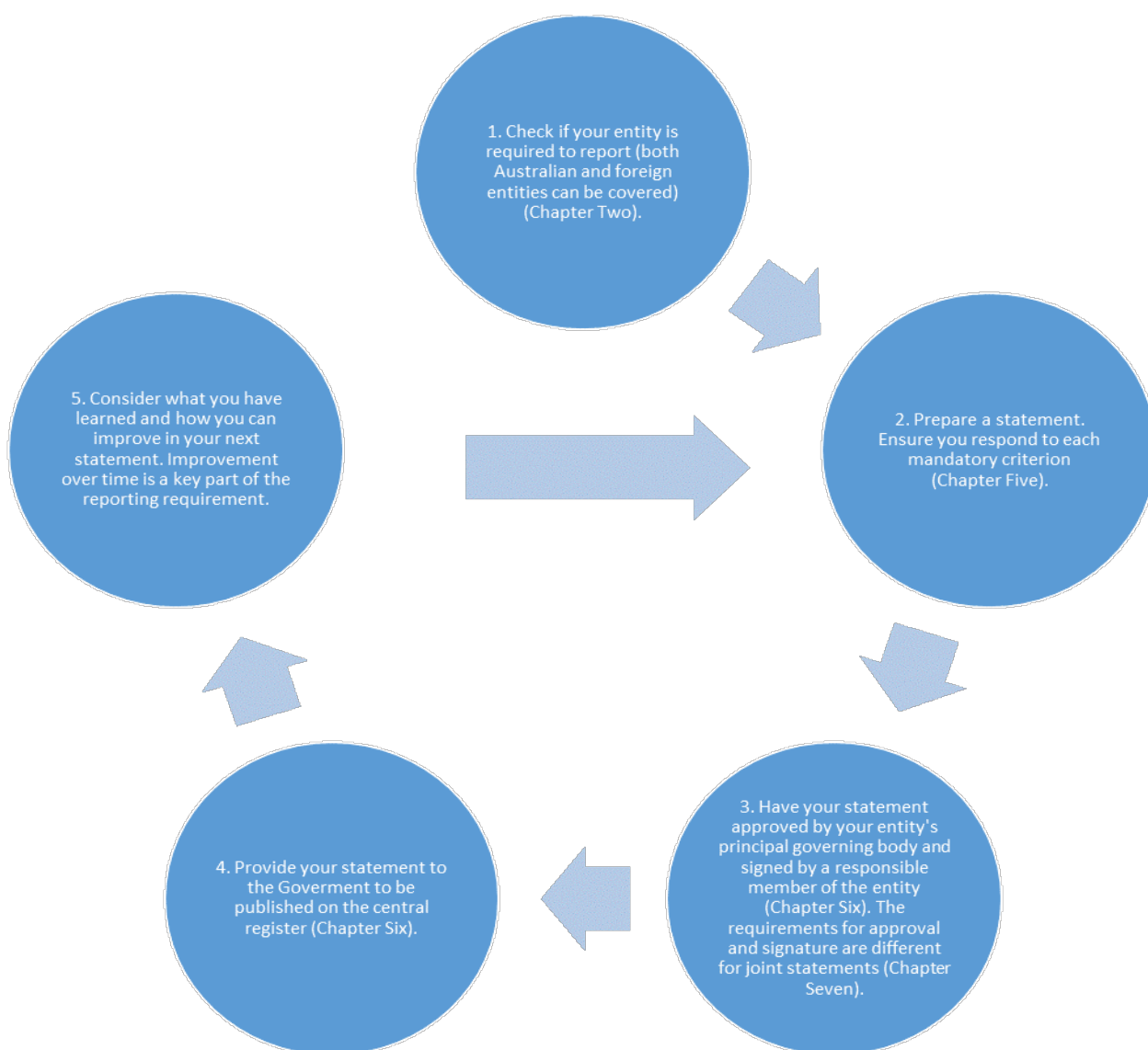


Figure 3: Outline of how to comply with the reporting requirement.

Summary: Chapter 1

This page summarises the key points from Chapter 1.

- The *Modern Slavery Act 2018* (the Act) has established Australia's **national Modern Slavery Reporting Requirement** (reporting requirement).
- '**Modern slavery**' describes situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom.
- The Act defines modern slavery as including **eight types of serious exploitation**: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.
- The United Nations (UN) and Walk Free Foundation estimate there are approximately **49.6 million victims of modern slavery** around the world.
- The nature and extent of modern slavery means there is a **high risk that it may be present in your entity's operations and supply chains**. Modern slavery can occur in every industry and sector.
- Modern slavery has **severe consequences for victims** and can also significantly impact your entity.
- The reporting requirement aims to **support the Australian business community to identify and address their modern slavery risks** and maintain responsible and transparent supply chains.
- Under the reporting requirement, large entities with over **AU\$100 million annual consolidated revenue** must prepare annual Modern Slavery Statements (statements).
- Statements must explain **what the reporting entity is doing to assess and address modern slavery risks** in its global operations and supply chains. The Act sets out seven mandatory criteria for the content of statements.
- Under the Act, the Government has the power to **publicly name entities** that fail to comply with the reporting requirement.
- **Failure to comply** can also significantly damage your entity's reputation, undermine your ability to do business, and damage investor confidence.
- The reporting requirement is **one part of Australia's broader response to modern slavery** domestically and overseas.

2. Do I need to report?

You can read this chapter to learn:

- Which entities need to report
- How to calculate the annual consolidated revenue of your entity
- Whether your entity is an Australian entity
- Whether your entity is a foreign entity carrying on business in Australia

1. This chapter explains how to work out whether your entity needs to comply with the reporting requirement by providing a statement. You do not need to read this chapter if you already know that your entity is required to report.
2. This chapter does not include information about voluntarily providing a statement. To learn more about voluntary participation, you should read [Chapter Three](#).

What does the Modern Slavery Act say I need to do?

3. Your entity will need to report under the Act if it:
 - has a consolidated revenue of at least AU\$100 million over its twelve month reporting periodAND IS EITHER
 - an Australian entity at any time in that reporting periodOR
 - a foreign entity carrying on business in Australia at any time in that reporting period.
4. If your entity does not meet these requirements you are not required to report under the Act. However, you are still able to voluntarily participate.

Why is this requirement in the Modern Slavery Act?

5. The reporting requirement is intended to apply to large entities with the capacity to meaningfully comply and the leverage to influence change in their supply chains. This is why the Act sets the annual revenue threshold for compliance at AU\$100 million consolidated revenue.
6. The reporting requirement also applies to both Australian entities and foreign entities carrying on business in Australia to ensure all entity types are held to the same standard.

How do I work out if I need to report?

7. Entities that are required to report are called reporting entities.
8. The Act applies to a wide range of entity types, including individuals, partnerships, associations and legal entities such as companies, trusts, superannuation funds and other types of investment organisations. This includes both commercial entities and not-for-profit entities, such as charities.
9. To work out whether your entity must report, you will need to check if the consolidated revenue for your entity is at least AU\$100 million over your reporting period. Your reporting period means the financial year or other annual accounting period of your entity. The **How To** box on page 19 explains what you need to do to calculate your entity's consolidated revenue.
10. If your entity has at least AU\$100 million consolidated revenue you will then need to determine if you are an Australian entity or a foreign entity carrying on business in Australia. The **How To** box on page 20 explains what you need to do to confirm if you are an Australian entity or a foreign entity carrying on business in Australia.
11. In some situations, multiple entities in the same corporate group may be reporting entities. In this case, you can decide to do one joint statement that covers each reporting entity. Alternatively, each reporting entity can prepare a separate statement. **Chapter Seven** explains how to prepare a joint statement.

LEARN MORE: WHAT IF MY ENTITY ALREADY NEEDS TO REPORT UNDER ANOTHER MODERN SLAVERY LAW?

Globally, a number of other countries have enacted legislation to drive responsible business conduct. If your entity undertakes business activities overseas, you may need to consider which foreign laws about responsible business conduct may apply to you. The State of New South Wales (NSW) also has a *Modern Slavery Act 2018* that requires NSW state owned corporations to comply with the requirements of the *Modern Slavery Act 2018* (Cth). This NSW Act came into effect in January 2022.

Can I use the same statement to report in Australia and the United Kingdom?

The United Kingdom (UK) has also passed modern slavery legislation requiring certain entities to report annually on their actions to address modern slavery. The UK Modern Slavery Act entered into force in 2015 and applies to commercial organisations carrying out business in the UK. If your entity needs to report under both the Australian and UK Acts then you can choose to submit the same statement in both the UK and Australia. However, you must ensure that your statement meets all the requirements in the Australian Act. The Australian Act sets out a number of requirements for statements that are not included in the UK Modern Slavery Act, including mandatory criteria for the content of statements and options to provide joint statements. This means that statements submitted in accordance with the UK Modern Slavery Act will not necessarily be compliant with the Australian Modern Slavery Act.

HOW TO: CALCULATE THE CONSOLIDATED REVENUE OF YOUR ENTITY?

Under the Australian Accounting Standards, the concept of consolidated revenue is used to describe the total revenue of your entity and any entities your entity controls. Australian Accounting Standard AASB 10 *Consolidated Financial Statements* explains how to determine if one entity controls another entity. Australian Accounting Standards AASB 15 *Revenue from contracts with customers* and AASB 1058 *Income of Not-for-Profit entities* also include information about assessing revenue.

It is important that you calculate your entity's consolidated revenue in accordance with the Australian Accounting Standards. You need to use these standards even if they do not normally apply to your entity. However, in many cases, your entity will already apply the Australian Accounting Standards in preparing financial statements.

It is also important to understand that consolidated revenue does not include the revenue of entities that own or control your entity. Consolidated revenue also excludes revenue from intercompany transactions between entities that are part of the same consolidated group.

You will not be able to calculate your exact total annual consolidated revenue until the end of your twelve month reporting period. In most cases, you will be able to simply identify whether your entity's consolidated revenue over the reporting period will be at least AU\$100 million. However, in some situations you may be unsure whether your entity's consolidated revenue will reach this threshold. If so, you will need to estimate your entity's likely revenue at the start of the reporting period. This will help you to determine whether your entity should begin preparing to comply, including by taking steps to assess and address modern slavery risks during the reporting period.

In other cases, your entity may meet the AU\$100 million revenue threshold due to unanticipated circumstances, such as an acquisition made during the reporting period or other changes to your business model. You should explain these circumstances and how they impact your ability to report in your statement. For example, you could explain that you have not had sufficient time to fully assess modern slavery risks in the entity you acquired and will provide further information in future statements.

EXAMPLE ONE – Consolidated Groups: Trust A needs to determine its consolidated revenue to identify if it is a 'reporting entity'. Trust A is a member of a larger consolidated group. Trust A must apply the Australian Accounting Standards to determine its consolidated revenue, even though Trust A would not normally have to prepare consolidated financial statements.

EXAMPLE TWO – Determining 'Control': Company A is a member of a larger consolidated group. Company A does not have to prepare consolidated financial statements in accordance with the Australian Accounting Standards. However, Company A must still apply the definition of control in the Australian Accounting Standards to determine whether it controls Company B. If Company A controls Company B according to the Australian Accounting Standards, then Company A has control of Company B for the purposes of the Modern Slavery Reporting Requirement. This means Company A must include Company B's revenue when assessing its annual consolidated revenue. This also means that Company A must report on Company B in its statement.

EXAMPLE THREE – Foreign Parent Companies: Company X is an Australian subsidiary of a foreign parent company (Company Y). Company X controls a second overseas subsidiary (Company Z) under the definition of control in the Australian Accounting Standards. As the foreign parent entity, Company Y is not required to report because it does not carry on business in Australia. This means that Company X should apply the Australian Accounting Standards to determine its annual consolidated revenue, which will include the revenue of Company Z. If Company X has annual consolidated revenue greater than AU\$100 million, it will be required to report under the Act.

HOW TO: DETERMINE IF YOUR ENTITY IS AN AUSTRALIAN ENTITY OR A FOREIGN ENTITY CARRYING ON BUSINESS IN AUSTRALIA?

Note: The information in this box is not legal advice. You should refer to the text of the Act for further detail.

Is your entity an Australian entity?

Under the Act, your entity is an Australian entity if it is a company, trust, or corporate limited partnership that is resident in Australia for income tax purposes. In most cases, you should already know whether your entity is a resident for tax purposes. You can learn more about whether your entity is a resident for tax purposes by visiting the Australian Taxation Office website.

Your entity will also be an Australian entity under the Act if it is formed or incorporated in Australia or if the central management and control of your entity is in Australia.

Is your entity a foreign entity carrying on business in Australia?

Under the Act, your entity carries on business in Australia if its activities meet the legal threshold for carrying on business set by section 21 of the Commonwealth Corporations Act 2001 (Corporations Act).

If your entity is a foreign corporation you should already know if your entity is carrying on business in Australia. This is because all foreign corporations carrying on business in Australia must register with the Australian Securities & Investments Commission. If your entity is not a foreign corporation, you will need to determine if your entity's activities meet the definition of 'carries on business in Australia' within the meaning of section 21 of the Corporations Act. The Corporations Act does not specifically define carrying on business.

Summary: Chapter 2

This page summarises the key points from Chapter 2.

- The Modern Slavery Reporting Requirement (reporting requirement) applies to both **commercial and not-for-profit entities**.
- Entities that need to comply with the reporting requirement are called reporting entities.
- Multiple reporting entities (such as entities in a corporate group) can choose to submit a **single joint Modern Slavery Statement** (statement).
- Your entity **will be a reporting entity** if it:
 - has annual consolidated revenue of at least AU\$100 million**AND IS EITHER**
 - is an Australian entity OR a foreign entity carrying on business in Australia.
- You must calculate your entity's consolidated revenue in accordance with the **Australian Accounting Standards**.
- Under the Australian Accounting Standards, the concept of **consolidated revenue** is used to describe the total revenue of your entity and any entities your entity controls.
- Your entity will be an **Australian entity** if it is resident in Australia for income tax purposes OR formed or incorporated in Australia OR centrally managed and controlled in Australia.
- If your entity is a **foreign entity**, it will be carrying on business in Australia if it meets the legal threshold for carrying on business set by section 21 of the Commonwealth *Corporations Act 2001*.
- If your entity **undertakes business activities overseas**, you may also need to comply with foreign laws about responsible business conduct, including the United Kingdom's (UK) *Modern Slavery Act 2015*.
- If your entity needs to report in both Australia and the UK then you can choose to **submit the same statement in both countries**. However, you must ensure that your statement meets all the requirements in the Australian *Modern Slavery Act 2018*.

3. Can I report voluntarily?

You can read this chapter to learn:

- **How providing a voluntary statement can benefit your entity**
- **Whether you are eligible to provide a voluntary statement**
- **How to provide a voluntary statement**

1. This chapter explains how to voluntarily comply with the reporting requirement.
2. Any Australian entity or foreign entity carrying on business in Australia can provide a voluntary statement.
3. Providing a voluntary statement may benefit your entity. For example, it can demonstrate your leadership on modern slavery and show you are a responsible business that acts with integrity. This may help you to attract customers, access new business opportunities, provide a competitive advantage and build your reputation.
4. Providing a voluntary statement will also help you to respond to questions from customers and investors, including other entities that you do business with. In some cases, your business partners may ask you to provide a voluntary statement.
5. Although reporting voluntarily can benefit your entity it can also be a significant commitment. Voluntary statements must comply with all of the requirements for statements in the Act, including the mandatory criteria for content.
6. You should carefully consider whether voluntary reporting is right for you. If you are unsure about whether to report voluntarily, or think you need more time to prepare, you could choose to instead prepare a statement and post it on your website. You should ensure any statement posted on your website clearly states whether it has been formally submitted to the Attorney-General's Department as a voluntary statement.

What does the Modern Slavery Act say I need to do?

7. There are three things that you need to do if you want to provide a voluntary statement:
 - check if you are eligible to provide a voluntary statement
 - notify the Attorney-General's Department via the online central register that you will provide a voluntary statement, and
 - prepare and submit a statement that complies with the requirements for statements set out in the Act.
8. Once you have decided to report voluntarily, you can change your mind. However, you need to make this decision before your reporting period begins. **Once your reporting period begins, you cannot withdraw and must provide a statement like every other reporting entity.**
9. If you commit to providing a voluntary statement but fail to report you will also be treated the same way as other reporting entities that do not comply.
10. This means that the Minister may require you to explain your noncompliance or take remedial action, such as providing a statement that meets the requirements for approval set out in the Act. If your entity does not comply, the Minister may publicly identify your entity as being noncompliant.

Why is this option in the Modern Slavery Act?

11. The Act allows entities to provide voluntary statements to ensure that entities not covered by the reporting requirement are able to participate if they wish to do so.

How do I report voluntarily?

12. The flow chart below sets out the three steps you will need to complete if you would like to provide a voluntary statement.
13. You can contact the Modern Slavery Business Engagement Unit for advice if you are unsure about what to do.

How do I stop voluntary reporting?

14. If your entity wants to stop voluntarily reporting, you must give written notice to the Minister before the reporting period commences.

STEP 1: CHECK YOU ARE ELIGIBLE

You can only provide a voluntary statement if:

1) your entity is not already required to comply with the reporting requirement

AND

2) your entity is an Australian entity or carries on a business in Australia.

Chapter Two of this Guide explains how to determine if your entity is an Australian entity or carries on a business in Australia.

STEP 2: NOTIFY THE ATTORNEY-GENERAL'S DEPARTMENT

You need to notify the Attorney-General's Department that you wish to volunteer to report by completing an online intent to submit a statement through your online account on the Modern Slavery Statements Register (modernslaveryregister.gov.au). You need to provide the intention to submit to the Department before the end of the reporting period that you want to report on.

You can decide to provide a voluntary statement for only one year. Alternatively you can decide to comply for multiple years. You can change your mind if you decide you no longer want to volunteer. However, you must notify the Department about this before your reporting period begins.

STEP 3: PREPARE AND SUBMIT A STATEMENT

You will need to prepare and submit a statement in the same way as an entity that is legally required to report. The text of your statement should clearly state that it is a voluntary statement.

You should carefully read Chapters Five and Six of this Guide which explain how to write, approve and submit a statement.

Figure 4: Process for voluntary reporting.

Summary: Chapter 3

This page summarises the key points from Chapter 3.

- If your entity is not required to comply with the Modern Slavery Reporting Requirement (reporting requirement) you can **choose to voluntarily comply**.
- Any Australian entity or foreign entity carrying on a business in Australia can provide a **voluntary Modern Slavery Statement** (voluntary statement).
- If you wish to provide a voluntary statement you **must formally notify the Attorney-General's Department** by following the instructions in this chapter.
- Voluntary statements must **comply with all of the requirements for statements** in the Commonwealth *Modern Slavery Act 2018*, including the mandatory criteria for content.
- Providing a voluntary statement **may benefit your entity**, including helping you to attract customers, respond to questions from business partners, access new business opportunities, gain a competitive advantage and build your reputation.
- However, voluntary reporting can also **be a significant commitment**. You should carefully consider whether voluntary reporting is right for you
- If you commit to providing a voluntary statement but **fail to report** you will be treated the same way as other reporting entities that do not comply.
- If you decide to stop voluntarily reporting, you must give written notice to the Minister before the reporting period commences.

4. When do I report?

You can read this chapter to learn:

- When you need to report
- How to determine your entity's reporting period

1. This chapter explains how to determine when you need to report and what period of time you need to report on.

What does the Modern Slavery Act say I need to do?

2. The Act requires you to prepare annual statements covering your entity's reporting period.
3. Your reporting period means the financial year or other annual accounting period used by your entity. You will need to prepare a statement for every reporting period for your entity.
4. You need to begin reporting on your first full reporting period after 1 January 2019.
5. You will also need to submit your statement to the Attorney-General's Department via the online central register within six months after the end of your reporting period. **Chapter Six** explains the process for submitting your statement.

Why is this requirement in the Modern Slavery Act?

6. The requirement to report annually under the Act encourages entities to continually assess their modern slavery risks and improve their responses over time. Continuous improvement is a key element of an effective response to modern slavery risks.
7. The timing for reporting is based on entities' financial years or other accounting periods to align the reporting requirement with entities' existing reporting processes, such as annual reports.

How do I work out when I need to report?

8. You can work out when you need to report by identifying your entity's reporting period. The table below explains the timing for reporting for entities using common reporting periods.
9. The Act requires you to prepare annual statements covering your entity's reporting period.

Table 1: Table of timelines for reporting.

Entity's annual reporting period	First reporting period under the Act	Due date for first statement
1 July – 30 June (Australian Financial Year)	1 July 2019 – 30 June 2020	No later than 31 December 2020
1 January – 31 December (Calendar Year)	1 January 2020 – 31 December 2020	No later than 30 June 2021
1 April – 31 March (Foreign Financial Year - including United Kingdom and Japan)	1 April 2019 – 31 March 2020	No later than 30 September 2020

Summary: Chapter 4

This page summarises the key points from Chapter 4.

- You need to prepare annual Modern Slavery Statements (statements) covering your entity's **12 month reporting period**.
- Your entity's **reporting period** means the financial year or other annual accounting period used by your entity.
- The requirement to report annually encourages entities to **continually assess** their modern slavery risks and improve their responses over time
- You need to begin reporting on your entity's **first full reporting period** after 1 January 2019.
- You will also need to **submit your statement to the Attorney-General's Department via the online central register** within six months after the end of your reporting period.

5. How do I prepare a statement?

You can read this chapter to learn:

- What to include in your statement
- How to understand and respond to each mandatory criterion
- The meaning of key words in the Act, including operations, supply chains, remediation and due diligence

1. This chapter explains what you need to do to prepare a statement by addressing each of the seven mandatory criteria for content set out in the Act. This includes:
 - what the Act requires you to do
 - why each criterion was included in the Act, and
 - how you can address each criterion in your statement.
2. The 7 mandatory criteria require every statement to:
 - **identify the reporting entity**
 - **describe the reporting entity's structure, operations and supply chains**
 - **describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls**
 - **describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes**
 - **describe how the reporting entity assesses the effectiveness of these actions**
 - **describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement), and**
 - **provide any other relevant information.**
3. To help explain each criterion, this chapter draws on the *UN Guiding Principles on Business and Human Rights* (UN Guiding Principles).

4. The UN Guiding Principles are the recognised global standard for preventing and addressing business-related human rights harm. Australia supports the UN Guiding Principles, which were unanimously endorsed by the UN Human Rights Council in 2011. Investors, business peers, clients, civil society and governments expect you to understand and apply the UN Guiding Principles in your response to modern slavery.
5. The UN Guiding Principles are supported by other important business and human rights standards, including the *OECD Guidelines for Multinational Enterprises* (OECD Guidelines). You can find more information about the UN Guiding Principles, OECD Guidelines and other standards in [Appendix Five](#).
6. There is no set template for statements. This means that each reporting entity is able to decide how to structure its own statement. If you are unsure about how to structure your statement, you can use each of the seven criteria as topic headings.
7. The online central register contains a wide range of resources to help reporting entities understand their obligations under the Act. The online central register also includes a Modern Slavery Statement Annexure which is intended to provide an example of how reporting entities can clearly demonstrate where in their statement they have addressed the mandatory criteria.
8. When preparing your statement, you should also consider how the reporting entity will continue to develop and strengthen its response to modern slavery over time. You can learn more about why continuous improvement is important by reading the [Learn More](#) box on page 31.
9. Your statement will be a public document and it must meet specific requirements for approval and publication. You can learn about these requirements by reading [Chapter Six](#) of this Guide.
10. As a public document, your statement will be read by a wide range of audiences including the Australian Government, customers, business partners, investors, suppliers, business peers, civil society, and academics. You should consider the expectations and level of knowledge of these different audiences when drafting your statement. For example, you may wish to clearly explain key terms that may be unfamiliar to some audiences.
11. If you are preparing a joint statement you should also read [Chapter Seven](#). Chapter Seven explains the additional requirements that need to be met for a joint statement.
12. You can also apply the principles set out in this chapter if you are a supplier who is not required to prepare a statement but you are asked by reporting entities to identify and address your modern slavery risks. For example, this chapter can help you to understand and identify your specific modern slavery risks and decide what action you may need to take.

LEARN MORE: WHY IS A CONTINUOUS IMPROVEMENT APPROACH IMPORTANT

The Act aims to drive continuous improvement from reporting entities over time.

Addressing modern slavery risks can be a complex and challenging process and how entities respond will evolve over time. As you go through the statement process, it is important that you focus on how your entity can continue to strengthen and refine its response in future reporting cycles. For example, information collected for the first statement may help identify new areas of modern slavery risk that need to be addressed in the second statement.

One way that you can demonstrate your entity's commitment to continuous improvement is to explain your entity's plan for future action in the statement. For example, you could explain that in the first statement the entity is focusing on six high risk areas of its supply chain and that this will expand to other specific areas in the next reporting period.

LEARN MORE: KEY TIPS TO WRITE A MODERN SLAVERY STATEMENT

- **Carefully read this Guide** to make sure you understand what you need to do.
- Use the statement process to **consider how you can improve your entity's response** to modern slavery.
- **Engage senior management**, executives and board members as early as possible to ensure they understand the statement process.
- **Involve relevant areas of your entity and any entities your entity owns or controls** in the drafting process (such as Human Resources, Finance, Procurement, Sourcing, Legal, Risk, Sustainability, Major Projects and Senior Leadership). Where possible, include your sourcing and/or procurement teams in all your countries of operation, especially any high risk locations.
- **Avoid copying generic templates or statements** from other entities.
- **Be honest** about your entity's situation and risks and what you have done to improve.
- **Consider what your next steps will be** and how you will show improvement in your next statement.
- **Avoid aspirational statements** that are not supported by action.
- **Consider how you can benefit from third-party expertise** and partnerships to improve your overall response to modern slavery, including with industry bodies, multi-stakeholder initiatives, international organisations and expert NGOs.
- **Check you have complied with all the legal requirements** set out in the Act, including addressing all of the mandatory reporting criteria.

Mandatory Criteria One and Two: Identify the reporting entity and describe its structure, operations and supply chains

13. This part of Chapter Five explains how to comply with the first two mandatory criteria in the Act.

What does the Modern Slavery Act say I need to do?

14. The first mandatory criterion requires you to clearly identify the reporting entity that is covered by the statement.
15. The second mandatory criterion requires you to describe the structure, operations and supply chains of the reporting entity.
16. Your entity may already use the concepts of 'operations' and 'supply chains' when complying with other legislation. However, you need to make sure that you use 'operations' and 'supply chains' in the way these terms are defined in this Guide.
17. The **Key Terms Explained** box on page 33 defines 'structure', 'operations' and 'supply chains' and provides examples of how to apply these concepts.

KEY TERMS EXPLAINED: WHAT DO 'STRUCTURE', 'OPERATIONS' AND 'SUPPLY CHAINS' MEAN?

As part of your statement, you need to describe the reporting entity's structure and global and domestic operations and supply chains. You will also need to report on modern slavery risks in the global and domestic operations and supply chains of the reporting entity and any entities that entity owns or controls.

STRUCTURE: the legal and organisational form of the entity, including its legal classification (company, trust, partnership etc), number of employees, whether it is part of a larger corporate group of entities, and whether it owns or controls other entities.

OPERATIONS: activity undertaken by the entity to pursue its business objectives and strategy in Australia or overseas, including:

- **Direct employment of workers:** For example, a manufacturing company's operations include the workers it employs at its factories.
- **Processing and production:** For example, a dairy food company's operations include the collection, processing and production of milk products.
- **Provision and delivery of products or services:** For example, an accounting firm's operations include the provision of financial services to clients. A charitable aged care facility's operations include the delivery of aged care services.
- **Construction:** For example, a building company's operations include the construction of commercial and/or residential buildings. A mining company's operations include the construction of a new port by the company to ship iron ore.
- **Financial lending:** For example, a bank's operations include financial lending to clients.
- **Financial investments (including investments in non-managed/operated joint ventures):** For example, the operations of superannuation funds and fund managers include internally managed investment portfolios and assets. Externally managed portfolios, such as those managed by another fund manager, may be more appropriately considered part of the reporting entity's supply chains (see below). Entities' operations also include making financial investments in, and engagement with, non-managed/non-operated joint ventures (although the joint venture is not a managed operation, the entity's investment in and engagement with the joint venture is a business activity). For example, an oil company's operations include its investments in non-managed/non-operated joint ventures
- **Managed/operated joint ventures:** For example, a mining company's operations include domestic and overseas joint ventures that it manages/operates.
- **Leasing of property, products and/or services:** For example, a ship leasing business' operations include the leasing of vessels. A property owner's or leasing company's operations include the leasing of retail shops, commercial and/or industrial facilities.
- **Research and development:** For example, the operations of a medical research company include the development and trial of new medicines.
- **Charitable activities:** For example, a large bank's operations include the activities of its charitable foundation, such as donations to child welfare projects overseas. An animal protection charity's operations include its work to safeguard threatened habitats overseas.
- **Distribution, purchasing, marketing and sales:** For example, a food and beverage company's operations include the distribution of its products through a dedicated transport network it owns and operates. A property developer's operations include the purchasing of land overseas.
- **Religious activities:** For example, the operations of a religious entity include the provision of religious services, such as marriages.

SUPPLY CHAINS: the products and services (including labour) that contribute to the entity's own products and services. This includes products and services sourced in Australia or overseas and extends beyond direct suppliers. The definition of supply chains includes:

- **Products provided to the entity by suppliers:** For example, a supermarket's supply chains include the frozen vegetables provided by a wholesaler. A hospital's supply chains include the rubber gloves it procures. A bank's supply chains include the procurement of uniforms and office supplies.
- **Services provided by suppliers:** For example, a law firm's supply chains include the cleaning services provided to the law firm by a contractor. The supply chains of a superannuation fund or fund manager include its external investment managers, who provide a service by managing its portfolios. A building company's supply chains include its specialist subcontractors.
- **Products and services used by indirect suppliers in the entity's supply chains:** For example, the supply chains of an electronics manufacturer include the mining and refining of minerals used in electronic components purchased by the electronics manufacturer. The supply chains of a fashion company include the harvesting and ginning of cotton used in the garments it sells and the transportation of fabric between factories. The supply chains of a telecommunications company include its outsourced call centres overseas.

Explanatory note: Reporting on risks related to customers

Under the Act, reporting entities are not required to report on modern slavery risks associated with how their customers use the products or services they purchase. For example, a mining company is not required to report on whether the overseas smelter that purchases its ore uses forced labour. Similarly, landlords and lessors are not required to report on modern slavery risks associated with the operations and supply chains of lessees.

Explanatory note: How to report on investment and financial lending arrangements as part of an entity's operations

Reporting entities that engage in investment activities often do not have control over the actions of the investee. In these situations, entities are not required to monitor or report on the operations and supply chains of their individual investees. For example, an investment firm is not required to individually monitor or report on each of its investees and their operations and supply chains. Consistent with this approach, companies that invest in non-managed/non-operated joint ventures are not required to individually monitor or report on each joint venture and its operations and supply chains.

Similarly, entities that engage in financial lending are not required to individually monitor or report on each of their loan recipients and their operations and supply chains. For example, a bank is not required to individually monitor or report on individual borrowers.

Although not required to monitor or report on individual investees or loan recipients, the Government expects that reporting entities assess at an overarching, thematic level whether they may be exposed to modern slavery risks through their investment arrangements and/or financial lending practices. This includes investment activities in relation to non-managed/operated joint ventures. Reporting entities should also consider how they may be able to address any significant areas of risk through their investment and/or financial lending arrangements. The way reporting entities address risks in this context will depend on the nature of their investments and investment arrangements. For example, in some cases investors will have significant influence over portfolios even where these portfolios are managed externally.

HYPOTHETICAL EXAMPLES:

These examples outline how reporting entities in different sectors could approach reporting on their operations and supply chains, including where their operations include investment arrangements. These examples are not intended to be comprehensive.

Example One – Construction Company: Blue Sky Construction is a large Australian building company with over 1,500 employees. Blue Sky Construction is structured as a publicly listed company incorporated in Australia and has its headquarters in Melbourne. Blue Sky Construction owns two subsidiary entities and has also established a charitable foundation that operates as a trust.

Blue Sky Construction's main operations include its building sites, including the workers it directly employs. Blue Sky Construction's operations also include its global sales and marketing program and the activities of its charitable trust.

Blue Sky Construction's supply chains include the manufacture and transportation of the products it uses in its construction, such as bricks. In this context, Blue Sky Construction's supply chains include the overseas factory where the bricks are made, the importation of the bricks into Australia and the subsequent sale and distribution of the bricks to Blue Sky Construction. Blue Sky Construction's supply chains also include services that contribute to its operations, such as the cleaning and security companies that service Blue Sky Construction's offices and building sites.

As part of its statement, Blue Sky Construction reports on its actions to assess and address modern slavery risks associated with its operations, including its employment practices and providing training for workers. Blue Sky Construction also explains the steps it has taken to assess and address modern slavery risks associated with the activities of its charitable foundation, which supports a number of child welfare programs overseas.

Blue Sky Construction also explains how it is assessing and addressing modern slavery risks in its supply chains. For example, Blue Sky Construction outlines that it has identified its procurement of bricks from overseas as a key risk area and describes how it is working with suppliers to mitigate these risks. Blue Sky Construction also outlines how it is working with its security services contractors to identify possible risks associated with these services.

Example Two – Financial Investments: Maximise Superannuation is a large Australian superannuation and pension fund. Maximise Superannuation is structured as a trust and managed by a board of trustees.

Maximise Superannuation's operations include a significant internally managed investment portfolio. This portfolio includes both active and passive investments in equity markets, property and infrastructure across 15 countries.

Maximise Superannuation's supply chains include the services provided by four external fund managers, who oversee Maximise Superannuation's external investment portfolios. Maximise Superannuation's supply chains also include the provision of office services and supplies, such as cleaning and IT equipment.

As part of its statement, Maximise Superannuation reports on how it assesses and addresses modern slavery risks when making investment decisions in relation to its internally managed portfolio. For example, Maximise Superannuation outlines how it has integrated modern slavery risk analysis into its existing environmental, social and governance (ESG) risk processes. Maximise Superannuation also outlines a plan it has established for how it would respond to significant modern slavery risks identified through this ESG process.

In addition, Maximise Superannuation explains that it is undertaking a high level thematic review of its internally managed investment portfolio to identify general areas of modern slavery risk. As a result of this review, Maximise Superannuation indicates that it will prioritise modern slavery engagement activities with its overseas property sector investees in two higher risk countries.

Maximise Superannuation also explains in its statement how it is working with suppliers of goods and services to assess and address modern slavery risks in its supply chain. For example, Maximise Superannuation outlines how it is working with its external fund managers to assess the nature of Maximise's investments and ensure that these managers consider modern slavery risks when managing Maximise's investments. Maximise Superannuation also describes its actions to assess and address modern slavery risks related to its contracted cleaning providers and IT procurements.

Example Three – Mining and Joint Ventures: AusMine Resources is a medium-size, Australian headquartered resources company. AusMine Resources is publicly listed on the Australian Stock Exchange and owns and operates a number of mining facilities in Australia and overseas. AusMine Resources also operates an offshore gas project as a joint venture with a foreign company and holds interests in a number of non-operated joint ventures.

AusMine Resources' operations include the domestic and overseas mining facilities it owns and operates, including the working conditions of its employees. AusMine Resources' operations also include the joint venture gas project it operates, as well as its investment activities in other joint ventures it does not operate.

AusMine Resources' supply chain includes the suppliers of products and services used in its mining operations, including trucks, catering, IT equipment, personal equipment and clothing, explosives and temporary accommodation facilities. AusMine Resource's supply chain also includes the services provided by contractors, including charter vessels used to transport its ore to overseas customers.

In its statement, AusMine Resources reports on its actions to assess and address modern slavery risks in its operations, including risks associated with the construction of a new mining facility overseas and the joint venture gas facility it operates. AusMine Resources also reports on how it incorporates modern slavery into its risk assessments and due diligence processes when it considers investing in non-operated joint ventures. Where it identifies that there may be a high level of modern slavery risks associated with a non-operated joint venture activity (for example where the joint venture is in a country with a high prevalence of modern slavery), AusMine Resources outlines its approach to engaging with the operating companies to mitigate these risks. For example, AusMine explains how it has raised modern slavery risks through the management committee of one of its non-operated joint ventures. Aus Mine Resources is not required to report on the individual operations and supply chains of its non-operated joint ventures.

AusMine Resources also reports on its actions to address modern slavery risks in its supply chains, including its catering providers, as well as the working conditions of seafarers on chartered vessels.

Why are these requirements in the Modern Slavery Act?

18. It is important that the Government, investors, consumers and business peers can identify which reporting entity is covered by your statement.
19. It is also important that you provide information about the reporting entity's structure, operations and supply chains in the statement. This information is directly relevant to the reporting entity's modern slavery risks and will provide important context for your statement.
20. For example, an entity with extensive international operations in high risk sectors or emerging markets will have different modern slavery risks to an entity that only operates in Australia and has shorter and more direct supply chains.

How can I address these criteria in my statement?

21. You must ensure your statement clearly identifies the reporting entity. For example, you may wish to:
 - clearly set out the name of the reporting entity on the front page of the statement and in any introductory text
 - consider including the logo of the reporting entity (if applicable) and the logos of any relevant brands or divisions within the reporting entity in a visible location in the statement, and
 - explain where the reporting entity is incorporated and listed (if applicable).
22. You must also ensure your statement describes the structure, operations and supply chains of the reporting entity. You can use the suggested information in the [table](#) on page 38 to help you do this. If your entity is part of a corporate group, you should make sure you also describe the overall structure of the group.

23. You may wish to use the suggested information in the table below to help you describe the structure, operations and supply chains of the reporting entity. Your statement will be read by a range of audiences with different levels of understanding about the reporting entity. The aim of this description is to provide context for your statement by helping these readers to understand the reporting entity.

Table 2: Suggested ways to describe an entity's structure, operations and supply chains.

Structure	Operations	Supply Chains
Explain the general structure of the entity (for example, is the entity a public company, a partnership or a trust). If the entity is part of a larger group, explain the general structure of the overall group (both upstream and downstream from the entity).	Explain the nature and types of activities undertaken by the entity (for example, mining, retail, manufacturing) and any entities it owns or controls.	Identify the countries or regions where the entity's suppliers are located.
Explain whether the entity owns or controls other entities.	If the entity's activities involve investments or financial lending, explain the type and nature of the entity's investments or lending.	Explain the main types of goods and services the entity procures.
If the entity does own or control other entities, explain what these entities do and where they are located. For example, the entity may own a foreign subsidiary in another country.	Identify the countries or regions where the entity's operations are located or take place.	To the extent possible, identify the source countries for these goods and services.
Identify any trading names or brand names associated with the reporting entity and entities it owns or controls.	Provide facts and figures about the entity's operations, such as the total number of employees, factories, and/or stores.	Link to any disclosures by the entity about the identity of their suppliers (such as a public supplier list).
Provide the entity's Australian Company Number (if relevant) or other public identifying information	Explain in general terms the type of arrangements the entity has with its suppliers and the way these are structured (are they often short-term and changeable or stable longer-term relationships).	
Provide the details of the reporting entity's registered office.	Explain the types of business relationships the entity has in addition to suppliers, such as joint venture partners.	
Indicate the approximate number of workers employed by the entity and any entities it owns or controls.		

Mandatory 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

24. This part of Chapter Five explains how to comply with the third mandatory criterion in the Act.
25. **Appendix Seven** of this Guide provides some examples of good practice responses on how to 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.

What does the Modern Slavery Act say I need to do?

26. The third mandatory criterion requires you to describe the risks of modern slavery practices in the operations and supply chains of the reporting entity.
27. You also need to describe the risks of modern slavery practices in the operations and supply chains of any entities the reporting entity owns or controls.
28. The **Key Terms Explained** box on page 40 explains what the 'risks of modern slavery practices' means.
29. This criterion only requires you to identify how risks of modern slavery practices may be present in the reporting entity's operations and supply chains.
30. This criterion does not require you to certify that the reporting entity is 'slavery free'. Every entity has modern slavery risks in its operations and supply chains.
31. This criterion also does not require you to report on specific individual risks or actual cases of modern slavery. However, you are able to voluntarily include information about specific risks or cases if you wish to do so. For example, you could include an anonymised case study.
32. The **Learn More** box on page 41 explains how to report on specific cases in a way that is safe for the victim and respects their privacy.

KEY TERMS EXPLAINED: WHAT ARE 'RISKS OF MODERN SLAVERY PRACTICES'?

The 'risks of modern slavery practices' means the potential for your entity to **cause, contribute to**, or be **directly linked to** modern slavery through its operations and supply chains – in other words the risks that your entity may be involved in modern slavery.

The concept of risk in this context means risk to people rather than risk to your entity (such as reputational or financial damage). However, often these risks to people will intersect with risks to your entity. For example, potential forced labour in a clothing factory poses clear risks to the human rights of the workers (risk to people) but may also lead to reputational damage and legal liability for the clothing company (risk to the entity). This 'outward-facing' and 'people focused' approach to risk may be different from how your entity normally deals with other types of risk.

The concepts of cause, contribution and direct linkage are set out in the UN Guiding Principles and are part of a continuum of conduct. This means that your entity's risks may not always fit neatly into one of these categories.

Risks that you may cause modern slavery practices: This means the risks that your entity's operations may directly result in modern slavery practices.

- For example, your entity may own and run a factory that uses exploited labour.

Risks that you may contribute to modern slavery practices: This means the risks that your entity's operations and/or actions in its supply chains may contribute to modern slavery. This includes acts or omissions that may facilitate or incentivise modern slavery.

- For example, your entity may have specifically asked a construction company to find the cheapest possible labour for a project and turned a blind eye to evidence that the workers were being exploited.
- For example, your entity may knowingly set unrealistic cost targets and delivery timeframes for a supplier that can only be met by using exploited labour.

Risks that you may be directly linked to modern slavery practices: This means the risks that your entity's operations, products or services (including financial products and services) may be connected to modern slavery through the activities of another entity you have a business relationship with. Your business relationships include all of the entities in your supply chain, including entities you do not have a direct contractual relationship with. This means that you need to consider how you may be directly linked to modern slavery practices throughout your entire supply chain. Your business relationships also include your business partners and investees and borrowers. However, for the purposes of the Act, your business relationships do not include your customers who purchase your products and services. The examples below explain how your entity may be directly linked to modern slavery.

- For example, your entity may retail electronic goods. These goods may have been manufactured by another entity using minerals sourced from a third entity that were mined by a fourth entity using forced labour.
- For example, your entity may fund an investee to undertake an overseas infrastructure project. Despite your entity putting appropriate safeguards in place, the investee engages subcontractors that use forced labour to complete the project.

LEARN MORE: REPORTING ON MODERN SLAVERY CASES

The Act does not require reporting on specific cases or allegations of modern slavery. However, you can decide to voluntarily include information about specific modern slavery allegations or cases in your statement. You can read [Appendix Three](#) to learn more about responding to specific modern slavery cases.

Including information about specific allegations or cases can help to show that your entity's actions to identify and address modern slavery risks are effective.

If you decide to report on modern slavery cases:

DO:

- respect the privacy of the victim and other individuals that may have been involved (such as the victim's family) at all times
- take into account any other potential impacts that reporting may cause to the victim and other individuals that may have been involved (such as the victim's family)
- comply with any relevant privacy legislation governing the collection and disclosure of personal information, and
- be clear about how you responded to the allegation or case

DO NOT:

- report on the allegation or case if doing so could put the victim at risk
- provide the name, age, or other personal information about the victim
- disclose the specific location of the allegation or case (such as city X) if doing so would put the victim at risk
- provide specific details about allegations or cases that are currently being investigated, or are before a court, or
- breach any privacy obligations that may apply to the collection and disclosure of personal data.

Why is this requirement in the Modern Slavery Act?

33. It is important you consider how your entity may cause, contribute to, or be directly linked to modern slavery. This is why the Act requires you to describe the risks of modern slavery practices for the reporting entity and any entities it owns or controls.
34. Accurately and honestly describing your modern slavery risks is a key part of your statement. Once you have identified your modern slavery risks, you can then develop an appropriate response.
35. You will need to describe the actions the reporting entity and any entities it owns or controls have taken to assess and address their modern slavery risks in your response to mandatory criterion four.

How can I address this criterion in my statement?

36. To address this criterion, you need to ensure that your statement describes how risks of modern slavery practices may be present in the operations and supply chains of the reporting entity.
37. If the reporting entity owns or controls any other entities then you also need to describe how risks of modern slavery practices may be present in the operations and supply chains of each of these entities.
38. You can identify possible risks by considering how the reporting entity and any entities it owns or controls may cause, contribute to, or be directly linked to modern slavery through its operations and supply chains.
39. The Act does not set a minimum requirement for how many tiers of your supply chain you must examine. You need to consider modern slavery risks that may be present anywhere in the global and domestic operations and supply chains of the reporting entity and any entities it owns or controls. This includes risks that may be present deep in supply chains, such as the mining of conflict minerals and the production of raw materials.
40. However, the way that you respond to modern slavery risks will change depending on the severity of the risks (to people) and your relationship to the risks. Using the cause, contribute and directly linked framework will help you to understand how your relationship to a modern slavery risk will determine your response. You can learn more about how to do this by reading the [Learn More](#) box on page 51.
41. Your description of modern slavery risks should identify the general types of modern slavery risks that may be present in the operations and supply chains of the reporting entity and any entities it owns or controls.

42. For example, a fashion company's statement could explain that the entity has identified there is a risk it may contribute to modern slavery practices through its arrangements with third-party supplier factories, which focus on minimising production costs. The statement could also explain that the entity has identified a risk that it may be directly linked to modern slavery practices further down its supply chains, including through the labour practices used by raw material suppliers.
43. Similarly, a mining company's statement could explain that the entity has identified there is a risk it may cause modern slavery practices because parts of its operations are in countries reported to have a high prevalence of modern slavery by international organisations or NGOs. The statement could also explain that the entity has identified a risk it may contribute to modern slavery through its arrangements with charter vessels that may use exploited labour. In addition, the statement could note that the mining company recognises it may be directly linked to modern slavery through the construction materials used to develop a new overseas mining operation.
44. You do not need to exhaustively list specific risks in your description or identify all of your suppliers or investment holdings by name. However, you must include sufficient detail to clearly show the types of products and services in the entity's operations and supply chains that may involve risks of modern slavery.
45. For example, your statement may explain that the reporting entity has identified risks relating to its sourcing of timber products from countries A, B and C, which may be produced using modern slavery. Your statement does not need to specify the particular factories these risks relate to.
46. In many cases, you will need to do an initial scoping exercise to help you identify and describe the risks of modern slavery practices for an entity. You may also wish to complete this process for other responsible business conduct risks, such as corruption.
47. The [How To](#) box on page 44 explains how to complete an initial scoping process. This process is a first step that will help you to consider the nature and extent of your entity's modern slavery risks. It is not the same as a detailed risk assessment.

HOW TO: SCOPE YOUR ENTITY'S MODERN SLAVERY RISKS

Every entity's modern slavery risks will be different. Completing an initial scoping exercise will help you to understand which parts of your entity's operations and supply chains may involve modern slavery risks. You can then use this information to describe your entity's modern slavery risks.

STEP ONE: Identify the broad operations and overall supply chain structure of your entity at a thematic, overarching level. If your entity undertakes internal or externally managed investment or financial lending activities, you should include the general categories and asset classes of your investment and lending portfolios (such as equities or overseas property). Use this process to identify the general sectors and industries, types of products and services, categories of investments, countries and entities that are involved in your entity's operations and supply chains. To the extent possible, this process should consider the entire scope of your supply chain.

STEP TWO: Check which of the sectors, types of products and services, categories of investments, countries and entities that you have identified may involve high modern slavery risks. Consider that your entity's most severe modern slavery risks may not align with the volume or cost of the products and services you procure. **Appendix One** includes a list of modern slavery risk indicators to help you evaluate your risks. **Appendix Five** includes a list of resources that will help you learn more about modern slavery risks.

- **Sector and industry risks:** Certain sectors and industries may have high modern slavery risks because of their characteristics, products and processes. For example, extractives, textiles and fashion, fishing, electronics, cleaning, and agriculture are recognised as high risk industries globally.
- **Product and services risks:** Certain products and services may have high modern slavery risks because of the way they are produced, provided or used. For example, bricks, cobalt, cotton and rubber are recognised as high risk products globally. Similarly, services such as cleaning that often involve lower wages and manual labour may have high modern slavery risks.
- **Geographic risks:** Some countries may have higher risks of modern slavery, including due to poor governance, weak rule of law, conflict, migration flows and socio economic factors like poverty.
- **Entity risks:** Some entities may have particular modern slavery risks because they have poor governance structures, a record of treating workers poorly or a track record of human rights violations.

STEP THREE: Identify the parts of your operations (including any investment or financial lending portfolios) or supply chains that you do not have visibility over and consider if they may involve modern slavery risks. For example, your entity may purchase uniforms for staff from a supplier. Although textiles and clothing is a high risk sector, you may not have any information about where and how the uniforms are made.

****Although scoping exercises are a useful tool, you should remember that modern slavery risks can also occur in areas that may initially seem low risk. You also need to continually review your risks to identify changes over time, such as risks relating to new products or suppliers. ****

SCOPING YOUR ENTITY'S MODERN SLAVERY RISKS: HYPOTHETICAL EXAMPLE

AlphaBeta Resources is an extractives company that owns and operates mining facilities around the world. AlphaBeta Resources' initial scoping exercise shows that the entity has a range of modern slavery risks.

AlphaBeta Resources operates in a high risk sector (extractives) but its operations and supply chains also involve a range of other high risk sectors and industries. For example, AlphaBeta Resources has identified there is a risk that it may contribute to modern slavery by subcontracting cleaning services for its offices around the world to other companies at the lowest possible costs and buying large numbers of uniforms for its workers. AlphaBeta has also discovered that one of the companies that provides cleaning services has been criticised by credible NGOs for underpaying its workers.

AlphaBeta Resources has also identified a number of product risks. One of these risks is that AlphaBeta Resources may be directly linked to modern slavery through its supply chain because it regularly purchases complex electronic equipment to help operate its mining sites. Often this electronic equipment includes components made from cobalt (which is a high risk product).

Lastly, AlphaBeta Resources has identified that it operates mining sites in two countries that are considered to have high modern slavery risks because of poor governance and a weak rule of law. AlphaBeta Resources is concerned that it may be at risk of causing modern slavery if its workers at these sites are not properly employed.

Mandatory Criterion Four: Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes

48. This part of Chapter Five explains how to comply with the fourth mandatory criterion in the Act.
49. **Appendix Seven** of this Guide provides some examples of good practice responses on how to describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes.

What does the Modern Slavery Act say I need to do?

50. The fourth mandatory criterion requires you to describe what actions the reporting entity is taking to assess and address the risks of modern slavery practices occurring in its operations and supply chains.
51. If the reporting entity owns or controls any other entities then you also need to describe the actions these entities are taking.
52. Your description should only cover actions taken during the twelve month reporting period for the reporting entity. Actions that are taken after the end of the reporting period should be described in your next statement.
53. Your description of these actions must include information about due diligence and remediation processes.
54. This means that your statement should explain how the reporting entity and any entities it owns or controls are doing due diligence to identify, prevent, mitigate and account for how it addresses its modern slavery risks.
55. This also means that your statement should include information about the processes the reporting entity and any entities it owns and controls have in place to remedy situations where you may cause or contribute to modern slavery.
56. Due diligence and remediation are key concepts in the UN Guiding Principles and are important parts of an effective response to modern slavery. The **Key Terms Explained** box on page 47 explains these concepts in more detail.

KEY TERMS EXPLAINED: WHAT DOES 'REMEDICATION AND DUE DILIGENCE PROCESSES' MEAN?

As part of your statement, you need to describe your entity's actions to address modern slavery risks, including due diligence and remediation processes.

DUE DILIGENCE: Under the UN Guiding Principles (Principles 15 and 17), your entity is expected to undertake human rights due diligence. The term 'due diligence' refers to an ongoing management process to identify, prevent, mitigate and account for how an entity addresses actual and potential adverse human rights impacts in their operations and supply chains, including modern slavery.

There are four key parts to due diligence:

- **Identifying and assessing** actual and potential human rights impacts (for example, screening new suppliers for modern slavery risks).
- **Integrating your findings** across your entity and taking appropriate action to address impacts (for example, introducing internal training on modern slavery and processes for incident reporting).
- **Tracking your entity's performance** to check whether impacts are being addressed (for example, doing an internal audit of your supplier screening).
- **Publicly communicating what you are doing** (for example, by publishing a Modern Slavery Statement or publicly responding to allegations against a supplier).

Due diligence is important because it helps you to understand your entity's modern slavery risks and the actions you need to take to prevent and mitigate them. This helps you to know and show that your entity is respecting human rights. Your due diligence process should be appropriate to your size, sector, operational context, ownership and structure.

REMEDICATION: The UN Guiding Principles make it clear that entities that identify that they have caused or contributed to adverse impacts such as modern slavery must provide for, or cooperate in, the remediation of that impact. This means that you should try to 'make good' the adverse impact by restoring the victim to the situation they would be in if the adverse impact had not occurred. Entities that do not cause or contribute to harm but are directly linked to adverse impacts like modern slavery by a business relationship are not responsible for remediating the impact. However, they may play a role in doing so and should still use their leverage to work with the entity that caused the impact to prevent or mitigate the harm and its recurrence. If this is unsuccessful, entities should consider ending their business relationship with the entity that caused the impact.

Remediation can take many forms, including steps to ensure the harm cannot recur, formal apologies, compensation, or stopping certain activities. The UN Guiding Principles expect that you develop processes to enable remediation. You do not need to have a remediation process focused just on modern slavery. For example, your entity and your suppliers may already have general remediation processes in place to address a range of adverse human rights impacts, including modern slavery. Often this will take the form of a grievance mechanism (a way for people to safely raise concerns about the impact an entity is having on them). Grievance mechanisms can also sit alongside other internal policies and processes that enable concerns to be identified and/or addressed. For example, your entity's remediation processes may include whistle-blower hotlines, 'speak up' policies, supply chain hotlines, contract clauses with dispute resolution provisions and engagement with key stakeholders, such as at risk communities or workers.

It is important that you ensure your entity's remediation processes are effective. Effective remediation processes can help you to identify issues before they escalate, better manage risks, reinforce your corporate culture, improve worker morale and wellbeing and strengthen your entity's reputation.

The UN Guiding Principles (Principle 31) highlight that effective grievance mechanisms should be: legitimate; accessible; predictable; equitable; transparent; rights compatible; based on dialogue and engagement; and a source of continuous learning. For example, it is important that grievance mechanisms are confidential and protect workers' privacy, accessible in workers' languages and available to workers outside their working hours.

If your entity has a grievance mechanism, you should also consider whether you can make this mechanism available to workers in your supply chains. This could include developing ways to actively promote your grievance mechanism to workers in supply chains.

LEARN MORE: WHERE DO I START?

Many entities have complex operations and supply chains involving thousands of other entities. This means it may be impossible for you to immediately assess and take action to respond to the modern slavery risks associated with every part of your entity's operations and supply chains.

In this situation, the UN Guiding Principles (Principle 17) suggest that you focus on assessing general areas of your operations and supply chains where modern slavery risks are likely to be most significant. For example, you could decide to focus on areas of your operations and supply chains that involve high risk goods or services, certain geographic locations and high risk sectors.

You may also need to prioritise which risks you respond to first. The UN Guiding Principles (Principle 24) explain that you should focus on the most 'severe' risks (those that would cause the greatest harm to people). This means those risks that have the greatest scope (gravest impact) or scale (number of people affected) or where delayed response would make them irremediable (for example, because delay would cause loss of life or loss of education). These factors are more important than the probability of the risk occurring.

Prioritising which risks you respond to first does not mean you can disregard the risks that you de-prioritise. Once you have addressed your most severe risks, you should ensure you move on to address these other risks.

Why is this requirement in the Modern Slavery Act?

57. It is important that your entity takes meaningful steps to identify and respond to modern slavery risks.
58. This requirement is consistent with the expectations for business set out in the UN Guiding Principles. The Guiding Principles (Principle 13) make it clear that entities must act to assess and address adverse impacts in their operations and supply chains, including modern slavery.
59. Your entity may already be working to assess and address its broader human rights risks. In this situation, you should be able to use the same process to manage your modern slavery risks.

LEARN MORE: HOW CAN I FIND OUT WHAT IS HAPPENING DEEP IN MY SUPPLY CHAINS?

Supply chains are often long and complex. In many cases, your entity will not have direct contractual relationships with most of the entities in your supply chains. This means your entity may not have visibility of what is happening deep in your supply chains. As a result, it may be difficult to assess and address modern slavery risks. For example, a construction company may not know where and how the bricks it uses are made.

There are several ways that you can assess high risk parts of your supply chains that involve entities you do not have direct contractual relationships with. These include:

- **requesting information** from your direct suppliers about sub-suppliers, including country of origin
- **engaging with key suppliers** to understand how they are addressing their modern slavery risks
- **working with other entities** in your sector to carry out a joint assessment of high risk parts of a supply chain
- **using existing traceability processes** to improve information about the source of products
- **identifying existing credible assessments** of entities in your supply chain, such as audit reports or NGO reviews
- **developing trusted relationships** with civil society stakeholders or engaging with multi-stakeholder initiatives who can provide information about situations 'on the ground'
- **working directly with high risk entities** you do not have a direct contractual relationship with to help them assess and address their risks.

You can learn more about engaging with suppliers by reading [Appendix Two](#).

How can I address this criterion in my statement?

60. To address this criterion, you need to ensure that your statement clearly sets out what the reporting entity is doing to assess and address its modern slavery risks.
61. If the reporting entity owns or controls any other entities then you also need to ensure your statement clearly sets out the actions these entities are taking.
62. The table on page 52 provides examples of the types of actions you can take to assess and address modern slavery risks.
63. The actions you take should reflect the relationship between your entity and the risk you are trying to assess and address.
64. The [Learn More](#) box on page 51 explains how to determine what actions you should take based on whether you are at risk of causing, contributing to or being directly linked to modern slavery.
65. You can also read [Appendix Two](#) to learn more about how to work with suppliers to take action.
66. In many cases, it may take time for your entity to develop an effective response to modern slavery risks.
67. It is important to be honest about your situation in your statement. This means you should be transparent about what you are doing to develop your response and try to show how you are genuinely working to improve. For example, you could provide information about what you want to achieve and the timeframes you have set to do this.
68. You should also be honest about issues that may limit your ability to take action, including your ability to use your leverage. For example, a passive investment entity with a large investment portfolio may have limited ability to engage directly with specific investees and little meaningful leverage to change their behaviour. Similarly, an accounting firm may have very limited leverage to influence the use of conflict minerals in the IT equipment it procures. Conversely other business and investment relationships will have a significant degree of leverage. The [Learn More](#) box on the following page explains how to respond when you have limited leverage.
69. Initially, you may also need to prioritise which risks you respond to. The [Learn More](#) box on page 48 explains how to prioritise assessing and responding to modern slavery risks.

LEARN MORE: HOW DOES MY RELATIONSHIP TO THE RISK AFFECT MY RESPONSE?

The **Key Terms Explained** box on page 40 explains that the 'risks of modern slavery practices' means the potential for your entity to cause, contribute to, or be directly linked to modern slavery through its operations and supply chains.

The UN Guiding Principles (Principle 19) make it clear that the way that you respond to your modern slavery risks will depend on whether you are causing, contributing to or are directly linked to each risk.

If the risk is not caused by your entity then the type of action you take will also depend on your 'leverage' with the other entities involved. Leverage means your ability to influence the other entities to change their behaviour. If you lack leverage, you should consider ways to increase your leverage, including by collaborating with other entities. For example, you may be able to join a multi-stakeholder mechanism or work with an industry body. You could also seek to increase your leverage by incentivising the entity to improve its performance, including through offers of capacity building assistance or future business opportunities.

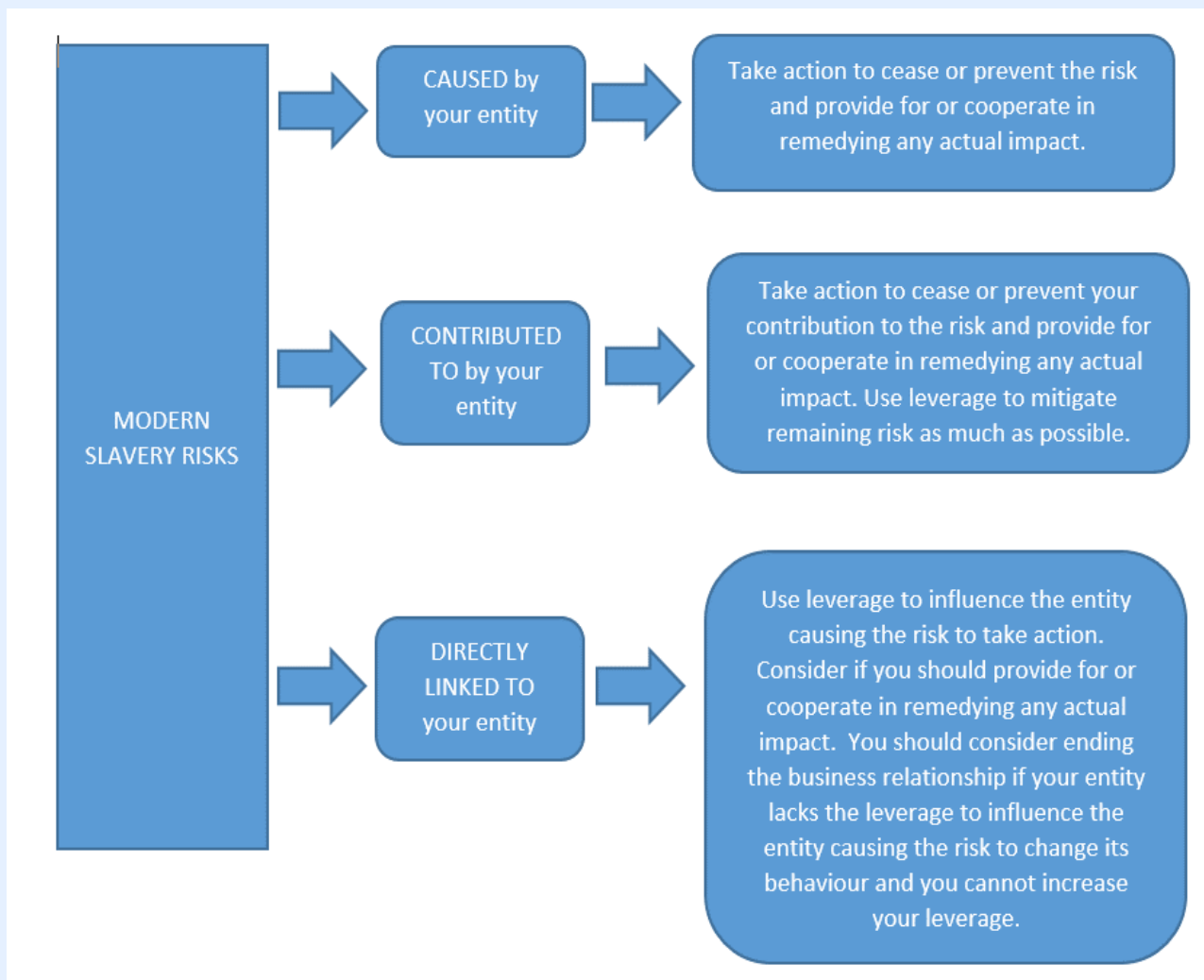


Figure 5: How does my relationship to the risk affect my response?

LEARN MORE: POSSIBLE ACTIONS TO ASSESS AND ADDRESS RISKS

This box sets out examples of the types of actions you can take to assess and address modern slavery risks. This box is not a complete list of every possible action. You will need to consider which actions are most appropriate for your entity.

ASSESS RISKS

- **Review existing information** about your entity's operations and supply chains, such as Human Rights Impact Assessments, Environmental and Social Impact Assessments and WH&S inspections.
- **Map key parts of your operations and supply chains** to improve your understanding about what is happening in your supply chains. Use this information to undertake a detailed risk assessment, including a process to assess particular suppliers using enhanced checks where necessary. Mapping your supply chains can be an extensive process. The **Learn More** box on page 48 explains how to prioritise and respond to key risks.
- **Assess the risks of modern slavery in your investment portfolio.**
- **Develop tools and policies** to monitor high risk suppliers and mitigate associated risks.
- **Bring together key areas of your entity** to help assess and respond to key risks, including Human Resources, Finance, Procurement, Sourcing, Legal, Risk, Sustainability, Major Projects and Senior Leadership.
- **Develop a specific action plan** for how you will improve your response to modern slavery risks and include measurable outcomes and deadlines.
- **Assign responsibility for assessing and addressing modern slavery risks** to a senior manager and brief your board or other principal governing body appropriately.
- **Set up a mechanism to allow people to safely report modern slavery risks** in your entity's operations and supply chains.
- **Build partnerships** with business peers, expert civil society groups, local community groups, multi stakeholder bodies and industry bodies to improve your understanding of modern slavery risks.
- **Engage directly with workers and other potentially affected groups** in your operations and supply chains, as well as credible experts, to assess risks.

CHANGES TO POLICIES AND PROCESSES

- **Make your entity's policies relating to modern slavery publicly available** in an accessible format, including online. Where relevant translate them into local languages to ensure workers, business partners and local communities can access and understand them.
- **Review and improve existing policies and procedures**, including supplier codes of conduct, sourcing policies and grievance mechanisms. Ensure you communicate these changes to staff and suppliers and make regular updates as your understanding of modern slavery risks evolves. Be clear about which areas of your entity are responsible for implementing updates and identifying noncompliance.
- **Improve staff and management awareness of modern slavery risks** through awareness-raising and training, including staff orientation. Ensure training is fit for purpose.
- **Ensure you are prepared to respond** if you find modern slavery occurring in your operations or supply chains, including by developing an agreed procedure for responding to modern slavery cases.

- **Address practices in your operations and supply chains that may lead to modern slavery**, such as charging recruitment fees for workers, tying workers' accommodation to their employment status, sham contracting, unmanageable lead times and purchasing practices, unlawful wage deductions or underpayment.
- **Update project and contract management systems** and plans to address modern slavery, including templates, procurement strategies and other documents.
- **Review and improve policies and process** used to screen potential investees to ensure they appropriately address modern slavery risks.
- **Consider ways to engage with investees** directly or collectively to encourage them to address their modern slavery risks.
- If your operations involve direct engagement with children (such as charities, corporate social responsibility programs or travel and tourism operators), **review and improve your child protection processes and policies**.

SUPPLIER ENGAGEMENT

Appendix Two includes recommendations about engaging suppliers

- **Improve supplier awareness** of modern slavery risks and how they may contribute to modern slavery through awareness-raising and training.
- Take steps to **build supportive, transparent and collaborative relationships with suppliers**, including encouraging suppliers to be open with you about modern slavery risks.
- Where possible, **ensure workers in your supply chains have access to information** about their rights, obligations and ways to access support.
- **Clearly communicate your expectations to suppliers**, including by ensuring modern slavery issues are specifically addressed in supplier contracts, prequalification and other relevant mechanisms.
- **Encourage external investment managers to monitor modern slavery risks** in investment portfolios they manage for you.
- **Develop a supplier engagement strategy or plan** to help you target your response by focusing on higher risk suppliers.

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

70. This part of Chapter Five explains how to comply with the fifth mandatory criterion in the Act.
71. **Appendix Seven** of this Guide provides some examples of good practice responses on how to describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks.

What does the Modern Slavery Act say I need to do?

72. The fifth mandatory criterion requires you to describe how the reporting entity assesses the effectiveness of the actions it is taking to assess and address the risks of modern slavery practices in its operations and supply chains.
73. If the reporting entity owns or controls any other entities then you also need to describe how the reporting entity is assessing the effectiveness of the actions these other entities are taking.
74. The Act only requires you to explain *how you assess* the effectiveness of an entity's actions. The Act does not ask you to determine whether an entity's actions *are effective*.

Why is this requirement in the Modern Slavery Act?

75. You cannot improve your entity's response to modern slavery if you do not have a way to check whether your actions to assess and address modern slavery risks are working.
76. For example, your entity may develop and implement modern slavery training for staff and suppliers. However, this training will not meaningfully address your modern slavery risks unless it is fit for purpose and effective in actually raising awareness amongst staff and suppliers.

How can I address this criterion in my statement?

77. To address this criterion, you need to ensure that your statement clearly sets out how the reporting entity assesses the effectiveness of its actions (and the actions of any entities it owns or controls) to both assess and address modern slavery risks.

78. This means that you need to explain what the reporting entity is doing to check whether its actions to assess its modern slavery risks are working. How will it know whether it is appropriately identifying and evaluating its modern slavery risks?
79. You also need to explain what the reporting entity is doing to check whether its actions to address modern slavery risks are working. How will it know if its actions are making a difference?
80. Understanding and assessing effectiveness can be difficult. There are a range of ways that you can demonstrate how you assess the effectiveness of your entity's actions, including:
- **Establishing a process to regularly review** the actions you have taken. For example, you could set up an annual senior management review of your entity's response to modern slavery.
 - **Regularly checking your risk assessment processes** to ensure they remain up to date. For example, if your entity commences operations in a high risk country or region it is important that you identify and assess any new risks that may result.
 - **Setting up a process to provide for regular engagement and feedback** between key areas of your entity (such as Sourcing, Human Resources, and Legal), as well as with any entities you own or control.
 - **Conducting internal audits or monitoring of specific steps** you have taken to assess and address modern slavery risks. For example, you could audit your prequalification checks for suppliers to determine if mitigation measures have been consistently actioned.
 - **Tracking the actions you have taken and measuring their impact.** For example, you could track the number of actions that have been implemented to deadline, the number of high risk suppliers or investees engaged, and levels of awareness among staff.
 - **Working with suppliers to check how they are progressing** any actions they have put in place to address modern slavery risks.
 - **Considering any trends in cases** reported through grievance mechanisms and how these cases were handled.
 - **Partnering with an industry group, external auditor, or trusted NGO** to undertake an independent review of your actions.

LEARN MORE: DO I NEED MODERN SLAVERY KEY PERFORMANCE INDICATORS (KPIs)?

It is important that you assess the effectiveness of your entity's actions in both qualitative and quantitative ways.

One way that you can assess the quantitative impact of your actions over time is by developing KPIs to help you measure your response to modern slavery.

For example, you could develop KPIs covering the implementation of modern slavery policies or processes, as well as your responses to possible cases. This could include specific KPIs on:

- the number of modern slavery training and awareness-raising programs delivered
- the proportion or number of complaints resolved by a grievance mechanism
- the number of contracts that include modern slavery clauses
- the number of actions taken to work with suppliers to improve their capacity to respond to modern slavery risks.

Using KPIs in this way can be helpful. However, you should make sure you also continue to use a range of other methods to assess the effectiveness of your actions.

You should also review your entity's broader KPIs to ensure they do not inadvertently contribute to modern slavery risks. For example, your entity may use KPIs that promote a focus on securing the lowest possible costs and rapid delivery times from suppliers.

Mandatory Criterion Six: Describe the process of consultation with any entities the reporting entity owns or controls

81. This part of Chapter Five explains how to comply with the sixth mandatory criterion in the Act.
82. **Appendix Seven** of this Guide provides some examples of good practice responses on how to describe the process of consultation with any entities the reporting entity owns or controls.

What does the Modern Slavery Act say I need to do?

83. The sixth mandatory criterion requires you to describe how the reporting entity consulted on its statement with any entities it owns or controls.
84. If your entity does not own or control any entities, it is important that you make this explicitly clear that this criterion does not apply to you.
85. If you are preparing a joint statement you will need to describe how the entity giving the statement consulted with each reporting entity covered by the statement and any entities that the joint reporting entities own or control. **Chapter Seven** explains how to prepare a joint statement.

Why is this requirement in the Modern Slavery Act?

86. It is important that entities take a collaborative approach to combating modern slavery. This includes ensuring that all relevant areas of your entity and any entities it owns or controls are aware of what actions they need to take and that modern slavery risks relating to these areas and entities have been identified, assessed, and addressed.

How can I address this criterion in my statement?

87. If your entity does not own or control other entities, it is important that you make this explicitly clear and outline that this criterion is not applicable to your statement.
88. If your entity owns or controls other entities, it is up to you to decide how best to consult with these entities. You are also able to decide at what level this consultation should occur.
89. The level of consultation you undertake should reflect your relationship with the other entity and the risk profile of that entity. Your consultation should be sufficient to

ensure that the modern slavery risks relating to the other entity have been appropriately identified, assessed and addressed and that other entity is aware of what actions they need to take.

90. For example, a reporting entity may own several entities that operate in different sectors and so need to respond to modern slavery risks in different ways. In this case, the statement should demonstrate that there is meaningful and ongoing dialogue between each entity. This could include regular meetings between each entity's sustainability or procurement teams and/or briefings for the boards of the other entities.
91. In contrast, some large reporting entities may own or control other entities that exist for only financial reasons, follow policies set by the reporting entity and do not have any actual physical operations or assets. For example, a large corporate group may establish a separate entity to perform a group-wide treasury function.
92. In this situation, detailed consultation may not be necessary or useful. For example, it may be sufficient to ensure the company secretary for that entity is aware that you are preparing a statement and has an opportunity to participate in the statement process if required.

Mandatory Criterion Seven: Any other relevant information

93. This part of Chapter Five explains how to comply with the seventh mandatory criterion in the Act.

What does the Modern Slavery Act say I need to do?

94. The seventh mandatory criterion enables you to include information that you think is relevant but that is not covered by the other six mandatory criteria.
95. You do not need to include information for this criterion if you consider your responses to the other six criteria are sufficient.

Why is this requirement in the Modern Slavery Act?

96. In some circumstances, you may decide that it is appropriate to include additional information in your statement that is not directly relevant to the other six criteria. This criteria has been included in the Act to provide a way for you to include this information.

How can I address this criterion in my statement?

97. You only need to address this criterion in your statement if there is additional relevant information that you wish to include.
98. You should ensure that any information you include in response to this criterion is relevant. This means the information should be connected in some way to how the reporting entity is responding to modern slavery. You should explain in your statement how the additional information you have included is relevant.
99. For example, you could provide information about:
 - **how the reporting entity has supported the development of legislation** on modern slavery in another country
 - **whether the reporting entity has participated in external forums** on modern slavery to help improve awareness about modern slavery in the business community
 - **how the reporting entity has partnered with a civil society organisation or industry body** or participated in international or multilateral fora
 - **how the reporting entity has contributed to addressing the root causes or structural factors that contribute to modern slavery**, such as poverty, forced migration, and education
 - if you reported on a situation of modern slavery in a previous statement, any **updates on how the situation has been addressed**.

Summary: Chapter 5

This page summarises the key points from Chapter 5.

- Every Modern Slavery Statement (statement) must address **seven mandatory criteria for content** set out in the Commonwealth *Modern Slavery Act 2018* (the Act).
- There is **no set template for statements**. If you are unsure about how to structure your entity's statement, you can use each of these seven criteria as topic headings.
- The **seven criteria require you to**:
 - identify the reporting entity
 - describe the reporting entity's structure, operations and supply chains
 - describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls
 - describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes
 - describe how the reporting entity assesses the effectiveness of these actions
 - describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement), and
 - provide any other relevant information.
- The fifth mandatory criterion **does not require you** to state that the reporting entity's actions to address modern slavery risks have been effective. Instead, you must explain what the reporting entity is doing to **check whether its actions to assess its modern slavery risks are working** (such as monitoring specific steps you have taken).
- It is important you **use the key terms in the mandatory criteria in the way they are defined** in this Guide.
 - **'Structure'** means the legal and organisational form of the entity.
 - **'Operations'** mean activity undertaken by the entity to pursue its business objectives and strategy in Australia or overseas.
 - **'Supply chains'** means the products and services (including labour) that contribute to the entity's own products and services.
 - **'Risks of modern slavery practices'** means the potential for an entity to cause, contribute to, or be directly linked to modern slavery through its operations and supply chains.

- The Act **does not set a minimum requirement for how many tiers of your supply chain you must examine**. You need to consider modern slavery risks that may be present anywhere in your entity's global and domestic operations and supply chains.
- You should **complete an initial scoping exercise** to help you to understand which parts of your entity's operations and supply chains may involve modern slavery risks.
- You may then need to **prioritise which areas of your entity's operations and supply chains you focus on assessing** for modern slavery risks first and the order your entity chooses to respond to those risks.
- The Act **does not require you to report on specific cases or allegations** in your entity's statement or certify that your entity's operations and supply chains are 'slavery free'.
- You also **do not need to report on modern slavery risks associated with how customers use the products or services** they purchase from the reporting entity.

6. How do I approve and publish a statement?

You can read this chapter to learn:

- What approvals you need to finalise your statement
- How to publish your statement
- Where to publish your statement

1. This chapter explains the specific approvals that you require to finalise your statement.
2. This chapter also explains how to publish your finalised statement.
3. If you are preparing a joint statement you should read [Chapter Seven](#) to learn more about the specific requirements for approving a joint statement.

What does the Modern Slavery Act say I need to do?

4. The Act requires you to ensure that your statement meets two specific requirements for approval. These requirements are:
 - the statement must be approved by the **principal governing body** of the reporting entity
 - the statement must be signed by a **responsible member** of the reporting entity (in most cases, a responsible member means a member of the reporting entity's principal governing body).
5. The Act also requires you to provide your finalised statement to the Attorney-General's Department for publication on an online central register. You must do this within six months from the end of your reporting period.
6. The requirements for approving and publishing your statement are mandatory. If your statement does not meet these requirements you will fail to comply with the Act and the statement will not be published on the online central register.
7. In this situation, the Minister may require you to explain your noncompliance or take remedial action, such as providing a statement that meets the requirements for approval set out in the Act. If your entity does not comply, the Minister may publicly identify your entity as being noncompliant.

8. The Act also allows you to revise your statement after it has been published on the online central register in certain circumstances.

Why is this requirement in the Modern Slavery Act?

9. If not addressed, modern slavery risks can have severe consequences for victims and can significantly impact entities. It is essential that senior management lead their entity's response to modern slavery, drive meaningful change throughout their entity, and are accountable for the actions their entity takes. Senior management are also best-placed to foster long-term cultural change within their entity.
10. Publishing statements on an online central register ensures that all statements are publicly accessible in a single location and can be easily accessed and compared. The central register also provides a way to identify entities that have reported.

KEY TERMS EXPLAINED: WHAT DOES 'PRINCIPAL GOVERNING BODY' AND 'RESPONSIBLE MEMBER' MEAN?

Your statement must be approved by your entity's principal governing body and signed by a responsible member of your entity. In most cases, a responsible member of your entity will be a member of your entity's principal governing body.

Principal governing body: means the body or group of members of the entity that are responsible for the governance of the entity.

Responsible member: means a decision-making member of the entity. Where an entity has a principal governing body, the responsible member will be a member of that body.

Examples:

- If your entity is a company, your principal governing body is the board. A director on the board will need to sign the statement as a responsible member of the company.
- If your entity is a trust, your principal governing body will be the board of trustees. One of the trustees on the board will need to sign the statement as a responsible member of the trust.
- If your entity is a University, your principal governing body will be the University Council. One of the members of the Council will need to sign the statement as a responsible member of the University.

* Under the Act, the responsible member of a trust administered by a sole trustee is that sole trustee and the responsible member of a corporation sole is the individual constituting the corporation. If the entity is under administration within the meaning of the *Commonwealth Corporations Act 2001*, the administrator is the responsible member.

How do I approve a statement?

11. You must ensure that your statement is approved by the principal governing body for the reporting entity.
12. The Act also requires you to ensure your statement clearly states that it has met this requirement for approval. This means that your statement must say that it has been approved by the principal governing body for the reporting entity; name that governing body; and specify the date that governing body approved the statement. If the entity has a sole director, the governing body approval should reflect accordingly. The report should name the sole director and clearly state that it has been approved by that individual as the Sole Director and principal governing body of the entity.
13. You cannot delegate this approval process to a subcommittee or to another body. The **Key Terms Explained** box on page 63 explains what an entity's principal governing body will be. For most entities, the principal governing body will be the board of the reporting entity.
14. You should also ensure that your statement is approved by the principal governing body as a standalone document and not as part of a larger document, such as a sustainability report.
15. Once approved by the principal governing body, you must also ensure your statement is signed by a responsible member of the reporting entity. For most entities, this means your statement will need to be signed by a director on the board of the reporting entity. This signature can be done electronically and must be clear and easy to find in your statement. You should also ensure that your statement specifies the name and position of the signatory next to the signature.
16. You can choose which responsible member signs your statement. You may also wish to have more than one responsible member sign the statement.
17. It is best practice that the head of the principal governing body signs the statement (for those entities where the responsible member is a member of the principal governing body). For example, if the reporting entity has a board, then the chair of the board or the Chief Executive (if they are a member of the board) should sign your statement.
18. **Appendix Seven** of this Guide provides some examples of good practice responses for approving statements.

How do I publish a statement?

19. Once your statement is approved, the Attorney-General's Department will then publish your statement on the online central register.

20. You must make sure that you provide your statement to the Attorney-General's Department via the online central register within six months after the end of the reporting entity's reporting period.
21. For example, if the entity's reporting period is the Australian Financial Year (1 July to 30 June) you will need to provide your statement by 31 December that year. You can read [Chapter Four](#) to learn more about when you need to report.
22. The Minister may refuse to publish your statement if it does not meet all the requirements under the Act. In this situation, the Attorney-General's Department will explain what areas of your statement need to be improved.
23. All statements must be published on the central register. However, you can also choose to publish your statement in other ways, including on your website or in your annual report. This can be a way to demonstrate your entity's leadership on modern slavery. It can also be a way to promote and share best practice between entities.
24. If you wish to publish your statement on your website while the statement is being considered for approval by the Attorney-General's Department, please include a note to clearly outline that the statement is currently under consideration for publication.
25. You must provide your statement to the Attorney-General's Department as a standalone document. For example, you cannot provide your statement for publication on the central register as part of a larger sustainability report or as a component of another document.

How do I revise a statement?

26. In exceptional circumstances, you may need to revise your entity's statement.
27. Revising a statement will usually only be necessary if it includes false or misleading or market sensitive information that needs to be corrected. You can revise your entity's statement at any time.
28. If you think you may need to revise your statement you should advise the Modern Slavery Business Engagement Unit as soon as possible. [Chapter Eight](#) explains how to contact the Unit.
29. You can revise your statement by providing an updated copy to the Attorney-General's Department and requesting that it be uploaded to the register.
30. The revised statement needs to clearly indicate the date of the revision and explain what changes have been made. This explanation must provide readers with an understanding of what content has changed and the reasons for this change. For example, you could add a short note to the front page of the statement that explains the reason for the revision.

31. You also need to ensure that your revised statement has been reapproved by the principal governing body of the reporting entity and signed by a responsible member of the reporting entity.

Summary: Chapter 6

This page summarises the key points from Chapter 6.

- The Commonwealth *Modern Slavery Act 2018* (the Act) sets out **specific requirements for the approval and publication** of Modern Slavery Statements (statements).
- Each statement must be **approved by the principal governing body** of the reporting entity and **signed by a responsible member** of the reporting entity.
- This ensures **senior management are accountable** for the actions their entity takes to assess and address modern slavery risks.
- **‘Principal governing body’** means the body or group of members of the entity that are responsible for the governance of the entity. For example, the principal governing body of a company is the board.
- **‘Responsible member’** means a decision-making member of the entity. Where an entity has a principal governing body, the responsible member will be a member of that body. For example, the responsible member of company is a director on the board.
- You should ensure the statement **clearly indicates that it has met these requirements** for approval and signature.
- Once approved, you must provide the finalised statement as a **standalone document** to the Attorney-General’s Department for publication on an online central register.
- You must do this within **six months** from the end of the entity’s reporting period.
- The **Minister may refuse to publish the statement** if it does not meet all the requirements under the Act. In this situation, the Attorney-General’s Department will explain what areas of the statement need to be improved.
- In exceptional circumstances, you can **revise the statement** by contacting the Attorney-General’s Department via slavery.consultations@ag.gov.au.
- In addition to providing the statement to the Attorney-General’s Department for publication, you can also **choose to publish it on your entity’s website or annual report**.

7. Can I prepare a joint statement?

You can read this chapter to learn:

- When to do a joint statement
- How to prepare a joint statement
- How to approve a joint statement

1. This chapter explains how to prepare a joint statement.
2. A joint statement is a statement that is submitted by an entity on behalf of one or more reporting entities. The entity that submits the statement may or may not be a reporting entity.
3. You can use a joint statement as a way to report on behalf of one or more related reporting entities. You can also make a joint statement on behalf of unrelated entities. The diagram below explains how you could use a joint statement.
4. In the situation set out in the diagram, Company A could choose to prepare a single joint statement that covers Company A as well as Company C and Company D. Company B is not required to prepare a statement. However, Company A will still need to report on Company B's operations and supply chains and actions to assess and address modern slavery risks as part of its own statement.

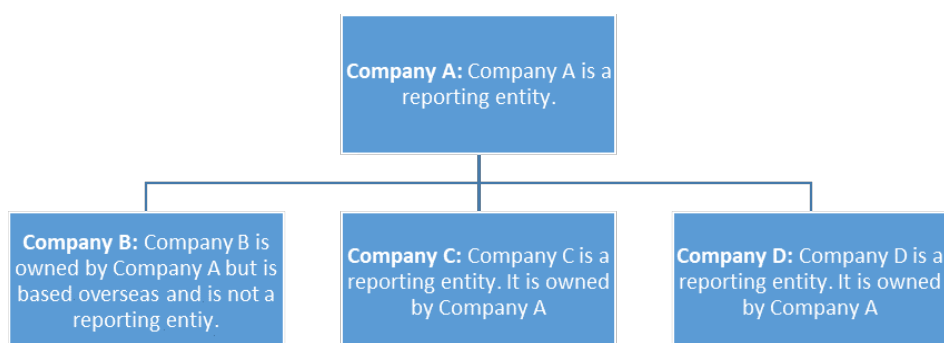


Figure 6: How to use a joint statement

What does the Modern Slavery Act say I need to do?

5. The Act allows you to provide a joint statement on behalf of one or more reporting entities.
6. A joint statement must:
 - **be prepared in consultation** with each reporting entity covered by the statement
 - **address each of the mandatory reporting criteria** for each reporting entity covered by the statement, including describing the process of consultation with any entities owned or controlled by each reporting entity covered by the statement
 - **meet specific requirements** for approval, and
 - **be provided to the Attorney-General's Department** for publication on the central register of statements.

Why is this option in the Modern Slavery Act?

7. The Act provides for joint statements to ensure that entities have flexibility to report in the way that is most appropriate for their circumstances. The Act sets out clear requirements for joint statements to ensure that entities are not able to use this process as way to minimise or avoid their reporting obligations.
8. For example, in some cases, it may be appropriate for a single statement to cover several reporting entities. This includes situations where a group of entities have some form of legal relationship with each other and use the same policies and systems.
9. There may also be cases where it is appropriate for an entity that is not a reporting entity to give a statement that covers one or more reporting entities. This includes situations where a foreign parent entity wishes to report for its subsidiary reporting entities in Australia.

How do I prepare a joint statement?

10. It is important that you carefully consider whether a joint statement is appropriate in your situation. For example, investors and consumers may expect that a reporting entity that has a strong public identity and brand provides a separate statement.
11. If you decide to prepare a joint statement, you must ensure that you address all of the mandatory criteria for each reporting entity.

12. This does not mean that you need to respond to each criterion separately for each entity. However, your statement should clearly show how your responses to each criterion address each reporting entity.
13. For example, a joint statement covering Entity A and Entity B does not need to have two separate sections covering each entity. Instead, you could explain that because Entity A and Entity B use the same policies and processes, operate in the same sector and have many shared suppliers you will provide a single, consolidated description of their actions to address modern slavery risks.
14. You must also ensure that you consult with each reporting entity covered by your statement and any entities they own or control.
15. The level of consultation you undertake with each reporting entity should reflect your relationship with that entity and the risk profile of that entity. At a minimum, you should ensure that the reporting entity's senior management is aware of the content and development of your statement.

How do I approve a joint statement?

16. It is also important that you comply with the requirements set out in the Act for the approval of your statement.
17. The table below sets out the three ways that you can approve your statement. Further information about the approval process, including the meaning of principal governing body, is set out in [Chapter Six](#).
18. [Appendix Seven](#) of this Guide also provides some examples of good practice responses for approving joint statements.

Table 3: Options to approve a joint statement.

OPTION	WHEN SHOULD I TAKE THIS APPROACH	EXAMPLE
<p>Option One: The principal governing body of each reporting entity covered by the joint statement approves the statement.</p> <p>AND</p> <p>A responsible member of each of those reporting entities signs the statement.</p>	<p>This is the default option for approval of a joint statement.</p> <p>It shows that each reporting entity has meaningfully engaged in the statement process. It also sends a clear signal that the principal governing bodies of these entities are committed to addressing modern slavery.</p>	<p>Company A is a parent entity and owns Company B and Company C. Each company operates in different sectors and has different supply chains.</p> <p>Companies A, B and C decide to prepare a joint statement that is approved and signed by each entity. This sends a strong message to the market that each company is working to respond to their own risks.</p>
<p>Option Two: The principal governing body of a higher entity must approve the joint statement on behalf of each of the reporting entities.</p> <p>AND</p> <p>A responsible member of the higher entity must sign the statement.</p> <p><i>[A higher entity is an entity that is able to directly or indirectly influence or control each reporting entity]</i></p>	<p>This option allows you to prepare a statement for multiple reporting entities without needing to have the statement approved by the principal governing bodies of each entity.</p> <p>This may be appropriate in situations where an entity wishes to report on behalf of other entities it owns or controls. This includes situations where this entity sets the policies and processes used by the reporting entities.</p>	<p>Company A and Company B are sibling entities (they are both owned by the same offshore parent company which does not need to report). Both Company A and Company B operate in the same sector and share many suppliers and vendors. They also follow policies and processes set by the parent company.</p> <p>The parent company decides to prepare and approve a joint statement on behalf of Company A and Company B. This is appropriate because the actions of the parent entity govern Company A and Company B's responses to this issue.</p>
<p>Option Three: The principal governing body of at least one reporting entity must approve the statement.</p> <p>AND</p> <p>A responsible member of each reporting entity whose governing body approved the statement must sign the statement.</p> <p>AND</p> <p>The statement must explain why the other reporting entities have not approved the statement at principal governing body level.</p>	<p>This option should only be used if Options One and Two are not practicable. It provides flexibility for reporting entities that have complex or unusual structures or relationships with other reporting entities.</p>	<p>Company X has established two Australian subsidiaries, Company Y and Company Z. Company X is not a reporting entity but Companies Y and Z must report.</p> <p>Company Y prepares and approves a joint statement on behalf of Company Z. This is appropriate because both companies work closely together and Company Z uses many of Company Y's policies and processes.</p>

Summary: Chapter 7

This page summarises the key points from Chapter 7.

- Under the Commonwealth *Modern Slavery Act 2018* (the Act), you can choose to prepare a **joint Modern Slavery Statement** (statement).
- A joint statement is a statement that is **submitted by an entity on behalf of one or more reporting entities**. The entity that submits the statement may or may not be a reporting entity.
- Joint statements **allow multiple entities to report through a single statement**. For example, this enables multiple members of a corporate group to provide a single statement rather than reporting individually.
- Joint statements also **allow an entity that is not a reporting entity to give a statement that covers another reporting entity or entities**. For example, this enables a foreign parent entity to report for its subsidiary reporting entities in Australia.
- You should **carefully consider whether a joint statement is appropriate** in your situation. For example, investors and consumers may expect that reporting entities that have strong public identities and brands provide separate statements.
- If you decide to prepare a joint statement, you must **ensure that you address all of the mandatory criteria for each reporting entity**. You do not need to respond to each criterion separately for each entity. However, the statement should clearly show how your consolidated responses to each criterion address each reporting entity covered by the joint statement.
- The Act sets out a **number of options for the approval of joint statements** to provide flexibility for entities. You must ensure joint statements are approved in accordance with the Act.
- You must also **ensure that you consult with each reporting entity** covered by the joint statement and **any entities they own or control** when preparing the statement.

8. How can the Modern Slavery Business Engagement Unit help me?

You can read this chapter to learn:

- What the Modern Slavery Business Engagement Unit is
- How the Modern Slavery Business Engagement Unit can support you
- How to contact the Modern Slavery Business Engagement Unit

1. This chapter explains the role of the Modern Slavery Business Engagement Unit (Unit).

What is the Modern Slavery Business Engagement Unit?

2. The Unit is a dedicated team in the Attorney-General's Department and is responsible for implementing the Act. The Unit is led by a senior officer from the Attorney-General's Department.
3. The Unit has five main functions:
 - **providing advice and support** to entities about compliance with the reporting requirement
 - **undertaking awareness-raising and training** about modern slavery and the reporting requirement
 - **promoting best practice and monitoring overall compliance**, including by reporting annually to Parliament about implementation of the Act
 - **administering the online central register** for statements
 - **coordinating** the Commonwealth Modern Slavery Statement.

How can the Modern Slavery Business Engagement Unit support me?

4. The Unit can support you by providing non-binding advice about the reporting requirement and what you need to do to comply. The Unit can also help you to identify and understand best practice.

5. The Unit is not able to provide you with legal advice or detailed advice about developing and implementing specific steps to address your modern slavery risks.
6. The table below explains how the Unit can support you.

Table 4: How can the Unit support you?

THE UNIT CAN	THE UNIT CANNOT
Help you to understand how the reporting requirement works and what you need to do to comply.	Give you legal advice.
Provide general comments on your draft statement to help you meet the requirements set out in the Act.	Write all or parts of your statement.
Provide general advice about best practice responses to modern slavery.	Prepare training materials or information specifically for use by your entity.
Help you to collaborate with other organisations.	Provide detailed advice on actions you plan to take to address modern slavery, such as developing a grievance mechanism.
	Advise you about how to respond to a specific case of modern slavery.

How can I contact the Modern Slavery Business Engagement Unit?

7. Information about the Unit is available on the Attorney-General's Department website.
8. You can contact the Unit by emailing slavery.consultations@ag.gov.au. This website also includes more detailed information about the role and functions of the Unit.

Summary: Chapter 8

This page summarises the key points from Chapter 8.

- The Australian Government has established a dedicated **Modern Slavery Business Engagement Unit** to implement the Commonwealth *Modern Slavery Act 2018* (the Act).
- The Unit is located in the Attorney-General's Department and has **five main functions**:
 - providing advice and support to entities about compliance with the Modern Slavery Reporting Requirement (reporting requirement)
 - undertaking awareness-raising and training about modern slavery and the reporting requirement
 - promoting best practice and monitoring overall compliance, including by reporting annually to Parliament about implementation of the Act
 - administering the online central register for statements, and
 - coordinating the Commonwealth Modern Slavery Statement.
- As part of its role, the **Unit can support you by providing non-binding advice** about the reporting requirement, what you need to do to comply and best practice.
- The Unit is **not able to provide you with legal advice or detailed advice** about developing and implementing specific steps to address your modern slavery risks.
- You can **contact the Unit by email** at: slavery.consultations@ag.gov.au.

Appendix 1. What is modern slavery?

This appendix provides more information about modern slavery, including risk indicators and examples.

The term modern slavery describes situations where coercion, threats or deception are used to exploit victims and undermine their freedom.

Coercion, threats and deception in situations of modern slavery can sometimes involve clear physical indicators, such as physical confinement or confiscation of identity and travel documents. However, often coercion, threats and deception are more subtle and harder to identify.

The Act defines modern slavery as including eight types of serious exploitation. Each of these types of exploitation has a clear legal definition in international or Australian law. The [table](#) on page 76 explains each of these types of exploitation with examples.

Importantly, the definition of modern slavery used in the Act includes the worst forms of child labour. The worst forms of child labour means extreme forms of child labour that involve the serious exploitation of children, including through enslavement or exposure to dangerous work. The worst forms of child labour does not mean all child work.

Modern slavery can happen in any industry and any country. Modern slavery victims are often vulnerable to exploitation due to their background, migration status or structural factors like poverty. Both adults and children can be victims of modern slavery. Women and children are often especially vulnerable. The [table](#) on page 80 of this appendix sets out key risk indicators for modern slavery.

Table 5: Types of modern slavery

TYPE OF EXPLOITATION	DEFINITION	EXAMPLE
Trafficking in persons	Describes the recruitment, harbouring and movement of a person for exploitation through modern slavery.	An orphanage actively recruits children from families and pays parents to place children in their care. They promise children will be well educated and cared for in the orphanage. The children are removed from their parents and housed in substandard conditions. The orphanage makes false claims that the children are orphans to attract donations. The children are exploited in the orphanage, including for sexual exploitation and for the purpose of orphanage tourism. A number of Australian travel companies regularly visit the orphanage with tour groups.
Slavery	Describes situations where the offender exercises powers of ownership over the victim, including the power to make a person an object of purchase and use their labour in an unrestricted way.	A group of migrant men and boys are forcibly detained by a people smuggler and then sold to a fishing company. The men and boys are taken to sea and not allowed to return to shore. They are forced to work 20 hours a day and receive no pay and little food. They are regularly beaten and abused. The fish they catch are used in products sold in major grocery stores overseas.
Servitude	Describes situations where the victim's personal freedom is significantly restricted and they are not free to stop working or leave their place of work.	A company provides an expatriate worker and her husband with money to hire a domestic servant. The couple hire a migrant woman. The woman is never paid, physically abused and made to sleep in the garage. The couple also monitor the woman's communication with her family in her home country. When the couple are away they lock all the exits from the home so the woman cannot leave. They also tell the woman that if she escapes the local police will imprison her for working illegally.

TYPE OF EXPLOITATION	DEFINITION	EXAMPLE
Forced labour	Describes situations where the victim is either not free to stop working or not free to leave their place of work.	Local women are employed in a garment factory that makes clothes for a large fashion brand. The factory stops paying them full wages after six months and instead pays them less than half the local minimum wage. When they complain, the women are told by their manager that he will harm their families if they do not continue working.
Forced marriage	<p>Describes situations where coercion, threats or deception are used to make a victim marry or where the victim does not understand or is incapable of understanding the nature and effect of the marriage ceremony.</p> <p><i>*You only need to report on forced marriage in situations where your entity's activities or the activities of entities in your supply chain may cause or contribute to forced marriage.</i></p>	<p>A global extractives company builds a camp for its foreign workers near an isolated local village. Some of the workers secretly pay local women to provide sexual services. Several of the workers then force the local women to 'marry' them by threatening to publicly shame the women if they refuse. The women feel they cannot refuse because doing so would expose them and their families to shame and they would no longer be able to remain in the village. After the marriage ceremony, the women are repeatedly sexually abused and forced to perform menial household tasks.</p> <p>A religious celebrant is asked to officiate at a religious marriage ceremony in Australia. The celebrant tries to meet with the couple prior to the wedding but the groom cancels the appointments. At the wedding, the celebrant observes that the bride appears very young, speaks limited English and appears unusually anxious. During the ceremony, the groom's mother insists that she will interpret the celebrant's questions and the bride's responses. The celebrant also notices that the girl is escorted by the groom's family wherever she goes. Further investigation shows that the bride is 15 years old and is being forced to marry by her family.</p>

TYPE OF EXPLOITATION	DEFINITION	EXAMPLE
Debt bondage	Describes situations where the victim's services are pledged as security for a debt and the debt is manifestly excessive or the victim's services are not applied to liquidate the debt, or the length and nature of the services are not limited and defined.	A man accepts a job as a construction worker overseas. His employer tells him he will need to pay a recruitment fee and repay his flight costs. These expenses will be deducted from his wages. When the man arrives, his employer exaggerates the size of his debt and confiscates his passport for security reasons. After six months of working the man has not received any wages. When he questions his employer he is told his debt has grown even larger because of interest. The man tries to leave but is returned to his employer by local authorities.
The worst forms of child labour	<p>Describes situations where children are:</p> <ul style="list-style-type: none"> ● exploited through slavery or similar practices, including for sexual exploitation <p>or</p> <ul style="list-style-type: none"> ● engaged in hazardous work which may harm their health, safety or morals <p>or</p> <ul style="list-style-type: none"> ● used to produce or traffic drugs. <p>*The worst forms of child labour can occur in a variety of contexts and industries. This may include orphanage trafficking and slavery in residential care institutions, as well as child labour in factories and manufacturing sites, mining and agriculture.</p>	A husband and wife are forced to work at a brick kiln to pay off an inflated debt incurred by the husband's father. They have a young son. Once the son is old enough to carry materials, the owners of the brick kiln make him work in the quarry with his parents to help pay off the debt. There are no breathing masks or other safety equipment in the kiln, which uses dangerous chemicals and the son works 10-12 hours a day. The bricks are used by a foreign company to build their new office in the country's capital.

TYPE OF EXPLOITATION	DEFINITION	EXAMPLE
Deceptive recruiting for labour or services	Describes situations where the victim is deceived about whether they will be exploited through a type of modern slavery.	A young woman is travelling overseas and has a temporary work visa. She does not speak the local language. She answers an advertisement for seasonal farm work posted by a labour hire company. She is told she will be paid in cash for picking a certain amount of produce each day and that she will be provided with free accommodation. The labour hire company takes her to a small private home where 15 other workers are staying. She is driven to a farm each day and driven back to the house in the evening. After two weeks she has not been paid. When she complains, the labour hire company tells her she has breached her visa by working too many hours and she will be detained by immigration authorities if she leaves.

The table below sets out indicators that you can use to help identify modern slavery risks in your entity's operations and supply chains. This table also sets out direct indicators of modern slavery that may indicate a person is in a situation of modern slavery.

Table 6: Table of risk indicators

TYPE OF RISK	INDICATORS
<p>Sector and industry risks</p> <p><i>Certain sectors and industries may have high modern slavery risks because of their characteristics, products and processes.</i></p>	<ul style="list-style-type: none"> • Use of unskilled, temporary or seasonal labour. • Use of short-term contracts and outsourcing. • Use of foreign workers or temporary or unskilled labour to carry out functions which are not immediately visible because the work is undertaken at night time or in remote locations, such as security or cleaning. • Use of child labour in hazardous conditions, such as underground, with dangerous machinery or tools, in unhealthy environments (including where they are exposed to physical or sexual abuse), or for long hours. • Recruitment strategies by suppliers, their agents or labour hire agencies target specific individuals and groups from marginalised or disadvantaged communities. • The sector involves direct engagement with children, including through orphanage tourism and other forms of 'voluntourism' (including through companies' social investment and corporate social responsibility programs).
<p>Product and services risks</p> <p><i>Certain products and services may have high modern slavery risks because of the way they are produced, provided or used.</i></p>	<ul style="list-style-type: none"> • Cost requirements or delivery timeframes might require suppliers to engage in excessive working hours, make cost savings on labour hire or rapidly increase workforce size. • The development of the product or delivery of the services has been reported as involving labour exploitation by international organisations or NGOs. • Children are often used in the development of the product or delivery of the service, such as carpet weaving. • The product or components of the product are made in countries where there is a high risk of labour exploitation reported by international organisations or NGOs. • The services are provided in countries where there is a high risk of labour exploitation reported by international organisations or NGOs. • The product is made from materials or using services reported to involve a high risk of labour exploitation by international organisations or NGOs.
<p>Geographic risks</p> <p><i>Some countries may have higher risks of modern slavery, including due to poor governance, weak rule of law, conflict, migration flows and socio economic factors like poverty. A number of organisations issue public reports evaluating governance, corruption and rule of law in countries around the world. You can use</i></p>	<ul style="list-style-type: none"> • The country has not ratified international conventions relevant to modern slavery, such as: the International Convention to Suppress the Slave Trade and Slavery (1926); ILO Convention (No. 29) concerning Forced or Compulsory Labour (1930); the Supplementary Convention on the Abolition of Slavery, the Slave Trade and Practices similar to Slavery (1956); the Protocol to Suppress, Prevent and Punish Trafficking in Persons, Especially Women and Children (2000); ILO Convention (No. 182) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (1999). • The country is reported to have a high prevalence of modern slavery or labour rights violations, other human rights violations and/or child labour by international organisations or NGOs. • The country has inadequate protections for workers, including no or weak capacity to effectively monitor workplace standards and enforce compliance with national standards.

TYPE OF RISK	INDICATORS
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<p><i>these reports to identify higher risk countries for modern slavery.</i></p>	<ul style="list-style-type: none"> • Law enforcement agencies are reported to be hostile to workers in at risk industries. • The country forces parts of the population to work for development purposes, for example to assist in construction or agriculture. • The country is reported to have weak rule of law by international organisations or NGOs, including due to corruption, conflict and/or political instability. • The country has a high prevalence of people who are vulnerable to exploitation because they are impoverished, displaced or subject to severe discrimination
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<p>Entity risks</p> <p><i>Some entities may have particular modern slavery risks because they have poor governance structures, a record of treating workers poorly or a track record of human rights violations.</i></p>	<ul style="list-style-type: none"> • Entity has previously been reported as noncompliant with human rights or labour standards, including by media or NGO sources. • Entity's procurement and sourcing processes appear poorly managed or inefficient. • Entity has complex or opaque supply chains. • Workers appear to have little information about workplace entitlements and protections and there is a general lack of information about workplace standards. • Audit results for the entity appear unreliable or conflict with other sources of information about the supplier, such as NGO reports. • Staff recruitment costs by labour hire companies or recruiters are not covered by the company, meaning that recruitment expenses such as travel may be improperly imposed on workers. • Entity provides residential care for children overseas.
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<p>Indicators of modern slavery</p> <p><i>A combination of these signs may indicate a person is in a situation of modern slavery and that further investigation and assessment is required. You should also consider that some groups may be at higher risk of being impacted by modern slavery, such as women and migrant workers. For example, women can be disproportionately impacted by modern slavery due to structural disadvantages, including lack of access to education.</i></p>	<p>The suspected victim or victims are:</p> <ul style="list-style-type: none"> • living at the workplace, or another place owned/controlled by their employer • underpaid or not paid at all • required to work excessive hours • confined or isolated in the workplace or only leave at odd times • guarded at work or in their accommodation • isolated in remote locations that are difficult to access and/or restricted from contacting or interacting with people outside the workplace (for example, their phones are confiscated or they are supervised when in public) • managed by an intermediary or third party who 'holds' or 'invests' their money for them • subject to different or less favourable working conditions than other workers because of their country of origin, gender or other factors • unable to terminate their employment at any time • appear to be servicing a debt to an employer or a third party (such as a recruitment agent) • appear to be subjected to, or threatened with, violence, emotional, sexual, verbal or physical abuse and/or degrading treatment in connection with their employment • appear to be subjected to intimidation, such as threats to their family or close relations in connection with their employment • appear to have false travel or personal documents and/or are not allowed access to these documents because they are being held by an employer or third party • appear to have been deceived about the conditions of their employment
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TYPE OF RISK**INDICATORS**

- are not provided with contracts in a language and format that they can easily understand
- are not informed of, or do not appear able to understand the terms and conditions of their employment
- are not provided with any protective equipment, training or means to refuse to participate in dangerous work practices, or refuse to handle known toxic materials or hazards
- do not have permission to work because they are from another country or appear to be working in breach of visa requirements.

Appendix 2. How can I work with suppliers?

You will need to engage and work closely with your suppliers to assess and address your entity's modern slavery risks. This appendix sets out three principles and key recommendations to help you engage constructively with your suppliers.

Principle One: Build meaningful partnerships with your suppliers

- **Provide support for your suppliers to improve their response to modern slavery, including training and awareness-raising:** Your suppliers will have different levels of understanding about modern slavery risks. Building their capacity through awareness-raising and training will help them to address modern slavery risks that may impact your entity.
- **Avoid outsourcing compliance to your suppliers:** You and your suppliers share responsibility for assessing and addressing modern slavery risks in your operations and supply chains. You should think carefully before taking actions such as requiring suppliers to sign statutory declarations or agree to contract clauses certifying they are slavery free. Often, these approaches will be counterproductive, incentivise suppliers to not disclose key risks and may drive modern slavery cases further underground.
- **Clearly communicate your expectations to suppliers and encourage honest two-way engagement:** Ensure your suppliers understand what actions you want them to take and how they can engage with you. You should also make sure you include your expectations for suppliers in contracts and codes of conduct. For example, you should make sure your suppliers know how to engage with you if they identify a case of modern slavery and under what conditions you would terminate the supplier relationship.
- **Recognise your suppliers may need to respond to requests from multiple reporting entities:** Where possible, consider options to reduce the compliance burden for your suppliers. For example, you could agree to mutual recognition of audits so that your supplier does not need to undergo multiple modern slavery audits. You could also work with other entities in your sector to develop common approaches to reporting and joint resources.
- **Consider how you can use existing supplier engagement processes:** Your entity may already have processes for engaging suppliers and assessing their compliance with related issues, such as workplace health and safety standards. You may be able to adjust these existing processes to also address modern slavery. For example, you

could include modern slavery questions in existing pre-qualification questionnaires for suppliers.

- **Ensure any 'zero tolerance' policies focus on zero tolerance for inaction not cases:** Your suppliers may be reluctant to raise issues with you if they believe this may lead to the immediate termination of the business relationship under a 'zero tolerance' policy.

Principle Two: Ensure your engagement with suppliers is risk based

- **Try to avoid blanket approaches and take a risk-based approach that prioritises high risk suppliers:** You should tailor your responses to the risk profile of your supplier. For example, a lower risk supplier may not need to undergo the same audit processes as a supplier in a high risk sector. Remember that modern slavery risks need to be understood in terms of 'risk to people' rather than risk to your entity or to a supplier.

Principle Three: Recognise the leverage that you and your suppliers have to influence change

- **Consider how your entity may be contributing to suppliers' modern slavery risks:** In some cases, your entity's actions and purchasing practices may be increasing your suppliers' modern slavery risks. For example, your entity may require suppliers to meet unrealistic pricing and deadline requirements.
- **Encourage suppliers to respond to modern slavery risks in a way that is appropriate to their circumstances, including their size, capacity, structure, risk profile and leverage with their sub-suppliers:** The size and capacity and other circumstances of your suppliers does not change their responsibility to assess and address their modern slavery risks but will affect how they do this. For example, smaller suppliers with financial and resource constraints may need to prioritise the order in which they respond to risks.
- **Identify and engage with suppliers that operate at 'control points' in your supply chains:** Some suppliers will have particular leverage and visibility over activities further down the supply chain because they operate at 'control points'. Often control points will be key points of transformation in the supply chain, such as a metals smelter or factory that assembles electronics products using multiple components.

Appendix 3. How do I respond to a case of modern slavery?

As you work to assess and address your entity's modern slavery risks, you may identify suspected situations of modern slavery in your operations or supply chains. This appendix sets out key recommendations to help guide your response.

You will be able to respond more effectively if your entity has a pre-agreed process or policy in place to guide your actions. If your entity does not have an existing policy or process setting out how to respond to a situation of modern slavery (or other human rights impacts) you should develop one as part of the process of preparing your statement.

You may also be able to respond more effectively to modern slavery situations if you are able to engage directly with key stakeholders who understand the local operating context, such as NGOs, other civil society groups and workers and their representatives. Building trusted relationships with these stakeholders in advance can help ensure you are able to respond appropriately if modern slavery is identified.

- **Do not attempt to resolve the situation by yourself.** Trying to deal with the situation without support from other areas of your entity, governments or trusted partners may lead to further harm to the victim or victims.
- **Ensure your actions are always in the best interests of the suspected victim or victims.** This means you should take steps to prevent further harm and achieve the best possible outcome for the victim or victims. For example, immediately removing workers from an exploitative situation without appropriate support may lead to unintended negative consequences, including their deportation, re-exploitation, blacklisting by employers and/or violence from creditors.
- **Consider if further action is required to verify if modern slavery is occurring.** For example, if allegations of modern slavery are made through unsubstantiated media reporting you may need to check whether these reports are correct. You should ensure any actions you take do not alert the suspected offenders or result in any unintended consequences for the affected worker or workers.
- **Consider whether and how to involve law enforcement.** Modern slavery involves serious crimes and severe harm to victims. In Australia, you should report any suspected situations of modern slavery to the Australian Federal Police. If someone is at risk of immediate harm call Triple Zero (000). This will ensure the situation is properly investigated, any victims are identified and protected and that the perpetrators are held to account.

- Respond in a way that is appropriate to the circumstances of the situation.** Every situation of modern slavery will be different and it is important you respond in the way that is most appropriate for each case. For example, your response will vary depending on whether the affected entity was unaware that modern slavery was occurring in part of their operations and supply chains or was instead deliberately engaging in modern slavery.
- Recognise that you may not be aware of all the victims involved or the extent of the exploitation.** You should be careful that any actions you take do not have unintended consequences for other victims you are not aware of. For example, a contractor using forced labour on your farm may also be exploiting workers at other farms.
- Address the harm caused.** If you identify that your entity has caused or contributed to the exploitation you should provide for, or cooperate in, the remediation of that harm. If you are directly linked to the exploitation by a business relationship you may play a role in remediation and should use your leverage to work with the entity that caused the harm to prevent or mitigate its recurrence.
- Consider how you may be able to address underlying structural factors that contribute to exploitation.** When responding to situations of modern slavery, it is important that you consider how you may be able to address any underlying structural factors that can enable situations of modern slavery. For example, your entity's own purchasing practices may contribute to a supplier's decision to use forced labour.
- Carefully consider the consequences of ending your relationship with the affected entity.** If the situation of modern slavery has occurred in the operations of one of your suppliers or other business partners you should usually avoid immediately ending the business relationship. Generally, you should only consider ending the relationship if the affected entity refuses to address the issue and there is no real prospect of change. You should also make sure you consider and address any negative impacts that may result from ending the relationship. For example, ending the relationship could have negative flow on impacts for other workers in the supply chain who may find themselves unable to access any income and at risk of further exploitation.
- Consider opportunities to collaborate with international and local organisations or civil society groups.** Reputable international and local organisations and civil society groups may be able to assist you by providing an 'on the ground perspective' and providing advice about the most appropriate way to respond in a given location or context.

Appendix 4. How can I collaborate with civil society organisations and other stakeholders?

Collaboration with civil society organisations such as non-government organisations, as well as other stakeholders like workers and their representatives, can be an important way to strengthen your entity's response to modern slavery. You should consider consulting with relevant stakeholders at all stages of your reporting process. You should also consider how you can engage with multi-stakeholder initiatives focused on addressing risks in particular sectors or geographic regions.

These types of collaboration can help you to:

- **Better understand issues 'on the ground'**, including in parts of your supply chain where you may not have visibility or access.
- **Verify what is happening in your operations and supply chains** by providing access to the views of workers and vulnerable groups.
- **Access expertise on key issues** such as child protection, country or sector specific risks and context specific sensitivities.
- **Check if your response to modern slavery is working** by providing a 'critical friend' who can impartially review and assess your actions.
- **Identify actual, or potential, risks of harm as part of your ongoing due diligence processes** and develop effective and context appropriate ways to address such risks.
- **Provide information about what constitutes appropriate remedy** in a particular context.
- **Raise awareness about the risks of harm and potential pathways to remedy** within your own organisation, your suppliers or other business partners such as recruitment firms and supply chain workforce.
- **Exchange information and identify opportunities for collaboration** with other entities, key stakeholders and local communities.

Civil society organisations, consultancies and other types of organisations are often diverse and can vary widely in their skills and expertise. It is important to make sure that any organisations you engage with are reputable and have genuine expertise on modern slavery.

You may wish to consider the list of questions below when deciding whether to engage with an organisation.

- Is the organisation **well established with a track record of engaging productively** with governments, other businesses and/or industry organisations? Is the organisation affiliated with credible international networks or bodies?
- Does the organisation **have genuine expertise on modern slavery**? What experience does the organisation's staff have? Has the organisation published information or articles in well-regarded media and/or participated in key fora?
- Is the organisation **willing to genuinely partner with you to create long-term change** or are they advocating simplistic 'quick fix' solutions or trying to sell you a product or system to 'improve' your response.

Appendix 5. Helpful Resources

The resources listed below can help you to learn more about modern slavery and how to respond. The Government is not responsible for the content of these resources and has not approved their content

Table 7: Table of resources that provide general information about modern slavery

TITLE	OVERVIEW	WHY SHOULD I READ THIS?
2021 Global Estimates of Modern Slavery: Forced Labour and Forced Marriage	These 2021 estimates provide a detailed breakdown of the extent of modern slavery globally and by region. They were compiled by the International Labour Organization and the Walk Free Foundation, in partnership with the International Organization for Migration.	To learn more about the growing global prevalence of modern slavery.
Online Register for Modern Slavery Statements	The Online Register for Modern Slavery Statements' resources page contains a range of guidance material to help you learn more about modern slavery and the <i>Modern Slavery Act 2018</i> .	To learn more about modern slavery and the <i>Modern Slavery Act 2018</i> .
2017 Global Estimates of Modern Slavery: Forced Labour and Forced Marriage	These estimates provide a detailed breakdown of the extent of modern slavery globally and by region. They were compiled by the International Labour Organization and the Walk Free Foundation, in partnership with the International Organization for Migration.	To learn more about the global prevalence of modern slavery.
2018 Global Slavery Index	The Global Slavery Index is produced by the Walk Free Foundation. It provides a country by country estimate of people living in modern slavery.	To learn more about the country-level prevalence of modern slavery, how modern slavery impacts specific countries, and what governments are doing to respond.
Annual Trafficking in Persons Reports	The US Government produces annual Trafficking in Persons Reports that rank the efforts of countries around the world to respond to trafficking in persons.	To learn more about what specific countries are doing to combat modern slavery.
US Department of Labour List of Goods Produced by Child or Forced Labour	The US Government maintains a list of goods and their source countries, which it has reason to	To identify and learn more about goods that may involve a high risk of modern slavery.

TITLE	OVERVIEW	WHY SHOULD I READ THIS?
	believe are produced by child labour or forced labour	
'Hidden in Plain Sight': Report of the 2017 Parliamentary Inquiry into establishing a Modern Slavery Act in Australia	The Australian Parliament's Joint Standing Committee on Foreign Affairs, Defence and Trade conducted a detailed inquiry into Australia's response to modern slavery in 2017.	To learn more about modern slavery in Australia.
Verite Forced Labour Commodity Atlas	This resource identifies how specific commodities can be linked to forced labour and other forms of labour exploitation.	To learn about modern slavery risks linked to specific commodities.
Business and Human Rights Resource Centre	The Business and Human Rights Resource Centre website provides access to a wide range of business and human rights resources.	To learn more about business and human rights issues and identify helpful resources.
Anti-Slavery Australia eLearning course	This online course was developed with funding from the Australian Government and includes important information about modern slavery.	To learn more about modern slavery in Australia.

Table 8: Table of resources about key international standards and guidance

TITLE	OVERVIEW	WHY SHOULD I READ THIS?
UN Guiding Principles on Business and Human Rights	The UN Guiding Principles are the recognised global standard for preventing and addressing business-related human rights harm. The UN Human Rights Council endorsed the Guiding Principles in June 2011.	To learn more about your entity's responsibility to respect human rights, which includes taking steps to prevent, mitigate and where appropriate remedy modern slavery.
The Corporate Responsibility to Protect Human Rights: An Interpretive Guide	This Guide was prepared by the Office of the UN High Commissioner for Human Rights and provides additional background explanation about the UN Guiding Principles on Business and Human Rights.	To understand the meaning and intent of the UN Guiding Principles and how to apply them to your entity. This Guide includes detailed discussion of key concepts such as leverage, remediation and due diligence.
OECD Due Diligence Guidance for Responsible Business Conduct	This Guide was prepared by the Organisation for Economic Co-operation and Development (OECD) to support entities to	OECD Due Diligence Guidance for Responsible Business Conduct

TITLE	OVERVIEW	WHY SHOULD I READ THIS?
	implement the OECD Guidelines for Multinational Enterprises. It includes a detailed explanation of the role of due diligence in responsible business conduct. The Australian National Contact Point promotes this guidance in Australia and further advice is available at the National Contact Point website.	
OECD sector-specific guidance about due diligence in key sectors and industries, including: the extractive sector; mineral supply chains; agricultural supply chains; garment supply chains; and the financial sector	This sectoral guidance has been prepared by the OECD to help entities identify and address risks to people, the environment and society associated with business operations, products or services in particular sectors.	To learn more about how your entity can identify and address risks in specific sectors.
International Labour Organization Handbook for employers and businesses about combating forced labour	This handbook provides guidance material and tools for employers and business to strengthen their capacity to address the risk of forced labour and human trafficking in their own operations and in global supply chains.	International Labour Organization Handbook for employers and businesses about combating forced labour.

Table 9: Table of general resources and guidance about modern slavery

TITLE	OVERVIEW	WHY SHOULD I READ THIS?
Business and Human Rights Resource Centre Modern Slavery Registry	This website contains a searchable database of Modern Slavery Statements from the United Kingdom, as well as guidance and resources, including analysis of reporting.	To locate Modern Slavery Statements from the United Kingdom and related resources.
Dhaka Principles for Migration with Dignity	The Dhaka Principles provide key principles and guidance for employers and recruiters about safe migration, including charging of recruitment fees for migrant workers and document retention.	To learn more about how to protect migrant workers in global operations and supply chains.
Good Practice Note on Managing Risks Associated with Modern Slavery	This note was prepared by Ergon Associates and the Ethical Trading Initiative. It provides practical tools to help entities manage modern slavery risks.	To learn more about identifying and responding to modern slavery risks.

TITLE	OVERVIEW	WHY SHOULD I READ THIS?
Guidance from the Australian Fair Work Ombudsman about monitoring and managing contract arrangements	The website for the Australian Fair Work Ombudsman includes a range of resources, including guidance about labour contracting and monitoring your labour contracting.	To learn more about monitoring and managing contracts.
In Our Lifetime: How Donors Can End The Institutionalisation Of Children	This report from Lumos provides donors with information about making informed decisions about investments and funding in relation to the institutionalisation of children.	To learn more about how your donor activities may contribute to the institutionalisation of children.
Investor Toolkit: Human Rights with a Focus on Supply Chains	This toolkit is produced by the Responsible Investment Association Australasia. It aims to engage with investees about human rights risks in supply chains.	To learn more about engaging with investees about modern slavery risks.
Modern Slavery Risks, Rights & Responsibilities: A Guide for Companies and Investors.	This report was commissioned by the Australian Council of Superannuation Investors. It identifies high-risk factors and sectors and it includes practical checklists to diagnose companies' modern slavery readiness.	To learn more about developing responses to modern slavery.
Remediation Guide for Victims of Exploitation in Extended Mineral Supply Chains	This guide was prepared by the International Organization for Migration. It aims to provide concrete operational guidance for companies and their business partners about remediating adverse human rights impacts in their operations and supply chains.	To learn more about assisting and protecting victims of exploitation in global supply chains.
Supply Chain Sustainability School of Australia	The Supply Chain Sustainability School provides free e-learning, information and face-to-face training for construction and infrastructure suppliers, contractors and service providers.	To learn more about how to address modern slavery in the construction and infrastructure sector.
Shift	Shift is an independent, non-profit centre for business and human rights practice. Its resource library includes educational material about the UN Guiding Principles, as well as information about key challenges and trends.	To identify key resources to help you prepare your statement and learn about issues like remediation.

Appendix 6. Frequently asked questions (FAQ)

These frequently asked questions provide concise answers to key questions about modern slavery and the Act.

QUESTION ONE: What is modern slavery?

The term modern slavery is used to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. Modern slavery involves grave abuses of human rights and serious crimes. The United Nations (UN) and the Walk Free Foundation estimate there are approximately 40 million victims of modern slavery around the world.

QUESTION TWO: Why is modern slavery an issue my entity should take seriously?

The nature and extent of modern slavery means there is a high risk that it may be present in your entity's operations and supply chains.

Under the *UN Guiding Principles on Business and Human Rights* your entity is responsible for respecting human rights in your operations and supply chains. This includes taking action to respond to modern slavery risks. Modern slavery risks mean the risk of harm to people rather than the risk to your entity (such as reputational or financial damage)

Taking action also makes good business sense. It can protect against possible harm to your business, improve the integrity and quality of your supply chains and potentially increase profitability. It can also improve investor and consumer confidence, improve your relationship with your workers and local communities and lead to greater access to business opportunities.

QUESTION THREE: Why has the Australian Government established the Modern Slavery Act?

The Act aims to support the Australian business community to identify and address their modern slavery risks and maintain responsible and transparent supply chains. This will increase business awareness of modern slavery risks, reduce modern slavery risks in the production and supply chains of Australian goods and services, and drive a business 'race to the top' to improve workplace practices.

QUESTION FOUR: What does the Modern Slavery Act do?

The Act requires certain large businesses and other entities to publish annual Modern Slavery Statements (statements) on an online, central register. These statements must be approved by the board (or the entity's principal governing body) and explain what the entity is doing to assess and address modern slavery risks in its operations and supply chains.

QUESTION FIVE: Does my entity need to comply with the Modern Slavery Act?

The Act applies to over 3,000 entities in the Australian market, including commercial and not-for-profit entities. Your entity will need to comply with the Act if:

- Your entity has annual consolidated revenue of at least AU\$100 million

AND IS EITHER

- An Australian entity OR a foreign entity carrying on business in Australia.

Entities that do not meet these requirements can choose to voluntarily comply with the Act.

QUESTION SIX: What is the timing for reporting?

If your entity is required to comply with the Act you will need to prepare an annual statement covering your entity's reporting period. Your entity's reporting period is the financial year or other annual accounting period used by your entity. Statements are due within six months after the end of each reporting period.

You need to begin reporting on your first full reporting period after 1 January 2019. For example, if your entity operates on an Australian Financial Year, your first reporting period will be 1 July 2019 to 30 June 2020. Your statement will then be due by 31 December 2020.

QUESTION SEVEN: How far into my entity's supply chains do I need to look?

You need to consider how modern slavery risks may be present anywhere in your entity's global and domestic supply chains. However, the way that you respond to modern slavery risks will change depending on your relationship to the risk.

For example, a fashion company should consider whether modern slavery may be present in the factories used by its direct supplier, as well as whether modern slavery is involved in the harvesting of the cotton it uses in its clothing products. However the fashion company will need to respond differently to each risk, based on whether it is causing, contributing to or directly linked to the risk.

Your entity may initially only be able to assess and address risks associated with direct suppliers. However, you should also develop a plan to help you engage with suppliers deeper in your supply chain in the future.

QUESTION EIGHT: Do I need to report on specific cases or certify I am slavery free?

No. The Act does not require you to certify that your entity and its supply chains are slavery free.

QUESTION NINE: Do I need to have a perfect response before I report?

No. Modern slavery is a challenging and complex issue and developing effective responses takes time. The Act aims to encourage entities to take a continuous improvement approach. This means you should aim to show in your statement how your entity is taking meaningful action to assess and address its modern slavery risks, why you are prioritising certain risks and actions, and how you plan to improve over time.

QUESTION TEN: Can I rely on Modern Slavery Statements produced by my suppliers?

You should make sure you take a targeted, risk-based approach to engaging with your suppliers. The aim of your engagement with suppliers should be to ensure that any modern slavery risks are being assessed and addressed. A supplier's statement can provide important information about how they are responding to modern slavery and may assist you to identify possible risks and areas for collaboration and further work. However, every statement is different and you will need to decide in each case whether your entity is satisfied with the information and actions taken by suppliers.

QUESTION ELEVEN: How detailed does my statement need to be?

You need to make sure that your entity's statement complies with the mandatory criteria for content set out in the Act. How much detail you provide in response to these criteria will depend on your risk profile. For example, a global mining company with extensive operations and high modern slavery risks will need to provide a more detailed statement than an Australian accounting firm with a lower risk profile.

QUESTION TWELVE: What support is available to help my entity report?

The Australian Government has established a dedicated Modern Slavery Business Engagement Unit (Unit) to advise and support entities. The Unit is located in the Attorney-General's Department. The Australian Government has also released detailed guidance material about the Act. Visit the online central register to access this guidance and learn more about the Unit.

QUESTION THIRTEEN: What else is the Australian Government doing about modern slavery?

The Australian Government is taking an international leadership role in combating modern slavery. The Act builds on the Australian Government's strong existing response to modern slavery, which includes a National Action Plan, comprehensive criminal offences and a dedicated victim support program. The Australian Government also works with partner countries in our region and through the UN and other international fora to combat modern slavery around the world. Visit the Attorney-General's Department website to learn more about Australia's response to modern slavery.

QUESTION FOURTEEN: Can I use the same statement to report in Australia and the United Kingdom?

If your entity needs to report under both the Australian and UK Modern Slavery Acts then you can choose to submit the same statement in both the UK and Australia. However, you must ensure that your statement meets all the requirements in the Australian Act. The Australian Act sets out a number of requirements for statements that are not included in the UK Modern Slavery Act, including mandatory criteria for the content of statements and options to provide joint statements. This means that statements submitted in accordance with the UK Modern Slavery Act will not necessarily be compliant with the Australian Act.

QUESTION FIFTEEN: Can I voluntarily report?

Yes. Any Australian entity or entity carrying on a business in Australia that is not already covered by the Act can provide a voluntary statement.

Providing a voluntary statement may benefit your entity, including by demonstrating your leadership on modern slavery and showing you are a responsible business that acts with integrity. However, reporting voluntarily can also be a significant commitment. Voluntary statements must comply with all of the requirements for statements in the Act, including the mandatory criteria for content.

You should carefully consider whether voluntary reporting is right for you. If you are unsure about whether to report voluntarily, you could choose to instead prepare a statement and post it on your website.

Appendix 7. Supplementary Guidance documents

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



Statements that do not meet approval and signature requirements of the Modern Slavery Act 2018 (the Act) will not be published to the Online Register for Modern Slavery Statements

WHAT DOES THE MODERN SLAVERY ACT REQUIRE?	HYPOTHETICAL EXAMPLES OF A GOOD PRACTICE RESPONSE FOR SINGLE REPORTING ENTITIES	HYPOTHETICAL EXAMPLES OF A COMPLIANT RESPONSE FOR SINGLE REPORTING ENTITIES	HYPOTHETICAL EXAMPLES OF A NON-COMPLIANT RESPONSE FOR SINGLE REPORTING ENTITIES
<p> 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.</p> <p>The <u>principal governing body</u> is the body or group of members with primary responsibility for the governance of the reporting entity. A <u>responsible member</u> 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.</p> <p> The Act does not permit delegation of approval authority, including to an Individual, Executive Committee, Sub-Committee, or Work group.</p> <p>To ensure an entity's statement can be registered by the AGD, entities should ensure there is no ambiguity in the clearance of their statements.</p> <p>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.</p> <p> 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.</p>	<p>Example 1 – 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.</p> <p>Example 2 - 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.</p> <p>Example 3 - 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.</p> <p>Example 4 - 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.</p> <p>Example 5 - Entity managed by a Trust: This statement was approved by the board of trustees (principal governing body) for Rapid Trust on 21 November 2020.</p> <p>Example 6 - 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.</p>	<p>Example 1 - 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.</p> <p>Example 2 - Partnership: This statement was approved by all the partners of FellCo Confectionary on 12 September 2020.</p> <p>Example 3 - 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.</p> <p>Example 4 - Entity managed by a Sole Director: This statement was approved by Jane Doe as the Sole Director of Simple Building Co.</p> <p>Example 5 - Entity managed by a Trust: This statement was approved by the board of trustees for Rapid Trust on 21 November 2020.</p> <p>Example 6 - Entity managed by a University Council: This statement was approved by the University Council of Eastern Australia on 21 November 2020</p>	<p>Example 1 - 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.</p> <p>Example 2 - Partnership: This statement was approved by select partners of FellCo Confectionary on 12 September 2020.</p> <p>Example 3 - Entity managed by a Senior Officer Outside Australia: This statement was approved by the Senior Officer Outside Australia John Smith on 21 November 2020.</p> <p>Example 4 - Entity managed by a Sole Director: This statement was approved by Director Jane Doe of Simple Building Co.</p> <p>Example 5 - Entity managed by a Trust: This statement was approved by the trustees of Rapid Trust on 21 November 2020.</p> <p>Example 6 - Entity managed by a University Council: This statement was approved by the Chancellor on 21 November 2020</p>

PRINCIPAL GOVERNING BODY APPROVAL: Single reporting entity principal governing body approval

The information in this guidance is not legal advice. This supplementary guidance was developed to demonstrate examples towards good practice, compliant and non-compliant responses for single reporting entities to be approved by the principal governing body. For further information, please contact slavery.consultations@ag.gov.au.

MODERN SLAVERY ACT SUPPLEMENTARY GUIDANCE: JOINT REPORTING ENTITIES PRINCIPAL GOVERNING BODY APPROVAL
Statements that do not meet approval and signature requirements of the Modern Slavery Act 2018 (the Act) will not be published to the Online Register for Modern Slavery Statements



WHAT DOES THE MODERN SLAVERY ACT REQUIRE?	HYPOTHETICAL EXAMPLES OF A GOOD PRACTICE RESPONSE FOR JOINT REPORTING ENTITIES	HYPOTHETICAL EXAMPLES OF A COMPLIANT RESPONSE FOR JOINT REPORTING ENTITIES	HYPOTHETICAL EXAMPLES OF A NON-COMPLIANT RESPONSE FOR JOINT REPORTING ENTITIES
<p> Section 14 of the Act provides three options for approval of joint statements:</p> <p>OPTION ONE: The principal governing body of each reporting entity covered by the statement approves the statement.</p> <p>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.</p> <p>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.</p> <p> 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.</p>	<p>Example 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.</p> <p>Example 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.</p> <p>Example 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.</p> <p>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.</p>	<p>Example 1: This statement was approved by the boards of each of the three reporting entities covered by this statement.</p> <p>Example 2: This statement for BrightArm Security Australia was approved by the board of BrightArm Security Services International as the parent entity.</p> <p>Example 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.</p> <p>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.</p>	<p>Example 1: This statement was approved by Unicorn Pharmaceuticals. OR This statement was approved on behalf of the board of Unicorn Pharmaceuticals.</p> <p>Example 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.</p> <p>Example 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.</p> <p>It was determined the board of Far'n'Wide Holdings Australia did not need approve this statement.</p>

PRINCIPAL GOVERNING BODY APPROVAL: Joint reporting entity principal governing body approval

The information in this guidance is not legal advice. This supplementary guidance was developed to demonstrate examples towards good practice, compliant and non-compliant responses for joint reporting entities to be approved by the principal governing body. For further information, please contact slavery.consultations@ag.gov.au.

MODERN SLAVERY ACT SUPPLEMENTARY GUIDANCE: REPORTING ENTITIES SIGNATURE OF A RESPONSIBLE MEMBER

Statements that do not meet approval and signature requirements of the Modern Slavery Act 2018 (the Act) will not be published to the Online Register for Modern Slavery Statements



WHAT DOES THE MODERN SLAVERY ACT REQUIRE?	HYPOTHETICAL EXAMPLES OF A GOOD PRACTICE RESPONSE	HYPOTHETICAL EXAMPLES OF A COMPLIANT RESPONSE	HYPOTHETICAL EXAMPLES OF A NON-COMPLIANT RESPONSE
<p> Section 13 of the Act requires statements given by single reporting entities to be signed by a responsible member of the reporting entity. Section 14 of the Act sets out the same requirement for joint statements.</p> <p>A <u>responsible member</u> 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.</p> <p> It is important to ensure that approval from a responsible member shows that individual has the authority to approve the statement and includes:</p> <ol style="list-style-type: none"> The approver's name The approver's title or position (e.g. CEO, Director, member of the board) A copy of their signature or wording to explicitly show their approval of the statement. <p>Entities should ensure the approval of a responsible member is included in the statement and not in an external document. If the signature is in a separate document it is unclear whether the approval is for the modern slavery statement or the external document.</p> <p>A statement cannot be signed by individuals' who do not meet the definition of a responsible member.</p>	<p>Good Practice Examples</p> <p>Example 1 - Company: This statement is signed by Jane Doe in her role as the managing director of Unicorn Pharmaceuticals on 21 November 2020.</p> <p><i>Jane Doe</i> Managing Director of Unicorn Pharmaceuticals 21 November 2020</p> <p>Example 2 - Partnership: This statement was approved by all partners of FellCo Confectionary on 12 September 2020 and is signed by Jane Doe, General Partner.</p> <p><i>Jane Doe</i> General Partner for Fellco Confectionary 12 September 2020</p> <p>Example 3 - 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 and responsible member of Grey Bank on 21 November 2020.</p> <p><i>John Smith</i> Senior Officer Outside Australia for Grey Bank 24 November 2020</p> <p>Example 4 - Entity managed by a Sole Director: This statement was approved and signed by Jane Doe as the Sole Director and principal governing body of Simple Building Co.</p> <p><i>Jane Doe</i> Sole Director of Simple Building Co 11 September 2020</p> <p>Example 5 - Entity managed by a Trust: This statement was approved and signed by Jane Doe as the Trustee for Simple Building Co.</p> <p><i>Jane Doe</i> Trustee 11 September 2020</p> <p>Example 6 - Entity managed by a University Council: This statement was approved by the University Council and signed by Chancellor John Smith.</p> <p><i>John Smith</i> Australia University Chancellor 11 September 2020</p>	<p>Compliant Examples</p> <p>Example 1 - Company: (Signature) <i>Jane Doe</i> Managing Director of Unicorn Pharmaceuticals</p> <p>Example 2 - Partnership: (Signature) <i>Jane Doe</i> Partner</p> <p>Example 3 - Entity managed by a Senior Officer Outside Australia: (Signature) <i>John Smith</i> Senior Officer Outside Australia</p> <p>Example 4 - Entity managed by a Sole Director: (Signature) <i>Jane Doe</i> Sole Director</p> <p>Example 5 – Entity managed by a Trust: (Signature) <i>Jane Doe</i> Trustee</p> <p>Example 6 - Entity managed by a University Council: (Signature) <i>John Smith</i> Chancellor</p>	<p>Non-Compliant Examples</p> <p>Example 1: (Signature) <i>Jane Doe</i></p> <p>Example 2: (Signature) <i>Jane Doe</i> Procurement Officer</p> <p>Example 3: (Signature) <i>Jane Doe</i> Risk Officer</p> <p>Example 4: (Signature) <i>Jane Doe</i> Authorised Officer</p> <p>Example 5: (Signature) <i>Jane Doe</i> General Counsel (*if not a member of the board)</p> <p>Example 6: (Signature) <i>Chief Executive Officer</i></p>

SIGNATURE OF A RESPONSIBLE MEMBER: Reporting entities signature of responsible person

The information in this guidance is not legal advice. This supplementary guidance was developed to demonstrate examples towards good practice, compliant and non-compliant responses for signature of responsible member of reporting entity. For further information, please contact slavery_consultations@ag.gov.au.

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



WHAT DOES THE MODERN SLAVERY ACT REQUIRE?	HYPOTHETICAL EXAMPLES OF A GOOD PRACTICE RESPONSE	HYPOTHETICAL EXAMPLES OF A COMPLIANT RESPONSE	HYPOTHETICAL EXAMPLES OF A NON-COMPLIANT RESPONSE
<p> Mandatory reporting criteria three requires statements given by reporting entities to describe the risks of modern slavery practices in their <u>operations</u> and <u>supply chains</u>. 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.</p> <p> 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 that need to be considered.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p><i>* 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.</i></p>	<p>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.</p> <p>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]</p>	<p>Example 1: We have concluded that we have no modern slavery risks.</p> <p>Example 2: [No evidence of this criterion being addressed in the statement]</p>

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 information in this guidance is not legal advice. This supplementary guidance was developed to demonstrate examples towards good practice, compliant and non-compliant responses to mandatory criteria three. All modern slavery statements must address all mandatory criteria. For further information, please contact slavery.consultations@aq.gov.au.

MODERN SLAVERY ACT SUPPLEMENTARY GUIDANCE: GOOD PRACTICE EXAMPLES OF MANDATORY REPORTING CRITERIA FOUR

Describe the actions taken by the reporting entity to assess and address modern slavery risks



WHAT DOES THE MODERN SLAVERY ACT REQUIRE?	HYPOTHETICAL EXAMPLES OF A GOOD PRACTICE RESPONSE	HYPOTHETICAL EXAMPLES OF A COMPLIANT RESPONSE	HYPOTHETICAL EXAMPLES OF A NON-COMPLIANT RESPONSE
<p> Mandatory reporting criteria four requires reporting entities to describe what actions they are taking to assess and address the risks of modern slavery practices occurring in their operations and supply chains.</p> <p>If the reporting entity owns or controls any other entities then they also need to describe the actions these entities are taking.</p> <p> An entity's description should cover actions taken during the twelve month reporting period for the reporting entity. Actions that are taken after the end of the reporting period should be described in the entity's next statement.</p> <p>The description of these actions must include information about due diligence and remediation processes. This means entities statements should explain what the reporting entity and any entities they own or control are doing to identify, prevent, mitigate and account for how they address their modern slavery risks.</p>	<p>Example 1: Over this reporting period, we have made significant progress in implementing policies and actions to assist in addressing the modern slavery risks associated with our operations and supply chains. These include reviewing and where necessary updating due diligence procedures, introducing a requirement for statements and policies specifically related to Modern Slavery in Requests for Tender and Requests for Quotations; engaging more with suppliers on modern slavery issues and intensifying screening and qualification procedures; developing a clear method for identifying, assessing and classifying actual and potential human rights risks; and reviewing our internal whistle blowing channels to determine whether they sufficiently cover the issue of Modern Slavery.</p> <p>Example 2: Our approach to modern slavery is group-wide. During this reporting period we developed a Human Rights Strategy. This was developed with support from all entities in our group based on feedback from staff member workshops and external human rights experts who we consulted. As part of the strategy development, we identified our main human rights risks which were labour rights; right to health and safety; right to equality and freedom from discrimination; Indigenous rights; cultural rights; and right to dignity and justice. We recognise that modern slavery risks are more likely to exist where human rights principles are not respected. Our strategy focuses on systems and processes to identify, prevent, mitigate and remedy actual or potential adverse human rights impacts under the areas of compliance, work culture, people and technology, governance, remediation and stakeholder engagement.</p> <p><i>*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.</i></p>	<p>Example 1: We have now implemented a modern slavery framework. This framework establishes our business's processes in respect to modern slavery and human trafficking concerns; the framework also provides staff with a list of actions to be taken if a case of modern slavery is identified.</p> <p>Example 2: During our reporting period we have put in place the following measures, introducing our groups first Anti Modern Slavery Policy; revising and updating our internal policies; and reviewing supplier engagement processes and principles.</p> <p>Example 3: We conducted the following actions this reporting period to address our modern slavery risks; Commenced a review of our Procurement contracts to include Modern Slavery clauses; updated our Supplier Code of Conduct and Sustainable Procurement Policy; developed and rolled out an Internal Modern Slavery online training module to staff and relevant stakeholders; and made our board and senior management aware of our Modern Slavery obligations.</p>	<p>Example 1: We have not taken any actions to assess or address modern slavery risks as we do not have any risks.</p> <p>Example 2: Our internal due diligence procedures which have been in place since their creation in 2010 ensure there are no modern slavery risks in our operations or supply chains.</p> <p>Example 3: [No evidence of this criterion being addressed in the statement]</p>

MANDATORY REPORTING CRITERIA FOUR: Describe the actions taken by the reporting entity to assess and address modern slavery risks

The information in this guidance is not legal advice. This supplementary guidance was developed to demonstrate examples towards good practice, compliant and non-compliant responses to mandatory criteria four. All modern slavery statements must address all mandatory criteria. For further information, please contact slavery.consultations@ag.gov.au.

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



WHAT DOES THE MODERN SLAVERY ACT REQUIRE?	HYPOTHETICAL EXAMPLES OF A GOOD PRACTICE RESPONSE	HYPOTHETICAL EXAMPLES OF A COMPLIANT RESPONSE	HYPOTHETICAL EXAMPLES OF A NON-COMPLIANT RESPONSE
<p> 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.</p> <p>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.</p> <p> 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.</p>	<p>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:</p> <ul style="list-style-type: none"> • Governance & due diligence; • Procurement & supply chain; • HR practices, training & education; • Grievances and reporting. <p>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.</p> <p>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.</p> <p><i>*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.</i></p>	<p>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.</p> <p>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.</p>	<p>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.</p> <p>Example 2: We will re-assess our actions to combat modern slavery every year.</p> <p>Example 3: We will look to develop a framework to assess the effectiveness of actions taken to manage modern slavery risks in the future.</p> <p>Example 4: [No evidence of this criterion being addressed in the statement]</p>

MANDATORY REPORTING CRITERIA FIVE: Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks

The information in this guidance is not legal advice. This supplementary guidance was developed to demonstrate examples towards good practice, compliant and non-compliant responses to mandatory criteria five. All modern slavery statements must address all mandatory criteria. For further information, please contact slavery.consultations@ag.gov.au.

MODERN SLAVERY ACT SUPPLEMENTARY GUIDANCE: GOOD PRACTICE EXAMPLES OF MANDATORY REPORTING CRITERIA SIX

Describe the process of consultation with any entities the reporting entity owns or controls

WHAT DOES THE MODERN SLAVERY ACT REQUIRE?	HYPOTHETICAL EXAMPLES OF A GOOD PRACTICE RESPONSE	HYPOTHETICAL EXAMPLES OF A COMPLIANT RESPONSE	HYPOTHETICAL EXAMPLES OF A NON-COMPLIANT RESPONSE
<p> Mandatory reporting criteria six requires statements given by single reporting entities to describe how they consulted <i>in the preparation of their statement</i> with any entities they own or control. In the case of joint statements, the reporting entity must describe how they consulted with each entity covered by the statement <i>in the preparation of their statement and with any entities they own or control</i>.</p> <p> If the reporting entity does not own or control any entities, it is important the entity makes this explicitly clear in the statement.</p> <p>The level of consultation the reporting entity undertakes should reflect the relationship with the other entity and their risk profile. Consultation should be sufficient to ensure that the modern slavery risks relating to the other entities have been appropriately identified, assessed and addressed and that the other entities are aware of what actions need to be undertaken.</p>	<p>Example 1: During the reporting period this statement covers, we actively engaged and consulted with all companies we own or control in the development of this statement (entity's outlined in attachment A). We discussed details of the Modern Slavery Act 2018's reporting requirements; information regarding the actions we intend to take to address these requirements and provided them with relevant materials and updates.</p> <p>Example 2: Where we owned or controlled an entity during this reporting period we met with Entity A and Entity B to frame our expectations, raise awareness and understand their approach in mitigating modern slavery risks. As part of the development of this statement, a Modern Slavery Working Group was established with senior executives from Entity A and Entity B to inform and contribute to the development of the statement.</p> <p>Example 3: We do not own or control any other entities and therefore this criterion is not applicable.</p> <p><i>*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.</i></p>	<p>Example 1: We consulted the relevant companies we own or control in the development of this statement.</p> <p>Example 2: In order to prepare this joint statement, we engaged with each of the reporting entities covered by this statement and consulted the entities we own or control.</p> <p>Example 3: We do not own or control any other entities.</p>	<p>Example 1: We did not need to consult on the development of this statement due to shared processes across associated entities.</p> <p>Example 2: Internal Stakeholders were consulted on the development of this modern slavery statement. (This example fails to mention the consultation process with entities the reporting entity owns or controls).</p> <p>Example 3: We have consulted with all entities that we own or operate on a number of our modern slavery policies. (This example fails to mention consultation in the preparation of their modern slavery statement).</p> <p>Example 4: [No evidence of this criterion being addressed in the statement]</p> <p>Note: <i>During the early reporting periods, many reporting entities did not adequately describe the consultation process with any entities they own or control. If the reporting entity does not own or control any entities, it is important they make this explicitly clear in their statement.</i></p>

MANDATORY REPORTING CRITERIA SIX: Describe the process of consultation with any entities the reporting entity owns or controls

The information in this guidance is not legal advice. This supplementary guidance was developed to demonstrate examples towards good practice, compliant and non-compliant responses to mandatory criteria six. All modern slavery statements must address all mandatory criteria. For further information, please contact slavery.consultations@ag.gov.au.