

Paper Promises?

Evaluating the early impact of Australia's Modern Slavery Act

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About us

This report is part of a two-year collaborative research project by academics and civil society organisations aimed at improving responses to modern slavery and access to remedy for affected workers.

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We would also like to thank the following individuals and organisations for their important contributions to this research: Emma Costa, Nikkie Xu, Lauren Satill, Nicole Purves, Armelle Chasse, Bonnie Graham, Alexandra Turner, Chantelle Mayo, Andy Hall, Unions NSW, Australian Nursing & Midwifery Federation, Perkins Lui, Austin Irwin, Danielle Pedersen, Madison Williams, Christoffer Aguilar, Kayla Cook, Isabella Satz, and Samuel Pryde, and others that have asked to remain unidentified. We would like to extend our gratitude to the workers and human rights advocates who shared their stories for this report.

This work was possible thanks to the generous support of Oak Foundation, Sigrid Rausing Trust and The Freedom Fund.

Acknowledgement of Country: We acknowledge the Traditional Owners of Country throughout Australia and recognize their continuing connection to land, waters and culture. We pay respect to elders and acknowledge the Traditional Owners who have cared for Country since time immemorial. Sovereignty over this land was never ceded – it always was, and always will be, Aboriginal land.

Disclaimer: The images used in this report are stock images used to illustrate the types of labour undertaken by workers in the four focus sectors reviewed. We make no suggestion that any of the workers depicted are victims of modern slavery.

Cover: Uyghur women work in a cloth factory in Hotan county, Xinjiang province, China (Azamat Imanaliev/Shutterstock)

Executive summary

Right:
16 February 2016:
Workers preparing
shrimp in a factory
in Samutprakarn,
Thailand (Ai Han/
Shutterstock)



The *Modern Slavery Act 2018 (Cth) (MSA)* was widely hailed as a critical first step by Australia towards tackling the global problem of modern slavery, with the government proclaiming that it would transform the way businesses respond to modern slavery by prompting a business-led ‘race to the top’.

Two years into its operation, close to 4,000 statements have now been published on the government’s modern slavery register. Yet the extent to which the legislation is transforming business practices or making a tangible difference to the lives of workers remains highly uncertain.

This report analyses 102 company statements published in the first reporting cycle of the MSA, to evaluate how many companies are starting to implement effective measures to address modern slavery and how many are lagging.

Rather than focusing on the largest ASX-listed companies, we examined statements published by companies sourcing from four sectors with known risks of modern slavery:

- garments (sourced in China)
- healthcare - rubber gloves (PPE) (sourced in Malaysia)
- horticulture (sourced in Australia)
- seafood (sourced from Thailand)

We first examined whether the statements complied with the mandatory reporting criteria under the MSA and provided meaningful information against all these criteria. We then compared the information about modern slavery risks in each statement with publicly available information about the risks and working conditions in these sectors in order to understand whether companies are appropriately identifying the most salient risks present in their operations and supply chains. Finally, we analysed whether companies appear from their statements to be taking effective and meaningful actions to address these risks.

“Many company statements remain mere ‘paper promises’ with little evidence of effective action in the areas most likely to improve conditions for workers...”

Snapshot of key findings

Companies are failing to comply with the mandatory reporting requirements

Most companies reviewed demonstrate superficial and incomplete compliance with the reporting requirements of the MSA; addressing just 59% of the mandatory criteria on average. Less than one in four companies (23%) fully address the mandated reporting requirements, with areas such as risk assessment, remediation, measuring effectiveness, and consultation particularly poorly handled.

Companies are failing to identify or disclose obvious modern slavery risks

More than half of the companies reviewed (52%) are failing to identify and disclose salient sectoral risks in their operations and supply chains, despite sourcing from sectors that have been repeatedly identified in public reports as having systemic abuses.

- Three in four garment companies sourcing from China fail to mention risks of Uyghur forced labour in their supply chains.
- More than one in two healthcare companies sourcing personal protective equipment (PPE) gloves from Malaysia fail to identify modern slavery risks in that industry, despite obvious increased risks posed by the COVID-19 pandemic.
- Just under one in two food companies identify sourcing horticultural produce in Australia as high-risk for modern slavery practices.
- Two in five seafood companies fail to identify seafood as a high-risk product in their supply chain.

Companies are failing to demonstrate effective actions to address risks

Less than a third of companies reviewed (27%) could demonstrate that they are taking some form of action against modern slavery risks that lifts supplier working conditions or tackles root causes.

- Only one in four companies report that they undertake human rights due diligence on new suppliers at the selection stage.

- Less than a fifth of companies (19%) disclose procedures to ensure responsible purchasing practices (eg: adequate pricing, prompt payment, managing workload changes).
- Just 14% of companies express a commitment to ensuring workers in their supply chains are paid a living wage.
- Only 13% of companies describe processes for ensuring that workers are not being charged recruitment fees.
- Only 34% of companies disclose collaboration with key stakeholders such as trade unions, migrant worker groups, or civil society organisations, with just 13% demonstrating evidence of stakeholder consultation in developing or reviewing relevant policies.

Across all four focus sectors, our analysis did reveal small clusters of leading companies that appear at least from their reports to be taking a more detailed and rigorous approach to both their reporting obligations and actions to address modern slavery risks. Significantly, this is not always dictated by size, with several of the smaller operators achieving strong results in significant areas such as responsible purchasing. We have highlighted examples of these better practice approaches throughout this report by way of guidance for other companies wanting to ensure that the changes they are implementing ultimately reach workers and change their lives for the better.

This report covers the first stage of a longer collaborative study on the effectiveness of the MSA. An analysis of the second round of company reporting is already underway as part of that study and it remains to be seen whether companies ultimately lift their game over time. So far, however, it seems that many company statements remain mere ‘paper promises’, with little evidence of effective action in the areas most likely to improve conditions for workers.

Where to next?

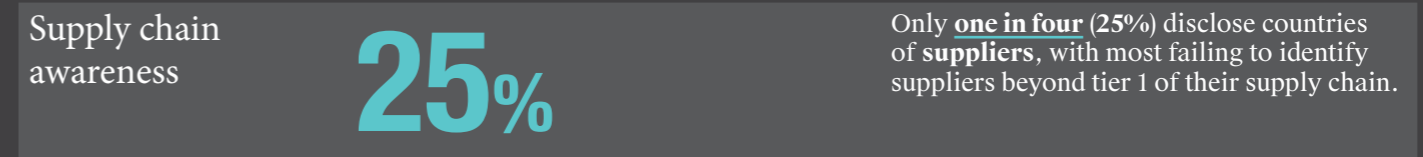
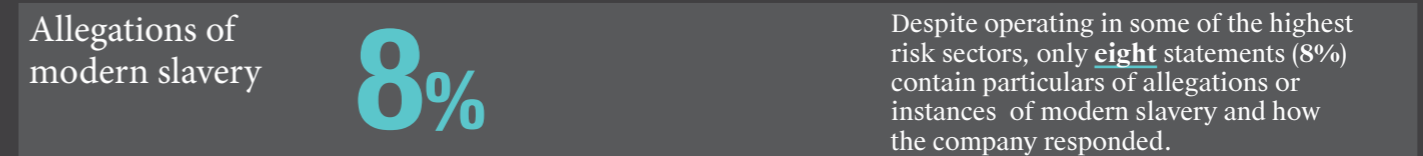
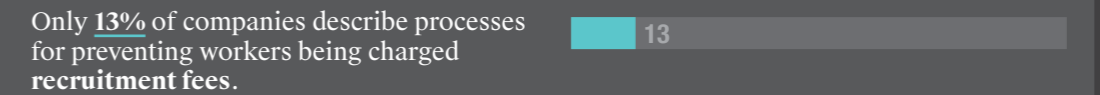
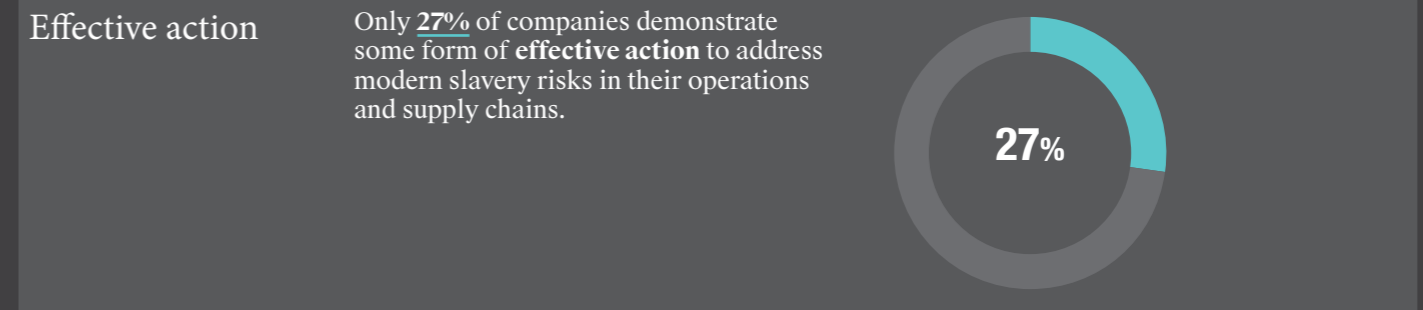
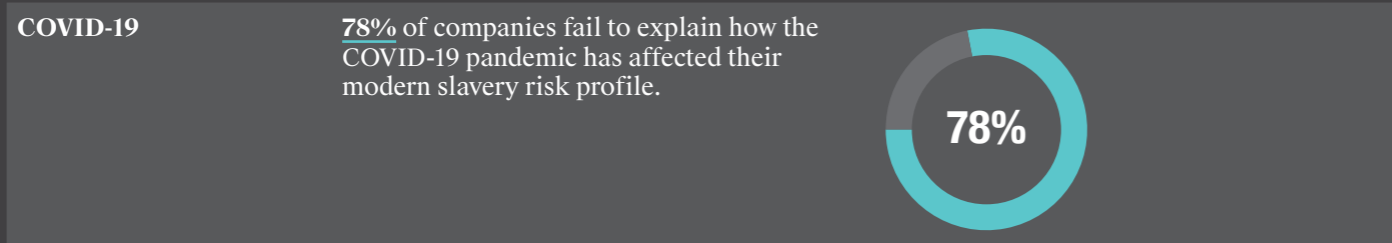
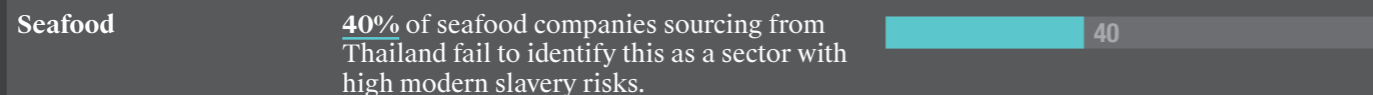
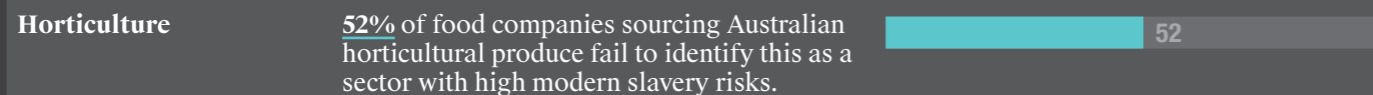
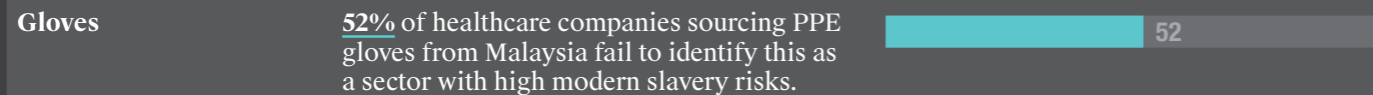
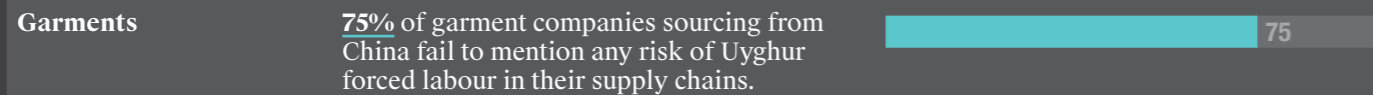
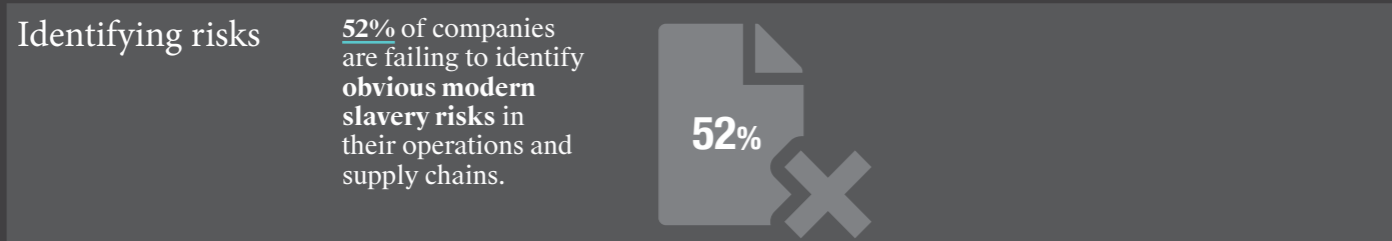
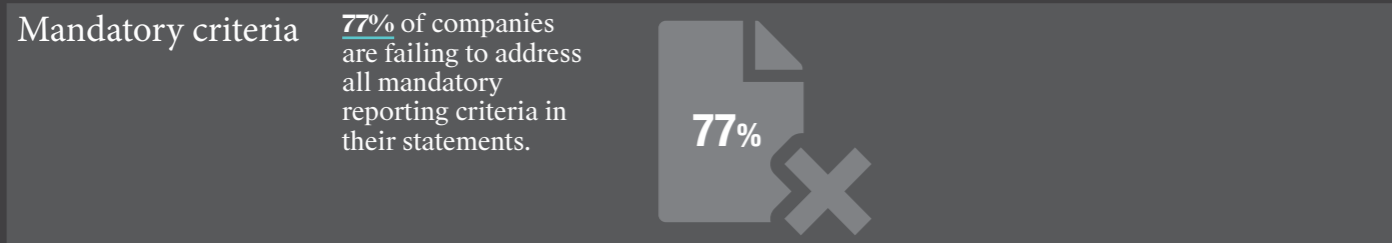
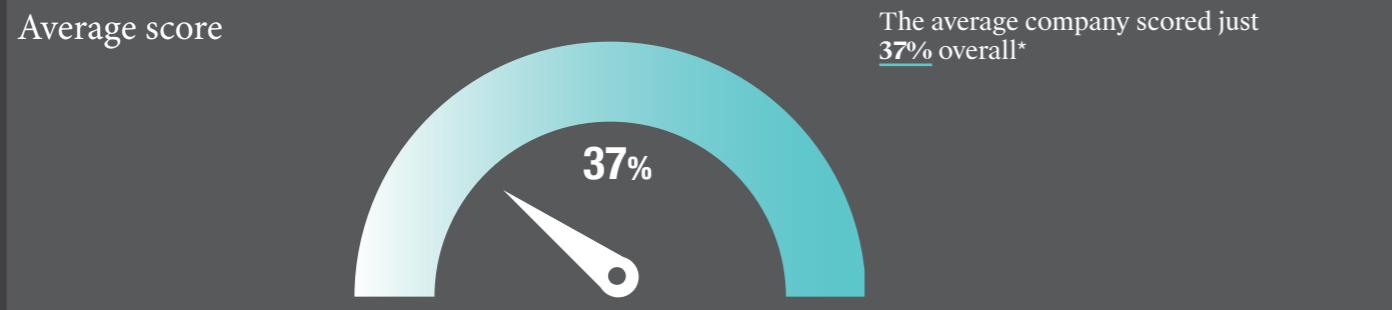
The next 12 months will be critical to strengthening the corporate practices that underpin mandatory reporting. To drive meaningful change, companies and other reporting entities must examine their business models and procurement practices and start embedding responsible sourcing practices that support workers’ rights, and avoid downward pressure onto suppliers and, ultimately, workers themselves. They must integrate due diligence throughout their operations and supply chains and develop more worker-centric approaches and processes based on genuine stakeholder engagement.

As the three-year review of the MSA approaches in 2022, the Government should also be considering ways to strengthen the legislation so that it drives concrete action and improvement by companies, particularly those that are currently lagging.

At a minimum, consideration should be given to the addition of penalties and other consequences for companies that fail to report, provide false or misleading information, or submit incomplete reports that fail to address the mandatory criteria. The Government should also provide further guidance and support for companies sourcing from high-risk sectors or locations such as those identified in this report to assist them to address these risks in meaningful ways.

More fundamentally, however, the legislation should be reoriented towards requiring companies to take action to address modern slavery, rather than simply reporting on their existing approach. Many other countries are now moving beyond voluntary reporting towards enforceable obligations on companies to investigate and address modern slavery and other serious human rights abuses in their supply chains. If Australia is serious about ending modern slavery, it should be moving in the same direction.

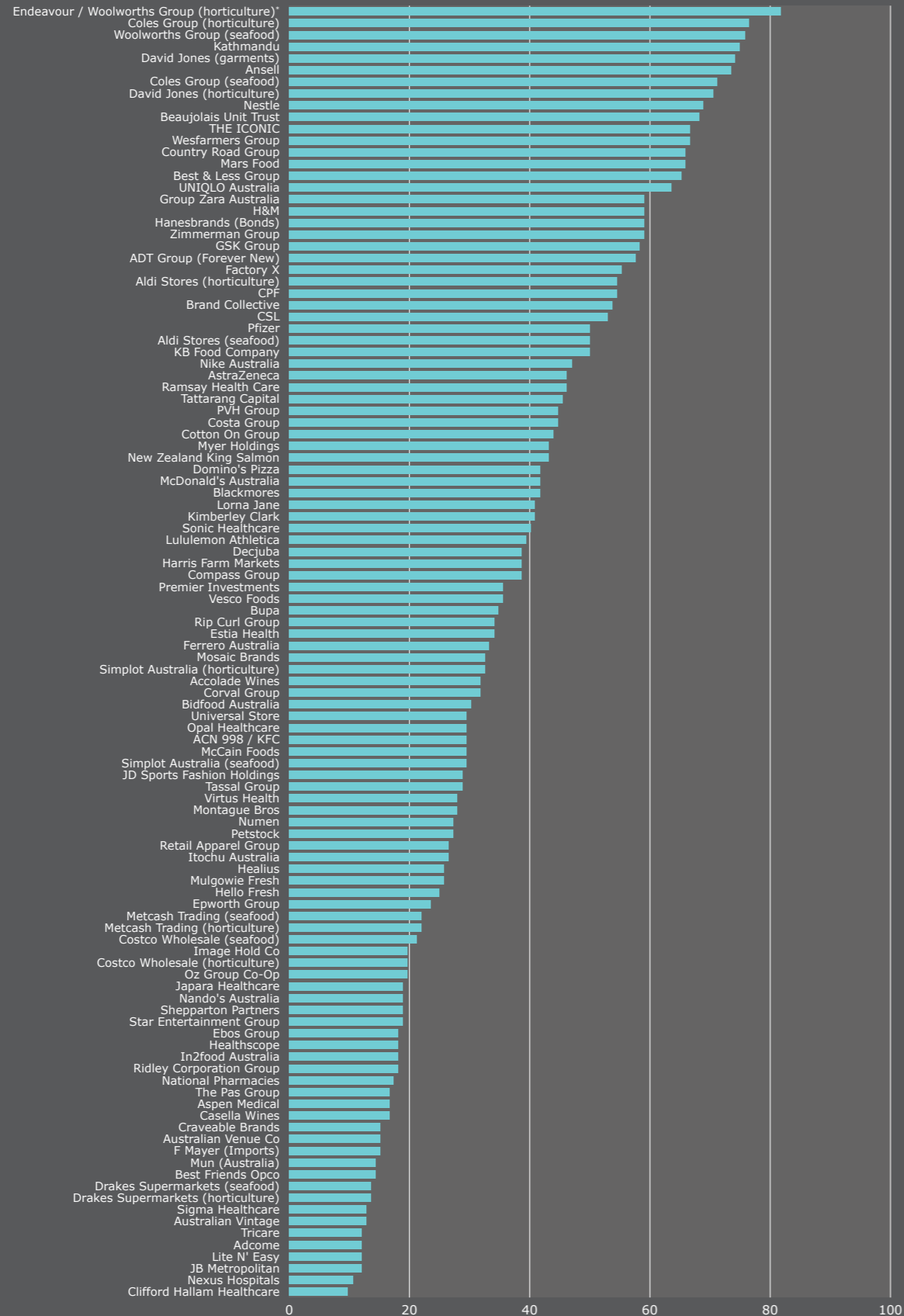
Key findings



* All percentages throughout this report refer to the 102 company statements reviewed rather than to reporting entities generally.

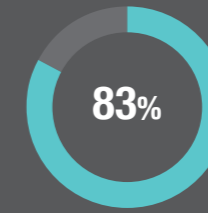
Key findings

How companies scored

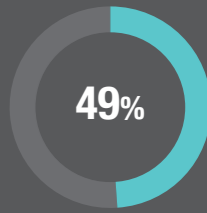


Highest scores

The highest scoring company is Woolworths (horticulture) with a score of **83%**



The highest scoring sector is **garments** with an average of **49%**

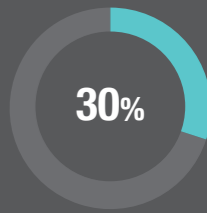


Lowest scores

The lowest scoring company is Clifford Hallam Healthcare with a score of **10%**



The lowest scoring sector is **healthcare** with an average of **30%**



Best and worst scoring companies by sector:

Sectors	Average score	Companies			
		Best ranking scores		Worst ranking scores	
Garments	49%	Kathmandu	David Jones	Tarocash (Retail Apparel Group)	Review (The Pas Group)
		75%	74%	27%	17%
Seafood	35%	Woolworths Group	Coles Group	JB Metropolitan	Drakes Supermarkets
		76%	71%	12%	14%
Gloves	30%	Ansell	GSK Group	Nexus Hospitals	Clifford Hallam Healthcare
		74%	58%	11%	10%
Horticulture	32%	Woolworths Group	Coles Group	Lite N'Easy	Cornetts (Adcome)
		83%	77%	12%	12%

Disclaimer:

Those companies that have received higher scores in this assessment are those whose statements evidence greater transparency about their operations and supply chains, more careful identification of salient risks and which describe more meaningful actions to address these risks in a variety of ways. A higher score does **not** reflect an absence of modern slavery in a company's operations or supply chains. We would also reiterate that the scores are only based on a **desktop analysis of company reporting**. We have not attempted as part of this study to independently verify whether companies are in fact taking the actions they describe in their statements.

* Where companies' statements were assessed in two different sectors, we have included both scores.

Recommendations

To the Australian Government

1 Make mandatory reporting mandatory. Many companies are currently submitting reports that fail to address even the basic ‘mandatory’ reporting criteria. For reporting to be a useful tool in helping to combat modern slavery, the Government must, at a minimum, ensure that companies submit accurate reports which address all the mandatory reporting criteria. Companies that fail to report or submit reports which fail to address the mandatory reporting criteria or provide false or misleading information, should face consequences such as financial penalties, being listed on the MSA Register as a non-compliant entity, and being prohibited from public tenders.

2 Require companies to take action to address modern slavery. Reporting in and of itself, even if properly enforced, is unlikely to result in the transformative changes to corporate practices needed to eliminate modern slavery. We recommend that the MSA be amended to include a specific duty to prevent modern slavery, which requires companies to undertake mandatory due diligence to identify and assess salient risks in their operations and supply chains that give rise to modern slavery and to take steps to mitigate and address them. Companies would have to show reasonable and appropriate due diligence as a defence to legal liability. Over time, this duty should be extended to apply to all human rights given their indivisible and interconnected nature.

3 Ensure exploited workers can access justice. The MSA should also include a specific cause of action so that workers subjected to modern slavery can seek redress in the event that companies have failed to undertake adequate due diligence to prevent modern slavery in their operations and supply chains. Workers subjected to severe forms of labour exploitation should not have to rely on voluntary remediation processes by businesses to obtain remedy.

4 Provide additional guidance and support for companies operating in high-risk sectors and jurisdictions. The Government should also develop further guidance for companies operating or sourcing goods from high-risk sectors or jurisdictions such as those identified in this report. Issuing sector-specific or country specific guidance, as has been done in the UK, Canada and the US, will assist businesses to more accurately pinpoint and respond to modern slavery risks. Companies are also likely to be motivated to take action when they understand the very real harm modern slavery inflicts. Further resourcing should be provided to the Modern Slavery Unit within the Australian Border Force to work with companies operating in these sectors on steps to address these risks.

We also recommend the establishment of sectoral multi-stakeholder bodies to develop sector specific standards on due diligence that address the particular risks within high-risk sectors, as has been done in the [Netherlands](#).

5 Ban goods made with modern slavery from being imported into Australia. The Government should use trade mechanisms to encourage improvements in labour conditions in international supply chains linked to Australian companies. This should include a ban on imported goods produced by modern slavery, modelled on the US *Tariff Act*. An import ban, if backed by targeted interventions, has the potential to lead to improved conditions for exploited workers overseas and would encourage business to undertake effective due diligence over their supply chain, and to focus on salient risks. This should be introduced as an additional complementary measure to enhance the effectiveness of the MSA in driving corporate action on modern slavery.

6 Address key factors that contribute to labour exploitation in Australia. The Government should also address provisions in Australia’s visa framework and employment laws that contribute to systemic labour exploitation within Australia, particularly of migrant workers on temporary visas.

Reforms should include:

- reviewing Australia’s visa system to reduce ‘tied’ visa conditions that often create conditions of vulnerability to exploitation, and increasing the ratio of permanent to temporary visas;
- establishing a uniform national labour hire licensing scheme;
- abolishing piece rates and other payment practices that undercut the minimum wage;
- removing barriers to trade unions entering workplaces to monitor compliance with workplace laws.

7 Use public procurement processes to reward companies that address modern slavery and human rights risks. The Government should ensure that it uses its commercial power to encourage companies to take human rights and modern slavery seriously. Companies that can demonstrate meaningful measures to address human rights and modern slavery risks should be prioritised during tender processes, while non-compliant companies should be prohibited from bidding on public contracts.

Recommendations

To companies and other reporting entities

- 1 Implement human rights due diligence to identify and address modern slavery risks.**
- As set out more fully on page 57, this requires:
- situating efforts to detect modern slavery risks within a broader human rights framework and not divorcing it from other closely related issues such as discrimination, safeguarding freedom of association and paying a living wage;
 - proactively assessing human rights risks and harms on an ongoing basis, including looking at how the business' own practices may be contributing to these risks;
 - taking steps to prevent and address harms detected;
 - tracking the effectiveness of company responses and communicating how impacts are addressed.

- 2 Ensure a worker-centric approach informed by safe and meaningful engagement with workers and their representatives.**
- This applies across company activities from strategy and policy development, through to human rights due diligence (see page 57) and the design and operation of grievance mechanisms (see page 64) and remediation processes.
- This requires:
- recognising and supporting workers' rights to freedom of association and collective bargaining;
 - demonstrating genuine engagement with workers and unions to improve workers' rights and address modern slavery;
 - prioritising improving outcomes for workers.

- 3 Embed responsible sourcing practices that support decent working conditions and avoid downward pressure onto suppliers and workers.**
- This requires:
- integrating respect for human rights into business models;
 - acknowledging and acting with responsibility for worker wellbeing;
 - prompt payment and good procurement planning;
 - avoiding shorter-term contracts, excessive focus on low prices, small batches and turnaround pressures;
 - committing to, and delivering on, living wage commitments;
 - taking responsibility for supply chain recruitment practices;
 - avoiding outsourcing responsibility for addressing modern slavery to suppliers via contractual warranties.

- 4 Implement effective remediation processes and provide appropriate remedies for abuses.**
- This requires:
- engaging with workers throughout the remediation process to fully understand the nature of harms experienced and compensation required;
 - embedding risk management and strategy processes and establish board governance of remediation efforts, eg: via a board committee;
 - being transparent and open about harm when it is found and what was done to address it. Actual cases and remedy outcomes should be publicly disclosed, unless such disclosure would put workers at risk of retaliatory action, undermine a law enforcement investigation or result in the supplier in question ceasing corrective action they are undertaking;
 - establishing an effective grievance mechanism that is genuinely co-designed, implemented and monitored together with workers and that is practical, safe, accessible and open to all workers;
 - ensuring supply chain workers receive full, fair and concrete remedies, including reimbursement of recruitment fees, unpaid wages, benefits and severance pay and compensation for injuries or harm suffered. Funds established to compensate supply chain workers should be satisfactory and result from a fully consultative process involving affected workers.

Introduction and methodology

Below:
Workers picking mandarins in New South Wales (iStock.com/idealstock)
Right:
Sewing area of a textile factory (Kevin Wells/Shutterstock)

With an estimated 40.3 million people experiencing modern slavery around the world, the widespread prevalence of abuse in company supply chains, both local and global, is widely recognised. Up to 15,000 people are estimated to be in modern slavery in Australia.

Background

The term 'modern slavery' encompasses a number of practices and includes slavery, debt bondage, forced labour, child labour, forced marriage, and slavery-like practices. Modern slavery occurs on a continuum of abuse of workers' human rights; from violations such as wage theft, through to more egregious abuses, including debt bondage and slavery. Workers may experience differing levels of abuse, and move back and forth along this spectrum of abuse over time and as conditions shift.

In 2018, the Australian Government introduced the MSA, which establishes a reporting requirement for an estimated 3,000 large companies, and other entities, to publish annual public statements on their risks and the steps taken to address these risks; most commonly forced labour, in their supply chains and operations.

The MSA applies to entities that are based in, or operating within, Australia, and that have an annual consolidated revenue of at least AUD\$100 million. Other entities that are based in, or operating within, Australia may report voluntarily. The statements must be approved by the principal governing body of the entity (eg: a company's board of directors, or equivalent) and signed by a responsible member of the entity. Statements are submitted to the Government and published on a free, publicly accessible, online government-run register - the [Modern Slavery Register](#).

The MSA requires mandatory reporting against specified criteria. It does not penalise entities financially for failing to report. The intent behind the legislation is that the power of public scrutiny by investors, civil society, and academia, amongst others, will encourage compliance both in terms of reporting levels and quality of disclosure.



The Explanatory Memorandum to the MSA states that its "primary objective [is] to assist the business community in Australia to take proactive and effective actions to address modern slavery" and to "drive a 'race to the top' as reporting entities compete for market funding and investor and consumer support". The MSA thus aims to create upward pressure on reporting entities to take meaningful steps to address modern slavery. The intention is that this will "help mitigate the risk of modern slavery practices occurring in the supply chains of goods and services in the Australian market".

At the time of publication, close to 4,000 mandatory statements have been lodged. Compliance levels thus appear to be relatively high, in terms of the numbers of entities responding to the MSA by submitting a statement. In this report, however, we go further and analyse whether the *quality* of company reporting, and, in particular, the underlying actions reported to address modern slavery that are described, are meeting the aims of the MSA. The report also identifies opportunities for strengthening existing approaches, with recommendations for both government and business.



Methodology

The following section details the focus of our research, the entities we assessed, and how we conducted our analysis. The primary focus of our research was a review of modern slavery statements of selected companies in the first reporting period. All percentages referred to throughout this report are based on this selected group of companies rather than on reporting entities in general. The complete list of companies selected for review is provided in the Appendix.

Focus sectors and regions

We reviewed statements published on the MSA Register and selected 102 statements from companies known to be operating in or sourcing from four high-risk sectors from the following geographic locations:

1. Garments (China) – 30 companies
2. Seafood (Thailand) – 25 companies
3. Horticulture and Viticulture (together, 'horticulture') (Australia) – 30 companies
4. Healthcare - Gloves PPE (together, 'gloves') (Malaysia) – 25 companies

The sectors were selected because they are well-known for having significant modern slavery risks, having been the subject of extensive public reporting, exposés and inquiries.

In most cases, it was apparent from the companies' statements that they were sourcing from these sectors and locations. Where this was not apparent (such as where companies had indicated they sourced from the region, but not the specific country), we wrote to the companies to confirm this.

As eight of the companies operated in more than one of the four focus sectors, we reviewed those statements from differing sectoral perspectives. In total, we therefore conducted 110 separate assessments of 102 companies' statements.

Who we assessed – company selection

Companies were selected to represent a diverse range of entities within each focus sector. In selecting companies, we applied several criteria aimed at ensuring a balanced and targeted data-set. Our company selection criteria were:

1. Private, public, or listed entities
2. Entities operating at a range of supply chain points (producers, importers, retailers, purchasers)
3. Mandatory rather than voluntary reporters
4. Australian-incorporated and international entities
5. For profit, commercial entities

Our primary focus was the assessment of mandatory reporters as we sought to understand the impact of the MSA on those mandated to comply. In some instances, voluntary or not-for-profit reporters were included, however, where they represented a significant player within the Australian context. In each of our four focus sectors, we deliberately tried to ensure a mix of private, public, and listed entities of differing sizes. Both domestic Australian as well as international entities were included.

Introduction and methodology

Right:
10 October 2017:
Uyghur farmers pick
cotton by hand in a
field on the outskirts
of town in Qiemo,
China (iStock.com/
rweisswald)

What we assessed – guiding questions underpinning statement review

The MSA aims to encourage business to take ‘effective actions’ to address modern slavery. Our assessment approach sought to understand both formal and substantive compliance by companies with this aim. In doing so, our investigation centred on three key questions:

1. Are companies complying with the mandatory reporting requirements under the MSA?

In considering this question, we assessed the extent to which companies are engaging with the first six mandatory reporting criteria in section 16(1)(a)-(f) of the MSA. Disclosures made in response to s16(1)(g) (‘Any other information considered relevant...’) were not assessed due to the discretionary nature of this sub-section. We did, however, consider under this criteria the extent to which company statements revealed awareness of, and steps to mitigate, modern slavery risks resulting from altered conditions during the COVID-19 pandemic.

2. How well are companies identifying and disclosing salient modern slavery risks?

In evaluating the extent to which companies are moving beyond a ‘box-ticking’ approach to complying with MSA requirements, we also assessed whether companies’ statements were identifying and disclosing the most obvious modern slavery risks identified in the sectors in which they operate. We also evaluated the quality of risk disclosure more broadly, for example looking at how transparent companies were in disclosing information on their supply chain, incidents of modern slavery, and information on risk assessment.

3. Do modern slavery statements indicate that companies are initiating effective actions to respond to the modern slavery risks present?

Having assessed how well companies are identifying and disclosing modern slavery risks, we also assessed the quality of actions taken by companies in responding to those risks. In our review, we looked at several actions described by companies, and evaluated the extent to which these were likely to drive actual change in high-risk supply chains. In particular we looked at the following areas:

Indicators of effective action

Policies and procedures:

- How are policies communicated to suppliers?
- How do companies ensure these policies are being applied in practice?
- How involved are the board and senior leadership?
- Has the company changed its own procedures to ensure responsible purchasing practices or is it just engaging in business as usual?

Supplier engagement:

- Are there capacity building efforts with suppliers?
- Does the company work proactively with suppliers to ensure that modern slavery standards can be fulfilled down the supply chain?
- Are suppliers regularly monitored, and are the results likely to be reliable?

Working conditions:

- Are supply chain workers being paid a living wage?
- Does the company demonstrate support for freedom of association in its own operations and/or supply chains?
- Is it taking action to mitigate known risks in the sector, such as controls over supply chain recruitment practices, supply chain tracing, or multi-stakeholder collaboration to lift labour standards?

Remediation:

- Do entities disclose how they would respond to instances of modern slavery?
- Does a response involve remediating affected workers?
- How accessible are company grievance mechanisms, and how well are these working in practice?



Indicators and scoring

We developed a set of indicators, 66 in total, to assess statements against the questions above. The indicators were developed in consultation with project partners and tested in a pilot assessment. The content of our assessment indicators aligns closely with the MSA’s mandatory reporting requirements, the Government’s [Guidance for Reporting Entities](#), which itself is informed by the United Nations’ [Guiding Principles on Business and Human Rights](#), and the Government’s modern slavery [COVID-19 Guidance](#). Indicator content was also informed by our respective organisational expertise as well as corporate human rights disclosure methodologies applied in the approaches of Business & Human Rights Resource Centre’s [FTSE 100 UK MSA](#), [KnowTheChain](#), and the [Corporate Human Rights Benchmark](#).

Analysis of first round modern slavery statements of selected companies followed a three-stage assessment, plus validation, process. Each statement was assessed by a trained team of assessors. Referencing a scoring guide, assessors awarded a score for each indicator of 0, 0.5, or 1. A secondary assessor reviewed and reconciled initial scoring. A further assessor reviewed scoring for consistency and validated the data recorded.

Assessors additionally recorded instances of notable and better practices evidenced in the statements reviewed. Examples of these are included in the report to provide qualitative illustration and context to our findings.

Reporting periods

The MSA requires entities to submit modern slavery statements within six months of the end of their financial year.

We analysed company statements submitted to meet reporting deadlines in the initial reporting period. This included statements of foreign companies for financial year 1 April 2019 to 31 March 2020. It also included statements of Australian companies for financial year 1 July 2019 to 30 June 2020.

Initial reporting period deadlines were extended by the Government to support reporting entities whose compliance with the MSA was impacted by the COVID-19 pandemic. Deadlines for submission were extended to 31 December 2020 (foreign financial year companies) and to 31 March 2021 (Australian financial year companies). The first round of statements was published on the Modern Slavery Register in tranches between December 2020 and August 2021. To gain a preliminary indication of change between first and second round statements, we also reviewed second round statements of our review companies that were available at the time of writing, although these were not included in scoring.

Desktop research

In addition to the statement review, we undertook detailed desktop research on each of the four sectors identified to look at the key factors giving rise to modern slavery risks in each sector.

We also undertook online research to identify any obvious allegations of modern slavery or other serious labour rights abuses since 2015 in relation to the 102 companies selected for statement reviews. Our searches focused primarily on information available on the Business & Human Rights Resource Centre database of [company allegations](#). These searches were further augmented by a review of [KnowTheChain](#) data, publicly available credible media reports and legal cases.

The MSA statements for the 102 companies were then reviewed and assessed in light of this publicly available information on modern slavery and labour rights risks (both the sectoral and entity-related) to see how well companies are describing obvious sectoral risks in their statements as well as how they are dealing with specific public allegations of labour rights abuses made against them.

Garments from China

Image:
Uyghur women work
in a cloth factory in
Hotan county, Xinjiang
province, China
(Azamat Imanaliev/
Shutterstock)



One in two garments sold in Australia come from China. Since 2016, credible evidence has emerged of an extensive forced labour system within the country, under which Uyghurs and other Muslim minorities are detained in camps and subjected to gross human rights violations, including being forced to work in cotton fields and garment factories making clothes for major fashion brands.

Garments from China

Since 2014, the Chinese Communist Party has launched a concerted campaign of repression against the population of the Xinjiang Uyghur Autonomous Region in northwest China called the “Strike Hard Campaign Against Violent Terrorism”. It is estimated that between one to two million Uyghur adults have been detained in internment camps across Xinjiang as a result, often for minor acts such as praying or wearing a headscarf.

China’s forced labour program

A growing body of credible evidence indicates that under the banner of this campaign, the Chinese state has committed – and is committing – crimes against humanity against the Uyghur population. Uyghurs and other Turkic Muslims have reportedly been beaten, tortured, sterilised, electrocuted, and subject to sexual violence. Many are also reportedly forced to work in factories constructed within or near these camps, often for little to no pay. More than 21 million square feet of factory space – about 10 times the size of the Melbourne Cricket Ground – is estimated to have been built within camps across Xinjiang.

Many Uyghurs who are not detained in internment camps are reportedly also being forced into working in satellite factories within individual villages in Xinjiang. Reports indicate that the Chinese government is also transferring Uyghurs to factories in eastern China. The Australian Strategic Policy Institute (ASPI) has estimated that over 80,000 Uyghurs were transported out of Xinjiang between 2017 and 2019. They report that brokers advertise Uyghur workers online, claiming they can “*withstand hardship*” and “*semi-military style management*” and that factories receive government rebates of up to ¥5,000 (AUD\$997) for every Uyghur they use.

‘Extraordinarily high-risk’: Chinese garment supply chains

Australian companies sourcing textiles and clothing from China, particularly from the Xinjiang region, face a high-risk of being linked to systemic forced labour practices. At least 100 international brands, many of which are active in Australia, have been directly linked to factories using Uyghur forced labour.

The Xinjiang region grows 85% of Chinese cotton. A large proportion is picked by hand. Labour shortages are common and forced labour is reportedly used to fill these gaps. In 2018 alone, at least 570,000 people from Uyghur regions were estimated to have been coerced into picking cotton within Xinjiang.

This has drastic implications for global garment supply chains. Xinjiang produces over a fifth of the world’s cotton. This cotton is not only used in Chinese yarn and textile mills, but also by ‘intermediary’ garment factories in India, Vietnam, Bangladesh, and Cambodia.

China is also the world’s dominant manufacturer and exporter of yarn, textiles, and apparel. In 2018, it exported USD\$211 billion (AUD\$275 billion) of textiles and garments; more than the next six countries combined. Of this, USD\$6 billion (AUD\$7.9 billion) was sent to Australia.

There is credible evidence that Uyghurs are coerced into working in factories that produce these products. Garment companies, attracted by lucrative financial incentives, were among the first to build satellite factories in Xinjiang. Evidence indicates that Uyghurs have been transferred to Zhejiang, Jiangsu, Fujian, Guangdong and Shandong provinces, where most of China’s major garment factories are located.

Right:
1 April 2021:
Employees work at a textile factory on 1 April 2021 in Korla, Xinjiang province, China (Que Hure/VCG via Getty Images)
Right (below):
Artux City Vocational Skills Education Training Service Centre, Xinjiang, believed to be a re-education camp where Uyghurs are detained, June 2019 (Greg Baker/AFP via Getty Images)



‘I felt like I was in hell’: Life inside the factories

Uyghurs and other ethnic minorities reportedly experience horrific conditions in garment factories.

The US Department of Labor reports that hyper-surveillance and restrictions on movement are understood to be commonplace in China’s forced labour program. Uyghurs are typically segregated from other workers and housed in on-site dormitories. Barbed wire fences, watchtowers, guard stations, and security cameras limit their movements. To deter escape, identification documents may be confiscated, and regular roll calls are held.

On rare occasions, workers may be allowed to temporarily leave lower-security factories. In these instances, they are fitted with an electronic monitoring bracelet or tracked via a smartphone app. If the bracelet or app stop working, or if the workers do not return within a set time limit, they are reportedly punished.



Garments from China

Right:
17 October 2020:
People working
in a cotton field in
Kashgar, Xinjiang
(Captain Wang/
Shutterstock)

Exploitative conditions

Factory conditions are extremely poor. Uyghurs are reportedly paid less than their Han counterparts and, in some cases, are not paid at all. The Xinjiang government explicitly permits companies to pay minorities below the minimum wage. There are reports that some Uyghurs are paid between ¥300 (AUD\$60) to ¥1,300 (AUD\$262) a year. In contrast, the minimum wage in Xinjiang ranges from ¥1,460 (AUD\$294) to ¥1,820 (AUD\$367) a month.

It is reported that Uyghur labourers also endure extremely long working hours. Some may work 13-hour shifts and others accrue more than 100 hours of overtime every month.

Exploitative working conditions are also commonplace outside of the official forced labour system. Ordinary workers have few legal protections in China. Underpayment is a recurring issue, especially in rural areas and the private sector. Wages are kept low to ensure factories remain competitive. Workers often face unsafe working environments, poor living conditions, and abusive management practices. This, in combination with China's treatment of Uyghurs, makes the country high-risk for modern slavery.

The impact of COVID-19

COVID-19 has impacted working conditions for garment workers generally in China. Lockdowns have closed factories, resulting in a build-up of orders. As facilities reopen, workers are under enormous pressure to clear this backlog. At the same time, order cancellations have resulted in cash-flow problems for some suppliers.

This has created a perfect storm in which workers are expected to work more, but for lower wages. A survey by a Guangdong labour organisation found that 32% of garment workers had experienced an increase in their workloads, while 34% had their wages cut.

There are indications that the treatment of Uyghurs has become even worse. Whilst Han workers isolate to protect themselves from the virus, it has been reported that the Chinese government has forced more than 30,000 Uyghurs to return to work. Not only do these workers face an increased risk of exploitation, the potential for mass outbreaks of COVID-19 is high. A cluster of 180 cases in October 2020 was found to have originated in a garment factory that used Uyghur forced labour. Those who contract the virus are unlikely to receive medical treatment.



Barriers to monitoring

The risks of modern slavery in China are multi-faceted and can be difficult to detect. Supply chains are often opaque and difficult to trace. In order to meet production targets and tight deadlines, suppliers tend to outsource to other factories without informing the purchasing company. Evidence suggests this practice is widespread in China. It has been reported that most factories in China outsource to at least one undisclosed manufacturer. These subcontractors are usually unregistered and frequently subject workers to substandard conditions. This heightens the probability of forced labour, especially if the subcontractor is located in Xinjiang.

The lack of visibility over Chinese supply chains is exacerbated by the absence of independent monitoring options. In recent years, international auditors have declined to assess Xinjiang-based supply chains, citing government interference. Auditors have been detained by Chinese authorities, required to use unreliable government translators, and denied access to factories. Even when access is given, the threat of punishment deters workers from speaking freely.

The lack of independent unions in China is also problematic. There is only one legal trade union nationwide, and it is subject to state control. There are also large numbers of enterprise level unions, controlled by employers. Without independent unions, workers are more vulnerable to exploitation and may struggle to raise the alarm about forced labour. Garment workers also have limited legal protections. Although Chinese law enshrines some basic rights, employers often take advantage of loopholes in the system.

The 'fast fashion' industry perpetuates and benefits from these shortcomings. Companies pivot to wherever labour is the cheapest, prompting a global race to the bottom. This, in turn, exacerbates modern slavery risks.

The global response

The world is beginning to respond to China's use of forced labour. The United States has added Chinese textiles, thread, and yarn to its 'List of Goods Produced by Child Labor or Forced Labor.' It also empowered customs officials to detain cotton products, and is progressing legislation that directly targets the importation of all products made in Xinjiang.

Across the Atlantic, the European Parliament has called for EU companies to terminate their business relationships with Xinjiang-based suppliers. The United Kingdom has urged British companies to conduct comprehensive due diligence on their Chinese suppliers.

In June 2021, an Australian Senate Committee recommended prohibiting the importation of goods produced with forced labour, including from Xinjiang. Shortly after, a bill banning all forced labour imports passed the Australian Senate in August 2021.

Ramila's story



Ramila Chanisheff is the President of the Australian Uyghur Womens' Tangritagh Association. She represents hundreds of Australian women who have lost contact with loved ones in Xinjiang, some of whom are believed to have been forcibly sent to work in factories making apparel for Western brands.

In our community, we do not have a single member that has not been personally affected by the gross human rights violations perpetuated on family or friends in East Turkistan, also known as Xinjiang. Most of our women suffer from depression and anxiety arising from a sense of helplessness for the plight of their loved ones.

When I walk into a shop to buy a t-shirt or blouse, the first thing I check is: where is this piece of clothing made? The vision of the advertisement of "Uyghurs for Sale" comes to mind and I think of all the companies in China that I have seen openly advertise and sell Uyghurs like commodities. Every day Australians are buying clothes made through Uyghur forced labour. When I'm out shopping, I think about the raw footage I see regularly on social media of young men and women dressed in the same clothes, lined up, in front of coaches or trains to be taken to the factories where they are forced to work.

The industrial scale at which Uyghurs are being held in internment camps and factories should deeply disturb all companies sourcing clothing from China. The faces of these people are so heart wrenching to watch; they look blank and empty, separated from their family and their normal lives, and forced into labour camps.

People in our community have reported that they were told through limited conversations that my "brother is making sneakers", "my cousin is sewing", "my friend makes telephones". Some do not have enough information to track down where their friends and family have been taken; others are too afraid to go public fearing it may worsen the situation for their loved one.

When I hear from the community about how they have lost contact with their relatives and loved ones, I feel sad, angry, and helpless. I know of older ladies who are forced into working on the cotton fields and factories and how traumatised they are. This is not their choice; they have no choice.



Review of allegations against garment companies

We assessed the statements of 30 companies operating in the garments sector. Of these, more than **half** have attracted modern slavery allegations in the period we considered (from 2015). The garment sector is the industry with the highest number of public allegations across the board, accounting for **66** of the 133 allegations found. There were 16 separate allegations made against **H&M**, eight against **PVH**, six against **Nike** and five against each of **Uniqlo** and **Zara**. This is higher than in any other sector.

The most frequent allegation levelled against companies in this sector is that of engaging forced labour from Xinjiang in their supply chains. Almost a **quarter** of the companies reviewed have attracted allegations about sourcing cotton for garments from forced labour camps in Xinjiang. Aside from **Nike**, **none** of the reviewed companies that had specific allegations made against them address this in their statements.

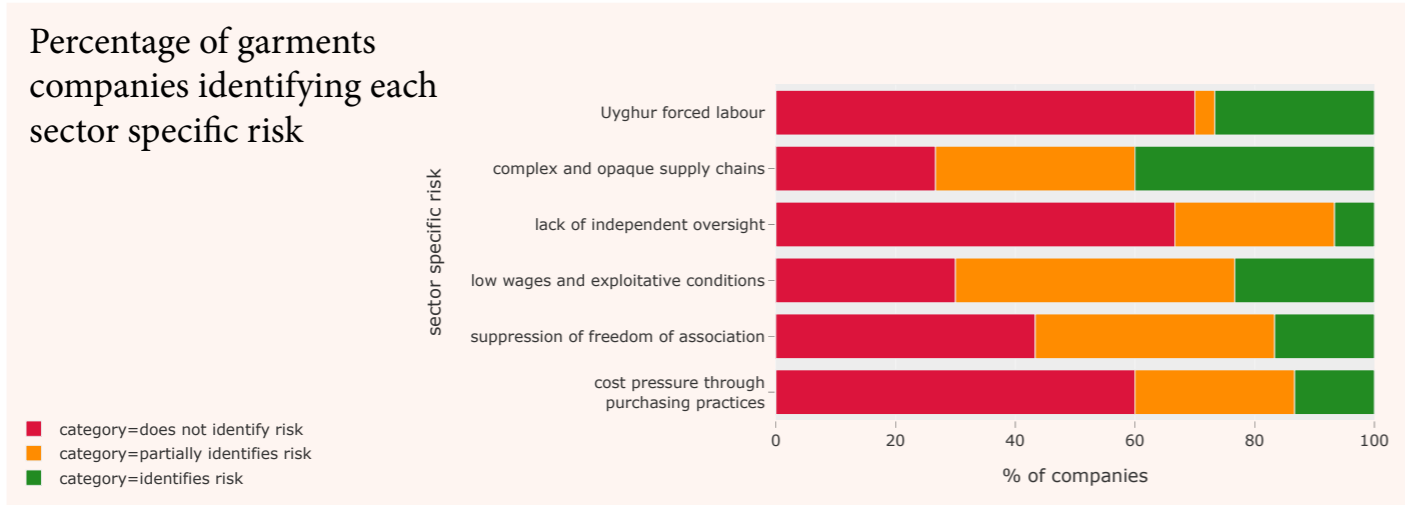


To address these modern slavery risks, we would expect a reporting entity to:

- **map** through all credible means possible its supply chain beyond tier 1 in order to identify and monitor links to Uyghur forced labour and other modern slavery risks. This should include identifying any suppliers with production facilities in Xinjiang, which source inputs from Xinjiang or receive subsidies or accept workers provided by the Chinese Government from Xinjiang;
- **withdraw** from any suppliers or business relationships linked to Xinjiang or Uyghur forced labour program and encourage any suppliers or sub-suppliers to do the same;
- **enforce** a prohibition on subcontracting and outsourcing, or ensure that subcontracted production meets its modern slavery standards;
- **collaborate** with other companies sourcing from China and with civil society coalitions, such as the Coalition to End Forced Labour in the Uyghur Region, to identify risk areas and use collective leverage to help end forced labour and other human rights abuses against the Uyghur people.

Findings

How well are garment companies that source from China identifying modern slavery risks?



Shockingly, **three in four** garment companies sourcing from China fail to mention the widely reported risks of state-sponsored Uyghur forced labour in their supply chains.

Whilst **40%** of garment companies refer to the complexity of supply chains as presenting a risk, those with awareness of labour-related risks present in the sector are far fewer; low wages and exploitative conditions (**23%**), suppression of freedom of association in China (**17%**), systemic downward cost pressure due to purchasing practices (**13%**), and difficulties in ensuring independent oversight over conditions due to interference in the audit process (**7%**).

Better practice - risk identification

Kathmandu describes the risk of Uyghur forced labour in its Chinese supply chains:

“A further risk of forced labour stems from the internment of over one million Chinese citizens of ethnic Turkic origin in the Xinjiang region as well as forced labour by prisoners incarcerated in China’s regular judicial system. This risk is therefore potentially present at all levels of the supply chain, from the farm level (for cotton and other agriculture products) to the manufacture of finished goods.”

Are garment companies initiating effective actions to mitigate modern slavery risks?



Despite well-known risks of forced labour in China, garment companies generally underperform in taking action to address specific supply chain risks.

Just **one in ten** garment companies map their supply chain beyond Tier 1 to identify and monitor links to Uyghur forced labour and other modern slavery risks. This is despite the fact that, promisingly, **70%** of companies prohibit subcontracting and outsourcing, or disclose that their subcontracted production meets their modern slavery standards.

Only **four** companies (**13%**) have withdrawn from suppliers based in Xinjiang, or have satisfied themselves through comprehensive supply chain mapping that there is no risk of Uyghur forced labour in their supply chain.

Five companies (**17%**) collaborate with other companies sourcing from China and/or participate in credible multi-stakeholder initiatives in order to use collective leverage to improve monitoring and change policy.

Eight companies (**27%**) are taking active steps to eliminate purchasing practices that contribute to forced labour, including ensuring appropriate pricing and secure, predictable order volumes.

Better practice - disclosing risks

Country Road discloses a case study on managing risks around unauthorised subcontracting and ensuring that its standards are applied to authorised subcontractors in China. After onboarding a new supplier, it was detected that an unauthorised factory had been subcontracted to make socks. Country Road identified a knowledge gap from their supplier about the importance of only using authorised subcontractors, and educated the supplier, through multiple conversations and using leverage of future orders, on the reasons for avoiding unauthorised production, ensuring oversight of the production process. Through ongoing monitoring, the supplier has *“been able to understand and become more aware of the risks to their business and their people”*.

Gloves from Malaysia

Image:
18 February 2020:
Employees check latex gloves in the watertight test rooms at a Top Glove factory in Setia Alam, Selangor, Malaysia (Samsul Said/Bloomberg via Getty Images)



+ The COVID-19 pandemic has led to an unprecedented global demand for disposable medical gloves, placing huge pressures on an industry already plagued by endemic issues of debt bondage, excessive overtime and harsh working conditions. As many as three in four of the world's disposable latex and synthetic gloves come from Malaysia, with common suppliers to Australia including Ansell, Hartalega, Top Glove, WRP, Kossan, and Supermax.

Gloves from Malaysia

Even before COVID-19, the Malaysian gloves sector had long been associated with highly exploitative conditions. Workers frequently work 12-hour shifts, six days per week on factory floors where temperatures near the ovens used to heat the glove-shaped moulds can exceed 60°C.

Exploitation in the Malaysian gloves sector

Malaysian labour law permits these conditions, sanctioning overtime of 104 hours per month on top of a 48-hour working week. The overtime ceiling is further raised by carte blanche exemptions which can be granted by the Malaysian Director General of Labour.

The stress of long hours is compounded by very high production targets and often dangerous conditions. In packing, production targets can reportedly reach 15,000 gloves per day for a single worker – equivalent to 1 pair of gloves being packed every 3 seconds. Workplace accidents in the industry are common and have resulted in chemical burns, severed limbs, and deaths.

The majority of workers are paid a base rate of below AUD\$2 per hour, less than half of a living wage, and many have reported having their pay docked further for minor infractions such as taking too long in the bathroom or failing to meet their targets. At the end of the day, workers are packed into company buses and transported to overcrowded and filthy dormitories.

Right:
26 August 2020:
A worker inspects
disposable gloves at the
Top Glove factory in
Shah Alam, Malaysia
(AP/Vincent Thian)



Migrant workers and debt-bondage

The majority of workers in the sector are migrants from Malaysia's poorer neighbouring countries - Nepal, Myanmar, Bangladesh, and Vietnam – who are working to send remittances back to their families. They are commonly hired through third party recruitment agencies or sub-agents in their home countries, sometimes via an additional layer of intermediary agencies located in Malaysia.

Migrant workers are often charged exorbitant up-front recruitment fees to secure work in the industry, ostensibly for passports, work visas, security clearance, medical exams and flights. The use of labour hire agencies provides many opportunities for the exploitative inflation of fees and provides plausible deniability for employers. In some cases, recruiters deceive workers about the level of pay and conditions in Malaysia.

In the context of an AUD\$390 monthly base wage, glove workers from Bangladesh can pay up to AUD\$6,500 in recruitment fees, whilst workers from Myanmar and Nepal can pay as much as AUD\$1,200 and AUD\$2,000 respectively.

Workers often take out high-interest loans to pay recruitment fees, and it is not uncommon for workers to work for free for a year, or more, to repay their recruitment debt. This creates modern slavery in the form of debt-bondage.

Other vulnerabilities

Migrant workers in Malaysia face other vulnerabilities which mean that, in exploitative situations, they can effectively be trapped without any means of redress.

Some employers create physical and practical barriers to leaving, including confiscating passports, and requiring deposits to authorise leave. Others lock employees into two-to-three-year contracts with limited exit options.

Workers who do manage to quit are not permitted to stay in Malaysia, a process that is enforced through a 'security bond' which the employer can reclaim upon repatriation of the worker. If a worker escapes from an abusive workplace and manages to avoid deportation, they become undocumented or 'irregular', increasing their vulnerability to further exploitation.

The regulatory framework governing the treatment of undocumented migrants in Malaysia is extremely harsh. Any contact with the health system, labour officials, or the police carries a risk of deportation, detention, up to five years imprisonment, mandatory caning and a fine of USD\$2,400, even where a worker is victim of crime.

Workers are prevented from enforcing any rights, and denied access to public services like healthcare. Vulnerabilities such as language barriers, a lack of information and networks, a lack of legal representation, and freedom of association issues create further obstacles. Government enforcement of labour laws in the case of migrant workers is limited, likely even more so in the rubber gloves industry due to a pro-gloves economic agenda.

Overall, the legal framework around migrant workers undermines the ability of both documented and undocumented workers to take action against exploitation.

Gloves from Malaysia

Inset:
Hazmat Team undertake sanitation operations at a Top Glove factory in Seremban, Malaysia, following a COVID-19 outbreak, November 2020 (Tok Anas/ Shutterstock)

Image:
15 November 2020: Sanitation Operations at Top Glove Factory were carried out by Hazmat Special Team due to the increase in COVID-19 cases in the factory (Tok Anas/ Shutterstock)

Hassan's story:



They said this would be an easy, safe job and that I will be working in an air-conditioned room. So I agreed to pay 20,000 Malaysian ringgit (AUD\$6,417) to the recruiter for this work.

But once I started working in Malaysia, I discovered that it is a dangerous and difficult job. When I came, I was earning just 1,000 ringgit (AUD\$320) a month. By working overtime, I could earn a bit more.

The job is relentless. We all must work 12-hour shifts, but we regularly work 13 or 14-hour days because of the pressures on targets and fulfilling customer orders. The local staff make us foreign workers do all the hard jobs and they treat us very badly. During the day we get two breaks of 30 minutes each. This is not enough time to use the bathroom and go to the canteen because the lines are so long, and breaks are not staggered.

If we are sick, we need to fight to see a doctor. Even after seeing the doctor, we are expected to return to finish our 12-hour shift or we are told we will be sent back to our home countries. So we have to work, we have no choice.

COVID really increased the job pressure on us. There is so much more work for me because there are huge backlogs of orders, and less manpower to finish all the orders because travel restrictions prevent us from hiring any new workers. So now I have to work two people's jobs on my own for the same pay, and it is even more stressful.

*Not his real name

Hassan* works in a large factory in Malaysia, producing rubber gloves that are imported into Australia to support the response to COVID-19. He is one of Malaysia's many migrant workers who rely on income from the factory to send back to their family.

I have worked for years at one of Malaysia's largest glove manufacturers. It is a very risky and very hard job. I am responsible for the quality of the gloves and deal all day with dangerous chemicals like ammonia. Sometimes the chemicals burn me. Sometimes I fear that if I am not careful around the machine, I could lose a finger or a hand.

I found out about this job through a recruiter back home in Bangladesh. I met him through one of my family members. This job is nothing like what the recruiters at home told me it would be.



COVID-19 impacts

The COVID-19 pandemic created a massive surge in global demand for rubber gloves with the World Health Organisation estimating that 76 million gloves per month would be required and claiming a 40% shortfall in supply of medical personal protective equipment (PPE). The drastic increase in demand has placed huge upward pressure on the industry which, in combination with labour shortages, has created even greater risk of worker exploitation.

Manufacturers increased production targets as global demand for gloves skyrocketed and factories experienced labour shortages. The world's largest glove maker, Top Glove, asked its workers to volunteer to pack gloves on their days off, calling this program 'Heroes for COVID-19'. Workers were reportedly underpaid for this 'volunteered' overtime (AUD\$2.66 per hour instead of the requisite AUD\$3.86), despite Top Glove tripling its share price and net profit in FY20 as a result of the pandemic.

In a context where migrant workers were already vilified and blamed for social problems in popular media, early COVID-19 clusters in migrant worker housing provoked greater popular hostility and government maltreatment. In particular, the government cancelled an initial policy of free COVID-19 testing and immunity from deportation for migrant workers with raids and mass arrests of migrant worker housing. It also made statements that migrant workers should be laid off first, restricted recruitment of migrant workers, and excluded migrant workers from stimulus measures. Workers who attempted to return to their home countries were vulnerable to arrest or detention for breaching lockdown.

In tandem with increased hours and pressure, there was a failure to protect workers against the COVID-19 virus. Following numerous reports about COVID-19 transmission risks in glove manufacturing, in late 2020 Top Glove was the epicentre of a serious outbreak in an industrial centre outside of Kuala Lumpur. Thousands of migrant workers tested positive and one worker died. The outbreak spread to a number of other glove manufacturers, including Hartalega and Kossan. Workers from affected factories were permanently locked in crowded dormitories. Workers also alleged that they were required to return to work before they had received the results of their COVID-19 tests.

Gloves from Malaysia

Right:
Hazmat Team
undertake sanitation
operations at a
Top Glove factory in
Seremban, Malaysia,
following a COVID-19
outbreak, November
2020 (Tok Anas/
Shutterstock)

Improvements as a result of sanctions pressure

The Malaysian gloves sector has been subject to escalating international pressure to improve as audits and investigations exposed exploitative practices in the industry, culminating in the United States Customs and Border Protection (CBP) instituting import bans against glove manufacturers WRP and Top Glove due to 'reasonable evidence' of forced labour in 2019 and 2020. The Top Glove Withhold and Release Order (WRO) ceased on 9 September 2021 but, prior to this, major investors called for board changes.

As public scrutiny increased, the sector saw spotty improvements in 2020. A number of larger glove manufacturers reimbursed recruitment fees paid by workers and introduced 'zero fee' policies or contracts with recruitment agencies. The Malaysian Government started enforcing a law which mandated each worker be given a freely accessible locker to store their passports and regulating the density and standard of accommodation. The government also introduced a new multi-lingual app which allows foreign workers to report grievances. Additionally, the WRO was lifted in response to Top Glove reportedly issuing more than USD\$30 million (AUD\$42.16 million) in remediation payments and improving labour and living conditions.

However, progress has been imperfect. Practices such as passport confiscation are difficult to audit and workers report that they are still paying recruitment fees. In some cases, the burden of enforcement is shifted to workers, who will be deported if they pose a 'debt bondage risk' or falsely claim that they did not pay fees.

Top Glove's reported improvements to COVID-19 health and safety operating procedures and accommodation density were undermined by a fresh set of cases in factories almost as soon as they recommenced operations.

Importantly, the presence of practices akin to modern slavery remain, including in the operations of companies supplying the Australian market. In October 2021, the CBP issued a WRO on shipments of disposable gloves produced by Supermax Corporation and its subsidiaries based on 'ample evidence' of forced labour.

Review of allegations against glove companies

The production and distribution side of the market is dominated by far fewer companies than in the other focus industries. Only four of the companies selected for review (**Ansell, EBOS Group, Kimberly-Clark and Mun**) are involved in the production and distribution of PPE. **All four** have attracted allegations of modern slavery.

These four companies dominate the Australian PPE supply market. The allegations against these companies therefore have implications for the vast majority of healthcare supply chains in Australia's medical industry. In total, we identified 12 allegations against companies in our healthcare cohort.

In 2019, an investigation found the workers in Hartalega factories (parent company of **Mun Australia**) were paying recruitment fees up to USD\$4,800 to agents, had their passports withheld, and were forced to work 12-hour shifts.

In 2020, CBP investigated Brightway Holdings' glove factory in Malaysia and found that workers were living in shipping containers in squalid conditions, without beds or mattresses. Workers had paid recruitment fees of up to USD\$4,200 each and were working 15-hour days. Imports from Brightway Holdings by **Kimberly-Clark** and **Ansell** were subsequently banned.

Of the four, **Ansell** has attracted the greatest number of allegations of modern slavery, largely due to their supply relationship with Top Glove in Malaysia. On several occasions, including 2016, 2018, and 2020, Top Glove has been accused of illegally detaining workers, withholding passports, debit cards and pin codes, threatening and beating workers, withholding wages, and forcing workers to work overtime. **Ansell** is the only company of the four that notes the presence of these issues in their MSA statement, albeit in general terms and without naming the supplier in question.



To address these modern slavery risks, we would expect a reporting entity to:

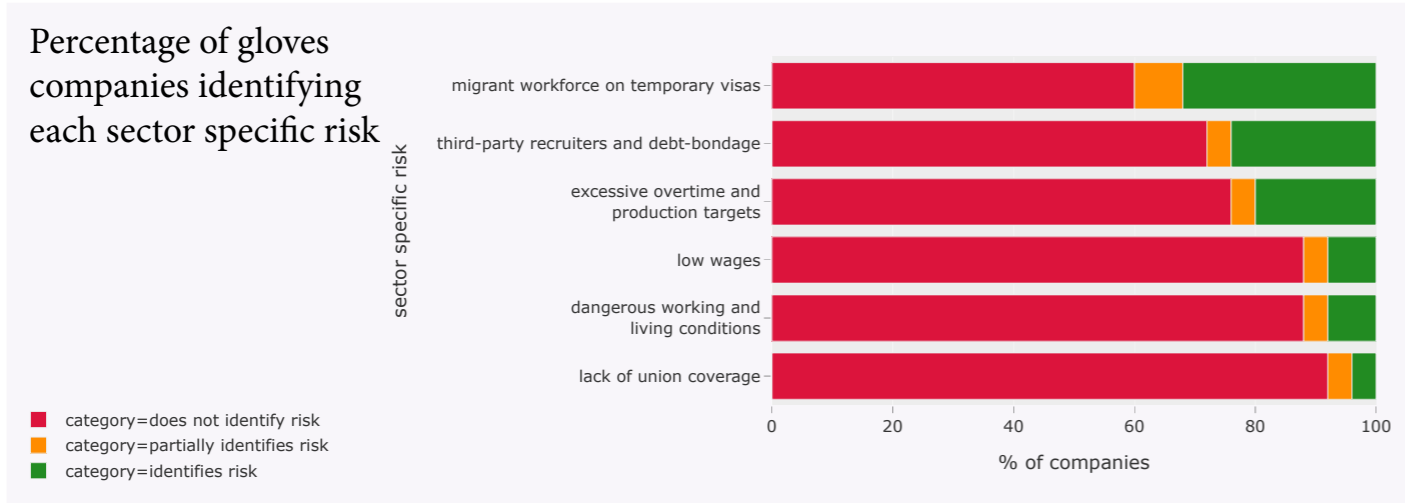
- **map its supply chain beyond tier 1** to identify modern slavery risks;
- **prohibit** recruitment fees, unlawful deductions and withholding wages;
- **implement** recruitment controls, such as undertaking due diligence and exercising leverage to support suppliers to undertake recruitment directly, or having defined due diligence processes for the pre-selection of recruitment agencies that take into account human rights and modern slavery considerations;
- **take measures** to ensure workers are not forced to work overtime and set limits on production targets;
- **work with suppliers to ensure** health and safety standards are met (in the workplace and in staff accommodation);
- **proactively** address migrant worker vulnerabilities, including by prohibiting confiscation of identity documents and restrictions on movement of workers;
- **commit** to ensuring supply chain workers are being paid a living wage;
- **collaborate** with unions, migrant worker organisations, other employers and the Malaysian Government to improve labour standards within the Malaysian gloves industry.



Gloves from Malaysia

Findings

How well are healthcare companies that source gloves from Malaysia identifying modern slavery risks?



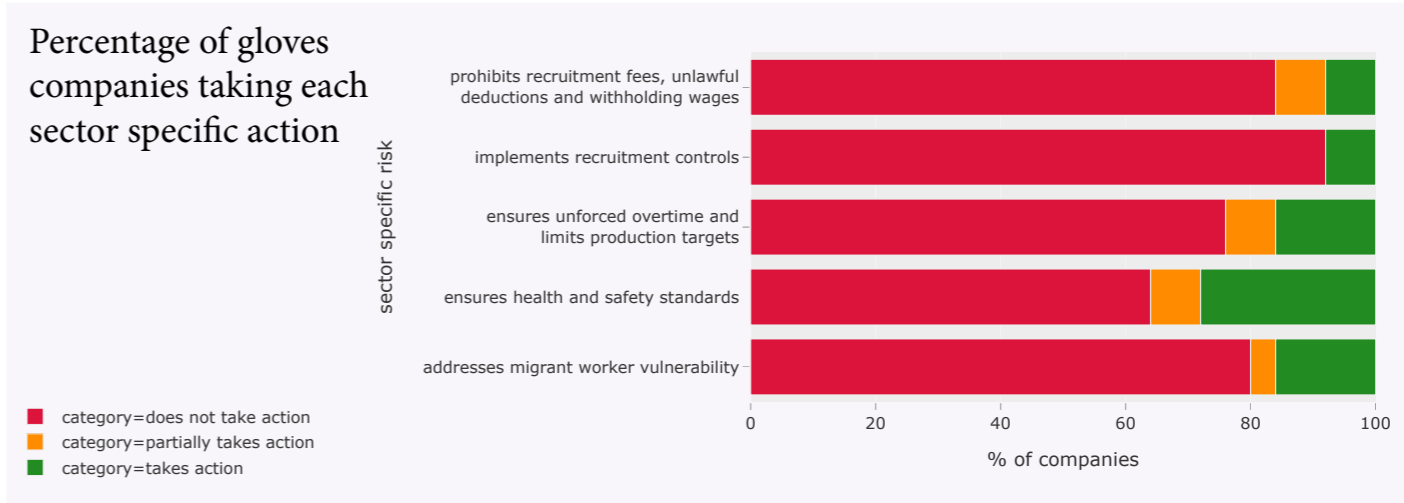
Less than **half** of the healthcare companies reviewed recognise disposable gloves, medical consumables, or PPE as a high-risk area for modern slavery. **Three in four** healthcare companies fail to mention the increased modern slavery risks created by COVID-19 for workers producing essential PPE supplies. **Aspen Medical**, for instance, which was contracted by the Australian Government to supply PPE in response to the pandemic, does not disclose any geographic or product-specific risks in its supply chains.

The treatment of vulnerable migrant workers is the most commonly identified risk in the sector, with just over **one in three** companies (**36%**) referring to this. Other widely recognised risks known to be present in this sector are poorly identified in statements, such as the use of third-party recruiters (and associated debt bondage) (**24%**), excessive overtime and production targets (**20%**), low wages across the sector and dangerous working and living conditions (each **8%**). Only **4%** of companies noted the lack of union coverage of the sector (particularly in relation to migrant workers).

Better practice – purchaser – risk awareness

CSL has over 15,000 suppliers worldwide, but nonetheless highlights supply chain risks that are salient to their operations by identifying the extent to which they are exposed to higher risk geographies and goods and services. The statement identifies the manufacture of PPE as a risk area due to the heavy reliance of subcontracting within the industry and the use of foreign/migrant workers recruited through agencies.

Are companies initiating effective actions to mitigate modern slavery risks?



Very few healthcare companies are addressing the risks of modern slavery in their glove supply chains. Whilst one **third** disclose that they are taking steps to ensure health and safety standards are met (in the workplace and in staff accommodation), a mere **8%** have measures in place to address risks associated with labour hire and prohibit payment of recruitment fees or illegally withholding wages.

Just **16%** have measures to address migrant worker vulnerabilities, such as prohibiting confiscation of identity documents, as well as measures to ensure workers are not forced to work overtime and/or that there are limits set to production targets.

Better practice – attempts to monitor overtime

Ansell reports that it uses a digital tool called CSR Workplace Impact Tracker (“the Tracker”) to monitor trends in work sites performance over time (such as overtime hours, compliance to rest days, use of contract labour, number of grievances raised and resolved, and training provided). It is used to proactively identify and mitigate emerging issues as these arise.

Horticultural Produce from Australia



Image:
8 October 2020:
Seasonal workers
harvest Valencia
oranges from
trees in New South
Wales (David Gray/
Bloomberg via
Getty Images)



The exploitation of temporary migrant workers on Australian farms has been the subject of several major inquiries over the past decade. Many of these cases involve indicators of modern slavery including abuse, wage theft and debt-bondage. There have been examples of workers harvesting produce for entire days without any food or drink and for no pay, of sexual abuse, of workers being forced to live in sheds with animals and being threatened with firearms.

Horticultural Produce from Australia

Right:

17 April 2012:
Farmhands harvest
broccoli at a farm
near Werribee (Carla
Gottgens/Bloomberg
via Getty Images)

Right (below):
17 December 2009:
Cherry picker at work
(AAP/Johan Palsson)

Numerous investigations and inquiries into the Australian horticultural industry have documented a pattern of systemic underpayment, exploitation and abuse.

Exploitation on Australian farms

In 2018, the Fair Work Ombudsman (FWO) released a major [report](#) into labour exploitation in the horticulture industry.

The FWO found a number of key factors were contributing to risks of exploitation in the sector:

- Widespread non-compliance by employers with Australian workplace laws, in particular non-compliance with hourly pay rates and failure to keep records and payslips;
- Misuse of piecework arrangements (whereby workers are paid for the quantity of produce harvested, rather than an hourly rate), resulting in many cases in workers being significantly underpaid;
- Significant reliance on young transient overseas workers on temporary visas, with limited English language skills or knowledge of their rights or where to seek assistance;
- Widespread use by farms of labour hire contractors, sometimes with multiple levels of sub-contracting, to source workers, many of which are itinerant and not properly regulated.

The FWO found that backpackers on working holiday visas (subclass 417 visa holders) were particularly vulnerable to exploitation, as they are obliged to undertake an 88-day farm placement as a condition for obtaining and extension of their visas. The FWO found that the remoteness of the working locations, combined with workers' dependence on employers to obtain eligibility for a second-year visa created a significant vulnerability to exploitation which was being leveraged by unscrupulous employers.

Since 2018, the FWO has worked with employers, unions, grower bodies, and national supermarkets to try to build a culture of compliance in the sector.

In 2020, the FWO [followed up](#) 245 horticulture businesses that had been in breach of the *Fair Work Act 2009* (Cth) in their 2018 investigation. They found that while there had been an improvement in piece rate agreements and record-keeping, especially among larger firms, there were still major issues of non-compliance and exploitation. Of the 83 of those businesses assessed by the FWO and which were still operating in 2020, 38 (46%) remained non-compliant with their legal obligations to their workers. The FWO issued 22 Compliance Notices and recovered AUD\$64,134 for 279 employers. A further AUD\$13,020 in penalties were issued through seven infringement notices for pay slip and time record breaches.

Other recent studies also suggest exploitation in the sector remains rife.



A 2020 [report](#) by the Mckell Institute into the blueberry picking industry in NSW found that workers were in many cases being severely underpaid, with one working holiday visa holder interviewed being paid just AUD\$21 for seven hours of work and others stating that they had been coerced into carrying out work without payment. The report found that the dramatic growth of the blueberry industry in the absence of policy safeguards had made the region a target for "nefarious labour hirers", many of whom were severely and intentionally underpaying workers and occasionally disappearing without a trace.

In recent years, the Queensland, Victorian, Australian Capital Territory and South Australian governments have enacted legislation to licence labour hire businesses. Further reform is still required at the national level.

A 2020 [survey](#) of 1000 horticultural workers across Australia by the United Workers Union found that 63% of workers reported underpayment, 32% faced unsafe or dangerous conditions of work, 33% had been threatened for raising issues about work and 25% had been punished or sacked for speaking up.

A 2021 [report](#) by Unions NSW which surveyed 1000 job advertisements for workers in the horticultural industry found that of the 88% of the advertisements offering payment by piece rate, 96% would result in illegal underpayment and in several instances, workers would earn less than AUD\$1 per hour.

In November 2021, following a case brought by the Australian Workers Union, the Australian Fair Work Commission [found](#) that the piecework provisions in the horticultural award were "not fit for purpose" and that all Australian farm workers should be entitled to receive the minimum wage.

Horticultural Produce from Australia

Inset:
Workers sort strawberries on a farm in Queensland, November 2018 (Tim Marsden/EPA-EFE/Shutterstock)

Right:
Vineyard worker harvests wine grapes in the Barossa Valley (iStock.com/MichaelMajor)

Sue's story



Sue* came to Australia from Taiwan on a working holiday visa and has spent the past three years picking fruit on various farms across Australia.

"I had never worked on a farm before I came to Australia. Since I arrived, I have worked all over Australia, picking strawberries, oranges, spring onions, and grapes.

It's hard work, physically, and you get very tired. Sometimes the conditions on the farms aren't good, especially if you have to sleep on the farm. The rooms are often very small and not very clean, with at least four people packed into bunk beds in a tiny room.

The pay varies a lot, depending on the farm. Sometimes they pay hourly rates, sometimes piece rates where you are paid according to the amount of fruit you pick.

If you are not used to picking fruit and they pay piece rates, you can work for a whole day and only get AUD\$50. Hourly rates are better because at least you know what you will get at the end of the day.

My worst experience was on one orange farm in South Australia. They made us work very hard, maybe 9 or 10 hours a day with no days off. They used a labour hire agency and the guy who ran it was always trying to touch the female backpackers. When I told him to leave me alone, he would say he was just trying to give me a massage. One time he refused to pay me for the work I had done. He said the farmer had complained that we'd left some oranges on the trees. I was owed AUD\$800 for work I had already done, but he refused to pay me more than AUD\$500.

There is no-one you can complain to when these sorts of things happen. On a lot of the farms, you don't even meet the farmer because they do everything through a labour hire agency. And a lot of these towns are small places – you worry that if you complain, you won't get hired for other jobs.

For backpackers like me on working holiday visas, farm work is the only way we can stay in Australia. To get our visas renewed, we have to be able to show that we've worked for a certain number of months on farms. So even if you are having a bad experience on a farm, it's hard to leave until you have another farm job lined up."

*Not her real name



Impact of the COVID-19 pandemic

Workers in the horticultural sector have been severely impacted by the COVID-19 pandemic, with many of them ineligible for any form of financial support during the crisis, leading to significant hardship. A survey of over 5,000 workers conducted by Unions NSW in 2020 indicated that close to 70% of farm workers surveyed had lost their jobs during the crisis. The difficult situation faced by backpackers and other temporary migrants during the crisis forced many to ultimately leave Australia during the pandemic. This has contributed to the industry's struggle to find a labour force for the 2020-21 fruit and vegetable season.

Review of allegations against horticulture companies

Of the 30 companies reviewed in this sector, we found that more than **half** have allegations of modern slavery or general mistreatment and exploitation of supply chain workers made against them publicly since 2015. In total, we identified **46** allegations of abuse involving companies in the horticulture cohort, almost a quarter of which relate to occurrences in Australia. Only **two** of these were mentioned explicitly by companies in their MSA statements.

For example, in 2019, the National Union of Workers interviewed 655 migrant workers on farms supplying produce to **Coles** and **Woolworths**. They uncovered instances of poor and difficult working conditions, pay below minimum wages, discrimination, exploitation and abuse. Neither Coles nor Woolworths made any reference to this in their respective MSA statements.



To address these modern slavery risks, we would expect a reporting entity to:

- **implement** recruitment controls, such as supporting suppliers to undertake recruitment directly, or having defined human rights due diligence processes for the pre-selection of recruitment agencies;
- **ensure** health and safety standards are met (in the workplace and in staff accommodation);
- **proactively** address migrant worker vulnerabilities, and provide concrete examples of how it does so (such as ensuring workers can keep their identity documents, assisting workers to obtain and renew work visas, or providing information regarding their rights and conditions of recruitment and employment);
- **support** freedom of association for workers and recognise unions' right to inspect farms, factories & employer provided accommodation (with worker permission) without employer knowledge or interference;
- **close the gap** between piece rates and the minimum wage, including by factoring this into contract pricing;
- **collaborate** with unions, government and other employers to help lift standards and address systemic exploitation across the industry.

Horticultural Produce from Australia

Findings

How well are horticulture companies that source fruit and vegetables from Australia identifying modern slavery risks?

Percentage of horticulture companies identifying each sector specific risk



Less than **half** of the horticulture sector companies identify fresh produce from Australia as being high-risk for modern slavery, or mention the inherent risks associated with a largely migrant workforce and widespread use of third-party labour hire recruiters in horticulture. Fewer than **one in four** demonstrate awareness of risks associated with the remote and precarious working conditions for horticultural workers. Only **one in ten** identify low wages across the sector and the use of piece rates as resulting in issues of underpayment and wage theft.

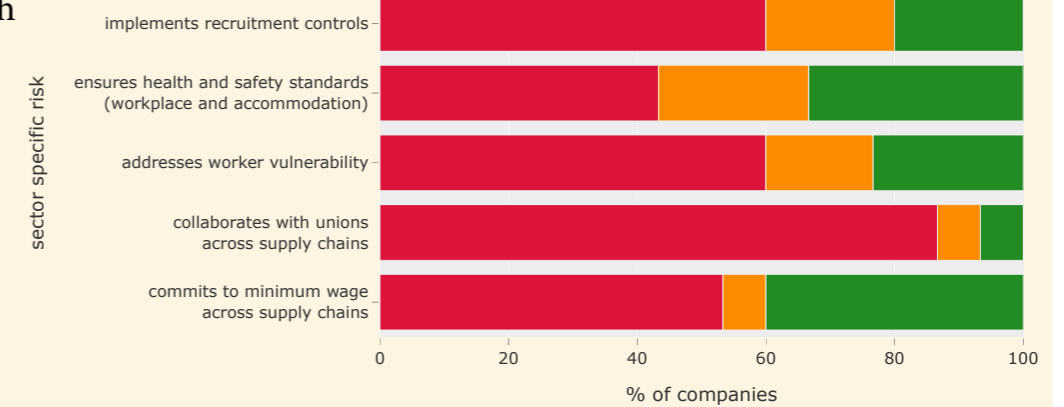
None of the horticulture sector companies identify lack of union coverage of the workforce as a risk in their statements.

Better practice – risk awareness

Accolade Wines lists their Australian supplier categories (grape growers, freight, labour hire, packaging materials, and export freight) and maps each against vulnerabilities in the workforce, product risk ratings, geographic risk ratings, and risks inherent in the business model.

Are horticulture companies initiating effective actions to mitigate modern slavery risks?

Percentage of horticulture companies taking each sector specific action



Two thirds of companies have at least one specific measure in place to address risks of modern slavery in the Australian horticultural sector, with the remaining **third** failing to have any specific measures.

As a positive step, nearly half (**40%**) are taking steps to ensure workers in supply chains are paid the equivalent of at least a minimum wage, for example by embedding a requirement to pay award rates in Supplier Codes of Conduct or requiring all growers to provide an annual declaration that they have paid at least the award rate to all employees. However, it remains to be seen whether minimum wage requirements translate to increased pay for horticulture workers in practice.

One in three companies are taking steps to ensure health and safety standards are met (in the workplace and in staff accommodation), such as conducting due diligence and exercising leverage on suppliers to ensure that accommodation is clean, safe, and meets basic needs.

Nearly a **quarter** give examples of how they work with suppliers to address factors which contribute to migrant worker vulnerabilities, such as visa assistance, prohibiting passport confiscation, ensuring freedom of movement, and ensuring workers are informed of their workplace rights.

Only a **fifth** implement recruitment controls to mitigate against deceptive recruitment practices.

Just **two** companies report collaboration with unions to improve employment conditions for works in their supply chains and recognise unions' right to inspect farms, factories, and accommodation without employer knowledge or interference.

Better practice – working with unions

Coles provides a case study on working with unions to address risks in horticultural supply chains:

“Coles received an allegation via a local trade union that workers at a farm supplying product to Coles had been underpaid. Coles’ investigation confirmed that the supplier’s labour hire provider had underpaid workers, and that there were insufficient processes in place to ensure workers had the legal right to work in Australia. Coles worked with the supplier, the labour hire provider and the union to address the underpayment, resulting in a \$40,000 back-payment to seven workers. Coles also worked with the supplier to ensure improved practices were implemented to monitor compliance of their labour hire providers and to ensure adequate record-keeping of workers on their sites.”

Seafood from Thailand

Image:
A fishing boat docked at a pier in Phuket, Thailand, August 2014 (Jonas Gratzner/LightRocket via Getty Images)



+ The Thai seafood sector has been under sustained international scrutiny for several years after investigations in 2015 revealed that Thai fishing vessels were being staffed with captive migrant workers forced to work in appalling conditions to catch ‘trash fish’ to feed farmed prawns sold in Western supermarkets. Workers reported beatings, abuse and even the murder of fellow workers.

Seafood from Thailand

Exploitation in the Thai Seafood Industry

The seafood sector has been under sustained scrutiny for severe human labour rights violations for several years. In particular, modern slavery crises in Thailand have attracted significant international attention over the last decade, with reports of ‘slave labour’ to supply fish feed and pet food for large brands. In 2015, it was reported that more than 2,000 workers, mostly from Myanmar and Cambodia, were found to be held captive on the Indonesian island of Benjina where they were forced to work under slave-like conditions on Thai fishing boats.

Due to the nature of this scandal the EU imposed a yellow card on Thailand in 2015 (subsequently lifted in January 2019) for illegal, unreported, and unregulated (IUU) fishing. As at November 2021, the US has classified Thailand as a tier 2 ‘watchlist’ country in its [Trafficking in Persons report](#). Similar problems have also been reported in Taiwan, Vietnam, and Cambodia.



A complex and fragmented supply chain

The seafood supply chain is geographically dispersed, long and complex. This supply chain varies based on the kind of seafood (eg: freshwater fish, prawns) and wild caught versus aquaculture. Retailers have little visibility and transparency over the activities taking place throughout the entire supply chain, particularly at the vessel level for wild caught fish. Issues of transshipment further complicate the situation. It is estimated that there are 6,700 commercial fishing vessels operating in Thailand. The ILO has found that most organisations, whilst mapping their supply chains, do not ‘technically’ include fishing vessels as a part of their supply chain. Doing so exonerates them from the criminal misconduct happening at the vessel level. Seafood supply chains (the source of which are often located in countries like Thailand or Vietnam) are commonly founded on weak regulatory foundations which can incubate modern slavery practices.

Below:

10 December 2010: Fishermen inspect and grade the fish ready for sale in Samutsongkram, Thailand (iStock.com/gnomeandi)

Right:

Migrant workers on a fishing boat in Phuket, Thailand, August 2014 (Jonas Gratzner/LightRocket via Getty Images)



Exploitative and deceptive recruitment practices

The Thai fishing industry, including seafood processing, employs 600,000 workers and over half of these are migrant workers predominantly from Myanmar and Cambodia. Out of these, an estimated 55,000 workers on Thai vessels are at risk of being subjected to the most precarious, marginalised, and abusive working conditions. These workers are typically deceptively recruited through brokers where the recruitment fees are pledged through future earnings. In some cases, their passports and other identity documents are confiscated making them extremely vulnerable to exploitation. According to the ILO-commissioned [Ship to Shore Project](#), only 51% of workers on the vessels had a contract. Although this presents an increase of 8% over the 2018 findings, this suggests that almost half of all fishing workers working on vessels do not have a contract thus making them more vulnerable to exploitation and encouraging IUU fishing practices.

Precarious and dangerous working conditions

Working conditions on vessels are often adverse and are hard to monitor as they take place on the high seas. The Ship to Shore Project records that fishing sector workers work, on average, 6.2 days per week and 11 hours per day. Overtime is often excessive with most workers remaining uncompensated. The issue is worse on trawler boats (ie long-haul vessels) as often no formal logs are maintained. Workers are frequently subjected to verbal and physical abuse. They are commonly paid below the minimum wage and, in some cases, their salaries are linked to the amount of fish caught. Deductions such as for accommodation, safety gloves, and food are commonly taken from salaries. The migrant workers are generally un-unionised and available grievance mechanisms are severely limited. Thailand has made significant changes in this regard, but concerns remain regarding grievance mechanisms for fishers and limited enforcement of legislative safeguards.

Seafood from Thailand

Inset:
Workers at the fishing port, Chonburi, Thailand, 2015 (iStock.com/pixbox77)
Right:
5 April 2019: Burmese crew of Thai fishing boat sort fish in Koh Phayam, Thailand (iStock.com/KHellon)

Aung's story



Aung* is a community leader who advocates for the rights of migrant workers in the Thai seafood industry.

I work in southern Thailand, not far from the border with Myanmar. My father used to arrange funerals for people in the community and when he passed away I took over his work. I started to become involved with seafood workers in Thailand several years ago when people came to me asking for help with the bodies of dead fisherman who had lost their lives at sea.

From there, I discovered many family members are too scared to report deaths at sea to the police, because they don't believe the police will take them seriously. So I got involved with making formal complaints on behalf of workers and their families about how they are treated on fishing boats. We typically deal with about 40 complaints per month. Most workers are from Myanmar and Laos, and they are treated very poorly.

If migrant workers sign an employment contract, they are sometimes promised a higher level of pay than what they end up getting. Upon returning to port, it is very common for new workers to want to leave when they realise they are only earning about 10,000 Thai baht (AUD\$400) a month.

However, if a worker wants to finish their contract early, their employer may tell them they will have to repay 20,000-30,000 baht (AUD\$800-\$1200) as 'compensation' for the employer arranging for the worker's visa and travel documents. They may say that the wage was lower because the worker didn't work hard enough. Many workers are forced to keep working for months on end because they simply can't afford to pay that kind of money.

Sometimes workers have their personal identity documents withheld by their employer. It is common for employers to take the workers' passports, and this means that they cannot visit their family after returning from a fishing expedition. This means that workers can go for five or six months without seeing their family, especially if the boat ends up in a different city far away from the original port. I know of some workers who have become so depressed by this that they have committed suicide.

Workers on fishing expeditions work every day without a break. The short time that they do rest is when they sleep or when they are waiting for fish to swim into the nets. Otherwise, it is non-stop work until they make the journey back to land. Some workers report being beaten by their supervisors. When they do get to sleep, they all line up and sleep in a row in a shared room on a boat that is often leaky. There is no privacy and no basic comforts. While working, some people fall off boats and drown.

*Not his real name



Impact of COVID 19 pandemic on the seafood supply chain

Working conditions in the seafood sector facilitate the rapid spread of infection. It is difficult to maintain adequate standards of hygiene on fishing vessels. PPE is typically not distributed and has limited efficacy due to exposure to the water and extreme sun. Processing facilities commonly do not adhere to social distancing protocols. The demand for seafood in supermarkets also increased during lockdown.

These factors have exacerbated the potential for migrant fishers to be exploited. Their conditions of work make them extremely susceptible to the virus and the ongoing travel restrictions can force dependency on their employers making them vulnerable to exploitation and forced captivity owing to their illegal status. Additionally, language barriers restrict access to healthcare and social security. Restrictions on travel also impacted workers entering Thailand, with migrant workers experiencing exorbitant quarantine charges. This in turn encourages the illegal hiring of workers to circumvent official hiring channels; in turn leading to increased vulnerability amongst cohorts of illegally hired and undocumented workers.

Seafood from Thailand

Right:
Fishermen disembarking at the fishing port of Saphan Pla Ban Bang Saray, Thailand (iStock.com/Khachachart Anontaseeha)

The role of human rights in seafood standards

Developing a global seafood standard is challenging as fisheries in specific regions have unique issues. Voluntary standards in the seafood industry typically do not meaningfully involve workers or their representative organisations. There are a number of multi-stakeholder standards that cover different aspects of the seafood industry.

The Global Aquaculture Alliance's Best Aquaculture Practices (GAA BAP) standard is aligned to core ILO standards and covers seafood processing plants, aquaculture farms, hatcheries and feed mills. In late 2021, it has certified approximately 3,000 facilities across 39 countries. Recent assessment of the BAP standard on labour rights found it has resulted in small improvements in labour practices. In Indonesia, there was greater alignment of wages and allowances for overtime with government regulations. In Vietnam, there was improvement in providing contracts to employees and employees having more information on labour rights. The implementation of due diligence linked more to audit processes than to a dedicated mechanism for social risks. The assessment recommended how that the GAA examine how the BAP standard could support a living wage for workers. It also recommended that the GAA liaise with trade unions and civil society organisations to identify more effective mechanisms to report and act on grievances.

The Seafood Task Force standards cover fishing vessels as well as land-based seafood businesses. The requirements in the standards contain many of the human rights in ILO and UN human rights instruments. Its company members include ALDI, CPF, and Nestle. It also includes civil society organisations, including Fishwise, International Justice Mission, the Pew Charitable Trust and WWF. The Task Force requires that all its corporate members must ensure their farmed shrimp, wild caught tuna, and marine ingredient supply chains are traceable and assessed for supply chain risk by the end of 2021. The Seafood Task Force Code of Conduct and Vessel Auditable Standards require that workers are not required to pay recruitment and hiring-related costs outside of legally allowed fees. The Task Force is working on a universal crew contract to ensure crew welfare. There is a vessel monitoring stream of work that is exploring the use of vessel tracking data to highlight possible labour abuse risks to target investigations and inspections of vessels.

The Marine Stewardship Council (MSC) has updated its chain of custody certification to include labour standards as a part of its fisheries certification. This update is currently restricted to forced and child labour for onshore seafood processors and to high-risk countries. This is measured against a self-administered survey by the suppliers rather than a separate audit. These changes have attracted criticism from human rights and environmental organisations as countries that are low risk are exempt from the labour audit. Those countries classified as high-risk must undertake a third-party labour audit such as SA8000, Amfori, or SEDEX.



Review of allegations against seafood companies

Of the 25 companies reviewed in this sector, almost **one third** have attracted public allegations of abuse since 2015. **None** of these were referenced in their inaugural MSA statements.

For example, **CP Foods**, the world's largest prawn farmer, has a history fraught with allegations of modern slavery in its supply chain. Not only is CP Foods a supplier to Australian distributors, it also directly distributes products in Australia. From as early as 2014, investigations into the Thai fishing industry indicated that fishing boats supplying fishmeal to CP Foods were manned by migrant workers who were often working 20-hour shifts, subject to physical abuse, drugged with methamphetamines and, in certain instances, killed. Despite the negative coverage, in 2016, workers were reportedly still experiencing forced labour and debt bondage. CP Foods makes no mention of this history of allegations in its MSA statement.



To address these modern slavery risks, we would expect a reporting entity to:

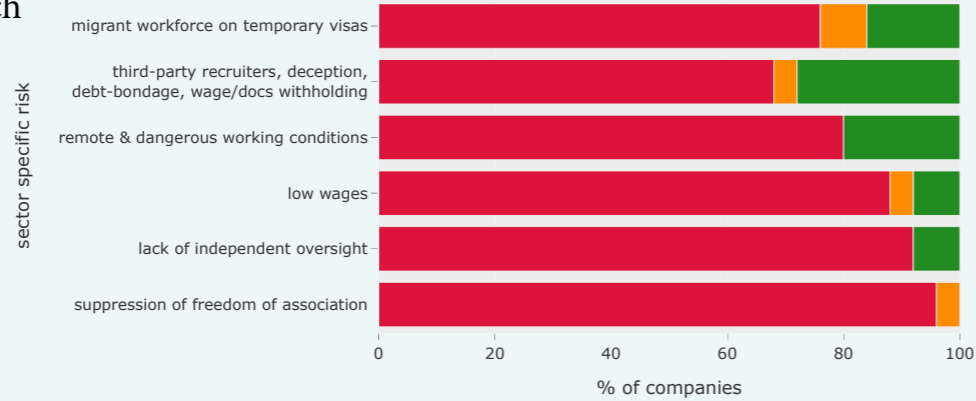
- **map** its seafood supply chain beyond Tier 1, disclosing different species sourced, whether it is wild caught or aquaculture, and an overview of the different tiers in the supply chain with a strong focus on the upstream tiers including seafood processors and fishing vessels;
- **implement** recruitment controls, such as supporting suppliers to undertake recruitment directly, or having defined human rights due diligence processes for the pre-selection of recruitment agencies;
- **participate** in multi-stakeholder initiatives aimed at lifting labour standards across the sector;
- **enforce** a prohibition on sourcing from vessels engaged in risky practices such as trans-shipment at sea or reliance on flags of convenience;
- **actively support** independent observer programs that increase transparency around the use of migrant labour and working conditions in the fishing sector;
- **collaborate** with unions, migrant worker organisations, other employers and the Thai Government to help lift wages and conditions across the industry.

Seafood from Thailand

Findings

How well are companies that source seafood from Thailand identifying modern slavery risks?

Percentage of seafood companies identifying each sector specific risk



Whilst **three in five** companies identify seafood as high-risk for modern slavery, few of those sourcing from Thailand, arguably one of the highest risk source countries, mention this in their statement. There is little demonstrable awareness of known risks present in this sector and fewer than **one in three** mention risks associated with sourcing seafood in any detail.

Of those risks that are disclosed, the most common is the widespread use of third-party recruiters with nearly **one in three** mentioning this.

Again, other widely recognised risks known to be present in the seafood sector, are mostly not referenced:

- remote and precarious working conditions at sea (**20%**)
- low wages and lack of independent oversight over conditions (**8%**)

No seafood companies mention the fact that freedom of association is suppressed for non-Thai nationals and how this prevents the largely migrant workforce from acting collectively to improve conditions in the seafood sector.

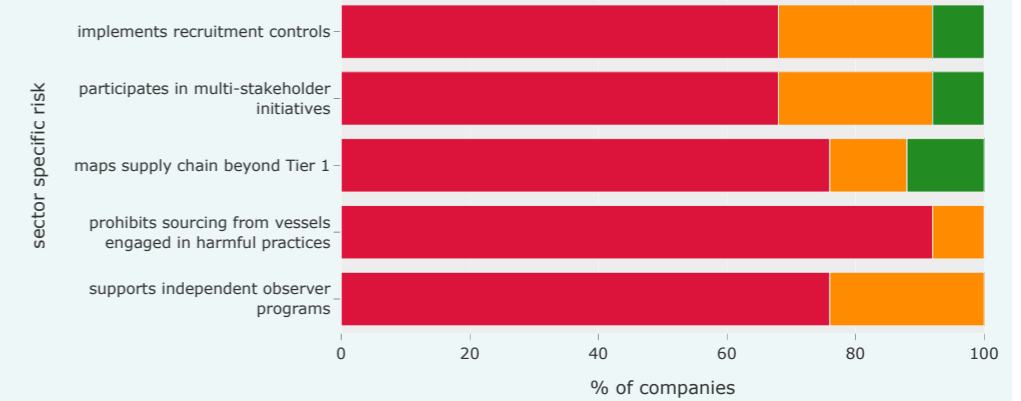
Better practice - risk awareness

Woolworths describes its exposure to risks in the seafood sector:

“Forced labour, human trafficking and debt bondage are known modern slavery risks across the global seafood sector. The severity of these risks varies across geographical location and species, and may be exacerbated by structural challenges including illegal, unreported or unregulated fishing, flags of convenience, and trans-shipment, which permits extended time at sea.”

Are seafood companies initiating effective actions to mitigate modern slavery risks?

Percentage of seafood companies taking each sector specific action



Over **half** of the seafood companies fail to disclose the implementation of adequate measures to address risks present in this sector.

A **quarter** reported having taken at least **one** of the following steps to address modern slavery in the seafood sector:

- implementing recruitment controls
- collaborating with multi-stakeholder initiatives to improve conditions for seafood workers
- supporting independent observer programs.

Only **12%** appear to have mapped their seafood supply chains beyond tier 1, and **8%** state they prohibit sourcing seafood from vessels engaged in risky practices such as trans-shipment at sea or where there is reliance on flags of convenience. A mere **two** companies (**8%**) disclose they have implemented all of the above measures.

Better practice - engaging with suppliers


Mars reports that it has mapped and traced its seafood supply chain. The company reports that it regularly engages in capacity building on human rights with its first-tier seafood suppliers - for example, supporting all suppliers to implement 3rd party grievance mechanisms, and providing human rights training for suppliers, pier owners and vessel owners. It reports that it is actively engaging in collective action to mitigate systemic issues in the Thai seafood sector, such as working to improve worker connectivity while at sea, and advocating for responsible recruitment reform at the national level.

Cross-sectoral trends and analysis

A. Are companies complying with the mandatory reporting requirements?

Concerningly, only **one in four** (23%) of the 102 companies assessed are fully addressing **all** of the mandatory reporting criteria assessed (s16(1)(a)-(f)). Overall, the average score awarded for the quality of mandatory reporting is **59%**.

Even from a 'tick-the-box' perspective, companies' responses to the MSA are failing to hit the mark.

Mandatory criteria		Overall compliance rate
S16(1)(a)	Identifies the reporting entity	100% 
S16(1)(b)	Describes the structure, operations and supply chains of the reporting entity	64% 
S16(1)(c)	Describes the risks of modern slavery practices in the reporting entity's operations and supply chains	63% 
S16(1)(d)	Describes the actions taken to assess and address those risks, including due diligence and remediation	60% 
S16(1)(e)	Describes how the reporting entity assesses the effectiveness of such actions	53% 
S16(1)(f)	Describes the process of consultation with other related entities	61% 

Identifies reporting entity s16(1)(a)

Average compliance rate is **100%**

All statements reviewed complied with the first mandatory reporting criterion, which requires the relevant reporting entity to be identified in a statement. Many statements, particularly those submitted by larger corporate groups, however, would benefit from including corporate structure charts for greater clarity.

Structure, operations and supply chains s16(1)(b)

Average compliance rate is **64%**

64% of companies complied with the second mandatory reporting criterion, requiring a reporting entity to describe their structure, operations, and supply chains.

Reporting entities tend to be better at describing their own operations and activities (**100%** compliance rate), than their **structure** and supply chains (each **79%**).

Of the four sectors, the strongest responses are from garments companies which, overall, achieve a compliance rate of **83%** with this reporting requirement. This reflects a deeper understanding amongst garment companies of where their suppliers are located and who their suppliers are. The weakest performing sector is healthcare, with companies averaging a **48%** compliance rate with this reporting requirement.

We assessed the extent to which companies understand their supply chains by disclosing, at a minimum, the regions where suppliers are together with information about the identity of their suppliers. Overall, companies are not doing a good job of explaining their supply chains. Garments companies outperformed the other sectors in this area. This may be reflective of the higher levels of scrutiny the sector has attracted likely resulting from global outrage over incidents such as the Rana Plaza collapse in 2013.

Better practice – disclosure of suppliers

Cotton On discloses a supplier list on its website which provides factory names, addresses, and total workers per factory including details of the composition of the workforce (with percentages of women, migrant workers, and temporary workers). In doing so, Cotton On provides insight into where it derives its products and demonstrates the extent to which it has traced its supply chain.

Generally, companies tend to disclose sourcing regions, rather than specific countries, and the provision of supplier lists remains rare outside of the garment sector. It may be that companies are doing more behind the scenes to trace and understand their supply chains than is evident in their public disclosures. Stronger internal processes and communication between procurement personnel and those writing company reports would likely result in stronger reporting and a fairer representation of the efforts of some which are currently not being reflected in disclosures made.

Cross-sectoral trends and analysis

Risks of modern slavery practices s16(1)(c)

Average compliance rate is 63%

On average, companies achieve a compliance rate of 63% with the third reporting criterion, which requires companies to describe the risks of modern slavery practices in their operations and supply chains.

Many statements lack clarity on the distinction between risks in their own operations and those arising in their supply chains. Statements commonly contain statements such as 'our operations are governed by Australian law and are therefore low risk'. This reflects the misconception, evident in many company statements, that modern slavery is solely an offshore issue.

Companies tend to refer to industry-wide risks, rather than those specific to the entity itself and identified through its own investigations. Many companies are relying on the use of buzz words to create the illusion of compliance with reporting requirements. Statements may, for example, include references to the presence migrant workers in an entity's supply chains without further consideration of the implications of this for the entity or steps required to address related modern slavery risks. Few companies connect risks referenced in their statements with their products or services which reveals a lack of targeted investigation to understand their salient risks.

The statements of **Bonds** (garments), **Ansell** (gloves), **Coles** (horticulture) and **NZ Salmon** (seafood) provide better practice examples and reveal evidence of a deeper understanding of how these entities may cause or contribute to modern slavery in their own operations or be linked via their supply chains.

Better practice – risk disclosure

Ansell sets out the activities in its operations and the corresponding risk level, categorised by types of modern slavery risk. It also describes the root causes of risk (for example, high labour intensity or heightened risks around trafficking in certain countries). Separately, it describes supply chain risks associated with products purchased from certain countries, by reference to the prevalence of modern slavery indicators in those areas.

Actions taken to assess and address modern slavery risks (including due diligence and remediation processes) s16(1)(d)

Average compliance rate is 60%

The fourth mandatory reporting criterion requires companies to describe actions taken to assess and address modern slavery risks in its own operations and in its supply chains. The ABF's *Guidance for Reporting Entities* makes clear that reporting "must include information about due diligence and remediation processes". Overall, companies achieve a compliance rate of 60% in this reporting area.

Human Rights Due Diligence

Although the ABF states that it expects due diligence to be undertaken in accordance with human rights due diligence principles set out in the UNGPs, there is a noticeable ad hoc approach to how due diligence has been conducted by companies and widely differing levels of effort between companies. The discretionary nature of this company process is reflected in the, largely, superficial approaches described in company statements.

Whilst many companies report that they are undertaking some form of human rights due diligence, company disclosures on human rights due diligence reveal a cosmetic approach overall. Most responses lack detail when describing entities' human rights due diligence procedures and few provide concrete evidence of specific indicators, tools or resources used. We detected the frequent use of buzz words in statements with limited evidence of real understanding of what human rights due diligence is, or how to go about conducting it effectively.

In particular, companies' engagement with supply chain workers or their representatives is lacking. **Zimmerman** provides a better practice example of engaging with suppliers, but most tend to rely heavily on supplier questionnaires and audits which can be wholly inadequate in detecting human rights issues. Social audits do not equate with human rights due diligence and their limitations are now well-documented. Mandating the requirements for effective due diligence by companies provides a key opportunity for establishing a more comprehensive, effective, and transformative approach.

Statements reveal that companies are focusing their human rights due diligence efforts on, often international, supply chains more than on their own operations. Around 84% of companies stated they were undertaking due diligence on their suppliers, versus just 64% stating that they undertook due diligence on their own operations. Again, this may highlight a misconception that modern slavery and labour rights abuses are not a domestic issue but only something happening offshore in global supply chains.

Human Rights Due Diligence – what is it?

We know from benchmarks that half of the world's largest companies are failing to undertake human rights due diligence.

Companies should implement effective human rights due diligence - but what does this mean?

What is 'human rights due diligence'?

- It is a corporate human rights process set out in international standards, the UN Guiding Principles on Business and Human Rights. These standards articulate business responsibilities regarding human rights. They set a baseline for effective actions to address human rights harms which would include modern slavery.
- The process involves **identifying, preventing and addressing** human rights harms by business. This includes **actual** impacts occurring now and **potential** impacts that could happen in the future.
- Effective human rights due diligence goes well beyond social auditing, which is now widely recognised as being of limited value in preventing harm.
- It is a **continuous**, risk-based process and, when well done well, should be highly **consultative with stakeholders**, including employees and supply chain workers.

Key elements of an effective approach

Human rights due diligence requires companies to:

- ✓ **Identify** and assess risks and harms to people and planet they are implicated in on an ongoing and proactive basis
- ✓ Take steps to **prevent** and **address** human rights harms detected
- ✓ **Track** the effectiveness of company responses and adapt as necessary
- ✓ **Communicate** how impacts are addressed

It should:

- Prioritise meaningful and safe direct stakeholder engagement, including supply chain workers and other stakeholders possessing knowledge of local operating contexts to facilitate effective risk identification
- Involve **collaboration** with peers to investigate modern slavery risks in common supply chains and develop initiatives that can bring about industry-wide change
- Be embedded in **strategic decision-making** at board-level, and integrated across company functions
- Inform the development of a company's **responsible purchasing** practices
- Feed into effective **remediation** with concrete, appropriate outcomes for workers where a company is implicated in harm
- Involve companies examining the impacts of their **own sourcing practices** and **models**, as well as suppliers

Cross-sectoral trends and analysis

Remediation

Average compliance rate is **61%**

Only **61%** of company statements explain how they are prepared to respond if/ when they find modern slavery, including via an agreed procedure of corrective action plan. The garments sector is the strongest sector on remediation, followed by seafood.

Many companies state that they would work with a supplier where issues are detected (often in contravention of a supplier code of conduct detected by a social auditor). More commonly, when contraventions occur the response disclosed by companies is to terminate a supplier relationship and walk away, rather than first seeking to exert leverage to achieve improvements. Terminating relationships risks leaving workers in exploitative conditions, and should take place as a measure of last resort in circumstances where leverage cannot be applied to mitigate labour rights abuses.

We acknowledge that responding to cases of modern slavery in a supply chain is a complex area. A company that is willing to work with a supplier to remediate a situation of modern slavery may need to take legal considerations into account, particularly where serious criminal activity on behalf of the supplier has been uncovered. Therefore, there is no 'one size fits all' solution where instances of modern slavery have been identified.

In general, however, remediation represents one of the weaker areas in company responses to modern slavery. Brands are not, in general, taking responsibility for harms to workers and there is little acknowledgement of joint responsibility along the supply chain. Statement disclosures reveal that companies often conflate repayment of recruitment fees with remediation and that few are prepared to fully remediate harm, even where they are directly causing or contributing to it. Very few, only **4%**, state they would provide compensation in full for harms caused. It is evident that the majority of companies do not consider themselves responsible for harms caused to workers in their supply chains.

Assessing effectiveness of actions s16(1)(e)

Average compliance rate is **53%**

Just **53%** of companies complied with the fifth mandatory reporting criterion which requires reporting entities to describe how they assess the effectiveness of their actions to assess and address modern slavery. In assessing how well entities are complying with this criterion, we considered whether an entity discloses key performance indicators, or other metrics, used to measure their efforts.

Better practice - measuring effectiveness

CSL lists several key performance indicators for key aspects of its modern slavery strategy. Indicators include increased percentages of employees trained in policies and monitoring understanding from training, staff participation in meetings building organisational understanding of modern slavery, benchmarking against information published by modern slavery expert stakeholders such as charities and government bodies, and number and disclosure of substantial instances reported through grievance mechanisms.

Consultation process s16(1)(f)

Average compliance rate is **61%**

Two in five companies are failing to meet the sixth mandatory reporting criterion, which requires companies to describe their process of internal consultation in preparing their modern slavery statement. This criterion requires companies to disclose how they are consulting with group companies and joint statements for the purposes of producing the MSA statement itself. It is not concerned with consulting with external stakeholders.

In reviewing statements, we assessed the extent to which an entity describes their process of consultation with entities they own or control, or with a parent where it is a joint statement. In general, this reporting area appears to be poorly understood by reporting entities, with some interpreting the requirement as referring to their engagement with external parties.

Any other information s16(1)(g)

The seventh reporting criterion requires companies to disclose "*any other information the reporting entity ... considers relevant...*" We did not assess broad disclosures against this reporting area due to the indeterminate nature of the reporting criteria and discretionary nature of disclosures made in response. We did, however, consider COVID-19 related disclosures as an important indicator of a company's crisis preparedness.

COVID-19 impacts

Despite the ABF's [Coronavirus guidance](#) being issued shortly after commencement of the COVID-19 pandemic, only **one in five** companies expressly mention the impact of COVID-19 on modern slavery risks in their operations and supply chains. A slightly greater proportion, nearly a **third (28%)**, can adequately explain how the COVID-19 pandemic has affected their ability to respond to modern slavery risks including any new, suspended, or delayed actions.

Cross-sectoral trends and analysis

B. How well are companies disclosing modern slavery risks?

Whilst **four in five** companies (**79%**) are ‘ticking the box’ on describing supply chain modern slavery risks in their statements, our assessment reveals a low level of salient risk identification and disclosure across all four focus sectors. Only **half** of assessed companies acknowledge they are operating in sectors that are widely recognised as being high-risk for modern slavery, revealing the superficial nature of risk identification by the majority of companies.

Across the board, analysis of relevant risks is poor, with the average company scoring **24%** for awareness of their modern slavery risks. The more commonly disclosed risks relate to the use of temporary migrant workers and conditions in countries that “*have lower standards of regulation than Australia*”. However, engagement with the root causes behind these risks, such as low wages, lack of independent oversight over conditions, and downward cost pressures rarely feature in statements. A mere **6%** of companies refer to risks regarding lack of freedom of association or union coverage of workers.

Treatment of risks arising from COVID-19

The impacts of the COVID-19 crisis, which have thrown global supply chains into disarray and heightened risks of exploitation across high-risk sectors, provide a unique insight into how companies are prepared to identify and respond to modern slavery risks in situations of emergency.

The impact of the COVID-19 pandemic was felt acutely in terms of increased modern slavery risks in the production of rubber gloves. However, **three in four** healthcare companies do not identify salient sectoral risks such as heightened production pressure, labour shortages and increased precariousness for migrant workers producing essential PPE supplies.

Whilst nearly **half** of all companies (**48%**) mention the COVID-19 pandemic in general terms, fewer than **one in four** (**22%**) provide meaningful detail of its impact on their modern slavery risks by explicitly linking this to their operations and supply chain. Overall, **63%** of companies fail to disclose any tangible risks arising from COVID-19.

Better practice – awareness of increased risks posed by the COVID-19 pandemic

The Iconic describes risks to its own operations and private label supply chain during the pandemic:

“COVID-19 has had significant impacts on our factory partners and our supply chain more broadly, with many factories closing temporarily at the peak of the pandemic, and when reopening was possible, doing so with more limited capacity under COVID-19 restrictions. Our focus from the beginning was to maintain an updated picture of the exposure of our factories to the health impacts of COVID-19, including to understand the impact of the pandemic on our factories’ ability to operate, the extent to which standard wages were being paid and whether or not existing social protection mechanisms and/or ad hoc government support were available within each of our production countries.”

C. Are companies initiating effective actions to tackle modern slavery?

Evidence of effective actions in statements is a key indicator of the MSA’s effectiveness. Without wholesale evidence of effective measures, including instances of labour rights abuses and modern slavery being remediated, MSA disclosures will be mere ‘paper promises’ that are not translating into change on the ground.

Overall, the results are dismal. On average, companies score **34%** on evidence of effective actions to address modern slavery. In general companies are achieving higher scores in areas that are less significant in terms of improving conditions for workers. Higher scoring areas include supplier policies, contractual controls and providing modern slavery training. There is a distinct absence of engagement on more meaningful actions, such as engagement with relevant independent trade unions, deeper implementation of policies throughout the organisation, supplier engagement, and board-level leadership for human rights strategy. Actions addressing root causes of modern slavery risk, such as systemic low wages, pressures created by purchasing practices and lack of freedom of association, are poorly addressed overall.

Policies and procedure

Three in four companies have policies setting out their expectations of suppliers and third parties. Just over **half** (**54%**) provide detail on how these policies address modern slavery risks, and less than a **third** (**27%**) explain how they communicate these policies to suppliers. A **third** (**35%**) disclose detail on how internal policies address modern slavery risks in their operations. Of the companies that fail to score on policy, several disclose largely irrelevant internal policies (such as Codes of Conduct, anti-bribery policies or whistle-blower policies) with no content on addressing modern slavery.

Leadership

Whilst **75%** of companies have some form of leadership for modern slavery within their organisations, only half can demonstrate this at board-level. There is a lack of horizontal coherence internally within companies. Across the board, there is limited evidence of high-level strategic input and internal cohesion on human rights with only **15%** of companies demonstrating cross-unit collaboration on modern slavery issues.

Better practice - leadership

David Jones reports that the company has a dedicated Modern Slavery Cross Functional Team that is designed to bring together key stakeholders from across the business to inform and support the company’s human rights and modern slavery strategy, overseen by the board. The team includes experts on ethical sourcing, risk, law, non-trade procurement, sustainability and others. Each member completes a mandatory human rights and modern slavery risk assessment covering supply chain, non-trade procurement, and relevant policies and procedures. It meets on a monthly basis to discuss current and emerging modern slavery and human rights issues, with updates provided to key senior executives including the CEO, Company Secretary, Executive Committee, General Counsel, Global Head of Sourcing and Group Chief Operating Officer.

Cross-sectoral trends and analysis

Supplier engagement

Engaging with suppliers in a meaningful manner is a critical aspect of lifting labour standards across supply chains and driving a 'race to the top' in company performance.

Engagement with suppliers is commonly 'top-down' and lacks collaboration and capacity building. Companies are in many cases simply shifting responsibility for modern slavery onto those deeper in the supply chain, rather than providing support to assist suppliers to do better.

Nearly **half** of companies (**46%**) either legally require, or expect, their suppliers to comply with modern slavery standards and cascade these down through the supply chain. Only **one in four** (**27%**) are working proactively with suppliers to help ensure modern slavery policies are fulfilled down the supply chain. **71%** of companies claim to engage with suppliers but without providing any detail as to how this takes place.

There is inadequate due diligence on new suppliers. Only **one in four** companies appears to prioritise suppliers that demonstrate respect for human rights in the selection process. More commonly, companies are requiring new suppliers to warrant, or to agree to comply with, all requirements in the company's supplier code of conduct. This practice appears to be in lieu of appropriate human rights due diligence on suppliers, reflecting a lack of responsibility for their human rights impacts by big brands.

Better practice – supplier engagement

The Iconic reports that it engages in supplier capacity building by conducting regular training in Mandarin and English, presented by internal specialists and informed by issues detected in audits, inherent sector risks and feedback from suppliers. It discloses details such as the percentages of factories that attended the training, and the topics covered.

Purchasing practices

Few companies are examining, and altering, their own purchasing practices to reduce modern slavery. Only **one in five** (**19%**) have responsible purchasing practices, such as ensuring prompt payment, working collaboratively with suppliers to plan orders in a way that considers the interests of workers, and avoiding sudden changes in workload. Over **half** of these companies are from the garment sector, with **11%** of companies in the remaining sectors demonstrating changes to improve internal purchasing practices.

Better practice – responsible purchasing practices

Kathmandu describes its Responsible Purchasing Policy, which is incorporated into training, staff accountabilities and regular meetings at the managerial and operational levels: *"The policy ensures that suppliers have a voice and an ability to delay or decline orders to avoid overtime. Kathmandu uses a purchase order and freight management system that requires suppliers to either confirm, request changes or decline production units and timeline requests. Before a purchase order can be confirmed, both supplier and Kathmandu must indicate agreement in the system. The policy also addresses balanced planning, adequate lead times and incurring costs if a shipment delay is due to Kathmandu not being able to reach critical path deadlines."*

Beyond initial risk assessments, there is a noticeable absence of ongoing due diligence on modern slavery risks in the supply chain. Regular monitoring of suppliers is low, with less than a **third** of companies reporting engagement with suppliers on an ongoing basis. Whilst nearly **half** of companies (**45%**) disclose use of onsite audits, only **12%** provide information on modern slavery audit findings. Few companies are prioritising higher-risk suppliers for onsite audits, and most fail to explain how audits are arranged.

Working conditions

In each high-risk focus sector, low wages are a key driver of modern slavery risks. While many companies commit to paying the legal minimum wage in the country of operation, this is often not enough to reduce the poverty-driven risks of modern slavery in countries where there is no minimum wage or the minimum is set below what workers require to meet their basic living needs. It is well recognised that minimum legislative requirements are not always enough to prevent low wages from contributing to, and exacerbating, situations of labour rights abuses and in some cases forced labour.

Ensuring that supply chain workers are paid a living wage is an effective action companies can take to address modern slavery and improve outcomes for workers deep in the supply chain. Companies must also work with suppliers to ensure that pricing indices are sufficiently adjusted to enable living wages to be paid, rather than placing an obligation that cannot, in practical terms, be fulfilled by smaller suppliers down the chain.

Just **14%** of companies assessed stated that they are committed to living wages in the supply chain. Over **half** of these companies are in the garment sector, with the remainder in horticulture and seafood. **Not a single** healthcare company makes this commitment.

Of those making a commitment, just **2%** disclose a time-bound plan for ensuring their suppliers pay a living wage and factor this into their pricing index.

Better practice – commitment to a living wage

Best and Less has *"made a commitment to ensuring a living wage for all workers throughout our entire supply chain by 2025 and are working diligently to deliver on this commitment"*. This plan includes reviewing and implementing clear and measurable sourcing standards to reduce downward pressure on wages, utilising software programs to collect data on living wages, and opening costings to separate labour rates and production costs.

Freedom of association

The ability of workers to collectively organise is crucial to improving working conditions in higher-risk operations and supply chains and addressing modern slavery. A common thread, across high-risk sectors, is the lack of union coverage of workforces, and in some countries, government suppression of freedom of association.

Lack of freedom of association is the least identified risk across all sectors. There is a correlating lack of support for freedom of association amongst companies. Over **half** (**57%**) express support for the concept, but only **12%** can demonstrate the presence of or collaboration with independent trade unions in their operations and supply chains.

Remedy

The provision of remedy to workers experiencing modern slavery or human rights abuse is a foundational aspect of a rights-based approach to modern slavery. Despite **61%** nominally addressing remediation in their statements, companies are performing very poorly in this area on a more substantive level. Only **16%** commit to providing remedy if they cause or contribute to modern slavery, with just **4%** committing to provide compensation for all harm suffered. Many companies tend to mistake the term 'remediation' to relate solely to correcting non-compliances by suppliers, rather than ensuring remedy for affected workers.

Companies are hazy on proposed responses to modern slavery, with less than a **quarter** providing details as how modern slavery instances would be addressed.

Examples of responses include:

- helping suppliers to put in place a corrective action plan;
- engaging with suppliers and providing training on addressing modern slavery risks;
- terminating the contractual relationship with a supplier if the breach was serious or repeated, and leverage was insufficient to change poor practices.

Many companies may have a grievance mechanism in place for complaints but few disclose data on its usage and outcomes; less than a **third** of companies providing any details. A mere **2%** have responded to modern slavery risks raised through these mechanisms. The fact that several companies state no risks had been identified through their grievance mechanism may be an indication of problems with the effectiveness of the grievance mechanism rather than a sign that there is no exploitation in their supply chains.

Most grievance mechanisms are general in nature (for example, dealing with matters such as fraud or corruption), rather than being adapted for receiving complaints regarding matters of modern slavery. As modern slavery related reports are very different in nature to reports of general corporate misconduct, due to the vulnerability of workers, barriers such as language, fear of reprisal, lack of access to technology and lack of privacy, it is critical that grievance mechanisms take these matters into account in their design in order to be effective.

Cross-sectoral trends and analysis

Disclaimer: Company-led grievance mechanisms are a poor substitute for genuine empowerment of workers to uphold their rights themselves. No grievance mechanism can ever be a replacement for workers being able to join or form their own associations to defend and uphold their rights. Noting this, however, what follows provides guidance for the design and operation of such company-led responses:

Key elements of an effective human rights grievance mechanism

Scope:	Grievance mechanisms should be made available and accessible to any worker or victim-survivor who could be affected by the company's activities within its operations and at supply chain level (from first tier to third-tier suppliers), their legitimate representatives and community members.
Worker awareness:	<p>Companies should make every effort to ensure that workers involved in the company's operations and supply chains know their labour rights, the associated company policies and understand what grievance mechanisms are for and how to use them.</p> <p>Worker training led by workers' organisations (such as trade unions or independent local organisations) must be promoted, as well as the display of the grievance mechanisms details at workplaces (eg: posters) in workers' languages (including migrant workers' languages).</p> <p>Companies should work with workers' organisations to explore other ways to effectively promote the grievance mechanism, whether through visualisations, text message (where there is high mobile phone usage), and/or word of mouth.</p> <p>Examples of worker-led training tailored to the company's activities and supply chain context should be provided, and updated training implementation records should be kept.</p>
Worker accessibility:	<p>There are numerous barriers to workers accessing grievance mechanisms, including distance, language barriers and fear of job loss, and retribution (addressed in worker safety below). Companies should partner with independent local organisations to ensure that workers in the supply chain who do not have a contractual relationship with the company, and who may be geographically distant, can access the grievance mechanisms. The role of the local organisation is:</p> <ul style="list-style-type: none"> - To manage tailored grievance mechanisms (eg: hotlines and investigations in the workers' languages, rescue and post-rescue services, legal assistance); - To be identified as a trusted partner by workers in the supply chain (eg: information on their rights, regular visits and interviews to detect human rights abuse).
Worker safety and support:	<p>Workers using grievance mechanisms must be protected from retaliation and recrimination by the company's policy ('Non-Retaliation Policy'). Protection should also apply when a third-party lodges a complaint on behalf of a worker.</p> <p>The Non-Retaliation Policy should be contractually enforceable against suppliers.</p> <p>The Non-Retaliation Policy must be communicated expressly to workers. It should be accompanied by examples of measures that illustrate the company's commitment to achieving the policy goals (eg: workers should be allowed to submit grievances confidentially and anonymously).</p> <p>Non-retaliation should be monitored (eg: call-back services for post-investigation interviews).</p> <p>Victim-survivors should be provided with legal support and put in contact with support services. Where complaints pertain to criminal activities, it may be appropriate to refer the matter to the police.</p>

Freedom of association:	<p>Worker voices challenges abuses. Worker confidence to raise complaints and provide mutual support must be actively promoted by supporting freedom of association and building relationships with workers' organisations within the supply chain, including through enforceable global framework agreements.</p> <p>Evidence of tangible improvements for workers, in particular those in vulnerable conditions, should be disclosed.</p>
Cross collaboration:	<p>The design and implementation of grievance mechanisms must be conducted in consultation with workers, their legitimate representatives (including those in the supply chain), suppliers and civil society organisations:</p> <ul style="list-style-type: none"> - To ensure an understanding of the local culture and current modern slavery risk landscape in the business's operating environment; and - To define an accessible and trusted procedure (<i>eg: appropriate communication channel tailored to modern slavery, dangerous and substandard working conditions; impartial body and responsible parties for each step of the process; information and participation of the affected parties in the procedure; timelines for dealing with allegations and providing an outcome and appropriate remedy</i>). <p>Clear documentation about the procedure should be publicly available in relevant languages. Detailed record keeping of all claims (from lodging to closing) should be established.</p>
Efficient implementation and monitoring:	<p>Data on the practical operation and use of the grievance mechanisms by workers (such as the number of claims filed, addressed and resolved at all levels of the supply chain) must be collected and disclosed.</p> <p>Data should be used to:</p> <ul style="list-style-type: none"> - Assess and improve the grievance mechanisms (<i>eg: no use below the first-tier of the supply chain may indicate that the mechanism is not known, understood or trusted. Increasing interaction with workers and adapting grievance mechanism may be necessary</i>); - Identify key risk areas, patterns and trends in human rights harms requiring tailored actions (<i>eg: recruitment process of migrant workers</i>); - Support human rights due diligence. <p>Changes made as a result of lessons learned should be communicated to workers and their legitimate representatives for future assessment.</p>
Appropriate remedy:	<p>Affected workers and their legitimate representatives must be consulted throughout the remediation process to determine the appropriate remedy and assess whether affected workers are satisfied with the outcomes.</p> <p>Remedy must be concrete, executed, and timely. Receiving a remedy under the grievance mechanisms should not be subject to a waiver of any other remedy or to confidentiality.</p> <p>Efforts should be made to ensure that the matter cannot occur again.</p> <p>Sometimes, a company is unable to provide appropriate remedy, where, for example, what is desired by the worker or victim-survivor is non-monetary or beyond the capacity of the company. On these occasions, efforts should be made to bring the complaint to the attention of the appropriate body such as a multi-stakeholder organisation or a state agency.</p>

Performance gaps

Below:
Consumers shopping
for fruit and vegetables
during the pandemic
(AS photostudio/
Shutterstock)

In overview, our analysis of companies' modern slavery efforts, as disclosed in statements, reveals significant gaps in several critical areas: supply chain awareness, modern slavery risk awareness and disclosure and effective actions by companies in areas that affect workers the most. These include responsible purchasing practices, engagement with workers and their representatives, grievance mechanism accessibility, remediation of harms caused and commitment to ensuring workers are paid a living wage.

Limited supply chain knowledge

As a first step to mapping and addressing actual or potential risks residing in company supply chains, companies need to know how their supply chains are constructed and the entities present within them.

Our assessment reveals that, in general, companies have little understanding of their own supply chains beyond the first contractual level and describe them poorly. Most companies are not demonstrating an understanding of their supply chains or product pathways with only **one in four** disclosing the countries of their suppliers beyond Tier 1 or to raw materials stage. The statements reveal that companies lack visibility over or alternatively, a willingness to disclose, who their suppliers are and, consequently, the conditions of workers in their supply chains. **Four in five** companies (82%) are unable to adequately explain their workforce composition – a fundamental step in developing plans to address abuse.

Inadequate risk disclosure and mitigation

Risk disclosure across all sectors assessed is weak, with an overall average score of **16%** for quality of disclosure.

Companies are not disclosing actual incidents of modern slavery encountered nor how they responded when such cases arose. Only **8%** of companies mention specific allegations of modern slavery with which they are, or had been, involved. While in certain cases non-disclosure may be for legitimate reasons, such as avoiding exposing workers to risk of retaliation or compromising law enforcement investigations, companies should strive to provide as much information as practicable having primary regard to workers' interests, in order to promote transparency over risk mitigation efforts and in accordance with the guidance in UNGP 21.

There is also little evidence that companies are implementing meaningful measures to mitigate sector-specific risks. **One in two** have no measures in place to address modern slavery risks present in their operating sector. Companies are not demonstrating an awareness of sector-wide risks and how they relate to the risks in their own operations. Companies should more meaningfully connect their risk analysis processes, particularly sectoral risks, to their own organisation. Collaboration with others, with relevant sector expertise, will encourage continuous improvement in addressing modern slavery risks.



Lack of effective actions on modern slavery

Our review of statements reveals an absence of effective actions to assess and address modern slavery across several areas of high relevance for supply chain workers.

Absence of responsible purchasing practices

Most companies do not disclose internal procedures to ensure responsible purchasing practices. Examples of such procedures include establishing an adequate procurement pricing, ensuring prompt payment and good planning, avoiding of short-term contracts, refraining from exerting excessive downward pressure on pricing and sudden changes in workload in order to meet rapid, or unexpectedly large, orders. Of the companies we assessed, only **one in five (19%)** disclose having internal procedures to ensure responsible procurement practices.

No trade union engagement in developing policies

Three in four companies (74%) are failing to consult with trade unions and/ or civil society organisations in developing and reviewing company policies on modern slavery. Without this critical input from key stakeholders at the outset, it is unlikely that business approaches will be adequately framed to address the needs of workers.

Freedom of association

46 companies (45%) say they support freedom of association for workers in their supply chains. However only 12 companies (12%) provide evidence of the presence of independent trade unions in their operations or supply chains.

Ensuring that workers have access to independent trade unions and worker associations able to act in the interests of their members is one of the most effective safeguards against the presence of modern slavery.

Inadequate grievance mechanisms

Many companies have some form of grievance mechanism in place through which workers can raise in human rights related concerns. These can be operated by the company, a third party or shared. They commonly take the form of a hotline, online complaints form, complaints app or similar whistle blower mechanism. Even the best grievance mechanisms are a poor substitute for the genuine empowerment of workers to defend and uphold their own rights.

Our assessment of this area reveals that the efficacy of such mechanisms, as inadequate as they inherently are, is generally weak. Only **3%** of companies involve actual or potential users in the design or development of these mechanisms. **80%** of companies provide no evidence to demonstrate attempts to make such mechanisms accessible to groups of workers in vulnerable situations, including women, children, and migrants. This produces low levels of trust, awareness and usage by those such mechanisms should be assisting the most. Hotlines through to an

untrained operator are unlikely to have any discernible impact in addressing modern slavery risks and, where insecure and unsafe to use, may heighten the vulnerability of workers.

Critically, companies are not disclosing information about the use of their grievance mechanisms and the extent to which they are responding to modern slavery risks identified through the operation of these mechanisms. **87%** of companies fail to disclose any data on usage and responses. The efficacy of existing company grievance mechanisms, as currently formulated, for identifying modern slavery requires dedicated attention.

Not disclosing results of monitoring

There is a lack transparency around the outcomes of corporate human rights processes. Companies are not disclosing the results of their human rights due diligence monitoring processes. The majority, **89%** of companies, are not adequately disclosing information about their supplier monitoring. Only **12%** disclose the findings of their modern slavery audit processes. Few are disclosing information about human rights due diligence on new suppliers at selection stage, with efforts concentrated on monitoring existing suppliers.

Without information being made available by companies about their human rights due diligence processes, and outcomes, it is difficult to gauge whether appropriate steps are being taken to mitigate modern slavery.

Not taking responsibility for remediation

Remediation is one of the weakest areas in efforts to address modern slavery and companies are not taking responsibility for the harms occurring in their supply chains.

In general, there is a lack of willingness to remediate workers for modern slavery that a company has caused or contributes to. Just over a **quarter (27%)** of the statements assessed reveal that the company is prepared to remediate harms it has caused or contributed to in its supply chain to some extent. Nor are companies demonstrating a willingness to provide full and fair compensation for harms they are implicated in. It is alarming that a mere **4%** of companies assessed disclose a willingness to provide remediation for modern slavery harms, beyond the repayment of recruitment fees alone, and provide full compensation.

No commitment to paying a living wage

Our assessment reveals that only **14%** of companies express a commitment to ensuring workers in their operations and supply chains are paid a living wage. Of the companies assessed, even fewer (**2%**) disclose a time-bound plan for ensuring that their suppliers also pay a living wage to supply chain workers and that this was factored into pricing.

Where companies are doing well

Which criteria are companies addressing well?

- Describing its own operations and the nature and types of activities it undertakes, and provides the locations of its operations
- Describing the potential for it to be directly linked with modern slavery via its supply chains and providing details of products and services affected
- Providing evidence of continuous improvement in its approach to addressing modern slavery (eg: explains plan for future action)

There are several reporting areas where, across the four focus sectors, all companies achieve high ratings.

Despite generally poor levels of reporting in other areas, the description by companies of their corporate structure and activities under the MSA is better compared with early reporting under the UK Modern Slavery Act and Californian Transparency in Supply Chains Act. While this is the least complex area of reporting for many entities, this may also be the result of mandatory - rather than voluntary - reporting criteria in the MSA, comprehensive government-issued guidance in Australia, as well as the benefit of hindsight.

With regard to the third mandatory reporting area of the MSA (describing general risks), companies are doing consistently well in acknowledging their potential to be linked with slavery in some way through their supply chains (average score is 81%). This may stem from the early normalisation of risk occurring during the 2017 parliamentary inquiry and concurrent government consultations leading to the MSA's passage.

There is certainly room for improvement amongst companies in terms of acknowledging their role in causing and contributing to modern slavery in their own operations (average score is 46%). However, the fact that many are acknowledging the potential to be linked to slavery via supply chains suggests that, as more companies begin to engage with the issue of modern slavery, a change in perspective is occurring. As further evidence of this change, a high proportion of companies are providing a sound description of where risks of modern slavery may be present in their business (67%).

A high proportion of companies are disclosing details of policies delineating their expectations for suppliers to address modern slavery (66%) and describing how risk assessments are carried out (64%). While this is a positive outcome, it is notable that there is little evidence of validation of the effectiveness of these policies and practices—an essential step if action under the MSA is to have any definitive impact.

In assessing statements for evidence of action, only one of our measures receives a high score (over 70%) across all sectors - 'the entity provides evidence of continuous improvement in its approach to addressing modern slavery (eg: explains plan for future action)'. A low threshold was applied in assessing statements for a commitment to continuous improvement, in recognition of the fact that many companies require the first reporting period to gain a foundational understanding of the issue, make assessments and develop plans to be implemented in the future. The question of effectiveness will become increasingly significant from 2022 onwards, as expectations grow for companies to demonstrate how plans and activities are yielding meaningful change.

Best and worst scoring companies

Disclaimer:

Those companies that have received higher scores in this assessment are those whose statements evidence greater transparency about their operations and supply chains, more careful identification of salient risks and which describe more meaningful actions to address these risks in a variety of ways. A higher score does **not** reflect an absence of modern slavery in a company's operations or supply chains. We would also reiterate that the scores are only based on a **desktop analysis of company reporting**. We have not attempted as part of this study to independently verify whether companies are in fact taking the actions they describe in their statements.

Best and worst scoring companies by sector:

Sectors	Average score	Companies			
		Best ranking scores		Worst ranking scores	
Garments	49%	Kathmandu 75%	David Jones 74%	Tarocash (Retail Apparel Group) 27%	Review (The Pas Group) 17%
Seafood	35%	Woolworths Group 76%	Coles Group 71%	JB Metropolitan 12%	Drakes Supermarkets 14%
Gloves	30%	Ansell 74%	GSK Group 58%	Nexus Hospitals 11%	Clifford Hallam Healthcare 10%
Horticulture	32%	Woolworths Group 83%	Coles Group 77%	Lite N'Easy 12%	Cornetts (Adcome) 12%

The highest-scoring companies are in the garments sector, which averages a score of 49%. This likely reflects increased efforts by garment companies to address worker abuses in the wake of the Rana Plaza tragedy (2013) and resultant public scrutiny of the sector.

Companies in the gloves, seafood and horticulture sectors have weaker responses to modern slavery, averaging scores of between 30% to 35%. Additionally, 81% of companies in these three sectors score less than 50%, whereas only half of garment companies score less than 50%.

Best and worst scoring companies

Top scorers go beyond a ‘tick-the-box’ approach

The six highest-scoring companies across sectors were **Kathmandu** and **David Jones** (garments), **Ansell** and **GSK Group** (gloves), and **Woolworths Group** and **Coles Group** (seafood and horticulture).

These top scoring companies all disclose at least some evidence of engaging with workers to manage their modern slavery risks. **Woolworths Group**, for example, reported that it has established a partnership with the United Workers Union aimed at understanding and addressing risks faced by vulnerable workers to improve labour-hire standards in its supply chain. It also reported that it engages with workers directly through onsite visits by its teams, surveys and meetings with unions and worker representatives.

The six top scorers also disclose more comprehensive efforts to identify and assess modern slavery risks through human rights due diligence. **Coles Group**, for instance, reports that it conducts analysis to determine which countries, sectors, products and services are higher-risk for modern slavery. It also notes that it uses its Ethical Sourcing program to apply a higher level of due diligence and monitoring where higher risks are present, such as in the horticulture sector, including tier 2 suppliers (e.g. product packers). The results of these human rights due diligence efforts are then relied on in decision-making processes about both continuing and, significantly, new supplier relationships.

Some of the top-scorers on human rights due diligence also provide greater disclosure in relation to specific incidents of modern slavery. This suggests that companies with a more sophisticated human right due diligence approach at least *appear* to be better at identifying instances modern slavery.

Top scoring companies are also making strides on responsible purchasing efforts. In the garments sector, **Kathmandu** discloses that it has a process to prevent workers’ overtime through its responsible purchasing policy which aims for balanced planning. **GSK Group** (GlaxoSmithKline) reports that it offers preferential payment terms to small and medium-sized companies in the UK & USA to alleviate excessive downward pressures on smaller suppliers.

Two of the top scorers state that they are committed to providing full compensation to workers for harms they have caused or contributed to (**Woolworths Group** and **Kathmandu**).

Poor scorers yet to start on the basics

The poorest scoring companies across sectors were **Retail Apparel Group** and **The Pas Group** (garments), **JB Metropolitan** and **Drakes Supermarkets** (seafood), **Nexus Hospitals** and **Clifford Hallam Healthcare** (gloves), and **Lite N’Easy**, and **Adcome** (horticulture).

These companies have yet to demonstrate evidence of having commenced genuine efforts to tackle modern slavery.

Companies generally develop and adopt appropriate corporate policies on modern slavery as a first step in tackling the issue. Almost **two thirds** of the eight poorest scoring companies have yet to complete even this basic step (**The Pas Group**, **Clifford Hallam Healthcare**, **Drakes Supermarkets**, **Lite N’Easy**, and **Nexus Hospitals**).

Three quarters do not appear to have people in leadership positions who are leading the company’s approach to human rights and modern slavery.

Half (**JB Metropolitan**, **Lite N’Easy**, **Adcome**, and **The Pas Group**) fail to describe how they conduct human rights due diligence of their supply chain and prospective suppliers. None of the poorest scorers appear to be engaging with suppliers to improve labour standards.

Whilst **three quarters** of the lowest scoring companies mention having a grievance mechanism, none reported involving workers or their representatives in its development, and none provided information about its use or effectiveness.

None of the eight poorest scoring companies are committed to providing full compensation to workers for harms they have caused or contributed to.

Notably, **two** of the poorest scorers are amongst the largest companies we assessed, each with a revenue in excess of AUD\$1bn (**Clifford Hallam Healthcare**, and **Drakes Supermarkets**). Given available resources and relative size, these companies have no excuse for such poor performance on even the most basic of steps noting what has been shown to be possible by several smaller-sized companies (see page 72).

Middle of the pack

Across the 102 companies reviewed, the average score is **37%**.

Average companies:

Typically disclosed	Typically lacked
A description of its operations and supply chains, and the types of activities it undertakes	Details of workforce composition, countries in its supply chain and/or identity of suppliers
A risk assessment of its supply chain	Identification of high-risk products in its supply chain and underlying risk factors
Policies setting out expectations of suppliers and business partners to address modern slavery risks	Evidence of proactive engagement or capacity building with suppliers to lift labour standards, and internal responsible purchasing practices
Use of onsite audits and company-wide grievance mechanisms	Disclosure regarding the use of audits and grievance mechanisms, including findings
Support for freedom of association	Evidence of union presence and/or engagement with worker representatives
Expectation that suppliers rectify non-compliance with modern slavery standards	Concrete remedy outcomes for affected workers

Smaller-revenue, higher-scoring companies

Of the 102 companies we assessed, 26 of them fall within the band of smaller companies with AUD\$100-300M consolidated annual revenue. Of these smaller-revenue companies, three of them, **Zimmermann**, **Factory X** and **Brand Collective**, all in the garments sector, score relatively highly in our statement review (over 50%), showing that it is not only the largest companies with the greatest resources that are leading in developing more meaningful measures to address modern slavery risks.

These three companies collectively score best across the following areas:

Responsible purchasing practices:	All three describe responsible purchasing practices. Brand Collective has a Responsible Purchasing Practices Policy which commits the company to take into account the impact of working conditions of its suppliers' personnel when placing orders. Factory X reports that it is working towards a minimum 6-month lead time on production orders to give manufacturers the opportunity to plan ahead, stabilise their workforce and manage workflows. Zimmermann commits to paying its suppliers on time and maintaining regular dialogue with them regarding forward planning and workflow.
Stakeholder engagement:	Two of the three disclose evidence of collaboration with stakeholder organisations. Zimmermann reports that it participates in Nest Coalition for Craft and Culture, a non-profit supporting hand-workers through direct sourcing partnerships, around the world, with designers and brands who have a shared commitment to responsible and creative engagement. Brand Collective reports that it collaborates with NGOs to complete its supply chain audits.
Human rights due diligence:	Two of the three evidence comprehensive human rights due diligence of their supply chains and prospective suppliers including usage of specific indicators, resources and tools.
Focus on new suppliers:	Two of the three (Zimmermann and Brand Collective) indicate that they prioritise new suppliers that demonstrate respect for human rights.
Risk disclosure:	Brand Collective identifies and discusses risks inherent to its own activities (complexity and opacity of its supply chain, low wages and exploitative working conditions, consequences of tight delivery timeframes on workers in the supply chain) as opposed to focusing only on risks associated with its suppliers.
Board-level strategic oversight:	Zimmermann discloses strong leadership involvement at Board and COO level on modern slavery prevention.

Conclusion

Labour exploitation is rife throughout global supply chains. Company reporting under the MSA will not, in and of itself, resolve the issue. If the reporting regime is to make a useful contribution, however, it must be underpinned by meaningful action.

It is evident that companies are currently pushing responsibility for modern slavery down supply chains to those less able to respond and outsourcing responsibilities owed to supply chain workers. Big brands are relying on contractual warranties in supply agreements to obtain comfort and mitigate the risk of exposure to claims by workers. Action to ensure responsible purchasing is rare with few companies addressing the issue of downward pricing pressure resulting from irresponsible procurement practices. Overall, supply chains remain opaque and company awareness and understanding of the modern slavery risks present is low. Reporting on actual cases of modern slavery remains rare.

Either companies are not disclosing what they are finding, or current approaches are woefully inadequate for uncovering abuses.

Statements reveal little evidence of effective action in the areas that affect workers the most. Few companies are committed to paying a living wage, fewer still have a timebound plan to ensure suppliers factor this into pricing structures. Whilst support for freedom of association and the rights of workers to collectively bargain registers in company policy, overall, there is limited evidence of efforts to uphold this in practice. Engagement levels with unions and workers are worryingly low. Companies remain over-reliant on ineffective social auditing processes, rather than implementing effective worker-driven human rights due diligence processes founded in meaningful and safe stakeholder consultation. Legitimate engagement with workers in remediation efforts is lacking and many grievance mechanisms, in their current form, appear largely ineffectual for identifying or addressing modern slavery issues.

In summary, many of the corporate practices which encourage modern slavery – absence of genuine support for workers' rights, outsourcing and damaging sourcing practices – are not being addressed. At the same time, its underlying drivers – poverty and worker precarity – continue unchecked.

Below:
Vineyard worker harvesting grapes in the Barossa Valley (iStock.com/MichaelMajor)



To strengthen compliance with the mandatory criteria, the MSA must be strengthened with the addition of consequences for inadequate and incomplete disclosures, as well as the use of public procurement incentives for those companies that are doing the right thing. Companies must prioritise the development of effective, worker-centric corporate processes grounded in genuine engagement. The effectiveness of measures needs to be captured, not only with an eye on developing suitable content for next year's MSA statement, but as part of a company's long-term strategic approach. The promises made in company statements will need to be tracked and verified as reporting continues and the impact of the MSA, longer term, is determined.

Looking to the future, should company promises remain on paper only, we will require a new, mandatory approach to address modern slavery. An approach that goes beyond reporting, and compels the introduction of effective worker-facing human rights due diligence and remediation efforts by companies, to successfully eliminate modern slavery from the global systems of supply on which we all rely.

Appendix – selected companies

No.	Company Name	Key Brands and Business Names (as per Modern Slavery Register as accessed on 28.10.21)	Country (as per Modern Slavery Register)
Garments			
1.	ADT and Forever New	Forever New Forever New Curve Ever New	Australia
2.	Beaujolais Unit Trust	APG & Co SABA Sportscraft JAG Willow	Australia
3.	Best & Less Group	Best & Less Postie	Australia New Zealand
4.	Brand Collective	Julius Marlow Elwood Elwood Workwear Elka Collective Volley Grosby Superdry Clarks Hush Puppies Mossimo	Australia
5.	COGI (Cotton On Group)	Cotton On Kids Cotton On Body Cotton On Factorie rubi Typo Supre Ceres Life	Australia
6.	Country Road Group	Country Road Witchery Mimco Trenery Politix	Australia
7.	David Jones	David Jones	Australia
8.	Decjuba	NA	Australia
9.	Factory X	gorman Dangerfield Alannah Hill Princess Highway L'urv Jack London	Australia

No.	Company Name	Key Brands and Business Names (as per Modern Slavery Register as accessed on 28.10.21)	Country (as per Modern Slavery Register)
10.	H&M Group	H&M COS	Sweden
11.	Hanes Australasia	Bonds Berlei Bras N Things Sheridan Champion Hanes Australasia Hanes Australia	Australia
12.	JD Sports Fashion Australia	JD Sports	Australia
13.	Kathmandu	Kathmandu	New Zealand
14.	Lorna Jane	Lorna Jane Pty Ltd	Australia
15.	Lululemon Athletica	lululemon athletica inc lululemon Athletica Ireland Limited lululemon Athletica Australia Holding Pty Ltd lululemon Athletica UK Ltd	Canada
16.	Mosaic Brands	Millers Rockmans NoniB Rivers Katies Autograph W.Lane Crossroads BeMe	Australia
17.	Myer	NA	Australia
18.	Nike	NA	United States of America
19.	Numen	Kachel Ginger Tree Jump Ping Pong	Australia
20.	Premier Investments	Premier Investments Limited Just Group Limited Just Jeans Jay Jays Portmans Smiggle Peter Alexander Dotti JacquiE	Australia

Appendix – selected companies

No.	Company Name	Key Brands and Business Names (as per Modern Slavery Register as accessed on 28.10.21)	Country (as per Modern Slavery Register)
21.	PVH Group	PVH Calvin Klein Tommy Hilfiger	United States of America
22.	Retail Apparel Group	TFG Retailers Pty Ltd Retail Apparel Group Pty Ltd Tarocash Pty Ltd Connor Clothing Pty Ltd Rockwear International Pty Ltd yd. Pty Ltd Johnny Bigg Pty Ltd	Australia
23.	Rip Curl Group	Rip Curl	Australia
24.	The Iconic	THE ICONIC	Australia
25.	The PAS Group	Review Marco Polo Yarra Trail Black Pepper Designworks	Australia
26.	Uniqlo Australia	UNIQLO	Australia
27.	Universal Store	Universal Store	Australia
28.	Wesfarmers	Bunnings Kmart Target Catch Officeworks Wesfarmers Chemical Energy and Fertilisers Blackwoods Workwear Group Greencap	Australia
29.	Zara	Zara	Australia
30.	Zimmerman	NA	Australia
Healthcare			
1.	Ansell Limited	Ansell Healthcare	Australia Belgium Malaysia United States of America
2.	Aspen Medical	NA	Australia
3.	AstraZeneca	AstraZeneca Pty Limited Symbicort Zoladex Brilinta Nexium Tagrisso Imfinzi Forxiga	Australia
4.	Bupa Australia Group	Bupa	United Kingdom

No.	Company Name	Key Brands and Business Names (as per Modern Slavery Register as accessed on 28.10.21)	Country (as per Modern Slavery Register)
5.	Clifford Hallam Healthcare	Clifford Hallam Healthcare CH2 Bare Medical	Australia
6.	CSL	CSL Behring Australia Seqirus Australia CSL Limited	Australia
7.	EBOS Group	Allersearch Animates Aristopet Black Hawk Clinect DoseAid EBOS Healthcare Endeavour Consumer Health Faulding Floradix Good Price Pharmacy Warehouse Gran's Remedy Healthcare Logistics HealthSAVE Pharmacy HPS Intellipharm IPS LMT Surgical Lyppard Masterpet Minfos Nature's Kiss Anti-Flamme Onelink Pharmacy Choice Quitnits Red Seal Symbion Symbion Pharmacy Services TerryWhite Chemmart Ventura Health Vital Medical Supplies VitaPet Warner & Webster Zest	Australia New Zealand
8.	Epworth Group	Epworth HealthCare	Australia
9.	Estia Health	Estia Health	Australia
10.	GSK Group	GSK GlaxoSmithKline	Australia UK
11.	Healius	Healthcare Imaging Services Queensland Diagnostic Imaging Healius Pathology Lavery Pathology QML Pathology Dorevitch Pathology Western Diagnostics Pathology Montserrat Day Hospitals Adora Fertility	Australia

Appendix – selected companies

No.	Company Name	Key Brands and Business Names (as per Modern Slavery Register as accessed on 28.10.21)	Country (as per Modern Slavery Register)
12.	Healthscope	Healthscope	Australia
13.	Image Hold Co	I-Med Radiology Network	Australia
14.	Japara Healthcare	Japara	Australia
15.	Kimberly-Clark	Huggies Kleenex Poise Depend U By Kotex Viva WypAll KleenGuard Kimberly-Clark Professional Scott	Australia
16.	Mun	Mun Australia Mun Global GloveOn PrimeOn Hartalega	Malaysia
17.	National Pharmacies	National Pharmacies Optical National Pharmacies National Pharmacies Australia Pty Ltd	Australia
18.	Nexus Hospitals	Nexus Hospitals	Australia
19.	Opal HealthCare	Opal HealthCare	Australia
20.	Pfizer Australia	Pfizer Hospira	Australia
21.	Ramsay Health Care	Ramsay Health Care	Australia
22.	Sigma Healthcare	NA	Australia
23.	Sonic Healthcare	Sullivan Nicolaides Pathology Douglass Hanly Moir Pathology Capital Pathology Southern IML Pathology Melbourne Pathology Hobart Pathology Launceston Pathology North West Pathology Clinipath Pathology Clinpath Pathology Barrett & Smith Pathology Queensland XRay Hunter Imaging Group Castlereagh Imaging Illawarra Radiology Group SKG Radiology IPN Medical Centres Sonic HealthPlus Sonic Clinical Services	Australia

No.	Company Name	Key Brands and Business Names (as per Modern Slavery Register as accessed on 28.10.21)	Country (as per Modern Slavery Register)
24.	TriCare	TriCare Limited	Australia
25.	Virtus Health	IVF Australia TasIVF Melbourne IVF Queensland Fertility Group Virtus Fertility Centre Virtus Diagnostics Virtus Genetics The Fertility Centre Virtus Specialist Day Hospitals Complete Fertility Centre Rotunda IVF Aagard Skejby Cryobank Trianglen SimsIVF	Australia
Horticulture			
1.	Accolade Wines Australia	Accolade Wines Hardys Grant Burge St Hallett Petaluma Arras Mudhouse Banrock Station Jamshed	Australia
2.	Adcome	Cornetts Supermarkets Everfresh Food Markets	Australia
3.	Aldi Stores	NA	Australia
4.	Australian Vintage	McGuigan Wines Tempus Two Nepenthe Barossa Valley Wine Company Austflavor	Australia
5.	Casella Wines	NA	Australia
6.	Coles Group	Coles Supermarkets Coles Local First Choice Liquor Market Vintage Cellars Liquorland Coles Express	Australia

Appendix – selected companies

No.	Company Name	Key Brands and Business Names (as per Modern Slavery Register as accessed on 28.10.21)	Country (as per Modern Slavery Register)
7.	Costa Group	Kangara Perino Lovacado Mush Boom Vitor	Australia
8.	Costco Wholesale Australia	NA	United States of America
9.	Craveable Brands Group	Red Rooster Oporto Chicken Treat	Australia
10.	David Jones	David Jones	Australia
11.	Domino's Pizza Enterprises	Domino's	Australia
12.	Drakes Supermarkets	Drakes Brave Logistics It's Fresh	Australia
13.	Ferrero Australia	Nutella Tic Tac Ferrero Rocher Kinder	Luxembourg
14.	Harris Farm Markets	Harris Farm Markets	Australia
15.	HelloFresh	HelloFresh Everyplate	Australia Germany
16.	In2food Australia	IN2F Services Pty. Ltd. Inspired Food Solutions MRI Investments Yarra Valley Farms	Australia
17.	KFC Australia	Kentucky Fried Chicken	Australia
18.	Lite N' Easy	Lite N Easy	Australia
19.	McCain Foods	McCain Finance (Aust) Pty. Ltd. Kitchens of Sara Lee Pty. Ltd. Weyville Holdings Limited McCain Foods (NZ) Limited Grower Foods Limited McCain Foods Taiwan Ltd.	Australia
20.	McDonald's Australia	McDonald's McCafe	Australia
21.	Metcash Trading	IGA Mitre10 Home Timber Hardware Australian Liquor Marketers	Australia
22.	Montague Bros	NA	Australia

No.	Company Name	Key Brands and Business Names (as per Modern Slavery Register as accessed on 28.10.21)	Country (as per Modern Slavery Register)
23.	Mulgowie Farming Company	Mulgowie Farming Company	Australia
24.	Nando's Australia	Nando's	Australia
25.	Oz Group Co-Op	NA	Australia
26.	Shepparton Partners Collective (SPC)	SPC Ardmona Provital Goulburn Valley	Australia
27.	Simplot Australia	Edgell Birds Eye I&J John West Leggo's Seakist Harvest Chiko Ally Five Tastes Chicken Tonight Raguletto Five Brothers	United States of America
28.	Tattarang	Tattarang Fiveight SFM Marine Squadron Energy Wyloo Metals Z1Z Western Force Harvest Road Harvest Road Beef Leeuwin Coast Harvest Road Horticulture	Australia
29.	Vesco Foods	On The Menu Super Nature Lean Cuisine Annabel Karmel 7Star Clever Cuisine Enrico's	Australia

Appendix – selected companies

No.	Company Name	Key Brands and Business Names (as per Modern Slavery Register as accessed on 28.10.21)	Country (as per Modern Slavery Register)
30.	<u>Woolworths Group</u>	Woolworths Supermarkets BIG W BWS Dan Murphy's Countdown WooliesX Cellarmasters Jimmy Brings Shorty's Liquor Metro	Australia
Seafood			
1.	<u>Aldi Stores</u>	NA	Australia
2.	<u>Australian Venue Co</u>	Australian Venue Co	Australia
3.	<u>Best Friends Group</u>	Best Friends Pets My Pet Warehouse Our Vet	Australia
4.	<u>Bidfood Australia</u>	Bidfood Classic Meats	Australia South Africa
5.	<u>Blackmores</u>	FIT-BioCeuticals Limited Global Therapeutics Pty Limited Pure Animal Wellbeing Pty Limited Oriental Botanicals Fusion Health Isowhey Impromy PAW by Blackmores	Australia
6.	<u>C.P. Merchandising Company (CP Foods)</u>	CP CP Authentic Asian Taste Inc Chillers Carisma Bellisio	Thailand
7.	<u>Coles Group</u>	Coles Supermarkets Coles Local First Choice Liquor Market Vintage Cellars Liquorland Coles Express	Australia
8.	<u>Compass Group</u>	ESS Medirest Eurest Chartwells Delta FM Restaurant Associates	Australia

No.	Company Name	Key Brands and Business Names (as per Modern Slavery Register as accessed on 28.10.21)	Country (as per Modern Slavery Register)
9.	<u>Corval Group</u>	CONGA FOODS PTY LTD	Australia
10.	<u>Costco Wholesale Australia</u>	NA	United States of America
11.	<u>Drakes Supermarkets</u>	Drakes Brave Logistics It's Fresh	Australia
12.	<u>ITOCHU Australia</u>	NA	Australia
13.	<u>JB Metropolitan Distributors</u>	NA	Australia
14.	<u>KB Food Co</u>	KB Seafood Company Pty Ltd National Fisheries Pty Ltd Worldwide Importers Pty Ltd	Australia
15.	<u>Mars Wrigley Australia</u>	Mars Wrigley Australia Mars Petcare Australia Mars Food Australia and Royal Canin Australia	United States of America
16.	<u>Mayers Fine Food (F Mayer Imports)</u>	SAN PELLEGRINO BARILLA ARLA	Australia
17.	<u>Metcash Trading</u>	IGA Mitre10 Home Timber Hardware Australian Liquor Marketers	Australia
18.	<u>Nestlé</u>	KitKat Allen's Maggi Uncle Tobys Purina Milo Nespresso NAN Nescafe	Australia
19.	<u>New Zealand King Salmon</u>	Ōra King Regal Marlborough King Salmon Southern Ocean Omega Plus Big Catch Salmon Burley	New Zealand

Appendix – selected companies

No.	Company Name	Key Brands and Business Names (as per Modern Slavery Register as accessed on 28.10.21)	Country (as per Modern Slavery Register)
20.	<u>PETstock</u>	PETstock Retail PETstock VET PS Equine Equine Holdings Europa Saddlery Syd Hill & Sons PETstock Industries PETstock Provincial Genuine Range PS Doggie Daycare PETstock Property PETstock North Sydney PETstock Mini	Australia
21.	<u>Ridley Corporation Group</u>	Barastoc Cobber Rumevite Primo Aquaculture	Australia
22.	<u>Simplot Australia</u>	Edgell Birds Eye I&J John West Leggo's Seakist Harvest Chiko Ally Five Tastes Chicken Tonight Raguletto Five Brothers	United States of America
23.	<u>Tassal Group</u>	Tassal De Costi Seafoods Tropic Co	Australia
24.	<u>The Star Entertainment Group</u>	The Star Entertainment Group Limited The Star Sydney The Star Gold Coast Treasury Brisbane	Australia
25.	<u>Woolworths Group</u>	Woolworths Supermarkets BIG W BWS Dan Murphy's Countdown WooliesX Cellarmasters Jimmy Brings Shorty's Liquor Metro	Australia

