



## MODERN SLAVERY

Slavery did not end with the abolition of the trans-Atlantic slave trade in the 19<sup>th</sup> century. Rather its form changed and evolved in parallel with the economy. As it currently stands, it is estimated that there are approximately 40.3 million people in slavery. This includes 24.9 million people working in forced labour and/or debt bondage (the remainder being in forced marriage or other sexual exploitation).

Accordingly, the **Australian Modern Slavery Act 2018** (the Act) was introduced and aims to combat modern slavery in global supply chains. The Act establishes Australia's national Modern Slavery Reporting Requirements, namely a Modern Slavery Statement ('Statement').

An entity with an annual consolidated revenue of at least AUD\$100 million over its 12 month reporting period that is either an Australian entity or a foreign entity carrying on business in Australia at any time in that reporting period, will be required to publish Modern Slavery Statements in 2020.

**Modern slavery is used to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom.**

Within the S&P/ASX 300 companies that have an annual consolidated revenue of over AUD\$100 million, Morrow Sodali has identified **~51 companies** that currently make some form of disclosure regarding modern slavery. These disclosures are typically based on the requirements of Section 54 of the United Kingdom Modern Slavery Act 2015 or a high-level overview of corporate policies in place regarding modern slavery. Publishing a Statement prior to the Act coming into effect shows progressive thinking

on the issues. However, it also means that many companies will need to amend their disclosures to ensure their Statements reflect the seven mandatory requirements of the Act.

Morrow Sodali has also identified ~136 companies that are required to report under the Act, of which do not currently make any form of Modern Slavery disclosure or have not indicated their intent to disclose. In addition, Morrow Sodali has identified ~54 companies that intend to report in the near future. Where an entity does not comply with the requirements of the Act, an explanation may be required and/or remedial action may be enforced.

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

**Sectors and industries that are exposed to modern slavery risks include agriculture, food retailing, oil & gas and mining, financial services and where there is use of unskilled, temporary or seasonal labour and short-term contracts and outsourcing.**

**How can Morrow Sodali help?**

Our dedicated governance team can work with you to:

- Help identify your material human rights risks related to modern slavery
- Undertake a gap analysis regarding your systems, processes and disclosures
- Conduct board and senior executive sessions to generate awareness
- Plan, develop and publish a Modern Slavery Statement aligned to the mandatory requirements of the 2018 Act

The Australian Council of Superannuation Investors (ACSI) and the Responsible Investment Association Australasia (RIAA) have released a guidance for investors on modern slavery reporting. **[Click here to find out more.](#)**

If you are a reporting entity, consider reviewing the **[Commonwealth Modern Slavery Act 2018 – Guidance for Reporting Entities.](#)**



## 40 million

The United Nations and the Walk Free Foundation estimate there are approximately 40 million victims of modern slavery around the world.



## \$100 million

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



## 3,000 entities

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



## Board approval

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



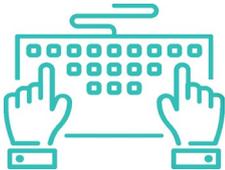
## Support to comply

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



## 3 year review

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



## Publication

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



## 7 criteria for content

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