



Global Compact
Network Australia



Australian
Human Rights
Commission

2018 Australian Dialogue on Business and Human Rights

Embedding Human Rights in Global Supply Chains: Modern Slavery and Beyond

13 November 2018, Sydney

Summary Document

The 2018 Australian Dialogue on Business and Human Rights (the Dialogue) was convened by the Global Compact Network Australia and the Australian Human Rights Commission on 13 November in Sydney. For the fifth consecutive year, the Dialogue – Australia’s annual multi-sector, multi-stakeholder forum – brought leaders together to drive the business and human rights agenda forward.

The 2018 Dialogue supported knowledge sharing between stakeholder groups to further Australian businesses’ capacity to both respect and promote human rights in their business operations and activities.

Recognising the momentum and growing expectations around Australian businesses preventing and addressing involvement in modern slavery in their own operations and supply chains, the theme for this year’s Dialogue was *Embedding Human Rights in Global Supply Chains: Modern Slavery and Beyond*. A range of topics were explored including:

- Conducting human rights due diligence
- Situating modern slavery efforts within a broader human rights framework
- Responding to actual instances of modern slavery
- Providing a living wage
- Measuring the effectiveness efforts to combat modern slavery
- Ensuring access to remedy
- Update on Commonwealth and NSW modern slavery legislation

This document summarises the key themes and areas of discussion. The Dialogue is run under the Chatham House rule. As such, the summary is provided without attributing any particular statement to specific participants or organisations.

1. Ensuring modern slavery efforts sit within a broader human rights framework

A key theme that emerged from the Dialogue was the importance of situating modern slavery efforts within a broader human rights framework. Given that modern slavery is just one component of the human rights landscape, it is important company responses to modern slavery legislation are not developed in a vacuum. Rather, they should be informed in particular by human rights due diligence processes.

There is often no clear boundary between modern slavery and other serious labour rights violations. The Dialogue therefore explored the continuum of exploitation and the importance of understanding modern slavery risk factors so that they can be addressed before they give rise to actual instances of modern slavery. Some of the risk factors discussed included deceptive recruitment practices, underpayment of workers and workers' visa status.

2. Enabling the voice, experience and perspective of rights holders

The Dialogue highlighted the importance of ensuring that rights-holder and survivor voices and perspectives inform efforts to identify, address and prevent modern slavery. Feedback from participants overwhelmingly indicated that hearing the courageous testimony of a survivor who escaped from modern slavery in the Australian agricultural sector was a rare and extremely valuable aspect of the Dialogue.

To truly understand the complexity of modern slavery situations, it is critical to listen to rights holders and survivors. This is particularly important when developing and implementing due diligence processes or conducting impact assessments. Engaging with those closest to the harm or potential harm will greatly enhance companies' capacity to identify modern slavery risks and ensure that any plan to address those risks is fit-for-purpose. Corporate responses to identified instances of modern slavery should prioritise protecting the rights-holder, and ensure that company responses do not further jeopardise victims' safety and rights.

The crucial role of local workers' voices in identifying modern slavery was also explored. Audits can be a useful tool to assist businesses to identify risks and incidences of modern slavery, but audits alone will not be sufficient to identify all risks and impacts. Participants agreed that companies should look for ways to complement or confirm the outcomes of audits with worker perspectives.

3. Going beyond reporting

All stakeholder groups welcomed the modern slavery legislation, however, the limitations of the modern slavery regimes were discussed and it was agreed that taking a superficial, compliance-based approach to reporting will not generate meaningful change. Although there will be an obligation on large companies to report, there is not an obligation to take action to combat modern slavery, and so company responses to modern slavery legislation should reflect the "spirit of the law." Leadership is needed from corporate Australia. All large businesses should expect to find modern slavery risks in their business. The Dialogue made clear that the expectation around modern slavery reporting is not that companies must be perfect, but that companies' statements demonstrate that they are taking action at a range of levels and with a range of stakeholders to combat modern slavery, and that they have a genuine commitment to due diligence and remediation efforts. The need for independent oversight of modern slavery reporting was also raised, and participants acknowledged that there is a clear role for government in monitoring performance under the legislation.

The importance of enabling victims to access to effective remedies in response to modern slavery and other human rights impacts was also discussed. The Dialogue explored non-judicial grievance mechanisms such as company-based whistle-blower and complaints processes and the Australian OECD National Contact Point as important avenues for victims to raise concerns and obtain remedy. Barriers that victims face in accessing grievance mechanisms must also be addressed, in particular around issues such as the power imbalance between workers and employers.

4. Collaboration with stakeholders is key

Dialogue participants reiterated the importance of cooperation and collaboration with different stakeholder groups both within and outside a business to identify modern

slavery risks and develop efforts to address them. To this end, companies should build trusting relationships with civil society, academics, local communities, workers and their representatives and suppliers. While business and civil society are increasing their joint engagement on this issue – they are also expecting more from each other as trusted partners. Business is asking civil society for more guidance, and in return business is being asked to speak up for and protect human rights defenders.

Establishing working relationships with state and federal government around modern slavery legislative compliance and guidance is also important for companies.

Internally companies should work across group functions – risk/compliance, procurement, legal, investor relations, sustainability and marketing, to identify and address risks of modern slavery.

Companies should educate their suppliers about modern slavery risk factors and what to do if they find modern slavery within the business. Participants agreed that where an instance of modern slavery is found, business should work with the supplier to remediate the situation and prevent it from occurring again. It is through this cooperation that real change can occur. However, if the supplier is unwilling to engage or cooperate, the company should look to disengage from the relationship.

The value of business collaboration across sectors was also discussed, particularly in circumstances where leverage over suppliers may be limited.

5. Measuring effectiveness remains a challenging area for companies and investors

The mandatory reporting criteria in the proposed Commonwealth legislation not only requires companies to describe the steps they are taking to assess and address modern slavery risks, but also to describe how the company assesses the effectiveness of their actions. This latter requirement is a key challenge for companies, and is a space where further guidance could be developed. Developing key performance indicators (KPIs) can be useful to assist in informing assessments of effectiveness: for example, tracking the amount of training undertaken by staff, views and uses of grievance websites and the changes made to policies and contracts within the business. However, these KPIs alone are unlikely to be sufficient and the importance of engaging with stakeholders such as civil society, unions and workers themselves to provide insights into reporting on the effectiveness of a

company's efforts was raised. Ongoing monitoring of companies' modern slavery efforts is key to measuring effectiveness, as it allows companies to demonstrate their progress over time and to identify where particular efforts are not impactful. Companies should be honest about the outcomes of different initiatives, which will allow for learnings across sectors.

6. Companies face challenges around ensuring a living wage for workers

The Dialogue considered the inherent tension that exists between a 'living wage' that enables workers to meet their costs of living and the 'minimum wage' in some jurisdictions. Most companies and organisations recognise that they have a responsibility for all people that work for them (both directly and indirectly) and to ensure that their workers are paid a living wage. However, as companies tend to have a highly sophisticated and complex web of suppliers there are challenges to ensuring that all their workers are paid a living wage. Participants said that companies need to be fully transparent and culturally sensitive in their efforts to implement a living wage, and work with others to set up appropriate living wage benchmarks if they do not exist in a particular jurisdiction. Companies should commit to realistic timeframes and pathways to achieve the level of change required for workers. In the context of the living wage discussion, participants welcomed Australia's new modern slavery laws as a way to highlight instances of exploitation and catalyse discussions around how best to ensure that workers are treated with respect and dignity.

Dialogue achievements



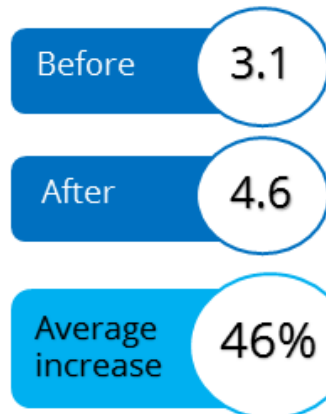
Impact

**Met a demand
Over subscribed and
well attended**

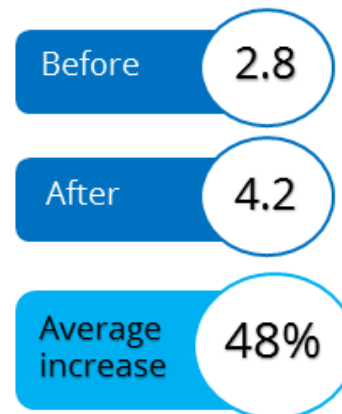
**> 100
participants**

*The single most useful
day of work I have ever
spent on this issue.*

**Nearly half increased issue
understanding**



**Nearly half increased
confidence to address issues**



Average across all issue areas

The Dialogue helped to reassure me that I am on the right path with the questions/challenges I am perceiving in doing this work.

**Strong networking
platform**

100% Networking opportunities
were good

47% Significant business sector participation

Fantastic event, well done to the GCNA and AHRC teams

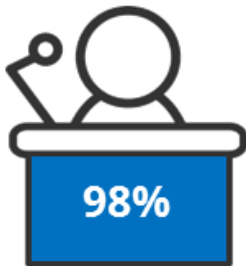


Satisfaction

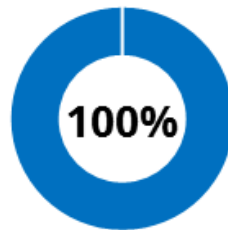


Found the Dialogue **valuable**

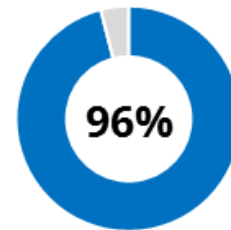
Really good day discussing critical issues facing business today...there was not a moment where concentration lapsed.



Speakers were **relevant**

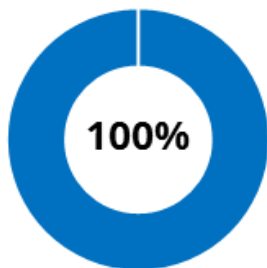


Dialogue was **well organised**



Format and structure was **good**

*Great sessions, feedbacks and insights. What a powerful bunch of people.
...content highly relevant and comprehensive; format varied and effective; delegates diverse and inclusive*



Presenters with first hand experience were **highly rated**

Most appreciated session

Experiences from the front line- Fighting Modern Slavery on the Ground
the survivor voice and perspective

Starting the day with the perspective of the Victim Advocate was very powerful.

[the survivor voice] grounded and contextualised our discussion