

Five Modern Slavery Risk Management Actions You Should Implement



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Organisations have a responsibility not to condone modern slavery either deliberately, or inadvertently. While policies, procedures and codes of conduct provide direction and demonstrate commitment to addressing modern slavery issues and impacts, organisations must ensure they implement robust risk management processes and verify the effectiveness of their actions and the actions of their suppliers.

Managing modern slavery risk is an ongoing process. Organisations should be striving for continuous improvement by reviewing and building on initiatives taken to assess and address risks. We've suggested 5 key actions for you to consider:

1. Identify and articulate modern slavery risks

It is critical to identify your company's most salient human rights risks. Consider which areas of your operations or supply chain are the most vulnerable to modern slavery or other human rights risks and impacts. Use the following indicators to help you identify your potentially highest risk suppliers or operations:

- Geography (suppliers or operations located in high-risk countries or regions)
- Industry (products or services sourced from high risk industry sectors)
- Commodity (high risk components or raw materials that form part of the products you use)
- Workforce profile (consider vulnerable workers such as temporary migrants, base-skill workers, young women and international students)

2. Undertake supplier due diligence

Identifying potential operational and supplier risks is only the first step to effective modern slavery risk management. Further due diligence on your highest risk suppliers is essential to understand how modern slavery risks are managed and mitigated in their operations. Due diligence requires careful assessment of policies, processes and your suppliers' risk mitigation strategies. Supplier due diligence should focus on understanding potential risks to people within your suppliers' operations and be undertaken by a competent person with qualifications and experience in social impact assessment.

3. Implement an effective grievance mechanism

Grievance mechanisms are a critical means by which affected persons and stakeholders can raise concerns or lodge a complaint with a business. Effective grievance mechanisms empower those who have been affected by modern slavery to speak up and to seek remedy. Some of the hallmarks of an effective grievance mechanism are:

- Confidential and anonymous reporting
- Accessible in multiple languages and on multiple platforms
- Available to workers, suppliers (and their workers) and the broader community
- Communicated openly and transparently such as on the company website and in other documentation (such as supplier contracts, codes of conduct etc)
- Leads to a clear remedy pathway that reflects the UN Guiding Principles' "cause, contribute, directly linked" framework

4. Educate your employees

It is critical to train your employees to recognise signs of modern slavery both within your company's operations and in your supply chain. Training and awareness programs should focus on recognising red flags and what employees and managers should do if modern slavery practices are identified. A Training Needs Analysis will help to define who in your organisation needs to be trained on modern slavery risk management. Consider a range of training delivery options - face-to-face and online - and keep in mind that people learn and absorb information differently. Consider purchasing off-the-shelf modern slavery eLearning modules such as those developed by SD Strategies. Well presented and engaging training programs can empower workers to identify and act on modern slavery risks.

5. Nominate Someone to Take the Lead

Identifying roles, responsibilities and accountabilities for managing modern slavery risks across the company's operations and supply chain is critical. Ensuring senior manager or executive accountability (and linking responsibilities to specific position descriptions and KPIs) is key to effective and ongoing risk management. Regular reporting to the Executive Leadership Team (ELT) or Board will improve coordination of modern slavery risk management initiatives. Getting buy-in and commitment at the top level of an organisation ensures that adequate resources are allocated to implementing your modern slavery risk management action plan and ensuring your response and remedy framework is legitimate, accessible, transparent and victim-centric.

**Modern Slavery is
about risk to
People**

We've been working with businesses for over two decades to identify both environmental and social sustainability risks. While businesses are skilled at identifying and managing risk to their business, they are less experienced in assessing risk to people, particularly those working in their complex supply chains.

