



Respecting human rights

Guidance to assist mining companies to identify and manage modern slavery risks associated with the COVID-19 pandemic

OCTOBER 2020

This publication has been prepared in collaboration between the Minerals Council of Australia and Pillar Two

Foreword

Australia's minerals industry recognises that respect for human rights is integral to responsible business practice.

The sector's commitment to respecting human rights is expressed in Principle 3 of *Enduring Value – The Australian Minerals Industry Framework for Sustainable Development*.

Our commitment continues during times of crisis, particularly the ongoing global COVID-19 pandemic that has significantly affected people, communities and livelihoods in every country and sector.

Tragically, the pandemic has increased vulnerabilities to modern slavery.

Modern slavery is an abhorrent situation that involves offenders using deception, threats and coercion to undermine the freedom of individuals.¹ Human trafficking, debt bondage, servitude and the worst forms of child labour are types of modern slavery.²

The industry cannot be complacent about risks.

This is why the MCA values the opportunity to collaborate with Pillar Two to prepare tailored industry guidance which will assist mining companies identify and address COVID-19-related modern slavery risks in operations and supply chains.

The guidance adopts a practical, whole-of-business approach with the aim of assisting companies to update existing anti-slavery programmes and plans to reflect the circumstances of the COVID-19 pandemic.

Its recommendations may also assist companies to identify and address other human rights risks.

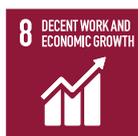
The MCA also thanks the Catholic Archdiocese of Sydney Anti-Slavery Taskforce for drawing on its extensive experience supporting modern slavery survivors in Australia to review and provide comment on this guidance.

The MCA also appreciates expert review by the Global Compact Network Australia, the Australian business-led local network of the United Nations Global Compact.

TANIA CONSTABLE PSM

Chief Executive Officer

Minerals Council of Australia



Sustainable Development Goal 8: Decent work and economic growth includes a specific target (8.2) to take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour.

¹ Department of Home Affairs, [Modern slavery](#), Australian Border Force, viewed 23 September 2020.

² *ibid.*

Contents

INTRODUCTION	4
Key human rights frameworks	4
MODERN SLAVERY RISKS	5
Steps to assist companies to develop a modern slavery risk management approach	6
ASSESSING COVID-19 PANDEMIC-RELATED MODERN SLAVERY RISKS	7
Supporting internal awareness and engagement	8
Potential steps to address modern slavery risks	9
Informing suppliers on modern slavery risks	10
ADDRESSING COVID-19 RELATED MODERN SLAVERY RISKS	11
Australian Government guidance for entities on COVID-19 and modern slavery risks	11
Collaborating to address modern slavery risks	12
LONGER-TERM RESPONSES	13
CONSIDERATIONS FOR BUSINESS FUNCTIONS	14
TRANSPARENCY AND REPORTING	16
FURTHER RESOURCES	16

Introduction

The global COVID-19 pandemic has significantly affected people, communities and businesses across all countries and sectors. This includes increasing human rights related risks, including worsening vulnerabilities and other factors that may facilitate modern slavery.¹

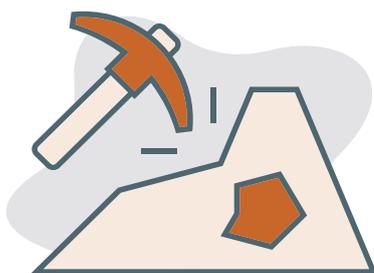
This publication aims to support Australian mining companies in the management of modern slavery risks and reporting in the context of the pandemic. It covers considerations regarding modern slavery risks in operations and supply chains in Australia and overseas.

While focused on modern slavery risks, guidance in this publication may be relevant to other human rights risks. This publication aims to complement broader guidance for businesses on respecting all internationally recognised human rights in a changing context.²

Using this guide

To support readability, this publication uses the term 'risks' to describe modern slavery risks.

This publication does not represent legal or company-specific advice. It aims to provide high level guidance to assist company modern slavery risk management and reporting. It informs rather than prescribes a company's response.



KEY HUMAN RIGHTS FRAMEWORKS:

The MCA's [*Enduring Value – Sustainable Development Framework for the Australian Minerals Industry*](#) expresses the sector's commitment to respect human rights.³ Principle 3 commits companies to 'uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities'. Enduring Value aligns with the International Council on Mining and Metals ten principles for sustainable development.⁴

The [*UN Guiding Principles on Business and Human Rights*](#) (UNGPs) provide that all businesses have a responsibility to respect human rights, including the right to freedom from modern slavery. The UNGPs provide a practical framework for businesses to prevent and address human rights harm.

To meet this responsibility, the UNGPs provide that companies should:

- Make a policy commitment to respect internationally recognised human rights.
- Undertake an ongoing human rights due diligence process (which involves assessing actual and potential human rights risks, integrating and acting upon the findings, tracking responses and communicating how risks are addressed).
- Provide for or cooperate in the remediation of adverse impacts where they identify that they have caused or contributed to them, and consider taking a role in remediation when they are directly linked to harm through their products, operations or services.

This responsibility continues during times of crisis, including the pandemic.

1 Australian Border Force, [*Modern Slavery Act: Information for reporting entities about the impacts of Coronavirus*](#), viewed 17 August 2020.

2 See page 16 for resources.

3 Minerals Council of Australia, [*Enduring Value – the Australian minerals industry framework for sustainable development*](#), MCA, Canberra, 2015.

4 International Council of Mining and Metals, [*Mining Principles*](#), ICMM, viewed 15 August 2020.

Modern slavery risks

Global context

Slavery is one of the most severe violations of a person's human rights.⁵ The Walk Free Foundation estimates that approximately 40 million people are living in modern slavery globally, including approximately 25 million people in the Asia Pacific region.⁶ Modern slavery involves serious forms of exploitation that deprive people of their freedom, including forced labour, debt bondage, servitude, human trafficking and the worst forms of child labour.⁷

Modern slavery risks exist in all countries and sectors.⁸ The Walk Free Foundation has identified that modern slavery is more prevalent in countries and regions with high inequality, difficulties meeting basic needs and where governance and legal protections for workers are weak, among other factors.⁹

Sectors characterised by a reliance on short-term, temporary and/or low-skilled labour, offshore manufacturing and/or which have seasonal or short product lifecycles have a higher prevalence of modern slavery risks.¹⁰ However, modern slavery's global reach and the complexity of goods and services that make up many large companies' supply chains means risks exist in the supply chains of most companies.

Estimates of the number of people in modern slavery in Australia vary. The Australian Government estimates approximately 1,900 people may be in modern slavery in Australia.¹¹ The Walk Free Foundation estimates around 15,000 people are in modern slavery in addition to others facing different labour exploitation risks.¹² Industries identified at higher risk in Australia include cleaning, security, hospitality, agriculture, meat processing and construction.¹³

COVID-19 pandemic: a changing context

The pandemic has led to significant job losses around the world. The International Labour Organization estimates that approximately 1.6 billion workers may lose their livelihoods.¹⁴ It is also estimated that millions of people are likely to be pushed into poverty increasing vulnerability to modern slavery.¹⁵ The Asia Pacific region is particularly affected.¹⁶ In addition, with many schools suspended and family members that may have lost jobs, more children may be vulnerable to exploitation.

For those already living in modern slavery, the pandemic brings new risks, particularly if individuals are unable to implement public health precautions and lack access to basic sanitation and healthcare services. The independent, non-profit organisation, Verite, identified risks of migrant workers being more vulnerable to exploitation due to factors such as limited support networks and potential difficulties returning to their home country (for example, due to travel restrictions and challenges accessing identity documents and travel funds).¹⁷

Modern slavery risks are also reported to have increased in sectors where demand has surged due to the pandemic, such as sectors supplying personal protective equipment and medical supplies.¹⁸

5 J. Wood (Assistant Minister for Customs, Community Safety and Multicultural Affairs), '[Funding new efforts to combat modern slavery](#)', Australian Government, 15 April 2020.

6 Walk Free Foundation, [2018 Global Findings](#), Minderoo Foundation, viewed 13 August 2020.

7 Australian Border Force, [Modern Slavery](#), Department of Home Affairs, viewed 13 August 2020.

8 *ibid.*

9 Walk Free Foundation, viewed 13 August 2020.

10 Australian Border Force, [Commonwealth Modern Slavery Act 2018 Guidance for reporting entities](#), Department of Home Affairs, Canberra, 2019, p. 80.

11 S. Lyneham, C. Dowling and S. Bricknell, [Estimating the dark figure of human trafficking and slavery victimisation in Australia](#), Australian Institute of Criminology, Canberra, February 2019, p. 6.

12 Walk Free Foundation, [2018 Global Findings](#), Minderoo Foundation, viewed 13 August 2020.

13 Joint Select Committee on Northern Australia, [Hidden in plain sight: An inquiry into establishing a Modern Slavery Act for Australia – final report](#), Parliament of the Commonwealth of Australia, 2017.

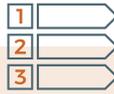
14 G. Ryder (ILO Director-General), [ILO: As job losses escalate, nearly half of global workforce at risk of losing livelihoods](#), International Labour Organization, 29 April 2020.

15 D. Mahler, C. Lakner, R. Aguilar & H. Wu, [COVID-19 could push 100 million people into extreme poverty, says World Bank, World Economic Forum](#), viewed 12 June 2020.

16 *ibid.*

17 Verite, [COVID-19 and vulnerability to human trafficking for forced labor](#), Verite, viewed 13 August 2020.

18 See, for example, Business and Human Rights Resource Centre, [Malaysia: Medical & rubber glove manufacturers accused of subjecting migrant workers to forced labour & withholding wages](#), viewed 27 August 2020.



STEPS TO ASSIST COMPANIES TO DEVELOP A MODERN SLAVERY RISK MANAGEMENT APPROACH

These may assist companies to establish or enhance plans to manage modern slavery risks in the COVID-19 context.

1. Business case: develop a business case for action. This could include enhanced risk management and stronger stakeholder relationships (including with host communities, workers, investors and other business partners across the value chain, governments and civil society including in light of changing expectations during the pandemic).
2. Understand modern slavery: build an understanding of what modern slavery is and is not, and what risks are relevant. The Commonwealth [Modern Slavery Act 2018 Guidance for Reporting Entities](#) provides appropriate definitions. Actions could include:
 - Identifying high risk countries and categories in relation to its operations and supply chains using tools such as the [Global Slavery Index](#). This will include countries the company operates in and sources from, and categories of goods and services it procures.
 - Identifying how risks or risk profiles have changed as a result of the pandemic, including if particular countries or categories of goods or services are now considered higher risk.
 - Mapping existing company policies and practices relevant to managing modern slavery risks (such as codes of conduct, social performance, procurement and risk management policies, and contractual clauses regarding auditing rights) and whether these need updating in light of the pandemic.
3. Review key external standards: become familiar with relevant standards such as the UNGPs, which are considered the global standard for preventing and addressing business-related human rights harm.
4. Consider where to prioritise actions: the Commonwealth [Modern Slavery Act 2018 Guidance for Reporting Entities](#) provides guidance for prioritising risks. It notes the UNGPs provide that the most severe risks to people should be addressed first.
5. Consider and plan actions: the Commonwealth [Modern Slavery Act 2018 Guidance for Reporting Entities](#) provides suggestions to assess and address risks, including if the company finds evidence of modern slavery or other forms of exploitation.

Globally:



±40 MILLION

people living in modern slavery globally

In Australia:



±1,900

Australian Government's estimate of people in modern slavery in Australia

±15,000

The Walk Free Foundation's estimate of people in modern slavery in Australia

Assessing COVID-19 pandemic-related modern slavery risks

Human rights due diligence as set out in the UNGPs, and encouraged in the Australian Government's *Guidance for Reporting Entities*, describes an ongoing process for companies to understand and address actual and potential risks and impacts to people, including modern slavery risks.¹⁹ It focuses on risks to people rather than risks to the company. Human rights due diligence should be appropriate for the company's operations, industry, size, structure, context and ownership.²⁰ It is important to continue these processes in times of challenge or crisis.²¹

Operations

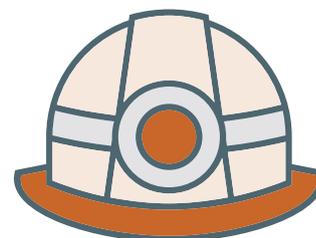
Where operating models have shifted due to the pandemic, there may be impacts on and increased risks to workers and communities. Assessing actual or potential modern slavery risks arising from operational changes is important in the COVID-19 context.

Vulnerability to modern slavery increases when people lose jobs or receive less income. The pandemic also poses health risks to workers and communities, heightened for those already at risk of exploitation.

These questions may assist to assess COVID-19-related risks within a company's operations:

- What workforce changes are being made? How will this affect people and what are the flow-on effects (such as job losses or reduced incomes)?
- Will additional work be required, and how can this be managed so workers do not work excessive hours or involuntarily?
- Will additional workers be hired quickly? How can it be ensured that appropriate recruitment processes are followed (including avoidance of recruitment fees by workers), especially for people not hired directly?

- What policies and processes are in place to protect worker health, including sick leave?
- Are any workers particularly vulnerable to or at risk of severe consequences from workforce changes? For example, workers on visas may be impacted differently if changes mean they cannot remain in a country, receive government support or access health care.
- Will operational changes impact on host communities? Will changing financial benefits for communities increase modern slavery risks (e.g. reduced use of goods and services provided by local suppliers)?
- How could changes affect vulnerable or at risk groups (e.g. migrant workers, Indigenous people, women, children or those with compromised health)? Does the pandemic increase modern slavery and other exploitation risks to these groups?
- How are non-managed joint ventures addressing COVID-19 related modern slavery risks? How could they be further engaged to manage these risks?
- Are security providers aware of and equipped to responsibly address potential additional security-related challenges, such as additional vulnerabilities in communities and conflicts?
- How has the modern slavery risk profile for exploration projects changed? Have risks increased in jurisdictions where exploration occurs? How are risks considered in procedures for entering new areas?
- What have civil society organisations said about potential modern slavery risks in operations? Are there opportunities to engage with these groups?



19 Australian Border Force, Commonwealth *Modern Slavery Act 2018 Guidance for reporting entities*, Department of Home Affairs, Canberra, 2019, p. 47.

20 *ibid*, p. 47.

21 Australian Border Force, *Modern Slavery Act: Information for reporting entities about the impacts of Coronavirus*, viewed 17 August 2020.



SUPPORTING INTERNAL AWARENESS AND ENGAGEMENT

Engaging multiple internal functions, including social performance, communities, legal, risk, supply and procurement and teams at site operations, assists to assess and address pandemic-related modern slavery risks.

Consider how to support effective collaboration, noting the importance of ongoing cross-functional engagement. For example, a 30-minute weekly or monthly webinar on modern slavery or labour exploitation more generally or a standing modern slavery risks agenda item in COVID-19 response meetings could help raise awareness.

Supply chains

For many mining companies operating in Australia, the most significant modern slavery risks, including during the COVID-19 pandemic, are likely to be in the supply chain.

Due to the pandemic, some suppliers may have experienced lower demand and others a surge in demand (for example, personal protective equipment [PPE] and medical supplies). Both situations can increase the risk of modern slavery and other human rights breaches. These should be considered through supplier due diligence processes including ongoing monitoring.

Where suppliers face a fall in demand there may be:

- Risks to the jobs and livelihoods of workers.
- Reduced access to benefits provided through work, such as health care.
- Impacts on supplier cash flow reducing ability to pay workers.

Where suppliers face an increase in demand there may be:

- A greater risk of excessive hours and forced labour.
- Increased health and safety risks for workers or challenges maintaining safe working environments.
- Greater use of sub-contracting.

These situations and related risks could increase the risk of modern slavery.

Due diligence processes in supply chains

Due diligence enables modern slavery risks to be assessed and addressed, including risks caused and worsened by the pandemic.²² The same process can be applied to other human rights risks.

A key element of supply chain due diligence is supplier screening.

In many cases, the pandemic has made this more challenging. For example, procurement teams may have resource constraints, suppliers may have reduced capacity to respond to questionnaires, the ability to conduct physical audits may be affected or supply requirements may be more urgent. Monitoring may also be more challenging.²³

In response to these challenges, some companies have decided to purchase only from existing screened suppliers during the pandemic given resource constraints in screening new suppliers (rescreening existing suppliers has still been necessary where those suppliers' risk profiles may have changed due to the pandemic). Others have conducted supplier screening using scaled-back processes enabling more rapid but robust assessment of new suppliers.

22 Australian Border Force, [Commonwealth Modern Slavery Act 2018 Guidance for reporting entities](#), Department of Home Affairs, Canberra, 2019, p. 47.

23 See Australian Broder Force, [Modern Slavery Act: Information for reporting entities about the impacts of coronavirus](#), Department of Home Affairs, viewed 13 August 2020.



POTENTIAL STEPS TO ASSESS MODERN SLAVERY RISKS IN THE SUPPLY CHAIN

The following steps may assist to assess COVID-19-related modern slavery risks:

1. Undertake high-level screening as a minimum for new suppliers.
2. Review and re-screen existing suppliers where risk profile may have changed.
3. Continue to prioritise suppliers with higher risks for additional due diligence and engagement such as external information checks and self-assessment questionnaires as appropriate.
4. Tailor questionnaires and activities to reflect the reduced capacity of many suppliers to respond, provided the supplier's overall approach to managing modern slavery risks can be meaningfully established.
5. Continue on-boarding processes, including information, setting expectations and appropriate contractual arrangements. Sharing best practice guidance, training materials and specific online training on heightened risks and precautions could assist.
6. Review supplier codes of conduct (or equivalent) and grievance mechanisms to ensure effectiveness in the COVID-19 context. Ensure effective communication to suppliers and/or supply chain workers as relevant.
7. Where physical 'on the ground' inspections or audits of suppliers are limited, companies could consider technological solutions to monitor conduct such as virtual audits or to enable workers to raise concerns.
8. Companies could consider avoiding using multiple new suppliers, where practical, to focus on existing suppliers where they already have a greater understanding of risks and challenges based on previous screening and monitoring.
9. Companies could engage with local civil society organisations for insights into risks.

INDUSTRIES IDENTIFIED AS BEING AT HIGHER RISK OF MODERN SLAVERY IN AUSTRALIA INCLUDE:



CLEANING



SECURITY



HOSPITALITY



AGRICULTURE



MEAT PROCESSING



CONSTRUCTION

Key questions to assist supplier screening and monitoring could include:

- How are suppliers protecting worker health (travelling to and from work, at work and in worker accommodation if relevant)? Are they providing paid sick leave to workers?²⁴
- Have suppliers reduced their workforce? How have workers who may have lost their jobs or otherwise faced reduced hours or income been supported? Was severance pay provided?
- Have suppliers increased their workforce? What recruitment processes were followed? What steps were taken to ensure all work is voluntary, recruitment fees have not been paid by workers and workers are engaged under a formal (written) contract?
- Have suppliers increased the working hours of their workers? How can the company ensure the decision to work extra hours was voluntary?²⁵
- Have direct suppliers changed their supply chains (e.g. sourcing from new suppliers and/or jurisdictions)? How were their own supplier due diligence processes implemented?
- How are suppliers managing worker pay, including paying workers in full and on time and for any additional hours? How can this be appropriately verified?
- Do suppliers have grievance mechanisms? Are they operating effectively, including for their own supply chain workers, particularly if face-to-face complaints handling is no longer feasible?
- How may the pandemic affect vulnerable or at-risk workers in the supply chain or others affected by suppliers' activities (e.g. migrant workers, Indigenous people, women, children or those with compromised health)?
- Have suppliers engaged with stakeholders such as governments and civil society organisations to help safeguard workers' rights during the pandemic?
- What civil society organisations could help the company to understand changes to their supply chain risks? How could the company best engage with these groups?

- What types of suppliers may give rise to heightened risks and need more due diligence or capacity building?
 - » For example, workers engaged by shipping or other logistics suppliers (noting seafarers may need to remain on ships and be unable to return home for extended periods - see [Human Rights at Sea](#) or workers involved in PPE and medical equipment manufacture may be at higher risk).

These questions could be incorporated into supplier questionnaires or in direct discussions. The company could also encourage suppliers to consider the same questions in relation to their own supply chains.



INFORMING SUPPLIERS ON MODERN SLAVERY RISKS

[Anglo American](#) took early action to inform its internal supply and procurement function, as well as suppliers and contractors, of modern slavery risks that may arise from the COVID-19 pandemic.

Key actions included:

- Writing to all suppliers and contractors to identify potential risks, reiterating Anglo American's expectations to respect human rights, and providing leading practice guidance on identifying, managing and addressing COVID-19-related risks.
- Developing and providing training to its Supply and Procurement function on modern slavery and other human rights risks.

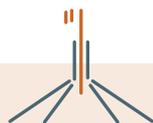
Feedback provided to Anglo American by suppliers, contractors and its internal supply and procurement team indicated this information was valuable for raising awareness of potential modern slavery risks resulting from COVID-19, and ensuring these can be mitigated.

24 Australian Border Force, [Modern Slavery Act: Information for reporting entities about the impacts of coronavirus](#), Department of Home Affairs, viewed 17 August 2020.

25 *ibid.*

Addressing COVID-19 related modern slavery risks

Identified risks should inform mitigation actions. Company actions may include the following, noting the most severe risks to people should be prioritised first, considering the scale and scope of the risks and whether the abuse could be remedied.



AUSTRALIAN GOVERNMENT GUIDANCE FOR ENTITIES ON COVID-19 AND MODERN SLAVERY RISKS

The Australian Government's [*Modern Slavery Act Information Sheet: Coronavirus*](#) sets out steps that companies can take to protect and support workers in operations and supply chains during the pandemic. These include:

- Maintaining supplier relationships and fostering open communication with suppliers about COVID-19 risks.
- Collaborating with suppliers, workers, business peers, investors, civil society and peak bodies.
- Reviewing key international resources and implementing guidance where applicable to support decent work in supply chains.

Further details are set out in the information sheet.



Operations

Workers:

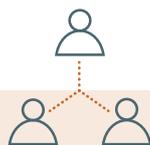
- Maintain open communication about operational plans throughout the pandemic. Seek worker feedback about the most effective ways to engage in a changing context.
- If hiring workers, ensure appropriate recruitment processes are followed.
 - » Preventative actions could include ensuring workers do not pay recruitment fees, ensuring workers are provided with written contracts and labour hire agency policies are robust and understood.
- If the workforce is reduced or hours changed, support including appropriate severance entitlements should be provided. This could include supporting continued access to healthcare for example.
- Ensure effective grievance mechanisms are in place to raise concerns without negative consequences for the workers and/or person making the complaint.

Communities:

- Continue community program due diligence to identify and highlight human rights risks.
- Continue financial and in-kind contributions to communities where practical, even where operations and/or community programs may be suspended.
- Engage communities to understand concerns and identify how to support their priorities.
- In collaboration with communities, consider targeting local investment towards initiatives helping to address increased vulnerabilities to modern slavery and other human rights harm (for example, support for women's shelters, or charities working to support children's education during the pandemic).

Supply chains

- Work to honour existing supplier contracts, provide flexible contract terms to suppliers and manage purchasing practices to address modern slavery risks (e.g. rush orders).²⁶
- Disengage as a last resort, and do so responsibly where necessary.²⁷
- Prioritise vulnerable suppliers and work together to manage delays associated with the pandemic.²⁸
- Support suppliers to protect worker health — for example, by providing or helping source PPE and other health-related requirements.
- Collaborate with suppliers, governments and civil society to provide appropriate support to supply chain workers.
 - » For example, this could include a targeted project focused on an industry or supplier where there is evidence of increased modern slavery risks (e.g. shipping, cleaning or construction).²⁹
- Build supplier awareness of company expectations and assist suppliers to meet these expectations. Use leverage where practical and appropriate.
- Monitor grievance mechanisms, including availability, awareness and resourcing as appropriate.³⁰
- Where physical auditing and monitoring of suppliers is limited, alternative processes to monitor suppliers could include:
 - » Risk mapping (including for COVID-19 hot spots).
 - » Self-assessment questionnaires.
 - » Grievance mechanisms, worker feedback tools and civil society engagement.
 - » Virtual audits.
 - » Technological solutions to enable workers to voice concerns.
- Communicate approaches to assessing and addressing risks as appropriate.



COLLABORATING TO ADDRESS MODERN SLAVERY RISKS

Collaboration between governments, the private sector, civil society, academia and other stakeholders is critical to combatting the global problem of modern slavery. The Modern Slavery Building Links Project is an example of a multisector initiative working to raise awareness of modern slavery risks in Australia's construction sector.

Led by the Catholic Archdiocese of Sydney Anti-Slavery Taskforce, the project brings together the Walk Free Foundation, the Property Council of Australia, the Supply Chain Sustainability School, Macquarie University, Immigration Solutions Lawyers and the MCA. Minerals projects usually involve the construction of significant facilities.

The Building Links project will use a safe conversations platform, Whispli, to encourage workers to report concerns of modern slavery risks. The project is particularly important given that the economic impacts of the COVID-19 pandemic has heightened modern slavery risks.

The Anti-Slavery Taskforce received Australian Government National Crime Prevention Program funding for the project.

26 Australian Border Force, [Modern Slavery Act: Information for reporting entities about the impacts of coronavirus](#), Department of Home Affairs, viewed 17 August 2020.

27 For guidance on responsible disengagement, see SOMO, ECCHR and PAX, *Responsible Disengagement in the Time of Corona* (2020).

28 *ibid.*

29 *ibid.*

30 *ibid.*

Longer-term responses

The COVID-19 pandemic is expected to have significant long-term impacts for communities, broader societal trends and economies.

It has highlighted challenges for managing complex supply chains, including modern slavery risks. Integrating these considerations into long-term company pandemic responses will help to assess and manage modern slavery risks.³¹

Opportunities to integrate modern slavery risk management into long-term responses include:

Operations

- As government support is wound back, consider whether alternative opportunities or other support can be offered to affected workers.
- Review social investment programs and consider how these could be adapted.

Supply chains

- Consider risks associated with changing suppliers.
 - » For example, if decisions are made to reduce sourcing from developing countries, there could be human rights including modern slavery risks (i.e. on the availability of work and broader economic development opportunities) which should be assessed.

- » Consider options such as diversifying to a range of sourcing countries, not just reshoring to home/developed countries.
- If considering reshoring parts of the supply chain, be aware that modern slavery is a risk in all jurisdictions.
 - » Integrating the assessment of modern slavery and other human rights risks into supplier due diligence (including developed and developing country suppliers).
- Build the capacity and resilience of suppliers including how to identify modern slavery.
- Deepen relationships with suppliers, considering how to reasonably and practically support them and their workers.
- Review purchasing practices and consider how to embed practices that support human rights in supply chains. Consider how ordering practices, pricing arrangements, turnaround times and payment schedules may contribute to or help address modern slavery risks.
- Monitor, track and report the effectiveness of actions to assess and manage risks during and after the pandemic. This could include technological solutions enabling workers to provide feedback and civil society collaboration as appropriate.

³¹ Australian Border Force, [Modern Slavery Act: Information for reporting entities about the impacts of coronavirus](#), Department of Home Affairs, viewed 17 August 2020.

Considerations for business functions

Assessing and addressing pandemic-related modern slavery risks are relevant to multiple business functions. A collaborative and whole-of-business approach can assist in managing these risks. The questions below may prompt functional areas to further consider and work with other business functions to manage modern slavery risks.

<p>BOARD</p>	<ul style="list-style-type: none"> • How does the company's COVID-19 response consider modern slavery risks? What risks are identified and how? • How could these risks be further considered? How can the pandemic response committee (or similar) best enable consideration of these risks? • How is the company managing modern slavery risks and related operational, reputational, legal, financial risks? • How does the company's Modern Slavery Statement outline actions taken during the pandemic? • How are challenges arising from the pandemic being addressed? How would external stakeholders view these challenges and how concerns are addressed, including in the company's Modern Slavery Statement?
<p>LEGAL AND/OR COMPLIANCE</p>	<ul style="list-style-type: none"> • How does the pandemic affect suppliers? How can the company support suppliers to manage modern slavery risks and minimise risks to workers? What might this mean for contractual clauses and other arrangements with suppliers? • How does the pandemic affect arrangements with other business partners, including joint venture partners? What modern slavery risks could this lead to? • What steps can be taken to ensure business partners are assessing and addressing modern slavery risks? • How does the pandemic impact reporting obligations, including under the Modern Slavery Act? • How is the whistleblower hotline (and/or other grievance mechanisms) being used during the pandemic? How can its effectiveness and accessibility be monitored and improved?
<p>PROCUREMENT</p>	<ul style="list-style-type: none"> • What are the best ways to engage suppliers about pandemic-related challenges? How can the company better understand these? Can civil society organisations or unions assist? • How can effective due diligence on new and existing suppliers be continued should procurement team and supplier capacity be reduced? What new technologies are available? • How can supplier due diligence processes be tailored to the COVID-19 context to provide relevant information to the procurement team or suppliers? What new systems or approaches are available? • What processes would enable supplier auditing and/or monitoring suppliers if physical inspections of suppliers are not possible? Is it possible to try a virtual audit? • How can the procurement team continue to engage the sustainability/social performance team to share expertise in assessing and addressing modern slavery risks? • How can procurement and legal teams jointly manage compliance and reporting?

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">SUSTAINABILITY / SOCIAL PERFORMANCE</p>	<ul style="list-style-type: none"> • What groups in the company's host communities are likely to be most at risk of exploitation or other vulnerabilities as a result of the pandemic and its economic and social impacts? • What partnerships would help the most vulnerable members of the company's communities? What partnerships would best address modern slavery risks? • How can companies engage with communities safely during the pandemic? How can their views and priorities be understood in a COVID-safe environment? • What are the broader human rights risks of COVID-19? How can these be understood and how might they also impact modern slavery risks? • How are site-level grievance mechanisms operating during the pandemic? How can these be improved to support effectiveness and accessibility? • How can the team continue engaging key functions to support due diligence processes?
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">HUMAN RESOURCES</p>	<ul style="list-style-type: none"> • How can all workers – employees (full time, part time and casual), contractors and others – be supported as part of the company's response to COVID-19? • If hiring, are there opportunities to prioritise jobs for those most impacted by the pandemic? • How engaged are labour hire agencies in managing modern slavery and other risks in the COVID-19 context? How can we make the company's human rights-related expectations clear? How can performance be verified? • Are the company's grievance mechanisms through which employees, including those whose jobs are affected by the company's COVID-19 response, can make complaints, still accessible and effective?

Health and safety, security and marine functions are also often important to engage in assessing and addressing COVID-19-related modern slavery risks. Other functions may also become relevant as particular functions are identified as high risk. This may include the marketing function if risks arise relating to customers.

Transparency and reporting

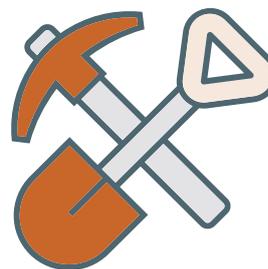
Transparency continues to be important during the pandemic, including about challenges facing companies in responding to risks alongside opportunities for positive impact.³²

Investors and civil society expect companies to publicly communicate human rights risks in the COVID-19 context. Customers and other partners may also seek information. Transparency may also support suppliers, employees and other stakeholders to understand potential risks and management approaches.

The Australian Government's [Modern Slavery Act Information Sheet: Coronavirus](#) confirms reporting entities are expected to continue to manage modern slavery risks and report on these actions in Modern Slavery Statements.³³ This includes actions that may have been delayed or changed due to the pandemic.³⁴

Companies could consider whether the following information is relevant for Modern Slavery Statements:

- Have changes been made to the company's supply chain as a result of the COVID-19 pandemic?
- How has COVID-19 affected the company's modern slavery risks? Are there particular supply chain categories that have become higher risk for modern slavery, i.e. medical suppliers or PPE?
- Has COVID-19 changed the likelihood of the company's involvement in modern slavery? For example, has the company considered whether its response to the pandemic has increased the risk of it causing, contributing to, or being directly linked to modern slavery? For example, the company's risk of contributing to modern slavery may have increased where suppliers have been working to meet significantly increased demand for PPE in a shorter timeframe if the company has set unreasonable expectations.
- How has COVID-19 affected the company's approach to assessing and addressing modern slavery risks across operations and the supply chain? How have supplier due diligence processes been affected? How has the company continued undertaking due diligence?
- Has the pandemic affected other policies and processes? For example, have core policies been amended? Have employee or supplier training programs been affected?
- How are company grievance and remedy mechanisms operating during the pandemic, including for supply chain workers?
- How is the company measuring the effectiveness of its response to COVID-19 in relation to modern slavery? Have the company's pre-pandemic tracking processes been affected (for example, Key Performance Indicators)?
- Has the company engaged in partnerships or initiatives to support positive impacts?
- Has COVID-19 affected how it consults with its owned and controlled entities?



32 See Australian Border Force, [Modern Slavery Act: Information for reporting entities about the impacts of coronavirus](#), Department of Home Affairs, viewed 13 August 2020.

33 *ibid.*

34 *ibid.*

Further Resources

- Australian Border Force, [Modern slavery](#), Department of Home Affairs, viewed 13 August 2020.
- International Council on Mining and Metals, [Coronavirus \(COVID-19\) resources](#), ICMM, viewed 27 August 2020.
- Institute for Human Rights and Business, [Respecting Human Rights in the Time of COVID-19 Pandemic](#), Institute for Human Rights and Business, viewed 27 August 2020.
- OECD, [COVID-19 and Responsible Business Conduct](#), OECD, viewed 27 August 2020.
- Pillar Two, [Managing business-related human rights risks during and after C-19](#), Pillar Two, viewed 13 August 2020.
- United Nations Development Programme, [Human Rights Due Diligence and COVID-19: Rapid Self-Assessment for Business](#), United Nations, 10 April 2020.
- Walk Free Foundation, [Resources](#), Minderoo Foundation, viewed 13 August 2020.
- Verite, [COVID-19 Guidance](#), viewed 27 August 2020.

