

WHAT IS MODERN SLAVERY?

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Modern slavery is where one person has taken away another person's freedom – **their freedom to control their body, their freedom to choose to refuse certain work or to stop working** – so that they can be exploited.

**Freedom is taken away by threats, violence, coercion, abuse of power and deception.
= person cannot refuse or leave the situation.**

Practices that constitute Modern Slavery include;

- human trafficking
- slavery
- servitude
- forced marriage
- forced labour
- debt bondage
- the worst forms of child labour
- deceptive recruiting for labour or services



One in every 150 people are trapped in modern slavery - YouTube

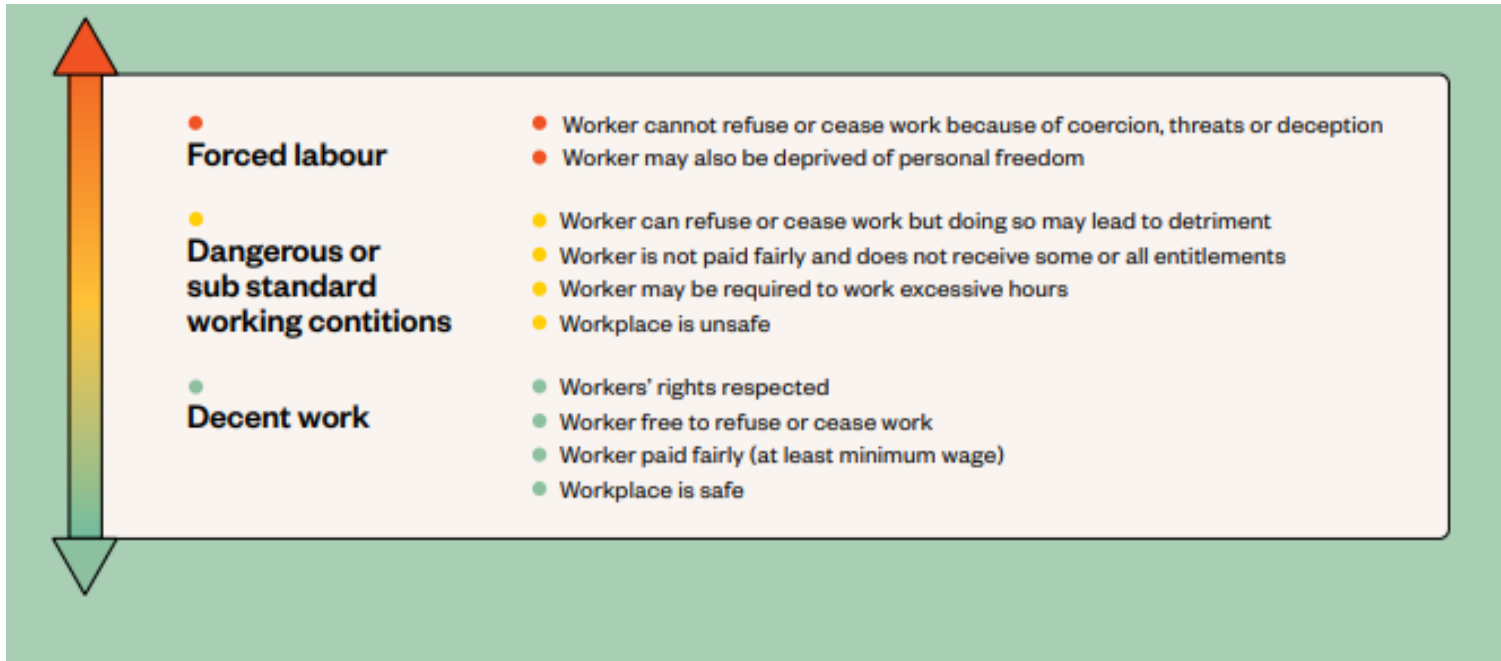
Image from WalkFree

• WHY DOES MODERN SLAVERY EXIST?

- Modern slavery is connected to many complex issues - globalisation, wealth inequalities, complex subcontracting, rapid technological advances, global mass migration, and world health pandemics.
- Modern slavery may look different today (but not always), but at its core remains the same - those people most vulnerable and marginalised are exploited for the personal and commercial gains of another.



Image from WalkFree



Case Study

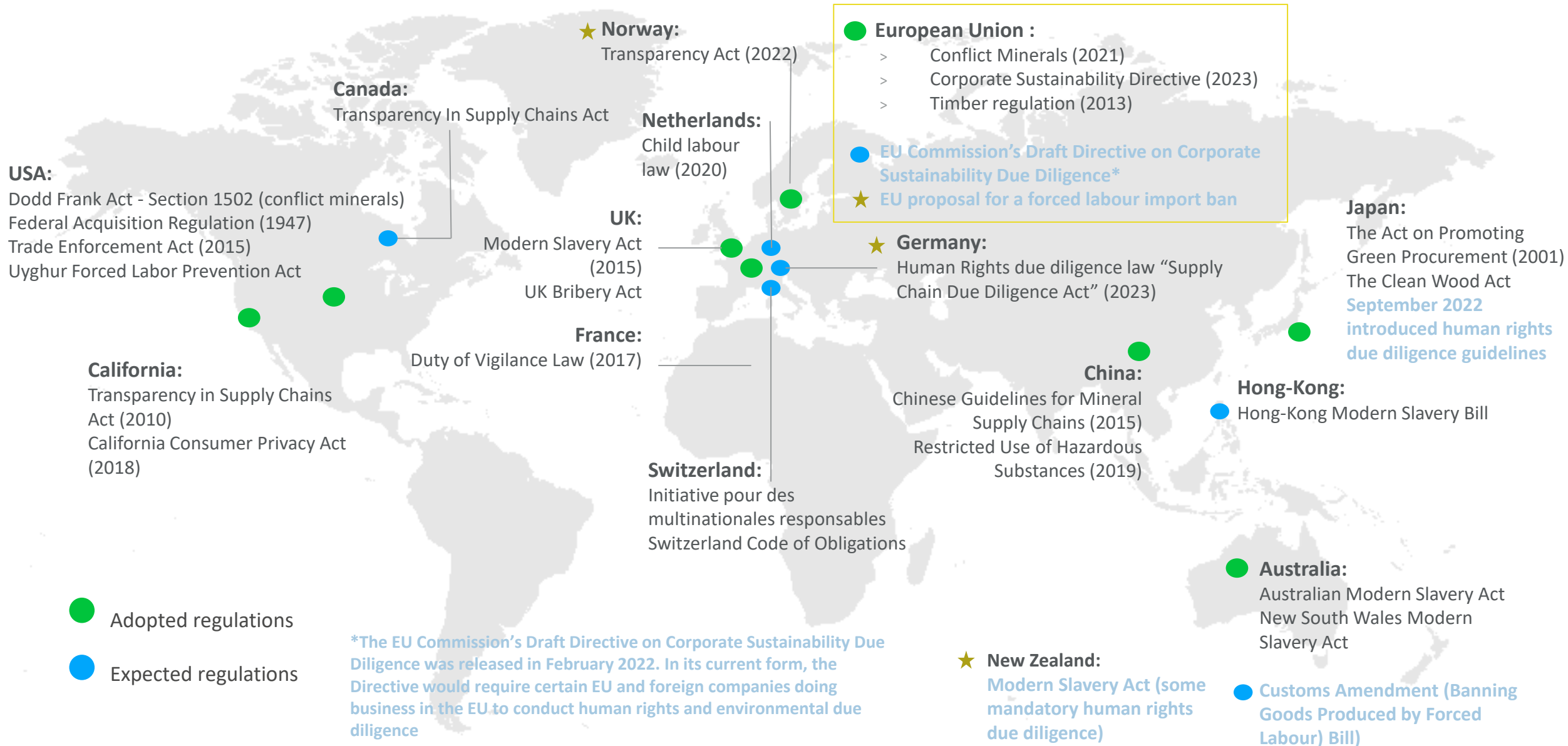
Cleaning services are a high-risk sector for modern slavery, including in Australia. Examples of modern slavery practices occurring within the cleaning sector include the withholding of wages, immigration-related coercion and threats, deceptive recruitment, debt bondage, confiscation of personal and travel documents, and dangerous and substandard working conditions. Many of these practices originate at the point of procurement, with low levels of due diligence with regard to contracting practices and poor oversight of contractor compliance.

Everyone is entitled to Decent Work conditions. Modern slavery happens at the most extreme end of the spectrum, that ranges from decent work to criminal exploitation.

Modern slavery is not the same as exploitative practices, such as underpayment of wages or excessive overtime or debt.

MODERN SLAVERY LAWS

INCREASING REGULATORY FOCUS



WHAT CAN YOU DO AS A BUSINESS?

1. **Develop or adopt an Anti-Modern Slavery Policy.** Share this policy when supplying to other organisations.
2. **Map your supply chain to assess potential risk areas.** Know where your goods, services and raw materials are coming from and the circumstances they are sourced. If appropriate, inspect where your goods are coming from.
3. **Set clear expectations for our Suppliers.** Provide them a copy of your policy, and ask them how they are addressing Modern Slavery at their organisation.
4. **Take specific actions if you cannot mitigate risks.** Build capacity by talking to your staff, suppliers, customers and business partners about why stopping modern slavery is important and what your business is doing.
5. **Act if you are unsure and cannot mitigate risks,** including by changing suppliers if issues are not addressed.



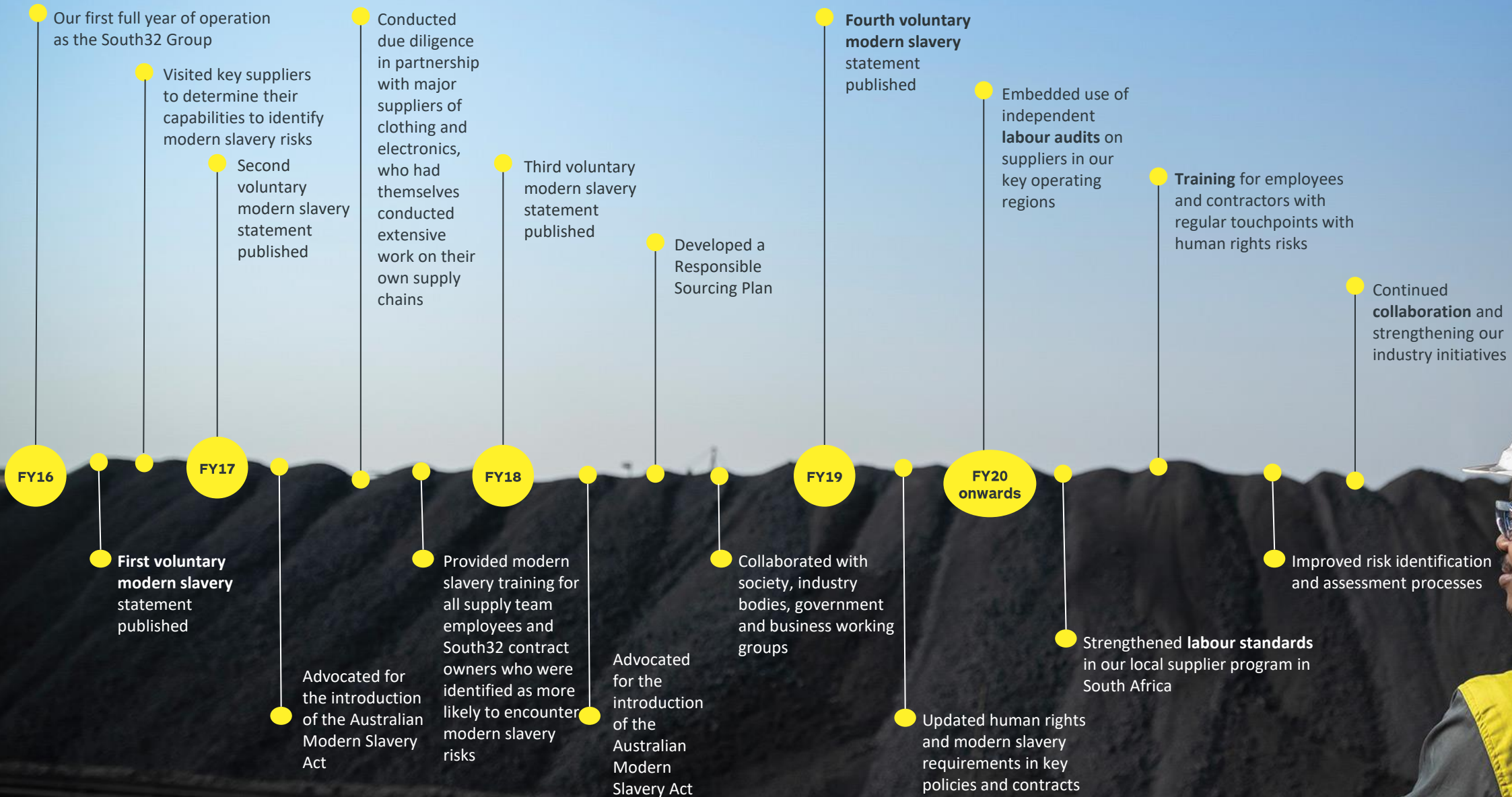
Our international team includes statisticians, criminologists, lawyers, and international development experts, working to create and agitate for mass systems change, to address the root causes of slavery.

[Modern Slavery Benchmarking Tool | Walk Free](#)

South32 provides free online training. Please connect your ESD representative to express interest.

WHAT IS SOUTH32 DOING?

OUR JOURNEY



Relationship (Supplier or ESD beneficiary)	Good or Service supplied	Country where audit conducted
Supplier	Logistics	Colombia
Supplier	Rail	Australia
Supplier	Chemicals	Mexico
Supplier	Commercial Cleaning	South Africa
Supplier	Labour Services	Mozambique
Supplier	Waste Management	Mozambique
Supplier	PPE Supplies	Australia
Supplier - Sub Supplier ⁽¹⁾	Manufacturing	India
Supplier	Services	Australia
Supplier	Metal recycling	South Africa
Supplier	Office Suppliers	Australia
Supplier	Repair of machinery and equipment	South Africa
Supplier	Waste Management	Mozambique
Supplier	Repair of machinery and equipment	South Africa
Supplier	Waste Management	Mozambique
Supplier - Sub Supplier ⁽¹⁾	IT Firm	India

(1) Audit conducted on supplier and included engagement with a sample set of contracted workforce.

In FY23 we commenced recording any significant recommendations from external audits in EthicsPoint. This allows for the recommendations to be managed according to business conduct response processes.

The results of a scheduled external modern slavery audit identified concerns raised by personnel of one of our suppliers in Africa. The concerns included issues regarding remuneration (including withholding pay and providing inaccurate pay slips), provision of appropriate Personal Protective Equipment and inadequate responses to grievances raised.

A report was raised through our internal reporting mechanism and a cross-functional team including members from South32's Supply, Legal and Human Rights teams were engaged to investigate the allegations and determine appropriate remediation.

Findings in the early stages of the investigation established the supplier itself was aware of the issues raised and was working to remediate them. Upon investigation, South32 did not consider that the identified issues amounted to modern slavery, but remediation actions were taken, including:

- provided liquidity support through the amendment of payment terms to support the supplier's cashflow and allow more prompt payments to its personnel;
- reviewed and updated Supplier Management Plan, with additional responsibility allocated to South32 personnel to support delivery of the plan;
- increased supervision of the supplier's personnel on site; and
- increased signage and training on available grievance mechanisms for the supplier's personnel.

Audits provide valuable insights into the risks within our supplier base and categories, and we use the findings to not only close identified gaps against our supplier requirements, but to identify opportunities for strengthening our relationships with suppliers and to enhance our approach to due diligence.



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