

ETHICAL SOURCING: ADDRESSING MODERN SLAVERY IN SUPPLY CHAINS

LGNSW EXCELLENCE IN THE ENVIRONMENT AWARDS

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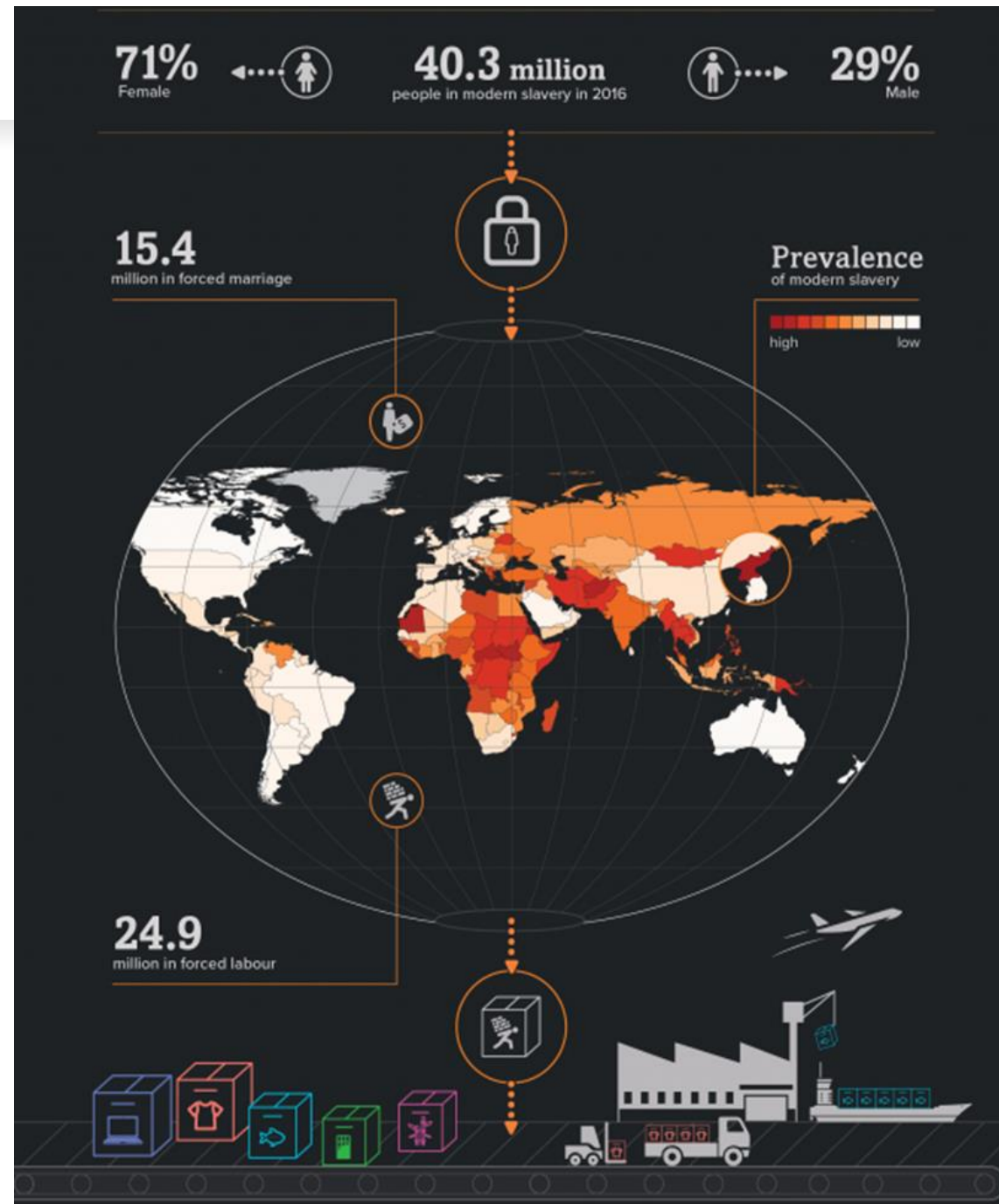
Modern Slavery Act

Implications for procurement and business.



40,000,000

- Source:
- The Global Slavery Index 2018



What is Modern Slavery



Forced Labour

- Any work or services which people are forced to do against their will under the threat of some form of punishment.



Debt Bondage – or bonded labour

- People borrow money they cannot repay and are required to work to pay off the debt, then losing control over the conditions of both their employment and the debt.



Human Trafficking

- Transporting, recruiting or harbouring people for the purpose of exploitation, using violence, threats or coercion.



Descent based Slavery

- Where people are born into slavery; they remain in slavery by descent.



Child Slavery

- When a child is exploited for someone else's gain. It can include child trafficking, child soldiers, child marriage and child domestic slavery



Forced or early marriage

- When someone is married against their will and cannot leave the marriage. Most child marriages can be considered slavery.

A human perspective



The Problem – Australia

- The Global Slavery Index 2018 estimates that on any given day in 2016, there were 15,000 living in conditions of modern slavery in Australia.

Imports of products at risk of modern slavery to Australia

Product at risk of modern slavery	Import value (in thousands of US\$)	Origin countries
Laptops, computers, and mobile phones	7,023,185	China, Malaysia
Apparel and clothing accessories	4,520,010	Argentina, Brazil, China, India, Malaysia, Thailand, Vietnam
Fish	368,108	China, Ghana, Indonesia, Japan, Russia, South Korea, Taiwan, Thailand
Rice	40,625	India
Cocoa	22,558	Côte d'Ivoire, Ghana

Source: The Minderoo Foundation Pty Ltd

A changing legal landscape

- Emergence of modern slavery and ethical procurement legislation globally
 - USA: Federal regulations and Californian TISC law
 - UK: Modern Slavery Act introduced in 2015
 - France: Duty of Vigilance Law 2017
 - The Netherlands: Child Labour Due Diligence
 - EU: Conflict Minerals Regulation – 2021
- Locally here in Australia:
 - NSW Modern Slavery Act (under inquiry)
 - Commonwealth Modern Slavery Act 2018
- (effective 1 January 2019)



A global framework



Goal 8: Decent Work and Economic Growth



Target 8.7

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, including recruitment and use of child soldiers,
- and by 2025 end child labour in all its forms

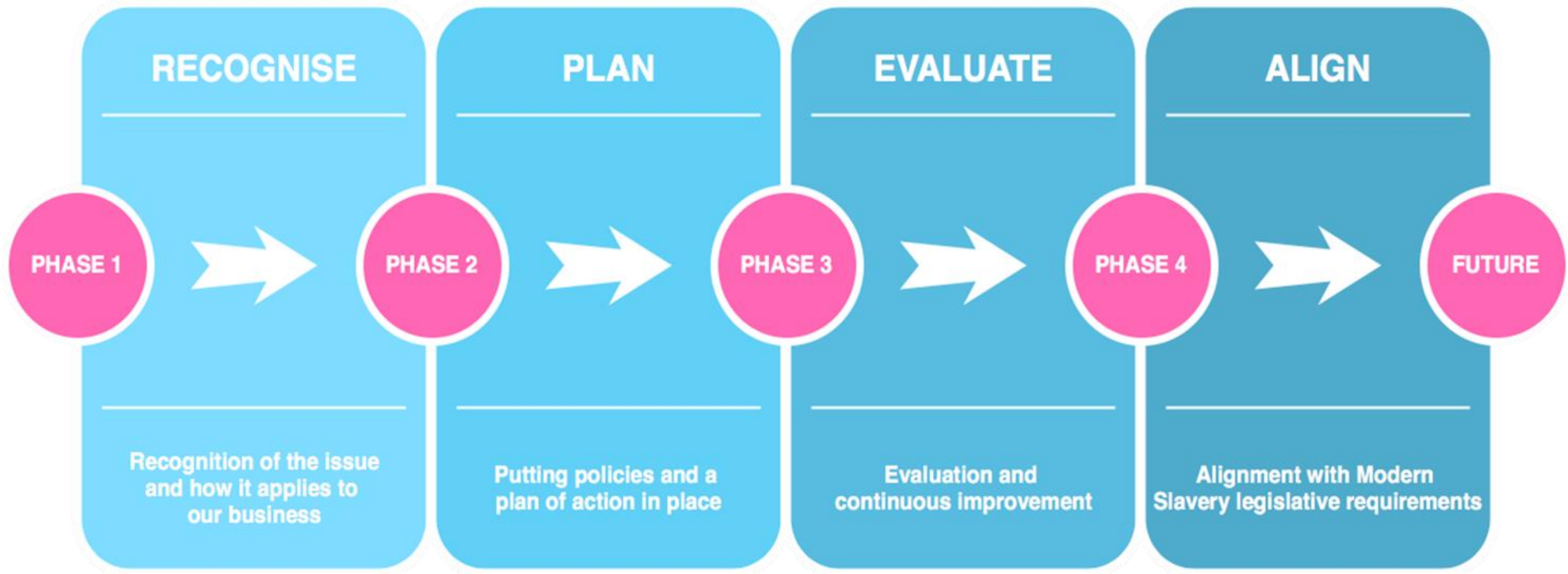
Konica Minolta's journey

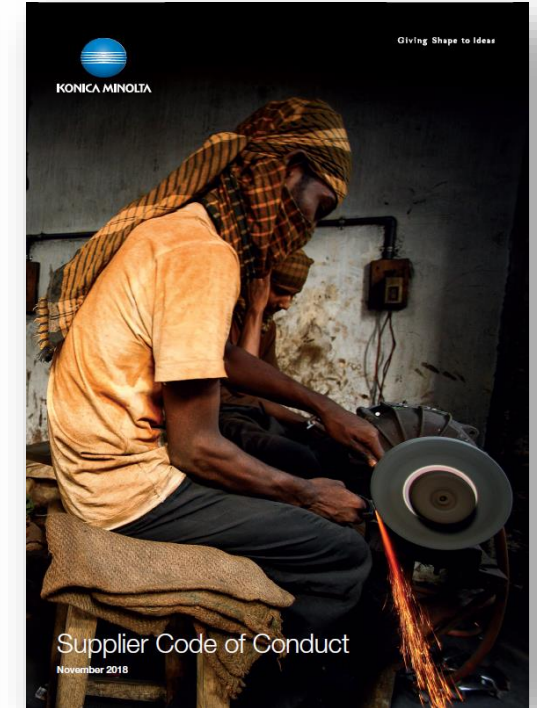
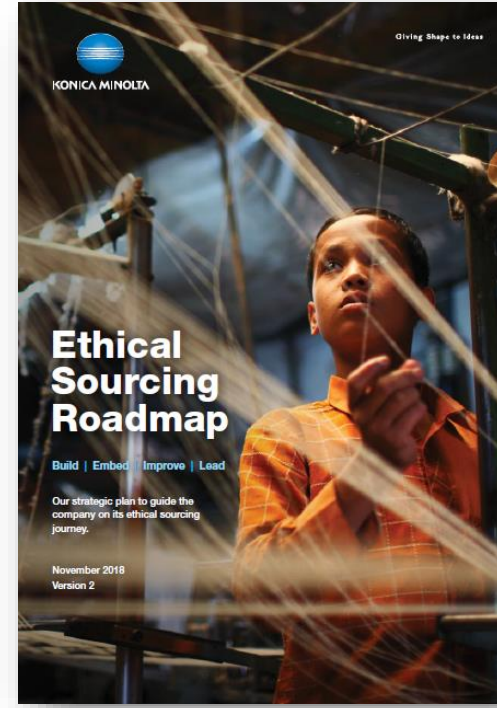
Sex slavery in Cambodia

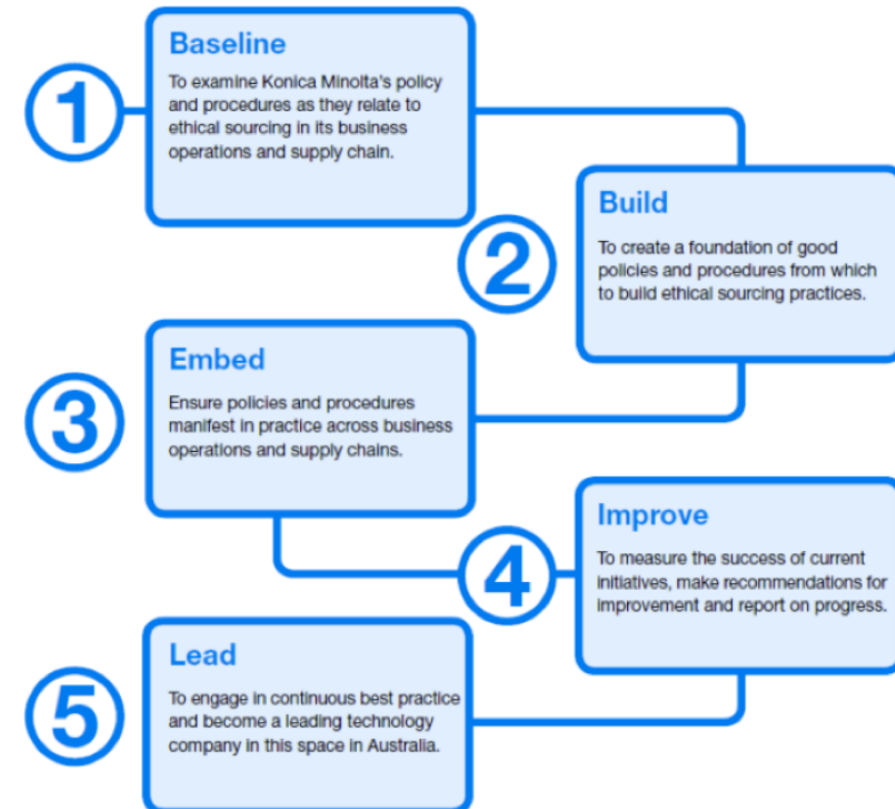
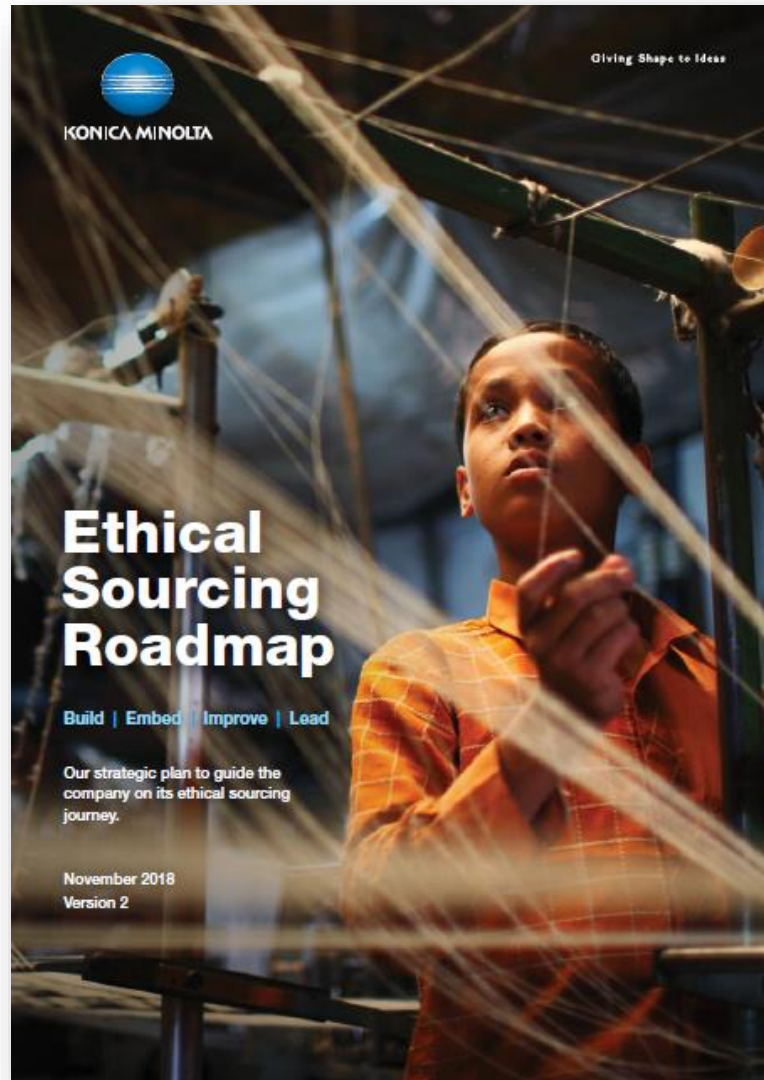


Insert updated human rights video

Ethical Sourcing: Our Journey So Far







Examining our supply chains

Risk areas

- Conflict Minerals
- Electronics manufacturing
- Logistics
- Cotton
- Electronics
- Cleaning & security
- Outsourcing & sub-contracting

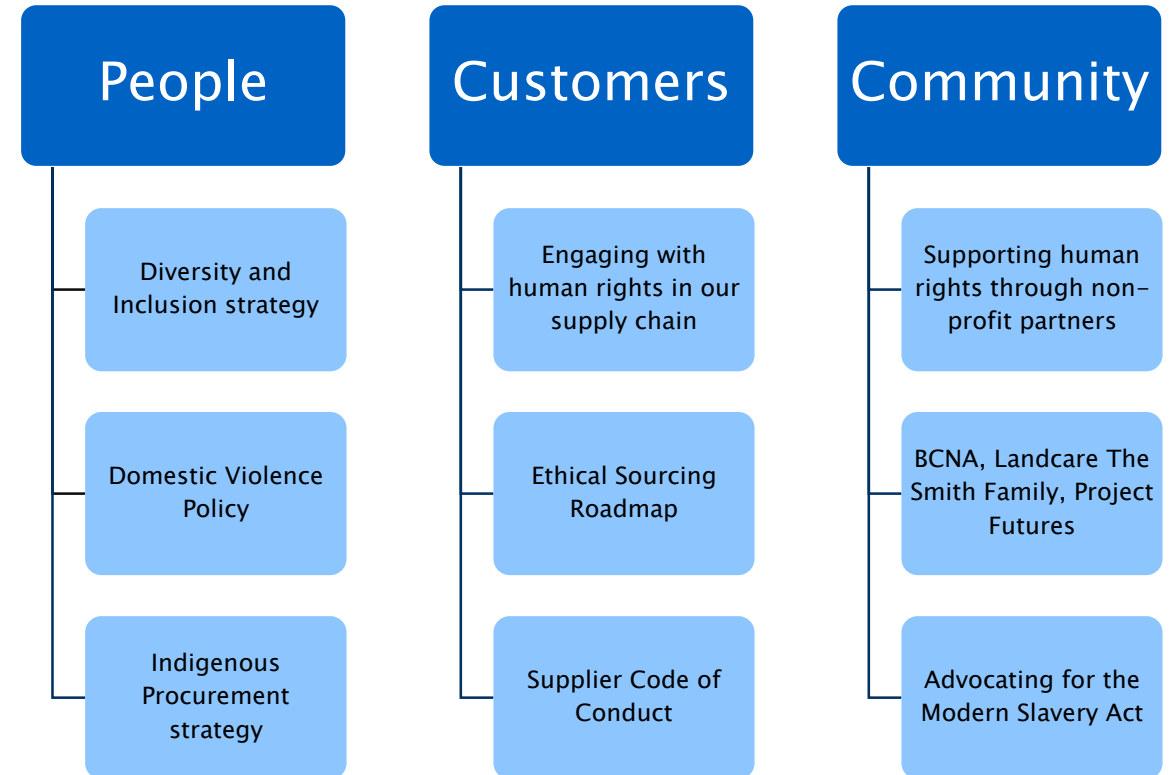






Konica Minolta receives top honour in the Australian Human Rights Commission Human Rights Awards

- Awarded the Human Rights Award 2018 in the Business category for showing leadership in the people-centred policies that promote human rights in its business and supply chain.



Australian Modern Slavery Act 2018

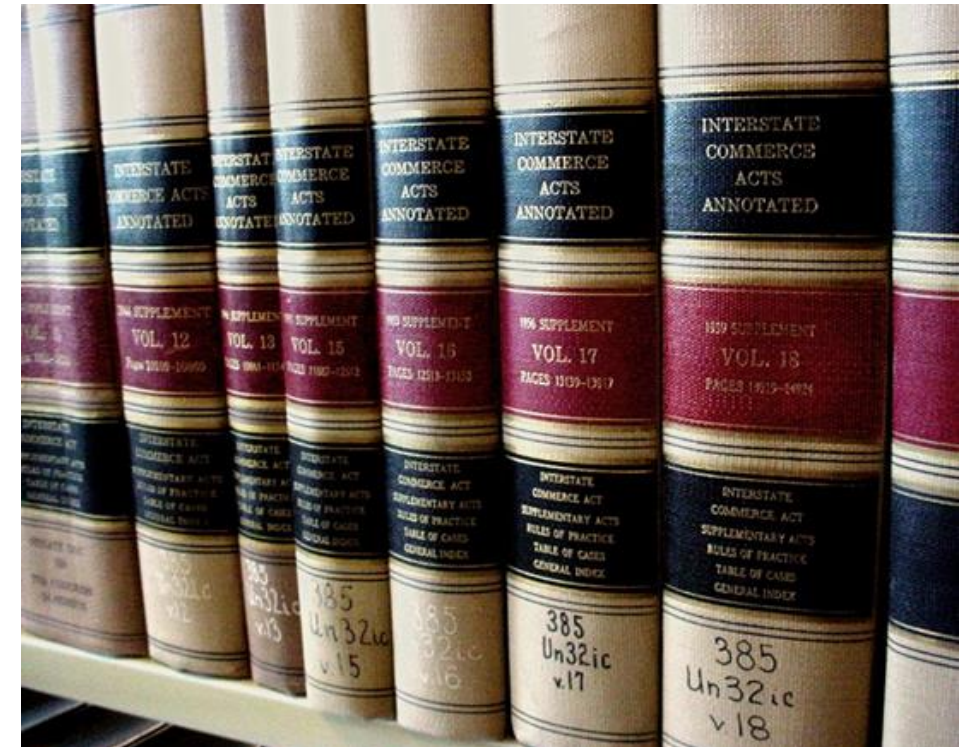
Businesses and other entities will fall under...

Commonwealth Modern Slavery Act 2018 (1 January 2019)

- Businesses and other entities with AUD\$100m+ annual turnover
- Includes government

NSW Modern Slavery Act 2018 (awaiting regs, under inquiry)

- Businesses with AUD\$50+ million annual turnover
- Penalties up to \$1.1 million for non-compliance may apply
- NSW Government Agencies must take 'reasonable steps'
- Anti Slavery Commissioner



The Modern Slavery Statement must describe:

- The entity's structure, operations and supply chains
- The potential modern slavery risks in the entity's operations and supply chains
- Actions the entity has taken to assess and address those risks, including due diligence and remediation processes
- How the entity assesses the effectiveness of those actions.

Modern Slavery Act 2018 – Key elements

Mandatory Annual Reporting on actions taken to assess and address risks of Modern Slavery in Operations and Supply Chains with sign-off by the entity's governing body

- **Effective 1 January 2019** onwards, reports due within 6 months of EFY
- Minimum reporting threshold is AUD\$100million annual turnover
- Public repository of reports to be maintained by the government
- Dedicated Government Business Engagement Unit established to aid businesses with compliance
- Commonwealth departments will be required to report under the Act
- No financial penalties but a Ministerial 'show cause process' is included
- 2 parliamentary Committee Inquiries conducted
- Extensive consultation

“

- Ultimately, businesses exist for people: the people who work within them, invest in them, and buy from them – and these people care about the impact companies they are connected with have on society as a whole, and the human rights of others.

”

- Dr David Cooke,
- Chairman and Managing Director Konica Minolta Australia





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