



**SBC Spotlight Series**

**Modern Slavery and the business  
of Human Rights**

**September 2022**

Written by



**EY**

Building a better  
working world

# What does modern slavery mean in the NZ context?

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## Definition of modern slavery

Modern slavery is severe exploitation that a person cannot leave due to threats, violence or deception. It includes forced labour, debt bondage, forced marriage, slavery, and human trafficking.

Most cases of forced labour – 86% - are found in the private sector in industries including manufacturing, construction, agriculture and domestic work. Millions of people, mainly women and girls, are also estimated to be trapped in commercial sexual exploitation. The other 14% of cases are state-sanctioned forced labour.

## Fifty million people now trapped in modern slavery in a 'surge of exploitation'

**New estimates say the past five years has seen 10m more people enslaved and millions more children forced into early marriage**

## Consultation on Modern Slavery and Worker Exploitation

CLOSED

Submissions closed: 07 June 2022, 5pm

Feedback was sought on a legislative response to Modern Slavery and Worker Exploitation, Forced Labour, People Trafficking and Slavery.

# The changing legislative landscape in NZ and key international markets business must prepare for.

A Trade Aid supported initiative has received the support of more than 80 New Zealand companies who have signed a joint letter to the government.

The letter urges an inquiry into whether New Zealand needs a Modern Slavery Act. The open letter is being presented to Minister Wood in Wellington on 16 March, and is a joint initiative by Trade Aid, World Vision and Walk Free.

## NZ businesses show support for a Modern Slavery Act

March 16, 2021



Minister Wood has recently said “it was intended new anti-slavery legislation would go before Parliament next year” - *Stuff*

We commend the attention given in the discussion document to a proposed **graduated due diligence system**. This system ensures that small, medium and large entities demonstrate an awareness of modern slavery **risks, and** respond to those risks in a reasonable and proportionate manner.

- ▶ We acknowledge the consistent references throughout the discussion document to **Te Tiriti o Waitangi and Kaupapa Māori approaches**. We reiterate the importance of acknowledging iwi as treaty partners and approaching **Mātauranga Māori** as a form of insight and inspiration.
- ▶ We support the establishment of a legislation that **drives progress without creating an unnecessary administrative burden for entities**. We believe that the proposed legislation should complement, not duplicate, voluntary efforts currently undertaken by entities to improve human rights in their supply chains.
- ▶ We provide **alternative amendments to proposed legislation**. We suggest that a sector's modern slavery risk should be used to supplement the revenue threshold model when determining proportionate legislative responsibilities. We also suggest that supply chain disclosures should be subject to external verification.
- ▶ Overall, we believe what has been set out is **achievable and reasonable for small, medium and large entities**, and we look forward to seeing it considered and put forward as a legislative option.

How does TWG take responsibility for human rights and environmental impacts across its value chain.



# **ETHICAL SOURCING REPORT**

**Review our public reports  
for deeper insight**

## Top 5 pointers ....

### **Map your value chain**

*Weight for risk / value*

### **Develop Policy**

*Board & Executive Mandate – embed in Terms of Trade*

### **Information Systems**

*Trace procurement to source in real time / Reporting*

### **Deploy Due Diligence –**

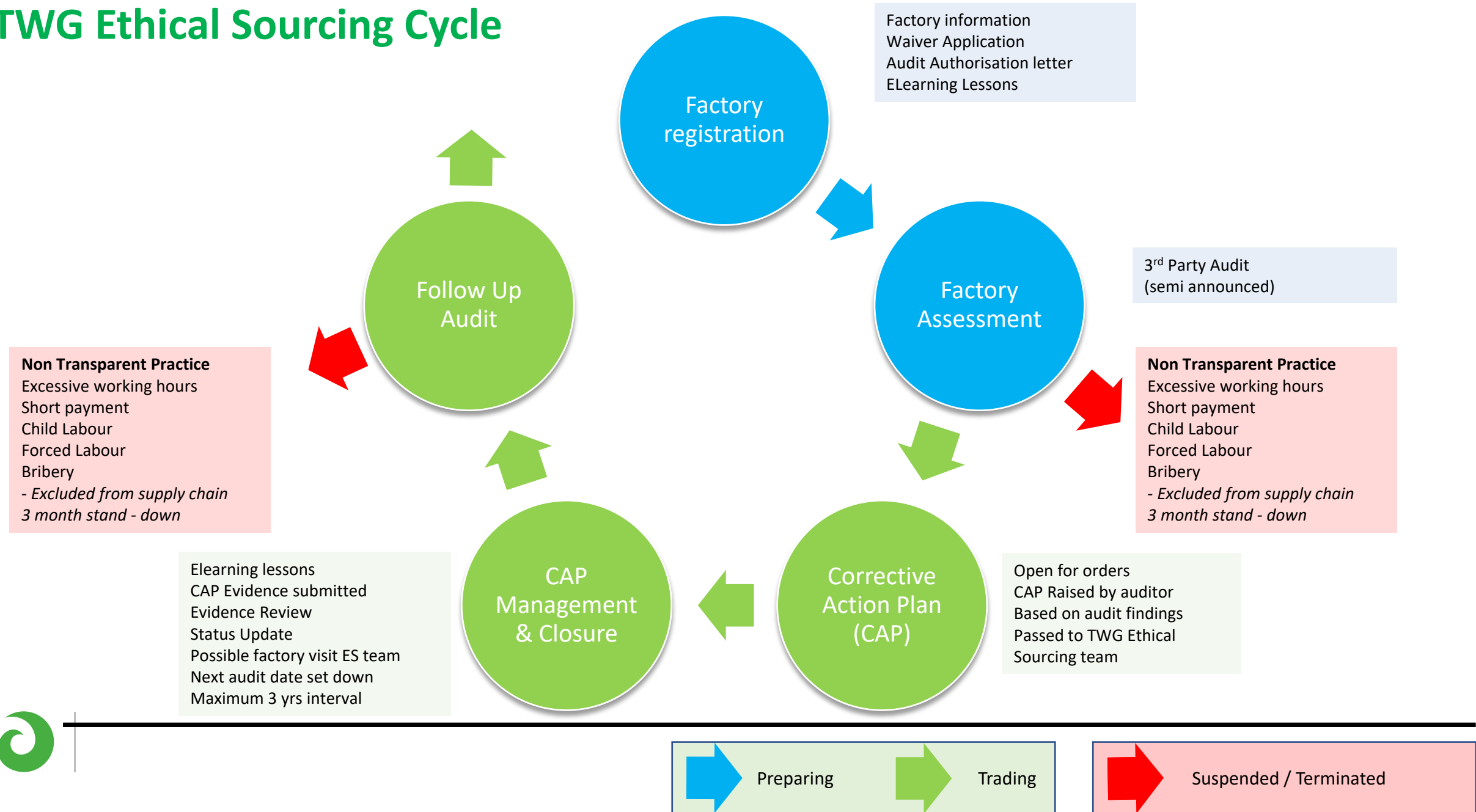
*Internal & External Capability – Scope? Forced labour specialty*

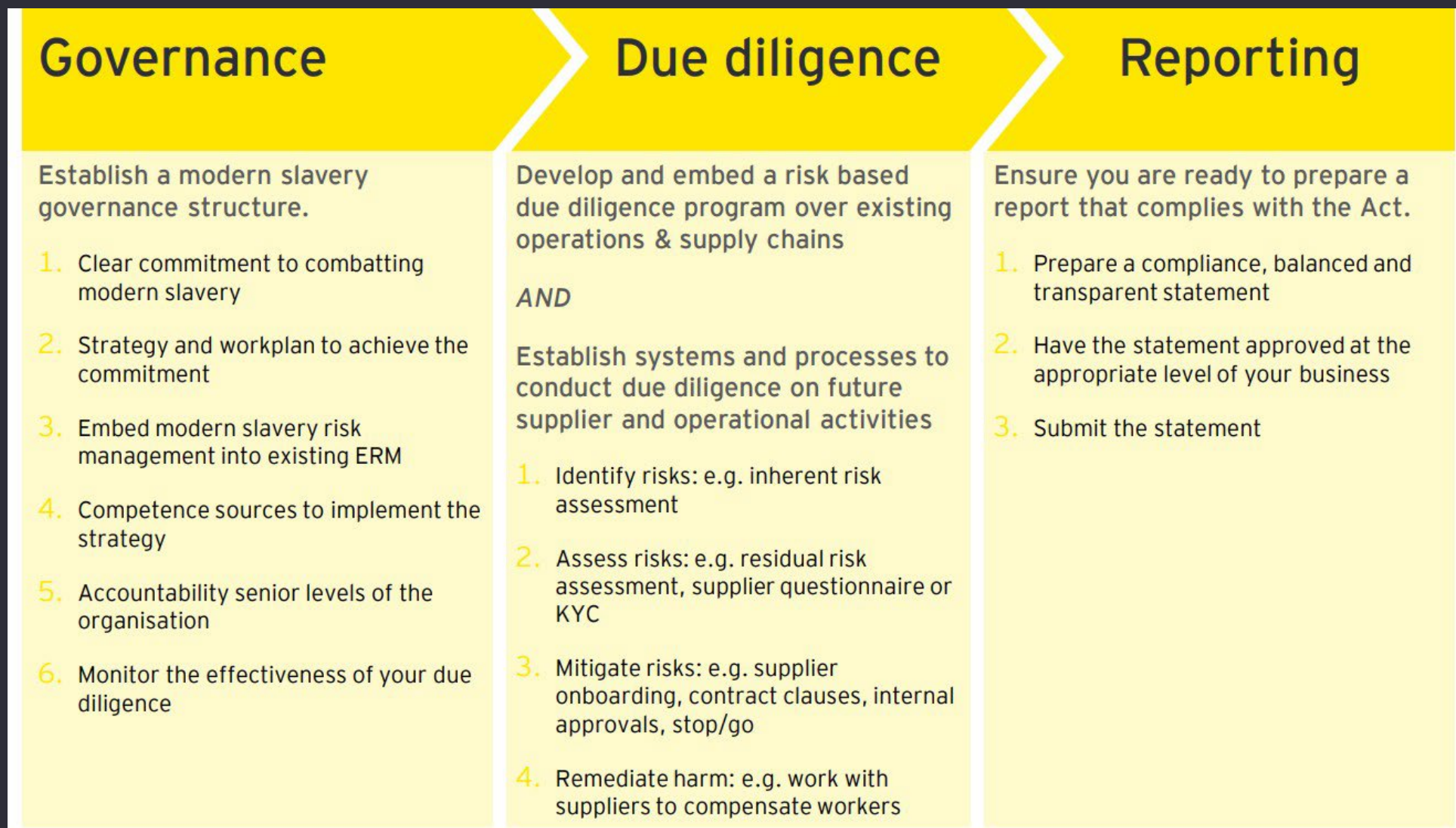
### **Remediation / Supplier Development**

*Carrot vs Stick . Vendor & factory Training . Worker centric validation – grievance channels*



# TWG Ethical Sourcing Cycle







# EY's Modern Slavery Reporting Readiness + SBC Support

## Modern slavery risk management self-assessment checklist

### Governance

1. Do you have a clear, public **commitment (i.e. a policy)** to addressing and combatting modern slavery in your operations and supply chains? Y/N
2. Have you assigned **roles and responsibilities** for implementing the commitment in both operations and supply chains? Y/N
3. Have you established a **governance structure** to monitor the progress of your business toward achieving the commitment, is there senior leadership oversight? Y/N
4. Have you developed a **strategy and workplan** to achieve your commitment across your operations and supply chains? Y/N
5. Do you have **policies and procedures** in place to give effect to your commitment? This may include, for example, a supplier code of conduct, and procedures setting out how the business will conduct due diligence on prospective suppliers to manage the risks of non-compliance with that code of conduct and requirements for monitoring supplier performance against the code of conduct (i.e. annual audits). Y/N
6. Are you actively **monitoring** your progress towards achieving the commitment, i.e. tracking progress against the workplan and revising and updating the workplan periodically? Y/N
7. Are you periodically **reporting** internally on your progress to achieve your commitment to senior leadership? Y/N

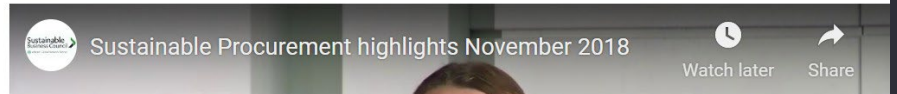
### Due diligence

8. Have you assessed the risks of modern slavery in your existing operations and supply chains? Y/N
9. Do you have systems and procedures in place to assess the risks of modern slavery for prospective Y/N

## Sustainable Procurement Workshop

In November, SBC held workshops in Auckland, Christchurch and Wellington on how and where sustainability fits into the procurement process, and how to tackle challenges. Across the three cities, more than 100 people who work in procurement or sustainability attended to discuss supply chain issues, such as modern slavery and plastics, and heard from guest speakers Kiri Hannifin (GM Corporate Affairs and Sustainability, Countdown), Dawn Baggaley (Head of Sustainability, New Zealand Post) and Louise Aitken (CEO, Ākina).

Highlights from the event



# MFAT Guidance on combatting modern slavery

The New Zealand Government encourages businesses to work with relevant industry groups and non-governmental organizations and seek independent advice to ensure human rights are upheld in their supply chains. Businesses with international supply chains are encouraged to assess the risk of modern slavery including forced labour in their supply chains and implement human rights due diligence as applicable.

The [UN Guiding Principles on Business and Human Rights](#), and the [OECD Guidelines for Multinational Enterprises](#) provide guidance on best practices for this type of due diligence.

Businesses may find the following resources helpful in obtaining information on combatting modern slavery including forced labour in supply chains:

- [International Labour Organisation](#)
- [World Vision](#)
- [Walk Free Foundation](#)
- [The Shift Project](#)
- [Responsible Business Alliance](#)
- [KnowTheChain](#)
- [Responsible Sourcing Tool](#)

## Further resources

The below New Zealand-specific resources provide guidance to businesses on how to ensure human rights are respected in business operations:

- [Human Rights Commission](#)
- [New Zealand Sustainable Business Council](#)
- [Employment New Zealand – Ethical and sustainable work practices explained](#)
- [Employment New Zealand – Identifying and minimising labour rights issues in your supply chains](#)
- [Employment New Zealand - Assuring ethical and sustainable work practices through procurement](#)
- [Employment New Zealand - Risk factors to manage](#)