



Modern Slavery

Small to Medium Enterprise (SME) Suppliers Toolkit

A practical guide to support IAG SME suppliers with the knowledge and understanding to streamline modern slavery compliance activities in their operations and supply chains that contribute to IAG products and services.

Introduction

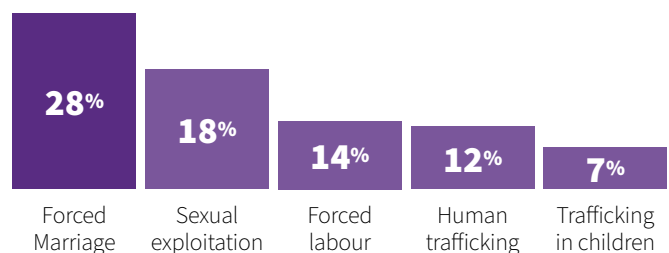
At IAG, we strive to demonstrate the highest standards of business ethics and are committed to managing our supplier relationships in a sustainable, transparent, and responsible manner.

IAG cares about how our suppliers manage their operations and supplier relationships and expect that the people and communities along our supply chain are not adversely impacted by our suppliers' actions and decisions.

Understanding modern slavery

Modern slavery describes situations where coercion, threats, or deception are used to exploit victims to undermine or deprive them of their freedom.

Examples of modern slavery offences that were referred to the Australian Federal Police in the 2021-22 reporting period:



Types of Modern Slavery offences referred to the Australian Federal Police (2021-2022)

Source: [Anti-Slavery Australia](#)



Understanding the Modern Slavery Act 2018 (Cth)

The Modern Slavery Act 2018 (Cth) defines modern slavery as including eight types of serious exploitation:

- trafficking in persons;
- slavery;
- servitude (the state of being a slave or completely subject to someone more powerful);
- forced marriage;
- forced labour;
- debt bondage (pledge of a person's services as security for the repayment for a debt or other obligation);
- deceptive recruiting for labour or services; and
- the worst forms of child labour.

The worst forms of child labour mean situations where children are subjected to slavery or similar practices, or engaged in hazardous work.

The reporting requirement of the Act aims to support the Australian business community to identify and address their modern slavery risks and maintain responsible and transparent supply chains. Under the reporting requirement, large businesses such as IAG will work with SME suppliers to reduce the risk of modern slavery in their supply chain and publish an annual modern slavery statement covering the actions done.

The statement must describe the risks of modern slavery in the reporting entity's operations and supply chain (and entities it owns or controls). The statement must include information on actions taken to address those risks.



Minimum requirements for IAG Suppliers

As a condition of doing business with IAG, we expect all suppliers to operate in a manner that meets or exceeds our minimum requirements, outlined in our [IAG Supplier Code of Conduct \(SCOC\)](#) and to be able to demonstrate suitable measures are in place to meet our minimum requirements regarding modern slavery reporting and prevention. [Read more.](#)

Although the reporting requirements do may not apply to your business, IAG's expectations as set out in our Supplier Code of Conduct, under the Modern Slavery section are:

IAG Suppliers:

- must not use modern slavery practices in their operations or supply chain.
- must not require their workers to submit deposits or government-issued identity documents (such as passports) to be held as a condition of employment.
- must actively support the abolition of modern slavery by taking measures to identify and mitigate modern slavery risks along their supply chain.
- Other Social Expectations under our SCOC include sections on Child Labour, Worker Entitlements, Sub-contractors, Freedom of Association, and Inhumane treatment.

Guidance for IAG SME Suppliers

As an SME, what can I do?

Your approach should be proportionate, and you shouldn't worry if you are unable to fully investigate your supply chain. However, it is important that you know how your business is exposed to modern slavery so that you can target your approach.

- Review and assess your supply chain to give confidence that your business does not contribute to modern slavery.
- Map your supply chain to assess potential risk areas. Know where all your goods, services or raw materials are coming from and know the circumstances of the workers employed to manufacture them.
- Identify any potential risk areas where people can be exploited in the different tiers of your supply chain. Set clear expectations on your suppliers and get them to share the steps they are taking to prevent modern slavery in their supply chains.
- Create awareness towards modern slavery for yourself and your employees. Take trainings and educate yourself on recognising, preventing, and dealing with forced labour.
- Modern slavery can sometimes be mistaken with breaking [Fairwork](#) rules, but it comes into picture when all the instances are coupled with abuse, deception, or coercion, into a situation of forced labour, servitude, or slavery-like practices. Make sure that there are enough controls and assurance that your business does not engage in any of them.
- Develop an Anti-Modern Slavery Policy that you can provide to the businesses you are supplying to.
- Contact the Australian Federal Police on 131 237 immediately if you have discovered illegal activity.

1 Example modern slavery red flags



A supplier has abnormally low pricing and very quick turnaround times.



Limited visibility over suppliers or subcontractors that a supplier engages.



Large proportion of migrant workers, particularly from developing countries in a company.



Large proportion of casual and temporary workers.

Other red flags to look out for:

- ▶ Workers that are dropped off and collected for work always in the same way, especially at unusual times – very early or late at night.
- ▶ Workers and/or subcontractors that have few personal belongings, wear the same clothes every day or wear unsuitable clothes for work.
- ▶ Workers with passports and identity documents withheld and have poor work health and safety.
- ▶ Workers that are withdrawn and are scared to interact with other people.

2 How do I know if I have modern slavery risk exposure in my business?

Based on the Global Slavery Index the following sectors are commonly identified as high risk for labour exploitation and the following table can be used to assess where, greatest risk of modern slavery occurs by categories and vulnerable workforce types.

If you fall under any of the below, your business may be at risk of encountering modern slavery.

The more items you say yes to, the higher the risk.

Industry type/Product or Service Supplied
Cleaning
Catering
Hospitality
Building and Construction
Manufacturing
Welding
Mechanical Repairs
Hospitality
Agriculture
Security
Logistics and Warehousing
Electronics
Cotton/Uniforms and PPE

Nature of Workforce
Low-skilled or unskilled workers
Low-paid workers and or vulnerable workers
Temporary, seasonal, agency workers or workers employed by labour providers
Subcontracted workers
Isolated workers (rural locations, home-based or unmonitored environments)
Workers who live on site or are provided accommodation
Migrant workers

*The geographical location of your operations or the origin of products you source can also increase the risk and exposure to modern slavery.

can provide more information on the risk due to geographical location.


3 Where can I get more information


4 Who can I reach out to

- If you or someone is in immediate danger, call 000
- In case of modern slavery practices occurring offshore, please contact the Australian Border Force (ABF) at slavery.consultations@abf.gov.au
- If you identify modern slavery practices that are occurring in the country, contact the Australian Federal Police on 131 237 or email NOSSC-Client-Liaison@afp.gov.au
- Contact details for IAG's Whistleblower Confidential service is:

 www.iagactionline.deloitte.com.au (User ID: iag, Password: insurance)

 IAGActionLine@deloitte.com.au

 Australia and Singapore: +61 1800 110 287 New Zealand: 0800 407 627

 IAG ActionLine
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A'Beckett Street
VICTORIA 8006 AUSTRALIA



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References

¹ABS Counts of Australian Business, Table 13a, August 2022 and ASBFEO calculations (excludes businesses that are not registered for GST).

²Australian Government Attorney General's Department Modern Slavery definition

³Anti-Slavery Australia - <https://antislavery.org.au/modern-slavery>