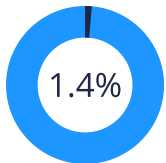


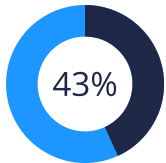


# Mining

## High Risk of Modern Slavery



of workers in forced labour exploitation are in the mining and quarrying sector.



of people in forced labour exploitation in the mining industry are in situation of debt bondage.

### Domestic vs. International operations



Within Australia the mining sector is well-regulated with an emphasis on strong Workplace Health and Safety Frameworks and worker representation, resulting in minimal risk of exploitation of workers. However, the supply chains operations of Australian companies around the world still represent a high risk of modern slavery.

## Risk Factors

### Vulnerable Workforce

Mining is a labour-intensive sector reliant on a base-skill workforce in which workers can be easily replaced, leading to a higher risk of exploitative practices.

### Low-tier suppliers in high-risk geographies

Most mining companies operating internationally are based in countries where conflict, corruption, weak rule of law and poverty increase the risk of human right violations for workers.

### High-risk business models

The construction and operation of mining sites often involves third-party labour arrangements to recruit workers, limiting the company's visibility of workplace practices and increasing the complexity of risk management and mitigation.

### Lack of transparency in supply chains

Significant stages in the mining lifecycle such as project construction, development, and product procurement, as well as transportation carry high modern slavery risk and are hidden below the first-tier of suppliers making it challenging to gain visibility and transparency of conditions for workers.



# Case Study

## Transparency in the cobalt industry

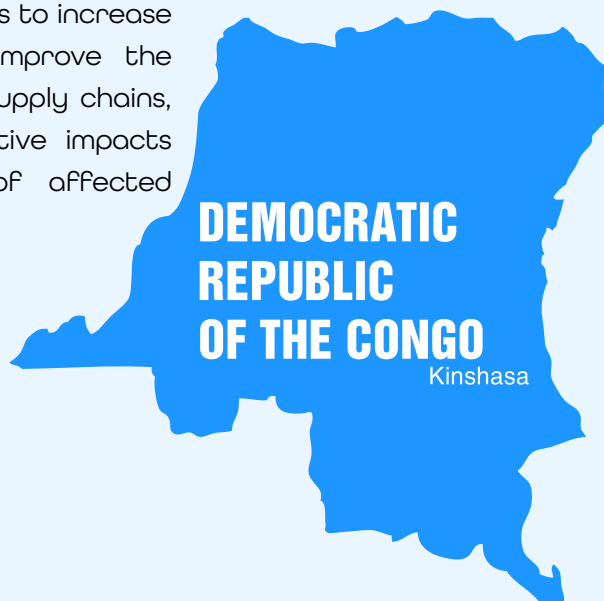
Cobalt is a crucial component of the lithium-ion rechargeable batteries that power smartphones, laptops, industrial robots and automobiles. The Democratic Republic of Congo (DRC) is responsible for roughly 70% of the global production of cobalt.

In the DRC, artisanal mining is widely practised. On this, the workers - including children - use only rudimentary tools and their hands to find rocks that contain the minerals, facing dangerous conditions for low salaries.

To address these risks, the Responsible Cobalt Initiative was created as an alliance between upstream and downstream enterprises of the global cobalt supply chain, the Chinese cobalt importers, the OECD and other stakeholders.

The enterprises on the initiative must agree with the China Chamber of Commerce for Metals and Chemicals Importers and Exporters (CCMC) and the OECD Due Diligence guidelines.

The initiative aims to increase transparency and improve the governance of the supply chains, minimizing the negative impacts on the livelihood of affected communities.



## Additional Resources



OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, **OECD, 2022**



An introduction to the OECD Due Diligence Guidance for Responsible Mineral Supply Chains for Upstream Actors



The Australian Minerals Industry & Human Rights  
**Global Compact Network Australia**



# Building on Business Practices



## Engage

### Education and commitment

- Provide **training** for staff and suppliers to build awareness about modern slavery risks and impacts.
- Create a **working group** to action changes within a company's processes, systems, and supply chains.

## Assess

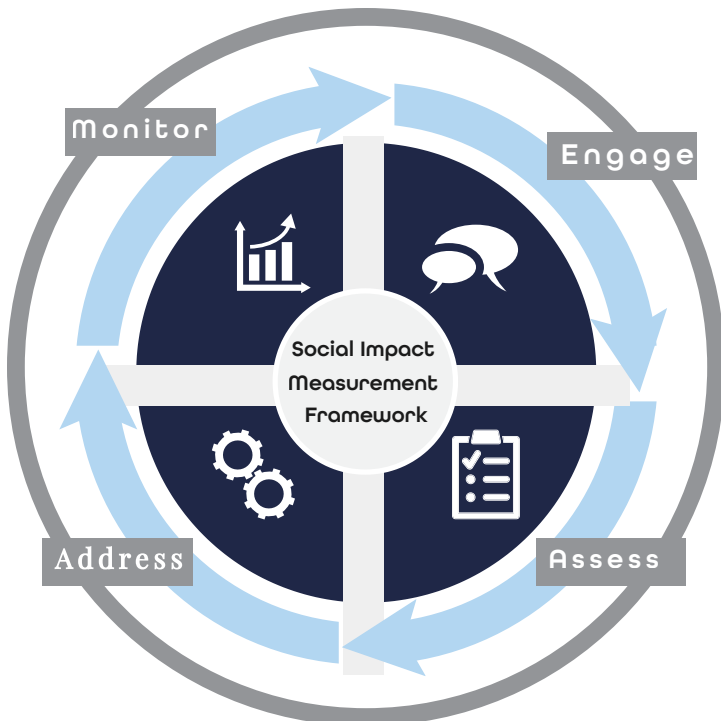
### Map operational and supply chain risks

- **Map** the organisation's structure, businesses, and supply chains.
- Perform a **risk assessment** – identifying those parts of the business operations and supply chains where there is a risk of modern slavery.
- **Investigate** high-risk suppliers by carrying out further due diligence.
- Formulate **policies** in relation to modern slavery – this will involve collating current policies, identifying gaps, adapting existing policies and formulating new policies, as needed.

## Address

### Mitigate risk and build capacity

- **Engage** with suppliers to strengthen understanding of modern slavery and build capacity.
- Improve **purchasing practices** (such as forecasting, contract negotiations, and prompt payment to suppliers) to alleviate undue pressure on suppliers.
- Use **positive leverage** and incentives to encourage and reward the provision of stronger labour standards by suppliers.
- Ensure **third-party recruitment agencies** are ethical and certified.
- Develop **remediation** policies to outline actions required and carrying out those remedial steps if cases of modern slavery are identified.



## Monitor

- Elevate worker's voice (both internally and externally) through access to credible grievance systems including whistle-blower mechanisms.
- Establish processes and KPIs to monitor the effectiveness of the steps taken to address modern slavery risk.



# Case Study

## People-centred response to slavery risks

When a company uncovers modern slavery risks associated with a supplier, instantly discontinuing work with that entity can have adverse effects for individuals within the supply chain. Companies should aim to build capacity rather than disassociate themselves from suppliers in high-risk categories.

When Andrew Forrest, Founder and former chief executive of Fortescue Metals Group, began a thorough process of auditing subcontractors and conducting on-site assessments of major suppliers, the investigation uncovered forced labour within the operations of multiple suppliers. Fortescue Metal Groups, used positive leverage and collaboration to increase transparency within the sector, committing to help suppliers remediate and mitigate the risk of slavery within their operations if they were willing to honestly report and change their business practices.



# WALK FREE FOUNDATION

In 2012, Forrest started the non-profit Walk Free Foundation with his wife, Nicola, which undertakes research to build a comprehensive evidence-base of modern slavery (The Global Slavery Index) and engages with governments and business to create legislative change.

## Obligations under the Australian Modern Slavery Act



READ MORE

## Further questions

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