

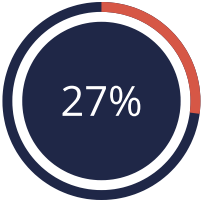


Property and Construction

High Risk of Modern Slavery

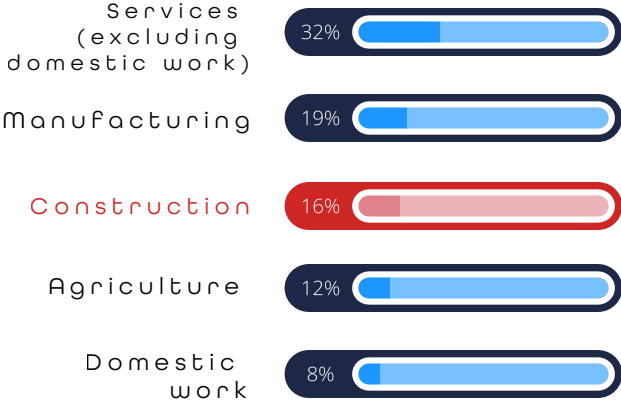


16% of adults in forced labour are found in the construction industry



27% of victims of debt bondage are in the construction industry

The ILO places the construction sector in the **third-highest** proportion of victims of **forced labour worldwide**. This represents 2.6 million people.



Risk Factors

Vulnerable Workforce

Construction is a labour-intensive sector reliant on a base-skill workforce in which temporary and irregular work is prevalent, leading to a higher risk of exploitative practices. The prevalence of migrant workers as labourers on construction sites also increases the risk of practices such as debt bondage and visa exploitation.

Low-tier suppliers in high-risk geographies

Raw materials are primarily sourced from locations with a high risk of modern slavery (due to conflict, poverty, displacement, weak rule of law, corruption, and/or state failure to protect human rights).

Lack of transparency in supply chains

Sourcing essential materials involve complex multi-tiered supply chains including contractors and sub-contractors, resulting in the limited visibility of the modern slavery risks for companies within the construction and property industries.

High-risk business models

Outsourcing is a core aspect of business models within the sector, decreasing the visibility of labour risks and impacts. This is exacerbated by the prevalence of numerous short-term contracts structured on low margins and significant pressure on delivery times.



Case Study



Vulnerability of migrant workers

During the construction of the Khalifa International Stadium in Doha for the 2022 World Cup, Amnesty International revealed in a report that migrant workers have suffered forced labour, among other systematic abuses. The report was based on interviews with 132 migrant construction workers who reported abuses including being deceived about the job roles and payment; living in squalid and cramped accommodations; having their passports confiscated and not having exit permits so they could leave the country; among others.

In 2014, Qatar's Supreme Committee for Delivery and Legacy, the organization responsible for the stadium's construction, published the Worker's Welfare Standards to require companies working on World Cup projects to ensure better standards for workers than those provided under the Qatari law. In 2017, Qatar also promised labour reforms on its system signing an agreement with the ILO to align its laws and practices with international labour standards. However, Qatar was not able to keep its commitment enforcing the standards.

Additional Resources



A practical guide for effective human rights grievance mechanisms in the property and construction sector



The Property Council Supplier of Australia platform reporting portal



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

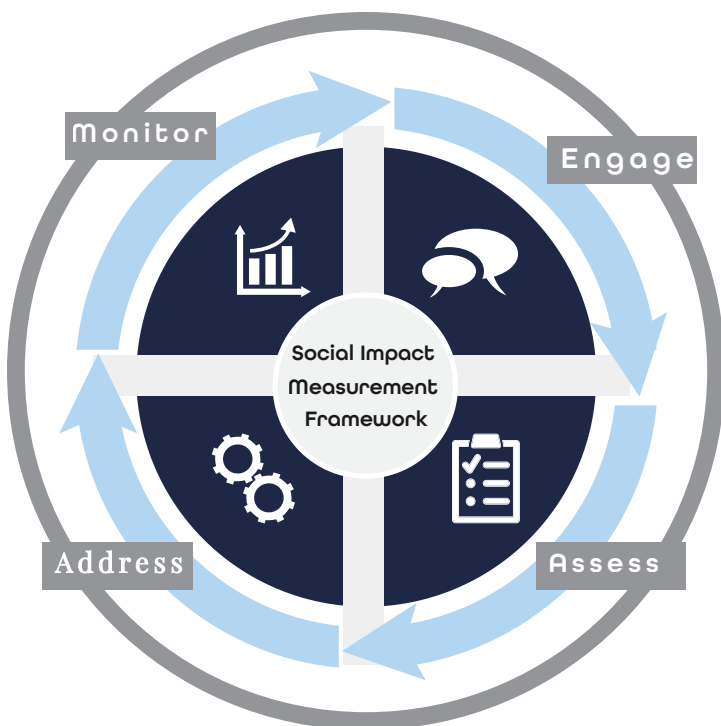
Map operational and supply chain risks

- **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

Partnership to combat modern slavery in the property and construction sector

At the end of 2019, the Property Council of Australia launched a platform to question key suppliers about the actions taken to understand and mitigate the modern slavery risks on their supply chain and shared operations. The initiative was led by 15 property companies and Property Council members. By the end of 2020, 25 organisations were supporting the initiative and it had already reached 2,650 suppliers.

The initial result of the survey shows that 12% of the respondents do not yet understand or have a general awareness of where modern slavery may exist in their operations and supply chains; 7% of them manufacture products overseas or maintain foreign operations that contribute to their delivery, and 47% of respondents use sub-contracting or third-party.

Margot Black, Head of Sustainability and Community at Charter Hall and the co-chair of the Modern Slavery Working Group, highlighted the importance of the platform given the complexity of the property and construction industry: "Rolling out a uniform platform across the industry increases reporting efficiency, encourages greater transparency in supply chain management, and helps us see the strengths and weaknesses on which we need to focus to achieve continuous improvement and productive partnerships around priority solutions."



Obligations under the Australian Modern Slavery Act

READ MORE

Further questions

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Global Slavery Index – 2023 Country Findings: Australia.
<https://www.walkfree.org/global-slavery-index/country-studies/australia/>
Amnesty International, *Qatar: Abuse of World Cup workers exposed*.
<https://www.amnesty.nl/actueel/qatar-abuse-of-world-cup-workers-exposed>.
Anti-slavery, *World Cup 2022: the reality for migrant workers in Qatar*.
<https://www.antislavery.org/latest/world-cup-2022-the-reality-for-migrant-workers-in-qatar/>.

Mirage News, Property sector show partnership is new leadership in assessing modern slavery risks (2020) <https://www.miragenews.com/property-sector-shows-partnership-is-new-leadership-in-assessing-modern-slavery-risks/s>

