

Consultation: Strengthening Australia's response to modern slavery in supply chains

SSI Response, submitted to the Australian Government Attorney-General's Department

Key questions for SSI input

Question 1

What are your views on the proposed legislative approach to the core components of a failure to prevent modern slavery offence?

The Australian government's proposed reforms to the Modern Slavery Act, which aim to strengthen Australia's legislative response to modern slavery in supply chains, offer a vital opportunity to move beyond basic reporting requirements towards an enforceable mechanism to ensure economic actors in Australia more effectively address exploitation in their supply chains. The proposed approach to introduce criminal liability for large companies that fail to take reasonable steps to identify, prevent and address modern slavery risks will better align Australia with approaches taken by key global partners, such as the European Union (EU). This helps to create a more consistent and effective global framework for responsible supply chains. This is particularly important in sectors such as solar, where rapid growth to support the energy transition must be matched by credible due diligence, greater transparency, and practical tools that help companies understand and address risks throughout complex upstream supply chains. [The Solar Stewardship Initiative \(SSI\)](#) fully supports the proposed reforms to the Modern Slavery Act, and strongly believes that robust legislation globally is essential to driving meaningful change in supply chains.

The Solar Stewardship Initiative (SSI) is a global, multi-stakeholder assurance scheme established to strengthen responsible, transparent, and sustainable solar value chains. Bringing together manufacturers, buyers, civil society, finance, human rights experts and other stakeholders, the SSI provides a practical framework for companies to assess and improve environmental, social and governance standards – including addressing modern slavery and forced labour risks, and traceability performance across solar PV manufacturing. Its role is to support credible due diligence and traceability in a fast-growing sector by combining sector-specific and internationally aligned (UN Guiding Principles on Business and Human Rights, OECD Due Diligence Guidance for Responsible Business Conduct) standards, independent third-party assessment, public certification, and continuous improvement mechanisms.

Question 2

What measures could be adopted to minimise costs for affected corporations, while ensuring the offence remains effective in achieving its objective?

- **Harmonise requirements across legislation** and align them with other jurisdictions, both within Australia and internationally, including the EU Corporate Sustainability Due Diligence Directive (CSDDD) and Forced Labour Regulation. Alignment should also remain responsive to other evolving schemes, such as those in Canada and the UK.
- **Calibrate expectations for each company based on leverage**, proximity to the risk, supply chain complexity and the size of the entity, so that compliance costs mirror a corporation's actual influence over its supply chains.
- **Recognise the role of sector-specific multi-stakeholder initiative (MSI)** standard-setting assurance schemes as part of companies' preparedness for legislation and 'reasonable steps.' MSIs such as the Solar Stewardship Initiative (SSI) harmonise standards ensuring they are aligned with national and international legislation, reduce the cost to each individual company by sharing the burden of due diligence between scheme members, and support the development of sector wide responsible supply chains. They also provide upstream reach and leverage that individual companies may struggle to achieve on their own. Participation in MSIs should not entirely replace a company's compliance responsibilities, but they can support a company's due diligence efforts and understanding of their compliance needs.
- NB: The SSI has developed two Standards in line with ISEAL best practices, the UN Guiding Principles and OECD MNE Guidelines: the ESG Standard and the Supply Chain Traceability Standard. These



Standards apply to the seven stages of manufacturing sites across the polysilicon supply chain of a solar PV panel; from quartz mine, through processing, to the final module.

Question 3

What support might corporations need to effectively understand and comply with the proposed offence and defence, including to help business more broadly take action to combat modern slavery?

- **Recognise credible third-party assurance and multi-stakeholder initiative (MSI) participation** as evidence contributing to 'reasonable steps.' These schemes are often already operating globally across different jurisdictions.
- **Legislation or guidance should also set out clear fitness criteria for MSIs**, so industry, civil society, finance and government can evaluate their effectiveness in supporting compliance. Fitness criteria should involve consideration for:
 - **Credible multi-stakeholder governance and representation:** Such schemes, as in the structure of the Solar Stewardship Initiative (SSI), should be governed with an equal representation of industry and non-industry (e.g. civil society, financial institutions, academia) to ensure the involvement of perspectives beyond industry. This prevents the case of 'industry marking its own homework.'
 - **Robust assurance:** Third-party independent audits at manufacturing site level, against comprehensive Standards (like the SSI ESG and Supply Chain Traceability Standards), by qualified and independent assessors, using a standardised and transparent assessment and certification methodology.
 - **Supporting continuous improvement:** In line with OECD Due Diligence Guidance on Responsible Business Conduct, MSIs should support industry to continually improve their ESG performance and traceability systems. This can be done through progressive levels of certifications, maintaining the robustness of the certification while incentivising the implementation of improvement plans.
 - **Vigilance against greenwashing:** MSIs should provide their members and wider audience with clear descriptions of what membership and certification means. Systems and policies should be in place to ensure that communications and claims around the MSI are accurate, verifiable, and proportionate to the level of assurance achieved, avoiding any risk of misleading stakeholders.
 - **Providing a grievance mechanism**, such as the SSI complaints and appeals mechanism.
 - **Partnerships with other assurance schemes:** For products drawn from complex or multiple supply chains, working through MSIs allows those MSIs to work together, as the SSI does with the Initiative for Responsible Mining Assurance (IRMA) and the Copper Mark.
 - **Guidance to industry:** For example, the SSI Buyers Guide provides clear steps to integrate third-party assurance into a companies' wider due diligence for procuring solar panels responsibly.
- Further criteria and technical requirements to consider can be found in the SSI response to the EU consultation on the Corporate Sustainability Due Diligence Directive implementing guidelines: <https://www.solarstewardshipinitiative.org/news/ssi-input-to-eu-csddd-implementing-guidelines/>
- **Anchor the guidance to the OECD Guidance on Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights (UNGPs)**, giving it the same conceptual base as similar legislation in the EU and Canada, and supporting greater interoperability.
- **Provide sector-specific guidance.** The SSI would welcome the opportunity to contribute solar-specific input.
- **Develop a practical tool** for companies to assess whether their internal due diligence systems align with 'reasonable steps.' Inspiration can be drawn from the UK Modern Slavery Assessment Tool (MSAT), a tool designed to help UK public sector organisations work in partnership with suppliers to improve protections and reduce the risk of exploitation of workers in their supply chains. Inspiration might also be drawn from the EU database of forced labour risks currently in development.
- **Offer training, including via sector-specific MSIs**, to support companies in mapping their supply chain risks. For example, training on traceability and documentation, especially for upstream supply chains, and trainings on forced labour risk indicators, such as recruitment fees, migrant worker risks, excessive overtime and subcontracting, and training and guidance on OECD and UN aligned remediation practices.