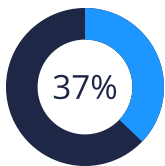




# Garment & Textile

## High Risk of Modern Slavery



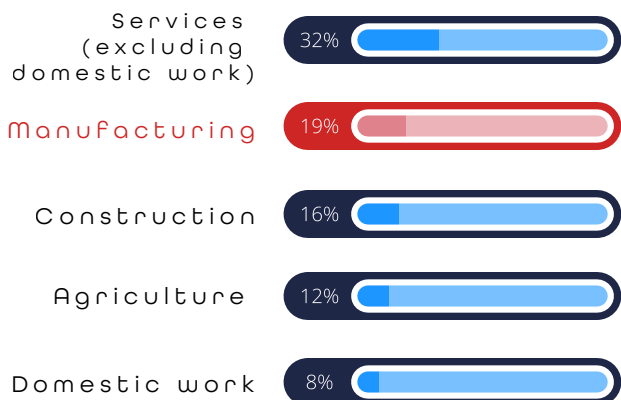
of Australia's annual imported garments are at risk of being made using forced labour.



Today G20 countries are collectively importing **US\$148 billion** worth of apparel goods and **US\$13 billion** worth of textiles at risk of being produced by forced labour every year.

The ILO places **manufacturing** as the sector with the **second-highest** proportion of victims of **forced labour worldwide**.

This represents **3.2 million people**.



## Risk Factors

### Vulnerable Workforce

Garment manufacturing is a labour-intensive sector reliant on a base-skill workforce in which minimum wage rarely constitutes a living wage, leading to increased vulnerability. Temporary and irregular work is prevalent, also increasing the risk of exploitative practices.

### 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).

### Irresponsible purchasing practices

Unethical purchasing practices (such as aggressive price negotiation, inaccurate forecasting of orders, late orders, short lead times and last-minute changes to orders) place manufacturers under intense pressure, often increasing the risk of poor working conditions and low pay for workers.

### Sub-contracting to informal factories

The prevalence of sub-contracting practices employed by suppliers to cut costs and absorb volume pressures significantly increases the risk of modern slavery, as informal factories undergo no auditing processes and provide no visibility into conditions and wages.



# Case Study



## Low wages lead to revolts and repression in Bangladesh

Bringing awareness to the companies on the vulnerability of the workforce is essential to avoid unfair business practices.

Protests starting in the last week of October in Bangladesh led to a brutal police crackdown, arrests, death of workers and temporary shutting of factories for safety precautions. Bangladesh is the world's second-largest exporter of clothing after China. Its workers were demanding an increase in the minimum wage since April.

On November 7, the government of Bangladesh announced the revision of the monthly minimum wage of 12,500 takas (\$113). The increase is less than the 23,000 takas (\$208) per month demanded by the workers and still far below living wage levels. As a common practice, international brands pressure the manufacturers for lower prices, even below the production costs. Workers' representatives have urged brands to cooperate and commit to paying their suppliers more so they can pay their employers a living wage.

## Additional Resources



Shopping for a bargain: How the purchasing practices of clothing brands in Australia impact the women who make our clothes - **Oxfam Australia**



OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector  
**The Organisation for Economic Co-operation and Development**



Made in Poverty: The True Price of Fashion - **Oxfam 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

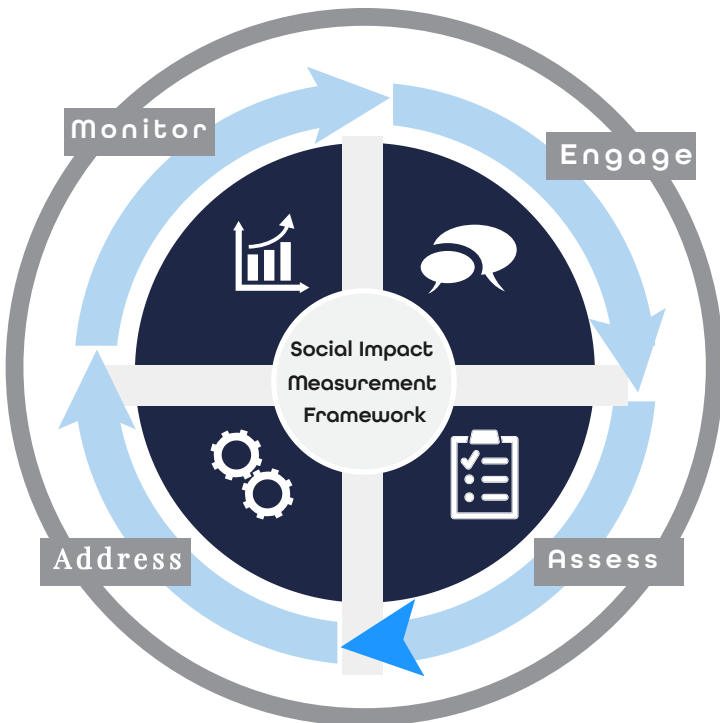
### Map operational and supply chain risks

- **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.



# Sector Collaboration



**Action, Collaboration, Transformation (ACT)** is a ground-breaking agreement between global brands, retailers and trade unions that aims to transform the garment and textile industry and achieve living wages for workers through industry-wide collective bargaining linked to purchasing practices.

 [READ MORE](#)



**The Ethical Trading Initiative (ETI)** is an alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. ETI has established a collaborative company-led program to improve legal and ethical labour standards in suppliers' factories called **Fast Forward**, which combines auditing techniques and a worker helpline.

 [READ MORE](#)

## Obligations under the Australian Modern Slavery Act



 [READ MORE](#)

## Further questions

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<https://www.walkfree.org/global-slavery-index/country-studies/australia/>  
Fixing Fashion - 2020, House of Common  
<https://publications.parliament.uk/pa/cm201719/cmselect/cmenvaud/1952/report-summary.html>  
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