

## From fashion to solar panels, taint of slavery stalks firms



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Australia imports \$US17.4 billion (\$26 billion) a year of products – from electronics and solar panels to clothes and seafood – that may have used forced labour, according to anti-slavery campaign group Walk Free.

But Walk Free boss Grace Forrest says that although consumers should shop carefully, the real onus for tackling the problem is not on them: it is on governments and businesses – which are not doing enough, despite the strictures of the five-year-old Modern Slavery Act.



Grace Forrest in London ahead of the launch of the Global Slavery Index. Grainne Quinlan

She wants to see non-compliant companies hit with financial penalties. And she urges politicians not to worry about exacerbating the cost-of-living crisis, because paying exploited workers a fair wage would boost prices by as little as 1 per cent.

“We actually argue the business should absorb that cost, rather than it being for the consumer,” she told *The Australian Financial Review* while visiting London to launch Walk Free’s latest Global Slavery Index.

Walk Free is funded by the Minderoo Foundation, the philanthropic arm of Ms Forrest’s parents, mining magnate Andrew Forrest and his wife Nicola.

The 2023 index estimated that 50 million people were living in modern slavery – either in forced labour or forced marriage – on any given day in 2021.

That was an increase of 20 per cent from the 2018 index, including a 173 per cent increase to 41,000 people within Australia – even though that was the year Australia legislated to force companies to report on forced labour in their supply chains.

Ms Forrest said the number would have increased even more sharply if the law had not been introduced. And the big driver of the worldwide increase had been the “compounding crisis” of the COVID-19 pandemic, climate change and increasing violent conflict.

Although war, climate and disease are global challenges requiring collective action, Ms Forrest said governments needed to have a “human rights lens” on these problems, rather than treating them, and also modern slavery itself, as “siloed issues”.

For example, the problem of forced labour in the supply chain for Chinese-origin solar panels should be considered by climate policymakers, she said.

Domestically, she said it was time for Australian businesses to face financial penalties if they did not meet their modern slavery reporting obligations.

“Modern slavery became a top-four board priority for the ASX 200 after the introduction of the Modern Slavery Act. No-one could say they’re not familiar with it, so why are we still seeing these increased rates?” she said.

“Some companies are going well beyond compliance and are doing the right thing. But they are the exception, not the rule.”

She wanted the index to put heat on businesses – “they’ve got an opportunity to

do the right thing before they’re forced to do so” – and on governments, particularly in the G20.

“The fact is that 50 per cent of the world’s people living in modern slavery are residing in G20 countries,” she said. This statistic showed that the slavery problem was not just in poorer countries – “it’s over here, not over there”, as she put it.

“We would like to see an increase in legislation across the G20 countries. Canada has just announced this. Germany is going to see their example set across the EU in the coming years. We just need the political will now to step up and do that everywhere.”

### Fair wages, higher prices?

The challenge for politicians is that ending forced labour could drive up the price of goods – an unpopular move when consumers in most countries are dealing with a cost-of-living crisis.

Ms Forrest said research by Oxfam suggested that price increases in the garment industry at least would be no more than 1 per cent. Companies should wear that cost, as they created the problem and had both the wherewithal and moral obligation to fix it.

“A business being allowed to exploit people has become something that seems normalised. It’s not normal,” she said.

“It’s against international law, it’s against the domestic laws in the country, and businesses should be absorbing this cost, not creating and fuelling cycles of exploitation throughout the world.

“If a large chocolate company couldn’t put chocolate on the shelves, you bet your bottom dollar they would fix the issues in their supply chain at the front, immediately.”

Ms Forrest said Australian consumers should assume that the \$26 billion of at-risk goods in their own market – part of a \$US468 billion total within the G20 – were all potentially tainted, unless explicitly told otherwise.

But she said Walk Free did not support boycotts, and was not asking consumers to take responsibility for eradicating modern slavery. As with climate issues, the equivalent of greenwashing could make it too difficult for the individual shopper.

“It’s becoming increasingly more difficult for consumers to understand where something is coming from and to understand what’s good or bad,” she said.

But she called for an end to rampant consumer culture, particularly “fast fashion”, which was creating an incentive for businesses to exploit workers.

“The misconception that a product begins its life where we see it on our shelf is what we need to take away. The veneer that something shiny isn’t tainted by exploitation is just wrong.”