



## Approved Contractor Fact Sheet: Modern Slavery Risk Assessment for LGP Contracts

This fact sheet is designed to provide LGP approved contractors with an overview of LGP's modern slavery risk assessment undertaking, how it impacts them and what assistance is available to help better manage modern slavery risks.

### Background

The Modern Slavery Act 2018 (Commonwealth) requires entities based, or operating, in Australia, which have an annual consolidated revenue of more than \$100 million, to report annually on the risks of modern slavery in their operations and supply chains, and actions undertaken to address those risks. This report is known as a Modern Slavery Statement.

Local government within NSW is not required to report under the Commonwealth Act. However, under the *Local Government Act 1993 (NSW)*, are required to take into consideration social justice principles in all decision making, which includes procurement. They also have an ethical obligation to ensure that the products and services they procure are not the product of modern slavery.

Over the past 2 years LGP has been advocating to our councils on the need for local government to understand and to start taking steps towards the detection and prevention of modern slavery in our supply chains.

To continue our work in this area, we will be progressively assessing the level of awareness and activity across all LGP approved contractors in relation to the detection and prevention of modern slavery in their own supply chains. LGP is committing to NSW councils that we will risk assess all our approved contractors in terms of modern slavery. The intent is to better ensure that councils are not unknowingly supporting or propelling modern slavery practices.

Although only entities which have an annual consolidated revenue of more than \$100 million are required to comply with the Commonwealth Modern Slavery Act, modern slavery can be present in the supply chain of any size organisation. Hence the reasoning behind LGP's decision to risk assess all approved contractors regardless of size or sector.

### Outline of Modern Slavery Risk Assessment Approach

All LGP approved contractors in all spend categories will be included in the risk assessment approach. The size, capacity and other circumstances of contractors does not change their responsibility to assess and address their modern slavery risks. As such LGP is not excluding any contractor, regardless of size or sector, from its modern slavery risk assessment process.

All LGP approved contractors are required to complete an online survey via a link emailed to them. The inaugural survey was sent to all LGP approved contractors in mid-2020. Given the need to ensure that the risk ratings remain current, LGP plans to repeat this survey on a regular and ongoing basis each November.

The survey has been designed to capture information regarding:

1. modern slavery awareness; and
2. what activities are being undertaken to detect and prevent modern slavery in the supply chains of approved contractors.



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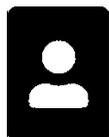


The survey questions have been developed and asked in a format that will not disadvantage a contractor regardless of their circumstance i.e size, sector, product or service.

The survey response data is analysed, and each responding contractor is assigned a modern slavery risk rating of either Low, Moderate or High. The results are displayed in Vendorpanel as a Supplier Intelligence Badge, as per below, allowing council buyers to access the ratings when purchasing from LGP Contracts.



High



No response  
provided



Moderate



Low

**Approved contractors that fail to respond to the survey will display a BLACK rating. Indicating to buyers that no response was provided, and that caution should be applied in the same manner as it would for a high-risk contractor.**

All contractors will be informed of the risk rating they have been assigned and assistance will be made available to those wanting to improve their rating should they wish to.

### Tips to Reduce Modern Slavery Risks

Below are some tips on what you can do to start addressing modern slavery and reduce the risk of it occurring in your operations and supply chain.

- Learn about modern slavery and how it relates to your sector, business and supply chains.
- Develop a modern slavery action plan – a process for identifying and addressing modern slavery risk
- Talk to your suppliers – ask them relevant questions to understand their business practices and how they identify and manage modern slavery risks in their operations and supply chains.
- When engaging new suppliers ask them to complete a questionnaire that will provide you with information on how they are addressing modern slavery in their operations and supply chains.
- Include a modern slavery clause in your supplier contracts.
- Provide your staff and management with modern slavery awareness training and how your business is (or plans to) address modern slavery in your operations and supply chain.
- Develop a policy relating to modern slavery and your commitments to ensure that your business does not knowingly contribute to its occurrence. For example: Human rights Policy, Ethical Sourcing Policy, Modern Slavery Prevention Policy.



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LGP has developed a SME Modern Slavery Toolkit for approved contractors. The toolkit includes:

- Staff educational factsheet outlining what modern slavery is, how to identify it, why act and tips to reduce risk;
- Modern slavery awareness training powerpoint template;
- Example supplier questionnaire;
- Policy template; and
- Supply chain mapping and risk assessment template.

### Resources and Useful Websites

LGP Sustainable Choice <https://lgp.org.au/sustainable-choice/suppliers/modern-slavery>

Commonwealth Modern Slavery Act (2018) <https://www.legislation.gov.au/Details/C2018A00153>

Commonwealth Modern Slavery Act (2018) Guidance for Reporting Entities  
<https://www.homeaffairs.gov.au/criminal-justice/files/modern-slavery-reporting-entities.pdf>

NSW Modern Slavery Act (2018) <https://www.legislation.nsw.gov.au/#/view/act/2018/30>

Australian Modern Slavery Register & procurement toolkit <https://modernslaveryregister.gov.au/resources/>

Global Slavery Index <https://www.globalslaveryindex.org/>

How to Develop a Human Rights Policy

[https://www.ohchr.org/Documents/Publications/DevelopHumanRightsPolicy\\_en.pdf](https://www.ohchr.org/Documents/Publications/DevelopHumanRightsPolicy_en.pdf)

List of Goods Produced by Child Labour or Forced Labour <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>

International Labour Organisation <https://www.ilo.org/global/topics/forced-labour/lang--en/index.htm>

Australian Human Rights Commission <https://humanrights.gov.au/our-work/employers/business-and-human-rights-factsheets>

Shop Ethical – ethical consumer guide <https://guide.ethical.org.au/guide/browse/categories/>