Office of the NSW Anti-slavery Commissioner

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GRS Resource:

How to Prepare a Modern Slavery Risk Management Plan

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What is a Modern Slavery Risk Management Plan?

A Modern Slavery Risk Management Plan (Plan) is a plan to manage risks of modern slavery in a covered entity's operations and supply-chains. The Plan sets out how your organisation will put into practice the commitments made in your Modern Slavery Policy (Policy). (See here for GRS Resources on Developing a Modern Slavery Policy: https://dcj.nsw.gov.au/legal-and-justice/our-commissioners/anti-slavery-commissioner/due-diligence-and-reporting.html).

The Plan should:

- be developed based on **input from key stakeholders**
- prioritise management of **salient risks** to ensure that you are focusing on the risks that pose greatest harm to people (see below)
- set out a **process for managing modern slavery risk**
- set high-level operational **targets** and establish clear **monitoring and evaluation** arrangements, and accountabilities
- use your entity's **existing information and record-keeping systems** to facilitate collection of data on modern slavery due diligence processes and their effects
- **assign responsibility** for implementing aspects of your Policy to relevant business units or functions and set timelines for implementation

What are my "salient risks"?

Salience means the significance of a modern slavery risk, determined by its:

- *Scale* – How seriously could someone be harmed?
- *Scope* – How many people could be affected?
- *Irremediable character* – How hard would it be to fix or remedy the harm?

The salience of a risk is therefore about how big the risk to *people* is – not the risk to your organisation. Salient risks may or may not arise in areas of highest volume or value procurement, or most frequent business activities. And salient risks may or may not be those where your organisation already has leverage or those it considers easiest to address.

The Guidance on Reasonable Steps provides further detail on salient risks (see in particular the *Foundational Concepts* section and section 1.2 *Identify salient risks.*)

The Plan will assist entities to comply with their obligations under the *Modern Slavery Act 2018* (NSW) and related legislation to take reasonable steps to ensure that goods and services procured by and for the entity are not the product of modern slavery.

The Plan should align with the Anti-slavery Commissioner's Guidance on Reasonable Steps and should address the following 7 Reasonable Steps:

When should I have a Modern Slavery Risk Management Plan in place?

Covered entities should endeavour to have a Modern Slavery Risk Management Plan in place by 30 June 2025 at the latest.

What form/format should my Modern Slavery Risk Management Plan be in?

As far as possible, your Plan should be integrated with your existing risk governance framework, for example the Internal Audit and Risk Management Policy for the General Government Sector (20-08), *Local Government Act 1993* (NSW) Part 4A Internal audit, or the Standards Australia international standard AS/NZS ISO 31000: Risk management, as applicable.

You may consequently choose to develop your Plan with your entity's existing risk management templates. Or you may wish to draft it in alignment with the structure suggested below.

You may also wish to consider publishing your Plan in a format that is accessible for both users (i.e., your entity's personnel) and affected stakeholders. For example, consider:

- does your Plan meet accessibility guidelines?
- is your Plan in plain English? Where appropriate, can it be made available in other languages to affected stakeholders?
- can your Plan be made available online?

Who is responsible for drafting and approving my Modern Slavery Risk Management Plan?

Different business units may be responsible for preparing the Plan on behalf of their entity. A cross-functional modern slavery working group or committee can be useful for developing the Plan and submitting it to senior management for adoption. This could be the same group or committee you establish to develop your entity's Modern Slavery Policy.

An entity's senior management should adopt the Plan. Senior management is the person or group of people who have managerial responsibility for direction and control of the organization. This may differ across organisations, but some examples are Chief Executive Officer, or a Local Council General Manager. Note: this is a different approval requirement to the Modern Slavery Policy, which requires adoption by the entity's Senior Governing Body (e.g. Secretary, Board, or Council).

What actions should you take when drafting your Modern Slavery Risk Management Plan?

1. Start with your Policy	Your Plan should operationalise your entity's Policy. This involves: • identifying your entity's salient modern slavery risks (see below) • assigning responsibility for implementation of different aspects of the Policy • setting high level operational targets and timelines • using existing communication channels to share information on risk and decision-making with senior management • establishing and implementing processes for monitoring and evaluating progress towards targets Your Plan should be integrated with your existing risk governance framework, as far as possible.
2. Identify and prioritise your Salient Modern Slavery Risks	Your Plan should identify and name your entity's salient modern slavery risks in its operations and supply chains. How does your entity allocate limited risk management resources to focus on those operational and procurement activities that represent the most significant modern slavery risks to people (not based simply on spend, nor based simply on a buyer's existing influence over suppliers?) This prioritisation should occur should be through a Salient Modern Slavery Risk Assessment. A Salient Modern Slavery Risk Assessment is an assessment of modern slavery risk taking into account the various aspects of salience (discussed above). It may involve both an initial scoping and a deeper assessment process. You can also use the GRS Inherent Risk Identification Tool[1] (IRIT) as a starting point for scoping, to identify risks associated with specific product categories. However you will need to go beyond the IRIT, which deals with product categories, to assess the modern slavery risks associated with specific products. The Guidance on Reasonable Steps provides detailed guidance on how to conduct a Salient Modern Slavery Risk Assessment (see in particular section 1.2 *Identify Salient Risks* and Figure 19 *How should my entity conduct a Salient Modern Slavery Risk Assessment?*)
3. Set out a process for managing modern slavery risks	Your Plan should detail a process for the management of modern slavery risks in your entity's operations and supply chains: how does your entity assess, prevent, mitigate, remedy and report on these risks? You may use an existing risk management process within your risk governance framework, for example the ISO 31000 standard[2]. Or you may develop a risk management process following the 7 Reasonable Steps in the Anti-slavery Commissioner's Guidance on Reasonable Steps. Your risk management process should detail how your entity will: • identify and name your entity's salient modern slavery risks, for example, through a Salient Modern Slavery Risk Assessment • manage identified risks in its Salient Modern Slavery Risk Assessment: how will you work with peers, suppliers and stakeholders to manage identified risks? This will involve understanding your entity's leverage and capability, whether acting alone or by developing collective leverage through collaboration with other organisations Risk management may require, for example, a commitment to adoption and use of the Anti-

[1] https://dcj.nsw.gov.au/content/dam/dcj/dcj-website/documents/legal-and-justice/anti-slavery-commissioner/due-diligence-and-reporting/inherent-risk-identification-tool.xlsx

[2] https://www.iso.org/iso-31000-risk-management.html/

	slavery Commissioner's Model Tender Clauses[3] and Model Contract Clauses[4] in your entity's standard tender and contract terms. In developing this risk management process, you should make reference to other GRS Resources that address relevant Reasonable Steps. • conduct future Salient Modern Slavery Risk Assessments in a continuous improvement manner. This should involve a process of ongoing stakeholder engagement, including people with lived experience (PWLE) of salient modern slavery risks in your operations or supply-chains, or people at risk of modern slavery in your operations or supply-chains. You should engage with stakeholders in areas that are identified as higher risk to better understand those risks and what effective risk management may need to entail, including any steps to address modern slavery risks in the procurement planning stage. You may choose to incorporate feedback from a Grievance Mechanism in the review and improvement of risk management processes • identify and map risks for particular procurements (you can use the GRS Inherent Risk Identification Tool[5] (IRIT) as a starting point to identify risks associated with specific product categories) • undertake ongoing performance monitoring and evaluation of suppliers in relation to modern slavery and develop supplier capabilities • provide or enable access to effective grievance mechanisms that can provide remedy to affected stakeholders (e.g. through a legitimate remediation mechanism) and develop and implement a standard operating procedure for remediation (e.g. Blueprint Remediation Plan) • report on your modern slavery risk management efforts, both internally and as required externally (including to the NSW Anti-slavery Commissioner)
4. Set high level targets	Your Plan should set high-level operational targets for addressing salient modern slavery risks, including metrics for evaluating progress towards these targets. These targets should be SMART (specific, measurable, achievable, realistic and timebound) and informed by subject-matter experts and affected stakeholders, where possible. Example targets might include: • [x%] of employees completed annual modern slavery training by date NN • [x%] of tenders included the Model Tender Clauses[6] by date NN • Modern slavery questionnaires issued to [x%] of high-risk suppliers by date NN • Modern slavery audits conducted on [x%] of high-risk suppliers by date NN • Model Contract Clauses[7] are incorporated within standard contract terms by [date] • [x%] of users of approved Grievance Mechanisms report satisfaction with their treatment • Remediation plan agreed and activated in [x%] of contracts in which modern slavery is reported
5. Collect data to monitor your progress and challenges	Your Plan should implement processes for measuring progress and identifying challenges in addressing modern slavery risks. You should use your existing information and record-keeping systems to facilitate collection of data on due diligence processes and report their effects to senior management. The Guidance on Reasonable Steps also provides instructions on what

[3] https://dcj.nsw.gov.au/legal-and-justice/our-commissioners/anti-slavery-commissioner/due-diligence-and-reporting.html#%3Cb%3EGRS5
[4] https://dcj.nsw.gov.au/legal-and-justice/our-commissioners/anti-slavery-commissioner/due-diligence-and-reporting.html#%3Cb%3EGRS6
[5] https://dcj.nsw.gov.au/content/dam/dcj/dcj-website/documents/legal-and-justice/anti-slavery-commissioner/due-diligence-and-reporting/inherent-risk-identification-tool.xlsx
[6] https://dcj.nsw.gov.au/legal-and-justice/our-commissioners/anti-slavery-commissioner/due-diligence-and-reporting.html#%3Cb%3EGRS5
[7] https://dcj.nsw.gov.au/legal-and-justice/our-commissioners/anti-slavery-commissioner/due-diligence-and-reporting.html#%3Cb%3EGRS6

	information and data covered entities must collect in order to report annually on their reasonable steps.
6.Engage key stakeholders and action their feedback	Your Plan should implement processes for ongoing stakeholder engagement and feedback, e.g.: • regular engagement and feedback between relevant business units (such as risk, legal and procurement or via a cross-functional modern slavery group or committee) • consultation with experts, civil society, unions, survivors and people at risk of modern slavery, rights holders and other relevant stakeholders. Your Plan should also implement a process (e.g. annual review) to account for potential changes, such as legal or leading practice developments including to the Anti-slavery Commissioner's GRS, the UN Guiding Principles on Business and Human Rights, relevant OECD guidance.
7. Assign responsibility for managing modern slavery risks and timelines	Your Plan should assign responsibility and set timelines for each of the items in the risk management process to ensure modern slavery risks are assessed, prevented, mitigated, remedied and reported: who is responsible for carrying out each item and by when? Who is accountable for reviewing completed items and ensuring continuous improvement? This should include clear responsibility for a recurring assessment process of entity-wide performance against the Plan. This could be via an annual review by senior management of progress against the Plan. Senior management should also be accountable for ensuring that an entity has effective controls in place to identify and manage salient modern slavery risks. This may also include assigning responsibility to different business units or groups within the entity, for example: • a cross-functional Modern Slavery Committee taking responsibility for facilitating ongoing stakeholder engagement and feedback, preparing the Policy and Plan for entity adoption, and ensuring continuous improvement of modern slavery risk management (e.g. through periodic reviews of the Policy and performance against the Plan in line with regulatory changes, stakeholder feedback and Salient Modern Slavery Risk Assessments). • procurement teams responsible for integrating modern slavery due diligence and remediation into procurement policies and practice • Risk, Governance and Audit teams responsible for implementing internal reporting of modern slavery risks and evaluating the effectiveness of controls • Legal teams responsible for ensuring modern slavery clauses are included in standard term contracts
8. Review your plan regularly	You should review your Plan periodically in line with regulatory changes, stakeholder feedback and Salient Modern Slavery Risk Assessments. This may involve annual review by senior management of progress against the Plan. Remember to disclose progress towards your targets, including explanations of any setbacks and resulting changes in strategy in your annual reporting.