**Modern Slavery Risk Assessment Template**

**This template can be used to assist agencies in relation to addressing modern slavery risks in government procurement. It is not exhaustive, and it is not legal advice. The template should be adapted on an agency, project, category and procurement basis, as appropriate. Other due diligence processes should be implemented to complement this risk assessment.**

**Step 1: Review available information on modern slavery risks**

Modern slavery has been found to reach many industries and to occur in every region of the world, however there are common indicators that increase the likelihood that modern slavery is occurring in the supply chain. The table below contains key risk indicators for modern slavery and related risk factors. Agencies should assess the level of modern slavery risk as far down the supply chain as reasonably practicable.

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| **Modern Slavery Risk Indicators** | **Sector and industry risks** | **Products or services risk** | **Geographic risks (where the production/labour typically occurs)** | **Supply chain model risks** |
| **Risk factors** | * Informal or unregulated sector * Little visibility over lower tier suppliers * Seasonal work * Low pay * Dangerous work | Product or service often involving   * lower wages and/ or * manual labour | * Location with poor governance * Weak rule of law * Conflict * Corruption * Displacement * State failure to protect human rights * Migration flows * Socio-economic factors such as poverty or widespread discrimination | * Larger and more complex supply chains that are difficult to monitor * Sub-contracting and use of labour recruiters * Recruitment fees may be charged |
| **Examples** | Industries: Extractives, textiles and fashion, fishing, ICT and electronics, cleaning, and agriculture. | Products: Bricks,  cotton, tea, and rubber.  Services: Cleaning.  The Global Slavery Index provides a list of top products imported by G20 countries at high risk of modern slavery. | [Freedom House](https://freedomhouse.org/countries/freedom-world/scores) rates people’s access to political rights and civil liberties in over 200 countries and territories.  The Global Slavery Index also provides information on high-risk countries. | Industries:  Construction, manufacturing- many industries may carry this risk. |

The above modern slavery risk indicators are a guide only. The additional sources outlined below will further support agencies to increase their understanding of the current risks of modern slavery in business operations and supply chains relevant to the specific procurement:

* [US Department of Labour List of Goods Produced by Child and Forced Labour](https://www.dol.gov/sites/dolgov/files/ILAB/ListofGoods.pdf)
* [Responsible Sourcing Tool](https://www.responsiblesourcingtool.org/explorerisk)
* [2018 Global Estimates of Modern Slavery](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_575479.pdf)
* [Global Slavery Index](https://www.globalslaveryindex.org/2018/findings/highlights/)
* [The Business and Human Rights Resource Centre](https://www.business-humanrights.org/en/)
* [Modern Slavery Statements](https://modernslaveryregister.gov.au/resources/) of the potential supplier.
* [Freedom House Global Freedom Information and Scores](https://freedomhouse.org/)

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**Step 2: Describe the modern slavery risks**

Using the information from step 1, describe the modern slavery risks specific to the procurement. Consider whether the procurement involves risk factors that relate to the industry, product, or services, geography, or operating model, and rate the risk of each category.

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| **Key risk indicator** | **Example questions related to key risk indicators** | **Risk Levels**  **Low = 1**  **Medium = 2**  **High = 3** |
| **Sector and industry:** | *Is the industry characterised by long and complex supply chains?*  *Does the industry rely on overseas production?*  *Is the industry labour intensive? E.g. Construction, cleaning* |  |
| **Products or services:** | *Does the product have a short life-cycle due to changing seasons (e.g. fresh produce) or consumer demands (e.g. mobile phones)?*  *Are the raw materials used high-risk for modern slavery? (e.g. cotton, bricks)*  *Is the service undervalued in our society?* |  |
| **Geographic risks:** | *Are the products sourced from countries with?*   * *Poor governance structures and a weak rule of law* * *Inadequate labour protection* * *Corruption or instability* |  |
| **Supply chain model risks:** | *Consider the nature of the workforce, procurement practices, recruitment strategies and business model:*   * *Are the suppliers likely to use sub-contracting or labour-hire firms?* * *Does the agency have tight delivery timeframes that may place unreasonable pressure on suppliers?* * *Is the workforce isolated (e.g. working at night, at home or in rural areas)?* * *Are any workers working excessive overtime beyond legal limits?* * *Are any workers forced to work “on call” (day or night)?* |  |
| **Overall score** |  |  |

**Step 3: Assess the level of modern slavery risk**

In considering the overall risk of the procurement, an agency should balance the risks identified against each key risk factor. The overall score should be used as a guide only. In general, where a high-risk rating has been identified for two or more categories of Key Risk Indictors, the procurement should be considered high risk. The overall score thresholds are as follows:

* Overall score 1-4: Low risk procurement
* Overall score 5-8: Medium risk procurement
* Overall score 9-12: High risk procurement

For procurements considered high risk, agencies should try to address these risks in the early stages of the procurement process and supplier engagement.