



**Infrastructure
Sustainability
Council**

IS Impact Notes Modern Slavery

Overview

This Impact Note outlines how infrastructure projects can drive action - through leadership and management, sustainable procurement, materials sourcing, and workforce sustainability - to integrate an appropriate and effective modern slavery response with long-term impact. As businesses respond to the global challenge of modern slavery, the IS Rating Scheme supports embedding modern slavery management actions across an infrastructure project's lifecycle; aligning with the UN SDG 5 Gender equality, and UN SDG 8 Decent work and economic growth.

Both Australia and New Zealand governments have regulations to address modern slavery. Australia established the *Modern Slavery Act 2018*. New Zealand has ratified the International Labour Organisation (ILO) *Forced Labour Convention* and the United Nations (UN) *Slavery Convention*, and launched the *Plan of Action against Forced Labour, People Trafficking and Slavery* in 2021.

In accordance with the *Modern Slavery Act 2018*, modern slavery is an umbrella term that encompasses situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom.

This IS Impact Note was developed with support of the ISC Modern Slavery Coalition, a group of ISC Members advocating for wider awareness of modern slavery risks and industry action.

What is the issue?

The International Labour Organisation estimates there are over 40 million victims of modern slavery globally. Modern slavery includes a range of severe exploitive practices, including slavery; servitude; forced labour; debt bondage; abuse of vulnerability and other means for the purpose of exploitation. Of the estimated 40 million victims, 25 million people were victims of forced labour of which 18% are in the construction sector.

The construction sector involves high modern slavery risks due to extensive international supply chains and reliance on manual labour. Services such as cleaning, low skilled trades, and materials production (including bricks, copper, PPE, bitumen, cement, and electronics) are known to have a high prevalence of forced labour practices. Currently, supply chain shortages pose higher pressure on labour demand, and organisations with multi-tiered supply chains face increased regulatory, reputational, financial, and operational risks related to modern slavery violations.

Actions can be taken by stakeholders across all stages of an asset's lifecycle to address modern slavery risks. Investors, asset owners, designers, proponents, contractors, suppliers, and all relevant agencies are encouraged to work together and share resources and experiences to have a positive impact.



How can you deliver impact?

Taking positive action

The Infrastructure Sustainability Council supports the development of common capability on modern slavery across the infrastructure sector. The following three pillars provide structure to where and how organisations can make a significant positive impact towards the eradication of slavery.

1. Collaborate with industry partners to foster transparency of modern slavery risk disclosure while building capability and a consistent approach on modern slavery risk management.

2. Embed in the corporate strategy the influence of modern slavery risk management through a policy framework.

3. Test the business response to realistic modern slavery risk scenarios and ensure the response takes into account potential victims.

Driving outcomes with the IS Rating Scheme

Relevant IS v1.2 and IS v2.1 Credits

The IS Rating Scheme provides a framework that supports infrastructure projects and operators to assess and address modern slavery across their supply chains and significantly strengthen their response to modern slavery risk across the asset lifecycle. These credits focus on management systems and leadership, sustainable procurement, materials use, legacy, and workforce sustainability.

IS Rating Tool – focus area	Relevant IS v1.2 Credits	Relevant IS v2.1 Credits	Key points to consider
Management systems, Leadership and Decision Making	<ul style="list-style-type: none">• Man-1 Sustainability leadership and commitment• Man-2 Risk and opportunity management• Man-4 Inspection and Auditing• Man-5 Reporting and Review• Man-6 Knowledge sharing• Man-7 Decision Making	<ul style="list-style-type: none">• Lea-1 Integrating Sustainability• Lea-2 Risks and Opportunities• Lea-3 Knowledge Sharing• Ecn-1 Options Assessment	<p>IS v1.2 and IS v2.1 credits align to:</p> <ul style="list-style-type: none">• The recognition of modern slavery as a material risk for the project and the development of SMART sustainability targets to address it. Actions include:<ul style="list-style-type: none">> Publication of modern slavery management commitments (via policy or public statement) or adoption of a targeted risk-based approach to address modern slavery in the supply chain.> Identification of modern slavery risks across the asset's design, construction, and operations.> Implementation of modern slavery due diligence and remediation actions.> Disclosure of modern slavery risk assessment at a project or organisational level.• Sharing modern slavery knowledge above and beyond the project boundary, contributing to the broader industry, and promoting collaboration.• The consideration of modern slavery risk in the economic evaluation of the asset and decision-making when conducting the project's multi-criteria options assessment.

IS Rating Tool – focus area	Relevant IS v1.2 Credits	Relevant IS v2.1 Credits	Key points to consider
Sustainable Procurement	<ul style="list-style-type: none"> • Pro-1 Commitment to sustainable procurement • Pro-2 Identification of suppliers • Pro-3 Supplier evaluation and contract award • Pro-4 Managing supplier performance 	<ul style="list-style-type: none"> • Spr-1 Sustainable Procurement Strategy • Spr-2 Supplier Assessment and Selection • Spr-3 Contract and Supplier Management 	<p>IS v1.2 and IS v2.1 credits align to:</p> <ul style="list-style-type: none"> • The implementation of a sustainable procurement strategy or policy that considers modern slavery risk in the supply chain of the asset. Actions include: <ul style="list-style-type: none"> > Acknowledgment and upholding of human rights and modern slavery issues. > Selection of suppliers that consider modern slavery aspects. > Encouragement of suppliers to adopt a 'continuous improvement' approach on their modern slavery response. > Consideration of human rights and modern slavery in contractual requirements from the planning phase to operations. > Inclusion of supplier audits in contractual requirements to keep engagement and demonstrate improvement in the supplier selection and evaluation process.
Materials		<ul style="list-style-type: none"> • Rso-1 Resource strategy development 	<p>IS v2.1 credit aligns to:</p> <ul style="list-style-type: none"> • The development of a Resource use strategy that identifies risks related to materials (including offshore supply chains and migrant labour). • The consideration of the End-of-Life of the asset when setting up Resource Efficiency targets (including labour hire and working conditions when managing the end-of-life processing materials, i.e., recycling).
Legacy	<ul style="list-style-type: none"> • Hea-1 Community health and well-being 	<ul style="list-style-type: none"> • Leg-1 Leaving a lasting legacy 	<p>IS v1.2 and IS v2.1 credits align to:</p> <ul style="list-style-type: none"> • A long-term focus of the project or asset to improve industry standards for assessing and managing modern slavery issues on material risk supply chains.
Workforce Sustainability		<ul style="list-style-type: none"> • Wfs-1 Jobs, Skills and Workforce Planning 	<p>IS v2.1 credit aligns to:</p> <ul style="list-style-type: none"> • The increase of capacity and capability of a project team to identify, assess and respond to modern slavery risk when procuring goods and services including subcontractors.



Sustainable Procurement: Best Practices for Impact

As outlined in pillar 2 of the “Taking Positive Action” section, from a corporate strategy perspective, procurement is a critical area for preventing and mitigating modern slavery risks. The credits within the Sustainable Procurement and Leadership categories of the IS Rating Tool align to best practices to tackle modern slavery risks as described below:

Best Practice 1:

Publicly acknowledge human rights and modern slavery in the procurement strategy

Considering modern slavery risks in the supply chain promotes the improvement of the procurement strategy and organisational culture. Risk quantification, analysis, and the use of a risk register helps to identify areas of action. There are readily available tools and frameworks that provide guidance on risk assessment, and on the development of an action plan to manage it.

Leading organisations acknowledge human rights and the existence of modern slavery risks within global supply chains and have a responsibility to operate ethically to mitigate and eliminate it. A commitment to educating and collaborating with extended supply chains exponentially strengthens the resilience to modern slavery by working in unison to address common risks. Moreover, the proactive disclosure and public reporting on modern slavery risks demonstrates transparency and commitment to exert a positive social impact, increasing competitive advantage.

Best Practice 2:

Build capability to identify and address the modern slavery risk in your supply chain

Modern slavery risks can impact at an industry, product, service, geographic, and specific supply chain level, and significantly harm workers and their families. Building capability to identify modern slavery risk is necessary to effectively assess the specific risk and identify practicable, justified, and fit-for-purpose treatment options.

Modern slavery risks should be assessed as far down in multi-tiered supply chains as feasible, considering the scale, influence and irremediable character. Across different tiers of the supply chain the engagement, training, communication, monitoring, and reporting requirements of suppliers should be considered to help them build a robust risk mitigation capability. As a consequence, the supply chain participants can be better prepared for future regulatory requirements under different jurisdictions. Priority should be given to high-risk sections of the supply chain.

Best Practice 3: Reward suppliers that have modern slavery provisions

Industry needs to acknowledge and reward organisations that demonstrate progress towards the mitigation of modern slavery risks. Projects and assets should ensure that their procurement strategy rewards suppliers' values and actions that align with their procurement principles around human rights and modern slavery. Also, suppliers identified as early adopters of modern slavery provisions should be recognised and rewarded with ongoing collaboration, support, and branding opportunities.

Best Practice 4: Building trust and transparency with your supply chain

Assessing and addressing modern slavery risks at its core requires transparency throughout all levels of the supply chain to ensure that modern slavery is not hidden at lower or upper levels of the value chain hierarchy. While visibility and exposure are one challenge, ensuring that the supply chain is comfortable escalating and addressing modern slavery risks in a safe manner is heavily reliant on trust. It is important that organisations don't disincentivise the identification of modern slavery risks through fear of penalties or repercussions from higher levels. Best practices include site inspections and surveys for high-risk supply chains, invite suppliers to collaborate, raising awareness and providing appropriate training, and ensuring efficient contract management to assess and manage risks.

Best Practice 5: Effective Disclosure mechanisms

The infrastructure sector and industry partners should ensure that all workers across the supply chain have access to effective grievance mechanisms. The UN Guiding Principles on Business and Human Rights provide guidance to ensure the effectiveness of the mechanisms that requires disclosure mechanisms to be:

Legitimate - provide trust to everyone intending to use the mechanisms; Accessible - be known by all stakeholders and address cultural and linguistic diversity; Predictable - provide clear procedures that can be monitored; Equitable - ensure that all parts can engage in the mechanism in a fair, respectful and protected manner; Transparent - all parties are informed about the availability of the mechanism and its progress; Rights compatible - be aligned to internationally acknowledged human rights; Continuously reviewed and improved; Formulated based on engagement and dialogue with relevant stakeholder groups.

Best Practice 6: Sharing your approach and lessons learnt

A collaborative and transparent approach regarding knowledge sharing initiatives on modern slavery is supported by the ISC. Leading organisations that identify and respond to modern slavery risks should share their experience in the interest of growing industry awareness. Modern slavery should not be a “taboo topic” and should be actively discussed within industry circles from supplier through to clients. Treatment options and communication strategies should be shared to ensure control and visibility of modern slavery issues.

Continuous improvement

Effective modern slavery risk management requires the incremental improvement of management systems and processes that enable the assessment, mitigation, and potential remediation of such risks. The recommendations below show how continuous improvement can be factored into the development of a modern slavery risk management framework in the infrastructure sector:

Implement an iterative approach to risk evaluation, mitigation, and improvement quantification, with modern slavery performance metrics	Establish and maintain ongoing contractor performance evaluation on the mitigation actions taken for managing modern slavery risks.	Embed responsible conduct in suppliers regarding modern slavery risks, e.g. request notifications on country sourcing changes in the supply chain.
Implement scenario training for testing the modern slavery response and identify opportunities for continuous improvement, e.g. construction workers recruited overseas with confiscated passports.	Include risk remediation provisions in the modern slavery policy framework to achieve a consistent approach inclusive of escalation measures against identified levels of risk relevant for the infrastructure sector.	Document progress made towards modern slavery risk management objectives and targets as applicable.

Note that in Australia, the *Modern Slavery Act* has provisions on continuous improvement as the Act requires reporting entities to provide mitigation actions and their effectiveness, making it an iterative reporting process of improvement. In New Zealand, the *Plan of Action against Forced Labour, People Trafficking and Slavery* includes actions on continuous improvement such as the development of training and capability through regional cooperation, monitoring of forced labour, and enabling cooperation and engagement between organisations. Also, New Zealand is developing a National Action Plan to implement the United Nations Guiding Principles on Business and Human Rights, which provide a global standard for preventing and addressing the adverse human rights impacts linked to business activity.

Case studies & useful references

Case study: Ventia: Management of modern slavery risk in cleaning subcontracted services

Ventia is an essential infrastructure services provider. Its Modern Slavery Policy (applicable to employees, suppliers, and subcontractors) requires Ventia to implement due diligence processes to identify and reduce Modern slavery risks across its supply chain and operations.

Engaging subcontractors to deliver cleaning services on Ventia's behalf posed a significant risk due to limitations on workforce visibility and capacity to implement control measures. As a response, Ventia conducted a modern slavery Risk Assessment considering:

- Ventia's Cleaning subcontractor modern slavery risk management framework.
- Service delivery location: urban, rural, or interstate.
- Pre and post COVID cleaning service engagement.
- Comprehensive subcontractor evaluation.

Cleaning service subcontractors were required to:

- Complete a targeted modern slavery due diligence questionnaire, including COVID impacts to their operations.
- Increase invoicing consistency and recording among subcontractors.
- Increase the frequency and robustness of site inspections (emphasis on rural locations).

For more information, please refer to [Ventia's 2021 Modern Slavery Statement](#)

[Modern Slavery Act, 2018](#)

[Plan of Action Against Forced Labour, People Trafficking and Slavery, Ministry of Business, Innovation & Employment New Zealand, 2021](#)

[Guiding Principles on Business and Human Rights. United Nations, 2011](#)

[Modern Slavery Act 2018, Guidance for Reporting Entities. Australian Government, 2018](#)

[National Action Plan to Combat Modern Slavery 2020-25. Australian Government, 2020](#)

[Modern Slavery and Procurement. New South Wales Government, 2022](#)

[International Labour Organisation website, 2022](#)

[Global Slavery Index, 2022](#)





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