



MODERN SLAVERY STATEMENT

Reporting Period: 1 July 2020 to 30 June 2021

Prepared: November 2021



THE LAW SOCIETY
OF NEW SOUTH WALES



The Law Society of New South Wales (ACN 000 000 699) ('the Law Society') has developed this Modern Slavery Statement ('Statement') in line with the *Modern Slavery Act 2018* (Cth) ('the Act'). The Statement outlines the action the Law Society has taken to identify and address modern slavery risks in the Law Society's operations and supply chain during the reporting period 1 July 2020 to 30 June 2021.

This is the second Statement prepared by the Law Society. Our first statement, lodged in March 2021 is available on our website. A relatively short period of time has elapsed since lodging our first statement and the preparation of this Statement. The 2021 Sydney COVID-19 outbreak also occurred between March 2021 and the preparation of this Statement. The Law Society has made a significant amount of progress in improving our modern slavery risk management framework and has plans for further improvements.

OUR COMMITMENT AND VALUE

The Law Society is committed to responsibly assessing and addressing modern slavery risks in our operations and supply chain. We have improved, and continue to improve, our processes with the aim of taking appropriate steps to address (if required) and prevent any modern slavery in connection with our operations and supply chain.

This work is aligned with the vision and values of the Law Society, which strives to lead the legal profession, advocate for access to justice, promote the rule of law and safeguard a just legal system.

A summary of the work undertaken by the Law Society in response to the introduction of reporting requirements in Australia is available on our website.

INTRODUCTION

In this Statement, the term ‘modern slavery’ is used to cover eight types of serious exploitation:

- trafficking in persons;
- slavery;
- servitude;
- forced marriage;
- forced labour;
- debt bondage;
- deceptive recruiting for labour or services; and
- the worst forms of child labour.

OUR PROGRESS

The Law Society has taken steps to improve our Modern Slavery risk management framework within the reporting period including:

- Development of an internal Modern Slavery Roadmap;
- Implementation of a Modern Slavery Questionnaire for new suppliers;
- Inclusion of checks on modern slavery as part of our new contracts management system;
- Training for our Corporate Legal Services Department;
- Ongoing training and awareness for senior managers and key personnel.
- The Law Society has made a significant amount of progress in this area and has plans for further improvements.

OUR REPORTING ENTITY

The reporting entity for the purposes of this Statement is The Law Society of New South Wales. While the Law Society and its controlled entities had consolidated revenue of more than \$100 million (AUD) for the reporting period, the Law Society’s controlled entities do not meet the threshold for mandatory reporting on an individual basis and are not reporting entities in their own right. Accordingly, this is not a joint statement covering more than one reporting entity.

The Law Society’s registered office is located at 170 Phillip Street, Sydney NSW 2000. While it primarily operates in New South Wales, the Law Society also provides services to members and other practitioners located interstate and overseas.

The Law Society operates with its own principal governing body, senior management group and governance structure.

OUR CORPORATE STRUCTURE

The Law Society is a company limited by guarantee which has dual representative and regulatory functions. It is a membership association which also has a broader role as co-regulator of solicitors in New South Wales, as well as promoting the rule of law and access to justice and serving as the voice of the profession.

The Law Society's corporate structure includes the following controlled entities:

- **Lawcover Insurance Pty Limited**
Lawcover Insurance Pty Limited ('Lawcover'), a licensed and APRA regulated insurer, is the single provider of approved professional indemnity insurance policies to law practices based solely in New South Wales. It is a wholly-owned but independent subsidiary of the Law Society.
- **SMIF Management Pty Limited**
SMIF Management Pty Ltd (formerly known as Lawcover Pty Limited), another wholly-owned subsidiary of the Law Society, is a dormant entity which managed the Solicitors Mutual Indemnity Fund until its dissolution on 21 January 2019.
- **Pro Bono Disbursement Fund Pty Ltd**
The Law Society holds 50% of the issued capital of Pro Bono Disbursement Fund Pty Ltd, the corporate trustee of The Pro Bono Disbursement Trust Fund, which was established by a deed dated 21 March 2011 between that company and the Law and Justice Foundation of New South Wales for the specific purpose of reimbursing NSW legal practitioners for properly incurred disbursements in pro bono cases referred under the Pro Bono Scheme of the Law Society or a Pro Bono Scheme (as defined in the trust deed) of another body.

OUR OPERATIONS AND SUPPLY CHAIN

A. Operations

- The Law Society's main operations and regulatory functions cover the following key areas:
 - Providing representation for the interests of our approximately 35,000 members in New South Wales, interstate and overseas through policy submissions as well as dialogue with governments, parliamentary bodies and the courts;
 - Promoting professional standards, licensing solicitors to practice, investigating complaints and administering discipline to ensure the community

and the legal profession are served by ethical and responsible solicitors; and

- Delivering services and communications for members, including a diverse program of CPD, events and publications.
- In our Sydney (NSW) headquarters, the Law Society also provides or administers the following services on-site:
 - **a Library** – offering a collection of publications for solicitors practising in NSW;
 - **a Shop** – providing legal documentation, publications and merchandise;
 - **Room facilities and catering** – providing mediation and arbitration rooms, visiting solicitors' rooms, functions and meetings;
 - **Printing services**; and
 - **Catering services.**
- The above services require the use of goods and services provided under contracts with external suppliers, which are included in our high-level supplier risk assessment discussed in the next section.
- While it primarily operates in New South Wales, the Law Society also provides services to members and other practitioners located interstate and overseas.
- The Law Society currently employs over 178 employees including permanent and temporary staff members. During the reporting period, because of restrictions imposed by public health orders in response to the COVID-19 outbreak in Sydney, almost all staff worked remotely during the lockdown period. As staff return to the office the Law Society is facilitating hybrid working arrangements whereby staff are based either at the Law Society's premises at 170 Phillip Street, Sydney or conduct their work remotely.
- Volunteer solicitor members also contribute their expertise and experience to more than twenty standing committees established by the Law Society Council to assist the Council in relation to matters such as policy and practice issues arising with regard to different areas of law and in connection with discharging the Council's responsibilities with regard to its regulatory functions.
- During the reporting period, the Law Society also engaged contractors for hospitality and security related activities and engaged external service providers for activities such as IT consulting, surveys, our Solicitor Outreach Service and the provision of legal and other professional services.

- Lawcover’s main operations cover the provision of professional indemnity insurance and risk management and claims prevention education to law practices based, or with a presence, in New South Wales, as well as law practices in the ACT and Northern Territory. Its professional indemnity services cover four inter-related areas: Claims, Practice Support Services, Insurance Services and Underwriting. Lawcover’s management and its small team of legal and insurance professionals and support staff operates from a Sydney office located at Level 13, 383 Kent Street, Sydney. During the COVID-19 outbreak in Sydney, all staff worked remotely during the lockdown period. As staff return to working from the office, Lawcover is putting in place hybrid working arrangements whereby staff can work remotely for part of each week.

B. Supply chain

- Our direct supply chain consists of goods and services provided by more than 300 suppliers with whom the Law Society currently has formal agreements, which support our provision of products and services, facilities, events and functions. Suppliers have been contracted in key areas including:
 - application software;
 - IT consulting services;
 - IT hardware, telecom/internet and cloud services;
 - education services;
 - information subscription services;
 - research and consulting services;
 - building management services;
 - other professional services;
 - catering;
 - events;
 - sponsorship and advertising;
 - member benefits;
 - publishing; and
 - investment and banking services.
- These key supplier agreements are in place with organisations with operations across Australia, the United Kingdom, Ireland, the USA, India and other regions.
- The Law Society understands that its broader supply chain is both large and complex, likely spanning a wide range of industries and geographies. To date, we have had very limited exposure beyond our first

tier of suppliers, but recognise that we will need to better understand the second tier of suppliers and beyond in order to effectively manage our modern slavery risks. We have introduced a modern slavery questionnaire for use with new suppliers of goods and services to the Law Society. We ask suppliers about how they manage modern slavery risks within their supply own operations and supply chain. For now, we have taken an awareness approach consistent with the approach in the Act. We will continue to review and develop our questionnaire as appropriate. We have shared this questionnaire with Lawcover as part of our consultation process with it in preparing this statement and may develop a questionnaire tailored to Lawcover’s own supply chain and operational characteristics.

- Lawcover’s direct supply chain covers suppliers in a number of the same key areas as set out above in respect of the Law Society. With the organisation’s focus on the management of claims, the provision of claims prevention education and on capital management, suppliers that assist and support the company’s data management activities and its investment strategy also form a key part of its supply chain. Suppliers have been contracted in key areas including:
 - application software;
 - IT professional services;
 - IT hardware, telecom/internet and cloud services;
 - building management services;
 - actuarial services;
 - auditing;
 - claims handling services;
 - reinsurance and broking services;
 - other professional services;
 - events; and
 - investment and banking services
- Lawcover’s main operations cover the provision of professional indemnity insurance and risk management and claims prevention education to law practices based, or with a presence, in New South Wales, as well as law practices in the ACT and Northern Territory. Its professional indemnity services cover four inter-related areas: Claims, Practice Support Services, Insurance Services and Underwriting. Lawcover’s management and its small team of legal and insurance professionals and support staff operates from a Sydney office located at Level 13, 383 Kent Street, Sydney.

IDENTIFICATION OF RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAIN

A. Risks within our operations:

- Services provided by the Law Society are delivered by a team of skilled, professional staff primarily from our NSW offices. Australia is considered a lower risk country with respect to modern slavery and the industry sector within which we operate is also considered low risk. This suggests that the risk of modern slavery practices within the Law Society's operations is likely low.
- Within our operations, the Law Society acknowledges that our workforce includes employees and external contractors with temporary / voluntary work settings, immigration visas and English as a second language. While still considered low risk, these employees and external contractors may require additional assistance and information in relation to potential risks of modern slavery and human rights, and we recognise the role of the Law Society in supporting the provision of this assistance and information where required.
- The Law Society also recognises the potential risks associated with the use of external suppliers for recruitment-related services. The Law Society endeavours to only engage with reputable, well-established labour-hire firms. To ensure that we continue to manage these workforce-related risks, we will engage with these companies in future periods to better understand their modern slavery and human rights related controls in place.
- We understand that, despite a lower risk of modern slavery in our operations, significant changes in our workforce or service offerings in the future may result in changes to our risk profile. Should any significant changes occur, we will incorporate these into our ongoing risk assessment and management processes.

B. Risks within our supply chain:

- The Law Society's direct supply chain includes suppliers of goods and services used to help us operate and deliver services to our members and more broadly.

- In this reporting period, almost all of our direct suppliers were organisations based in Australia, a region generally considered to be at lower risk of modern slavery. We do, however, recognise that modern slavery is still present in Australia and, as such, should be a consideration when engaging with our suppliers.
- The small proportion of Law Society suppliers not based in Australia, in this reporting period, were based in the USA and the UK. The Law Society acknowledges that some of our suppliers are operating in countries where modern slavery risks may be more prevalent, such as India.
- Most of the Law Society's direct suppliers currently provide professional services such as research and consulting services, data management and IT software services, which are not identified by the International Labour Office as associated with a high risk of modern slavery.¹ However, we also recognise that we liaise with suppliers across various sectors that have been considered to be at higher risk of modern slavery. Examples of sectors with more elevated risk include:
 - Accommodation and food services;
 - Human resources and employment services;
 - Restaurants;
 - Agricultural products;
 - Facilities or building services (for example cleaning and maintenance);
 - Security and alarm services; and
 - Electronic equipment.
- In addition, the Law Society's suppliers may themselves engage with suppliers who operate within geographical regions or industries that have elevated modern slavery risks. The Law Society does not currently have full visibility over the goods and services sourced by our suppliers. In future periods, we will work to improve our understanding of the modern slavery risks beyond the first tier of our supply chain, in order to better understand and manage these risks in the future. One approach to this may be to widen the scope of our questionnaire for certain suppliers.
- As part of our efforts to build an understanding and improve management of modern slavery risks, during the reporting period the Law Society

¹ International Labour Organization, Walk Free Foundation and International Organization for Migration. Global Estimates of Modern Slavery [Internet]. Geneva: International Labour Organization, Walk Free Foundation and International Organization for Migration; 2017. Available from: https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms_575479.pdf



developed an improved supplier engagement approach. The improvements included developing and delivering a modern slavery questionnaire to suppliers on engagement or on renewal. The Law Society undertook a review of our supplier contract lifecycle process.

- From consultation with Lawcover, it is expected that Lawcover has a similar risk profile regarding modern slavery within its operations and supply chain to the Law Society. However, this will be further explored as part of our high-level supplier risk assessment in the next reporting period

Lawcover holds significant investments supporting its capital, and liabilities to policyholders. These investments are actively managed by external investment managers in accordance with Lawcover investment policy mandates, which include the integration of environmental, social and governance considerations. The Law Society will continue to consult with Lawcover as we make improvements to our Modern Slavery risk management framework.

ASSESSMENT AND MITIGATION OF MODERN SLAVERY RISKS

- The Law Society is committed to responsibly assessing and addressing modern slavery risks within our operations and throughout our supply chain. This commitment is supported by existing policies as well as changes to our processes, with a view to taking appropriate steps to address, if required, and prevent modern slavery in connection with our own operations, as well as the suppliers who work with us.
- The Law Society maintains a robust risk management framework ('RMF'), which is the totality of systems, structures, policies and processes in place to identify, assess, mitigate and monitor

internal and external sources of risk that could have a material impact on the Law Society's operations. Responsibility for implementing the RMF and managing the Law Society's risks resides with the CEO, members of the senior management group and other identified "risk owners". The Chief Risk Officer prepares a quarterly report to the Law Society's Audit, Risk and Finance Committee and to the Law Society Council regarding the management of material risks, having regard to a detailed Risk and Control Register that outlines key risks that fall within material risk categories, their consequences, risk indicators, mitigating controls and additional risk monitoring and management activities. Risk mitigation plans in respect of modern slavery risks will form part of the Law Society's RMF and it is currently intended that these plans and actions in relation to improving our management of modern slavery risks will be periodically considered by the Audit, Risk and Finance Committee as part of its oversight of the Law Society's risk management activities.

- The Law Society also has policies in place which apply to the procurement of goods and services, as well as policies with respect to recruitment, ethical standards and conduct of personnel which apply to Law Society officers, employees or contractors, including:
 - A **Whistleblower Policy** is in place which reflects our commitment to provide a working environment in which employees feel able to raise issues of legitimate concern to them and to the Law Society.
 - A set of **Professional and Personal Conduct Policies**, including a Code of Conduct for Councillors and Staff, and Business Standards, have been adopted to establish standards of conduct and ethical behaviour.

- An **Appropriate Workplace Behaviour Policy** is in place, focusing on providing equal opportunities with respect to compensation, benefits, promotions, development and other employment conditions, and on promoting a safe, healthy and productive working environment for all Law Society employees.
- A **Disciplinary Action Procedure** has been set up with the aim of ensuring a fair, consistent and legally correct approach to disciplinary matters, as well as encouraging improvement in behaviour and promoting fairness in the workplace.
- The Law Society intends to leverage these policies and procedures to improve awareness, identification and reporting mechanisms to manage modern slavery risks. The Law Society will also work to develop a modern slavery policy during the next reporting period.
- In addition, the Law Society recognises the opportunity to use our supplier negotiations as a channel to build awareness of modern slavery risks, as well as our expectations regarding how they are managed in our supply chain. These negotiations occur at the commencement of the contract and, to a lesser extent, on renewal.
- The selection of suppliers by the Law Society is initially managed by the relevant individual Department heads (e.g. IT Services, Library, Events) on a case by case basis. Once the supplier is at contract stage, it is then assessed by the Law Society's Corporate Legal Services Department, prior to the signing and commencement of an agreement.
- The Law Society's procurement process during the reporting period included a modern slavery questionnaire for response by suppliers or a review of the supplier's Modern Slavery statement (if available).
- The Law Society is not aware, and has not received any reports, of incidents of modern slavery in our operations or supply chain during the FY20-21 reporting period. In the event an incident is brought to the Law Society's attention, the management team would assess the nature and scale of the incident and engage with the appropriate parties to clarify and seek to remediate the issue.
- During the reporting period, the Law Society created a new contract management system which was developed with extensive consultation with the Corporate Legal Services Department. This new contract management system includes an embedded checklist on important legal and compliance areas including modern slavery.

- Lawcover has well-developed systems and processes in relation to procurement and audits of suppliers and the Law Society commits to working with Lawcover in future periods to align approaches in relation to modern slavery risks, where appropriate.

EVALUATION OF THE EFFECTIVENESS OF OUR ACTIONS

- While the Law Society is in the early stages of developing its approach to managing this important issue within our own organisation and supply chain, we commenced our activities from a strong starting point during the FY20-21 reporting period, and have taken steps during this reporting period to further improve processes.
- The Law Society has developed with the guidance of PwC an internal Roadmap for Modern Slavery Risk Management to guide our organisation through the set up and delivery of key actions and milestones to effectively address modern slavery risks. The Roadmap is a working document that may change as our frameworks develop.
- The Roadmap sets out actions in relation to internal processes and controls, as well as a process of review, assessment and continual improvement.

CONSULTATION WITH OUR INTERNAL STAKEHOLDERS AND CONTROLLED ENTITIES

The Law Society's approach to managing modern slavery risks for this FY20-21 reporting period has been developed in consultation with key stakeholders across our organisation, to determine a broad-based set of actions to manage modern slavery risks.

A cross-functional stakeholder group, including heads of Departments and members of the Law Society's senior management group, Human Resources and IT Services Departments, Corporate Legal Services Department and Secretariat, is consulted with to identify and implement key actions and process improvements to minimise the risks of modern slavery in our operations and supply chain.



Throughout the process of developing the Statement, the Law Society also engaged and consulted with our most significant subsidiary, Lawcover, and presented the Statement for review and comment to Lawcover's Executive Committee and its General Counsel and Head of Legal, Risk and Compliance.

OTHER INFORMATION

A. Impact of COVID-19:

- The pandemic has not had a direct impact on the Law Society's management of modern slavery risks in its operations or supply chain.
- However, we recognise that the impact of COVID-19 has likely increased the risks of modern slavery practices associated with vulnerable workers throughout our supply chain.
- Travel restrictions, government lockdowns and shifts in the supply of, and demand for, products and services may have exacerbated conditions, as well as made the ability to identify and address incidents of modern slavery more difficult.
- These circumstances associated with COVID-19 may apply for both our direct suppliers and our broader supply chain.
- Where we become aware that a supplier's modern slavery risk management was impacted by the pandemic, we intend to raise these issues with that supplier, to better understand the nature of the impact as well as their plans/actions to address them.

B. Future action:

- As part of our commitment to address modern slavery risks in our operations and supply chain,

we will continue to progress the recommendations of our internal Roadmap for Modern Slavery Risk Management (mentioned above), which encompasses short, medium and long term actions aimed at improving our identification and management of potential modern slavery risks. We are committed to regularly reviewing the Roadmap as well as relevant policies and procedures.

- Actions that we commit to taking by the completion of our next reporting period include:
 - Begin implementation of the internal Roadmap for Modern Slavery Risk Management.
 - Considering how current policies and processes could be strengthened to include modern slavery considerations.
 - Conducting awareness training sessions on modern slavery for relevant personnel.
 - Undertaking a supplier risk assessment for newly engaged direct suppliers of the Law Society. Due to limitations in existing supplier data, a risk analysis in relation to existing suppliers will initially only cover a portion of the total number of direct suppliers.
 - Development of a Modern Slavery policy.
 - Continuous improvement of our practices such as regular reviews and updates to the modern slavery questionnaire.

These actions will allow the Law Society to make continual progress in ensuring the effective management of modern slavery risks.

We confirm that this statement complies with the mandatory criteria of section 16 of the Act as set out in the Annexure.

MODERN SLAVERY ACT 2018 (CTH) – STATEMENT ANNEXURE

Principal Governing Body Approval

This modern slavery statement was approved by the *principal governing body* of

The Law Society of New South Wales

as defined by the *Modern Slavery Act 2018* (Cth)¹ (“the Act”) on **9 December 2021**

Signature of Responsible Member

This modern slavery statement is signed by a *responsible member* of

The Council of The Law Society of New South Wales

as defined by the Act²:



Sonja Stewart, Chief Executive Officer
Juliana Warner, President

Mandatory criteria

Please indicate the page number/s of your statement that addresses each of the mandatory criteria in section 16 of the Act:

| Mandatory criteria | Page number/s |
|--|---------------|
| a) Identify the reporting entity. | 1 |
| b) Describe the reporting entity’s structure, operations and supply chains. | 2-3 |
| c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls. | 4-5 |
| d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes. | 5-6 |
| e) Describe how the reporting entity assesses the effectiveness of these actions. | 6 |
| f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).* | 6-7 |
| g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.** | 7 |

* If your entity does not own or control any other entities and you are not submitting a joint statement, please include the statement ‘Do not own or control any other entities’ instead of a page number.

** You are not required to include information for this criterion if you consider your responses to the other six criteria are sufficient.

1 Section 4 of the Act defines a principal governing body as: (a) the body, or group of members of the entity, with primary responsibility for the governance of the entity; or (b) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed body within the entity, or a prescribed member or members of the entity.

2 Section 4 of the Act defines a responsible member as: (a) an individual member of the entity’s principal governing body who is authorised to sign modern slavery statements for the purposes of this Act; or (b) if the entity is a trust administered by a sole trustee—that trustee; or (c) if the entity is a corporation sole—the individual constituting the corporation; or (d) if the entity is under administration within the meaning of the *Corporations Act 2001*—the administrator; or (e) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed member of the entity.



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SUSHI & GRILL

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