

**A Toolkit Guide  
Code of Practice –  
Ethical Employment in Supply Chains  
May 2017**



Llywodraeth Cymru  
Welsh Government

# Code of Practice

## Guide to tackling Modern Slavery and Human Rights Abuses



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This Guide forms part of the Toolkit which supports the *Code of Practice – Ethical Employment in Supply Chains*.

This Guide is aimed at any person involved in the supply of goods, services and works, including procurement, contract management and supplier management.

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# 1. Introduction

The Welsh Government is committed to ensuring workers are treated fairly and with respect and to making Wales hostile to slavery.

The *Code of Practice – Ethical Employment in Supply Chains* is designed to help ensure workers in public sector supply chains in Wales are employed in a fair and ethical way. The Code covers the following employment issues:

- Modern Slavery and human rights abuses;
- Blacklisting;
- False self-employment;
- Unfair use of umbrella schemes and zero hours contracts; and
- Payment of the Living Wage

The ‘Wales Procurement Policy Statement’ (WPPS) supports this and sets out the expectations placed on every public sector organisation in Wales. The Code of Practice has been developed to reflect the overall aims and ethos of the refreshed WPPS and supports achievement of the following Well-Being of Future Generations Goals, as set out in the Well-Being of Future Generations (Wales) Act 2015:

- **A prosperous Wales** – *An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.*

The Code of Practice will contribute to the achievement of this Well-Being Goal by providing better employment opportunities and supporting long term career development through the improvement of employment practices across supply chains in Wales.

- **A more equal Wales** – *A society that enables people to fulfil their potential no matter what their background or circumstances (including their socioeconomic background and circumstances).*

The Code of Practice will contribute to the achievement of this Well-Being Goal through supporting the eradication of unfair employment practices across supply chains in Wales.

- **A globally responsible Wales** – *A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.*

The Code of Practice will contribute to the achievement of this Well-Being Goal through supporting the eradication of modern slavery across global supply chains.

## 2. What are Modern Slavery and Human Rights Abuses?

### Modern Slavery

According to the 2016 Global Slavery Index produced by the Walk Free Foundation, Modern Slavery affects 45.8m people worldwide – [www.globallslaveryindex.org/](http://www.globallslaveryindex.org/)

Modern Slavery involves one person denying another person his or her freedom, and can take a number of forms, including:

- the buying and selling of people;
- holding people in captivity
- human trafficking – the recruiting, transporting, transferring, harbouring or receiving of a coerced person for exploitation, or deceiving a person into travelling
- child labour; and
- other forms of exploitation where people are forced to work against their will, held in debt bondage or controlled by violence. These can include:
  - withholding of an individual's passport or identity documents
  - excessive recruitment fees and/or loans which workers are required to pay back before they can leave
  - withholding of wages
  - withholding/delaying of work permits
  - threat of reporting an individual's immigration status to the authorities
  - preventing free movement outside the organisation's premises and/or preventing communication with others
  - using a position of power or authority to control free movement which results in workers living or working in a situation that they would not freely choose

The International Labour Organisation estimates that Modern Slavery generates \$150bn in illegal profits each year.

### Human rights abuses

Human rights are the basic standards that all people are entitled to in order to live in dignity. Children are entitled to additional rights as they need extra protection that adults do not. The presence of modern slavery in business operations and supply chains needs to be understood in the wider context of human rights abuses. Within the workplace, these can include:

- Physical abuse
- Humiliation, harassment and intimidation
- Child labour
- Excessive working hours
- Low wages
- Poor and/or unsafe working standards and conditions
- No, or minimal, breaks
- Deprivation of food, shelter etc
- Unequal treatment based on factors such as race, gender, religion, migrant status etc

### Understanding the risks

Although modern slavery and human rights abuses can affect virtually any industry and economic sector, there are a number of core features that place workers at heightened risk of being exploited:

#### Context in which the organisation operates:

- Inadequate laws and regulations with little or no-enforcement
- Presence of cheap labour and high numbers of vulnerable workers – this may include women, children and young workers, migrants, minorities, groups with a history of discrimination or exclusion of workers with disabilities

- Absence of effective and representative workers' organisations/collective agreements. In some situations workers are discouraged or prevented from joining an independent trade union. In others, collective agreements are reached between a 'ghost' union and an employer with no consultation with workers - these are known as protection contracts.
- A lack of business and/or government accountability
- Widespread discrimination against particular groups e.g. women or certain ethnic groups
- Wars/conflicts
- High levels of poverty

### **Business/supply chain models:**

- Sub-contracting and complex supply chains – the larger and more complex the supply chain, the higher the risk of modern slavery
- Complex employment relationships - a reliance on agency, outsourced or subcontracted workers adds another layer of separation between employers and workers, leaving workers exposed to unethical practices
- Use of labour recruiters in supply chains – recruitment and hiring through labour brokers can increase the risk of trafficking and forced labour due to the prevalence of corrupt practices

### **Nature of work:**

- Reliance upon low-skilled or unskilled labour – typically work that is low-paying and undervalued and often undertaken by vulnerable workers
- High numbers of temporary, seasonal, or agency workers – worker vulnerability is heightened by employment uncertainty
- Dangerous or physically demanding work.
- Isolation of workers – due to working in rural locations, being home-based or in unmonitored and unregulated environments

Industries that are characterised by the type of work outlined above – often those that involve raw materials and are labour intensive - are considered high risk and include:

- Agriculture
- Mining
- Logging
- Fishing and Fisheries
- Construction
- Manufacturing and Electronics
- Garment production, footwear and textiles
- Food processing
- Services, including the Hotel industry, cleaning and catering



According to the 2016 Global Slavery Index ([www.globalslaveryindex.org](http://www.globalslaveryindex.org)):

The ten countries with the largest estimated number of people in modern slavery (=71% of total) are:	The ten countries with the highest percentage of their population in Modern Slavery are:
India	Mauritania
China	Uzbekistan
Pakistan	Haiti
Uzbekistan	Qatar
Russia	India
Nigeria	Pakistan
The Democratic Republic of the Congo	The Democratic Republic of the Congo
Indonesia	Sudan
Bangladesh	Syria
Thailand	The Central African Republic

Suppliers from these countries are frequently a part of supply chains within the UK.

### At home in the UK

Modern Slavery and Human Rights Abuses are usually thought of as problems which occur overseas. However, they also occur in UK-based supply chains.

The following table shows the number of victims being referred to the UK's National Referral Mechanism (NRM) over the last three years:

	UK	Wales
2013	1,745	51
2014	2,340	70
2015	3,266	134

Partly as a result of increasing awareness and improved training, the numbers of victims identified is increasing year on year, with Wales seeing a 91.4% increase in 2015 compared with 2014.

There were 130 convictions for Modern Slavery in the UK in 2014 and 235 charges were brought in 2015. In November 2014 the Home Office Chief Scientific Officer found that there were between 10,000 and 13,000 potential victims of Modern Slavery in the UK in 2013.

The figures above cover all forms of Modern Slavery including sexual exploitation, however 35% of adults and 34% of children included were subjected to labour exploitation.

## Kozeesleep and Lazyee Beds

In February 2016 the owner of Kozeesleep in West Yorkshire was sentenced to 27 months for conspiracy to traffic. It is believed that Kozeesleep supplied major retailers including Next and John Lewis.

According to a Crown Prosecution Service (CPS) news article published on 12/02/16 ([www.cps.gov.uk/yorkshire\\_humberside/cps\\_yorkshire\\_and\\_humberside\\_news/kirklees\\_\\_bed\\_manufacturer\\_jailed\\_for\\_27\\_months\\_for\\_conspiracy\\_to\\_traffic\\_workers/](http://www.cps.gov.uk/yorkshire_humberside/cps_yorkshire_and_humberside_news/kirklees__bed_manufacturer_jailed_for_27_months_for_conspiracy_to_traffic_workers/))

Gavin Hotchkiss, reviewing lawyer, Complex Casework Unit, CPS Yorkshire and Humberside said: “Large numbers of Hungarian men were employed by Rafiq at his Kozeesleep and Layzee Beds factories in West Yorkshire. Rafiq was aware of the circumstances of the Hungarian nationals

who were working at his factories and were exploited as a slave workforce.

“This defendant was part of a persistent and heartless campaign of exploitation involving many Hungarian men over a prolonged period of time. These men were vulnerable and desperate for work; they were promised good wages and accommodation.

“Once in the UK they faced a very different reality, living in shared, squalid and grossly overcrowded accommodation, some of which was provided by Rafiq. They worked for anything up to 20 hours a day, five to seven days a week, for little or no wages. The money they earned was passed to the trafficking gang, who then handed over minimal amounts to the victims.

“The sentence handed down today is a clear warning that the exploitation of vulnerable workers will not be tolerated.”

### 3. Legal and Regulatory Requirements and Standards

Relevant national and international law in relation to Modern Slavery and Human Rights includes.

#### UK Legislation

- Health and Safety at Work Act 1974
- Employment Rights Act 1996
- Human Rights Act 1998
- Gangmasters (Licensing) Act 2004
- Equality Act 2006
- Modern Slavery Act 2015
- Well-being of Future Generations (Wales) Act 2015
- Companies Act 2006
- Human Trafficking and Exploitation (Scotland) Act 2015
- Human Trafficking and Exploitation (Criminal Justice and Support for Victims) Act (Northern Ireland) 2015

#### UK Guidance

- Home Office Modern Slavery Strategy 2014
- Home Office statutory guidance: Transparency in Supply Chains etc. – A practical guide

See Annex C for further information.

#### International Laws, Principles and Standards

- European Convention on Human Rights
- International Labour Organisation's (ILO) 8 Core Conventions
- International Bill of Human Rights
  - Universal Declaration of Human Rights
  - International Covenant on Civil and Political Rights (ICCPR)
  - International Convention on Economic Social and Cultural Rights (ICESCR)
- Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- The Palermo Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, supplementing the United Nations Convention against transnational Organized Crime
- UN Convention on the Rights of the Child
- UN Global Compact
- UN Guiding Principles on Business and Human Rights
- UN Sustainable Development Goals
- California Transparency in Supply Chains Act (SB 657) Jan 2012.
- Ethical Trade Initiative Base code
- Children's Rights and Business Principles: UNICEF, UN Global Compact, Save the Children

See Annex B for further information.







## 4. Why should you be concerned with Modern Slavery and Human Rights abuses?

***'71 per cent of companies believe there is a likelihood of modern slavery occurring at some point within their supply chains, according to a new study launched today.'***

According to research carried out by the Ethical Trading Initiative in conjunction with the Ashridge Centre for Business and Sustainability at Hult International Business School – [www.ethicaltrade.org/blog/study-gives-insight-company-responses-modern-slavery](http://www.ethicaltrade.org/blog/study-gives-insight-company-responses-modern-slavery)

Public sector bodies and business have a pivotal and proactive role to play in tackling modern slavery:

- preventing and detecting exploitation in their own operations and in the communities where they operate;
- influencing and working with suppliers and business partners; and
- raising labour standards within their sectors/industries.

In certain sectors, organisations are also in a position to spot and report an issue which by its nature tends to remain hidden.

Whilst you may be able to conduct your organisation's activities without taking any steps to address Modern Slavery or Human Rights abuses within your supply chain, it is everyone's moral duty to help tackle these issues. By taking a proactive approach to identifying and addressing issues of Modern Slavery and Human Rights abuses you can also help deliver the following benefits:

- Improved risk assessment and management within your organisation

- Improved image of the organisation and / or brand leading to greater consumer trust and increased sales and profit.
- Increased likelihood of investment from external parties due to the organisation's positive reputation.
- Increased employee engagement, recruitment and retention within your own organisation as workers are motivated by the stance taken to employee rights.
- Better quality products and more consistent delivery as a result of improved motivation amongst workers within the supply chain.
- More sustainable business relationships
- Greater ability to trade worldwide and meet the increasing requirements of international standards such as the UN Guiding Principles on Business and Human Rights, and international law, for example the California Transparency in Supply Chains Act (SB 657), Jan 2012 .

In contrast, if any issues were to be found it can be damaging for your organisation. Even where the issues identified do not directly involve your own business, you can still be negatively impacted by association in the following ways:

- Reduced consumer confidence in your organisation and / or brand can result in a loss of market share and reduced profits.
- Delivery of supplies may be interrupted, impacting upon your operational continuity.
- Reputational damage may lead to investors being reluctant to be associated with your organisation.
- Your organisation may be subject to legal sanctions and/or financial penalties.

- Your goods may be confiscated when being imported to certain countries if allegations of forced labour or trafficking are made in relation to those goods.

In the foreword to the Home Office's 'Transparency in Supply Chains etc: A Practical Guide ([www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/471996/Transparency\\_in\\_Supply\\_Chains\\_etc\\_\\_A\\_practical\\_guide\\_\\_final\\_.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/471996/Transparency_in_Supply_Chains_etc__A_practical_guide__final_.pdf)), Home Secretary Theresa May states: "It is not acceptable for any organisation to say, in the twenty-first century, that they did not know. It is not acceptable for organisations to ignore the issue because it is difficult or complex. And, it is certainly not acceptable for organisations to put profit above the welfare and wellbeing of its employees and those working on its behalf."

## 5. How can you tackle Modern Slavery and Human Rights abuses?

Within this section you will find practical advice on the actions you can take to tackle Modern Slavery and Human Rights abuses:

Area	Key actions:
Policy Development	Produce a written policy on ethical employment and communicate it widely
	Produce (or update) a written policy on whistle-blowing and communicate it widely
	Appoint an 'Anti-slavery and Ethical Employment Champion'
Training & Communications	Raise awareness of modern slavery and human rights abuses amongst your staff and deliver appropriate training
	Raise awareness of modern slavery and human rights abuses amongst your suppliers and deliver appropriate training
Procurement and Contract Management Procedures	Review and amend your procurement processes and any related documentation
	Review and amend your contract management processes and any related documentation
	Review and amend your ordering and payment processes
Assess your existing suppliers and supply chains	Map your supply chain
	Carry out a risk assessment on your supply base
	Investigate your high risk suppliers, including by direct engagement with workers where possible.
Remedying of problems identified	Work with your suppliers to resolve issues and change working practices
	Terminate your contract
Annual Written Statement	Produce and publish an annual written statement on Modern Slavery

These actions should not be seen as one-off activities but should be carried out regularly as part of your normal business processes.

When reading this section it is important to consider:

- the size of your organisation
- the level of risk within your supply chain in relation to slavery and human rights abuses
- whether your organisation may have contributed to any instances of modern slavery or human rights abuses; and
- what action you have already taken.

The actions, and the amount of effort spent on them should be proportionate and targeted at the issues which have the greatest impact upon people within your own organisation and within your supply chains.

## Policy development

The UN Guiding Principles on Business and Human Rights states:

‘In order to meet their responsibility to respect human rights, business enterprises should have in place policies and processes appropriate to their size and circumstances, including:

- a) A policy commitment to meet their responsibility to respect human rights;
- b) A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights;
- c) Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.’

**Produce a written policy on ethical employment and a written policy on Whistleblowing and communicate them widely.**

### **Ethical Employment Policy:**

Before you begin writing your policy you will need to determine your stance on ethical employment in general and on Modern Slavery and Human Rights abuses. You can do this through consultation with your staff, your investors, your suppliers your customers and

NGOs and community organisations. See the Example Ethical Employment Policy in the Toolkit for a list of considerations when developing your policy.

### **Whistleblowing Policy:**

Before you begin writing your policy you will need to determine when and how members of your staff should raise any concerns/suspensions relating to unethical employment, Modern Slavery and Human Rights abuses. See the Example Whistleblowing Policy in the Toolkit for a list of considerations when developing your policy.

You will need to establish a system for reporting and investigating problems, tracking progress and monitoring outcomes. For smaller organisations where resourcing such a system may not be feasible, you may wish to involve external agencies, (e.g. the police), to a greater extent.

As part of this you should ensure that people outside of your organisation are also able to report incidents through a clear, transparent and accessible process. This may involve establishing a new grievance mechanism process or amending your existing complaints process.

Once developed you should:

- Ensure the policy is signed off by a member of the Board / Senior team within your organisation
- Communicate the policy to all of your staff and offer training as appropriate
- Publish the policy on your website in a prominent place
- Communicate the policy to all of your suppliers, business partners and stakeholders and offer training as appropriate
- Ensure that the policy is reflected within any other policies you have and within your standard processes and procedures e.g. your procurement policy, tender documents, contracts, recruitment and training documents, supplier code of conduct, employee code of conduct etc.

You should review the policy regularly – at least annually.

### **Appoint an ‘Anti-Slavery and Ethical Employment’ Champion**

The role of the Champion would be to actively promote and support your organisation’s stance on unethical employment practices, modern slavery and human rights abuses.

The Champion will be responsible for raising awareness of the policies and for monitoring and evaluating its effectiveness. He or she should help others understand the issues, help identify solutions to problems and develop new ways of working. He or she should also be involved in resolving issues where non-compliance is identified.

The Champion is likely to be an existing member of staff who takes on this responsibility in addition to his or her main role. He or she does not have to be a senior member of staff, but should report progress to a senior member of the organisation who is responsible for overseeing this work, (a Director or equivalent), or a partner in the case of a limited liability partnership.

### **Training & communications**

#### **Raise awareness of modern slavery and human rights abuses amongst your staff and deliver appropriate training**

It is important your staff understand what modern slavery and human rights abuses are, what your organisation’s policies are on them, how they may impact your business and your supply chains and what steps staff can take/should take within their daily roles. Your staff should be aware of relevant laws, standards and best practice. It should also be made clear that any indications of modern slavery should be reported to the appropriate authorities.

You can do this by:

- Including information on modern slavery and human rights abuses within staff induction processes, including raising awareness of your Ethical Employment Policy and Whistleblowing policy
- Reviewing existing staff training in order to include training on modern slavery and human rights abuses
- Introducing specific training on modern slavery and human rights for staff in relevant roles e.g. HR, procurement/buying, contract and supplier management
- Ensuring all staff involved in procurement/ buying and supplier management to complete relevant training (see Annex E for a list of external training providers)
- Considering sending key members of staff on external training courses, such as the Wales Anti-Slavery Training Programme or the Investigating Modern Slavery programme developed by the Gangmasters and Labour Abuse Authority and the University of Derby, where it is appropriate for their role.

The Home Office website has a section devoted to tackling modern slavery, which includes useful information on spotting the signs of slavery.

[www.gov.uk/government/collections/modern-slavery](http://www.gov.uk/government/collections/modern-slavery)

### **Fair Trade**

Wales became the first Fair Trade Nation in 2008, having met a set of criteria around increasing the availability of Fair Trade products in counties, cities, towns, schools and universities and 75% of the Welsh population knowing about Fair Trade. Being a Fair Trade nation means that there is experience within Wales to draw from. The Fairtrade mark offers protection against modern slavery for producers and workers in supply chains.

See Annex B for more information about Fair Trade.



Fair Trade Wales offers support, guidance and an opportunity for a visit, which would include some training, one-to-one support and opportunities for direct contact with Fair Trade suppliers.

**Raise awareness of modern slavery and human rights abuses amongst your suppliers and deliver appropriate training**

It is important that your suppliers understand what modern slavery and human rights abuses are, your organisation’s stance on them, how they may affect business and supply chains, and what steps staff can take/should take within their own organisation.

You can do this by:

- Providing copies of any training materials on modern slavery and human rights abuses for use within their own organisations.
- Developing and running training courses for your suppliers to attend. This training could be provided face to face, via video conferencing or online via webinars/webcasts.
- Encouraging your suppliers to ensure all staff involved in procurement / buying and supplier management to complete relevant training (see Annex E for a list of external training providers).
- Encouraging your suppliers to send key members of staff on external training courses, such as the Wales Anti-Slavery Training Programme or the Investigating Modern Slavery programme developed by the Gangmasters and Labour Abuse Authority and the University of Derby, where it is appropriate for their role.

**Awareness raising and training should not be carried out as a one-off exercise – it should be an ongoing activity.**

Further information on training can be found at Annex E.

**Procurement Procedures**

**Unravelling cotton production**

Cotton producing countries in the developing world present serious cases of forced child labour in their cotton fields. Uzbekistan, the sixth largest cotton producer is the most striking example. Cotton is Uzbekistan’s most valuable cash crop. About a quarter of Uzbekistan’s GDP is made up of industries related to the cotton sector. It used to force children collectively into the cotton fields at harvest time to pick the cotton. Due to international pressure, Uzbekistan stopped this practice in 2012 but replaced it with the forcible mobilisation of adults on a massive scale, including university students and workers from schools and hospitals.

Due to the traceability process for the cotton industry not being robust, it is difficult to be sure that cotton products do not have Uzbek cotton in them. For example, much of the cotton used in manufacturing in Bangladesh is traditionally from Uzbekistan.

**How to procure Fair Trade Cotton**

One way to ensure that forced labour is not in your cotton supply chains is to use Fair Trade cotton. In 2016, Transport for London (TfL) committed to source Fairtrade cotton for its staff uniforms, in a five-year partnership with the Fairtrade Foundation. TfL is the first UK company and public sector body to source cotton under the new Fairtrade Cotton Sourcing Programme. Its first order of 100,000 items was placed in 2015.

If you are a public sector organisation you need to ensure that you do not specify one particular certification system, such as Fair Trade, as a technical specification in tenders without also allowing for other suitable or equivalent standards. However it is possible to include social requirements and standards throughout the procurement process. Organisations such as the Fairtrade Foundation and Fairtrade Wales can offer advice and guidance on how to do this. [www.fairtrade.org.uk/~media/fairtradeuk/get%20involved/documents/in%20your%20community/cotton%20procurement%20guide.pdf](http://www.fairtrade.org.uk/~media/fairtradeuk/get%20involved/documents/in%20your%20community/cotton%20procurement%20guide.pdf)

### **Review and amend your procurement processes and any related documentation**

You should review your procurement processes to ensure that they reflect your 'Ethical Employment Policy'. It is important that you consider the impact of any changes on your suppliers, especially SMEs. Changes that you should consider making are as follows:

- Take a proportionate and risk-based approach to each procurement to ensure that workforce issues are assessed, understood and managed in all key decisions - this should be completed at the planning stage of each tender/procurement. Although it is designed for procurement in the Welsh public sector, the Welsh Government's 'Sustainability Risk Assessment (SRA)' might be useful for all organisations for this purpose – [www.prp.gov.wales/toolkit/](http://www.prp.gov.wales/toolkit/)
- Include a copy of your 'Ethical Employment Policy' and 'Whistle-blowing Policy' in all your tender / pre-contract information and raise awareness of them through any 'Meet the Buyer' type events you may hold.
- Encourage suppliers to voluntarily sign up to the Code and agree to implement its commitments during the lifetime of the contract. Where appropriate you may wish to incorporate elements of the Code as conditions of contract.

- Identify any industry-specific labour or employment standards that are applicable to the contract and consider including compliance with these as a condition of contract. For example Fairtrade, or adherence to ILO Labour Standards.
- As part of the procurement process, consider asking suppliers to provide information on their working/employment practices and to demonstrate their approach to tackling modern slavery and human rights abuses. Consider including the following questions, where relevant:
  - What steps has the supplier taken/does it plan to take to tackle modern slavery and human rights abuses within its organisation and supply chains?
  - Can the supplier confirm it is abiding by all applicable labour/employment laws?
  - Can the supplier confirm it is not subject to any ongoing investigations or charges in relation to modern slavery and human rights abuses?
  - Can the supplier confirm it is not aware of any ongoing investigations or charges within its supply chain in relation to modern slavery and human rights abuses?
  - Can the supplier disclose its human rights due diligence processes?
  - Does the supplier provide training on modern slavery and human rights abuses for employees and personnel with responsibility for supply chain management?
  - Does the supplier identify sourcing geographies where there is a high risk of human rights abuse?
  - How many workers does the supplier employ and on what basis (e.g. direct, agency staff etc)?
  - Are all of the supplier's workers aware of their rights and do they have employment contracts in place?
  - Can the supplier confirm that all workers are paid a fair rate of pay, (inline with relevant national context),?
  - Does the supplier have a policy clearly stating the minimum age for employment in line with national law or international minimum standards, whichever is higher?

Does the company have a zero-tolerance policy on violence, exploitation and abuse of children, including but not limited to sexual exploitation?

- Are workers charged for items which are necessary for them to perform their role e.g. uniforms, Personal Protection Equipment etc?
  - Are all workers free to leave to find work elsewhere?
  - Can the supplier confirm that no worker has had to pay for employment?
  - Can the supplier confirm that workers' passports are not retained?
  - Are all workers free to join a Trade Union/collective agreement?
  - Does the supplier have an effective whistle-blowing/grievance mechanism in place?
- Consider including adherence to the responses to the questions above as conditions of contract, as appropriate
  - Ask the supplier to provide information on any sub-contractors who will be employed to fulfil the contract
  - Consider asking the supplier to provide information on its supply chain, identifying the names of key suppliers upon contract award. Consider making this a condition of contract
  - If you are looking to establish an agreement or contract with an employment or recruitment agency, ask for information on its recruitment and employment practices e.g. charging of recruitment fees, identity checks carried out, retention of documentation, use of sub-agencies. Consider including adherence to its response a condition of contract
  - Carry out due diligence checks on the information provided by prospective suppliers.

See the Example Tender Questions and Contract Conditions document in the Toolkit. Oxfam has developed a 'Supplier

Questionnaire', which may also be helpful in designing your own.

If you, or your suppliers, use labour providers, employment intermediaries or UK workers being paid the minimum wage the HMRC website has several useful sections and checklists. The Due Diligence leaflet is particularly useful. This will help you make sure you have the right systems in place to check compliance, help you shape your policies, and give you contact details for raising concerns.

[www.gov.uk/government/publications/use-of-labour-providers](http://www.gov.uk/government/publications/use-of-labour-providers)

[www.gov.uk/guidance/employment-status-employment-intermediaries](http://www.gov.uk/guidance/employment-status-employment-intermediaries)

[www.gov.uk/send-employment-intermediary-report](http://www.gov.uk/send-employment-intermediary-report)

[www.gov.uk/guidance/employment-status-indicator](http://www.gov.uk/guidance/employment-status-indicator)

[www.gov.uk/national-minimum-wage/what-is-the-minimum-wage](http://www.gov.uk/national-minimum-wage/what-is-the-minimum-wage)

### **Additional requirements for public sector buyers**

Public sector buyers ("Contracting Authorities") must ensure that they comply with the Public Contracts Regulations 2015 (PCR 2015), the Public Contracts Directive 2014 (2014/24/EU) and principles of transparency, equal treatment, proportionality and non-discrimination derived from the Treaty on the Functioning of the European Union. You should also seek legal advice as this Guide is not intended as a comprehensive statement of the law and each procurement exercise will raise different considerations.

Making use of the 'Squizard' tool on the Sell2Wales website, along with the Sustainability Risk Assessment tool will help you take a risk-based approach to each procurement. Any further relevant selection questions should be added in to the SQulD as project specific questions. Use of the SRA and the SQulD approach is a requirement of

the WPPs. See the Example Tender Questions document in the Toolkit for more detail.

Public sector buyers are referred to the provisions in the PCRs 2015 which support ethical sourcing. Some of those most relevant to the subject matter of this Guide are summarised below, however you must refer to the Regulations themselves for the full terms of the regulations ([www.legislation.gov.uk/uksi/2015/102/pdfs/uksi\\_20150102\\_en.pdf](http://www.legislation.gov.uk/uksi/2015/102/pdfs/uksi_20150102_en.pdf)).

- Regulation 56(2) allows you to decide not to award a contract to the tenderer submitting the most economically advantageous tender where you have established that the tender does not comply with applicable obligations in the fields of environmental, social and labour law as established by EU law, national law, collective agreements or by the international environmental, social and labour law provisions listed in Annex X to the Public Contracts Directive – [www.eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014L0024](http://www.eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014L0024). Please note that this provision focuses on the tender – rather than the tenderer (the tenderer being the focus of the discretionary grounds for exclusion)
- Regulation 57 includes a list of mandatory exclusions whereby you must exclude tenderers from participation in a procurement procedure where the supplier has been convicted of the specified offences, including those listed below. You must allow contractors the chance of avoiding exclusion by providing evidence of having “self-cleaned” following a conviction.
- Regulation 57 also contains discretionary grounds for exclusion, which allow you to exclude a supplier from a procurement exercise in certain circumstances. Grounds for discretionary exclusion include demonstrating by any appropriate means either a breach of the obligations contained in regulation 56(2) or that a supplier is guilty of grave professional misconduct, which renders its integrity questionable. Tenderers must be offered the chance to show evidence

of any ‘self-cleaning’ they have undertaken and, if these are deemed sufficient, can avoid exclusion

- Regulation 67 stipulates that award criteria must be linked to the subject matter of the contract. You can include social (including workforce matters) and trading considerations within your contract award criteria provided they are linked to the subject matter of the contract
- Regulation 69 allows you to require tenderers to explain the price or costs proposed in the tender where a tender appears to be abnormally low. If it is established that a tender is abnormally low because it does not comply with applicable obligations referred to in regulation 56(2) (see above) you must reject the tender
- Regulation 70 allows you to include special conditions relating to the performance of a contract, which may include social or employment-related considerations, provided they are linked to the subject-matter of the contract and were included in the contract notice and/or tender documentation
- Regulation 71 allows you to ask the tenderer to indicate in its tender any share of the contract that it may intend to subcontract to third parties and any proposed subcontractors. Making use of this provision can make your supply chain more transparent
- Regulation 73 states that you should include a clause in a contract allowing you to terminate it if it has been awarded to a supplier who, as at the date of the contract award, was subject to one of the grounds for mandatory exclusion.

### **Review and amend your contract management processes and any related documentation**

You should review and amend your contract documents, including your Standard Terms and Conditions, to reflect your ‘Ethical Employment Policy’. In addition, you should ensure that any requirements considered at

tender stage are reflected in the terms of the contract, as appropriate.

Changes that you should consider making are as follows:

- Include a link to your 'Ethical Employment Policy' on your purchase orders, invoices, goods receipt notes etc
- Include discussions about tackling modern slavery and human rights abuses within all Contract review meetings with your suppliers. These discussions should focus on steps that each party has taken to tackle any potential or known issues
- Develop Key Performance Indicators (KPIs) on tackling modern slavery and human rights abuses and ensure that these form part of your contractual agreement with key/high risk suppliers.
- Include a termination clause in all contracts which enables you to terminate a contract should any allegations or charges be brought against your supplier in relation to modern slavery and human rights abuses
- Include a clause in all contracts allowing inspection of supplier premises. This clause should give you the rights to carry out audits and speak directly to supplier's employees
- Pay attention to the personal details, addresses, next of kin and bank details provided for agency workers, and encourage your suppliers to do the same if they are engaging agency workers. Ensure your supplier's sub-contractors are contractually bound by the same terms as your supplier in relation to modern slavery and human rights issues
- Make it a contractual condition that you must approve all sub-contractors who are to carry out services as part of your contract
- Include a clause which obligates the supplier to cascade conditions of contract down through the supply chain
- Ensure your supplier has an effective grievance mechanism in place.

Wherever possible you should look to retrospectively build these in to existing contracts through discussions with your current suppliers.

See the Example Questions, Conditions and Policies document in the Toolkit.

### **Review and amend your ordering and payment processes**

You should consider the potential impact that your payment processes and contract renegotiations may have on the supply chain workforce.

You should ensure that you do not put undue pressure on your suppliers in terms of delivery timescales and costs. Where suppliers exploit workers in order to secure the business this can result in modern slavery and human rights abuses occurring within the supply chain.

- Engage with suppliers to understand buying practices that may have a negative impact upon workers' human rights. Work to keep these to a minimum, and establish ways to mitigate the risk of irregular subcontracting to help companies stay in control of their supply chains
- Identify industry standards for the delivery of goods and services bought by your organisation. Ensure that when placing orders your organisation aligns with the relevant industry standard and only seeks faster delivery in exceptional circumstances. Where faster delivery is required, you should discuss this with your supplier to satisfy yourself that this will not have an adverse impact on the supply chain's workforce
- Establish a fair timescale for paying your suppliers and ensure that payments are not unduly delayed. The 'Prompt Payment Code' encourages payment within 30 days of receipt of a valid invoice. See the Example Questions, Conditions and Policies document in the Toolkit for an example contract condition
- Consider using Project Bank Accounts as a way to pay suppliers in your supply chains. Project Bank Accounts are ring fenced



bank accounts with trust status from which payments are made simultaneously to members of the supply chain. For further information see the Project Bank Accounts Guidance Note and Procurement Advice Note on the Procurement Route Planner [www.prp.wales.gov.uk/toolkit](http://www.prp.wales.gov.uk/toolkit)

## Assess your existing suppliers and supply chains

### Map your supply chain

Before you take any steps in relation to your existing supply base you will first need to carry out a supply chain mapping exercise to help you understand:

- the suppliers in your supply chain(s)
- the goods/services each supplier provides
- the value of your business with each supplier
- Where each supplier is located.

A good source of information to start with is your finance system. Extract a list of all your creditors from the last year who supplied goods/works/ services and remove any non-procurement related payments such as:

- entries that relate to payments to staff/individuals e.g. for expenses
- entries that relate to standard payments such as business rates etc
- Carry out a de-duplication exercise so that a supplier is only listed once

Next, for each supplier:

- Identify the goods / services that they supply to you
- Identify the total amount spent with them in the last year
- Identify which country they are located in

Completing the above steps will give you a categorised listing of all of your direct suppliers. However to fully understand your supply chain you will need identify the suppliers further down the supply chain. There are a number of commercial organisations who can carry out this analysis on your behalf at a

cost. Alternatively you could pass the activity down your supply chain by asking your direct suppliers to identify their direct suppliers, and for their direct to identify their direct suppliers and so on.

Note: this can be a very complex and resource-intensive process. Whilst understanding your whole supply chain is the ultimate goal, you may want to start with simply identifying and understanding your direct suppliers, those involved in supplying your core produce/service, or suppliers who provide a particular kind type of commodity or who operate in a country where modern slavery and human rights abuses are known to be prevalent .

### Carry out a risk assessment on your supply base

Carrying out a risk assessment on your supply base will help you to understand the level of risk of modern slavery and human rights abuses occurring within your supply chain(s) and the level of risk that this poses to your own organisation – this will help you prioritise your actions.

The information contained on ‘Understanding the Risks’ in section 2 of this guide will help you with this process. You may also want to engage with expert stakeholders (e.g. civil society, trade associations, government agencies, unions) and potentially affected groups (e.g. workers, children of employees, members of the community in which your suppliers operate).

To understand risk you should consider:

- the industry the supplier works within:
  - The US Department of Labour maintains a list of products which it believes are produced by child labour or forced labour. The list can be searched by the good/product and Country – [www.dol.gov/ilab/reports/child-labor/list-of-goods/](http://www.dol.gov/ilab/reports/child-labor/list-of-goods/)
  - Verite produce a Knowledge Portal which shows where in the world it believes certain products are produced with forced labour – [www.verite.org/Commodities](http://www.verite.org/Commodities)



- the country the supplier is based in and/or works within:
  - The Global Slavery Index looks at the prevalence of modern slavery in 167 countries - [www.globalsslaveryindex.org](http://www.globalsslaveryindex.org)
  - Anti-Slavery International map of products produced by slavery and child labour [www.business-humanrights.org/sites/default/files/documents/anti%20slavery%20poster-final.pdf](http://www.business-humanrights.org/sites/default/files/documents/anti%20slavery%20poster-final.pdf).
- The size and complexity of the supply chain(s) involved
- the importance of the supplier to your business – by value of spend, criticality of supply, length of your relationship

There are a number of risk assessment tools which can be used for this process including the UK Government's Risk Screening Tool and the Scorecard produced by Fortescue Metals Group, both of which are available in Walk Free's 'Tackling Modern Slavery in Supply Chains: A Guide 1.0' – [www.business.walkfreefoundation.org](http://www.business.walkfreefoundation.org) (Tools 3 & 5).

Once you have carried out an initial assessment, further assessment can be carried out those suppliers who have rated as 'High' risk (and possibly medium risk where appropriate). This can include:

- Assessing your relationship with the supplier – are you a key customer to them? Is it a sole supplier? Is their supply critical to your business? Can an alternative supply be found at short notice if required?
- Carrying out research to see if there have been any previous reports of issues with the supplier for example through audit reports or the media.
- Asking the supplier to complete a questionnaire to provide you with information on their working practices e.g. number of employees, type of employment offered and employment contracts in place, rates of pay, recruitment fees, fees for uniforms / PPE. An example questionnaire can be found in Walk Free's 'Tackling Modern Slavery in Supply Chains: A Guide 1.0' –

[www.business.walkfreefoundation.org](http://www.business.walkfreefoundation.org) (Tools 6)

You should review any information provided by the supplier and carry out appropriate due diligence checks.

**Note:** As this can be a time-consuming process, you may want to begin with risk assessing your direct suppliers. Alternatively you may want to focus on suppliers who provide a particular kind type of commodity or who operate in a country where modern slavery and human rights abuses are known to be prevalent, those with a high value of spend, or those that are key to your business.

### Investigate your high risk suppliers

Assessments and stakeholder engagement with workers can be a valuable tool which can be used to identify where modern slavery and human rights abuses are occurring.

There are a number of factors that you should consider before carrying out an assessment yourself, or employing specialist auditors to carry out the process on your behalf:

- The chosen assessor should not have any links with the supplier
- Assessors should be required to engage with workers – especially those that are most vulnerable i.e. young workers, pregnant employees, migrant workers – at supplier companies
- What aspects do you want the auditor to focus on? e.g. recruitment processes, working conditions, working hours, health and safety, conditions for young workers, level of wages being paid and treatment of workers? Ideally these should reflect any issues that you identified through the risk assessment process, including the initial operating context mapping and engagement with expert stakeholders
- Would a spot check result in a more accurate audit than a planned check?
- What documentation will the auditor be reviewing and how willing is the supplier to provide this? Can this information be verified by other stakeholders/third parties?

- Does the auditor need to visit the supplier's site(s) or will a desk-based audit be sufficient?
- If carrying out an on-site visit, are you / the auditor sure that this is the main site and not a 'show site'?
- If the supplier is based abroad, is the auditor aware of the local laws and customs? The ILO maintains a database 'NATLEX' of national labour, social security and related human rights legislation [www.ilo.org/dyn/natlex/natlex4.home?p\\_lang=en](http://www.ilo.org/dyn/natlex/natlex4.home?p_lang=en)
- Is the auditor able to carry out identity checks on workers, ensuring that the workers on-site are those listed as staff by the supplier?
- Dealing with workers:
  - If the supplier is based abroad, or if it is UK based with a large number of foreign workers, can the auditor communicate with the workers in their own language? Is an interpreter needed? Ideally, the auditor should be based in the country where the audit is taking place, be familiar with cultural norms and able to speak the language as this will help build trust with employees.
  - Is the auditor able to speak with workers confidentially, possibly off-site?
  - Is the auditor able to request / receive anonymous reports?

It should also be made clear during the engagement with an auditor that any indication of modern slavery must be reported to the appropriate authorities. Failure to do so can allow the perpetrators to continue, the crime to remain hidden and, most importantly, victims to be denied access to the support they need and face continued abuse.

The 'Local Resources Network' is a database of auditors – [www.localresourcesnetwork.net](http://www.localresourcesnetwork.net)

Audits can be costly for both your organisation and the supplier, whether they are carried out by in-house staff or by specialist audit firms. One way to minimise costs is to collaborate with other buying organisations and jointly carry out/commission audits.

If audits are not feasible, you may want to consider carrying out an initial site visit yourself to meet with the supplier at their own premises, to meet with their workers and to have discussions with them on ethical employment issues.

Alternatively you could begin by simply requesting that your suppliers complete a questionnaire. An example of a good questionnaire is Oxfam's 'Supplier Questionnaire' – [www.oxfam.org.uk/~media/Files/policy\\_and\\_practice/private\\_sector\\_markets/ethical\\_trade/ogb\\_supplier\\_questionnaire.ashx](http://www.oxfam.org.uk/~media/Files/policy_and_practice/private_sector_markets/ethical_trade/ogb_supplier_questionnaire.ashx)

If the commodity involved is at high risk of slavery there may be social initiatives which you can link in to where you can find valuable information and resources to help with supplier assessment. An example would be the 'Better Work' which focusses on the garment industry – [www.betterwork.org](http://www.betterwork.org)

### Remedying of problems identified

If you find instances of Modern Slavery or Human Rights abuses within your supply chains you should take action immediately. The steps that you take though will depend upon where the supplier is based and your relationship with the supplier.

- Modern Slavery is a criminal offence in the UK and if you suspect this is occurring within one of your UK-based suppliers you should report it immediately. In an emergency call the Police on 999.
- If you want to speak in confidence to a trained adviser in order to receive help, advice or guidance on any modern slavery issue call:
  - Modern Slavery Helpline:  
**0800 0121 700**

Alternatively call:

- Police – **101**
- Gangmasters and Labour Abuse Authority **0800 432 0804**
- Crimestoppers – **0800 555111**

- Slavery is an offence under International Law. However local customs and accepted working practices may mean that the supplier is unaware that its practices fall into this category. In these instances, working with the supplier to help improve working practices may be the best approach. This will also help to create an atmosphere of trust and may help avoid poor practices being driven underground. In extreme situations where life is at risk you should report it immediately to ensure the safety of those involved. You can do this by contacting Law enforcement agencies within the relevant country or Local Government or Non-Government Organisations (NGOs).
- You can also call the ACAS helpline to report incidences of the National Minimum or Living Wage not being paid in the UK - 0300 123 1100 and via the website: [www.gov.uk/pay-and-work-rights](http://www.gov.uk/pay-and-work-rights).

### Child Labour

In situations where children (defined by the UN Convention on the Rights of the Child as a person below the age of 18) are employed, the action to be taken and the potential consequences need to be carefully considered. Where you identify child labour (as defined in ILO convention No.138) –

[www.ilo.org/global/lang-en/index.htm](http://www.ilo.org/global/lang-en/index.htm)

in your own direct operations, you should take the lead in any remedial actions. Where child labour is discovered within the operations of one of your business partners or suppliers, the other party may be better placed to take the lead as it is more likely to be closer to where the child labour occurred. However, you should still participate, and in all cases, you and your suppliers should cooperate to provide a remedy.

In any situation where child labour is discovered, the appropriate local authorities should be notified and further guidance and support from local child protection and child rights experts should be sought. It is important that the action is taken quickly and appropriately to ensure the safety of the child.

Whilst removing the child may seem like the best approach, this could have a detrimental effect on their and their families economic situation and/or could push them in to more serious types of exploitation, such as sexual exploitation or trafficking.

Each case will be unique and will require a tailored approach based on factors such as the child's age, the working conditions. Before a child worker is removed, you should develop a remediation plan, in collaboration with the child and their parent/legal guardian, local child protection services and child rights organisations. This plan should set out how the child will be supported until he/she is of legal working age and could include:

- Providing access to education, transitional schooling or vocational training; and / or,
- Replacing the child labourer with an adult family member to compensate for the family's loss of income.

The progress of any remedial action should be monitored on a regular basis.

Children found to be engaged in the worst forms of child labour – including slavery and hazardous work as defined in ILO convention No. 182 – require special attention and care. Their removal from hazardous work and or exploitation and referral to the appropriate local child protection authority or, if no government authority is available, local child rights NGO, should be immediate.

### Work with your suppliers to resolve issues and change working practices

Where you have found occurrences of modern slavery and human rights abuses within your supply chain you should aim to work with the supplier to help them understand the implications of its practices and to help it to improve. Simply terminating a contract can result in reduced transparency within the supply chain where suppliers simply hide information, or can cause further social exclusion of those who are already in a vulnerable position.

Your relationship with the supplier is likely to determine how much influence you have to bring about change. Although you may not be a key customer of the supplier, they may be critical to your business. In these situations co-ordinating with your supply chain partners and other businesses which use the same supplier may be a good way to increase your influence. It may also help to involve local organisations such as Government bodies, Non-Government Organisations and Industry bodies.

Steps that you can take include:

- Research the local laws and customs. For example, are Health and Safety laws in place? Do laws which protect workers rights exist and if so, are they sufficient?
- Work with the supplier to understand the key issues, why they are occurring and what needs to be done to bring about change
- Provide copies of your Ethical Employment Policy to your supplier to help them understand your position and why you want the issues to be addressed
- Provide copies of any internal training materials on modern slavery and human rights abuses for the supplier to use. Alternatively you could invite suppliers to attend your own internal training courses
- Encourage the supplier to provide training for both its management staff and workers
- Develop and agree an action plan with the supplier which clearly outlines what each action involves and who is responsible along with deadline dates, milestones and targets. Major issues should be dealt with as a priority within the action plan
- Keep in contact with the supplier to assess progress against the plan, but also to ensure the supplier feels that this is a shared responsibility
- Establish feedback processes which workers can take part in order to provide updates from an employees perspective
- Contact local organisations who can provide support to vulnerable and exploited workers,

being careful to protect the identities of those who gave reported problems.

Any actions agreed should aim to correct the problems and also prevent them happening in future. The US Department of Labour's website has some useful information on potential root causes and actions organisations can take to tackle them [www.dol.gov/ilab/child-forced-labor/Addressing-Root-Causes.htm](http://www.dol.gov/ilab/child-forced-labor/Addressing-Root-Causes.htm).

Each action should also be considered in terms of any negative impact it may have. For example, asking a supplier to remove any child workers may seem the most ethical approach but this may have a negative impact on the child and their family. See Chapter 4 of Walk Free's 'Tackling Modern Slavery in Supply Chains: A Guide 1.0' ([www.business.walkfreefoundation.org](http://www.business.walkfreefoundation.org)) for further guidance in this area.

All of your communications with the supplier should be open and honest. Whilst you should make it clear that the supplier must rectify any problems if it is to continue to receive your business. It is also important to reassure managers that you want to work with them and support them in making the necessary changes. If not, you may find that the supplier simply becomes better at hiding the problems.

### **Terminate your contract**

Terminating your contract with a supplier who is committing human rights abuses or holding workers as slaves, or where this occurs further down their supply chain, may seem like the best course of action. However, this can have a detrimental effect on your own business in terms of continuity of supply, quality of supply and reputation. Particularly when your supply chain is based overseas this could also be damaging for the workers themselves – more so than the abuses already suffered.

Before terminating a contract you should consider the impact on workers.

- Will this action stop the abuses occurring or will it result in working conditions worsening?

- What will happen to the workers if the supplier's business closes? Will they be able to find alternative employment?
- Will the workers be paid for the work they have already undertaken?

Other than in extreme cases, terminating a contract should only be considered where the issues continue to occur and the supplier is unwilling to change, despite receiving help and support from your own organisation.

If you do terminate a contract, you may wish to consider paying the workers directly for work already completed. If not, this could impact on the reputation of your own organisation, as well as the workers themselves.

Importantly, you will need to ensure that your contract allows you to terminate the contract under these circumstances.

## Annual Written Statement

### Produce and publish a Written Statement on Modern Slavery

If your organisation has a turnover of £36m or more you are required to produce an annual statement under Section 54 of the Modern Slavery Act [www.legislation.gov.uk/ukpga/2015/30/section/54/enacted](http://www.legislation.gov.uk/ukpga/2015/30/section/54/enacted).

See the Example Ethical Employment Policy in the Toolkit for further information and to identify whether your organisation is legally obliged to produce this statement.

Even if your turnover is under £36m, producing a statement is good practice and is therefore one of the commitments (no.11) you are making in signing up to the Code of Practice.

Your statement should:

- Outline the steps you have taken to tackle slavery and human trafficking within your own organisation and your supply chains in the last financial year
- Contain an action plan outlining plans to tackle slavery and human trafficking within

your own organisation in the current financial year (and beyond if appropriate)

- Be written in clear, plain language
- Be signed off by a senior member of the organisation
- Be published on your website with a link to it from the Home Page.

Once complete your statement should be filed with a registry. This is a further commitment you are making in signing up to the code of Practice and supports increased transparency. There is no single official site for filing your statement.

The Business and Human Rights Resource Centre is a free registry.

[www.business-humanrights.org](http://www.business-humanrights.org).

In Wales we encourage you to file your statement with [www.tiscreport.org](http://www.tiscreport.org) which is partnered with, and funds, the UK Modern Slavery Helpline. TISC registry is free for organisations with a turnover below £36m to upload their statement. This registry provides consumers, the public and investors with a central point to access statements. The registry not only allows you to file your statement but it has additional functionality to support you in developing statements through a 'statement builder' and logging actions as they are undertaken to help build future statements. Subscribing also allows you to link to those organisations in your supply chain who are also filing, thus demonstrating increased transparency through the supply chain as well as through your own organisation.

A 'Practical Guide' to producing the Annual Statement published by the UK Government can be found at:

[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/471996/Transparency\\_in\\_Supply\\_Chains\\_etc\\_\\_A\\_practical\\_guide\\_\\_final\\_.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/471996/Transparency_in_Supply_Chains_etc__A_practical_guide__final_.pdf)

Whilst there is no formal template to use for the Statement, a suggested template has been included at Annex D.



## Annex A: Further information and Guidance

The following is a list of resources that have been identified in the course of developing this guide and may provide further assistance to you and your organisation. Please note that this list is not exhaustive.

### Toolkits & Guides

The Home Office website has sections devoted to tackling modern slavery, which include useful information on spotting the signs of slavery.

[www.gov.uk/government/collections/modern-slavery](http://www.gov.uk/government/collections/modern-slavery)

[www.nationalcrimeagency.gov.uk/about-us/what-we-do/specialist-capabilities/uk-human-trafficking-centre/best-practice-guide](http://www.nationalcrimeagency.gov.uk/about-us/what-we-do/specialist-capabilities/uk-human-trafficking-centre/best-practice-guide)

‘Ethical and Sustainable Procurement Guide’ – produced by the Walk Free Foundation, Traidcraft and the Chartered Institute of Purchasing and Supply –

[www.cips.org/Documents/About%20CIPS/CIPS\\_Ethics\\_Guide\\_WEB.pdf](http://www.cips.org/Documents/About%20CIPS/CIPS_Ethics_Guide_WEB.pdf)

‘Tackling Modern Slavery in the Supply Chains: A guide 1.0’ – produced by the Walk Free Foundation with input from Traidcraft and the Chartered Institute of Purchasing and Supply -

[www.business.walkfreefoundation.org/](http://www.business.walkfreefoundation.org/)

‘Tackling modern slavery in global supply chains: A toolkit for business’ – produced by stronger2gether – [www.stronger2gether.org](http://www.stronger2gether.org)

‘Beyond Compliance: Effective Reporting under the Modern Slavery Act’ – produced by the CORE Coalition with contributions from Amnesty International UK, Anti-Slavery International, CAFOD, Focus on Labour Exploitation (FLEX), Know the Chain, Quakers in Britain, ShareAction, Traidcraft and Unicef UK –

[www.corporate-responsibility.org/wp-content/uploads/2016/03/CSO\\_TISC\\_guidance\\_final\\_digitalversion\\_16.03.16.pdf](http://www.corporate-responsibility.org/wp-content/uploads/2016/03/CSO_TISC_guidance_final_digitalversion_16.03.16.pdf)

### Product / Service Standards

[www.standardsmap.org](http://www.standardsmap.org) –

free online resource providing information on over 210 standards, codes of conduct and audit protocols across global supply chains. Searches can be carried out by product, producing country and destination country.

### Information on Commodities & Countries

[www.globallslaveryindex.org/](http://www.globallslaveryindex.org/) – The Global Slavery Index provides information on the estimated prevalence of modern slavery country by country, together with information about the steps each government.

[www.dol.gov/ilab/reports/child-labor/list-of-goods/](http://www.dol.gov/ilab/reports/child-labor/list-of-goods/) – US Department of Labour’s List of Goods Produced by Child Labour or Forced Labour which it believes are produced by child labour or forced labour in violation of international standards. The list can be searched by the Good / product and Country.

[www.state.gov/j/tip/rls/tiprpt/](http://www.state.gov/j/tip/rls/tiprpt/) – US State Department’s Trafficking in Persons Report is produced annually and provides information governmental activities around the world. The 2015 report focusses on human trafficking in the global marketplace and includes actions that organisations can take to prevent slavery and trafficking.

<https://cdns.walkfree.org/wp-content/uploads/2015/07/WF-Business-and-Supply-Chains.pdf> – Walk Free Foundation’s Business & Supply Chains Factsheet contains a useful table showing high risk commodities and countries.

[www.verite.org/Commodities](http://www.verite.org/Commodities) – Verite’s Forced Labor Knowledge Portal provides country specific information on at risk commodity areas. Verite has also produced a report ‘Strengthening Protections Against Trafficking in Persons in Federal and Corporate Supply Chains Research’ which contains detailed



information on 43 Worldwide commodities – [www.knowledge.verite.org/#/map](http://www.knowledge.verite.org/#/map)

[www.gov.uk/government/collections/overseas-business-risk](http://www.gov.uk/government/collections/overseas-business-risk) – The Overseas Business Risk service produce country guides providing information on potential risks including human rights issues, bribery and corruption, terrorism, criminal activity and intellectual property.

[www.traidcraft.co.uk/resourcesearch](http://www.traidcraft.co.uk/resourcesearch) – the Traidcraft website hosts a wide range of downloadable resources relating to key commodities such as Cocoa, tea, groceries, cotton and leather.

[www.ecolabelindex.com](http://www.ecolabelindex.com) – The ‘Big Room label list’ is a global directory of ecolabels covering 462 ecolabels in 199 countries, and 25 industry sectors.

[www.conflictreesourcing.org/](http://www.conflictreesourcing.org/) – provides a list of conflict free smelters and refiners along with a free Conflict Minerals Reporting Template. The website also provides a range of resources, tools and training.

[www.electronicswatch.org/en/buy-it-fair-guideline-for-sustainable-procurement-of-computers\\_5004.pdf](http://www.electronicswatch.org/en/buy-it-fair-guideline-for-sustainable-procurement-of-computers_5004.pdf) – produced by the Centre for Research on Multi-National Corporations ‘BuyITFair’ – is a guidance document for the sustainable procurement of computers.

[www.unicef.org/statistics/index\\_countrystats.html](http://www.unicef.org/statistics/index_countrystats.html) – Unicef provides country specific data on child protection and child rights issues.

### Organisations and Agencies

[www.antislavery.org](http://www.antislavery.org) – Anti slavery international is a UK Charity which runs a number of projects to end slavery around the world. The organisation also offers supply chain consultancy and has established the ‘Staff Wanted Initiative’ to tackle slavery in the UK hospitality industry.

[www.corporate-responsibility.org/about-core/](http://www.corporate-responsibility.org/about-core/) – CORE is the UK civil society coalition on corporate accountability and works to advance the protection of human rights and

the environment with regard to the global operations of UK companies. CORE have produced the guide ‘Beyond Compliance: Effective reporting under the Modern Slavery Act’.

[www.dol.gov/agencies/ilab](http://www.dol.gov/agencies/ilab) – US Department of Labour’s Bureau of International Affairs works to help eliminate human rights abuses. According to the website ‘ILAB produces reports on the incidence and nature of child and forced labor and efforts underway to address these problems. We assist in the development and implementation of U.S. government policy, and also engage strategically with governments, business, labor, and civil society groups to implement models that work to reduce exploitive labor practices.’

[www.ecpat.org.uk](http://www.ecpat.org.uk) – ECPAT UK is a children’s rights organisation which campaigns against child trafficking and exploitation. The organisation focusses on the protection of trafficked children and children exploited in tourism and the prevention of such crimes.

[www.ituc-csi.org/](http://www.ituc-csi.org/) – The International Trade Union Confederation (ITUC) promotes and defends workers’ rights and interests, working with trade unions and undertaking global campaigning and advocacy. Its main areas of activity include the following: trade union and human rights; economy, society and the workplace; equality and non-discrimination; and international solidarity.

[www.ibe.org.uk](http://www.ibe.org.uk) – Institute of business ethics.

[www.ethicaltrade.org](http://www.ethicaltrade.org) – Ethical Trading Initiative. (ETI) is a body formed by companies, trade unions and NGOs to promote workers’ rights around the World. ETI work to raise awareness of human rights issues, lobby and also provide resources and training.

[www.equalityhumanrights.com](http://www.equalityhumanrights.com) – the Equality & Human Rights commission (UK) is the regulatory body responsible for enforcing the Equality Act 2010. The website provides step by step guidance on a wide range of issues, including human rights, and has a wide range of downloadable resources in its publications

library. The Welsh arm can be found at [www.equalityhumanrights.com/en/commission-wales](http://www.equalityhumanrights.com/en/commission-wales)

[www.fairlabor.org/transparency](http://www.fairlabor.org/transparency) – The Fair Labour Association publishes assessments carried out on the supply chains of its members, these are available to view online.

[www.gla.gov.uk](http://www.gla.gov.uk) – Gangmasters and Labour Abuse Authority (GLA) are a Non Departmental Public Body (NDPB) who run a licensing scheme which regulate businesses who provide workers to make sure they meet the employment standards required by law. The GLA produced guidance in relation to modern slavery – Labour Exploitation – Spotting the Signs.

[www.gbcat.org](http://www.gbcat.org) – Global Business Coalition Against Human Trafficking (GBCAT) provides support to businesses by providing guidance, sharing best practice and developing connections between various bodies and organisations. GBCAT are currently developing a Supply Chain Toolkit that will include:

- Anti-trafficking policies assessment tool
- Tool for detecting risks of products manufactured with forced labor
- Strategies for mapping supply chains in a cost-effective manner
- Questionnaire for assessing suppliers' compliance with company anti-trafficking policies
- Best practices compilation and case studies'

[www.ilo.org](http://www.ilo.org) – The International Labor Organisation (ILO) is a U.N. agency brings together governments, employers and workers representatives of 187 member States, to set labour standards, develop policies and deliver programmes promoting decent work for all.

- ILO tools and guidance documents relating to forced labour – [www.ilo.org/forcedlabour](http://www.ilo.org/forcedlabour)
- Information on the ILO factory improvement programme – [www.ilo.org/newdelhi/whatwedo/projects/WCMS\\_124683/lang--en/index.htm](http://www.ilo.org/newdelhi/whatwedo/projects/WCMS_124683/lang--en/index.htm)

- ILO Declaration on Fundamental Principles and Rights at Work – [www.ilo.org/declaration/lang--en/index.htm](http://www.ilo.org/declaration/lang--en/index.htm)
- Definition of the worst form of Child Labour [www.ilo.org/ipecc/facts/WorstFormsofChildLabour/lang--en/index.htm](http://www.ilo.org/ipecc/facts/WorstFormsofChildLabour/lang--en/index.htm)

[www.sedexglobal.com/](http://www.sedexglobal.com/) – Sedex, the Supplier Ethical Data Exchange, is a not for profit membership organisation which aims to improve responsible and ethical business practices in global supply chains.

[www.stronger2gether.org/](http://www.stronger2gether.org/) – Stronger Together is a UK organisation which provides guidance, resources, training and support.

[www.Stopthetraffic.org.uk](http://www.Stopthetraffic.org.uk) – Stop the Traffik is an independent UK charity which works to end human trafficking. A key area of focus for the charity is supply chain transparency.

[www.ungift.org](http://www.ungift.org) – The United Nations' Global Initiative to Fight Human Trafficking works with stakeholders across the World to tackle human trafficking.

[www.unglobalcompact.org](http://www.unglobalcompact.org) – the United Nations' Global Compact has produced Ten Principles on human rights, labour, environment and anti-corruption. The website hosts a range of reports, resources, tools and case studies – [www.unglobalcompact.org/library](http://www.unglobalcompact.org/library)

[www.unicef.org.uk](http://www.unicef.org.uk) – Unicef has established a Child Rights and Business Unit to support government and business incorporate child rights into human rights due diligence efforts. The organisation has also developed a number of practical tools to help companies integrate children's rights into human rights due diligence processes:

- How to write a policy commitment to children
- Children's rights in impact assessment
- Engaging stakeholders on children's rights
- How to report on child rights impacts

These are available at [www.unicef.org/csr/88.htm](http://www.unicef.org/csr/88.htm)

[www.Verite.org](http://www.Verite.org) – Verite is an organisation which focusses on tackling employment issues including child labor and slavery. Services offered include audit programmes, research and training as well as Consultancy services. Verite have produced a guide on ‘An Ethical Framework for Cross Border Labor Recruitment’ – [www.verite.org/sites/default/files/ethical\\_framework\\_paper\\_20120209\\_PRINTED.pdf](http://www.verite.org/sites/default/files/ethical_framework_paper_20120209_PRINTED.pdf).

[www.walkfreefoundation.org](http://www.walkfreefoundation.org) – Walk Free Foundation. The Foundation carries out community engagement, policy development and research. It also produces the Global Slavery Index.

[www2.hull.ac.uk/fass/wise.aspx](http://www2.hull.ac.uk/fass/wise.aspx) – Wilberforce Institute for the Study of slavery and emancipation (WISE) is an institute within Hull University which carries out research and raises awareness of issues relating to slavery and human rights. WISE have a number of projects including a ‘Risk Assessment Service’.

### **Chartered Institute of Purchasing & Supply Resources (CIPS)**

[www.cips.org](http://www.cips.org) – CIPS has a wide range of resources relating to modern slavery and human rights a number of which have been developed in-conjunction with other bodies including Walk Free Foundation and Traidcraft:

- CIPS Sustainability Index – [www.cips-sustainabilityindex.com](http://www.cips-sustainabilityindex.com) -
- Guide – Ethical and Sustainable Procurement – [https://www.cips.org/Documents/About%20CIPS/CIPS\\_Ethics\\_Guide\\_WEB.pdf](https://www.cips.org/Documents/About%20CIPS/CIPS_Ethics_Guide_WEB.pdf)
- Guide – Ethical business practices in purchasing and supply management – [https://www.cips.org/Documents/Knowledge/Procurement-Topics-and-Skills/5-Strategy-and-Policy/Procurement-Policy-Development/POP-Ethical\\_Business\\_Practices.pdf](https://www.cips.org/Documents/Knowledge/Procurement-Topics-and-Skills/5-Strategy-and-Policy/Procurement-Policy-Development/POP-Ethical_Business_Practices.pdf)
- Guide – Modern Slavery in supply chains – [www.cips.org/Documents/About%20CIPS/Ethics/CIPS\\_ModernSlavery\\_Broch\\_WEB.pdf](http://www.cips.org/Documents/About%20CIPS/Ethics/CIPS_ModernSlavery_Broch_WEB.pdf)
- Guide – Modern Slavery Act 2015 – [www.cips.org/Documents/Knowledge/](http://www.cips.org/Documents/Knowledge/)

[Procurement-Topics-and-Skills/4-Sustainability-CSR-Ethics/Sustainable-and-Ethical-Procurement/Modern-Day-Slavery.pdf](http://www.cips.org/Documents/About%20CIPS/Buyers%20Guide%20-%20Win-Win%20Achieving%20sustainable%20procurement%20with%20the%20developing%20world.pdf)

- CIPS Code of Conduct – [www.cips.org/en-GB/aboutcips/CIPS-Code-of-Conduct/](http://www.cips.org/en-GB/aboutcips/CIPS-Code-of-Conduct/)
- Guide – Win/Win. Achieving Sustainable Procurement with the Developing World – [www.cips.org/Documents/About%20CIPS/Buyers%20Guide%20-%20Win-Win%20Achieving%20sustainable%20procurement%20with%20the%20developing%20world.pdf](http://www.cips.org/Documents/About%20CIPS/Buyers%20Guide%20-%20Win-Win%20Achieving%20sustainable%20procurement%20with%20the%20developing%20world.pdf)

Further resources are available to CIPS members.

### **Policy development**

[www.jo-in.org/pub/docs/Jo-In%20Draft%20Common%20Code%205.05.pdf](http://www.jo-in.org/pub/docs/Jo-In%20Draft%20Common%20Code%205.05.pdf) – Draft Code of Labour Practice by the Joint Initiative on Corporate Accountability and Workers’ Rights.

[www.fairlabor.org/our-work/labor-standards](http://www.fairlabor.org/our-work/labor-standards) – Workplace Code of Conduct

Example policies and Statements noted whilst developing this guide include – Gap, Ikea, Apple, Oxfam, Patagonia, Hewlett Packard and Disney.

### **Working with Recruitment companies**

[www.ciett.org/index.php?id=30](http://www.ciett.org/index.php?id=30) – The International Confederation of Private Employment Services provides a Code of Conduct for all members.

[www.iom.int/](http://www.iom.int/) – International Organization for Migration and the International Recruitment Integrity System

[www.iris.iom.int/](http://www.iris.iom.int/) who have published a Code of Conduct.

[www.staff-wanted.org](http://www.staff-wanted.org) – The Staff Wanted Initiative is managed in partnership by Anti-Slavery International and The Institute for Human Rights and Business. It provides a range of resources and information focussing on employment agencies. The ‘SEE formula’ provides step-by-step advice on worker protection.

[www.tourismpartnership.org/wp-content/themes/itp-child/assets/files/ITP-guidelines-for-checking-recruitment-agencies.pdf](http://www.tourismpartnership.org/wp-content/themes/itp-child/assets/files/ITP-guidelines-for-checking-recruitment-agencies.pdf) –

The International Tourism Partnership have produced Guidelines for checking recruitment agencies.

### **United Nations Guiding Principles on Business and Human Rights**

[www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf) – The United Nations Guiding Principles on Business and Human Rights.

[www.ihrb.org/publications/reports/ec-sector-guides/](http://www.ihrb.org/publications/reports/ec-sector-guides/) – The European Commission has produced three guides (written by Institute for Human Rights and Business and Shift) on implementing the UN Guiding Principles on Business and Human Rights for Employment & Recruitment agencies, Information and Communication Technologies (ICT) companies and Oil & Gas companies.

[www.business-humanrights.org/UNGuidingPrinciplesPortal/Home](http://www.business-humanrights.org/UNGuidingPrinciplesPortal/Home) – The Business and Human Rights Resource centre hosts a variety of articles and guidance relating to the UN Guiding principles.

[www.gscpnet.com/working-plan/reference-tools-purpose-a-use.html](http://www.gscpnet.com/working-plan/reference-tools-purpose-a-use.html) – Global social compliance program reference toolkit

[www.sedexglobal.com/wp-content/uploads/2014/04/Sedex-Briefing-Modern-Day-Slavery-April-2014-Final.pdf](http://www.sedexglobal.com/wp-content/uploads/2014/04/Sedex-Briefing-Modern-Day-Slavery-April-2014-Final.pdf) – modern day slavery brief April 2014

[www.unicef.org/csr/12.htm](http://www.unicef.org/csr/12.htm) – Children's Rights and Business Principles

## Annex B: Further Details on International Legal and Regulatory Requirements

### ILO 8 Core Conventions

The ILO is part of the United Nations system and is made up of trade unions, governments and companies. The 8 Core Conventions set minimum rights for every worker world wide:

- Freedom of Association and Protection of the Right to Organise Convention, 1948 (Convention No. 87)
- Right to Organise and Collective Bargaining Convention, 1949 (Convention No. 98)
- Forced Labour Convention, 1930 (Convention No. 29)
- Abolition of Forced Labour Convention, 1957 (Convention No. 105)
- Minimum Age Convention, 1973 (Convention No. 138)
- Worst Forms of Child Labour Convention, 1999 (Convention No. 182)
- Equal Remuneration Convention, 1951 (Convention No. 100)
- Discrimination (Employment and Occupation) Convention, 1958 (Convention No. 111)

Further information can be found at [www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang-en/index.htm](http://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang-en/index.htm)

### International Bill of Human Rights

The International Bill of Human Rights consists of the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights.

### Universal Declaration of Human Rights (1948)

The Declaration sets out the human rights and fundamental freedoms to which all men and women are entitled, without any discrimination.

Article 1, states:

*All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.*

### International Covenant on Civil and Political Rights (ICCPR)

The ICCPR is an international human rights treaty adopted by the United Nations (UN) in 1966 and ratified in the UK in 1976.

The ICCPR covers a wide range of human rights issues including:

- torture and other cruel, inhuman or degrading treatment or punishment
- slavery and forced labour
- freedom of association, including through trade unions
- equality and non-discrimination

### International Convention on Economic Social and Cultural Rights (ICESCR)

The ICESCR is an international human rights treaty adopted by the UN and ratified by the UK in 1976. Together with the ICCPR, this treaty gives legal force to the Universal Declaration of Human Rights

The ICESCR covers a range of economic, social and cultural rights which includes Labour rights:

- The right to work and to freely chose and accept work
- Equal access to employment

- Non-discrimination in the workplace
- ‘Just and favourable working conditions’, including sufficient pay, equal pay, safe workplace, limited working hours and regular paid holidays
- Right to form or join trade unions and the right to strike (restricted for workers within armed forces, police, or government administrators)

### **United Nations Convention on the Rights of the Child and its Optional Protocols**

The Convention came in to force in 1990 and 194 countries have signed up to it, including the UK.

The Convention on the Rights of the Child is a human rights treaty which sets out the civil, political, economic, social, health and cultural rights that all children are entitled to. The Convention defines a child as any human being under the age of eighteen, unless the laws of a particular country set the legal age for adulthood younger.

### **European Convention on Human Rights (ECHR)**

The ECHR is an international human rights treaty formed by the Council of Europe which came in to force in 1953.

The ECHR covers a wide range of human rights issues including:

- torture and other cruel, inhuman or degrading treatment or punishment
- slavery, servitude and forced labour
- freedom of association, including through trade unions
- discrimination

Cases brought under the ECHR are heard by the European Court of Human Rights. However, in the UK cases can also be heard in UK Courts as a result of the Human Rights Act 1998.

### **Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises:**

The OECD guidelines provide recommendations for ‘responsible business conduct’ for enterprises operating both within and outside their own country.

The guidelines cover a broad range of issues, including:

- due diligence in the supply chain
- human rights
- employment and industrial relations
- working to stop bribery
- taxation

Non-compliance issues are considered by the National Contact Point. In the UK this sits within the UK Government within the Department for Business, Innovation and Skills. [www.gov.uk/guidance/uk-national-contact-point-for-the-organisation-for-economic-co-operation-and-development-oecd-guidelines-for-multinational-enterprises](http://www.gov.uk/guidance/uk-national-contact-point-for-the-organisation-for-economic-co-operation-and-development-oecd-guidelines-for-multinational-enterprises)

### **California Transparency in Supply Chains Act (SB 657) Jan 2012.**

The regulations require companies doing business within the state of California to report on the actions they have taken to eradicate slavery and human trafficking from their supply chains. The Act covers mid and large retailers and manufacturing companies with annual revenues of \$100 million.

A company must disclose to what extent it:

- engages in verification of product supply chains to evaluate and address risks of human trafficking and slavery
- conducts audits of suppliers
- requires direct supplies to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking of the countries in which they are doing business



- maintains accountability standards and procedures for employees or contractors that fail to meet company standards regarding slavery and human trafficking; and
- provides employees and management training on slavery and human trafficking.

### **The Palermo Protocol**

The Palermo Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children’ was adopted by the UN in 2000 and came in to force in 2003. The UK is one of 169 countries to have signed up to it (as at Nov 2015).

The protocol commits countries to working to tackle and prevent human trafficking, protect and assist victims and promote cooperation among countries. It is based on “3P”s – prosecution of perpetrators, protection of victims, and prevention through national laws.

### **United Nations (UN) Global Compact**

The UN Global Compact is an initiative to encourage businesses across the world to be more sustainable and socially responsible. The Compact contains ten principles covering areas such as human rights, labour, the environment and anti-corruption.

The UN Global Compact was launched in 2000.

Principle 4 of the Compact states that ‘Businesses should uphold the elimination of all forms of forced and compulsory labour’.

### **United Nations Sustainable Development Principles**

The UN Sustainable Development Goals (SDGs) cover a broad range of sustainable development issues. They were adopted at the UN Sustainable Development Summit in Sept 2015.

Goal 8 of the 17 goals aims to ‘Promote inclusive and sustainable economic growth, employment and decent work for all’. This goal has specific targets to:

- ‘Take immediate and effective measures to eradicate forced labour, end modern the

forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms’

- ‘Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment’

The UN SDGs are also known as ‘Transforming our world: the 2030 Agenda for Sustainable Development’.

### **United Nations Guiding Principles on Business and Human Rights (UNGPs)**

The UNGPs are a global standard aimed at preventing and addressing the risk of adverse impacts on human rights linked to business activity. They were endorsed by the United Nations Human Rights Council in 2011.

The UNGPs are made up of three pillars ‘Protect, Respect and Remedy’ which outline how the framework should be implemented:

- The state duty to protect human rights – through policies, regulation, investigation and enforcement
- The corporate responsibility to respect human rights - to Act with due diligence to avoid infringement on human rights and to address any negative impacts they are involved with.
- Access to remedy for victims of business-related abuses – through both judicial and non-judicial means

These are also known as the ‘Ruggie Principles’.

Within the principles it states:

‘In order to meet their responsibility to respect human rights, business enterprises should have in place policies and processes appropriate to their size and circumstances, including:

- d) A policy commitment to meet their responsibility to respect human rights
- e) A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights

f) Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.’

### **Ethical Trade Initiative Base code**

The ETI Base Code is founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of labour practice. The standards within the Code are as follows:

Employment is freely chosen:

- no forced, bonded or involuntary prison labour
  - workers are not required to lodge deposits or their identity papers with their employer
  - workers are free to leave their employer after reasonable notice.
- Freedom of association and the right to collective bargaining are respected
  - Working conditions are safe and hygienic
  - Child labour shall not be used
  - Living wages are paid – in line with national legal standards or industry benchmark standards
  - Working hours are not excessive – complying with national laws and collective agreements
  - No discrimination is practised
  - Regular employment is provided
  - No harsh or inhumane treatment is allowed

### **Fair Trade**

The Fairtrade Mark is an international independent certification mark which appears on products as a guarantee that producers and traders have met fair trade standards.

The Fairtrade Mark is owned and protected by FLO (Fairtrade Labelling Organisations International) on behalf of its 25 member and associate member labelling initiatives and producer networks. There are standards for:

- Small producer organisations
- Hired labour
- Contract workers in production
- Traders
- Climate
- Textiles

The standards cover five main areas:

- A fair price.
- A social premium. This is an extra sum of money above the price which producers choose themselves how to invest. This is often in education, healthcare and sustainable business development.
- Working conditions. These include no child labour, forced labour and workers requirements (e.g. PPE).
- Environmental requirements.
- Long-term trading partnerships.
- For more information on standards and certification and support see:
- Fairtrade International – standards: [www.fairtrade.net](http://www.fairtrade.net)
- Fairtrade Foundation – UK certification: [www.fairtrade.org.uk](http://www.fairtrade.org.uk)
- Fair Trade Wales – support and advice: [www.fairtradewales.org.uk](http://www.fairtradewales.org.uk)

### **Children’s Rights and Business Principles**

The Children’s Rights and Business Principle provide a framework for business help support children’s rights by outlining the steps that can be taken in the workplace, marketplace and in the community.

The Principles were developed by UNICEF, the UN Global Compact and Save the Children and are aligned with other standards, initiatives and good practices related to business and children.

## Annex C: Further Details on UK Legal and Regulatory Requirements

### Human Rights Act 1998:

The Human Rights Act 1998 sets out the rights that everyone in the UK is entitled to and requires all public bodies to protect and respect an individual's human rights.

The rights set out in the Act include:

- Freedom from torture and inhuman or degrading treatment (Article 3)
- Freedom from slavery and forced labour (Article 4)
- Freedom of assembly and association (Article 11)

The Act brings the European Convention on Human Rights in to UK law. This ensures that UK individuals can take cases of human rights breaches to a British court rather than the European Court of Human Rights in Strasbourg, France.

### Gangmasters (Licensing) Act 2004:

The Gangmasters and Labour Abuse Authority (GLAA) (previously known as the Gangmasters LICENSING Authority (GLA)) is an executive non-departmental public body, sponsored by the Home Office, which has been established to protect workers from exploitation.

In 2016 the GLAA's remit was extended through the Immigration Act 2016 to allow labour exploitation, including modern slavery offences, to be investigated across all labour sectors. The GLAA runs a licensing scheme to regulate businesses which supply labour to the agricultural, food processing and packaging, horticultural and shellfish gathering sectors of industry. The licensing scheme will remain within those sectors but the GLAA licensing standards can be applied across any type of business.

### Companies Act 2006:

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 amended the Companies Act 2006. One of the rules brought in by the Regulations Rules requires all 'quoted' companies to make new disclosures about human rights within their annual directors' report.

### Modern Slavery Act 2015:

The Modern Slavery Act was made Law in March 2015 and brings together slavery and trafficking offences covering slavery, servitude, forced or compulsory labour and human trafficking. The Act provides greater powers for law enforcement agencies to investigate and prosecute those involved with human trafficking and slavery, whilst also introducing tougher penalties and sentencing rules. The Act has also introduced new measures to provide greater support and protection to victims of slavery and trafficking. The Act has also established the UK's first ever Independent Anti-slavery Commissioner.

Full details of the Act can be found at [www.legislation.gov.uk/ukpga/2015/30/contents/enacted](http://www.legislation.gov.uk/ukpga/2015/30/contents/enacted)

### Modern Slavery Act 2015 – Section 54:

An additional clause (clause 6) was introduced to the Act which came in to effect in October 2015. This clause places a requirement on all commercial organisations operating in the UK with a turnover of £36m or more, to produce an annual statement outlining the steps it has taken to ensure that slavery and human trafficking is not taking place in its own organisation or any of its supply chains. In the UK Government's guide to it states:

*'There are many ways in which a body corporate or a partnership in the UK can pursue business objectives. The Government expects that*

*whether such a body or partnership can be said to be carrying on a business will be answered by applying a common sense approach. So long as the organisation in question is incorporated (by whatever means) or is a partnership, it does not matter if it pursues primarily charitable or educational aims or purely public functions. The organisation will be caught if it engages in commercial activities and has a total turnover of £36m – irrespective of the purpose for which profits are made.'*

The Statement should be written in plain English and must cover the steps taken by the organisation in the last financial year. Where an organisation has not taken any steps it will still be required to produce and publish a statement.

The Statement must be published on the organisation's website and a link to the statement must be placed in a prominent place on the home page. If an organisation does not have a website it must provide a copy of the Statement to anyone who requests it within 30 days of receipt of a written request.

The Act sets out who is able to approve and sign off the Statement.

If an organisation operating in the UK with a turnover of £36m or more fails to produce a Modern Slavery Statement the Secretary of State can seek an injunction and if the organisation fails to comply with the injunction then it will be in contempt of court and liable to an unlimited fine.

Further detail on Section 54 can be found at [www.legislation.gov.uk/ukpga/2015/30/section/54/enacted](http://www.legislation.gov.uk/ukpga/2015/30/section/54/enacted)

Also a 'Practical Guide' to Section 54 can be found at:  
[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/471996/Transparency\\_in\\_Supply\\_Chains\\_etc\\_\\_A\\_practical\\_guide\\_\\_final\\_.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/471996/Transparency_in_Supply_Chains_etc__A_practical_guide__final_.pdf)

### Home Office Modern Slavery Strategy

In Wales the strategy to tackle slavery is being delivered in line with the Home Office Modern Slavery Strategy –

[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/383764/Modern\\_Slavery\\_Strategy\\_FINAL\\_DEC2015.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/383764/Modern_Slavery_Strategy_FINAL_DEC2015.pdf)

- **Pursue** - 'Prosecute and disrupt individuals and groups responsible for slavery'
- **Prevent** - 'Prevent people from engaging in slavery'
- **Protect** - 'Strengthen safeguards against slavery by protecting vulnerable people from exploitation and increasing awareness of and resilience against this crime'
- **Prepare** - 'Reduce the harm caused by slavery through improved victim identification and enhanced support'

### HMRC Resources

The HMRC website has several useful sections and checklists for you to read if your procurement or supply chain involves labour providers, employment intermediaries or UK workers being paid the minimum wage.

[www.gov.uk/government/publications/use-of-labour-providers](http://www.gov.uk/government/publications/use-of-labour-providers)

[www.gov.uk/national-minimum-wage/what-is-the-minimum-wage](http://www.gov.uk/national-minimum-wage/what-is-the-minimum-wage)

[www.gov.uk/guidance/employment-status-employment-intermediaries](http://www.gov.uk/guidance/employment-status-employment-intermediaries)

[www.gov.uk/send-employment-intermediary-report](http://www.gov.uk/send-employment-intermediary-report)

[www.gov.uk/guidance/employment-status-indicator](http://www.gov.uk/guidance/employment-status-indicator)

### Well-Being of Future Generations (Wales) Act 2015:

The aim of the Act is to ensure that present needs are met without compromising the ability of future generations to meet their own needs. It will make public bodies in Wales consider the long term, work better with people and communities and each other and look to prevent problems and take a more joined-up approach.

The Act contains a number of Well-Being goals, the following of which are particularly relevant to the Code of Practice:

- **A prosperous Wales** – providing better employment opportunities and supporting long term career development through the improvement of employment practices across supply chains in Wales.
- **A more equal Wales** – through supporting the eradication of unfair employment practices and modern slavery across supply chains in Wales.
- **A globally responsible Wales** – through supporting the eradication of modern slavery across global supply chains.

### **Human Trafficking and Exploitation (Scotland) Act 2015**

The Human Trafficking and Exploitation (Scotland) Act 2015 came in to force in May 2016. The Act clarifies and strengthens the criminal law around trafficking and exploitation in Scotland.

The Act makes provision about human trafficking, slavery and forced or compulsory labour. It also makes provision for offences, sentencing and victim support.

Offences of forced labour, slavery and human trafficking can now be penalised by substantial custodial sentences including life imprisonment. The Act also gives powers to seize property used in such activities.

### **Human Trafficking and Exploitation (Criminal Justice and Support for Victims) Act (Northern Ireland) 2015**

The Act, which came into effect on 15th January 2015, simplifies the offences of Human Trafficking and Slavery and makes provision about human trafficking, slavery and other forms of exploitation. It also includes measures to prevent exploitation and provide support for victims.

## Annex D: Modern Slavery Statement

### **Written Statement on Modern Slavery Financial Year xx/xx to xx/xx**

#### **Organisation:**

Include details on:

- Organisation structure – including any parent / subsidiaries outside of the UK
- Business sector(s) business model and nature of work
- Main products / services
- Supply chains – structure and complexity, including types of goods / services sourced, countries where goods and services are sourced.
- Location of company operations and countries that you are sourcing from (including commodity type).

#### **Policies:**

Include details of/links to your organisation's relevant policies, such as:

- Ethical Employment policy
- Whistleblowing policy
- Employee code of conduct
- Recruitment policy
- Procurement policy
- Supplier code of conduct

In addition, outline the processes used to:

- develop and review your policies; and
- communicate your policies to staff and/or suppliers
- Assess the effectiveness of your policies



**Steps taken:**

Include details of any steps taken in relation to preventing / identifying slavery and human trafficking within your organisation and its supply chains - the steps outlined in section 5 can help with this e.g.:

- Policy development and training;
- Amendments to processes and procedures, including procurement and supplier / contract management, and associated documentation;
- Reviews and risk assessments of your expenditure and supply chains and any resulting activities, including suppliers audits / reviews;
- Due diligence checks of new suppliers; and
- Remedial actions taken where slavery or human trafficking has been found

**Training:**

- Include details of any training provided to / undertaken by your staff

**Assessment of effectiveness:**

State how effective you believe your policies and the steps you have taken to be, disclosing any instances of modern slavery identified and the results of any corrective actions.

**Forward looking Action Plan:**

Include details of any actions that your organisation plans to take in relation to preventing/ identifying slavery and human trafficking within your organisation and its supply chains during the financial year (and beyond if appropriate).If possible, you should include information on how you plan to monitor and evaluate the effectiveness of the measures put in place.

Signed by .....

Name .....

Position within Organisation .....

Date signed off .....

## Annex E: Training Providers

The following is a list of training providers who offer courses relating to modern slavery and human rights abuses. Please note this list is not exhaustive and the quality of training offered has not been assessed.

- Chartered Institute of Purchasing and Supply – [www.cips.org/en-GB/training-courses/Ethical-Procurement-and-Supply/](http://www.cips.org/en-GB/training-courses/Ethical-Procurement-and-Supply/)
- EPCAT – [www.ecpat.org.uk/content/ecpat-uk-training](http://www.ecpat.org.uk/content/ecpat-uk-training)
- Ethical Trading Initiative – [www.ethicaltrade.org](http://www.ethicaltrade.org)
- Gangmasters and Labour Abuse Authority and the University of Derby - [www.gla.gov.uk/](http://www.gla.gov.uk/)  
International Organization for Migration UK - [www.iom.int/counter-trafficking](http://www.iom.int/counter-trafficking)
- Stronger2gether – [www.stronger2gether.org/](http://www.stronger2gether.org/)
- Unseen – [www.unseenuk.org/](http://www.unseenuk.org/)
- Verite – [www.verite.org](http://www.verite.org)
- Wales Anti-Slavery Leadership Group – [www.wales.gov.uk/anti-slavery](http://www.wales.gov.uk/anti-slavery)