

stronger together

tackling modern slavery in supply chains

Tackling modern slavery through purchasing practices:
A toolkit for purchasing in the private sector



stronger2gether.org

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Stronger Together is a multi-stakeholder initiative that brings together companies, labour providers, industry associations, NGOs and other key actors to address and help businesses tackle modern slavery.

Stronger Together offers:

1. Good practice guidance and pragmatic resources to support employers and labour providers in at-risk sectors to deter, detect and deal appropriately with forced labour, labour trafficking and other hidden labour exploitation
2. A range of training and support solutions for tackling modern slavery in businesses and supply chains
3. A network committed to tackling hidden labour exploitation and sharing best practice.

Stronger Together takes a collaborative approach to developing new strategies to support business in addressing modern slavery risks based on the corporate responsibility to respect human rights advanced in the UN Guiding Principles on Business and Human Rights.

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The objective of Stronger Together is to reduce forced labour, human trafficking, and other hidden third-party labour exploitation.

By implementing the Stronger Together good practice in this toolkit, businesses will:

- Take positive steps to address systemic issues which can contribute to creating the conditions for exploitation to occur and work with their suppliers to prevent worker exploitation
- Be able to develop their annual “slavery and human trafficking statement” required under the S54 “Transparency in supply chains etc.” provisions of the UK Modern Slavery Act 2015, Australia Modern Slavery Bill 2018 (Cth), and other legal requirements addressing modern slavery that may be introduced
- Show their stakeholders that their business has taken proactive measures to identify and mitigate the risks of slavery and human trafficking in its supply chains
- Demonstrate a commitment to work with others to implement remedial steps should any instances of slavery be identified.



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PART A

INTRODUCTION



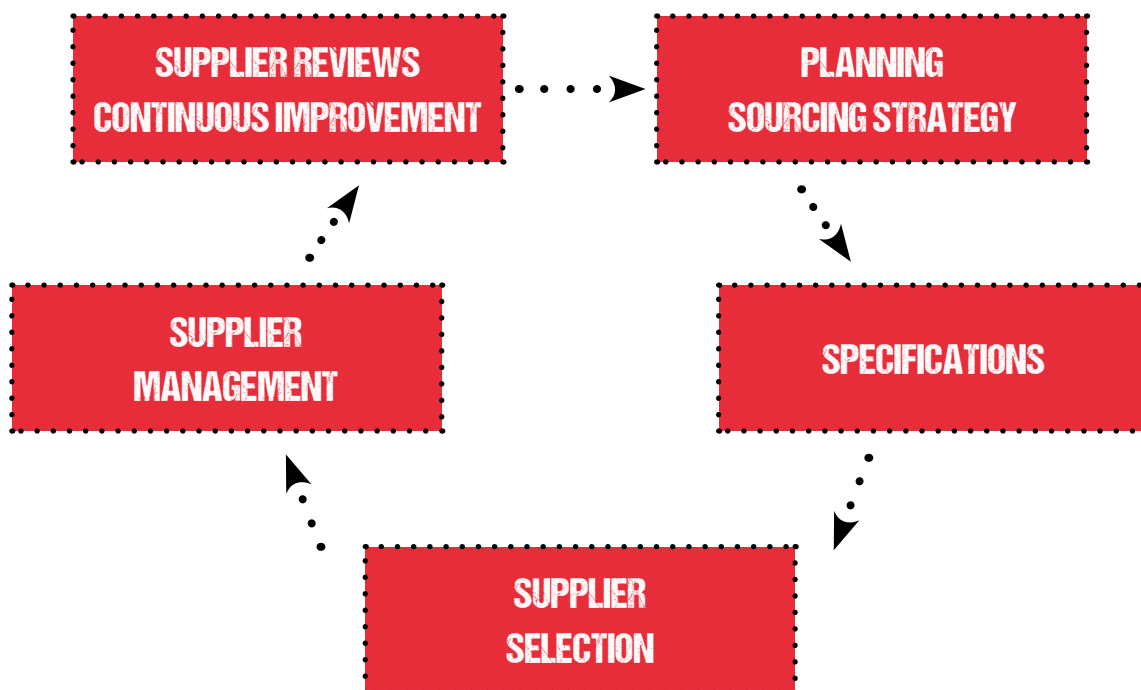
PURPOSE AND INTENDED USERS

This toolkit provides guidance on:

- identifying those unintentional purchasing practices which may contribute to the root causes of exploitation
- developing a robust strategy to address modern slavery through the purchasing process
- taking practical steps to tackle modern slavery through purchasing practices in supply chains¹.

For the purposes of this toolkit, purchasing encompasses those activities undertaken by those in procurement and buying functions, recognising that the relevant elements of a purchasing process apply to both although the context may differ in terms of the frequency, speed and the proactive/reactive nature of the process.

Throughout the toolkit the following simplified purchasing process is used as reference:



1. Supply chains include: an organisation's direct 'first-tier' suppliers, an organisation's indirect 'second and subsequent tier' suppliers and the primary agricultural and extractive stages, labour providers and labour sourcing agents at all levels of the supply chain, services used, such as catering, security, office cleaning, the logistics and distribution of products, such as transport, shipping warehousing and final delivery, and contracting-out businesses that provide manned services to the organisation's direct and indirect suppliers.



The toolkit has been developed for a wide range of users, depending on the size and nature of the organisation as follows:

- **Purchasing leadership teams (PLT):** in either purchasing or buying functions responsible for the review and development of their strategy
- **Purchasing teams:** in either purchasing or buying who are responsible for taking action and implementing strategy
- **Ethical trade or sustainability specialists:** responsible for facilitating strategy and capability development in their purchasing teams.

This toolkit is relevant to all business sectors, albeit that those involved in the purchasing process may want to adopt and adapt practices as appropriate for their sector and business.

This toolkit highlights issues to be considered throughout the purchasing process and encourages an approach which develops positive supplier relationships. The behaviours, policies and practices of those purchasing on behalf of organisations can have a significant impact on their suppliers and those who work in the supply chain. Awareness of modern slavery is increasing and, given the intensifying coverage in the media and social media, it is no longer a defence for those in purchasing to say, 'we didn't know'.

An overview of the Stronger Together range of resources is included in the Appendices.



THE TERMINOLOGY OF MODERN SLAVERY

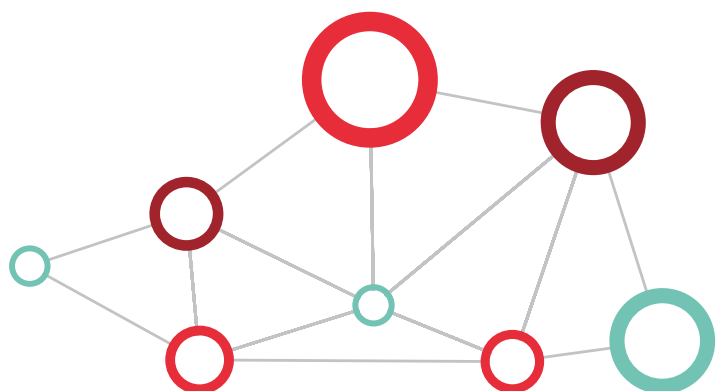
Modern slavery is a complex issue generally rooted in poverty, inequality and discrimination; motivated commonly by the pursuit of financial profit at the expense of vulnerable and unprotected workers.

MODERN SLAVERY²

this is a broad term used by the UK Government to encompass the offences of slavery, servitude and forced or compulsory labour and human trafficking³. The term extends to slavery-like practices such as debt bondage, sale or exploitation of children and forced or servile marriage. While varied in nature, all involve one person depriving another person of their liberty, to exploit them for personal or commercial gain.

FORCED LABOUR⁴

refers to “all work or service which is exacted from any person under menace of any penalty” for which he or she has not offered themselves voluntarily. People are in a forced labour situation if they enter work or service against their free will and cannot leave it without penalty or the threat of penalty. This does not have to be physical punishment or constraint. It can also take other forms, such as the loss of rights or privileges, retention of identify papers or threats of denunciation to immigration authorities.



2. Office of the United Nations High Commissioner for Human Rights, *Abolishing Slavery and its Contemporary Forms*, 2002. Available at: www.ohchr.org/Documents/Publications/slaveryen.pdf.

3. For a model definition of terms, see Article 5. UNODC Model Law against Trafficking in Persons.

4. <https://www.ilo.org/global/topics/forced-labour/definition/lang-en/index.htm>.

TRAFFICKING IN PERSONS⁵

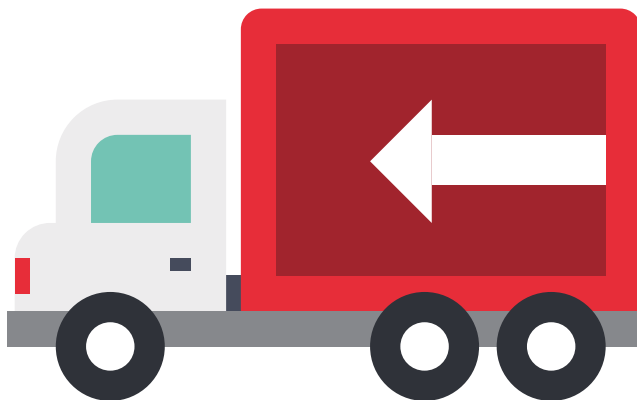
Trafficking in persons, or human trafficking, can lead to forced labour or slavery. Trafficking is the act of “recruitment, transportation, transfer, harbouring or receipt of persons by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.”

When trafficking leads to forced labour, people are tricked and deceived or coerced into travelling to a job that either never existed or, if it did, does not meet the agreed terms and conditions. It is important to note that:

- The victim may consent to the travel, for example in cases where they are deceived by the promise of a better life or job or where a child is influenced to travel by an adult
- Travel need not be across border but may be within country
- The exploitation of the potential victim does not need to have taken place - simply that the movement of the individual was with a view to exploiting them.

BONDED LABOUR

also known as debt-induced forced labour and debt bondage. This involves the taking of a loan or an advance of wages by a worker from an employer or labour recruiter in return for which the worker pledges his or her labour and sometimes that of family members to pay back the loan⁶. Debts may be passed onto the next generation.



5. Defined in the United Nations Convention against Transnational Organized Crime Protocol to Prevent, Suppress and Punish Trafficking in Persons Article 3, paragraph (a).

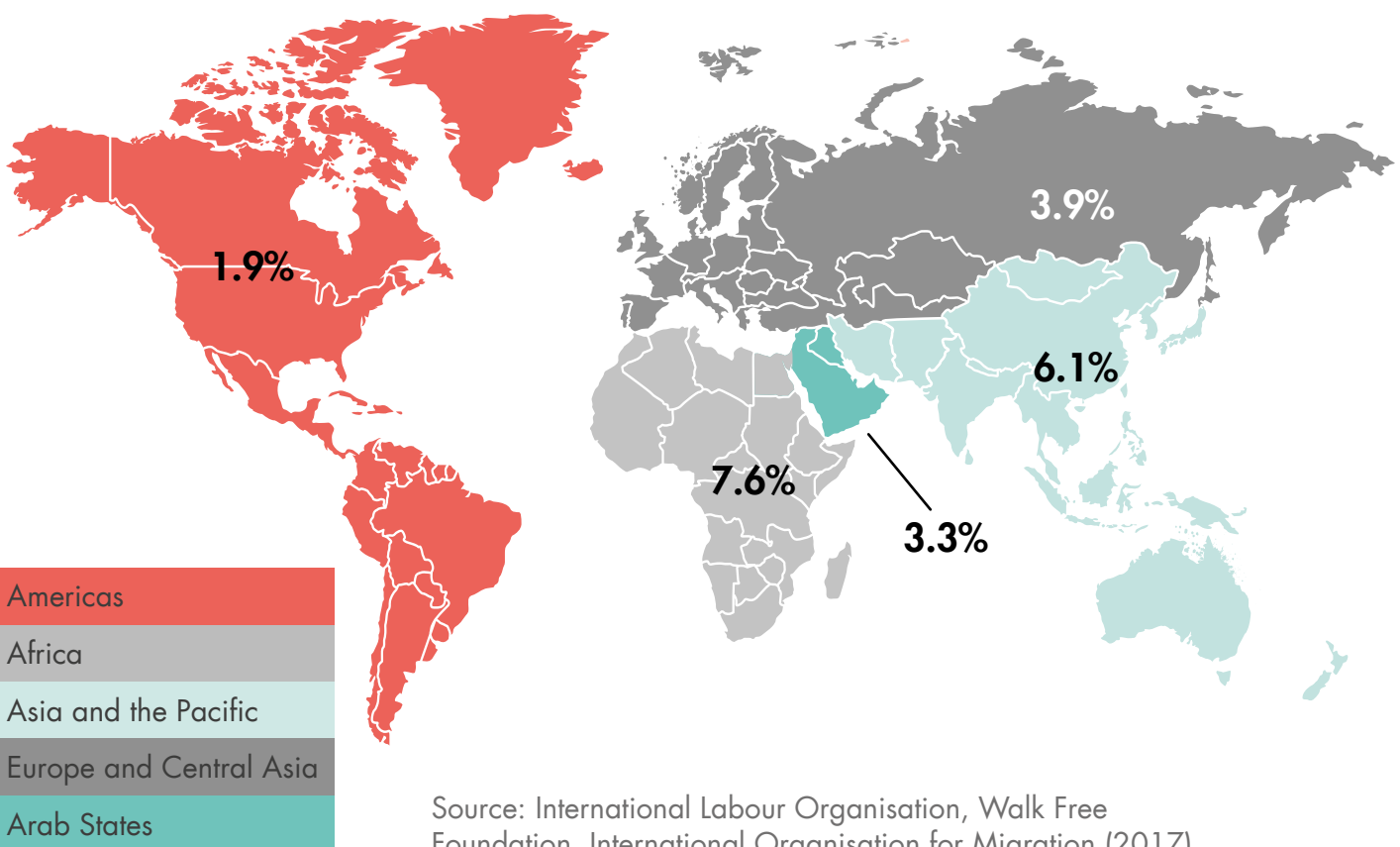
6. International Labour Organisation, *Combating Forced Labour, A Handbook for Employers and Business*, 2015. Available at: http://www.ilo.org/wcmsp5/groups/public/-ed_norm/-declaration/documents/publication/wcms_101171.pdf.

THE SCALE OF MODERN SLAVERY

Slavery was abolished but never eradicated. It is estimated that around 40 million adults globally are victims of slavery.⁷ Of these, approximately 25 million are in forced labour in sectors such as construction, manufacturing, mining, utilities, agriculture, forestry, fishing and domestic work.⁸

The trafficking of people and labour exploitation has become one of the fastest growing criminal industries, second only to the drugs trade. The International Labour Organisation (ILO) reports that trafficking in persons has an annual trade value of around US\$150 billion per year.⁹ Two thirds of this trade is commercial sexual exploitation, while approximately US\$51 billion results from forced economic exploitation.

ILO, IOM, Walk Free Foundation estimated number of people in modern slavery per 1,000 people by region.¹⁰



The prevalence of modern slavery is considered to be rising across mainland Europe and the UK, with instances found across the private sector including legitimate businesses of all sizes through the infiltration of labour supply chains.

7. <https://www.globallslaveryindex.org/>

8. <http://www.ilo.org/global/topics/forced-labour/lang-en/index.htm>

9. International Labour Organization, 2014. ILO says forced labour generates annual profits of US\$ 150 billion. Available at: www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_243201/lang-en/index.htm.

10. <https://www.globallslaveryindex.org/2018/findings/regional-analysis/regional-findings/>.

MODELS OF MODERN SLAVERY

Different models of modern slavery exist in the supply chain and new ones are constantly emerging and evolving. Each model requires a different approach in order to tackle it effectively.

There are four main models:

STATE

Such as forced prison labour or the annual mobilisation of children, public employees, the elderly and others to harvest agricultural crops.

EMPLOYER

An employer who knowingly holds workers in forced labour and/or applies conditions that have the effect of creating forced labour such as debt bondage, retention of wages, penalties, exceptionally low wages and excessive hours.

Employers may outsource work to illegal or uncontrolled sub-contractors or engage workers through a labour supplier at prices that can only be achieved through worker exploitation.

RECRUITMENT INTERMEDIARY (THIRD-PARTY)

Sourcing agents, labour brokers or any person providing labour can abuse their position in a variety of ways.

This includes charging recruitment fees, contract switching, debt bondage or retention of wages.

They could also impose penalties that have the effect of holding workers in a forced labour situation.

The employer may be complicit, negligent, naïve or genuinely duped by convincing and manipulative intermediaries.

GANG/EXPLOITER (THIRD-PARTY)

Organised criminal gangs and exploitative individuals who "recruit" workers and force them to work for legitimate employers and labour providers without these businesses being aware that the workers are being controlled.

This may include rogue supervisors, consultants and workers within good employers and labour providers who control workers to these same ends.

Third-party exploitation takes place outside of the main customer-supplier relationship i.e. it is not employer-controlled and in fact, the supplier (employer) is unaware that it is present. In many cases, the perception of modern slavery is that of a supplier (typically overseas) who runs a 'sweat-shop' whilst the reality is that there are increasing cases of hidden third-party exploitation closer to home.

Regardless of where and how the exploitation is occurring, it is essential that purchasing professionals are aware of such risks and include them in the development of their programme to tackle modern slavery.

Third-party exploitation can occur within all types of business, including decent and responsible organisations and certain types of recruitment, labour supply or supervisory models make it easier for exploitation to flourish. Employers and labour providers often do not recognise the signs of third-party labour exploitation occurring within their business or know how to deal with it once uncovered.

The common factor in this type of exploitation is that exploiters hold a position of power over their victims and abuse this for personal gain. It is well hidden, and victims are either reluctant or too frightened to come forward.

Hidden third-party methods of exploitation can include:

- **Work-finding:**

- A 'labour sourcing agent' who offers workers to a labour provider or employers "free of charge" which inevitably results in the worker paying a fee
- Someone acting informally as a work-finding agent, who is charging the worker for this service. They may pose as a relative, friend or helpful interpreter.

- **In-work:**

- A recruitment consultant who charges workers a one-off recruitment or ongoing placement fee without the knowledge of their management.

- **Accommodation-based:**

- An employer's supervisor who, without the knowledge of management, selects workers on the basis that they use their accommodation
- A landlord holding workers in debt bondage and controlling their bank accounts and passports.

- **Organised criminal gangs and exploiters:**

- Organised criminals who traffic workers, control where and when they work, and keep them captive outside of work.

The methods used in hidden third-party labour exploitation are explained further in the Stronger Together resource "Guidance on third-party exploitation" in the Appendices.

It is important to note that the risk of modern slavery needs to be considered throughout all aspects of the working relationship:

- From the point of recruitment e.g. recruitment fees resulting in debt bondage
- In the workplace e.g., unscrupulous supervisors charging workers for allocating shifts
- Outside of work e.g. charges for food, accommodation and transport
- Termination of work e.g. whether workers are free to leave 'employment' without penalty.

These models and risks can be found equally in the UK and overseas.

RECRUITMENT FEES

AND THE LINK TO MODERN SLAVERY

Modern slavery can occur due to debt bondage, where debt is incurred by victims throughout the 'employment' process. The debt is often, but not exclusively, linked to charging often exorbitant recruitment fees.¹¹ Those buying on behalf of organisations can take positive steps to address modern slavery by making every effort to eliminate recruitment fees in their supply chain.

Labour providers and employers may use agencies to source or supply workers however recruitment fees should be a business cost and not a cost for the worker. In addition, where a labour provider or employer uses an agency, then sufficient fees should be paid to the agency to support a sustainable business model.

ILO Convention 181 Article 7 (1) states that private employment agencies 'shall not charge directly or indirectly, in whole or in part, any fees or costs to workers or jobseekers' and the ILO Principles and Guidelines on Fair Recruitment (2016) states that "no recruitment fee or other costs should be charged to workers and job-seekers".

In addition, the EU Temporary Agency Work Directive, 2008/104/EC Article 6.3 bans the charging of fees to agency workers:

"Temporary-work agencies shall not charge workers any fees in exchange for arranging for them to be recruited... or for concluding a contract of employment or an employment relationship..... after carrying out an assignment."

The charging of recruitment fees in supply chains happens, not only because of the vulnerability of workers, but also due to the complexity of labour sourcing models, which can make them difficult to monitor and detect.

Labour supply chains often involve numerous parties, in many cases through informal relationships where terms and conditions are poorly defined. There can be many tiers of sub-contracting in recruitment channels, involving sub-agents, brokers and middlemen, operating with or without written contracts. Smaller labour providers may also contract with agencies abroad to manage international recruitment processes.¹² Businesses should engage only with legitimate labour providers and should ensure that their suppliers comply with the Employer Pays Principle.

The Responsible Recruitment Toolkit¹³ outlines those types of recruitment and employment costs that are charged, but should be met by the employer rather than workers, as follows:

- General overhead costs, processing, advertising, legal fees, interpreters
- Pre-departure, interview, skills test and medical exams

11. Any fee, charge or costs, may be a recruitment fee regardless of whether the payment is in property or money, deducted from wages, paid back in wage or benefit concession, paid back as a kickback, bribe, in-kind payment, free labour, tip or tribute, remitted in connection with recruitment, or collected by an employer or a third-party including but not limited to: labour providers providing recruitment and/or employment services; subsidiaries/ affiliates of the employer; any agent or employee of such entities; and subcontractors, sub agents and brokers at all tiers.

12. www.responsiblerecruitmenttoolkit.org

13. www.responsiblerecruitmenttoolkit.org

- Documentation – passport, visas, birth certificate
- In transit – travel, airfare, border crossing fees
- On arrival – training, orientation, medical exams
- During employment – equipment, tools, workwear, document renewals, workplace transport, accommodation charges
- End of employment – return transport.
- Some notice period fees.

A formal remediation procedure which includes how workers will be reimbursed for any recruitment fees they have already been paid is also integral to the process of eliminating fees. See further information on remediation in the Remedy section of this toolkit.

Companies, and in some cases entire sectors, are committing to eliminate recruitment fees charged to workers, including:

- **The Leadership Group for Responsible Recruitment:** a collaboration between leading companies and expert organisations to drive positive change in the way that migrant workers are recruited and have committed to the Employer Pays Principle.
- **The World Employment Confederation:** representing the employment industry at a global level. Principle 3 of its Code of Conduct is “respect for free-of-charge provision of services of jobseekers”.
- **The Responsible Business Alliance:** (formerly The Electronic Industry Citizenship Coalition), representing major electronics companies whose members have agreed the principle that “workers shall not be required to pay fees for their employment”.
- **The Consumer Goods Forum (CGF):** representing retailers, manufacturers and service providers globally. It has produced a set of Forced Labour Priority Industry Principles which state that: every worker should have freedom of movement; no worker should pay for a job; and no worker should be indebted or coerced to work.
- **The Global Social Compliance Programme (GSCP):** a business-driven programme open to buying companies (brands and retailers) across all sectors and geographies. The GSCP code of conduct includes the provision that “suppliers shall not use any form of bonded labour nor permit or encourage workers to incur debt through recruitment fees, fines, or other means”.
- **International Recruitment Integrity System:** a multi-stakeholder system for labour recruiters to support ethical recruitment of migrant workers. Principle 1 of the IRIS Standard is the “prohibition of recruitment fees and related costs to migrant workers”.
- **Clearview:** the global labour provider certification scheme which is aligned to international standards including the IRIS standard and Global Social Compliance Programme.

14. www.ihrb.org/employerpays/leadership-group-for-responsible-recruitment

15. www.wecglobal.org/

16. www.responsiblebusiness.org/

17. www.theconsumergoodsforum.com

18. <http://supply-chain.unglobalcompact.org/site/article/126>

19. www.iris.iom.int/iris-standard

20. www.clearviewassurance.com/

WHAT TO LOOK FOR IN A SUPPLY CHAIN

Modern slavery is most prevalent in countries with lower oversight, governance and regulation of workers' rights, wherever there are vulnerable or transient workers and in sectors of the economy which are less transparent or formal. Modern slavery is more likely to occur in suppliers with less advanced management systems, management oversight and capability and where there are unrealistic expectations from customers.

HIGHER RISK COUNTRIES

The risk of modern slavery increases where governments lack the willingness and/or the resources to meet their obligations to reduce the risks of modern slavery and protect victims of slavery. The situation can be exacerbated where there is lack of awareness amongst communities, of modern slavery meaning they fail to spot the signs of slavery or raise the alarm if they do or where there is general lack of awareness and/or the ability to address abuses of human rights.

VULNERABLE WORKERS

The risk of modern slavery increases where there are vulnerable people. People can be vulnerable irrespective of nationality, age or gender, and some groups are particularly at risk, such as:

- Workers who are part of a particular ethnic group e.g. indigenous and tribal peoples in Latin America or low castes in South Asia
- Young people, unskilled or illiterate workers who may be less aware of their legal rights
- Those with certain disabilities who may be more susceptible to coercion
- Those suffering from substance dependence or mental health issues who can be targeted.



MIGRANT WORKERS²¹

Migrant workers, including those forced to migrate because of war or persecution, can be at a high risk of exploitation.

Not having the appropriate immigration status or legal right to work in the country where they are located puts workers at higher risk. However, in the majority of situations, victims rescued from forced labour situations are actually found to have the right to work in that country.

Migrant workers are particularly susceptible to being trapped in modern slavery because:

- Their work options are more limited, particularly where they have limited local language skills
- They may expect to pay for work if it is common practice in their own country
- They are lured from their home country by “package deals” offering transport, accommodation and work
- They trust fellow countrymen who make convincing but false promises of being able to arrange regular work and good pay
- They are targeted by exploiters and criminal gangs who know how to spot “easy victims” who are easier to control by threats or penalties to the worker or their family.

TYPES OF WORK

Modern slavery is a higher risk in sectors where work is:

- Labour intensive
- Unskilled
- Irregular
- Supplied through recruitment intermediaries
- Informal e.g. home-based workers
- Geographically remote e.g. rural areas
- Outsourced to third-parties
- Undertaken in lower tiers of the supply chain with less direct oversight and no contractual relationship.

High risk sectors include:

- Food, garment and general merchandise manufacturing
- Agriculture and forestry
- Fishing and maritime
- Mining
- Utilities and construction
- Cleaning, catering and hospitality services in hotels, restaurants and bars.

21. The International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families defines a migrant worker as “a person who is to be engaged, is engaged or has been engaged in a remunerated activity in a state of which he or she is not a national”. In some cases, “internal” migrant workers who are recruited within a country may face similar risks as those crossing international borders.” <https://www.ohchr.org/EN/ProfessionalInterest/Pages/CMW.aspx>



IDENTIFYING VICTIMS

Supplier visits are a vital element for tackling modern slavery and should be undertaken wherever and whenever practically possible. This means visiting not just the supplier's main or head office but visiting other locations, such as production sites.

Identifying victims of modern slavery is not straightforward but any business visiting suppliers should take the opportunity to observe and engage with workers where possible.

There is a range of indicators for determining whether a person is a potential victim of modern slavery and therefore each case should be considered on an individual basis. The following resources provide support for example:

- Those who manage suppliers and labour providers should be trained to understand and spot the signs. See Appendix "Guidance on identifying victims of modern slavery"
- In addition, in conjunction with SEDEX, Stronger Together developed the "Operational Indicators of Forced Labour", see the Resource bank for ethical purchasing practices in the Appendices
- Appendix "Conducting supplier visits" includes a template for conducting supplier visits.

Due to the criminal nature of this activity, where there are any doubts or concerns then you should engage with specialist support and the relevant authorities if victims or potential victims are identified.



DEVELOPING THE BUSINESS CASE

Modern slavery can occur within the supply chains of any business where at-risk and vulnerable workers are knowingly or unknowingly employed. Responsible businesses put tackling labour exploitation at the heart of their business and human rights strategies.

The size of the purchasing team and resources available will normally reflect the complexity of the supply chain and will vary from business to business. Whilst it is acknowledged in the United Nations Guiding Principles on Business and Human Rights (UNGPs)²² that activities and efforts to address modern slavery should be proportionate to the size of the business and the associated risks, ‘the responsibility to respect human rights applies fully and equally to all business enterprises’.

Apart from simply respecting the human rights of those involved in the supply chain, there are a range of additional reasons that businesses should tackle modern slavery:

- **Legal compliance**

- o Slavery, forced labour and human trafficking are punishable as crimes in most countries around the world and businesses involved in such activities could face prosecution and potential litigation by victims
- o Under legislation such as the UK Modern Slavery Act 2015²³, the Australian Modern Slavery Bill 2018 (Cth)²⁴, the California Transparency in Supply Chain Act 2010²⁵ and the French Corporate Duty of Vigilance law²⁶, certain businesses are required to undertake due diligence and practical steps to mitigate the risks of modern slavery in their supply chains
- o Similar legislation is expected to be introduced in other countries and this trend is likely to continue
- o Non-compliance can ultimately affect the organisation’s licence to operate.

- **Managing risk and reputation**

- o Corporate reputations and associated brands are put at serious risk by allegations of modern slavery
- o Customers frequently state ethical considerations as a determining factor for their purchasing decisions. Businesses, particularly those that supply consumer markets and have significant brand value, face new and growing expectations to actively address risks in their supply chain
- o There is also a growing call to tackle modern slavery in public sector contracts in the UK and overseas which could further impact the private sector.

22. www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

23. <http://www.legislation.gov.uk/ukpga/2015/30/section/54/enacted>

24. www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r6148

25. <https://oag.ca.gov/SB657>

26. www.business-humanrights.org/sites/default/files/documents/French%20Corporate%20Duty%20of%20Vigilance%20Law%20FAQ.pdf

- **Trade and investment risk**

- In some countries, trade regulations prohibit the import of goods produced by forced or trafficked labour. In these jurisdictions, such allegations can result in confiscation of imported goods by public authorities or disruption to trade and production schedules
- Allegations of modern slavery can also significantly threaten investor relations and jeopardize access to public funds such as export credits.

- **Competitive advantage**

- Poor management practices, particularly those associated with modern slavery, are linked to broader operational inefficiencies resulting in negative impacts on the cost and quality of goods and services.

- **Security of supply chain**

- Modern slavery can be associated with criminal gangs and where these are identified there is the potential for the supply chain to be significantly disrupted when relevant authorities take action.

- **Supplier innovation and development**

- Working more closely with suppliers to tackle modern slavery and better understand their working practices and challenges provides an excellent opportunity for supplier development and a more strategic relationship.

- **Commitment to the UN Sustainable Development Goals**

- In September 2015, all UN member states agreed the Sustainable Development Goals (SDG's), to guide global policy to 2030
- Goal 8.7 of the SDG's states that businesses need to:

“take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms”

- In recognition of the magnitude and complex nature of this challenge, the International Labour Organisation (ILO) called for the creation of a multi-stakeholder alliance - “Alliance 8.7”. This alliance consisting of states, civil society, academia, media and UN agencies has been charged with assisting in the elimination of forced and child labour through actions such as:
 - » Coordination of action at global, regional and country level
 - » Campaigns and powerful advocacy to increase global awareness
 - » More effective policies and action plans
 - » Better monitoring and knowledge sharing.

The independent international organisation, Global Reporting Initiative (GRI), provides useful resources outlining how organisations can support the SDGs.

27. <https://sustainabledevelopment.un.org/>

28. www.globalreporting.org/information/SDGs/Pages/SDGs.aspx



INTRODUCING A STRATEGIC FRAMEWORK FOR TACKLING MODERN SLAVERY

The starting point for developing the strategy for tackling modern slavery through purchasing practices is to understand the context and expectations of businesses. This section provides that context and sets out a simple strategic framework for the development of a comprehensive strategy.

Since 2011, the UN Guiding Principles on Business and Human Rights (UNGPs)²⁹ have been viewed as the authoritative global reference on business and human rights. They provide a clear framework that businesses can use to tackle modern slavery in their supply chains.

The UNGPs apply to all businesses without exception. The UNGPs state clearly that businesses should comply with all applicable laws, respect human rights and should 'prevent or mitigate' adverse human rights impacts linked to their business, even where they have not directly contributed to them.

The UNGPs provide a useful global approach to prevent and address the risk of broader human rights abuses, including forced labour, trafficking and slavery. Importantly, they were unanimously endorsed by the UN Human Rights Council and obtained wide acceptance from the business community, trade unions, civil society and governments around the world.

The Guiding Principles are founded on three pillars:

- **Protect** – states have a duty to protect, promote and support human rights
- **Respect** – companies have a responsibility to respect human rights and “do no harm”
- **Remedy** – both must ensure that victims of business-related abuses have access to effective remedy.

While the language of “human rights” is unfamiliar to many businesses, most companies already have policies and procedures that cover human rights issues such as supplier codes of conduct that set out occupational health and safety standards and prohibit the use of child labour or forced labour.

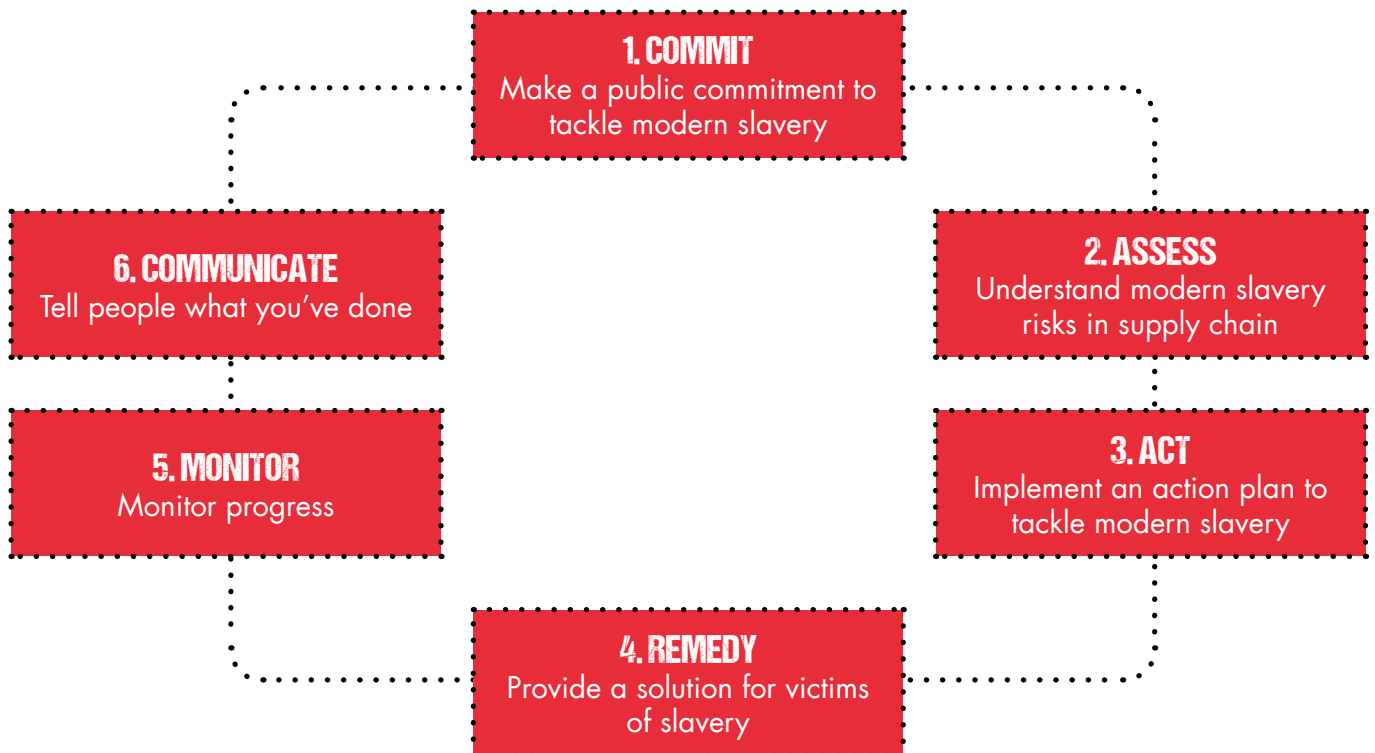
The UNGPs recommend that businesses should expand what they already have in place to develop a comprehensive “human rights due diligence” approach; through which they will be able to assure stakeholders that they are taking reasonable steps to avoid infringing upon the rights of others and tackling infringements where they occur.

Drawing on the UN Guiding Principles' approach and focussing on modern slavery, this Stronger Together toolkit outlines six steps for those in purchasing to take when tackling modern slavery in their supply chains.

29. www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf



SIX STEPS FOR IMPLEMENTING THE UN GUIDING PRINCIPLES.



PART B

PRACTICAL STEPS

With few exceptions, today's supply chains are complex, multi-tiered and involve suppliers in many countries, making the management of supply chains a significant challenge. Likewise, modern slavery is a complex, global and evolving subject involving multiple issues and factors requiring considered solutions. Bringing the two together can understandably seem an overwhelming task.

This section breaks down the steps required to develop and implement a programme to tackle modern slavery through purchasing practices, set out in checklists with references to additional resources.

STEP 1: COMMIT

TO TACKLING MODERN SLAVERY

The first step in implementing an approach based on the United Nations Guiding Principles³⁰ (UNGPs) is for the Purchasing Leadership Team (PLT)³¹ to commit to taking action, not just in terms of developing a comprehensive strategy, but also by ensuring that it is thoroughly embedded through policies, processes, systems and, most importantly, behavioural change.

LEADING THE CHANGE

Ideally, the organisation will already have committed to tackling modern slavery at the highest level (CEO), however, in some instances, it is the purchasing function that will be leading the proposed changes and seeking to influence others. In some organisations there will be specialist teams advising and supporting Ethical Trade or Sustainability, however regardless of the organisational structure, it is worth emphasising how crucial it is for the PLT to invest time in gaining the engagement and support of the CEO and Board from the outset. This is particularly important not just due to the complexity associated with developing and implementing the programme, but also because of the potential impact on external stakeholders and the corresponding impact that this may have on how the organisation is perceived, and the potential impact on commercial models.

Where tackling modern slavery is being led by the CEO or equivalent, it is likely that responsibility for addressing risks within the business and supply chain will already have been assigned to the relevant Board Director (or equivalent), and a cross-functional strategic working group including a purchasing representative will have been formed. It is recommended that a sub-working group is formed to lead and manage the specific changes for the purchasing function.

INITIAL RESEARCH

Although this section sets out the actions at the COMMIT stage, it is advisable to undertake the initial steps of the Step 2 ASSESS stage to identify the size and scope of the effort required, particularly with regards to resources, prioritisation and likely timing. Early assessment will further inform the elements required to COMMIT and will ensure that the appropriate level of organisational engagement is achieved from the outset.

It is not unusual for there to be wide variation in the levels of interest and understanding of modern slavery as well as broad assumptions and misconceptions within an organisation. Conducting initial research including input from external advisors and stakeholders will provide a base of knowledge and common language for ongoing engagement.

From initial research and early assessment of the scope, the purchasing team should develop a clear vision and ambition for tackling modern slavery in the supply chain; is it a risk management and compliance approach, progressive and industry leading or transformational with broad collaboration? And how will success be measured? Agreeing a vision will enable the required changes to be scoped and a full project implementation plan to be developed.

30. www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

31. For the purposes of this toolkit, purchasing includes the activities associated with procurement, buying and supply chain management.

STAKEHOLDER MAPPING FOR STRATEGY DEVELOPMENT

As part of ongoing strategy development, it is recommended that businesses should consider those individuals and groups who they should be engaging with according to the diagram below (see Figure 2).

As set out in the UNGPs, businesses may be regarded as responsible in whole or in part for modern slavery in their supply chain, regardless of their size, location or type of business.

Given the size and complexity of supply chains, purchasing professionals should give careful consideration to the nature and reach of their supply chain, including the chain beyond those direct suppliers in the first tier, such as labour providers, contractors and outsourced service providers.

The PLT should seek to understand who the people and/or organisations are that are affected by, or who can affect, their actions, objectives and policies. In some organisations this will be done in collaboration with other specialist support functions such as those in Corporate Social Responsibility (CSR), Ethical Trade, Sustainability or Public Affairs or, in some cases, with the help of external specialists.

FIGURE 2: STAKEHOLDER MAPPING



POLICY DEVELOPMENT

Having conducted initial research and engaged with relevant stakeholders to determine the appropriate strategy, it is necessary to translate strategic intent into all policies applicable to the selection and management of suppliers throughout the supply chain. Whilst the development of policies may be undertaken by specialists within larger organisations, it is essential that they are reviewed, understood and signed off by the PLT.

Central to these policies may be a stand-alone Modern Slavery in Supply Chain policy which sets out requirements for suppliers, or a broader Human Rights Policy for Suppliers; see Appendices for templates.

Policies should reflect the supply chain of the organisation, however some key principles to consider, in accordance with the UNGPs, are that they should:

- Be approved at a senior level
- Be informed by those with expertise, internally and/or externally
- Communicate the expectations for purchasing staff, those in the supply chain and any other parties linked to the supply chain
- Be publicly available
- Be communicated internally and externally to all relevant parties.

Whilst this toolkit focusses on modern slavery, businesses should also consider how they are addressing broader human rights impacts such as those outlined in the International Labour Organisation's (ILO) Fundamental Conventions.



32. International Labour Organisation's (ILO) Fundamental Conventions.
Available at: www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang-en/index.htm

SYSTEMIC CHANGE

Whilst it is natural to focus on tackling modern slavery by engaging with suppliers, it is equally essential to consider the organisation's own purchasing practices and how they might be contributing to the issue .

To embed a sustainable and effective programme to tackle modern slavery, systemic change may be required within the organisation and it is the responsibility of the PLT to set clear expectations and address those practices which may in themselves be significant causal factors.

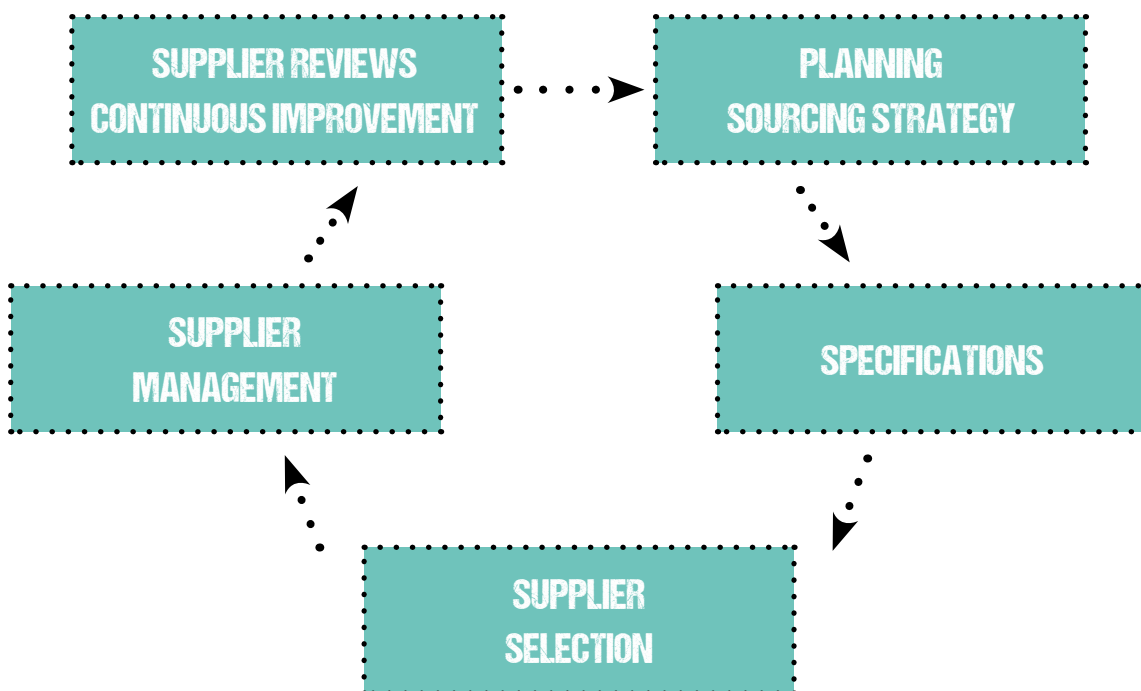
Clearly, the organisation should work with suppliers who are legitimate and can demonstrate or are committed to putting in place good management systems, particularly with regards to managing their workers. This includes not only the direct supplier but also indirect suppliers, distribution and logistics providers, outsourced services, labour providers and contractors/sub contractors.

Thereafter, careful consideration should be given to the existing practices and behaviours at each stage of the purchasing process to understand the impact they can have on a supplier and ultimately their workers, including:

- Understanding how well the organisation adheres to its own supplier processes and the impact on suppliers of any non-compliance
- The way in which pressures on quality, cost and time will impact at each stage of the supply chain and whether the organisation is acting responsibly and fairly in its behaviours or inadvertently contributing to the issues
- The behaviours of those involved in purchasing and how these can be influenced through the way staff are recruited, developed and rewarded.

A simplified purchasing process is outlined in Figure 3 below.

FIGURE 3: SIMPLIFIED PURCHASING PROCESS



Considerations for the PLT at each stage of the purchasing process are as follows:

- **Planning/Sourcing Strategy**

For those involved in purchasing, this means moving beyond a focus on commercial considerations to developing insights into the supply chain, including:

- How workers are recruited
- Conditions inside and outside of work
- Local and international laws
- How the risks of modern slavery can be addressed throughout the purchasing process
- How victims can be supported when found.

This is the earliest opportunity to address the risk of modern slavery occurring in the supply chain. Risk factors for modern slavery should be fully assessed during market analysis and for each of the sourcing options. For further information, read the section in this toolkit on the risk assessment process.

It is essential to develop a comprehensive understanding of the sourcing options and the associated risks for modern slavery in order to consider the potential mitigation measures that may be required and the associated time, effort and costs.

This not only includes research on potential countries and the risks related to the required goods or services but also an understanding of the production processes, the types of workers, type of work plus the supply chain of likely suppliers, including the likelihood or prevalence of less visible sub contracting.

Engaging with internal stakeholders at this stage may facilitate further consideration of specifications to take account of the associated risks and a revision of the sourcing strategy to minimise those risks.

- **Goods/Services Specifications**

Changing specifications throughout the purchasing and ordering process can impact on suppliers' costs and the requirement for labour, e.g. unpaid overtime required to make changes to the previously agreed specifications. It is important to understand the likely impact of specification changes on a supplier, how that will impact their workers and agreeing in advance who will meet such costs rather than leveraging an imbalance of power.

Equally important is understanding the raw materials that the supplier will require and from where they will be sourced, to fully understand the risks associated with the goods or service.

The inclusion of key specifications within the pre-purchase process will enable due consideration of risk factors and their mitigation by both the supplier and customer.

- **Supplier Selection**

Ideally, selection criteria related to modern slavery should feature as part of pre-qualification. Where this is not possible, the organisation should clearly state their expectations throughout the selection process, with relevant criteria (and appropriate weighted scoring) at each stage including the Invitation to Tender, the Request for Proposal, Request for Quote etc.

Traditionally, the negotiation stage focusses on commercial aspects such as cost, quality and time, but it is essential to consider how commercial factors will be weighed against ethical considerations and how these will feature as part of the negotiation. Ethical considerations can be used as an incentive, for example, where it involves support for supplier development.

Importantly, in preparation for the negotiations, the organisation should understand what constitutes a realistic price for the goods/service and appreciate that negotiating an unrealistic price will make it more likely that the supplier will exploit workers or sub-contract to less ethical suppliers and/or unseen workers.

- **Supplier Management**

The way in which the organisation manages its suppliers post contract award can also have adverse effects.

For example, does the planning and forecasting of orders take account of likely impacts on the supplier? Is the organisation compliant with payment terms and is there a good understanding of the impact of late payments on the supplier and therefore the workers?

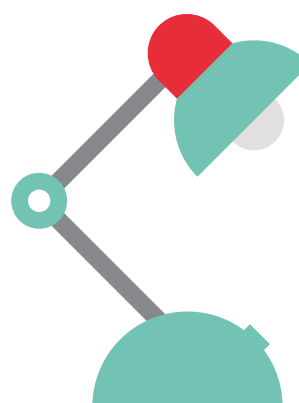
It is important to understand the implications of changes in the volume or timing of orders on workforce requirements; for example, they may result in compulsory and/or unpaid overtime. Such implications should be discussed and understood to avoid any unintentional and adverse impacts on workers.

- **Supplier Reviews and Continuous Improvement**

Seeking feedback from your supplier on their challenges and the way in which the organisation's policies and behaviours affect them will provide a good understanding of further changes that are required to avoid adverse impacts.

Feedback can include third-party surveys and anonymous feedback on your business's purchasing practices as well as ongoing face-to-face meetings and supplier workshops.

A common complaint from those setting out on a programme to tackle modern slavery is that this is going to add cost. Similarly, this is a concern expressed regularly from suppliers. Being clear about how the costs of improvements will be met, by whom and what reward is available for improvement (e.g. higher volumes, new lines, longer term contracts, supplier recognition awards) will more effectively facilitate change. Ideally, there should be an equal share of the cost and effort involved in improvements.



COMMIT CHECKLIST

This checklist is intended for those in the Leadership Team when making a commitment to develop their strategy and implementation plan.

The scale and complexity of response required will vary according to the size and nature of the supply chain and the severity of modern slavery risk.

COMMIT – THE PURCHASING LEADERSHIP TEAM MAKE A COMMITMENT TO TACKLE MODERN SLAVERY THROUGH PURCHASING PRACTICES		TICK IF DONE
PURCHASING LEADERSHIP TEAM – LEADING THE CHANGE		
1	Ensure that commitment from the CEO and Board is in place	
2	Test the 'appetite for change' with internal stakeholders to identify concerns/risks to be considered in planning and prioritising the organisation's approach; for example, potential impacts on commercial and legal arrangements, cost implications for supplier development, impacts on design and production processes or ultimately changing the sourcing strategy	
3	Assess capability requirements, including the capability required for change management dependent on the size of the business	
4	Build leadership engagement and commitment in order to display a good understanding of modern slavery and how the function can manage their impacts across the supply chain	
5	Form a purchasing modern slavery working group, considering the following with regards to governance: <ul style="list-style-type: none"> a. There may be several governance layers, e.g. purchasing governance then cross functional governance leading to Board reporting b. Aim for consistency and the appropriate level of authority and experience in the governance group c. Ensure that all relevant functions are consulted through the governance structure, e.g. legal, commercial, marketing/PR, finance, HR d. Consider the inclusion of an advisory group of internal and/or external specialist experts. 	
PURCHASING LEADERSHIP TEAM – INITIAL RESEARCH AND IMPLEMENTATION PLANNING		
6	Conduct some assessment of the likely effort and activities required in order to identify resource requirements and likely timescale for implementation – see ASSESS section for further information	
7	Use the initial research to develop the vision and objectives for the programme	
8	Develop the implementation plan as appropriate for the business and allocate specific resources to address modern slavery across the following range of purchasing activities: <ul style="list-style-type: none"> a. Policies b. Processes c. Systems d. Capability development e. Specific categories (e.g. labour providers, goods not for resale, agents) f. Supplier development g. Data collation and analysis h. Audits and compliance i. Reporting. 	
9	Prepare and submit the implementation budget	

COMMIT – THE PURCHASING LEADERSHIP TEAM MAKE A COMMITMENT TO TACKLE MODERN SLAVERY THROUGH PURCHASING PRACTICES

TICK IF DONE

PURCHASING LEADERSHIP TEAM – STAKEHOLDER MAPPING

- 10 : Consult and collaborate with internal or external specialists to identify stakeholders to engage during programme development

PURCHASING LEADERSHIP TEAM – POLICY DEVELOPMENT

- 11 : Form a policy development group
- 12 : Compile all existing policy documents that contain, or should contain, clauses related to tackling modern slavery; for example (see Appendices for templates):

- a. Purchasing Policy or Principles
- b. Human Rights in Supply Chain Policy
- c. Modern Slavery for Supply Chain Policy
- d. Employer Pays Principle
- e. Tender documents
- f. Anti-Bribery and Corruption Policies
- g. Labour Provider in Supply Chain Policy
- h. Contracts and Service Level Agreements for Suppliers and Labour Providers
- i. Audit Procedure for Suppliers and Labour Providers
- j. Contracts and Service Level Agreements with Audit Bodies
- k. Supplier Grievance and Whistle-Blowing Policy
- l. Access to Remedy arrangements.

- 13 : Undertake a gap analysis on existing policies, contracts and procedures and ensure that they meet the following:

General Requirements

- a. Outline the modern slavery vision and objectives
- b. Demonstrate a clear understanding of the specific risks related to purchasing and make clear the commitment to tackle modern slavery in the supply chain
- c. Set out how the risks have been identified and assessed with an outline of the resultant mitigation plans
- d. Ensure that there is a clear requirement to meet local, national and international laws
- e. Include consultation with internal and/or external experts together with relevant stakeholders to gain feedback on further areas of improvement or clarification
- f. Appear in publicly available websites or in print, and be communicated to all internal and external parties
- g. Offer translated copies that are accessible to all workers in supplier locations, including sub-contractors and home workers
- h. Include the prohibition of indirectly benefitting from or contributing to modern slavery and directly address and prohibit practices that are well known to contribute to the risk of modern slavery, such as charging workers recruitment fees
- i. Include due diligence requirements in the case of recruitment intermediaries at any stage of recruitment, management or hire
- j. Strengthen existing contractual clauses by integrating specific provisions regarding key risks, for example prohibiting compulsory overtime or passport retention. Alternatively, businesses may choose to develop supplementary policies that address severe risks in their supply chains
- k. Take into account sector-specific and multi-stakeholder initiatives and Codes of Practice.

PURCHASING LEADERSHIP TEAM – POLICY DEVELOPMENT

13
cont.

Responsibilities

- l. Make clear what is expected from all parties in the purchasing process, including staff, direct and indirect suppliers and any other relevant partners
- m. Outline the business’s expectation that suppliers and labour providers will implement proactive steps to prevent and tackle modern slavery (see the Stronger Together toolkit Tackling Modern Slavery in Businesses)
- n. Require tier 1 suppliers to communicate requirements and manage accordingly their suppliers including sub-contractors and labour providers
- o. Ensure suppliers and labour providers have the knowledge and resources to prevent and tackle modern slavery.

Human Rights

- p. Oblige all suppliers and labour providers to inform workers of their rights and obligations in the workplace.

Auditing

- q. Establish a clear procedure for auditing suppliers and labour providers, including access for unannounced audits
- r. Ensure that ethical audits, where used, examine and effectively report on the operational indicators of forced labour
- s. See Appendices: Resource Bank for “Sedex Guidance on Operational Practice and Indicators of Forced Labour”.

Recruitment Fees

- t. Establish formal relationships with labour providers
- u. Demonstrate a commitment to the Employer Pays Principle³⁴ – eliminating all recruitment fees charged to workers in the supply chain
- v. Require suppliers and labour providers to work towards the Employer Pays Principle
- w. Establish clear requirements and sanctions in case of violation of the Employer Pays Principle by suppliers or its sub-contractors/sub-agents including the reimbursement of any fees found to have been paid by workers.

Remedy

- x. Set out how the organisation plans to provide remedy for victims
- y. Require suppliers to have a clear victim-centred process for reporting forced labour and labour trafficking to the appropriate enforcement authorities and the business
- z. Require suppliers and labour providers to provide workers with access to channels to raise grievances anonymously and for these grievances to be addressed without fear of retribution
- aa. Have effective and appropriate sanctions in place for non-compliant suppliers and labour providers.

34. See ILO Convention 181 that “Private employment agencies shall not charge directly or indirectly, in whole or in part, any fees or costs to workers”.

PURCHASING LEADERSHIP TEAM – POLICY DEVELOPMENT

- | | | |
|----|--|--|
| 14 | Update contracts, service level agreements, tender documents, guidance documents, policies and terms and conditions to reflect the policy requirements above | |
| 15 | Communicate draft policies, contracts and procedures internally for consultation and feedback | |
| 16 | Review all relevant processes to ensure that the policy aims and requirements are embedded across the purchasing function and to identify key challenges for implementation; for example: <ul style="list-style-type: none"> • How quickly can follow-up audits be actioned where there are non-compliances, and therefore how long should the supplier have to address them? • How might the steps required for supplier qualification impact new suppliers and their ability to fulfil a contract and receive payment? | |
| 17 | Communicate revised draft policies, contracts and procedures externally with key external stakeholders for consultation and feedback | |
| 18 | Finalise policies, contracts and procedures, distribute (translated as appropriate) and obtain written confirmation from suppliers that they have read your policies and are conforming to policy requirements or are actively working towards conforming within a set timeline; see Appendices for a supplier self-assessment questionnaire | |

PURCHASING LEADERSHIP TEAM – SYSTEMIC CHANGE

- | | | |
|----|---|--|
| 19 | Review and address existing purchasing practices that may be contributing to the root causes of modern slavery; see introductory section above and simplified purchasing process as follows: <p>Sourcing strategies</p> <p>a. Ensure that modern slavery risk assessments are included in the planning and development of sourcing strategies.</p> <p>Specifications</p> <p>b. Ensure that specification changes do not negatively impact on the conditions of workers in the supply chain and ensure that key specifications are included in the pre-purchase process.</p> <p>Supplier selection</p> <p>c. Ensure that modern slavery criteria are included in all supplier selection processes</p> <p>d. Ensure that the risks of modern slavery are not exacerbated in negotiation processes by ensuring a clear commitment to balancing commercial and ethical considerations.</p> <p>Supplier management</p> <p>e. Ensure that there is a high level of compliance with internal supplier processes such as payment terms</p> <p>f. Consider any adverse effects on suppliers and their workers including the impact of planning and forecasting.</p> <p>Supplier reviews and continuous improvement</p> <p>g. Obtain feedback from suppliers on their challenges and the company’s impact on their performance and operations.</p> | |
|----|---|--|



COMMIT – THE PURCHASING LEADERSHIP TEAM MAKE A COMMITMENT TO TACKLE MODERN SLAVERY THROUGH PURCHASING PRACTICES

TICK IF DONE

PURCHASING LEADERSHIP TEAM – SYSTEMIC CHANGE

- | | | |
|----|--|--|
| 20 | Ensure that relevant selection criteria are included during the recruitment stage of purchasing/supply chain staff and reiterate expectations during induction | |
| 21 | Embed responsibilities for managing the risks of modern slavery through job descriptions, objectives and key performance indicators. Ensure that: <ul style="list-style-type: none"> a. It is clear who is ultimately accountable and how each role assumes responsibility for each part of the programme b. There are no exceptions or contradictory goals across various buying teams or any department involved in communicating with suppliers c. Training requirements are included in personal development plans and overall functional learning and development plans. | |
| 22 | Develop capability of all staff who visit suppliers to: <ul style="list-style-type: none"> a. Develop their understanding of the issues and train purchasing staff, auditors and other relevant staff in how to identify the signs of forced labour in the supply chain b. Enable them to identify concerns c. Provide them with the means to raise concerns or offer solutions, for example a whistle-blowing helpline (see Appendices: Suppliers Self-Assessment Questionnaire). | |
| 23 | Consider how staff are incentivised, rewarded and recognised for their efforts, for example: <ul style="list-style-type: none"> a. Bonuses linked to efforts in tackling modern slavery b. Positive efforts recognised via promotion and other development opportunities. | |
| 24 | Investigate any IT system ³⁵ requirements/impacts at an early stage to assess if they can be supported via an existing platform or if it will require a bespoke solution. For large organisations with complex supply chains, there is likely to be a heavy reliance on system support, and establishing the availability, functionality and training required for staff and suppliers will inform the approach that the organisation takes. | |



35. For example for supplier management systems, audit monitoring, electronic tender processes etc.

STEP 2: ASSESS

THE RISK OF MODERN SLAVERY

The second step in the UNGP approach is to identify where the greatest risks exist in the supply chain. A clear understanding of risk enables prioritisation of resources and development of an appropriate action plan.

Those who purchase goods and services should be aware that modern slavery may occur in all industries and levels of supply chains, particularly where activities are sub-contracted such as labour provision, maintenance, cleaning or construction. The most serious cases are more likely to occur where the law is weak or not properly enforced, however it is important to note that modern slavery is not exclusive to developing economies but is increasingly prevalent in developed countries.

SUPPLY CHAIN MAPPING

The purpose of supply chain mapping is to understand the size, nature and geographical scope of the organisation's supply chain. Mapping will identify not only where the risks of modern slavery are greatest but also, and equally importantly, where there is lack of information.

Mapping can be represented in various formats such as flowcharts and databases but is often shown on an actual map to illustrate the geographical scope of suppliers. The map can be further developed to differentiate first-tier suppliers from additional tiers, outsourcing, labour providers and others involved in the supply chain.

Whilst supply chain mapping will provide a rich source of data on current suppliers, it should also include a process for including new suppliers, recognising that the process must be ongoing and dynamic to assess risks that can change over time. Equally, any gaps should be highlighted and prioritised for further research.

RESEARCH

Any assessment of risk will be based on research and consultation with internal and/or external expertise. Having mapped the supply chain, research should be undertaken on key modern slavery risk factors associated with the following:

- Geography – to identify the current level of perceived threat and countries associated with poor legal frameworks and regulation of workers' rights
- Goods/services – to identify those sectors associated with poor working practices and oversight e.g. agriculture, conflict minerals
- Vulnerable workers – to identify where vulnerable workers may appear in the supply chain e.g. migrant workers
- Labour type – to identify those labour types particularly associated with a high level of risk e.g. temporary/seasonal, low-skilled, workers recruited through intermediaries, sub contractors, outsourced
- Poor supplier capability – where working practices are less developed and there is a lack of capability in terms of management capability, systems and processes
- Recruitment fees – those sectors and countries associated with the use of recruitment fees.

Potential sources of desktop research information are listed in the Resource Bank in the Appendices.

DATA COLLECTION

Additional information will be required in order to fully understand the risk factors present in the supply chain.

Identifying the type of supplier data that will be of most value during the risk assessment process (see below) and ensuring that this is requested during the initial data collection phase will facilitate a process that can otherwise be time-consuming.

Including information such as 'spend' and 'type of supplier relationship' during data collection will also identify opportunities for influence. These areas are explored further in this section.

Being able to analyse supplier data according to several criteria enables the purchasing team to group and prioritise suppliers according to the type of action that needs to be taken.

Data collection should ultimately include all areas of the organisation's spend including labour providers, goods not for resale, contractors/sub-contractors and outsourced service providers, although this may need to be undertaken in different phases for complex supply chains.

A sample data collection form is included in the Appendices.

RISK ASSESSMENT – SCORING

Once the supply chain is mapped, research undertaken and relevant supplier data collected, the next stage is to identify those suppliers who present the highest risk of modern slavery.

Whilst the UNGPs acknowledge that, where businesses have extensive and complex supply chains, it may be 'unreasonably difficult' to conduct risk assessments for all, **businesses are expected to identify where the risk is greatest and prioritise these for more detailed assessment.**

Based on information gathered during 'data collection', suppliers can be assessed against each risk factor.

Where practical, a scoring system can be used where each risk factor is allocated a score according to the potential level of risk. A total score is then calculated by adding the separate scores for each factor.

For complex and extensive supply chains, a scoring system of 1 – 5 (5 = highest) will provide a greater distribution of scores and easier identification of the highest potential risk.

A suggested risk screening tool and scorecard are found in the Appendices.

RISK ASSESSMENT – FILTERING

For those with extensive global supply chains consisting of tens of thousands of suppliers where scoring per supplier is impractical or excessively time-consuming, a more practical approach may be required to allocate resources.

Instead of scoring, several 'filters' can be used, based on the outcomes at the research phase, where the highest level of risk criteria is used to prioritise suppliers before focussing in on subsequent risks; for example:

- Filter on geography, followed by
- Sector (goods/services), followed by
- Labour type, followed by
- Vulnerable workers, followed by
- Supplier capability.



The filters are interchangeable and will be dependent on the resources available in the organisation, stakeholder feedback and the level of risk identified. Some examples of potential filters are as follows:

- **By geography and spend:**
 - In some respects, the easiest filter to apply based on research is to identify the highest risk countries then further filter by spend to identify those suppliers where the opportunity to influence is highest
 - This enables the organisation to learn and develop the most appropriate approach through engagement
 - Once these suppliers have been engaged and assessed, actions agreed and support identified, the learning can be applied to smaller-spend suppliers through workshops/conferences.
- **By goods/services, by geography and spend:**
 - For organisations with limited resources, it may be advisable to focus on strategically critical high-risk goods/services where there are known issues e.g. agriculture/garment production, then a further filter to identify the top 20% of spend
 - If the supply chain is dispersed, then filter first by geography then by spend to identify the key suppliers by country who are supplying key goods/services
 - This would enable focussed resources to be allocated by region whilst developing more knowledge of the issues associated with the relevant goods/services.

RISK ASSESSMENT – SALIENCY

Taking a victim-centred approach, an alternative approach may be to identify the most salient risks, i.e. the most noticeable or important. Measuring saliency can be undertaken by considering:

- Severity – the severity of the harm, the number involved, the ease of remediation
- Likelihood – the potential likelihood of the impact occurring.

As follows:

		SEVERITY		
		Medium	High	Extreme
LIKELIHOOD	High	Medium	High	Extreme
	Medium	Low	Medium	High
	Low	Low	Low	Medium

RISK ASSESSMENT – CHOICE OF METHODOLOGY

It is for the organisation to decide on the most appropriate risk assessment process, or combination of processes, and to be able to clearly articulate the rationale for the choice of methodology in their communications.

Research and risk profiles should be available as input to the development of future sourcing strategies. In some cases, this information may influence the sourcing strategy to the extent that the potential risk of modern slavery and the associated effort in addressing those risks may outweigh minimal economic benefits.

OPPORTUNITY ASSESSMENT

Realistically, the opportunity to affect change is correlated to the level of influence that the organisation has with the supplier. For this reason, an 'opportunity assessment' will further assist in planning what actions are appropriate for each supplier.

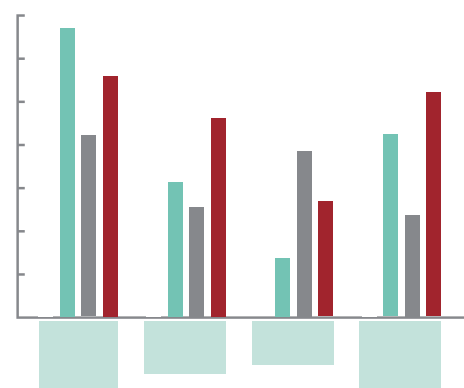
For example, it will identify those suppliers where the organisation can have direct influence and those where the organisation may be better off considering collaboration with others, including trade unions, NGOs or other specialist advisors.

Factors that will affect the opportunity to influence include the following:

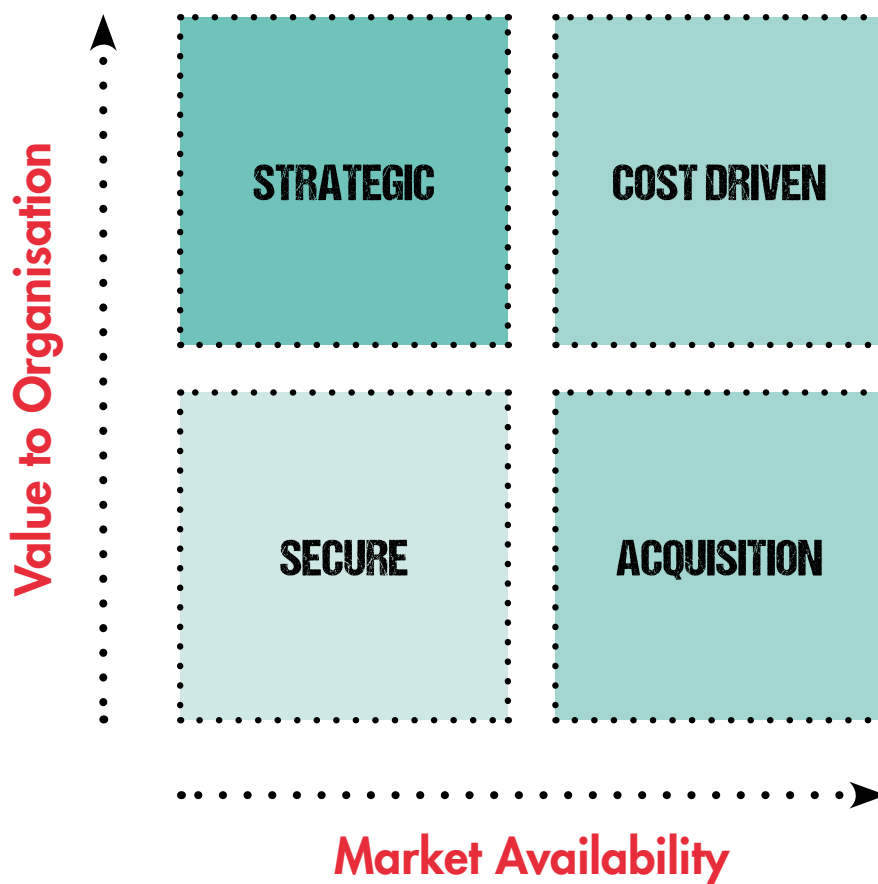
- **Spend**
 - This assumes that the more spend, the more influence an organisation has, and by negative correlation, the greatest risk to reputation if slavery or trafficking is exposed
 - Using the Pareto Principle (i.e. the 80/20 rule) and the common rule of thumb that 20% of causes will lead to 80% of the effects, taking the top 20% of spend will provide a good starting point for further supplier assessment; see Step 3 ACT.
- **Relationship with Supplier**
 - Where spend with a supplier is outside of the top 20% of spend, but the level of revenue from the organisation is significant compared to other customers
 - In this case, the organisation will be considered a key customer and therefore there will be a higher opportunity to influence than the spend itself would indicate.
- **Length of Supplier Relationship**
 - It is important to also consider the opportunity to influence where there are long standing relationships, regardless of the levels of spend.

In addition, it is important to identify those suppliers where, regardless of the opportunity, there is a critical need to influence the supplier, as follows:

- **Branded Goods**
 - This can be an opportunity if the organisation is a key customer of the supplier, but it can also be seen more as a necessity, i.e. regardless of the other factors, where it will be necessary to influence the supplier to protect the organisation's reputation.
- **Type of Supplier**
 - For some suppliers who supply specialist, niche or strategically important goods/services, again it will be necessary to influence regardless of spend levels.



The following matrix can be used to identify the need for influence by allocating suppliers according to their relative value to the organisation and general market availability:



To effectively allocate resources and effort, high-risk suppliers should be prioritised according to the opportunity (or necessity) to influence.

Similar to the risk assessment process, a scoring system of 1 – 5 (5 = highest) for 'opportunity' can provide a greater distribution of scores and easier identification of the highest potential for influence. Again, the scores for each factor can be added to provide an overall score.

Where the existing opportunity for influence is low but perceived risks are high, consider whether influence can be increased through supplier development opportunities, incentives or the opportunity to collaborate with other organisations.

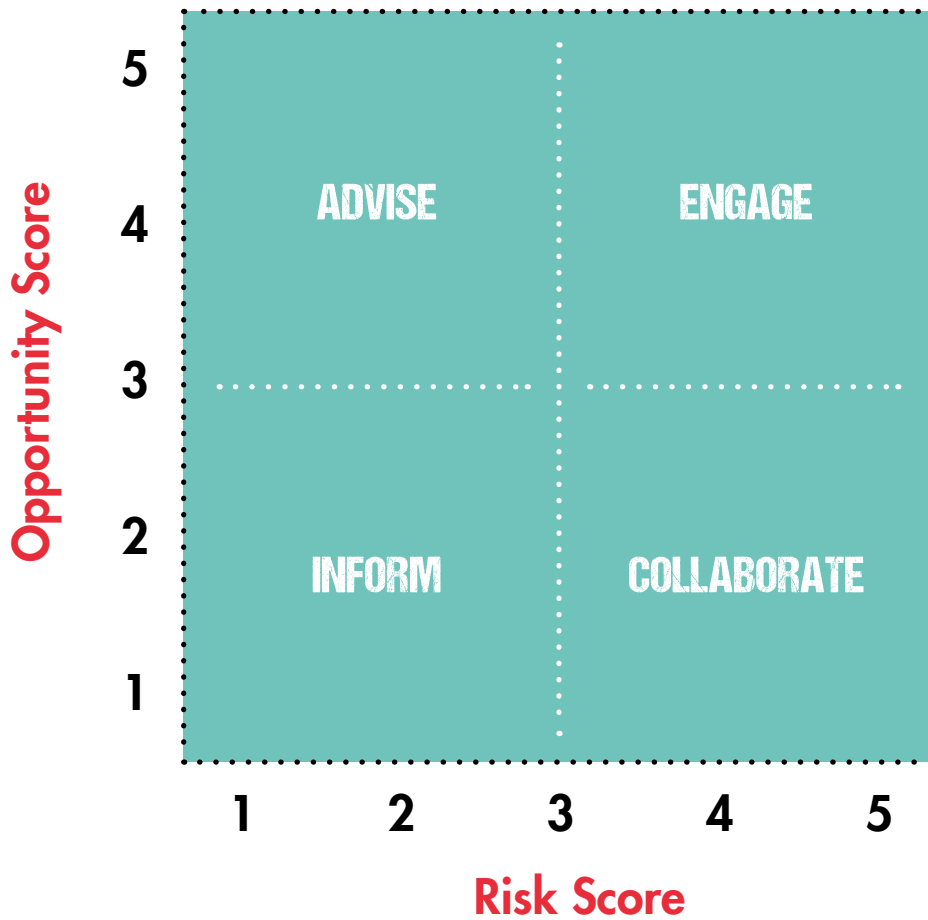
See Appendices for an Opportunity Assessment Tool.

SUPPLIER PRIORITISATION

Addressing modern slavery can be challenging and therefore prioritisation will be invaluable in determining what effort and action is required for supplier engagement and assessment.

Unless the supply chain is extremely small, it is likely that suppliers will need to be prioritised according to their risk and opportunity assessment. Those suppliers who are high risk and high opportunity will be of higher priority and require different actions to those of low risk and low opportunity; see the Risk and Opportunity Scorecard in Figure 4 below for a suggested differentiated approach.

FIGURE 4: RISK AND OPPORTUNITY SCORECARD



The approach taken to prioritise suppliers for direct engagement and assessment will be driven by the needs and resources of the organisation as well as an appreciation of the highest risks and opportunities based on research.

ASSESS – CHECKLIST

ASSESS – AN ASSESSMENT OF WHERE THE GREATEST RISKS OF SLAVERY OCCUR		TICK IF DONE
PURCHASING TEAM/BUYERS		
1	Map the supply chain from raw materials to finished product, starting with tier 1 suppliers (including any organisations that provide labour), eventually working through further tiers (including labour providers, all contractors and sub-contractors)	
2	Undertake research on modern slavery risk factors; see Resource Bank in Appendices	
3	Collect relevant data on suppliers in the supply chain; see data collection template in Appendices	
4	Carry out a risk assessment process to identify high-risk suppliers; see the risk assessment guidance in Appendices	
5	Undertake an opportunity/needs assessment to categorise suppliers according to the opportunity or necessity for influence; see Appendices	
6	Combine the risk and opportunity assessment to identify those suppliers prioritised for engagement and assessment; see Figure 4	
7	Refine your prioritisation through engagement with internal or external specialists and, if possible, external stakeholders, for example customers, NGOs or trade unions	
8	Use the prioritisation to identify required actions	



STEP 3: ACT

TO TACKLE MODERN SLAVERY

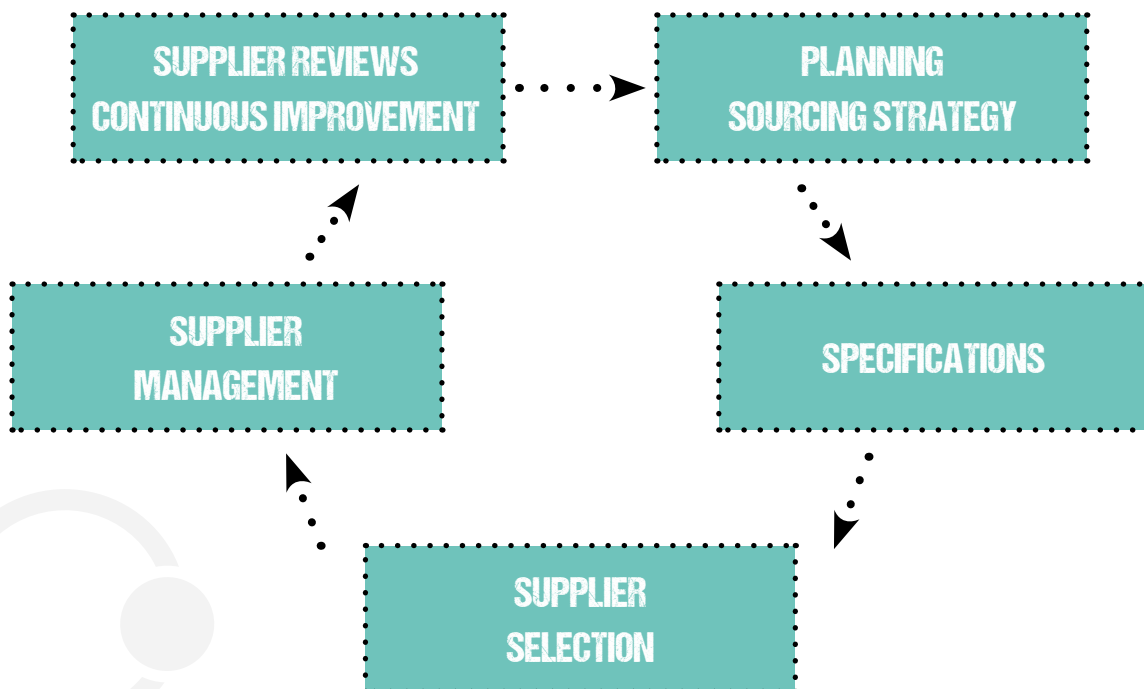
The third step in adopting a UNGP approach is to develop and implement an action plan to address the risks of modern slavery.

Businesses that have assessed their supply chain and identified their priority suppliers will need to implement an action plan to reduce risks and to prevent any identified issues from re-occurring. The action plan will focus initially on the highest-priority areas of the supply chain.

Actions will be driven by the nature of the risks identified in 'Step 2: ASSESS', the size of the organisation and available resources, but also by the starting point of the programme. For example, an organisation starting out on the programme will begin by undertaking a full-scale assessment of risks as detailed in the previous section, whilst organisations who are more familiar with the potential risks will be engaging and further assessing their suppliers to develop supplier level action plans and embed the programme in the purchasing process.

The checklist below is intended to assist in developing a plan of action to prevent and mitigate the risks identified in 'Step 2: ASSESS' and includes changes to the purchasing process. The checklist has been developed in line with the simplified purchasing process found in Figure 5 below.

FIGURE 5: A SIMPLIFIED PURCHASING PROCESS



ACT – CHECKLIST

ACT – IMPLEMENT A PLAN TO PREVENT AND MITIGATE MODERN SLAVERY RISKS		TICK IF DONE
PURCHASING TEAM – PLANNING AND SOURCING STRATEGY		
1	Include modern slavery research and risk assessments in the development of all sourcing strategies	
2	Provide feedback on risks to internal stakeholders and review strategy as necessary	
PURCHASING TEAM – SPECIFICATIONS		
3	Include key specifications in the pre-purchase process and understand the likely impact of changes on the supplier and their workforce	
4	Agree in advance who will meet the costs of changes to specifications during the process	
PURCHASING TEAM – SUPPLIER SELECTION		
5	<p>Incorporate policy and supplier requirements in each stage of supplier assessment and selection:</p> <ul style="list-style-type: none"> a. Identify requirements as part of the Pre-Purchase Questionnaire (PPQ) and, where possible, ensure that this is a prerequisite criterion for issuing the Invitation to Tender (ITT). See Appendices for an example of questions b. Where there are goods/services/contracts of strategic importance and no supplier who meets the prerequisite criteria on the PPQ, then consider options for collaborating with a selected supplier to ensure that the risks are addressed as a requirement of awarding the contract c. A comprehensive self-assessment questionnaire for suppliers is included in the Appendices. 	
6	<p>Consider the use of certification and/or accreditation in supplier selection:</p> <ul style="list-style-type: none"> a. These can be a valuable addition to the due diligence process, however it is necessary to understand exactly what is being certified or assured as it may not include specific and effective measures regarding modern slavery. 	
7	<p>Ensure that the expectation of the organisation and the process for auditing and verification is made clear in the Invitation to Tender (ITT) and/or Request for Quotation (RFQ).</p> <ul style="list-style-type: none"> a. Consider additional ITT questions which build on the qualification question and provide an opportunity for suppliers to differentiate themselves; for example, what further actions do you plan to tackle modern slavery, with a focus on this tender? 	

PURCHASING TEAM – PLANNING AND SOURCING STRATEGY

- 8 : During negotiations:
- a. Clarify the labour aspects of any quote, where possible, and ensure that negotiations do not negatively impact on the pay and working conditions of the workforce
 - b. Look for positive opportunities to focus on the supplier’s prevention and mitigation activities
 - c. Understand what elements of the quote/bid may have an adverse impact on workers by developing an open and positive relationship during negotiations rather than an imbalance of power which may, if exploited, inadvertently and adversely affect workers
 - d. Ensure that there is clarity on what assumptions have been made about the workforce when evaluating and validating the quote or bid, e.g. sub contracting, levels of pay, overtime rates, volume of workers, shift patterns
 - e. Understand the actual cost of labour (not just wages) and the assumptions made in the pricing, i.e. number of staff, pay rates including overtime and any additional statutory costs; this will enable checks to be carried out during audits to identify if there are additional workers not receiving payment or workers hidden through sub-contractors or home working
 - f. Seek input from experts, consult relevant trade unions or conduct research³⁶ to assist with realistic pricing of labour costs, including additional costs for increased volumes/shorter lead times, to ensure that it is fairly covered by the contract price
 - g. Ensure that there is a balance between commercial and ethical considerations.

PURCHASING TEAM/CONTRACT MANAGERS – SUPPLIER MANAGEMENT

Supplier management can be summarised in three high-level steps, including:

- a. **Supplier engagement and communication;** see below
- b. **Supplier assessment** to identify specific areas of concern; see below
- c. **Corrective action planning** to agree supplier-level actions; see below

a. Supplier engagement and communication

- 9 : Review ongoing supplier communications to ensure a consistent message with clarity on roles, responsibilities and requirements, from both sides of the supplier relationship. This includes the purchasing team, accounts payable and supply chain support services
- 10 : Set clear expectations and use the right tone (i.e. supportive and collaborative) to achieve the required level of engagement and transparency
- 11 : Provide written communication in relevant languages and include translation services for face-to-face supplier engagement and workshops
- 12 : Include workers in supplier engagement activities by:
- a. Raising awareness of issues through training and communication sessions with workers
 - b. Ensure that suppliers provide workers with the means of communicating concerns; see grievance mechanisms and whistle-blowing below (see Appendix Suppliers Self-Assessment Questionnaire).

36. Global Living Wage Coalition: globallivingwage.org

b. Supplier assessment

N.B. Focus actions on the highest priority suppliers and undertake detailed supplier assessments to identify what is required to mitigate the risks. Supplier assessments will include a selection of the following:

- Supplier questionnaires
- Supplier interviews
- Spot checks
- Management system certification
- Audits.

Actions and further information for each of these methods of supplier assessment is set out below.

Supplier assessment – surveys/questionnaires

- 13 Use surveys/questionnaires to assess the supplier's approach to modern slavery in their own business and their supply chain; see example questionnaire in Appendices:
- a. Send to prioritised suppliers as identified through the risk assessment process
 - b. Request supporting evidence and verification such as copies of policies and case studies
 - c. Further prioritise suppliers who provide responses that are poor and/or incomplete; see below.

Supplier assessment – audits

- 14 Develop an audit programme according to supplier prioritisation, using a combination of different types of audits, set out below.
- a. Supplier visits/informal audits – these may be less consistent but are a starting point for providing insights. All visitors to suppliers should be aware of the indicators of modern slavery; see SEDEX in Resource Bank. A template for supplier visits is found in Appendices
 - b. In-house audits – a dedicated and trained in-house resource can adapt and develop audits to meet ongoing organisational needs. Incorporate indicators of modern slavery in internal audits; see SEDEX in Resource Bank
 - c. Third-party specialist audits – more likely to have local auditors, familiar with the language, culture and local practices. They are however more likely to provide standard audits. Review content of standard audits to ensure that they meet business needs
 - d. Announced audits – less threatening and therefore more likely to engender trust with the supplier, however suppliers will have time to prepare and it is not guaranteed that the conditions found are representative of normal day-to-day operations. Consider the amount of notice provided for announced audits and agree a minimum notice period as part of the supplier contract
 - e. Semi-announced audits – provide suppliers with notification of an intended visit, but rather than a specific date, they provide a 'window' within which the audit may be conducted, e.g. a particular month
 - f. Unannounced audits – will provide greater insight into normal operations but may create issues of trust between the supplier and the organisation. In addition, it may not be possible to gain access to the supplier's premises
 - g. Ensure that the supplier contract stipulates that access to premises should be allowed for unannounced audits and use for only the highest-priority suppliers.

Be aware that audits are generally considered unreliable in identifying actual incidents of modern slavery, but they can identify general workplace issues that can be indicative of poor people practices and provide a means of benchmarking suppliers.

Supplier assessment – audits

- 15 Include site visits and interviews in the local language for the highest priority suppliers:
 - a. Include various levels of staff including sub-contracted workers and labour providers/recruiters
 - b. Undertake additional research in conjunction with specialist NGOs, trade unions/associations and via local communities where interviews are not possible.
- 16 Include document reviews to identify any inconsistencies
- 17 Include a review of the production process to ensure that there are no elements being undertaken outside of the supplier premises by sub-contractors and/or home workers
- 18 Approach the audits as a learning opportunity rather than an opportunity to fail with the threat of terminated contracts
- 19 Consider the ILO 'indicators of forced labour' when assessing workers' conditions³⁷

c. Corrective action planning

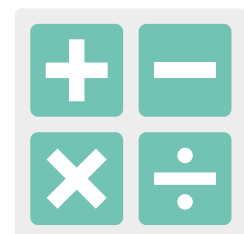
- 20 Where issues are found, co-develop and agree a corrective action plan (CAP – see Appendices for an example template), applying the following principles:
 - a. Communicate clear expectations to suppliers including a process for severing relationships where there is no commitment to improve
 - b. Include SMART actions, i.e. Specific, Measurable, Achievable, Reasonable within a relevant Timescale
 - c. Use joint problem-solving to identify the most appropriate solutions, including input from subject matter experts, e.g. local NGOs and/or trade unions
 - d. Confirm progress against the CAP by auditing to verify progress
 - e. Provide reasonable time and support for the supplier to improve but be prepared to terminate the contract, as a last option, if progress is not sufficient within agreed timescales
 - f. Do not terminate contracts without considering possible mitigation to avoid adverse impacts on workers.

PURCHASING TEAM – SUPPLIER REVIEWS AND CONTINUOUS IMPROVEMENT

- 21 Consider the findings of supplier reviews and examine the root cause of issues to ensure that they are addressed
- 22 Focus on the required systemic changes as well as seeking improvement to the processes and systems of the supplier
- 23 Consider specific actions for labour providers throughout the supply chain:
 - a. Formalise labour provider relationships
 - b. Visit www.responsiblerecruitmenttoolkit.org and identify required actions
 - c. Train suppliers to identify the risks associated with the recruitment process
 - d. Support suppliers to monitor their labour providers including the use of accreditation, e.g. Clearview³⁸.
- 24 Look for opportunities for suppliers to use audits and certifications to strengthen their own supply chains
- 25 Incentivise suppliers who:
 - a. Implement the Employer Pays Principle
 - b. Demonstrate robust management systems.

37. http://www.ilo.org/global/topics/forced-labour/publications/WCMS_203832/lang-en/index.htm

38. <https://www.clearviewassurance.com/>



PURCHASING TEAM – SUPPLIER REVIEWS AND CONTINUOUS IMPROVEMENT

- 26 Consider other performance-related incentives such as:
- a. Retention of migrant workers on sites
 - b. Results of post-arrival worker interviews
 - c. Responses to and outcomes of grievances raised through effective mechanisms.
- 27 Seek feedback from your suppliers using:
- a. Third-party surveys
 - b. Anonymous feedback on your purchasing practices³⁹
 - c. Ongoing face-to-face meetings
 - d. Supplier workshops.
- 28 Assess supplier capability and provide support including:
- a. Access to resources
 - b. Training and awareness raising
 - c. Strengthening supplier HR expertise
 - d. Supporting mature industrial relations and employee engagement.
- 29 Review the outcomes of supplier reviews on a regular basis to:
- a. Identify any new trends and changes in the nature of issues
 - b. Address required changes internally
 - c. Present them to senior management
 - d. Integrate findings into decision-making processes and actions
 - e. Ensure that all staff and suppliers understand the key findings.
- 30 Work with other functions to identify and manage any instances where the resources and commitment required to tackle modern slavery create tensions with other business objectives
- 31 Devise a process for monitoring progress of the programme
- 32 Identify other companies sourcing from the same suppliers/producers and, where possible, identify opportunities to collaborate, especially where there are high risks and low opportunities to influence
- 33 Seek internal or external specialist support to:
- a. Identify opportunities for collaboration to tackle more systemic issues such as fee charging or debt bondage with peers, business partners, industry groups, civil society, public bodies and unions. Examples of industry collaboration are:
 - cross-sector at UK national and international level – Stronger Together⁴⁰
 - in the garment industry – the Fast Forward initiative
 - b. Advocate for improvements in legislation, regulation and enforcement
 - c. Build partnerships with trade unions, government agencies, civil society organisations, experts and multi-stakeholder initiatives to ensure long-term prevention and mitigation.

39. betterbuying.org – an initiative where suppliers can rate the business on various purchasing practices

40. <http://stronger2gether.org/>

STEP 4: PROVIDE REMEDY TO TACKLE MODERN SLAVERY

The fourth step in implementing a UNGP approach is to require that suppliers provide access to grievance mechanisms that allow workers along the supply chain to voice concerns and to develop appropriate methods of remediation for victims of modern slavery.

Working with suppliers to ensure that appropriate remedy is available to workers in the supply chain is a key step in a purchasing programme to tackle modern slavery.

Remediation is the process of providing a remedy for a harm⁴¹ and is applicable to all human rights abuses, including modern slavery.

ACCESS TO REMEDY

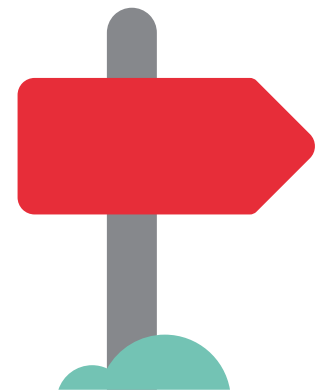
Access to remedy should be provided through a coherent system of effective grievance mechanisms⁴² which the UNGPs categorise into three broad types:

- **State supported mechanisms** which are typically judicial and provided by national tribunals such as courts
- **Non-judicial state-supported mechanisms** including administrative and legislative means which can include national human rights institutions, labour tribunals, ombudsmen and national contact points
- **Mechanisms offered by businesses.**

Judicial mechanisms lie at the core of ensuring access to remedy and businesses need to respect these mechanisms by ensuring that workers in the supply chain are aware of them and know how to access them⁴³.

Some situations will require businesses to cooperate with or support other remedial processes including industrial relations processes involving management and trade unions, which are themselves a form of grievance mechanism.

In other situations, for example where judicial mechanisms are not available or are corrupt, business grievance mechanisms may be the best route to resolve worker grievances and provide access to remedy.



41. https://www.ihrb.org/uploads/reports/EC-Guide_ERA-12_Part-3-Section-VI.pdf

42. <https://gbihr.org/f/access-to-remedy>

43. <http://www.ohchr.org/documents/issues/business/A.HRC.17.31.pdf>

43. *A Toolkit for Purchasing in the Private Sector*

BUSINESS GRIEVANCE

A grievance mechanism is a formalised way for workers to raise concerns about any impact they believe a company has had on them, in order to seek remedy.

The mechanism process includes:

- Setting out how grievances are filed, assessed, acknowledged, investigated and responded to
- Being clear on the roles and responsibilities, resources, competencies and monitoring requirements.

The mechanism should:

- Support the identification of adverse human rights impacts by providing channels for those directly impacted to raise concerns
- Make it possible for grievances, once identified, to be addressed and for harm to be remediated early and directly by the company.

Grievance mechanisms should be⁴⁴ :

- **Legitimate:** have a clear, transparent and sufficiently independent governance structure to ensure that no party to a particular grievance process can interfere with the fair conduct of that process
- **Accessible:** publicised to those who may wish to access it, providing adequate assistance to parties who may face barriers to access, including language, literacy, awareness, finance, distance or fear of reprisal
- **Predictable:** provide clear and known procedure with a time frame for each stage and clarity on the types of processes and outcomes it can and cannot offer as well as a means of monitoring the implementation of any outcome
- **Equitable:** ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair and equitable terms
- **Rights compatible:** ensure that its outcomes and remedies accord with internally recognised human rights standards
- **Transparent:** provide sufficient transparency of process and outcome to meet public interest concerns at stake, particularly around the receipt of complaints and their outcomes
- **Based on dialogue and engagement:** focused on direct or mediated dialogue to seek agreed solutions and leaving adjudication to an independent third-party mechanism. Employers should provide easy access for all workers, especially migrant workers, to grievance mechanisms that allow them to voice concerns without fear of punishment or retribution.

As part of supplier selection and ongoing management, businesses need to focus on the mechanisms that their suppliers, labour providers and supply chains have in place for capturing and managing grievances. See Appendices for a template questionnaire with practical questions to ask suppliers and labour providers.

44. <http://www.ohchr.org/documents/issues/business/A.HRC.17.31.pdf>

VICTIM REMEDIATION

A suspected case of modern slavery should be dealt with immediately, effectively and comprehensively in line with international law under which modern slavery is a crime.

Those involved in purchasing should consider the processes required for responding and providing or cooperating in victims' remediation through legitimate processes, where the organisation identifies that they have caused or contributed to modern slavery in their supply chain.

Remedial measures⁴⁵ can include:

- **Restitution** – Judicial or other methods to restore the victim to the original situation before the abuses occurred. This may include: following due legal processes to prosecute those responsible for the abuses; restoration of employment; payment of unpaid wages or repatriation, if desired by the worker
- **Compensation** – Providing financial or non-financial compensation that is appropriate and proportionate to the gravity of the violation, including physical and mental harm, and consideration of lost opportunities, such as employment (loss of earnings) and benefits, if relevant
- **Rehabilitation** – Including offering victims medical, physiological and psychological care, where relevant, access to legal and social services, and retraining and reintegration into the labour market and the community
- **Punitive sanctions** – whether criminal or administrative, such as fines
- **Satisfaction and guarantee of non-repetition**⁴⁶ – A public apology by a business or its supplier may be required to adequately acknowledge the violation and accept responsibility. Businesses should also identify the steps required to prevent future violations, which may require an analysis of root causes.

Businesses should cooperate with public or non-governmental victim support organisations with expertise in supporting victims of modern slavery, and with elected worker representatives, where possible.

COLLABORATION

In some cases, businesses may have limited leverage and power to resolve issues that arise from the actions of their suppliers. Collaboration with others who have the same interests may be required to resolve the issue and prevent the issue from re-occurring.

Where evidence of fees being charged to workers is revealed, the business(es) responsible for the violation should immediately seek to reimburse workers, and to provide other forms of remedy e.g. access to legal assistance, psychological care, where necessary. This includes violations committed by labour providers' sub-agents where this was within their reasonable due diligence control.

Where the business is not responsible for the violation but is associated with the violation, purchasing should use their leverage to ensure that effective remedy is carried out.

45. <http://www.ohchr.org/EN/ProfessionalInterest/Pages/RemedyAndReparation.aspx>

46. http://www.ohchr.org/Documents/Issues/Trafficking/Bratislava_Background_paper1.pdf

REMEDY – CHECKLIST

This checklist outlines potential steps that purchasing can take to implement grievance mechanisms and remedial actions in their supply chains. Businesses will need to review the steps and determine what is appropriate for their organisation and its supply chain.

REMEDY – DEVELOP APPROPRIATE METHODS OF REMEDIATION FOR VICTIMS OF SLAVERY IN THE SUPPLY CHAIN		TICK IF DONE
PURCHASING LEADERSHIP TEAM – POLICIES AND PROCESSES		
1	<p>Develop, communicate and implement a Remediation Policy for the Supply Chain (see Appendices), that:</p> <ul style="list-style-type: none"> a. Acknowledges the company’s responsibility to provide or contribute to remediation if it has directly caused or contributed to modern slavery in the supply chain b. Includes using leverage with suppliers to ensure that appropriate remediation is provided c. Takes account of victims and what it would take to remedy the wrongs d. Considers options for restitution, compensation, rehabilitation and satisfaction e. Contributes to programmes to assist victims through vocational training and other appropriate measures when appropriate f. Requires suppliers to have an effective grievance mechanism in their business, including at site level g. Is included in the Suppliers’ Code of Conduct or equivalent h. Includes a question on grievance mechanisms in the supplier survey/questionnaire i. Includes an assessment of grievance mechanisms in ethical audits and labour provider audits. 	
2	<p>Require suppliers to introduce a whistle-blowing process to ensure that victims or others can voice concerns and have a route of communication which is totally independent and anonymous. In the UK, there is the Modern Slavery Helpline⁴⁷. Ensure that the supplier’s whistle-blowing process is communicated to all workers, is trusted and accessible via multiple channels and languages. If possible and practical, extend the business’s own whistle-blowing process to suppliers’ workers.</p>	



47. www.modernslaveryhelpline.org

REMEDY – DEVELOP APPROPRIATE METHODS OF REMEDIATION FOR VICTIMS OF SLAVERY IN THE SUPPLY CHAIN

TICK IF DONE

PURCHASING LEADERSHIP TEAM – POLICIES AND PROCESSES

- 3 : Establish a process for responding to complaints or reported violations in the supply chain which includes:
- a. Reporting incidents or allegations to relevant authorities
 - b. Conducting an investigation to understand the exploitation and the actions required to remedy it
 - c. Ascertaining if suppliers are directly implicated in the violation
 - d. Protecting and supporting at risk individuals and protecting their identities, as appropriate
 - e. Capturing evidence about the violations under the lead of a competent trusted manager, as appropriate
 - f. Gathering information from victims or intermediaries on what it would take to remedy the wrongs (see remedy resources in Appendices)
 - g. Working with local governments and/or competent local organisations to verify progress
 - h. Reviewing the efficacy of remedial steps taken over a suitable time period by gathering anonymous feedback from victims
 - i. Providing feedback to suppliers on the remediation process (where appropriate) and steps required to stop violations re-occurring.

: See - SEDEX Guidance on Operational Practice and Indicators of Forced Labour, for guidance on gathering evidence when cases of forced labour are found.

PURCHASING LEADERSHIP TEAM – PREPARE TO RESPOND

- 4 : Consider what potential actions will be financially supported by the organisation and how this will be funded, e.g. hardship funding
- 5 : Work with the relevant internal departments (e.g. Public or Corporate Affairs) to prepare for the eventuality of modern slavery being identified in the supply chain:
- a. Have a plan and prepared response so that, in the event of an incident or allegation, focus can remain on the alleged victims
 - b. Allocate an individual to coordinate the response with a focus on the affected workers and their safety
 - c. Undertake research in advance to identify the most appropriate external parties to involve, on a country by country basis, to increase the speed of response
 - d. Where an incident or allegations are raised by NGOs, trade unions and/or the media, then work with internal specialists to engage and collaborate as appropriate.

PURCHASING TEAM – SUPPLIER DEVELOPMENT

- 6 : Raise awareness about:
- a. The role that grievance mechanisms can play
 - b. Capacity building to support suppliers in establishing grievance procedures
 - c. Remediation and what may be involved.

STEP 5: MONITOR

PROGRESS IN TACKLING SLAVERY

The fifth step in implementing a UNGP approach is to track and record the progress of purchasing's efforts in the supply chain.

Regular monitoring of progress will provide internal and external stakeholders with confidence in purchasing's commitment to tackling modern slavery. Businesses should set targets for improvement, track efforts and use existing tools and indicators such as complaints and feedback systems.

MONITOR – CHECKLIST

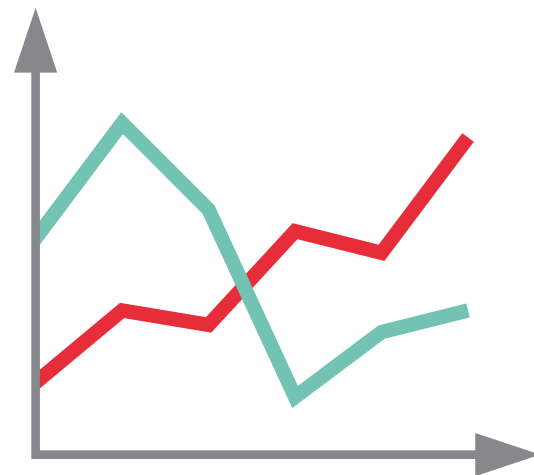
MONITOR – TRACK AND RECORD PROGRESS		TICK IF DONE
PURCHASING LEADERSHIP TEAM – IDENTIFY PERFORMANCE MEASURES		
1	<p>Establish a mix of quantitative and qualitative indicators for measuring performance against the programme to tackle modern slavery:</p> <p>a. Quantitative indicators may include:</p> <ul style="list-style-type: none">• Number of high-risk suppliers identified• Percentage of high-value or high-volume suppliers who are/have a high risk modern slavery rating• Percentage of suppliers that have provided written acknowledgement committing to (1) uphold standards, (2) submit to company monitoring and (3) collaborate in remediation• Percentage of suppliers who have had a third-party ethical audit• Percentage of audits raising non-conformances related to modern slavery• Percentage of modern slavery non-conformances closed within the timeframe stipulated by the ethical auditor• Number of projects and collaborations established to prevent and address risks in your supply chain• Amount of compensation paid over the last 12 months• Percentage of suppliers trained in preventing/identifying modern slavery• Percentage of suppliers who have a grievance mechanism in place• Number of suppliers who are aware of modern slavery and are taking steps to manage risks. <p>b. Qualitative indicators may include:</p> <ul style="list-style-type: none">• Victims' feedback on outcomes of complaints and efficacy of grievance procedures and whistle-blowing procedures• Stakeholder feedback on strategy• Changes in awareness of suppliers about modern slavery issues• Level of engagement of high-priority suppliers.	

MONITOR – TRACK AND RECORD PROGRESS

**TICK IF
DONE**

PURCHASING LEADERSHIP TEAM – IDENTIFY PERFORMANCE MEASURES

2	Consult with stakeholders to ensure that indicators accurately reflect the information that needs monitoring	
3	Establish systems to track what mitigation and remediation actions are taking place in the supply chain and whether they are effective. This may include: <ul style="list-style-type: none"> a. Supplier questionnaires b. Supplier meetings c. Feedback from third parties. 	
4	Establish a method to independently verify whether mitigation and remediation actions have benefitted affected workers	
5	Establish methods for gathering information at least annually	
6	Communicate monitoring and reporting requirements to suppliers	
7	Gather data and analyse to understand trends and root causes	
8	Use analysis to review policies and procedures and determine changes	



STEP 6: COMMUNICATE

PROGRESS IN TACKLING SLAVERY

The final step in implementing a UNGP approach is to provide relevant information to enable open communication to stakeholders about progress made and the challenges faced.

Purchasing should work with internal communication specialists to identify what and how information should be shared with internal and external stakeholders. Open communication contributes to increased trust and encourages cooperation.

The most relevant communication methods will vary depending on the size of the business and the type and amount of information to be communicated.

Considerations for communication include:

- **Transparency:**

- o The need to address modern slavery is not driven by the consideration of human rights alone but also by the concerns of investors, customers, consumers and other external stakeholders
- o Bearing this in mind, companies who are making significant impact in this area are leading the way by focusing on transparency to provide the required level of assurance and to demonstrate their commitment to addressing the issues
- o Some organisations are publishing the details of their main suppliers to achieve complete transparency. Such transparency will also include the percentage of suppliers audited, the type of audits, outcomes and next steps
- o Recently, commentators have also called for organisations to be honest about any actual incidents, the circumstances and the remedies.

- **Accessibility:**

- o Any communication on progress should be accessible to all stakeholders, including workers in the supply chain, in a way that can be understood, for example via meetings, posters, reports, online, social media and in different languages.

- **Non-financial reporting requirements:**

- o Risks associated with modern slavery should be considered for inclusion under any non-financial reporting requirements required by law.

48. Transparency in Supply Chains etc. A practical guide.

Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/649906/Transparency_in_Supply_Chains_A_Practical_Guide_2017.pdf

• **Modern Slavery Statement:**

- o If the organisation is covered by Section 54 of the UK Modern Slavery Act (2015), then all efforts taken to address potential and real issues by purchasing should be reflected in an annual update to the organisation’s Slavery and Human Trafficking Statement
- o The requirements and suggested content of the statement are set out in the UK Government’s Transparency in Supply Chain Guidelines⁴⁸.

• **Continuous improvement:**

- o Modern slavery is a complex and evolving subject and therefore collaboration with purchasing staff from other businesses and sectors will help to improve the organisation’s approach
- o The organisation can contribute to developing best practice in purchasing by sharing their approach across the supply chain, with other businesses and sectors, being clear about what has been learnt and what has changed as a result.

COMMUNICATE – CHECKLIST

COMMUNICATE – COMMUNICATE CHALLENGES AND PROGRESS TO RELEVANT STAKEHOLDERS		TICK IF DONE
PURCHASING LEADERSHIP TEAM – COMMUNICATE		
1	<ul style="list-style-type: none"> Work with internal specialists to identify what information you want to share and who you want to share it with, using the following principles: <ul style="list-style-type: none"> a. Be open about challenges and efforts to address them b. Focus on actual activities and their impact c. Use real voices to provide authenticity d. Do not compromise or pose a risk to affected stakeholders, such as workers, suppliers and local communities. 	
2	Ensure that the organisation’s website is updated to share policies and activities where appropriate.	
3	<ul style="list-style-type: none"> Contribute to the organisation’s public report on corporate policies, strategies and actions to tackle modern slavery. <ul style="list-style-type: none"> a. Report on the extent of success, referring to quantitative and qualitative indicators as evidence b. Provide credible evidence of steps taken where risks are found and demonstrate year-on-year progress. 	



APPENDICES

The appendices include many useful templates and guidance materials which can be used to raise awareness and for capacity-building. The templates can be adapted and modified to suit requirements and can be downloaded from the resources section of the Stronger Together website: www.stronger2gether.org/resources.

1. Guidance on third party exploitation
2. Guidance on identifying victims of modern slavery
3. Resource bank for ethical purchasing practices
4. Conducting supplier visits
5. Procurement principles
6. Human rights in supply chain policy
7. Modern slavery in supply chain policy
8. Guidance on Employer Pays Principle
9. Questions for use in the tendering process
10. Template Policy on bribery and corruption
11. Remediation policy
12. Remediation reporting tool
13. Suppliers' self-assessment questionnaire
14. Data collection template
15. Risk assessment tool
16. Opportunity assessment tool
17. Prioritisation and action planning tool
18. Corrective action plan template
19. Supplier evaluation of grievance mechanisms

In addition to the resources specific to this toolkit you will also find a range of other freely available resources on www.stronger2gether.org including toolkits aimed at specific sectors, countries and functions, checklists, template policies and questionnaires for employers and labour providers.

NOTES

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SUPPORTING YOUR BUSINESS IN TACKLING FORCED LABOUR



THE CHALLENGES



24.9 MILLION PEOPLE in forced labour globally



Behind every statistic is a person... held in forced labour



Growing statutory and civil law, supply chain and moral imperatives



Increasing human rights benchmarking of companies is influencing clients, customers, NGOs, investors and shareholders

THE MODEL FOR CHANGE

Stronger Together's unique business-led model to tackle modern slavery includes:



Detailed yet pragmatic business-focused **guidance**, resources and sector-specific programmes



Collaboration between national and global businesses, suppliers, subcontractors and labour providers



A **safe platform and support network** for sharing challenges and good practice with peers and experts



Internationally accepted **methodology** to prevent, tackle and remediate forced labour long-term

WHO WE WORK WITH

HIGH RISK INDUSTRIES



FOOD & DRINK



RETAIL



AGRICULTURE



CONSUMER GOODS



CONSTRUCTION



FISHING & MARITIME

BUSINESSES



INTERNATIONAL BUSINESSES



LABOUR PROVIDERS



SUBCONTRACTORS



SUPPLIERS

DEPARTMENTS



CEO
SENIOR MANAGEMENT
HUMAN RESOURCES
PROCUREMENT
RESPONSIBLE SOURCING
CSR/ETHICAL TRADE
COMPLIANCE
FRONTLINE STAFF

THE JOURNEY WITH STRONGER TOGETHER



PRAGMATIC & FREE RESOURCES

- 1 Toolkits
- 2 Training & Awareness Videos
- 3 Worker Posters & Leaflets
- 4 Templates & Checklists



TRAINING

- 1 Tackling Forced Labour in Businesses
- 2 Tackling Forced Labour in Global Supply Chains
- 3 Bespoke, In-house Training
- 4 UK & Global E-Learning



PROGRESS MONITORING & REPORTING

- 1 Online Supplier Assessment
- 2 Ongoing Engagement Across Supply Chains
- 3 Expert & Peer-to-Peer Support Network
- 4 Involvement In Programme Can Be Referenced In Your Human Rights Reporting



CONSULTING

- 1 Strategy & Policy Development
- 2 Training & Capacity Building
- 3 Supply Chain Mapping, Identifying & Assessing Risk
- 4 Monitoring & Communicating Effectiveness

GET INVOLVED

Contact us today to find out more information:



+44 (0)1276 919090



info@stronger2gether.org



www.stronger2gether.org

BENEFITS



Reduce workers' vulnerability to exploitation



Promote a safe, non-exploitative working environment



Improve communication within your supply chain



Support according to your business' needs and learning at your pace



Build and demonstrate leadership

PREPARED FOR STRONGER TOGETHER IN 2019 BY

Pamela Zielinski with input from Louise Herring, Jantine Werdmüller von Elgg and David Camp.

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stronger together

tackling modern slavery in supply chains

Stronger Together is a multi-stakeholder initiative that brings together companies, labour providers, industry associations, NGOs and other key parties to address and help businesses tackle modern slavery.

Stronger Together takes a collaborative approach to developing new strategies to support business in addressing modern slavery risks based on the corporate responsibility to respect human rights advanced in the UN Guiding Principles on Business and Human Rights.

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