



HM Government



**UK GOVERNMENT  
MODERN  
SLAVERY  
STATEMENT**

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# PRIME MINISTER FOREWORD



**Around the world, something in the region of 40 million innocent men, women and even children have been forced into various forms of modern slavery.**

Many are here in the UK. Still more are abroad. All are victims of a vile business that has no place in the last century, let alone this one.

Those behind such crimes, these traders in human misery, must and will be ruthlessly hunted down and brought to justice.

And, while that happens, we should absolutely not be lining their pockets with British taxpayers' money.

That may sound like a statement of the blindingly obvious.

But with complex and often opaque modern-day supply chains and sub-contracts stretching, tentacle-like, not just across the country but around the world, it is all too easy for the unscrupulous and the exploitative to take a share of the £50 billion that central government spends on goods and services each year.

That's why it's not enough for governments and businesses to simply say they don't tolerate modern slavery.

Of course they don't – more than 230 years after Wilberforce dragged the horrors of the Atlantic slave trade firmly before the British public, no-one with even a shred of moral decency would condone the kind of barbaric practices we see everywhere from sub-Saharan sweatshops to your local nail bar.

But if we are serious about tackling this increasingly pervasive evil then words alone are not enough – we have to take active steps to drive it out of our supply chains. And then we have to go out, look under the bonnet, peer into the shadows and satisfy ourselves that we have succeeded in doing so.

That is what this statement is all about. Matching words with actions. Showing the British people what we are doing to tackle slavery, exploitation and trafficking and letting them suggest where we could do more. And, I hope, setting an example that will be followed by governments and businesses right around the world.

As a government we don't have to produce this statement. But we want to. Because the brutal truth is that modern slavery will endure only as long as it is profitable for the criminals – and it will only remain profitable as long as businesses and governments are prepared to look the other way.

In 2020, for millions of people around the world the price of liberty remains eternal vigilance. And, as this statement shows, the UK government continues to lead the way in providing just that.

**Rt Hon Boris Johnson MP  
Prime Minister**

# EXECUTIVE SUMMARY

**Modern slavery is so pervasive that it is likely to exist in the supply chains of the goods and services purchased by governments across the globe, from the technology we buy to the construction projects we fund.** All governments have a responsibility to ensure taxpayers' money does not inadvertently fund criminal activity and to protect vulnerable workers in their supply chains from exploitation.

**This statement explains the steps that the UK government took in 2019 to identify, prevent and mitigate modern slavery in our operations and supply chains.**<sup>1</sup> Ministerial government departments will publish their own modern slavery statements annually, starting from financial year 2020/21. These first individual departmental statements will be published by 30 September 2021.<sup>2</sup>

**The potential for change is huge: public procurement represents a significant share of the global economy, accounting for 15% – 20% of global GDP.**<sup>3</sup> We want this statement to encourage other governments and public bodies to leverage their spending power to help realise United Nations Sustainable Development Goal Target 8.7 to eradicate forced labour, modern slavery and human trafficking by 2030.

**Finding and acting on modern slavery in our supply chains is a huge challenge which requires sustained effort over time.**

We have tens of thousands of suppliers, many of whom have complex global supply chains where effective oversight is difficult to achieve, especially in lower tiers of sub-contracting. This statement describes the steps we have taken to assess where the risks are highest across government, where we have greatest leverage, and where we want to prioritise action.

**In September 2019, we published guidance setting out the steps that all ministerial government departments<sup>4</sup> must take to identify and mitigate modern slavery risks throughout the commercial life cycle,** from defining contract requirements and procuring goods to managing supplier relationships and ensuring remediation where exploitation has been uncovered.

**ICT hardware and electronics, construction and service staff (e.g. cleaning and catering) are the areas modern slavery risks are highest for most ministerial departments.** We are piloting innovative programmes and taking steps to tackle the root cause of worker vulnerability in these areas.

**1** This statement covers ministerial departments, HMRC, non-ministerial public bodies and executive agencies where spend is reported centrally. It does not cover devolved authorities in Wales, Scotland and North Ireland. Information about how government works can be found on [GOV.UK](https://www.gov.uk). This statement covers the steps we are taking to prevent modern slavery in our commercial spend. Ministerial departments will reflect what steps they are taking in more detail when they publish their individual modern slavery statements.

**2** A list of ministerial government departments can be found on [GOV.UK](https://www.gov.uk).

**3** See the European Commission's webpage on [International Public Procurement](https://ec.europa.eu/euipo/).

**4** Including their executive agencies and non-departmental public bodies.

**Over the last year, we have increased the capability of commercial teams across government to prevent modern slavery.** We have delivered training to over 250 commercial staff on how to carry out modern slavery risk assessments so they can put this into practice in their departments. We have partnered with the Chartered Institute of Procurement and Supply to develop the modern slavery content in their [ethical procurement e-learning and test](#).

**We are working closely with our suppliers so that they see robust modern slavery due diligence as business as usual activity.** We have developed a tool to strengthen our suppliers' modern slavery due diligence. More than 1,000 organisations have completed the assessment since March 2019. Using this tool, we have directly worked with around 400 suppliers on the steps they should take to make their supply chains more resilient to modern slavery.

**We are introducing strong incentives for government suppliers to improve their anti-slavery activity.** All major procurements in central government will explicitly evaluate social value (where relevant and proportionate), with a minimum 10% weighting at award stage.<sup>5</sup> Ministerial departments will select from a list of 'social value' policy outcomes, including reducing modern slavery risks (where relevant to the contract). Delivery will be measured against standard metrics, to be used for both contract management and impact reporting by departments.

**We are collaborating with a range of partners to uncover exploitation and develop sustainable solutions.** The Crown Commercial Service is working with [Electronics Watch](#), an independent monitoring organisation, to improve conditions for workers at factory level in our ICT hardware supply chains. Electronics

Watch's work has led to workers in government supply chains being reimbursed for recruitment fees they paid. A wide range of partners across the public sector, other governments, academia, businesses and non-governmental organisations (NGOs) have been crucial to the ongoing development of our approach to tackling modern slavery in government supply chains, and informing the content of this statement.

**We are working internationally to reduce the prevalence of modern slavery in global supply chains.** The UK has jointly launched [Principles to Combat Human Trafficking in Supply Chains](#) alongside our partners in the US, Canada, Australia and New Zealand. These principles provide a framework for the UK's international approach to tackling modern slavery in global supply chains.

**The UK has committed £200m in Overseas Development Assistance to combat modern slavery** which includes action to tackle modern slavery in global supply chains such as public and private sector partnerships to improve workers' rights. The UK has appointed its first Migration and Modern Slavery Envoy to advocate for tackling modern slavery globally, including in global supply chains.

**This statement will help the public to understand the steps we have taken to prevent modern slavery in government supply chains, and to be transparent about where we need to improve.** This statement also provides examples that public bodies, government suppliers and other organisations can learn from, particularly those who are at an early stage in identifying and preventing modern slavery.

**We have set ourselves goals at the end of this statement, and we will publish a progress update in 2021.**

<sup>5</sup> See [PPN 06/19](#) for threshold levels that apply to procurement regulations.



## SECTION I

# STRUCTURE, BUSINESS AND SUPPLY CHAINS

This section explains which government bodies are covered by this statement and sets out our governance structure for preventing modern slavery in our supply chains. It highlights the size and diversity of our supply base and explains why it is important that our action is targeted.

## FACTS AND FIGURES ON CENTRAL GOVERNMENT SPENDING<sup>6</sup>

**24** MINISTERIAL  
GOVERNMENT DEPARTMENTS



**1,748** SUPPLIERS  
in scope of the Transparency  
in Supply Chains regulations<sup>7</sup>



AROUND **£50** BILLION  
GOVERNMENT SPEND



**554**  
SUBCATEGORIES OF SPEND<sup>8</sup>



**4,000**  
COMMERCIAL STAFF<sup>9</sup>



**34**  
STRATEGIC SUPPLIERS



- <sup>6</sup> Spend and supplier data in this statement covers the financial year 1 April 2018 to 31 March 2019 and is for central government (ministerial departments, HMRC and non-ministerial public bodies and Executive Agencies where spend is reported centrally). The number of strategic suppliers is correct as of October 2019.
- <sup>7</sup> Section 54 of the Modern Slavery Act (Transparency in Supply Chains) requires certain commercial organisations with a turnover above £36 million+ to publish an annual modern slavery statement. Home Office estimates around 1,748 suppliers to central government departments were in scope of this requirement for financial year 2017/18.
- <sup>8</sup> In accordance with EU procurement law we group our spend using Common Procurement Vocabulary (CPV) codes. Government spend is split into CPV code master, category and subcategory. There are 29 master categories of spend, which split down to 134 categories and further down to 554 subcategories. List of categories of spend can be found [here](#).
- <sup>9</sup> Within the [Government Commercial Function](#) (GCF).

**This statement covers the steps taken by ministerial government departments during the calendar year 2019** to prevent modern slavery in our supply chains.

**Ministerial government departments will publish their own modern slavery statements from financial year 2020/21.**

To ensure senior accountability, statements will be signed by the accounting officer (usually the permanent secretary) for each department and approved by their executive committee and relevant minister.

## ORGANISATIONAL STRUCTURE TO MITIGATE MODERN SLAVERY IN PROCUREMENT

**Our strategy and policies to tackle modern slavery in government supply chains have been jointly developed by the Home Office, Cabinet Office and Crown Commercial Service (CCS)** in consultation with the cross-government Modern Slavery and Procurement Implementation Group.<sup>10</sup>

The accounting officer for each ministerial department (usually the permanent secretary) is responsible for the regularity and propriety of department's spending decisions, including the steps that the department has taken to prevent modern slavery in departmental supply chains. Accounting officers in ministerial departments are directly and personally accountable to parliament for spending decisions. The Chief Executive of the [Civil Service](#) leads the efficiency programme, working with permanent secretaries across government to put in place reforms including those that get a better deal for taxpayers from commercial decisions and supplier management. Further information about how government works is available on [GOV.UK](#)

The Department for International Trade and the Home Office have nominated anti-slavery advocates to develop and promote policies and programmes to address modern slavery in commercial activity. This approach will be rolled out across departments.

**We have worked with a wide range of partners across the public sector, other governments, academia, businesses and NGOs to develop our approach,** including consulting the Business Against Slavery Forum,<sup>11</sup> the Modern Slavery Strategy Implementation Group<sup>12</sup> and the Office of the Independent Anti-Slavery Commissioner on the content of this statement, as well as self-assessing against the Ethical Trading Initiative's [evaluation framework](#) for modern slavery statements.

**10** This cross-government group meets regularly to consult on government's strategy and policies to address modern slavery risks in commercial spend and co-ordinate activity.

**11** The forum, chaired by the Home Secretary, is a partnership between government and CEOs of 13 multinational business to accelerate progress and help smaller businesses to act in their sectors and beyond.

**12** The group was established to support implementation of the UK government's modern slavery agenda through collaboration and engagement between the government, devolved administrations, NGOs and businesses.

## OUR SUPPLY CHAINS

The government buys a vast range of goods and services, from military equipment to food and facilities management.

**In 2018/19 we spent approximately £50 billion buying goods and services from our direct (tier 1) suppliers.**

As of October 2019 there were 34 strategic suppliers to government, who account for around £15 billion annual spend. The strategic suppliers offer a wide range of strategically important goods and services to government. Ministerial departments may have their own separate strategic suppliers.

**Over 90% of our tier 1 suppliers are registered in the UK but many of their operations and supply chains are global.**

Some of our suppliers have complex supply chains with multiple tiers of sub-contracting and we have little visibility over where many products are made. We are taking a targeted approach, prioritising steps to achieve greater supply chain visibility where our risks are highest, recognising that workers in the lowest tiers of supply chains are often the most vulnerable.

**Ministerial departments aim to map their highest-risk supply chains,**

beginning with collecting data on their tier 2 suppliers in those supply chains, where it is not held already. By increasing the visibility of their high-risk supply chains, ministerial departments will gain a better understanding of how and where to target their due diligence activity.



## SECTION 2

# POLICIES IN RELATION TO MODERN SLAVERY

This section is about the government's policies to prevent modern slavery in our operations and supply chains. In particular, this section details how we have recently required government departments to identify and mitigate modern slavery risks throughout the commercial life cycle. Section 3 details the steps we have taken to implement these policies.

## CROSS-GOVERNMENT ACTIVITY TO TACKLE MODERN SLAVERY

This statement focuses specifically on what government has done to identify, prevent and mitigate risks of modern slavery within our own operations and supply chains. This is in line with our commitment under the [Principles to Combat Human Trafficking in Global Supply Chains](#) to address the risk of modern slavery in government procurement.

The [2019 Annual Report on Modern Slavery](#) describes the government's wider work to tackle modern slavery, including how we support victims, our international advocacy, and the law enforcement response.

Our work to tackle modern slavery forms part of the government's wider work to implement the UN Guiding Principles on Business and Human Rights which is set out in the [UK's National Action Plan on Business and Human Rights](#).

### INTERNATIONAL LEADERSHIP

We are working internationally to reduce the prevalence of modern slavery in global supply chains. This forms part of the UK's international approach to combatting modern slavery, which is supported by the UK's first Migration and Modern Slavery Envoy.

The UK jointly launched [Principles to Combat Human Trafficking in Supply Chains](#) alongside our partners in the US, Canada, Australia and New Zealand which provide the framework for the UK's international approach to tackling modern slavery in global supply chains..

The UK has committed £200m in Overseas Development Assistance to combat modern slavery, which includes action to tackle modern slavery in global supply chains. For example, the Modern Slavery Innovation Fund is also supporting projects to improve workers' rights in Mauritius and Malaysia.

## HOW WE BUY GOODS AND SERVICES

Generally, ministerial departments buy their own goods and services, though there are some exceptions.<sup>13</sup>

**The Cabinet Office has responsibility for setting the government's commercial policy and commercial standards which define how all central government bodies should conduct their commercial activities.** These standards are set out in the [Government Commercial Function \(GCF\) Standards](#) and in [Procurement Policy Notes \(PPNs\)](#) which ministerial departments are obligated to apply. An overview of the Government Commercial Function can be found [here](#).

The Crown Commercial Service (CCS) sits within the GCF and **creates and manages commercial agreements for common 'commodity' goods and services.** Ministerial departments and the wider public sector are encouraged to collaborate and use [CCS framework agreements](#) to procure common goods and services.

## PROCUREMENT LEGISLATION AND POLICIES

The [Public Contracts Regulations 2015](#) are the principal UK legal framework for public procurement and incorporate national and international public procurement obligations.<sup>14</sup>

**The [Supplier Code of Conduct](#) underpins all of our commercial relationships** and sets out the behaviours that government buyers and suppliers can expect of each other, including specific provisions on human rights and employment law.

A separate [Code of Conduct for Grant Recipients](#) requires that grant recipients comply with all applicable human rights and employment laws in the jurisdictions in which they work and have robust means of ensuring that the subcontractors in their supply chain also comply.

**In September 2019, the Cabinet Office published [guidance](#) setting out the action that all central government departments<sup>15</sup> must take to identify and mitigate modern slavery risks throughout the commercial life cycle,** from defining contract requirements and procuring goods, to managing supplier relationships and remediation where exploitation has been uncovered. The Cabinet Office developed the guidance in collaboration with a wide range of government, business, public sector and civil society stakeholders to ensure it is evidence-based, practical and reflects good practice.

<sup>13</sup> For example, Department for International Trade manages procurement on behalf of UK Export Finance.

<sup>14</sup> Specific regulations apply to defence, concessions and utilities. Further information can be found [here](#). Regulations are supplemented by [Procurement Policy Notes](#) and [Cabinet Office Controls](#) including [Spend Controls](#).

<sup>15</sup> Including their executive agencies and non-departmental public bodies.

The guidance applies to all ministerial and non-ministerial government departments, their executive agencies and non-departmental public bodies. Other types of public bodies are also encouraged to apply the guidance. The guidance requires all procurements that meet relevant procurement value thresholds<sup>16</sup> to be subject to a modern slavery risk assessment to establish whether modern slavery is a high, medium or low risk in that procurement.

**The guidance will ensure a consistent cross-government approach to assessing and mitigating modern slavery risks,** but ministerial departments might also have their own additional policies or requirements of suppliers.<sup>17</sup> It is important we retain this flexibility so that ministerial departments can pilot new initiatives and tailor their action to their individual organisational needs and priorities.

## GOVERNMENT SUPPLIERS AND COMPLIANCE WITH THE MODERN SLAVERY ACT 2015

**Companies who bid for public contracts and who have failed to meet their legal obligations in the last three years risk being excluded from public procurements, unless they can demonstrate that they have taken measures to remedy the failures and prevent recurrence.** The Home Office is undertaking a compliance audit and may name and shame companies who do not take steps to become compliant.

**Bidders for public contracts who have been convicted of certain modern slavery offences under the Modern Slavery Act within the last 5 years must be excluded from public procurements, unless they can demonstrate that they have taken measures to remedy the failures and prevent recurrence.**<sup>18</sup> We have [specific guidance](#) on applying these exclusions for government buyers.

We are also taking steps to improve the quality of our suppliers' modern slavery statements. The University of Liverpool, in collaboration with CCS and the Ethical Trading Initiative, has analysed 95 modern slavery statements for some of CCS's largest suppliers against the Ethical Trading Initiative's [Modern Slavery Statements Evaluation Framework](#). The analysis found suggested areas of improvements around supply chain transparency for each supplier, which CCS will discuss with suppliers.

<sup>16</sup> See [PPN 06/19](#) for threshold levels that apply to procurement regulations.

<sup>17</sup> For example [Joint Schedule 5](#) of the [Public Sector Contract](#) (which is commonly used when calling off CCS agreements) [expands on the requirements](#) of the code of conduct.

<sup>18</sup> As set out in the [Public Contracts Regulations 2015](#). Exclusion is also mandatory if the person convicted is a member of the bidder's administrative, management or supervisory body or has power of decision, representation or control in the bidder, e.g. a director or a member of the management board.

## SECTION 3

# RISK ASSESSMENT AND DUE DILIGENCE<sup>19</sup>

This section describes the modern slavery due diligence we have undertaken, and how we are implementing and incentivising responsible business practices to protect workers in our supply chains. This section also details our understanding of the most significant modern slavery risks in central government supply chains, and where we want to prioritise action.

## DUE DILIGENCE WITH OUR SUPPLIERS: MODERN SLAVERY ASSESSMENT TOOL (MSAT)

**The Government has developed MSAT - a free modern slavery risk identification and management tool for public bodies to use with their suppliers.**

The tool gives suppliers tailored good practice recommendations to improve their anti-slavery activity, from how they conduct risk assessments to ensuring their due diligence helps prevent debt bondage.

Following a pilot with over 200 suppliers and consultation with over 60 external stakeholders (including SMEs), the Home Office designed MSAT to ensure it helps public bodies work practically with suppliers to reduce the risk of worker exploitation in their supply chains. Government has produced 'evaluator guidance' to aid public bodies in their discussions with suppliers.

**Over 1,000 organisations have completed the assessment** since the new version of MSAT was launched in March 2019 and have either acknowledged the recommendations or are currently considering them. We have directly worked with around 400 suppliers on the steps they should take to make their supply chains more resilient to modern slavery.

<sup>19</sup> The human rights due diligence framework is set out in the [UN Guiding Principles on Business and Human Rights](#).

# MSAT WITH MAJOR GOVERNMENT SUPPLIERS: KEY FINDINGS

## Strategic suppliers

The Cabinet Office required all 34 strategic suppliers to Government, accounting for around £15 billion annual spend, to complete MSAT in 2019.<sup>20</sup>

MSAT can provide an individual supplier with a maximum of 35 tailored recommendations based on the six themes in the Home Office's modern slavery guidance.<sup>21</sup>

Across the 34 strategic suppliers, MSAT provided recommendations focussing largely on risk assessment, due diligence, training and key performance indicators.

The Crown Representatives,<sup>22</sup> supported by Cabinet Office and the Home Office, are leading **one-to-one follow-up discussions** with strategic suppliers, prioritising implementation of the recommendations around undertaking robust risk assessments and implementing due diligence practices that help reduce worker vulnerability. Strategic suppliers will be invited to complete MSAT annually and the Cabinet Office will be monitoring the strategic suppliers' implementation of MSAT recommendations.

## Common goods and services suppliers

In 2019, **CCS carried out a detailed risk assessment of all its commercial agreements**. The risk assessment categorised 26 commercial frameworks as having a high or medium risk of modern slavery occurring. All 295 suppliers on these frameworks, accounting for around £2.8 billion annual spend, were invited to complete the Modern Slavery Assessment Tool in Autumn 2019 and currently 210 have completed it. **CCS will be discussing results with suppliers and monitoring implementation of the recommendations.**

<sup>20</sup> This covers FY 2018/19 spend with the 34 strategic suppliers as of October 2019.

<sup>21</sup> Depending on the type of supplier, their capacity and type of risks, they may be able to implement some recommendations easily, while some recommendations require longer-term commitment. A small number of the recommendations may also not apply to every type of business.

<sup>22</sup> Crown Representatives help the government act as a single customer by managing cross-cutting supplier-related issues for each strategic supplier.



# CROSS-CUTTING DUE DILIGENCE PRIORITIES

## RESPONSIBLE PURCHASING PRACTICES

Governments can have a profound impact on the conditions of workers in supply chains through their own purchasing practices.

**Aggressive pricing, short lead times and late payments are just a few examples of purchasing practices that can unintentionally create modern slavery risks.**

Where suppliers (and their supply chains) are under pressure to meet buyer requirements, this can lead to exploitative situations, for example a supplier not receiving payment on time may not be able to pay workers their salaries.

**We recognise the importance of embedding cross-cutting due diligence measures to prevent exploitation in our supply chains** in addition to addressing risk in specific high-risk supply chains. This includes introducing and embedding responsible purchasing and recruitment practices, and prioritising efforts to listen and learn from the direct experiences of workers in our supply chains.

### Social Value

**We are introducing strong incentives for government suppliers to improve their anti-slavery activity.** All major procurements in central government will explicitly evaluate social value (where relevant and proportionate), with a minimum 10% weighting at award stage.<sup>23</sup> Ministerial departments will select from a list of 'social value' policy outcomes, including reducing modern slavery risks (where relevant to the contract). Delivery will be measured against standard metrics, to be used for both contract management and impact reporting by departments. Cabinet Office will publish more detail on the social value procurement arrangements in due course.

<sup>23</sup> See [PPN 06/19](#) for threshold levels that apply to procurement regulations.

## EMBEDDING MODERN SLAVERY PREVENTION IN GOVERNMENT CONTRACTS – THE VICTIM CARE CONTRACT

The [Modern Slavery Victim Care Contract](#) provides support to victims of modern slavery so they can recover from their experiences and move on with their lives. The Home Office is currently procuring a new Victim Care Contract.

As well as delivering the core services, the contract includes requirements for the supplier to ensure they are taking steps to prevent modern slavery in their supply chains. We have attributed 10% of the overall evaluation of bids to social value, which includes consideration of how organisations would perform the contract in a way that reduces modern slavery risks and how they will monitor and measure this. The chosen supplier will also need to complete the Modern Slavery Assessment Tool after the contract is awarded.

## Prompt Payment

Ministerial departments must:

- Pay invoices within 30 days to direct suppliers;
- Publish data demonstrating compliance with this obligation;
- Pay 90% of undisputed, valid invoices from SMEs within 5 days; and
- Pay 100% of undisputed, valid invoices from SMEs within 30 days

## We have reformed the prompt payment policy so government suppliers for contracts in excess of £5 million a year must:

- Demonstrate effective payment systems to ensure a reliable supply chain;
- Pay 95% of their suppliers within 60 days; and
- Publish their payment data on GOV.UK

## Holding ourselves to account

**The [Public Procurement Review Service](#) allows government suppliers and potential government suppliers to raise concerns anonymously** about unfair public sector procurement practice, including supply chain issues. Government can then investigate and resolve these concerns. The service also conducts spot checks on government buyers. The results of cases are published regularly on the Public Procurement Review Service results page.

## UNDERSTANDING THE FIRST HAND EXPERIENCES AND NEEDS OF WORKERS IN OUR SUPPLY CHAINS

**We aim to introduce a worker-centred approach to due diligence, where workers are empowered to report issues and are directly involved in conversations about how to protect their rights.** We will work with civil society, unions and our suppliers to develop this approach. We know from our analysis of modern slavery statements that this is also an area where many businesses need to improve.

We know how important it is for workers to trust the mechanisms in place and be confident that they will receive appropriate safeguarding and remediation.

The government guidance on tackling modern slavery in government supply chains encourages commercial and procurement staff to contact the GLAA or the police if they are concerned about a potential victim, or suspicious about a situation that is potentially exploitative in the UK. The guidance also includes a blueprint for how departments should work with suppliers to develop and enforce remedial action plans when issues are uncovered.

## RESPONSIBLE RECRUITMENT PRACTICES

**The International Labour Organisation estimates that 50% of all victims of forced labour in the private economy are in debt bondage,** and over 70% for adults in agriculture, domestic work, and manufacturing.<sup>24</sup>

Indirect methods of recruitment can increase opportunities for exploitation, due to the absence of oversight and governance by the recipient organisation.<sup>25</sup> Recruiters may charge workers excessive recruitment fees and related costs, creating a form of debt bondage over the workers.

Under our commitments to implement the [Principles to Combat Human Trafficking in Supply Chains](#), the government has been encouraging businesses, including suppliers, to strengthen their recruitment practices and endorse initiatives such as the [Employer Pays Principle](#).

### Responsible recruitment research

In response to evidence of excessive worker-paid recruitment fees in our rubber manufacturing supply chains in Malaysia, **we commissioned research into best practice interventions that prevent debt bondage** within this industry (and related industries).

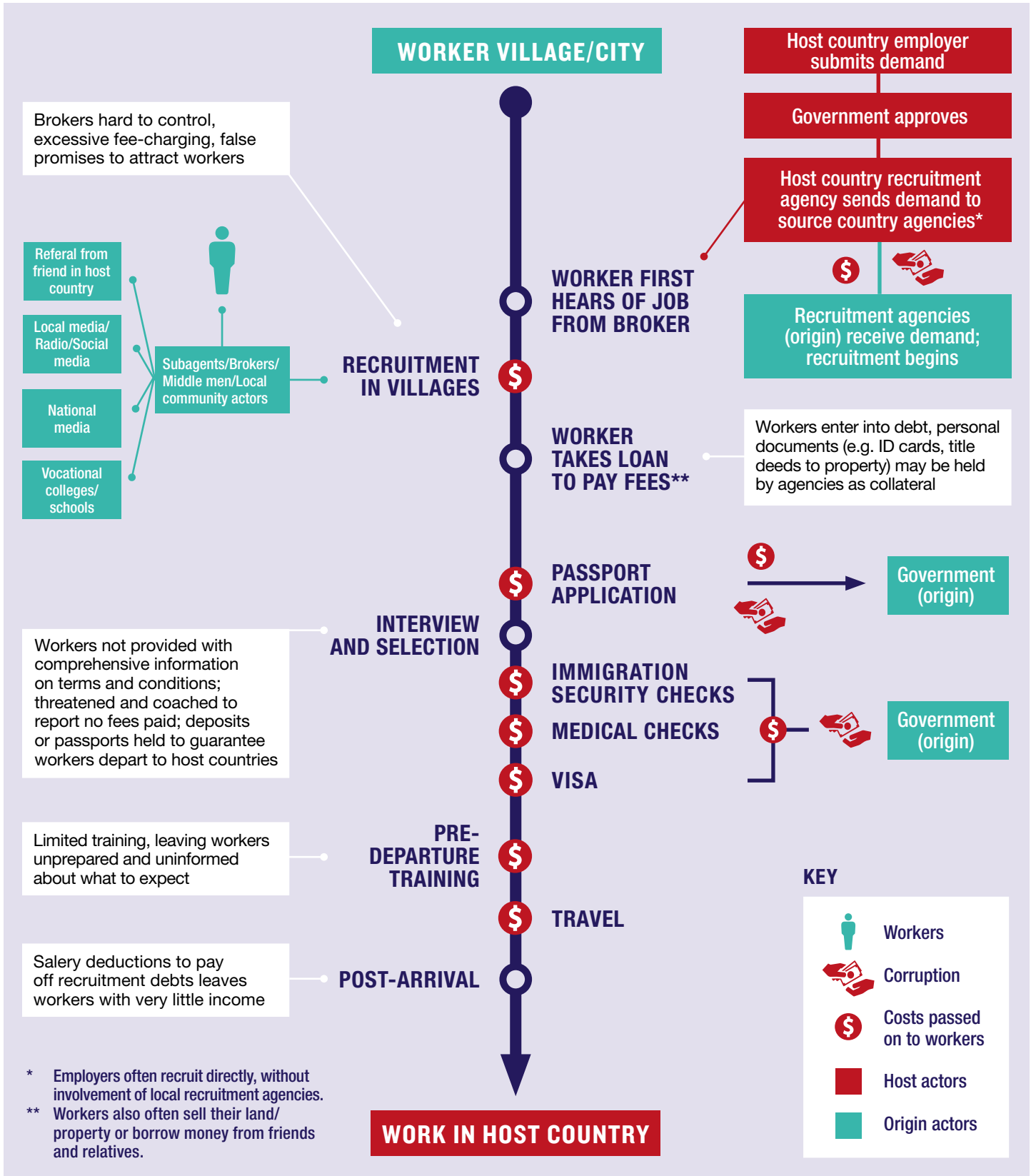
By mapping these interventions against migrant worker journeys from their home countries to working in factories, this work identified where further interventions may be needed throughout this supply chain to improve recruitment practices and reduce vulnerability to exploitation. We are considering how best to progress the findings from this research.

<sup>24</sup> ILO (2017), [Global Estimates of Modern Slavery](#).

<sup>25</sup> [Work-finding fees](#) are illegal in the UK but may be legal in countries our suppliers operate in. The GLAA operates a licensing scheme to regulate the provision of workers for roles in the UK fresh produce sector - agriculture, horticulture, shellfish gathering and any associated processing and packaging. There are [additional 'related costs'](#) that workers recruited into GLAA licensed schemes cannot be charged.

# RECRUITMENT JOURNEY

This infographic provides an example of how workers can be trapped in debt bondage in an international recruitment process. The infographic highlights stages where fees may be charged to workers, key vulnerabilities workers are exposed to and areas where corruption may be a risk.



## CROSS-GOVERNMENT RISKS

Modern slavery can affect virtually any industry and any country. **To have the greatest impact on the lives of vulnerable workers, we need to target action where the risks of exploitation are most severe, salient and strategic**, in line with the [UN Guiding Principles on Business and Human Rights](#).

**In 2019, the Home Office carried out a high-level modern slavery risk assessment for central government accounting for approximately £50 billion of government spend** using the methodology in the Cabinet Office [guidance](#). We assessed against the risk factors in the table below.<sup>26</sup>

**We used a range of data sources (referred to in the guidance) to inform our understanding of risk**, including but not limited to: International Labour Organisation (ILO) sector and country reports, the [GLAA nature and scale of labour exploitation across all sectors in the United Kingdom](#), the [Global Slavery Index](#), [Responsible Sourcing Tool](#), ITUC's [Global Rights Index](#) and the U.S. [List of Goods made by Child Labour or Forced Labour](#). We also used sector specific information from our category specialists and bodies such as the [CIOB](#), [Electronics Watch](#) and the [Responsible Business Alliance](#).

### Strategic risk

e.g. the government's level of spend and associated leverage

### Industry type

e.g. construction and manufacturing

### Commodity

e.g. cotton and electronics

### Country risk

e.g. manufacturing in South East Asian countries

### Business and supply chain models

e.g. sub-contracting and reliance on outsourced recruitment

### Nature of the workforce

e.g. low-skilled temporary work

### Context of the supply chain

e.g. weak labour laws and high levels of poverty

<sup>26</sup> This covered 197 different 'spend categories'. To help us understand our spend patterns we group spend into categories of similar types of spend.



**The following results provide an overview of the most severe, salient and strategic risks that we have identified across most ministerial departments.** These results do not reflect all risks in the government’s global supply chains. There may be significant risks for individual departments that are not included in this table – these will be covered when departments publish their own modern slavery statements.

**We recognise that we need to strengthen the steps we are taking to mitigate these risks now that we have identified them as priority areas.** We will be setting up cross-government groups to support this activity and ensure we have a co-ordinated approach.

## ICT HARDWARE AND ELECTRONICS

### What is the issue and how does it affect government supply chains?

- **We spent around £6.5 billion on ICT** (including services and software) in 2018/19.
- **Our ICT supply chains include commodities and services that are critical to government operations and services**, from printers and laptops to computer software.
- **Our procurement of ICT hardware is complex** as it covers a large number of commodities that we may buy directly or indirectly, in bulk or in small quantities, from a range of vendors depending on business needs.
- **We have limited visibility of our ICT supply chains.** This is partly due to the multiple levels of sub-contracting for the raw material extraction, component manufacturing, assembly and logistics.

### What are we doing about it?

- **We are increasing visibility of our ICT supply chains.** CCS is mapping (to factory level) purchases of the top 200 products covering [58 manufacturers](#). This will help us work with suppliers to improve conditions on the ground.
- **We are working with [Electronics Watch](#)**, an independent monitoring organisation, which brings together public buyers with in-country civil society experts to conduct and share worker-driven factory-level audits and remediate issues identified in collaboration with brands and the [Responsible Business Alliance](#). Examples of remediation by Electronics Watch in government supply chains include:
  - Reimbursement of recruitment fees and related costs;
  - Ensuring workers have full access to their identification documents; and
  - Ensuring overtime is only undertaken on a voluntary basis.

- **There are documented cases of forced labour in ICT component manufacturing and assembly** in a number of countries where our supply chains are based, such as (but not exclusively) China and Malaysia. These cases include debt bondage, withholding of identity documents and excessive overtime. We are also aware of risks in the sourcing of key ICT commodities, such as cobalt from the Democratic Republic of Congo.
- **We are working with several multi-stakeholder initiatives to improve transparency and governance in the mining sector in DRC.** For example, we are funding the Effective Approaches to Ending the Worst Forms of Child Labour in Fragile Contexts (EAPEC) programme, which brings together a consortium of NGOs, local partners, private sector and media development agencies to develop innovative approaches to ending child labour, including tackling the supply and demand issues which result in child labour in fragile states.
- **We are supporting suppliers to strengthen their due diligence.** CCS has invited its technology hardware suppliers on several frameworks<sup>27</sup> to complete the Modern Slavery Assessment Tool (further details on page 18) to understand what due diligence suppliers have in place. CCS is now working with these suppliers to agree improvements.
- **We are strengthening our requirements of ICT suppliers.** We are reviewing the Government Buying Standard for ICT to include minimum standards on modern slavery and developing our approach to monitor adherence to these standards.

<sup>27</sup> See CCS's [List of High and Medium Risk Framework Contracts](#).

## CONSTRUCTION

### What is the issue and how does it affect government supply chains?

- **We spent around £4.2 billion on construction** in financial year 2018/19.
- **Our construction supply chains include construction services used to build public infrastructure e.g. Crossrail, and the commodities used to build them e.g. bricks and timber.**
- **We have limited visibility of the labour and raw materials supply chains for our construction projects,** due to multiple levels of subcontracting.
- **Nearly one fifth of modern slavery victims in the private sector globally are being exploited in construction.**<sup>28</sup>
- **Construction workers in the UK are known to be vulnerable to exploitation** due to a range of structural challenges in the industry, such as a reliance on temporary low skilled migrant labour, fragmented supply chains and low-cost tendering.<sup>29</sup>
- **Foreign migrant workers in our UK construction projects may be more vulnerable to debt bondage,** through exploitative recruitment fees or fraudulent online recruitment.
- We are also aware of risks in the sourcing and processing of key commodities for construction, such as timber and bricks from a range of countries.<sup>30</sup>

### What are we doing about it?

- **We are improving our purchasing practices to reduce structural problems in the industry that increase the risk of exploitation:**
  - Through the [Project Bank Accounts](#), mandated for large scale construction projects, we are working to ensure our construction supply chains receive payment in five days or less from the due date.
  - We ask bidders to explain any prices/costs which appear abnormally low in line with the Public Contracts Regulations 2015.<sup>31</sup>
- **We are working with industry to improve standards and share intelligence with government.** The Gangmasters and Labour Abuse Authority has launched the [Construction Protocol](#), an agreement between government and construction companies (including many government suppliers) to work together to share intelligence on suspected worker exploitation and to improve practice. The Protocol has over 140 signatories, is free to join and is open to suppliers, subcontractors, labour agencies, SMEs and clients. 72% of signatories surveyed have made improvements to their due diligence.

<sup>28</sup> See the ILO's report on the [Global Estimates of Modern Slavery](#).

<sup>29</sup> See CIOB's report on [Construction and the Modern Slavery Act](#) and the DLME's [Labour Market Enforcement Strategy 2019/20](#).

<sup>30</sup> See the U.S. Department of Labor's [2018 List of Goods Produced by Child Labor or Forced Labor](#).

<sup>31</sup> Regulation 69 of the Public Contracts Regulations 2015 places a duty on the contracting authority to investigate tenders it considers abnormally low. Contracting Authorities must reject tenders which are abnormally low because they are in breach of social or labour law provisions or one of the international conventions.

- **We are piloting new ways to identify modern slavery in UK construction projects.** HMRC is piloting a programme to detect modern slavery in their construction projects in Northern Ireland using intelligence on labour and tax fraud and audits of construction sites.
- **We require all timber and wood-derived products be from sustainable sources** that are independently verifiable under our [Timber Procurement Policy](#).

## SERVICE STAFF WORKING ON GOVERNMENT SITES AND IN OUR SUPPLY CHAINS

### What is the issue and how does it affect government supply chains?

- **We spent around £1 billion on cleaning, catering, security (and supporting goods) in 2018/19.** These staff were provided directly and indirectly via recruitment agencies, service providers or subcontractors at our sites, as well as service staff working in our supply chains.
- **Accommodation and food service activities accounts for 10% of forced labour victims globally in the private sector,** according to the ILO.<sup>32</sup>
- **We assess that the business model for these service providers (e.g. low-cost procurement) and nature of work (e.g. reliance on low-skilled temporary labour, often recruited indirectly in the UK<sup>33</sup>)** mean that there is an increased risk of modern slavery in this workforce.

### What are we doing about it?

- **We are running a pilot to embed modern slavery considerations at each stage of the commercial life-cycle.** The pilot is taking place in CCS' [Vehicle Hire](#) framework, which includes vulnerable workers in hand car wash services to support the delivery of contracts under this framework. The pilot includes:
  - Pre-market engagement: suppliers were engaged before the tender documents were issued, and briefed on the risks in car washes raised by the parliamentary [EAC enquiry](#).
  - Requirements on ethical employment and recruitment practices in the framework, e.g. ensuring workers are provided with written contracts and reimbursed for any illegally charged recruitment fees.
  - A Service Level Agreement setting out clearly how buyers and suppliers will behave in respect of identifying and acting on any suspected instances of modern slavery.
  - A requirement for suppliers (including SMEs) to be transparent about how they are addressing modern slavery risk both during contract award and then annually thereafter. Suppliers' responses will be used to benchmark improvements in performance over the life of the contract.

<sup>32</sup> See the ILO's report on the [Global Estimates of Modern Slavery](#).

<sup>33</sup> See the GLAA's [Problem Profile: The Nature and Scale of Labour Exploitation across all Sectors within the United Kingdom](#).



- **We are supporting facilities management suppliers to strengthen their due diligence.** Cabinet Office has required all of government's strategic suppliers, including several facilities management suppliers, to complete the Modern Slavery Assessment Tool (further details on page 10) to understand what due diligence suppliers have in place and work with them to make improvements. For example, a large facilities management supplier has agreed to work with their principal recruitment agency to strengthen their due diligence. Cabinet Office will be monitoring implementation of recommended improvements in supplier management meetings.

**Individual departments will undertake more detailed risk assessments specific to their contracts** and will report on these risks in their own modern slavery statements in 2021. This will improve our understanding of cross-government risks and how we should collaborate across government to address them.

## SECTION 4

# TRAINING AND AWARENESS RAISING

This section describes the training we have delivered to our own procurement and commercial staff and suppliers to build their capability to identify and address modern slavery risks. We are focussing our training efforts on commercial staff because of their increasing responsibility to prevent modern slavery in government supply chains.

### **How do we train procurement and commercial professionals in government to prevent modern slavery in the commercial life cycle?**

Over the past year, we have developed and delivered training to government procurement and commercial staff to raise their awareness of modern slavery, building their capability to prevent it at each stage of the commercial life cycle:

- **The government has partnered with the Chartered Institute of Procurement and Supply (CIPS) to develop the modern slavery content in the CIPS ethical procurement e-learning and test.** This training helps procurement professionals build and demonstrate their understanding of how modern slavery manifests and provides guidance on measures they can take to identify and prevent it. Successfully undertaking and passing the annual test is a mandatory element to gaining and maintaining Chartered CIPS Membership or Chartered CIPS Fellowship (MCIPS and FCIPS). There are 328 Chartered MCIPS and FCIPS holders in central government that are required to complete this training to maintain their Chartered MCIPS and FCIPS status.
- **The Home Office has delivered risk assessment training to over 250 Government commercial staff.** This training focused on how to apply the risk assessment methodology in Cabinet Office guidance and allowed recipients to practice applying it before they begin conducting a risk assessment for their departments. A further 455 government commercial staff, public sector and third sector organisations have attended CCS and Home Office modern slavery training events to raise awareness of modern slavery in public procurement and practical steps to prevent it.
- **HMRC has delivered supply chain due diligence training for its Threat Response Unit focussing on explaining the links between tax, VAT and labour fraud and modern slavery, and how to spot it.** HMRC plans to apply this training in due diligence for their construction projects in Northern Ireland in 2020.

## What are we doing to up-skill government suppliers and public-sector buyers?

In addition to training government commercial staff, we have worked to upskill government suppliers to help them to take effective steps to prevent modern slavery in the supply chains of the goods and services they provide government:

- **We are upskilling our strategic suppliers using the Modern Slavery Assessment Tool and follow-up meetings with the Home Office and Cabinet Office.** Through the tool we provide the suppliers with guidance on how to improve their due diligence and will monitor implementation through future assessments and follow-up meetings.
- **We are supporting SMEs who may have limited resources to address modern slavery risks.** The Department for International Development funds a **Business Integrity Consultancy Service** for SMEs, run by the Ethical Trading Initiative. Under this subsidised, SME-targeted programme, ETI will provide up to 5 days of consultancy, providing practical guidance and support on all aspects of Human Rights Due Diligence, including how to identify and tackle the risk of modern slavery, risk assessment, mitigation strategies, grievance and remediation mechanisms.
- **We have presented at supplier and buyer events attended by nearly 10,000 delegates in 2018/19** to discuss modern slavery and what government expects from our suppliers and buyers, including technical advice on human rights due diligence.

We also want to ensure public-sector buyers outside government are taking effective action in their own supply chains and have run events to increase their awareness of modern slavery risks. This work has included publicising the Cabinet Office's guidance in CIPS Supply Management daily bulletins to 200,000 people worldwide.

**We have worked to raise the profile of modern slavery risks amongst international public sector buyers.** We ran the first International Conference on Tackling Modern Slavery in Public Sector Supply Chains in collaboration with the Ethical Trading Initiative and the Organisation for Security and Co-operation in Europe.

The conference focused on issues in the construction, electronics, health and general manufacturing sectors and what action procurement staff should prioritise. The conference was attended by more than 170 delegates, including ministers and senior government officials from eight countries, public and private sector bodies, international organisations, trade unions and civil society organisations. The report and summary can be found [here](#).

**We have taken steps to raise awareness of frontline professionals who may be in contact with potential victims.**

We launched a 'Hidden in Plain Sight' behaviour change campaign in April 2019. The campaign sought to reduce labour exploitation, focussing on three regions in England (West Midlands, West Yorkshire and Cambridgeshire). The campaign targeted frontline professionals in the financial, healthcare and recruitment sectors to spot the signs of labour exploitation and know how to report. Early analysis has shown positive increases in campaign engagement and increased referrals into the National Referral Mechanism.

## SECTION 5

# GOALS AND KEY PERFORMANCE INDICATORS (KPIs)

This section provides goals for the next financial year as part of our efforts to continuously improve how we protect workers from exploitation, including supporting ministerial departments to develop their own KPIs.

As this will be the only cross-government statement (individual ministerial departments will begin publishing individual statements in 2021), we haven't established year-on-year performance indicators. Instead we have set goals for financial year 2020/21 and we will report against these goals in a progress update in 2021. Ministerial departments will develop their own KPIs based on the Cabinet Office guidance.

Delivery against the goals in this statement will be monitored by the cross-government Modern Slavery and Procurement Implementation Group, which has representatives from commercial teams across government.

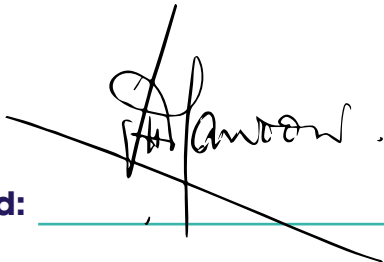
### Goals for ministerial departments:

**We will continue to build capability across government, particularly in commercial and procurement roles**, so that our staff understand what steps they should be taking to prevent modern slavery in government supply chains. To achieve this, in 2020/21 we will:

1. Appoint **anti-slavery advocates** at director level in each department to help co-ordinate their activity and increase awareness of action their department should take.
2. Support ministerial departments to develop their own **Key Performance Indicators** to help us understand whether the action we are taking is working well and where we need to improve e.g. measuring the number of times modern slavery has been considered in tenders, and number of instances of labour exploitation identified and remediated.
3. Support ministerial departments with **guidance on how to produce high quality modern slavery statements**, with input from stakeholders.
4. Develop **training and workshops on how to implement the resources the government has developed** to help public bodies prevent modern slavery in their supply chains for ministerial departments and the wider public sector.
5. Launch a **government-run registry of modern slavery statements**, which will help departments easily assess suppliers' compliance with the Modern Slavery Act 2015.

**We will strengthen our risk identification and due diligence measures.** To achieve this, in 2020/21 we will:

6. Establish **cross-government working groups to support collaboration** on ICT, construction and facilities management services sectors.
7. **Launch the social value in procurement model**, including evaluation criteria on modern slavery.
8. Explore how we can **embed worker voice and rights in government supply chains**, in partnership with business and worker representative groups.
9. Continue government engagement with the US, Canada, Australia and New Zealand and the wider international community to **implement the Principles to Combat Human Trafficking in Global Supply Chains**.
10. Ensure **departments review, and where relevant amend, their procurement policies** following publication of [PPN 05/19](#).
11. Ensure **departments begin or continue their own risk assessments** to ensure their action plans are targeted.
12. Ensure **departments begin mapping their tier 2 suppliers** for their high-risk supply chains.
13. Ensure **departments invite all their major suppliers in high risk areas to complete the MSAT**, with follow up meetings to help them to better understand the anti-slavery activity they should be undertaking.



Signed: \_\_\_\_\_

**Date: 18 March 2020**

This statement was approved by the secretaries of state of all ministerial departments in March 2020.

**JOHN MANZONI**  
**CHIEF EXECUTIVE OF THE CIVIL SERVICE**



