Understanding and reporting on Modern Slavery – an interactive workshop

10 March 2016

London

Modern Slavery Act 2015

Ergon Associates
Seafish
Your expectations

• What do you know so far?
• Where are you with regard to your MSA statement?
• Key issues you need to understand
• Challenges and barriers
• Outcomes and objectives that you want from today
Objectives

- Build awareness of modern slavery risks
- Understanding the Modern Slavery Act (MSA)
- What you need for your MSA statement and supporting due diligence
- Identifying next steps, timelines and responsibilities
- Develop ideas for an outline MSA statement
Human rights and business timeline

- **2011**: UNGPs
- **2012**: UNGPS
- **2013**: California Transparency in Supply Chains Act
- **2014**: EU Directive on non-financial reporting
- **2015**: UK Modern Slavery Act, Corporate Human Rights Benchmarking tool
- **2016**: 20+ UNGP National Action Plans under development in the US, Germany

**UN Guiding Principles for Business and Human Rights**

1. **State Duty to Protect Human Rights**
   - 1. Legislation and regulations
   - 2. Procurement rules
   - 3. Reporting requirements

2. **Companies Responsibility to Respect Human Rights**
   - 1. Policy statement
   - 2. Due diligence
   - 3. Compensate negative impacts

3. **Access to Remedy for Human Rights Abuses**
   - 1. Judicial
   - 2. Non-judicial
   - 3. Grievance mechanism
Exercise

• Think of a scenario where you think there could be a risk of modern slavery in your business – or someone else’s business - supply chain, contractors, franchisees, etc

• Stick it on the wall

• Think of some more!
What is modern slavery?

29.8 million are in slavery in the world today.
- Source: Global Slavery Index

Estimated number of slaves in the world today:
10-30 million

Modern slavery in focus is supported by:

PIRATES AND SLAVES
Technical definitions

Slavery and forced labour
- Holding another person in slavery or servitude
- Requiring another person to perform forced or compulsory labour (key issues: menace, threat, involuntary)

(defined in ILO conventions & European Convention on Human Rights)

Aggravating circumstances
- Vulnerability (such as the person being a child, the person’s family relationships, and any mental or physical illness)
- Type of work being performed (exploitation)

 Trafficking
- Arranging or facilitating the travel of another person with a view to being exploited.

(defined in UN Palermo Convention on Organised Crime 2004)

Exploitation covers
- Slavery
- Forced labour
- Sexual exploitation including sexual exploitation of children of children
- Removal of organs
Modern Slavery Act 2015
Modern Slavery Act 2015

What could go is in the statement:

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<td>a)</td>
<td>The organisation’s <strong>structure</strong>, its <strong>business</strong> and its <strong>supply chains</strong></td>
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<td>b)</td>
<td>Its <strong>policies</strong> in relation to slavery and human trafficking</td>
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<td>c)</td>
<td>Its <strong>due diligence processes</strong> in relation to slavery and human trafficking in its business and supply chains</td>
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<td>d)</td>
<td>The parts of its business and supply chains <strong>where there is a risk</strong> of slavery and human trafficking taking place, and the <strong>steps it has taken</strong> to assess and manage that risk</td>
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<td>e)</td>
<td>Its <strong>effectiveness</strong> in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such <strong>performance indicators</strong> as it considers appropriate</td>
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<td>f)</td>
<td>The <strong>training</strong> and capacity building about slavery and human trafficking available to its staff</td>
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- **Commencement:**
  - y/e 31 March 2016 first statutory reporters
- **Coverage:**
  - Carry on business in UK
  - £36m is global turnover
  - Can include non-profits
  - Non-UK parents and subsidiaries
  - Supply chains and own operations
- **Publishing**
  - Approved by board, signed by a director
  - On website with link from homepage

- **Not a compliance statement**
- “**Common sense approach**”
Some questions

• **Who** reports? – UK business only or global group
  
  “Having a UK subsidiary will not, in itself, mean that a parent company is carrying on a business in the UK, since a subsidiary may act completely independently of its parent or other group companies” (Govt guidance)

• **Scope**: how far do you go? – direct workforce, supply chain, contractors, business partners

• Who (and where) is your **audience**?

• How much **transparency**? What are you not happy disclosing?

• How much **detail** do you want to go into? How long?
### Key elements of statement

| b) **policies** in relation to slavery and human trafficking | • What policies do you have?  
  • Are they adequate? |
|----------------------------------------------------------|--------------------------------------------------|
| c) **due diligence processes** in relation to slavery and human trafficking in its business and supply chains | • What processes do you have now?  
  • Are any issues not covered?  
  • What extra processes or information might you need? |
| d) The parts of its business and supply chains **where there is a risk** of slavery and human trafficking taking place, and the **steps it has taken** to assess and manage that risk | • Can you identify these risks?  
  • Can you identify steps? |
Mapping against operations and supply chain

- Where operationally in the business?
- Geography?
- Employment relationships
- Supply chain tier?
- Contractors?
- Do you have enough information to go on?
Responding to risk, identifying priorities

For your **high** and **medium** risks:
- Identify common situations/business relationships that contribute to or are associated with the risk
- Identify actions you could take which a) may reduce risk or b) provide you with more information
- Identify who is responsible for taking the action forward
- Identify a timescale and likely resource implications
100 statements analysed

- Most statements are brief (nearly all are under 1000 words and half are under 500 words)
- A significant number refer to the fact that auditing of suppliers takes place, and also report on training for their staff
- However, fewer statements describe the process of risk assessment they use related to modern slavery and fewer still mention outcomes, including identifying high-risk supply chains or geographies
- While there are some good examples of relatively detailed statements, the majority do not go much beyond setting out broad commitments to ensure that there is no modern slavery in the relevant company’s supply chains and descriptions of policies to support these commitments.
2. Policies relating to modern slavery

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<th>Timeframe</th>
<th>New action needed?</th>
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3. Training available and provided

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4. Due diligence - principal risks and responses

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We have a plan!

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<th>Specific MS risk</th>
<th>More info needed?</th>
<th>Actions that are / can be taken to reduce risk</th>
<th>Responsible / by when / KPIs</th>
<th>MSA statement ref.</th>
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