

Modern Slavery Statement

2020/2021

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Ministerial Foreword

Foreword by Lord (Tariq) Ahmad of Wimbledon, Minister of State

As Minister responsible for overseeing my Department's Anti-Corruption and Human Rights activity, I am delighted to introduce this first Modern Slavery Statement by the Foreign, Commonwealth and Development Office (FCDO). It reflects our efforts to identify and mitigate modern slavery risks throughout the commercial life cycle in our operations and with our supply partners, and to work internationally to reduce the prevalence of modern slavery in global supply chains.

Previously, the Government published a consolidated <u>Modern Slavery Statement</u>. This is therefore the first Statement to specifically identify measures the FCDO itself and its predecessor departments have employed to combat modern slavery in its supply chains.

The Government's Integrated Review of Security, Defence, Development and Foreign Policy – our vision for Global Britain – places a major focus on championing human rights, democratic values, good governance, the rule of law, and open societies. Underpinning the UK's position as a leading international player in the fight against modern-day slavery forms a key priority for the Foreign Commonwealth and Development Office of projecting the UK as 'a lodestar of freedom and democracy' globally, supporting human rights and democracy objectives, including tackling modern slavery.

The UK continues to push for greater coordinated action internationally to tackle modern slavery and forced labour. At the G7 summit in Carbis Bay for example, we, along with G7 Leaders, confirmed joint action on forced labour in global supply chains.

I am proud of our record on human rights. The UK was the first country to produce a <u>National Action Plan (NAP) in response to the United Nations Guiding Principles on</u> <u>Business and Human Rights.</u> The FCDO chairs a cross-Government Working Group on Business and Human Rights to support other government departments to make progress on this issue. However, there remains so much more to be done. With the UK successfully re-elected to the UN Human Rights Council for the 2021-23 term, we are well positioned to keep pursuing this work and strengthening alliances to stand up for the persecuted and oppressed. We are committed to continue supporting vital

programmes and working with our partners to defend and promote human rights around the world. Simply put, it is the right thing to do.

Lord (Tariq) Ahmad of Wimbledon Minister of State, FCDO

Introduction

This statement covers the activities of the Foreign, Commonwealth and Development Office (FCDO). It sets out our actions to understand and eliminate potential modern slavery risks from our overseas operations and activities in the UK.

As a central UK government Department, the FCDO recognises that it has a responsibility to take a robust approach to modern slavery. The FCDO is absolutely committed to preventing modern slavery in its activities, and to ensuring its supply chains are free from modern slavery.

This statement relates to actions and activities during the financial year 1 April 2020 to 31 March 2021 and has been approved by the Permanent Under Secretary in the role of the Accountable Officer. The Statement will be kept under review and updated annually.

Section 1: Organisation structure and supply chains

- The FCDO pursues national interests and projects, on behalf of the UK, as a force for good in the world. We promote the interests of British citizens, safeguard the UK's security, defend our values, reduce poverty and tackle global challenges with our international partners. The Foreign & Commonwealth Office (FCO) and the Department for International Development (DFID) merged on 1 September 2020 to unite development and diplomacy in one new department. The FCDO brings together the best of Britain's international effort and demonstrates the UK acting as a force for good in the world.
- The FCDO employed 16,732 staff in our diplomatic and development offices worldwide as of 31 March 2021, including in 280 overseas embassies and high commissions. Our UK staff are based in King Charles Street, London and Abercrombie House, East Kilbride. We also have other London offices, including 22 Whitehall, and an office in Milton Keynes.
- The FCDO spent £2.4billion in financial year 2020 to 2021 on contracts with third parties, procuring goods, services and works and commissioning Official Development Assistance (ODA) programme delivery.
- The FCDO awards contracts to supply partners who may be based in the UK or overseas. Consequently, our supply chains are global. Sub–contractors or delivery chain partners may be located in the UK or overseas depending on the work they are allocated.
- Internal FCDO governance associated with combating modern slavery consists of the following:
 - The FCDO Chief Commercial Officer has been appointed as our Anti-Slavery Advocate and has objectives to:
 - build awareness and capacity to maximise impact.
 - help foster a culture in which all FCDO personnel understand the potential risks of modern slavery in departmental spend and steps they should take if they have concerns.
 - share and promote FCDO activity to tackle modern slavery and with executive staff to secure support.

- The UK Envoy for Migration and Modern Slavery was appointed in October 2019. The role was appointed to advocate for tackling modern slavery globally, engaging multilaterally and bilaterally, complementing the engagement of FCDO ministers and FCDO worldwide, specifically:
 - engaging with international partners on the government's migration policy
 - advocating for tackling modern slavery globally, helping to develop partnerships with other nations to combat modern slavery and trafficking, and engaging with multilateral processes to build international consensus and establish practical co-operation
- The FCDO Commercial Directorate owns FCDO Commercial Policy and Strategy and manages FCDO high value procurement. In addition to the range of activities mentioned in this statement, Directorate officials support the Anti-Slavery Advocate, and represent FCDO at the government-wide Modern Slavery Procurement Implementation Group that the Home Office chairs.
- The FCDO Modern Slavery Team, based in the Open Societies and Human Rights Directorate, pursues strategic modern slavery objectives bilaterally, multilaterally and through diplomacy and development programmes of work.
- The FCDO also procures lower value goods, services and works locally in global settings with local organisations. Additionally, a proportion of our procurement is sourced from UK based suppliers using framework agreements that have been set up by the <u>Crown Commercial Service</u> (CCS), which is part of the Cabinet Office.

Section 2: Policy

The UK is a leading international player in the fight against modern-day slavery. Underpinning this is the Foreign Secretary's priority of projecting the UK as 'a lodestar of freedom and democracy' globally, supporting human rights and democracy objectives, including tackling modern slavery.

The FCDO leads on the following policies for Government:

<u>G7</u>

 The UK's G7 Presidency has demonstrated how we are revitalising G7 cooperation to tackle the most pressing global challenges. At the G7 Summit in Carbis Bay in June, G7 members announced joint action on forced labour in global supply chains. They reaffirmed their commitment to upholding human rights and international labour standards and tasked G7 Trade Ministers to identify areas for collective action aimed at eradicating all forms of forced labour in global supply chains.

Business and Human Rights

- The FCDO's work on responsible business is framed by the United Nations Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises (2011) and UK's Modern Slavery Act 2015.
- The UK was the first country to produce a <u>National Action Plan</u> in response to the UNGPs and we continue to develop our approach. The FCDO chairs a cross-Government Working Group on Business and Human Rights.
- Internationally, the FCDO promotes adherence to the UNGPs, encouraging other countries to draw up their own NAPs, to take practical action to protect human rights in the business sphere and ensure access to justice and remedy for those who suffer rights abuses. For example, we worked with the Government of Peru, sharing UK experience and best practice in the implementation of the UNGPs and development of national-level initiatives, including supporting the inclusion of members of indigenous communities and human rights defenders in the NAP drafting process. The first Peruvian NAP on Business and Human Rights was approved and published in June 2021, with the UK Embassy listed as a collaborator.
- In response to extensive evidence of forced labour in Xinjiang, China, the FCDO has worked with other government departments to address the risk of modern slavery and forced labour in UK supply chains. On 12 January 2021, the then Foreign Secretary <u>announced</u> a series of measures to help ensure UK businesses and the public sector are not complicit in human rights violations in Xinjiang.

COVID-19

• The pandemic has had an impact on years of progress towards ending forced labour, human trafficking, child labour and modern slavery globally. As part of

the COVID-19 pandemic response, the UK government has encouraged major fashion retailers to adhere to the International Labour Organisation's (ILO) Call to Action on Garments launched last year to promote respect for ILO core labour standards. The FCDO regularly engages with business platforms to promote good practice on responsible business through commissioned research and guidance, focussing on transparency in supply chains, unpaid work and invisible labour.

- The FCDO successfully changed a number of modern slavery programmes to cope with the new challenges the pandemic posed. Our swift contribution in the early stages to the Freedom Fund's Emergency Relief Fund provided humanitarian support directly to vulnerable communities in Ethiopia, Nepal, Thailand, Myanmar and India. We also successfully adapted the Global Fund to End Modern Slavery programme to include supporting 167 survivors of commercial sexual exploitation. This provided vulnerable garment workers with over 4,000 messages with information on forced labour risks and delivered financial assistance to 1,500 households of garment workers at risk of forced labour.
- The FCDO also established the Vulnerable Supply Chains Facility, helping businesses recover from and remain resilient to the economic and social impact of the pandemic. The Facility operates in the garments and agriculture sectors, as analysis shows that both have suffered from drops in demand with resulting job vulnerability, alongside the health risks of the pandemic to large numbers of workers across Africa and Asia. Launched in August 2020, the Facility is already delivering impact: 206,000 workers have received critical cash transfers, health services, Personal Protective Equipment (PPE), COVID-19 prevention and training to build resilience and rights awareness. The Facility seeks to improve the lives of nearly 1 million people in developing countries.

Bilateral and multilateral engagement

• The UK has used its influence and expertise to provide practical advice, technical expertise and guidance to international partners and civil society groups to develop, strengthen and implement their national responses to tackle modern

slavery. Whilst also strengthening commitments and action to tackle modern slavery through the multilateral system.

- Globally, the UK's network of Embassies and High Commissions lead the FCDO's work on tackling modern slavery including in supply chains across the world. For example, the UK has been working with the Malaysian Government, rubber glove manufacturers and industry bodies, and the National Human Rights Commission to improve labour conditions, particularly in UK Government Personal Protective Equipment (PPE) supply chains. This includes engaging closely with the International Labour Organisation (ILO), civil society and other diplomatic missions. The High Commission encouraged participation in a Newcastle University modern slavery research project and in workshops hosted by the Home Office for PPE suppliers.
- The UK Envoy for Migration and Modern Slavery supports the work of the FCDO network including:
 - supporting work on transparency in supply chains in Mauritius in March 2020
 - engaging with the Government of Uzbekistan on labour standards in the cotton industry
 - working with Gulf partners on practical measures to support the rights of migrant workers and eradicate bonded labour in supply chains
- The FCDO provides support to the <u>United Nations Inter-Agency Coordination</u> <u>Group Against Trafficking in Persons</u> (ICAT) to further enhance policy and programmatic coherence in the fight against human trafficking and modern slavery, including at field-level, amongst its 30 members. This includes <u>guidance</u> developed jointly with the OCSE (Organisation for Co-operation and Security in Europe), which sets out:
 - relevant international and national frameworks
 - how due diligence assessments support and facilitate sustainable
 procurement practice
 - the role of partnerships to address the issue of forced labour and trafficking in public supply chains

Independent Commission for Aid Impact (ICAI)

 The Government welcomed the ICAI Review on the UK's approach to tackling modern slavery through the aid programme and accepted either in full or in part the report's five recommendations in November 2020. The FCDO is working across government, including on supporting the Home Office to review the Modern Slavery Strategy (2014). We will use publication of the review, expected to be in the spring of 2022, to set out our overall objectives and approach to using UK aid to tackle modern slavery internationally.

Section 3: Commercial policies in relation to modern slavery

- Procurement Policy Note (PPN) 05/19 (Tackling Modern Slavery in Government Supply Chains) instructs Central Government Departments to take action to ensure modern slavery risks are identified and managed in government supply chains. Guidance that relates to PPN 05/19 also explains the processes of applying a risk-based approach to tackling modern slavery. Additional crossgovernment procurement policies that seek to combat modern slavery are listed in p7-9 in the <u>UK government modern slavery statement</u>.
- FCDO Commercial Governance scrutinises high value or high risk procurement activity for opportunities to deliver Commercial policy initiatives, such as adding social value and eliminating modern slavery.
- We are progressing the development of strategies to manage the procurement of common commodities as well as updating pre-existing strategies to consider ethical, social and environmental impacts including social value and modern slavery. This will enable us to influence lower valued corporate contracts in particular that deliver overseas, where they are often awarded.
- Respect for human rights is central to FCDO's expectations of its contracted Supply Partners. Accordingly, we expect our Supply Partners to ensure robust procedures are adopted and maintained to reduce the risk of poor human rights practices. This includes issues relating to modern slavery, within the complex delivery chain environments funded by FCDO.
- Contracts with our Supply Partners include measures to ensure they place an emphasis on the control of unethical and illegal employment practices, such as modern slavery, forced and child labour and other forms of exploitative and unethical treatment of workers and aid recipients. The FCDO expects a particular emphasis on management of these issues in high risk fragile and conflict affected states (FCAS), focusing on ensuring remedy and redress if modern slavery is identified.
- Legislative aspects of the procurement process ensure our high value contracts address modern slavery. Where the FCDO finances development contracts, there are additional strict stipulations that we set out, including a legal requirement to adhere to the <u>FCDO Supply Partner Code of Conduct</u>. This sets

out expectations for workplace and community delivery practices to reflect the UN Global Compact principles.

- The FCDO strongly emphasises the role of excellent programme delivery for delivering UK government objectives. We now have an updated Programme Operating Framework (PRoF) that ensures our approach comes from best practice and builds on established project and programme management approaches. To meet our commitment to identifying and addressing modern slavery in our own supply chains, we require each partner organisation to demonstrate their ability to deliver high quality programmes through the full programme appraisal and due diligence exercises contained within our Programme Operating Framework.
- FCDO's internal policies require staff to adhere to high standards of conduct and comply with the humanitarian imperative to 'do no harm' through our actions in all our work. They include prohibiting staff from committing any acts which contribute to exploitative practice, including modern slavery and child labour. They also prohibit the sexual exploitation, abuse and harassment of external stakeholders and staff and other forms of harmful behaviour.
 - Our Raising a Concern policy is designed to make it easy for FCDO Staff and workers to make disclosures, without fear of retaliation and encourages them to report any credible suspicions or allegations of modern slavery to a dedicated phone line or mailbox.

Section 4: Risk assessment and due diligence

- The FCDO's strong commitment to support combatting modern slavery is demonstrated through the priority given to assessing the commitment and ability of our supply partners. FCDO give a high priority to encouraging and supporting suppliers to self-assess their specific modern slavery risks using the <u>UK</u> <u>government Modern Slavery Assessment Tool (MSAT)</u>
- We can use our risk assessment technology to access current global modern slavery data and pinpoint and focus in on our highest risk geographical and thematic areas. This means we can seek out genuine supplier commitment and demonstration of good preventative practices in the delivery of specific programmes.

- We encourage Supply Partners to self-assess their commitments using the UK government Modern Slavery Assessment Tool (MSAT). To date, we have directly invited 52 strategically important Supplier Partner organisations to participate.
- As of September 2021, 90% of our invited strategic suppliers were actively
 working on applying suggested recommendations to improve their supply chain
 modern slavery awareness activity. Through open and frank discussion with our
 supply partners, we advise them to help adapt and adjust their processes as they
 work through the sections of the tool considering application of good practice in
 their specific FCDO contractual programmed activity. The tool structure and
 content guides suppliers on ways to improve their awareness and training
 approaches and how they can implement robust supply chain controls to prevent
 modern slavery in: governance, policies and procedures, risk assessment, due
 diligence, training and key performance indicators (KPIs).

Section 5: Training and awareness raising

 All FCDO Commercial staff are supported to complete the <u>CIPS Ethical</u> <u>Awareness Training</u> and to refresh their training each year. This training package refreshes and updates staff awareness on all aspects of modern slavery as it affects supply chains, in all types of contracting activity in local and global environments.

Section 6: Goals and key performance indicators (KPIs)

Goals

Over the next 12 months we will:

- Continue to scrutinise our supply chains and monitor the KPI's below and review more of our Supply Chain for Modern Slavery Risks. Review our data and set targets for future years where applicable.
- promote the current FCDO commercial staff annual CIPS Ethical Training more broadly across FCDO Staff.
- encourage all commercial staff and other cadre to complete <u>the modern slavery</u> <u>e-learning course in the Government Commercial College</u>.
- strengthen our use of modern slavery learning by embedding the requirement for individual compliance within our processes and policies. Compliance will be

further scrutinised under Section 8 of the new <u>Commercial Continuous</u> <u>Improvement Assessment Framework</u> for commercial staff.

 In 2022 to 2023 FCDO is implementing new joint commercial e-Sourcing and Enterprise Resource Planning systems following the merger of legacy DFID and FCO departments. As part of that work, we will be reviewing how we can improve data quality on modern slavery and social value as well as delivering a combined view of the FCDO commercial portfolio

KPIs

We will use these KPIs monitor the effectiveness of FCDO work to tackle modern slavery:

Risk assessment and management

- The number of suppliers which have completed a self-assessment using the MSAT.
- The number of suppliers engaged by FCDO in dialogue to discuss MSAT improvement recommendations.
- The number of suppliers that have increased MSAT scores following additional advice and guidance provided by FCDO.
- The number and total value of high-risk development Contracts where the FCDO has clear sight of tier 2, sub-contractors.

Due diligence processes

- The number of contracted development suppliers confirmed to be meeting FCDO Supply Partner Code of Conduct Human Rights KPIs.
- Total value of the contracts with suppliers confirmed to be meeting FCDO Supply Partner Code of Conduct Human Rights KPIs.

FCDO departmental training

• Number of FCDO staff completed the CIPS Ethical Training and who can demonstrate improved understanding of modern slavery risks and issues in departmental contracts.

This statement was approved by FCDO senior stakeholders on 14th September, and by Minister, Lord Ahmad on 21st September 2021.

Sir Philip Barton, Permanent Under Secretary for the Foreign, Commonwealth and Development Office approved this statement on 15th October 2021.