

Tackling modern slavery in PPE supply chains:

A practical guide
for UK public bodies



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ACKNOWLEDGEMENT

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1 Ergon Associates (2018) Managing Risks Associated with Modern Slavery <https://ergonassociates.net/wp-content/uploads/2018/12/Managing-Risks-Associated-with-Modern-Slavery.pdf>

Government Commercial Function (2019) Tackling Modern Slavery in Government Supply Chains, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/830150/September_2019_Modern_Slavery_Guidance.pdf

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WHO IS THIS GUIDANCE FOR?

This guidance is to provide commercial staff in UK public bodies tailored information on the key measures that can be taken to carry out effective modern slavery due diligence in PPE supply chains. The guidance provides more detailed information on key aspects of modern slavery due diligence covered in the e-learning course: “Tackling modern slavery in supply chains: PPE case study”.

This guidance document will support public bodies to plan for and be able to demonstrate that they:

- Understand modern slavery risks in PPE supply chains and how to identify them
- Have processes in place at each stage of the commercial lifecycle to ensure that workers’ human and labour rights are protected, during their recruitment, employment, and repatriation.
- Carry out due diligence to check that all suppliers that are part of the supply chain (e.g. sub-contractors or recruitment agencies), are upholding international labour standards and complying with contractual clauses agreed during the tender process.
- Engage with suppliers to provide effective remediation to workers, if abuses are identified.

Please refer to the ‘Tools and Further Guidance’ document for useful resources on identifying forced labour, remediation and further reading.

Introduction

There is a strong focus on tackling modern slavery in the UK.

The Modern Slavery Act (2015) made the UK the first country to require large businesses to report transparently on the steps they have taken to tackle modern slavery in their operations and global supply chains. Following strong support from a broad coalition of stakeholders, the UK Government has committed to taking forward an ambitious package of changes to strengthen and future-proof the Modern Slavery Act's transparency legislation, including extending the reporting requirement to public bodies with a budget of £36 million or more. The UK Government has already voluntarily published the world's first Government Modern Slavery Statement, which sets out the steps the Government has taken to identify and prevent modern slavery in their own supply chains.

With the COVID-19 pandemic leading to a surge in demand for Personal Protective Equipment (PPE), the UK government's Home Office has commissioned, the business and human rights consultancy, Impactt Limited, to develop guidance and e-learning to assist public commercial staff understand best practice measures they can implement to mitigate modern slavery risks within their supply chains.

What are the benefits to public bodies?

There are compelling moral and business arguments – for taking steps to prevent and mitigate modern slavery risks in their supply chains and remediate occurrences of modern slavery if it happens.

These include:

- **Underlying ethical values:** nobody should be forced to work under conditions of slavery, penalty or threat, or be subject to trafficking.
- **Reputation management:** public bodies may suffer significant reputational damage if they are linked to cases of modern slavery and can lead to negative media coverage, legal cases and potential sanctions. As well as the critical interest in managing reputational risks and establishing credibility, there is increased evidence of a strong case for public bodies to give priority to social and labour rights. Businesses which do, tend to be more successful and have greater levels of productivity and innovation, more predictable supply of goods and services, better retention and motivation, and more robust due diligence and monitoring systems¹.
- **Ensuring compliance with international conventions and laws:** scrutiny on global supply chains, and treatment of migrant workers in particular, is increasing. With tens of thousands of suppliers, and an annual spend of c.£250bn, the public sector faces similar modern slavery risks to the private sector and has a crucial responsibility to ensure that taxpayers' money is being spent responsibly. Public bodies in England and Wales with a budget of £36m or more will be required to publish annual modern slavery statements setting out how they are tackling modern slavery in their operations and global supply chains.

¹ Tufts University (2018) The Impact of Better Work: Firm Performance in Vietnam, Indonesia and Jordan, <https://sites.tufts.edu/laborlab/files/2016/06/Better-Work-Firm-Performance-19-Feb-2018.pdf>

“ Scrutiny on global supply chains and treatment of migrant workers is increasing.

KEY TERMS

Debt bondage: A situation in which workers are bound in debt to a person or institution resulting from inherited debt, wage advances or loans to cover recruitment or transport costs or from daily living or emergency expenses, such as medical costs².

Modern slavery: Modern Slavery is an umbrella term encompassing a wide spectrum of high harm crime, including human trafficking, slavery, servitude and forced labour. The ILO defines it as a situation of exploitation that a person cannot refuse or leave because of threats, violence, coercion, deception, and/or abuse of power³.

Modern slavery due diligence: the actions taken by a company to both identify and act upon actual and potential human rights and modern slavery risks for workers in its operations, supply chains and the services it uses. Processes of modern slavery due diligence include:

- a) Assessing actual and potential risk, e.g. review country risks, map supply chains, and identify risks to workers etc.
- b) Identifying leverage, responsibility and actions, e.g. assess scale and scope of corporate responsibility, review leverage and examine sourcing practices etc.
- c) Mitigating risk and remediating workers, e.g. take immediate steps to mitigate human rights abuses, provide training and capacity building on worker-management communication etc.

- d) Monitoring, reviewing, reporting and improving, e.g. track actions and review decision-making, responsibility and accountability etc.

Manufacturer: a company which makes finished products from raw materials. The goods are later distributed to resellers, wholesalers and retailers who then sell to customers.

Remedy: correcting harms caused to people, including financial harms to workers as part of the recruitment process.

Tenderer: a person, firm or company submitting a tender/ bid

Tier 1 supplier: Provide their products and services directly to your organisation.

Tier 2 supplier: Provide products and services to your organisation via your Tier 1 suppliers.

Tier 3 supplier: Provide products and services to your organisation via your Tier 2 suppliers or the next higher level in the chain.

Sub-contractor: a person or commercial entity contracted to carry out a service by a contractor.

² Ergon Associates (2018) Managing Risks Associated with Modern Slavery, <https://ergonassociates.net/wp-content/uploads/2018/12/Managing-Risks-Associated-with-Modern-Slavery.pdf>

³ ILO (2017) Global Estimates of Modern Slavery, https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms_575479.pdf

RELEVANT INTERNATIONAL STANDARDS

This guidance document is underpinned by the following set of core international standards related to workers' rights. All procurers are encouraged to familiarise themselves with these standards. The first four provide information that is critical to the implementation of effective modern slavery due diligence.

1. [Ethical Trading Initiative Base Code](#)
2. [Dhaka Principles for Migration with Dignity](#)
3. [International Labour Organisation's \(ILO\) 11 Indicators of Forced Labour](#)
4. [ILO General Principles and Operational Guidelines for Fair Recruitment](#)
5. [UN Guiding Principles on Business and Human Rights](#)
6. [OECD Due Diligence Guidance for Responsible Business Conduct](#)



Requirements related to worker engagement and protection

All procurers have an obligation to protect workers under the UN Guiding Principles on Business and Human Rights (UNGPs). Throughout the modern slavery risk mitigation and due diligence process, all procurers should work closely with suppliers to:

- Engage with workers via interviews, informal discussions, and grievance mechanisms where available, to build a detailed understanding of the issues they face.
- Consult with workers on appropriate remedy whenever possible/appropriate.
- Provide workers with access to effective grievance mechanisms and platforms for seeking remedy, including independent (i.e. not-company provided) mechanisms where possible.
- Verify whether action plans have been implemented effectively by speaking with workers and confirming whether the action has made a difference to their lives.
- Protect workers from harm, including threats and retaliation.
- In some cases, referral to law enforcement may be necessary to pursue criminal justice, however, this should be done carefully in a manner that protects the workers' safety and best interests.
- Provide workers with information on how to access support from local NGOs, worker representatives, law enforcement officials, or other relevant support organisations.



“ All procurers have an obligation to protect workers under the UN Guiding Principles on Business and Human Rights.

Indicators of Modern Slavery in PPE Supply Chains

This section provides an overview of the key indicators of modern slavery in PPE supply chains, and guidance on how to identify them.

Modern slavery is an umbrella term encompassing a wide spectrum of high harm crime, including human trafficking, slavery, servitude and forced labour. This guidance focuses on identifying and addressing indicators of forced labour, however, much of the information is applicable to the other categories of modern slavery.

The ILO Forced Labour Indicators (FLIs)

The ILO has developed a set of 11 indicators of forced labour to support the identification of people who are trapped in a forced labour situation. Please refer to Resource 1 for definitions of each of the 11 indicators.

1. Abuse of vulnerability
2. Deception
3. Restriction of movement
4. Retention of identity documents
5. Isolation
6. Physical and sexual violence
7. Intimidation and threats
8. Withholding of wages
9. Debt bondage
10. Abusive working and living conditions
11. Excessive overtime

These indicators represent the most common signs or clues that point to the existence of a forced labour case. The ILO notes that in some cases, the presence of a single indicator in a given situation may imply the existence of forced labour. In other cases, one may need to look for several indicators which, taken together, point to a forced labour case.

Modern slavery or forced labour issues are not restricted to the workplace, they can occur throughout recruitment and employment processes, as well as in relation to workers housing and transport.

Workers are often particularly vulnerable to modern slavery during recruitment, as charging of recruitment fees and related costs to workers and confiscating of identity documents often occurs during this stage, compelling workers into debt bondage and forced labour.

See Resource 1 for an overview of all 11 FLIs, including reported examples in the PPE context and a toolkit of questions that the procurement team can ask their tenderers / suppliers to identify whether there is a risk of forced labour within the supply chain.

How do Forced Labour Indicators (FLIs) manifest in the PPE supply chain context?

FLIs have many ways of manifesting in PPE supply chains. In the following, we will use two case studies – deception and debt bondage, and excessive overtime – to demonstrate some of the common forced labour risks reported in the sector.

The ILO defines recruitment fees or related costs as “any fees or costs incurred in the recruitment process in order for workers to secure employment or placement, regardless of the manner, timing or location of their imposition or collection”.

Table 1: The ILO 11 Indicators of Forced Labour

“ Spend time speaking to workers and their agency partners to get a better understanding of what happens during the recruitment process.

CASE STUDY 1 – DECEPTION AND DEBT BONDAGE AT A PPE SUPPLIER

A PPE company recruits migrant workers from Pakistan, using two recruitment agencies, one in the production country, and another in Pakistan. The company HR tells the recruitment agency about the job offer, and the terms and conditions of the job, but other than this, the company doesn't engage in any due diligence to check how these agencies are carrying out the request. When the workers arrive at the production site, the company finds out that they were promised work in an entirely different sector, and at much higher wages than the company is able to offer. Throughout their recruitment journey, workers were forced to pay various recruitment fees and related costs to recruitment agents and brokers. They had to take on loans to pay these costs, which will take them up to a year to pay off.

This example offers a clear case of the workers have been deceived about their employment conditions. Due to the recruitment fees and related costs paid, and the debts taken on by workers to fund them, workers are also highly likely to be in a condition of debt bondage. In this case, both FLIs for deception and debt bondage have been identified.

The following diagram provides an overview of the common stages of a workers' recruitment journey, and approximate recruitment fees and related costs that can be incurred by workers during their journey to Malaysia¹.

Reflect

If a supplier lacks visibility of their recruitment supply chain, and how agencies promote jobs to workers, they are at risk of having a deceptive recruitment process. Spend time speaking to workers and their agency partners to get a better understanding of what happens during the recruitment process. If possible, commission an assessment to get detailed insights into where recruitment and deception-related risks exist, and how to address them.

¹ The recruitment fees and related costs presented in this diagram are based on Impactt's interviews with over 4,000 migrant workers in Malaysia between 2018-2021.

WORKER VILLAGE / CITY

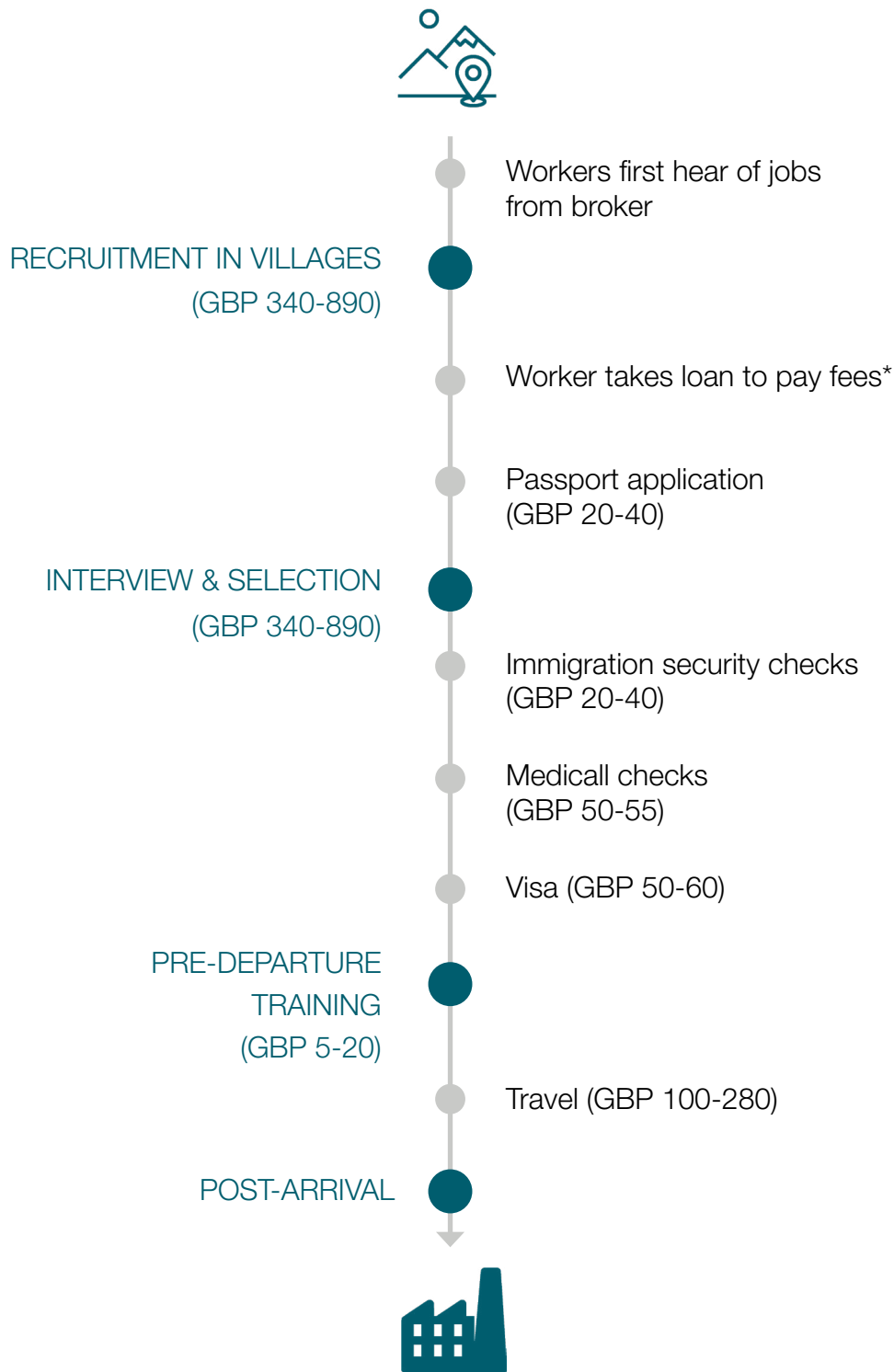


Diagram 1. Recruitment-related Risks for Migrant Workers in Malaysia

*workers may sell their land/property or borrow money from friends and relatives.

“ Workers’ eagerness to work overtime is often due to their need to supplement their low wages.

CASE STUDY 2 – EXCESSIVE OVERTIME

An internal audit has found that workers in a factory have been working more than 2 consecutive weeks without a rest day during the past 3 months. An investigation discovers that workers have been encouraged to work on their rest days to earn more money as part of a volunteer program to ramp up PPE production in the context of a COVID-19 related Corporate Social Responsibility (CSR) initiative. Workers were also found working back to back day to night shifts and often working over the legal limit in a 24-hour period.

The presence of overtime does not constitute an indicator of forced labour as long as it is within the limits permitted by legislation or collective agreements. However, the instances described in the example above constitute ‘excessive overtime’ as the hours or days worked are in excess of those prescribed by national law, and “abuse of vulnerability”, as workers are provided with financial incentive to do this.

Reflect

Companies should respect national legislation and international standards on maximum working hours and review their practices to ensure that these do not encourage workers to work beyond the legally permissible limits.

GOOD INTENTIONS OR POTENTIAL FORCED LABOUR RISK?

It is common for local laws to allow a higher number of working hours than permitted by international standards. In addition, employers report that workers want to work as much overtime as possible, and that companies risk losing workers if they are unable to offer as much overtime as their competitors. However, companies must remember that:

- Workers’ eagerness to work overtime is often due to their need to supplement their low wages.
- Working in excess of set limits can cause exhaustion and cause life-threatening situations.
- Ultimately, employers are obliged, at minimum, to uphold local laws related to working hours, and to strive towards implementation of international standards.



Modern Slavery Risk Prevention During the Procurement Cycle

Procurement teams are responsible for mitigating modern slavery risks throughout the procurement cycle.

This section looks at how modern slavery risks can be addressed during the following stages of the procurement process:

- **Part 1. Pre-procurement / selection and award stage:** during this stage, procurers identify potential high-level modern slavery risks, select suppliers to invite to tender and award the contract – making sure to ask relevant questions and request evidence related to modern slavery mitigation practices along the way.
- **Part 2. Contract management:** during this stage, the contract manager monitors the performance of the contract, and engages suppliers to ensure that modern slavery risks and issues identified are resolved and remediated effectively.
- **Part 3. Escalation:** during this stage, the contract manager escalates modern slavery related risks to senior management if needed and identifies ways to engage with the supplier. Suspension or termination is considered only once attempts at engaging with the supplier have been exhausted.
- **Part 4. Encourage communication and continuous improvement:** throughout the contract period, the contract manager should encourage suppliers to a) communicate and report transparently about their work to address modern slavery issues, and b) engage in a continuous improvement model.



PART 1. PRE-PROCUREMENT / SELECTION AND AWARD STAGE

To prepare for a robust tender, including contract summary and modern slavery contractual clauses, it is important for procurers to examine activities that demonstrate the tenderer's:

- Existing understanding of modern slavery risks and issues.
- Existing or planned actions to mitigate or address modern slavery risks and issues.

Social Value Model

The Social Value Model ('the Model') sets out government's social value priorities and target policy outcomes for procurement, in relation to 5 key themes. It includes social value themes for commercial staff in in-scope organisations (i.e., commercial practitioners at all levels within central government departments, executive agencies and non-departmental public bodies) to review and evaluate throughout the tender and contract management process (See Diagram 2).

The modern slavery evaluation criteria is embedded in the 'Equal Opportunity' theme. This criteria states that procurement staff should evaluate their supplier activities to identify and manage the risks of modern slavery in the delivery of the contract if this policy outcome is selected.

Themes		Policy Outcomes
Theme 1	COVID-19 recovery	Help local communities to manage and recover from the impact of COVID-19
Theme 2	Tackling economic inequality	Create new businesses, new jobs and new skills
		Increase supply chain resilience and capacity
Theme 3	Fighting climate change	Effective stewardship of the environment
Theme 4	Equal opportunity	Reduce the disability employment gap
		Tackle workforce inequality
Theme 5	Wellbeing	Improve health and wellbeing

Diagram 2. Social value options under the Model

Key points to note about the Model

- Public bodies should use this Model to take account of the additional social benefits that can be achieved in the delivery of its contracts.
- Social value should be explicitly evaluated in UK central government procurements, rather than just ‘considered’.
- There are menus of Model Award Criteria (MAC) and Sub-Criteria for each of the policy outcomes in the Model.
- Under the Model, a minimum overall weighting for social value of 10% of the overall score is mandated.

The below table outlines the areas procurers need to pay attention to when reviewing tenders based on the MAC, questions that can support procurers to deepen their understanding of relevant supplier practices during the process, and guidance on what a good response could look like.

Areas to review	Guiding questions based on the Model Award Criteria (MAC):	What does a ‘good’ response look like?
<p>Understanding of modern slavery risks and issues.</p>	<ul style="list-style-type: none"> • Does the tenderer have a ‘Method Statement’ to demonstrate how they are going to achieve and meet the Award Criteria? • How is the tenderer understanding modern slavery risks and issues affecting the market, industry, sector or country (of origin or of source)? • How is the tenderer understanding modern slavery risks and issues affecting the workforce in their own organisation and those of its key sub-contractors? 	<p>The tenderer should include details on the risks they face in the industry / sector, providing a detailed overview of how they are identifying issues in their supply chain (e.g. through regular audits / in-person visits, engagement with workers etc.). They should also give specific examples on how they built knowledge on this topic (e.g. attending training sessions, carrying out independent research, etc.).</p>
<p>Measures to identify, mitigate and manage modern slavery risks.</p>	<ul style="list-style-type: none"> • Has the tenderer mapped their supply chain in relation to vulnerable groups, type of work and location? <ul style="list-style-type: none"> - Do the workers have access to trade unions or any form of worker representation? - Do they have access to grievance mechanisms? - Have they been inducted on workplace rights? - Have they taken part in any modern slavery training? 	<p>The tenderer should have information on the composition and potential vulnerabilities of specific groups within the workforce (both their own workplace and their business partners). They should have visibility of this information for Tier 1 suppliers and beyond, with details around nationality, gender split, contract types etc.</p>

Areas to review	Guiding questions based on the Model Award Criteria (MAC):	What does a 'good' response look like?
<p>Policies and practices to mitigate and manage modern slavery risks.</p>	<ul style="list-style-type: none"> Does the tenderer have robust policies and practices to mitigate and manage modern slavery risks? What evidence should be submitted as verification? 	<p>The tenderer should be able to demonstrate how policies and commitments are implemented in practice. Ask for evidence such as contracts with business partners, audit reports, worker interview records, grievance logs etc. Also request specific examples/evidence on how they are mitigating the risks effectively – through prevention, capacity building, remediation actions and their impact on workers.</p>
<p>Ways of working with NGOs, trade unions or other businesses to address modern slavery risks</p>	<ul style="list-style-type: none"> How will the tenderer work with NGOs, trade unions and other business to address risks? 	<p>Ideally, the tenderer should be able to demonstrate relationships with NGOs, trade unions, and other businesses, focusing on collaborative actions to improve the welfare of workers and implement improvements and remedy at their workplaces.</p>
<p>Means of influencing stakeholders with respect to modern slavery risk.</p>	<ul style="list-style-type: none"> How is the tenderer influencing their internal staff, business partners in relation to modern slavery risks? 	<p>The tenderer should be implementing awareness trainings internally to build capacity in their team with regards to modern slavery risks. Where possible, they should extend the effort to provide capacity building for their business partners to support practices being cascaded down the entire supply chain.</p>
<p>Value of contract</p>	<p>Factoring in labour cost to ensure safe and decent working conditions, is the contract value sufficient to ensure manufacturers are able to uphold human rights?</p>	<p>N/A</p>

Good practice on modern slavery clauses in contracts with tenderers / suppliers

Apart from ensuring the tender covers all the bases on modern slavery risk mitigation, procurers need to ensure that the terms and conditions of their contracts enable responsible behaviour and encourage adherence to international labour standards.

Government standard contracts contain terms and conditions which help procurers manage modern slavery risks. The Corporate Social Responsibility schedule in the Crown Commercial Service's Public Sector Contract (Joint Schedule 5) and the termination clauses linked to environmental, social or labour law in the Model Services Contract are good examples of this.

However, in high-risk contracts such as PPE ones, it is good practice to include specific terms and conditions related to modern slavery risk, to strengthen contractual protection. Such terms and conditions may ask potential tenderers to:

- Warrant and represent that it has not been convicted of any modern slavery or human trafficking offences anywhere around the world.
- Ensure it is compliant with obligations under the Modern Slavery Act 2015, including Section 54 of the Act which requires certain organisations to publish annual modern slavery statements.
- Prohibit the use of slave, forced, bonded, child or involuntary prison labour throughout operations and supply chains and implement appropriate due diligence procedures to ensure there is no modern slavery in any part of its supply chain.
- Forbid any supplier staff or subcontractor staff to lodge deposits or identity papers with the employer and they shall be free to leave their employer after reasonable notice.
- Take appropriate measures to ensure workers in their operations and workers in sub-contractors are not paying recruitment fees to secure employment and where

identified they are remedied.

- Complete the Modern Slavery Assessment Tool within 60 days if requested by the buyer. The tool asks about the processes the supplier has in place to identify and address modern slavery risks in their own supply chains.
- Allow unannounced inspections of premises by buyers or 3rd party auditors and ensure that inspectors/auditors are able to speak directly to supplier's employees in a confidential manner and using the employee's native language. The clause could say which party bears the cost of the audit.
- Share social audit reports of their subcontractors if the buyer requests and cooperate with the buyer to undertake additional human rights audits of sub-contractors if the buyer requests.
- Report the discovery or suspicion of any slavery, trafficking and labour rights abuses in its operations or supply chains to the buyer and relevant national or local law enforcement agencies.
- Remedy or work with their subcontractors to remedy and labour abuses uncovered in operations or supply chains. They should submit, agree and deliver an action plan to remedy any modern slavery issues.
- Terminate a sub-contract, if the sub-contractor is in breach of any of the terms of the sub-contract relating to modern slavery and human rights issues, provided steps have been taken to ensure workers are not harmed as a result. This should only be triggered as a very last resort and where the supplier does not take steps to resolve the situation.

Proactive reporting of the discovery and occurrence of modern slavery should not be a disqualifier. Where issues or risks are disclosed as part of the tender, procurers should focus on understanding the tenderers level of commitment towards addressing the issues identified, and the effectiveness of actions taken.

BEST PRACTICE

All parties should be aware of and agree on their obligations on labour practices. It is therefore important to make sure that all tenderers and their sub-contractors clearly understand what the key contractual requirements related to modern slavery mean in practice. When contractual clauses are weak, or have not been communicated clearly, tenderers and/or sub-contractors can say they were not aware of expectations. Before signing a contract, take the time to talk to each tenderer and/or sub-contractor to make sure the requirements are clear.

When asking questions:

- Aim to understand the reality on the ground, rather than the policy alone. Companies often have “copy-pasted” forced labour policies in place, which are not implemented on the ground. Ask for examples of how policies are implemented in practice, and how issues are remediated when identified.
- Don't trust information at face value. Look for gaps, omissions, and things that look too good to be true.
- When tenderers are unable to answer questions convincingly – it is an indicator that more work may be needed to understand the modern slavery risks in their supply chain.





“ Don't trust information at face value. Look for gaps, omissions, and things that look too good to be true.

PART 2. CONTRACT MANAGEMENT

Modern slavery is an issue that requires continuous focus and improvement and is reliant on effective supplier relationship management. Positive, proactive and collaborative engagement with suppliers will encourage transparency and is critical to incentivise suppliers to flag issues as they arise and to work effectively with suppliers to address them.

Consider the impact of any contract management approach, in terms of time and resources, on suppliers of all types and sizes; SMEs and VCSEs will have less time and resources to spend on supporting contract management activities so the overall approach should be proportionate and not add burdens.

For contract management activity on existing/legacy contracts, if measures were not put in place at the time the contract was let and there are risks to address, work with the supplier to establish a fair and proportionate approach to keep track of modern slavery risks and issues. In some cases, a contract variation may be required.

Review and discuss Modern Slavery Assessment results with the supplier

The Home Office has developed a Modern Slavery Assessment Tool (MSAT) to support public bodies to assess their own supply base for modern slavery risks. The tool has been designed to:

- Facilitate open and frank discussions between buyers and suppliers on modern slavery.
- Support suppliers to better understand the good practice anti-slavery measures they should implement.
- Deploy with a wide range of businesses, as a result not every recommendation will be relevant to all suppliers.

The tool asks suppliers questions about the processes they have in place for managing modern slavery risks and provides automated

recommendations on how to improve their anti-modern slavery processes. Suppliers will then be able to acknowledge any recommended improvements and demonstrate the actions taken to implement these improvements by updating their answers to the Modern Slavery Assessment.

Once the supplier has completed the MSAT, schedule a meeting with them to discuss the recommendations provided. Key points to take note of include:

- Schedule follow ups with all suppliers that complete MSAT. Suppliers spend a significant amount of time completing the MSAT, and it is important to engage with them meaningfully afterwards.
- Focus on the recommendations in the MSAT report during the follow up discussions and go through them one by one to establish common understanding. If a supplier thinks a recommendation doesn't apply, they should explain why.
- Get an understanding from suppliers on which recommendations they can prioritise and timescales for implementation. Some recommendations require short term action, but others are more complex and will require more time to address.
- Record outcomes from discussions on the 'Notes' functionality on the MSAT platform. Remember to keep these high-level as they might be accessible to other public bodies.
- Follow up on the commitments suppliers make in future meetings to track progress and monitor improvements.

Engagement should continue throughout the life of the contract. The frequency will depend on the level of risk and length of the contract.

Further detail on using the MSAT, including guidance on evaluating [MSAT results is available on the MSAT landing page on the Supplier Registration Service](#). The guidance only appears when users have logged in as a public sector organisation.

Carry out or commission an expert assessment

If forced labour risks are identified in the supply chain and buyers want more ‘on the ground’ assurances, it may be necessary to undertake an onsite assessment to verify the risks. It is good practice to use a variety of methods to assess risks and understand if labour abuses occur in the supply chain. This can include:

- Audits.
- In depth/specialised assessments (including remote assessments where necessary).
- Engagement with local NGOs, trade unions, researchers or experts that have close relationships with vulnerable workers.

In many cases, FLIs may not be picked up by standard social audits so it’s important to commission specialised assessments. In-depth assessments should establish:

- Issues related to the 11 ILO Forced Labour Indicators.
- Amount of recruitment fees and related costs paid by nationality (on a sample basis). Testimony of workers, triangulated with industry data, should be deemed sufficient proof. Receipts will not be required, as these typically do not exist.
- Amount of outstanding payments of any other kind, for example unpaid wages, worker-paid deposits, or illegal financial penalties and deductions that should be reimbursed to workers.
- Level of implementation of ethical recruitment and management practices by the supplier and their partner recruitment agencies.

Specialised assessments should:

- Be carried out by assessors that have been appropriately trained on how to investigate potential indicators of modern slavery and are familiar with region-specific issues.
- Ensure that a prior risk assessment has been carried out which gives assessors a clear overview of the types of vulnerable workers who may be present and some of the drivers of modern slavery risk in the geography/sector. Areas of investigation and questions should be adjusted to focus on these issues.

- It is essential that a ‘do-no-harm’ approach is taken in the first instance and safeguards are put in place to ensure that actions by an assessor or investigator do not put vulnerable workers at greater risk, nor compromise the ability to conduct further investigation by competent authorities if criminal abuse and exploitation is suspected.
- Focus primarily on understanding worker perspectives of the issues, via interviews carried out in a confidential setting, in the workers own language and triangulating this information with evidence submitted by management. A sample size of 15-20% of the migrant workforce is recommended.

Identifying a forced labour situation

Identifying a forced labour situation with certainty can be complex, requiring detailed understanding of the financial, social and psychological exploitation in a wide range of different contexts. The below decision tree provides a simple method that may help to identify a forced labour case using the ILO FLIs, during or after an assessment has been carried out.

- **Black indicators:** debt bondage, restriction of movement. The presence of either of these indicates a high risk of the presence of forced labour.
- **Red indicators:** withholding wages, retention of identity documents. The presence of either of these in combination with one or more amber indicators indicates the presence of forced labour.
- **Amber indicators:** abuse of vulnerability, abusive living and working conditions, physical and sexual violence, intimidation & threats. One or more of these, without a red or a black should prompt further investigation.
- **Blue indicators:** excessive overtime, deception, isolation. These supporting indicators do not amount to a diagnosis of forced labour in combination with a red indicator but can support a diagnosis of forced labour when other aspects are present.

Once hotspots are identified, then more detailed analysis using ILO guidance provided in the [Hard to See, Harder to Count](#) survey guidelines can be used to refine responses.

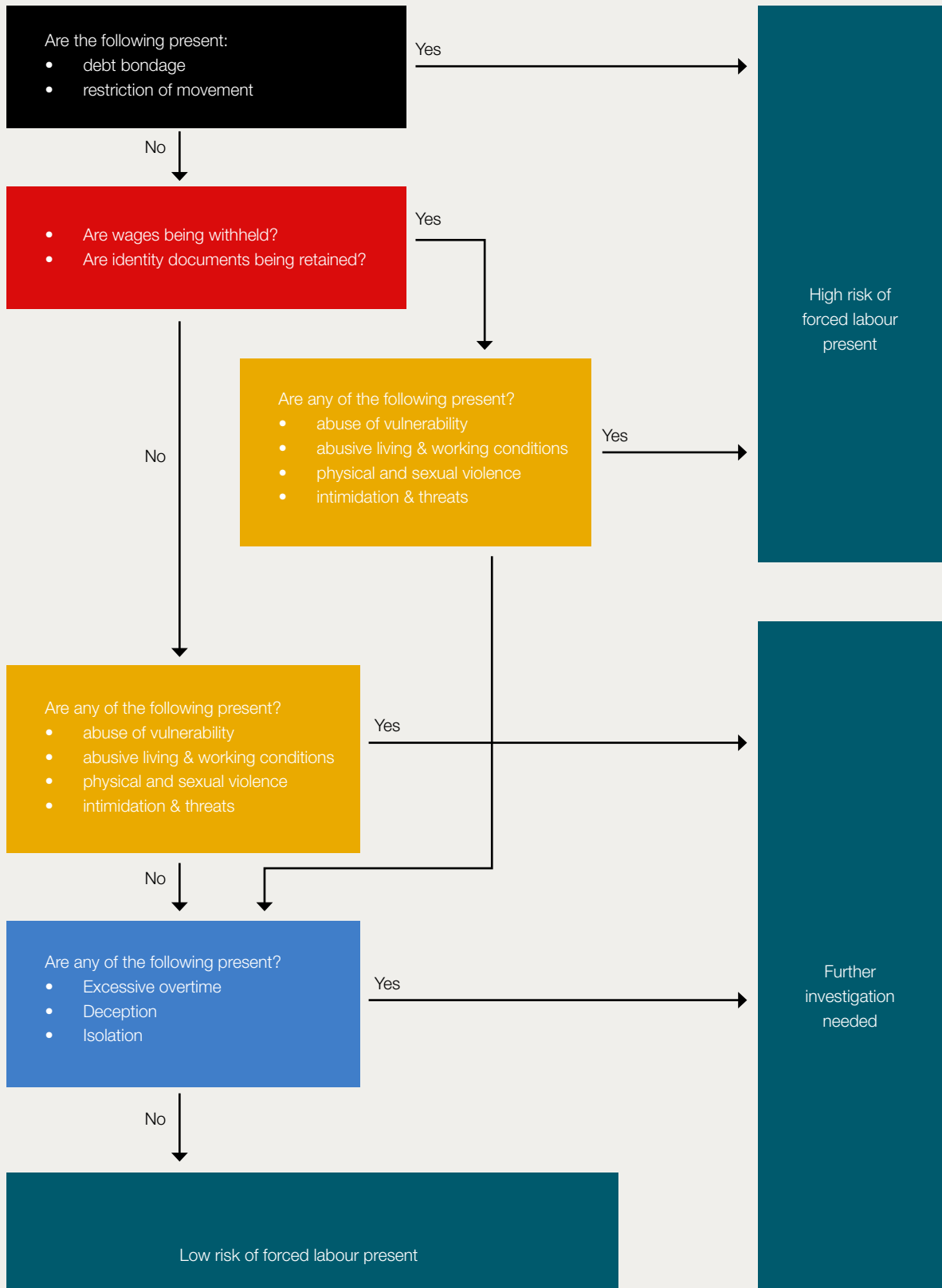
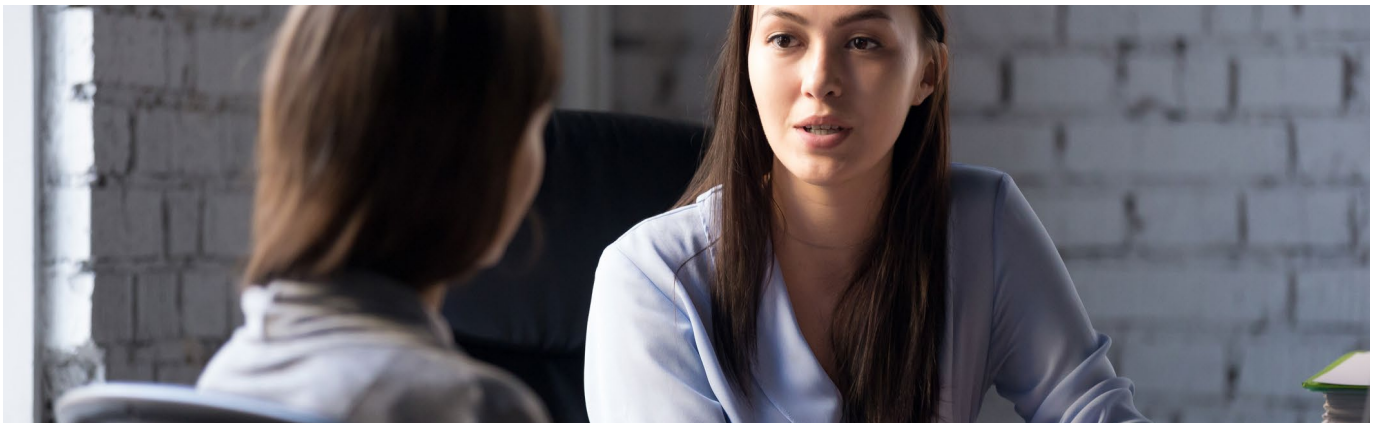


Diagram 3. Impactt Limited Decision Tree to Identify a Forced Labour Case Using the ILO FLIs



“ Focus on understanding worker perspectives of the issues, via interviews carried out in a confidential setting, in the workers own language.

PART 3. ESCALATION

During the contract management stage, the situation on the ground may change and forced labour issues may be reported whether through an audit, in-depth assessment, or via a whistleblowing or grievance process. If the procurer is made aware of the situation, he / she should escalate and make sure remedy is provided to workers as soon as possible.

- **When to escalate?** Once the procurer has sufficient evidence that forced labour issues are present in the supplier's site or supply chain, alert senior management. Senior management should determine next steps in line with best practice guidance on remedy (see below) and any contracts in place. In some cases, referral to law enforcement may be necessary to pursue criminal justice, however, this should be done carefully in a manner that protects the workers' safety and best interests.
- **What constitutes sufficient evidence?** Sufficient and credible evidence to escalate typically consists of triangulated data from a variety of sources including a representative sample of workers, management interview, document reviews and where relevant, in-person or remote site inspection. This data is typically gathered through an in-depth assessment. However, in extreme circumstances, testimony from several workers or stakeholders may be enough.

It is in vulnerable workers' interests for the procurers and suppliers to work together to improve standards and improve worker welfare, rather than 'cut and run'. Often, this may be in the long-term commercial interests of all parties. The 'cut and run' approach should only be a last resort, once options for capacity building with the supplier have been exhausted.

Remediation and prevention on modern slavery abuses.

Where an occurrence of modern slavery has been identified – whether through due diligence, monitoring processes or otherwise – it is necessary to explore how to remedy the situation. Remedy can take a variety of different forms, including apologies, restitution, rehabilitation, financial and non-financial compensation as well as actions that aim to prevent harm, for example, injunctions or guarantees of non-repetition or non-retribution. In the context of this guidance, remediation is the process that ends a situation of modern slavery, and as far as possible should reduce or reverse the harms experienced by workers.

Effective remediation should:

- Protect the worker from further harm or greater vulnerability to risk and provide a means of preventing further abuses to other workers.
- Reflect the needs and wishes of the worker; i.e. remedy should be agreed in consultation with workers wherever possible.
- Be relevant to and achievable in the context.
- Contribute to addressing the underlying root causes driving modern slavery.
- Involve key stakeholders and decision-makers of the relevant companies, including senior management, in the remediation process, to ensure company-wide buy-in for the process.
- Build on the strengths and capacities of external stakeholders, in a collaborative manner.
- Be delivered in accordance with national law and international labour and human rights standards.
- Checks are in place to make sure that remedy has been implemented (e.g. organise worker interviews to check commitments have been held).

Before beginning the remediation process, it is good practice to ensure that representatives from the procurement team and suppliers and/or sub-contractors are all committed to the above principles.

Identify parties responsible for remediation.

In the majority of cases, the workers' direct employer is responsible for providing remedy. However, in some cases, especially where remedy requires financial investment from the supplier, the supplier may be unable to cover the upfront costs of remedy alone. In such cases:

- Review whether other companies in the supply chain and/or investors/bankers/lenders can provide cashflow upfront to fund the remedy required. Arrangements can be made for the supplier to pay the company back over time.
- Take on a shared responsibility approach. Consider sharing the cost of remedy with the supplier, recognising the procurement team's potential role in the situation and lack of due diligence carried out.

Where the procurer and supplier are both responsible for an issue (e.g. issues related to excessive working hours), it may also be appropriate to take joint responsibility for remedy.

Involve third-parties where relevant.

Remediation processes can be complex, so it is recommended that the procurement team involve third-party organisations (such as NGOs, mediators, consultants or other experts) in the process. This helps ensure the programme is monitored by an independent party, and benefits from relevant expertise. Having an independent party involved also provides a channel for workers to engage, in contexts where they may not feel comfortable engaging directly with management.

See Resource 2 for an overview of common forced labour issues within the PPE supply chain context and appropriate remedies that may be required.

Work with suppliers to develop an action plan which prevents and/or mitigates risk of forced labour abuses from recurring in future.

Once the immediate needs of workers have been met, procurers should engage with suppliers to develop an action plan which will effectively end forced labour abuses that have been identified and mitigate risks of reoccurrence in the future. It is good practice to develop such plans collaboratively, providing relevant expertise and support where needed.

To address issues and modern slavery risks in the supply chain in an effective and systematic manner, action plans should be developed. The plan should:

- Be time-bound, with clear milestones, and responsible persons for each action item.
- Prioritise remediation (i.e. fixing issues identified) and prevention (i.e. addressing root causes of issues in a systemic manner and preventing them from happening in future).
- Prevention typically include actions that strengthen management systems. Examples include:
 - Strengthening company recruitment processes. It often requires at least 12 to 18 months to implement a complete overhaul of the company's process, establishing formal selection criteria for recruitment agencies, a formal risk assessment procedure, revising contracts with agencies, implementing monitoring controls, etc.
 - Building an effective grievance mechanism and platform for workers to raise issues (including through collective bargaining processes where possible within the sourcing country's legal system).
 - Capacity building programmes for internal staff and external recruitment agencies and other service-provider partners to strengthen their ability to implement requirements.

Track implementation progress and results.

It is always good practice for procurers to track suppliers' implementation of the action plan.

Monitoring activities can include:

- **Regular progress calls** to understand how far implementation has progressed, as well as any challenges.
- **Review of relevant documentation** such as policies, protocols, and internal risk assessment tools that the supplier is revising as part of the action plan.
- **Verifications.** In some cases, it may be appropriate to verify progress against critical parts of the action plan soon after the initial assessment. For example, where the supplier is repaying recruitment fees, a verification early in the repayment process may help to check that payments are being made correctly, and workers understand the process.
- **Follow-up assessments.** Plan to carry out a follow-up assessment 6 to 12 months after the initial assessment to check progress against the action plan. The follow-up assessment should focus on verifying whether changes have been made effectively and sustainably and identifying gaps in implementation.
- **Routine assessments/audits.** Identify a timeframe for the supplier to be re-assessed. This can be done annually or bi-annually. The frequency should be determined based on the risk level identified in the initial and follow-up assessment, with a maximum of 2 years between assessments.
- **Regular interviews with workers.** Suppliers should carry out regular on-arrival and post-arrival interviews with workers to monitor progress on recruitment practices (e.g. within the first month of arrival, and 3-6 months after arrival) as well as regular interviews with workers employed for varying durations on other action plan items.

In cases where the supplier does not respond to requests for remedy and/or preventive actions to be implemented or fails to implement agreed actions after numerous attempts to engage with them, then the procurement team may wish to consider suspension or termination of the contract. This should only be triggered as a last resort, given the risks to workers of this approach. Where contracts are terminated, workers are at risk of losing their jobs and/or losing their regular source of income. Sub-contractors are especially vulnerable in this regard.





“ Plan to carry out a follow-up assessment 6 to 12 months after the initial assessment to check progress against the action plan.

PART 4. ENCOURAGE COMMUNICATION AND CONTINUOUS IMPROVEMENT

It is good practice to encourage suppliers to communicate transparently and publicly about their work to identify and address modern slavery issues. Public reporting in particular helps to promote human and labour rights-related improvements throughout global supply chains. Procurers should engage with suppliers in a collaborative manner throughout the contract term, and encourage suppliers to adopt a continuous improvement model, recognising that there is always more work to be done.

As part of this work, procurers can encourage suppliers to:

- Proactively communicate progress on a variety of platforms:
 - Modern slavery statement. The “transparency in supply chains” provision in the UK’s Modern Slavery Act 2015 requires businesses and in the near-future, public bodies with a turnover of £36m or more to publish annual modern slavery statements on the steps they have taken to tackle modern slavery in their operations and global supply chains. The Home Office has provided guidance for organisations to help them do this. Organisations are also encouraged to publish their modern slavery statements on the Modern Slavery Statement Registry. Public bodies with a budget of £36m or more in England and Wales will also be required to publish their own modern slavery statements.
 - Modern slavery assessment tool (MSAT). Suppliers to UK public bodies may be asked to complete MSAT to explain the steps they are taking to tackle modern slavery in their supply chains. Implementing the measures in this guidance document will aid suppliers to score well in their assessments and in demonstrating their commitment to continuous improvement.
- Invest in ongoing learning and training for internal staff to enable the company to address the issues in a sustainable manner.
- Participate in international and local initiatives for the purposes of peer learning and multi-stakeholder collaboration and engagement.

Please refer to the ‘Tools and Further Guidance’ document for useful resources on identifying forced labour, remediation and further reading.