



Cabinet Office

## **Procurement Policy Note 009**

# **Tackling modern slavery in government supply chains: Guidance for commercial and procurement professionals**

**Updated: February 2025**

# Contents

<b>Contents</b>	<b>2</b>
<b>1. Introduction</b>	<b>4</b>
1.1. Who should use this guidance?	4
1.2. What is modern slavery?	4
1.3. The UK context	4
1.4. Why does it matter for public procurement?	4
1.5. Supporting SMEs and VCSEs	5
1.6. What actions do in-scope organisations need to take?	6
<b>2. Understanding the risk</b>	<b>7</b>
2.1. Categorising procurements based on risk	7
2.2. Categories of characteristics to help assess modern slavery risk in procurements	7
2.3. Getting started	9
<b>3. Identifying and managing risks in new procurements</b>	<b>11</b>
3.1. Modern slavery and social value	11
3.2. Preparation and planning	12
3.3. Preliminary market engagement	14
3.4. Defining the requirement	15
3.5. Selecting suppliers	16
3.6. Supplier exclusion	16
3.7. Mandatory exclusion	17
3.8. Discretionary exclusion	17
3.9. Due diligence	18
3.10. Self cleaning	19
3.11. Conditions of participation	20
3.12. Below threshold	23
3.13. Tender assessment and award	24
3.14. Additional tender assessment	24
3.15. Award criteria, methodology, scoring systems and weightings	26
3.16. Abnormally low tenders	26
3.17. Contract conditions	26
<b>4. Managing risks in existing contracts</b>	<b>28</b>
4.1. Contract management	28

4.2. Monitoring	28
4.3. Supply chain mapping	31
4.4. Using contract management to manage risks	33
4.5. Repeat the exercise at appropriate intervals	34
<b>5. Taking action when victims of modern slavery are identified</b>	<b>35</b>
<b>6. Training</b>	<b>37</b>
6.1. Chartered Institute of Procurement and Supply (CIPS) ethics test	37
6.2. How to access CIPS ethics e-learning and test?	37
6.3. UK Government Commercial Function Knowledge Hub	37
6.4. Government Commercial College e-learning	37
6.5. Additional training resources	38
<b>7. Acknowledgements</b>	<b>39</b>
<b>Annex A: Examples of model evaluation questions for suppliers in respect of the workers and supply chain that will deliver the contract</b>	<b>40</b>
• Assessment and award – what to consider when speaking with suppliers	40
• Questions and points related to recruitment	41
• Questions and points to consider at contract management	41
• KPIs to consider on contracts	42
• KPI measures	42
<b>Annex B: Supplier audits points to consider</b>	<b>44</b>
<b>Annex C: Modern slavery example contract clause</b>	<b>46</b>
<b>Annex D: Remedial action plan blueprint: an example template</b>	<b>49</b>
• Enforcement of the action plan	50
<b>Annex E: Case studies</b>	<b>52</b>
• 1. Case study: Modern slavery in UK supply chains	52
• 2. Case study: Addressing the risk of modern slavery on construction sites	52
• 3. Example of a modern slavery award question and criteria	53

# 1. Introduction

## 1.1. Who should use this guidance?

This guidance supports PPN 009 and applies to all central government departments, their executive agencies, non-departmental public bodies and NHS bodies when awarding public contracts for goods and/or services and/or works, other than special regime contracts. Such bodies are referred to as 'in-scope organisations'.

This guidance is aimed at procurement and commercial practitioners at all levels in government but the contents can be applied by any organisation in the public sector. Although this guidance focuses on procurement, the information can also be applied to grants. It may also be relevant and useful to organisations outside the public sector, such as those in the voluntary or charitable sectors, or the private sector.

This guidance assumes in-scope organisations have a sound knowledge of the [Procurement Act](#) 2023 (the Procurement Act) and of the end-to-end procurement process. Good commercial judgement should be applied when using this guidance and in-scope organisations should seek legal advice where appropriate.

## 1.2. What is modern slavery?

Modern slavery is often a hidden crime involving one person denying another person their freedom. It includes slavery, servitude, forced and compulsory labour and human trafficking.

To tackle these crimes, the Modern Slavery Act 2015 (the Modern Slavery Act) was introduced. The Modern Slavery Act consolidates and clarifies modern slavery offences; toughens penalties and prosecution; and introduces greater support and protection for victims. Details of the offences covered by the Modern Slavery Act are available at [legislation.gov.uk](https://legislation.gov.uk)

This guidance focuses on the concept of forced or compulsory labour because that is the form of modern slavery which suppliers are most likely to come across.

## 1.3. The UK context

The Procurement Act makes certain offences under the Modern Slavery Act grounds for the mandatory exclusion of suppliers from public procurements. The Modern Slavery Act implemented measures which are directly related to businesses and their supply chains. Section 54 of the Modern Slavery Act requires companies with an annual turnover above £36 million, and carrying out a business, or part of a business, in the UK, to prepare a Modern Slavery Statement, also known as a Transparency in Supply Chains (TISC) statement, each year. The Home Office has provided [guidance](#) for relevant businesses to help them do this.

## 1.4. Why does it matter for public procurement?

While there are laws in place which punish offences of modern slavery, the government has the opportunity to use its buying power to help mitigate the risks of modern slavery

occurring in its supply chain by adopting processes and procedures, in both procurement and supplier management.

On 26 March 2020, the UK became the first country to publish a [Modern Slavery Statement](#) setting out the steps the government was taking to identify and prevent modern slavery in its own supply chains. 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 Northern Ireland.

The government statement sets out the actions taken by departments across central government to prevent, identify and manage the risk of modern slavery in their supply chains, and departments should use this guidance to put in place appropriate measures to do this effectively.

In November 2021, ministerial departments began publishing their own annual modern slavery statements, setting out the steps they've taken to address modern slavery risks in their operations and supply chains. These can be found on the [Modern Slavery Statement Registry](#).

## **1.5. Supporting SMEs and VCSEs**

Small and medium-sized enterprises (SMEs) and voluntary, community and social enterprises (VCSEs) are the lifeblood of the economy, fuelling economic growth and providing employment for approximately 16 million people.

The government is committed to working closely with organisations who uphold the strong social values that are vital to the country's wellbeing and economy. This remains a priority and we are doing more than ever before to make public contracts more accessible to SMEs and VCSEs to ensure supplier diversity in supply chains.

Modern slavery risks can be found in contracts and suppliers of all sizes. However, in applying this guidance, in-scope organisations must consider, in particular, the impact of its implementation on SMEs and VCSEs. In practice this means:

- being proportionate in the overall approach taken
- ensuring barriers to participating in new procurements are not created
- ensuring unnecessary burdens are not placed on SMEs and VCSEs when assessing risks in existing contracts

This approach is consistent with section 12(4) of the Procurement Act (with regards to SMEs), which requires contracting authorities to have regard to the fact that SMEs may face particular barriers to participation, and to consider whether such barriers can be removed or reduced.

## 1.6. What actions do in-scope organisations need to take?

This guidance sets out four key areas of activity and corresponding actions:

Activity	Key actions
Identifying and managing risks in new procurements	<ul style="list-style-type: none"><li>• Review and amend operating procedures, processes and any related documentation in line with this guidance.</li><li>• Assess modern slavery risks in new procurements using characteristics to help assess modern slavery risk in procurements (in section 2).</li><li>• Design new procurements in line with the associated risk level including, if appropriate, application of the Social Value Model.</li><li>• Review and amend contract management processes and any related documentation in line with this guidance.</li></ul>
Assessing existing contracts	<ul style="list-style-type: none"><li>• Carry out a risk assessment on existing contracts.</li><li>• Conduct supply chain mapping exercise(s).</li><li>• Invite suppliers to complete the <a href="#">Modern Slavery Assessment Tool</a>, if appropriate.</li><li>• Apply strengthened contract management measures to manage risks, working with suppliers to progressively improve.</li></ul>
Taking action when victims of modern slavery are identified	<ul style="list-style-type: none"><li>• Work openly and proactively with suppliers to resolve issues and change working practices.</li><li>• Consider terminating contracts only as a last resort.</li></ul>
Training	<ul style="list-style-type: none"><li>• Raise awareness of modern slavery and human rights abuses among staff and deliver/make available appropriate training.</li></ul>

## 2. Understanding the risk

This section sets out how in-scope organisations can identify modern slavery risks in their commercial activity and the steps they must follow depending on the designated risk category. In-scope organisations must take a risk-based approach, and focus their efforts on those areas where it will have the greatest impact. Working in collaboration with suppliers throughout is key, and at all times remembering the risk of insufficient or ineffective action will have both reputational and, most importantly, human impact.

### 2.1. Categorising procurements based on risk

The government conducts procurements in sectors identified as being at the highest risk of modern slavery. This includes, but is not restricted to: construction, electronics manufacturing, textiles and healthcare, and these risks can occur irrespective of supplier size and contract value.

Although modern slavery can affect virtually any industry and economic sector, there are a number of core characteristics that place workers at heightened risk of being exploited. These characteristics are set out below and should be used to help in-scope organisations identify which of their procurements may be at higher risk.

### 2.2. Categories of characteristics to help assess modern slavery risk in procurements

#### 1. Industry type

Industries at high risk of modern slavery occurring include:

- agriculture
- mining
- logging
- fishing and fisheries
- construction
- manufacturing and electronics
- garment/textile production, including footwear
- food processing
- services, including hospitality, security services, cleaning and catering
- logistics, including warehousing, transport
- healthcare and social care

They are often characterised as labour intensive and/or involving raw materials.

#### 2. Nature of workforce

High risk characteristics associated with the nature of the workforce include:

- reliance on low-skilled or unskilled labour – typically work that is low-paying and undervalued and often undertaken by vulnerable workers
  - high numbers of temporary, seasonal, or agency workers – worker vulnerability is heightened by employment uncertainty – women workers and children are particularly vulnerable
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- dangerous or physically demanding work
  - isolation of workers – due to working in rural locations, being home-based or in unmonitored and unregulated environments

### 3. Supplier location

Although modern slavery can occur anywhere in the world, there are some countries where the risk is predicted to be higher.

Consult the United States' Bureau of International Labor Affairs [List of Goods Produced by Child Labor or Forced Labor](#). The list allows you to search by commodity and provides details of the source countries where there are risks of child or forced labour.

Additionally, the [Global Slavery Index](#) contains national estimates, calculated by the Walk Free Foundation, on the basis of a predictive model that accounts for individual and country-level risk factors.

Suppliers from these countries can often be part of supply chains in the UK.

Consult the Index to ascertain if the supplier's location features in the list of high risk countries.

To note, the Global Slavery Index includes countries at risk of any type of modern slavery, whereas this guidance is concerned primarily with forced and compulsory labour.

### 4. Context in which the supplier operates

- Inadequate labour laws and regulations in the country of origin with little or no enforcement.
- Presence of cheap labour and high numbers of vulnerable workers – this may include women, children and young workers, migrants, minorities, groups with a history of discrimination or exclusion of workers with disabilities.
- Absence of effective grievance mechanisms and representative workers' organisations/collective agreements. In some situations, workers are discouraged or prevented from joining an independent trade union. In others, collective agreements are reached between a 'ghost' union and an employer with no consultation with workers – these are known as protection contracts.
- A lack of business and/or government accountability.
- Widespread discrimination against particular groups e.g. women or certain ethnic groups.
- Wars/conflicts.
- High levels of poverty and unemployment.

### 5. Type of commodity

The United States' Bureau of International Labor Affairs [List of Goods Produced by Child Labor or Forced Labor](#) comprises 204 goods from 82 countries and areas, as of 5 September 2024.

The list provides details of goods (and their source countries) which it has reason to believe are produced by child labour or forced labour in violation of international standards, for example:

- polysilicon: China
  - rubber gloves: Malaysia
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Additionally, the Global Slavery Index 2023 highlights that for the UK, the top 5 most valuable products imported per year that have a risk of forced or compulsory labour attached to them are:

- garments
- electronics
- fish
- textiles
- timber

For further information on global imports at risk, please consult the Global Slavery Index 2023 [Import Risk Data](#).

## **6. Business/supply chain models**

- Sub-contracting and complex supply chains – the larger and more complex the supply chain, the harder it is for organisations to know about conditions for workers in their supply chains.
  - Complex employment relationships with a reliance on agency, outsourced or subcontracted workers adds another layer of separation between employers and workers, leaving workers exposed to unethical practices.
  - Use of labour recruiters in supply chains – recruitment and hiring through labour brokers can increase the risk of trafficking and forced labour due to the prevalence of corrupt practices and recruitment fees.
  - Purchasing that is predicated only on a profit margin matrix (i.e. rapid turnaround times, high flexibility for production, low margins for large quantities of goods, depending on unreliable trends – can leave workers vulnerable to exploitative practices).
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## **2.3. Getting started**

In assessing whether a procurement could be high risk, in-scope organisations should consider whether their procurement falls into categories 1 (industry type), 3 (supplier location) and/or 5 (type of commodity). Once they have identified that the procurement falls into one or more of these categories, they should then establish whether categories 2 (nature of workforce), 4 (context in which the supplier operates) and/or 6 (business/supply chain models) also apply.

For example, a procurement for personal protective equipment, e.g. rubber gloves, with suppliers using labour recruiters could be considered a high-risk procurement based on it falling within:

Category 1: The industry type (garment/textile production)

Category 5: The commodity type (rubber gloves)

Category 6: The business/supply chain model (use of labour recruiters in supply chains)

In-scope organisations may want to consider conducting these assessments at a programme or category level when they are regularly procuring similar goods or services.

In-scope organisations should decide what combination of characteristics will be high, medium or low risk and take action accordingly, starting with those suppliers where the risks are highest. They should treat suppliers in comparable situations equally but they must also be proportionate in their approach, to ensure SMEs (in accordance with section 12(4) of the Procurement Act) and VCSEs are not prevented from bidding for public contracts. A blanket approach to tackling all risks in the same way will not be effective and is likely to create unnecessary burdens on suppliers and internal resources.

If procurements have only one characteristic overall, they are likely to be low risk. For example, just because a supply chain is complex, it does not necessarily mean there is a risk of modern slavery occurring. Remember that modern slavery occurs in any country or sector, including the UK. If a country or sector is not listed above, it does not mean that modern slavery does not exist in those areas. In-scope organisations should also review the information available in supplier modern slavery statements (i.e. their TISC statements) to gain an understanding of where suppliers in that market believe their risks lie.

### Tools

- To undertake desk-based research to better understand where your organisation may be at particular risk, the [Responsible Sourcing Tool](#) is a good first step.
- An example of a risk assessment template for the healthcare sector can be found in the [Ethical Procurement for Health \(EPH\) Workbook](#) available on the British Medical Association's website.
- The ILO [Forced Labour Indicators](#) set out key principles to help identify workers who may be in a forced labour situation.
- The Gangmasters and Labour Abuse Authority has developed [Industry Profiles](#) for a number of sectors across the UK labour market at risk of labour exploitation. They have also produced information on indicators of trafficking and forced labour called [Spot the Signs](#).
- The ITUC's [Global Rights Index](#) provides useful data on labour legislation, and ranks countries as the best and worst places for workers globally.
- The US Department of Labor produces annual reports [\(list of goods produced by child or forced labour\)](#) supported by an app ([Sweat and Toil](#) – available from the App Store and Play Store) which set out, by country and commodity, where forced labour, child labour and forced child labour are known to be taking place.
- Suppliers' modern slavery statements should set out where their supply chains are located and the nature of risks in relation to those locations.
- Industry bodies and trade groups may also have specific reports on modern slavery in their sector.

### 3. Identifying and managing risks in new procurements

This section looks at how modern slavery risks can be addressed during the procurement process.

- When identifying the need, approach to be taken and the market – **procurement planning and preliminary market engagement**.
- When defining the requirement – **specification**,
- When selecting suppliers – **exclusion grounds** and **conditions of participation**.
- When awarding the contract – **tender assessment and award**.
- In the performance of the contract – **contract conditions and contract management**.

In-scope organisations must be proportionate in their approach and not impose any unnecessary burdens that would deter a wide diversity of suppliers, including SMEs, VCSE suppliers and those owned by under-represented groups, from competing for public contracts. **In-scope organisations should not adopt a blanket approach to managing modern slavery risks – the approach should be proportionate based on the risks identified.**

The mitigation of modern slavery risks should be considered throughout the procurement process. In-scope organisations should note that certain modern slavery offences committed under the Modern Slavery Act are mandatory exclusion grounds. Where there is evidence of modern slavery but no conviction for offences, this may be a discretionary exclusion ground. The exclusion grounds should be considered at the start of a procurement process and then checked just before contract award. However, they can also be applied at any point an in-scope organisation becomes aware of them during the procurement process, as long as this is before a contract is awarded. The exclusion grounds apply to all procurements subject to the Procurement Act. For further information on exclusion grounds, refer to the ‘Supplier exclusion’ section below and the [Procurement Act](#) Exclusion guidance on GOV.UK

Where it is relevant to the subject matter of the contract and proportionate to do so, modern slavery risks in the delivery of the contract can be considered as part of the conditions of participation to determine the supplier’s technical and professional ability. For further information, refer to the ‘Selecting suppliers’ section below.

#### 3.1. Modern slavery and social value

The National Procurement Policy Statement (NPPS) sets out the Government’s national priorities, including how social value can contribute to the delivery of the missions where relevant to delivery of commercial activities. The [Social Value Model](#) is a tool which provides a menu of social value outcomes for in-scope organisations to review and select outcomes that are relevant to the subject matter of the contract and comply with section 23 of the Procurement Act. Where outcomes are identified, award criteria should be developed and used as part of tender assessment. The model comprises five missions.

Where procurements are considered low risk for modern slavery occurring using the risk characteristics in section 2.2, it is unlikely that criteria relating to 1e) Identifying and managing the risks of modern slavery would be relevant or proportionate. However, low risk is not the same as no risk. Therefore, in-scope organisations may still want to consider some award criteria for modern slavery.

For procurements identified as medium risk, the Social Value Model criteria are likely to be relevant and proportionate and should be considered by in-scope organisations. Where procurements are designated as high risk of modern slavery occurring, in-scope organisations may select social value criteria or alternatively include modern slavery as a core requirements in the specification. Please refer to the supplementary advice and model questions included in this guidance.

### 3.2. Preparation and planning

A robust approach to procurement preparation and planning will ensure that modern slavery risks are appropriately identified and mitigated at the earliest stage. The planning checklist below contains a list of key issues which should be considered prior to launching a procurement.

#### Planning checklist

Procurement planning / specification	✓
Has the risk of modern slavery been established using the risk characteristic in section 2? At what level – low, medium or high?	
Has preliminary market engagement identified SMEs/VCSEs in supply chains? If not, what actions can be taken to generate interest from SMEs/VCSEs in bidding?	
Can modern slavery risks be managed/mitigated within the service or activity?	
Are the modern slavery risks clear to the market/potential suppliers? Are they in agreement with the assessment of the risks?	
Have the Social Value Model themes and outcomes been considered? Have these been tested with the market to ensure they are not burdensome to provide or likely to deter SMEs/VCSEs from bidding?	
Exclusions	
If the procurement has been assessed as high risk, have supplier information details and exclusion information from all supply chain members for high-risk procurements been requested via the Central Digital Platform and Procurement Specific Questionnaire? Is it clear how far down the supply chain this information is required?	
What verification will be used to ensure there are no offences or evidence of modern slavery which give rise to grounds for exclusion from the procurement?	

## Conditions of participation

Can the conditions of participation be supplemented with additional questions for medium/high-risk contracts? Can SMEs/VCSEs meet these asks without creating burdens or barriers to their participation?

## Tender assessment and award

Has the standard criteria in the Social Value Model been applied? Do the award criteria in the Social Value Model sufficiently take account of the risk of modern slavery and how? Has the use of supplementary material from the tender assessment and award section of this guidance and Annex A been considered where the risk is high?

What evidence will suppliers provide to demonstrate they have addressed any specification requirements in relation to managing modern slavery risks? What evidence will suppliers provide to demonstrate that the supply chain will be managed and monitored to mitigate any modern slavery supply chain risks? Is the evidence proportionate to the risk? Has this been tested with SMEs/VCSEs? How will the credibility of the evidence be assessed?

Are site visits/audits necessary? If so, who is responsible for these? Has the guidance at Annex B been considered?

## Contract management

Have the terms and conditions of the contract been set out? Do they meet the needs to address risks of modern slavery? For example, where relevant, set out the rights to carry out site visits, audits and/or receive management information. Do the terms and conditions pass unnecessary risks to suppliers? Are the terms and conditions suitable for SMEs/VCSEs?

Are the monitoring/reporting arrangements on modern slavery risks clearly set out? How will supplier performance be managed in this regard? Has a test for potential burdens on SMEs/VCSEs been undertaken? Does the market agree these are proportionate to the risks?

Are there proposed key performance indicators (KPIs) in place to monitor progress against managing modern slavery risks? Are these proportionate?

Have details been included about how communication and reporting lines will be established with the supplier?

Are site visits/audits necessary to monitor modern slavery risks? If so, who is responsible? Has the guidance at Annex B been considered?

Has a clear and unambiguous process for reporting and responding to suspected incidents of modern slavery been established?

Has a contingency plan been put in place to ensure continued safe service delivery if modern slavery risks are identified or cases of modern slavery have been reported?

### 3.3. Preliminary market engagement

Early engagement encourages market interest (including SMEs and new entrants) and can provide valuable information to develop the delivery model approach by testing and piloting approaches, routes to market and tender assessment, including social value considerations.

Preliminary market engagement should be carried out in accordance with the sections 16 and 17 of the Procurement Act and [Preliminary Market Engagement](#) guidance. In-scope organisations are reminded that if they carry out preliminary market engagement, they must publish a preliminary market engagement notice before publishing a tender notice, or provide reasons for not doing so in the tender notice.

When undertaking preliminary market engagement, it is important to listen to the market and take feedback onboard in order to drive better social, environmental, economic and project outcomes. It is relational, and at its most effective, where suppliers and organisations grow together.

As part of this process, in-scope organisations should engage as widely as possible with the market on modern slavery issues so that these can be considered in advance of the procurement being formally launched.

Prior to engaging with the market, in-scope organisations should have completed an initial risk assessment of the procurement using the risk characteristics in section 2.2. This initial assessment may subsequently be adjusted based on the information gathered during this phase.

Engaging with the market early will help in-scope organisations to ascertain what types of measures and actions suppliers have already put in place to identify issues and manage risks. Reviewing modern slavery statements published by suppliers in the sector will help identify baseline actions and risk mitigation measures across that industry.

It is also possible to seek advice on identifying particular risks from NGOs, trade unions and charities, and to access support from organisations such as those listed on the [Interactive Map for Business of Anti-Human Trafficking Organisations](#).

Preliminary market engagement is an opportunity to understand the drivers of cost, quality and efficiency of the supply market. Where appropriate, include social value in these discussions, highlighting the relevant themes and outcomes from the Social Value Model.

Where the in-scope organisation has determined the risk of modern slavery occurring as high risk, they should consider whether to address this by including the relevant question and criteria from the PPN 002 Social Value Model in accordance with PPN 002, or to address it in the core criteria (the latter if there are other social value opportunities relevant to the contract). Additional sample award criteria are included in the 'Tender assessment and award' section below and in Annex A.

Test proposed criteria with the market to confirm these are relevant to the contract, including conditions of participation, model award criteria, reporting metrics and any relevant KPIs. In-scope organisations should also ensure that the weighting they intend to apply to any conditions of participation and award criteria is relative to the risk level

identified and market maturity in managing modern slavery risks. Test this with the market too. Additional guidance on applying weightings to award criteria can be found in the PPN 002 Guide to using the Social Value Model.

Throughout the preliminary market engagement stage, in-scope organisations must ensure that they have taken action to attract a wide diversity of suppliers who may be interested in the opportunity to bid such as SMEs, VCSEs and other under-represented businesses. Ensure the overall approach is proportionate, does not have a discriminatory effect and ensures equal treatment and does not deter suppliers, or create unnecessary burdens on them either during the tender process or during contract delivery.

### **3.4. Defining the requirement**

Requirements to manage the risk of modern slavery in supply chains can be included in specifications where these issues are relevant to the subject matter of the contract and are proportionate. This will ensure that these core requirements are specifically reflected in the conditions of the contract (as the specification will form part of the contract), or separate conditions can be included as contract terms.

It is possible to describe specifications in terms of performance/functional requirements and to specify production processes provided they are relevant to the requirement. Any requirements reflected in the specification should be transparent and should not discriminate against particular types of suppliers, such as SMEs and VCSEs, or suppliers from countries with which the UK has trade agreements with procurement obligations. In-scope organisations should seek to test this with the market as part of preliminary market engagement, to establish a level playing field and ensure their approach is relevant to the risk. If in doubt, legal advice should be sought.

Use the data and intelligence gathered during preliminary market engagement to confirm whether modern slavery is relevant to the subject matter of the contract and set the specification accordingly. This will help to ensure proportionality in the approach and ensure a level playing for all types of suppliers.

For example, in a procurement of a construction contract, which involves a reliance on subcontracted workers, an in-scope organisation may conclude that modern slavery risks are relevant to the contract, as it falls within some of the characteristics which are known to signal a risk of modern slavery (see section 2 on assessing risks):

- industry type (construction)
- commodity type (dangerous or physically demanding work)
- business/supply chain model (reliance on subcontracted workers)

As a consequence, the in-scope organisation may want to identify any industry-specific labour or employment standards that are applicable to the contract in the specification and consider including compliance with these as a condition of contract (such as adherence to ILO Labour Standards). Case study 2 in Annex E provides an example of how standards can be included in a contract.



Where relevant, in-scope organisations could also specify particular standards such as a technical standard, providing they do not refer only to one particular certification system without also allowing for equivalent standards. For example, in-scope organisations cannot specify [Fair Trade](#) or [Solar Stewardship Initiative standards](#) as a technical specification in tenders without also allowing for other equivalent standards. When allowing for equivalent standards in-scope organisations should be satisfied that these do exist.

Further information on defining requirements, refer to the Procurement Act guidance on [Technical Specifications](#).

### **3.5. Selecting suppliers**

Fundamental to the Procurement Act is ensuring fair and open competition and treating suppliers equally. In-scope organisations should be confident that suppliers taking part in their procurements and delivering their contracts are reliable. Contracting authorities are required to establish whether any mandatory or discretionary exclusion grounds (as set out in the Procurement Act) apply to a supplier. If a mandatory ground applies, the supplier must be excluded from the procurement. If a discretionary ground applies, the contracting authority may decide to exclude this supplier.

Contracting authorities must also utilise the conditions of participation to satisfy themselves that suppliers have the legal and financial capacity as well as the technical ability to deliver the specific goods, works or services involved.

### **3.6. Supplier exclusion**

The grounds for exclusion of suppliers are set out in Schedules 6 and 7 of the Procurement Act. These grounds set out the circumstances in which suppliers (their connected or associated persons) must, or may, be excluded from a public procurement process for a variety of criminal offences and in other specific situations.

Section 57 of the Procurement Act defines the concepts of excluded suppliers (where a mandatory exclusion ground under the Procurement Act applies to them) and excludable suppliers (where a discretionary exclusion ground under the Procurement Act applies to them). It also specifies that suppliers can only be excluded or excludable if the circumstances giving rise to relevant exclusion ground(s) are continuing or likely to occur again. Section 58 sets out the matters that an in-scope organisation may have regard to when considering whether the circumstances giving rise to an exclusion ground are continuing or likely to occur again.

To avoid suppliers being subject to potential exclusion action based on events which occurred a long time ago, the Act provides specific rules on time periods. Most exclusion grounds are subject to a five-year time period, whereby events which occurred (or which the contracting authority became aware of) longer than five years ago cannot be taken into account. There are also specific rules for certain exclusion grounds. For example, labour market misconduct is a new discretionary exclusion ground so labour market misconduct that occurred before the exclusions regime came into force cannot be considered.



### 3.7. Mandatory exclusion

Schedule 6 of the Procurement Act sets out the mandatory exclusion grounds. These include certain circumstances in which a supplier or a connected person of the supplier has/have been convicted of specific offences. Only UK offences are listed, but the grounds also apply if the supplier or a connected person of the supplier has been convicted of an offence outside of the UK that is one of the listed offences.

Specific offences include labour market, slavery and human trafficking offences, which cover the most serious forms of labour abuse (those within the purview of the Director for Labour Market Enforcement), as well as modern slavery (specifically offences under sections 1, 2, 4 or 30 of the Modern Slavery Act) and human trafficking offences. It also covers offences relating to the carrying out of employment agencies, the offence of refusing or wilfully neglecting to pay the national minimum wage and gangmaster offences.

If a supplier or their connected persons has been convicted of such an offence within the last five years and, the supplier must be excluded from participation in the procurement, subject to consideration of self-cleaning (see further below).

### 3.8. Discretionary exclusion

Discretionary exclusion grounds are set out in Schedule 7 of the Procurement Act. While they do not all require a conviction, they represent situations that may pose particular risks, including those relating to labour market misconduct.

Schedule 7 (1) provides for a discretionary exclusion ground where a supplier or a connected person of the supplier has been subject to regulatory enforcement in relation to labour misconduct by way of the issuing of certain orders. These include Slavery and Trafficking Prevention Orders (STPOs), Interim Slavery and Trafficking Prevention Orders (ISTPOs), Slavery and Trafficking Risk Orders (STROs) and Interim Slavery and Trafficking Risk Orders (ISTROs) under Part 2 of the Modern Slavery Act. The Home Office has published [comprehensive guidance on these orders on GOV.UK](#). Equivalent orders under Scots and Northern Irish laws are also included.

Also included are Labour Market Enforcement Orders (LMEOs) under section 18 of the Immigration Act 2016, which are intended for more serious or persistent offenders where this type of intervention is judged appropriate to prevent further offending. The government published a [Code of Practice on LMEOs](#) that contains comprehensive guidance on these orders.

In-scope organisations should be aware of the potential overlap of the discretionary exclusion ground under Schedule 7(1) with the mandatory exclusion grounds for labour offences in Schedule 6. The orders listed above can be issued without a conviction, however, there are circumstances in which these orders will be issued following a conviction for an offence that is itself a mandatory exclusion ground. In the event that the mandatory exclusion ground in Schedule 6 does apply, the supplier must be excluded.

Schedule 7 (2) provides for a discretionary exclusion ground where conduct committed outside of the UK may have resulted in a relevant order being made if it had been committed within the UK.

Schedule 7 (3) provides for a discretionary exclusion ground where there is sufficient evidence that a supplier or connected person has engaged in conduct, irrespective of where it occurred, that would, if it occurred in the UK, constitute an offence under relevant modern slavery and human trafficking legislation. This ground captures modern slavery or human trafficking occurring in jurisdictions that are failing to prosecute the offenders.

Where the in-scope organisation considers that a discretionary exclusion ground applies to the supplier or a connected person and the circumstances giving rise to the application of the exclusion ground are continuing or likely to occur again, they may exclude the supplier from the procurement.

In-scope organisations should ask suppliers for basic information about themselves and their connected persons and request self-declarations as to whether any mandatory or discretionary exclusion grounds apply to them and their connected persons or associated persons; with their requests to participate in a competitive flexible procedure or with their tenders in an open procedure.

In new procurements identified as having a high risk of modern slavery being involved, suppliers are required, via the Procurement Specific Questionnaire, to detail members of their supply chain. This could include associated persons and sub-contractors in addition to submitting self-declarations for those supply chain members.

In-scope organisations should determine how far down a supply chain they want to collect this information on. This will vary depending on the type of good or service the in-scope organisation is procuring. For example, in a procurement of uniforms, you may want to require information on where the cotton was sourced. Whereas, in a procurement of surveillance equipment, you may only wish to understand the original manufacturer of a CCTV camera, rather than going as far requesting information on the CCTV camera's component sources.

These additional requirements for self-declarations throughout the supply chain are to provide in-scope organisations with the information necessary to conduct an appropriate level of due diligence on high-risk procurements. Procurement documents should explicitly state what is required from potential suppliers. Failure to provide this supply chain information may in itself give rise to an exclusion under section 30(1)(a) and (4)(a) of the Procurement Act.

For further information on the exclusion grounds and how they apply, refer to the [Procurement Act guidance on Exclusions](#).

### **3.9. Due diligence**

Even if a bidder has self-declared that the exclusion grounds do not apply, in-scope organisations should conduct due diligence on the supplier, their connected and associated persons.

An in-scope organisation can rely on a wide range of evidence, such as the examples listed below, to satisfy this requirement. In the first instance, in-scope organisations should check the Debarment list. Section 62 (Debarment list) allows a Minister of the Crown to create a debarment list. This is a published list of suppliers which, following an

investigation, they consider are excluded or excludable suppliers and which they have decided to put on the debarment list. For further information on debarments and how they apply, refer to the [Procurement Act guidance on Debarment](#).

If it is established that the supplier has been convicted of certain offences, the Procurement Act requires in-scope organisations to exclude suppliers, subject to consideration of self-cleaning (see below).

If there is evidence to suggest any of the discretionary exclusion grounds may apply the burden is on the in-scope organisation to be satisfied that the relevant conduct or circumstances have occurred.

In all cases, the evidence must be specific to the relevant supplier (or other relevant person's conduct or circumstances). There is no single type of evidence that would automatically satisfy the evidentiary requirements. However, the more reliable the evidence, the more likely it is that the evidence will be sufficient.

In-scope organisations conducting due diligence (for example where they are aware of or have a suspicion that relevant misconduct may be a particular risk for that procurement or have occurred) are encouraged to review a wide range of information on suppliers, including from the sources below:

- Debarment list.
- International debarment lists (e.g. US Customs and Border Protection's Withhold Release Orders or US Department of Commerce's Bureau of Industry and Security Entity List).
- International Policy Institutes (e.g. Australian Strategic Policy Institute).
- Government business registries.
- Local government reports.
- Company websites.
- NGO or Independent Research Organisations.
- Peer reviewed academic articles.
- Media reports.

Where due diligence provides the in-scope organisation with reliable evidence to demonstrate that a discretionary ground applies, the in-scope organisation must consider any self-cleaning evidence before deciding whether or not it may exclude the supplier.

### **3.10. Self cleaning**

Under section 58(2) of the Procurement Act, suppliers must be given reasonable opportunity to make representations, and provide evidence as to whether the exclusion grounds apply and whether the circumstances giving rise to any application are likely to occur again.

The self-cleaning process is particularly important in the case of modern slavery as remediation and prevention often results in the best outcomes for the workers affected.

It is for the supplier to demonstrate it has self-cleaned, but this must be to the satisfaction of the in-scope organisation, taking into account the gravity and particular circumstances giving rise to the ground for exclusion. A bidder must prove it has:

- evidence that the supplier, associated person or connected person has taken the circumstances seriously, for example by paying compensation
- steps that the supplier, associated person or connected person has taken to prevent the circumstances continuing or occurring again, for example by changing staff or management, or putting procedures and training in place
- commitments that such steps will be taken, or to provide information or access to allow verification or monitoring of such steps
- the time that has elapsed since the circumstances last occurred
- any other evidence, explanation or factor that the authority considers appropriate

If the in-scope organisation considers the self-cleaning evidence is not satisfactory, they must exclude the bidder if a mandatory exclusion ground applies or should decide whether to exercise its discretion to exclude if a discretionary exclusion ground applies. If the grounds for exclusion are related to an associated person or sub-contractor, the in-scope organisation must require (for mandatory exclusion grounds) or may require (for discretionary exclusion grounds) the primary supplier to replace (i.e. substitute) that connected person or sub-contractor. If the in-scope organisation considers the self-cleaning evidence satisfactory, it must not exclude the supplier.

For further information on self-cleaning refer to the Procurement Act guidance on [Exclusions](#).

### **3.11. Conditions of participation**

The Procurement Act allows in-scope organisations to set ‘conditions of participation’ (CoP) which a supplier must satisfy in order to be awarded a public contract following a competitive tendering procedure. Conditions should only be set if the in-scope organisation is satisfied that they are a proportionate means of ensuring that suppliers have the legal and financial capacity and/or the technical ability to perform the contract having regard to its nature, complexity and the cost of the public contract.

Modern slavery risks can be assessed under the condition on technical ability. The Procurement Act is not prescriptive about the types and sources of information in-scope organisations can use to verify conditions of participation. Nevertheless, means of proof and supporting evidence should not be overly arduous for suppliers and must meet the proportionality requirement in section 22(5) of the Act. For example, requesting site visits, samples and audits might be appropriate in some circumstances but not all. If supporting evidence is required, in-scope organisations should consider when it would be appropriate for suppliers to submit that evidence, having regard to the procurement objectives and what is required to ensure the proper conduct of the procurement.

Within the Procurement Specific Questionnaire, in-scope organisations may assess the supplier’s compliance with the provisions of section 54 of the Modern Slavery Act where it is relevant to the subject matter of the contract, proportionate and non-discriminatory.

Since 1 October 2015, commercial organisations that carry on a business or part of business in the UK, supply goods or services and have an annual turnover of £36 million or more ('relevant commercial organisations') have been required under section 54 of the Act to prepare a slavery and human trafficking statement as defined by section 54 of the Act. While the contents of the statement are not dictated by the Act, section 54(5) provides that it may include the following:

- the organisation's structure, its business and its supply chains
- its policies in relation to slavery and human trafficking
- its due diligence processes in relation to slavery and human trafficking in its business and supply chains
- 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
- its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate
- the training and capacity building about slavery and human trafficking available to its staff

Further information can be found in the guidance issued under the Act ([Transparency in Supply Chains](#)).

The guidance provides information on the type of activity that could be included under each heading and why such information would be useful in a statement. For the purposes of the condition of participation question, this list can be reasonably used to make an assessment of whether the supplier has effective systems in place to ensure the reliability of their supply chain.

Under the Procurement Act and the Procurement Regulations 2024, suppliers are required to upload basic information about themselves, including addresses to their websites (where they have websites). For relevant suppliers, those that are 'commercial organisations' within the meaning of section 54 of the Modern Slavery Act, electronic versions of their modern slavery statements can be found online (or a copy of the document if the latest statement is not available electronically).

Although section 54 of the Modern Slavery Act only applies to 'relevant commercial organisations', in order to ensure equal treatment of suppliers, organisations which do not carry on business in the UK but which do have a turnover of more than £36 million should be requested to provide similar statements or documents in relation to the condition of participation assessing technical ability. The question may be adapted further, for example, depending on the nature of the procurement an in-scope organisation may also decide to ask this question of organisations who have a turnover of less than £36 million, but only where it is proportionate to do so.

In procurements where this question is included, the criteria and methodology should be included within the procurement documents so that suppliers are aware of the criteria and

how it will be applied. We have developed the pass/fail criteria that has been included below. A supplier should only fail to satisfy this condition of participation if they do not meet the criteria having taken into account their modern slavery statement (or equivalent document) and their reasons for non-compliance and assurances as to future compliance, where applicable. It will be for in-scope organisations to consider whether an explanation is satisfactory. For example, a bidder who is a start-up company, may advise that training is being developed and will be finalised and rolled out within the next six months.

### Example criteria

Supplier's performance	Assessment against the CoP criteria	Outcome
<p>Supplier is 'a relevant commercial organisation' and is compliant with the requirements contained within section 54 of the Modern Slavery Act 2015 and associated guidance and their statement includes information relating to:</p> <ul style="list-style-type: none"> <li>a) the organisation's structure, its business and its supply chains</li> <li>b) its policies in relation to slavery and human trafficking</li> <li>c) its due diligence processes in relation to slavery and human trafficking in its business and supply chains</li> <li>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</li> <li>e) its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate</li> <li>f) the training and capacity building about slavery and human trafficking available to its staff</li> </ul>	Supplier meets the required standard.	Pass
<b>Or</b>		
Supplier is not 'a relevant commercial organisation' but has a turnover of more than £36 million and has provided a link to an equivalent statement or document which demonstrates information relating to a to f above.		
Supplier is 'a relevant commercial organisation' and is non-compliant with the requirements contained in section 54 of the Modern Slavery Act 2015 and associated guidance and/or its statement does not	Supplier meets the required standard.	Pass [This will be a provisional pass, subject to



Supplier's performance	Assessment against the CoP criteria	Outcome
<p>include the information relating to a to f above. However, a satisfactory explanation has been provided and/or they have provided assurances that they will be compliant (where applicable) in advance of contract award.</p> <p><b>Or</b></p> <p>Supplier is not 'a relevant commercial organisation' but has a turnover of over £36 million and has not provided a link to an equivalent statement or document and/or the statement or document does not include information relating to a to f above. However, a satisfactory explanation has been provided and/or they have provided assurances that they will be compliant (where applicable) in advance of contract award.</p>		<p>verification prior to award of contract, if the supplier has provided assurances that they will be compliant in advance of contract award.]</p>
<p>Supplier is 'a relevant commercial organisation' and is non-compliant with the requirements contained within section 54 of the Modern Slavery Act 2015 and associated guidance and/or the statement does not include information relating to a to f above. No satisfactory reason or assurances of future compliance (where applicable) has been provided.</p> <p><b>Or</b></p> <p>Supplier is not 'a relevant commercial organisation' but has a turnover of over £36 million and has not provided a link to an equivalent statement or document and/or the statement does not include information relating to a to f above. No satisfactory reason or assurances of future compliance (where applicable) has been provided.</p>	<p>Supplier does not meet the required standard.</p>	<p>Fail</p> <p>[Supplier fails to satisfy the condition of participation and is unable to proceed in the procurement.]</p>

For further information on conditions of participation, refer to the [Procurement Act guidance on GOV.UK](#)

### 3.12. Below threshold

The risk of modern slavery in a contract is not linked to its value, as even when a contract is below threshold/low value, the modern slavery risk can be high. Therefore, it may be appropriate to ask questions about modern slavery risks in these procurements as long as they are relevant to the contract and are proportionate.

In-scope organisations are reminded that in accordance with section 85 of the Procurement Act, where they invite the submission of tenders in relation to the award of a regulated below threshold contract, they may not restrict the submission of tenders by reference to an assessment of a supplier's suitability to perform the contract. However, a supplier's suitability (legal and financial capacity and technical ability) can be considered alongside a full tender submission with accompanying due diligence as referenced above.

There is an exception at section 85(3) to the rule prohibiting a separate suitability stage in relation to a below-threshold works contract if the contract has an estimated value of:

- in the case of a contract to be awarded by a central government authority, not less than £139,688; or
- otherwise, not less than £214,904

This exception is because the works threshold is much higher, and it is appropriate that in-scope organisations carrying out procurements for higher value below-threshold works contracts that are still above the goods and services thresholds, are able to include a separate suitability stage before the award stage, if desired.

For further information on below threshold contracts, refer to the [Procurement Act guidance on below thresholds contracts](#).

### **3.13. Tender assessment and award**

Section 23 of the Procurement Act, requires that when setting award criteria (including any social value award criteria), an in-scope organisation must be satisfied that they relate to the subject-matter of the contract; are sufficiently clear, measurable and specific; do not break the rules on technical specifications in section 56, and are a proportionate means of assessing tenders, having regard to the nature, complexity and cost of the contract.

If the risk of modern slavery is assessed as low or medium following the CoP assessment, or the sector is immature at dealing with modern slavery risks, in-scope organisations may have decided to rely on the modern slavery criteria included in the Social Value Model, noting section 23 as above.

This basic level criteria is a good starting point and inevitably there will be a process of continuous improvement that should be embedded into the contract once the award is made - at renewal/review stages, so that suppliers demonstrate progress against some key requirements. These matters can be considered for the award of framework agreements, as well as the award of contracts. More detailed requirements can be evaluated at the point of calling off contracts under framework agreements.

### **3.14. Additional tender assessment**

If you have identified modern slavery as high risk, suppliers should be asked additional and/or more detailed questions on how they will address the requirements set out in the specification. For example:

- Where subcontractors are used, suppliers should be asked how the supply chain for this procurement will be managed and monitored for modern slavery supply chain risks and their action plans for tackling cases as they arise.



- Suppliers could be required to give details of workforce conditions in factories used to produce goods to be delivered under the contract, including wages, working hours and rest breaks. This would encourage suppliers to undertake due diligence on their supply chain in relation to social and workforce conditions in order to achieve a higher score against that particular award criterion.
- Suppliers could be asked to provide information on their working/employment practices relating to the staff who will be assigned to perform the contract and to demonstrate their approach to tackling modern slavery and human rights abuses which might arise among those staff. This will encourage suppliers to show that they take a positive and proactive approach to ensuring that their staff are subject to fair work practices, receive fair pay and have opportunities to develop skills.
- Suppliers could be asked who in the company oversees the modern slavery risk and responsibility arising in relation to the goods or services to be delivered under the contract – who monitors it and how frequently and what resources are available to identify, manage, mitigate risks? In-scope organisations should consider how SMEs/VCSEs can answer these questions and ensure they are not disadvantaged due to their size or availability of resources.
- Suppliers could be asked to provide evidence of the recruitment methods used for staff delivering the contract. This is particularly important for high risk labour-intensive contracts (e.g. cleaning contracts, construction contracts) and would cover subcontracts with employment/recruitment agencies. Evidence of one or more of a number of processes in a tender can show that a supplier is seeking to reduce the likelihood of these instances:
  - social audits to ask workers about any recruitment fees paid
  - explicitly prohibiting labour providers from charging fees
  - checking with migrant workers on arrival that they have not been charged or had their identity documents retained by their employer
  - providing confidential processes for reporting instances of fee payment in order that they can be remediated

Recruitment is often the stage at which workers in supply chains can be most vulnerable to modern slavery. It is where practices such as charging recruitment fees to workers and confiscating identity documents can take place, compelling workers into debt bondage and forced labour.

The recruitment process could involve different ‘middle men’ all charging a fee, meaning workers have to take on debt before they even start employment. Workers could also be tied into contracts that force them to continue paying a percentage of their income every month. Understanding recruitment methods is key to reducing risks.

Additional example award criteria, including example recruitment questions, can be found in Annex A. For construction, a high-risk category in the UK, there are also recognised standards for recruiting labourers, the [BRE's Ethical Labour Standard](#) is a useful source of

more information. Your specification could require standards to be in place for the workforce delivering the contract.

For any category, questions for suppliers should be relevant to the subject matter of the contract and proportionate, for instance how products are produced and how services are provided, as well as the impact on the workforce through working conditions or materials used.

### **3.15. Award criteria, methodology, scoring systems and weightings**

When assessing responses to the award criteria, assessors should consider, among other aspects, how the bidder will ensure workers are subject to fair work practices, receive fair pay and have opportunities to develop skills.

The PPN 002 Guide to using the Social Value Model provides additional advice on award criteria, methodology, scoring systems, weighting and preliminary market engagement. It is essential that the approach of in-scope organisations is tested and approved before the procurement is launched. An example of how to apply an award question and criteria relating to modern slavery is in case study 3 at Annex E.

There must be sufficient incentive in the assessment methodology to encourage suppliers to offer responsible supply chain management and this should be clearly costed in their proposals. This can be achieved by allocating an appropriate weighting to this part of the award criteria.

Where the in-scope organisation has decided that site visits/audits are necessary to evidence the supplier has met specific award criteria, such as working conditions, they should refer to the Supplier Audits: Points to Consider guidance at Annex B and further guidance on audits in section 4 below.

### **3.16. Abnormally low tenders**

Section 19 (3)(c) of the Procurement Act, sets out that in assessing tenders, in-scope organisations may disregard any tender that offers a price that the in-scope organisation considers to be abnormally low for performance of the contract. This may be relevant in the context of what has been established as the key modern slavery risks associated with the contract.

Before disregarding the tender, the in-scope organisation must notify the supplier that they consider the price to be abnormally low. They must then give the supplier reasonable opportunity to demonstrate that it will be able to perform the contract for the price offered without committing the grounds for exclusion relating to labour market, slavery and human trafficking offences (mandatory) or labour market misconduct (discretionary) applying.

For further information on assessing competitive tenders refer to the Procurement Act [Procurement Act 2023 Guidance on GOV.UK](#) .

### **3.17. Contract conditions**

Government standard contracts contain terms and conditions which help in-scope organisations to manage modern slavery issues. The 'Corporate Social Responsibility'

schedule of the Crown Commercial Service [Public Sector Contract](#) (Joint Schedule 5) and the modern slavery clauses in the Core Terms of the [Model Services Contract](#) are good examples of this.

Annex C provides an example of modern slavery contractual clauses, based on the modern slavery clauses in the Model Services Contract. Clauses (a) to (k) within Annex C provide a good starting point for drafting modern slavery related contract conditions. In high-risk contracts, however, it may be helpful to include specific terms and conditions to strengthen contractual protection, but in-scope organisations must seek their own legal advice before doing so. This might include:

- A clause which requires the supplier to provide the in-scope organisation with information to demonstrate its approach to modern slavery and human trafficking, for example, workforce conditions, details of its ongoing supply chain monitoring and updates on any action plans it puts in place with its supply chain, working/employment practices, evidence of risk management and monitoring processes or its recruitment practices. It might also be useful to include here that the supplier is required to complete the [Modern Slavery Assessment Tool](#), if relevant. The tool asks about the systems, processes and procedures the supplier has in place to identify and address modern slavery risks in their supply chains. See section 4 for further details on the tool.
- A clause giving the in-scope organisation the right to require the supplier to submit, agree and deliver an action plan to remedy any modern slavery issues. Failure to agree or implement the action plan could be supported by liquidated damages or service credits, depending on the contract. To mitigate the procurement law risk, the clause could provide that the contract can be modified in accordance with an action plan. An example form of action plan is set out in Annex D of this guidance.
- A clause allowing unannounced inspections of supplier premises by the in-scope organisation or a third party auditor with the right to speak directly to supplier's employees. The clause should say which party bears the cost of the audit and you should address the factors raised in Annex B as considerations for including audits in the contract.
- A clause to ensure the in-scope organisation approves all subcontractors, and any changes to subcontractors, who are to carry out services as part of the contract in the supply chain.

**Tool:**

**Annex C: Examples of modern slavery contract clauses**

## 4. Managing risks in existing contracts

This section sets out how in-scope organisations can tackle modern slavery risks in their existing contracts, such as in relation to contracts already awarded to suppliers including call-offs from framework agreements. In-scope organisations should take a risk-based approach, and focus their efforts on those areas where it will have the greatest impact. Working in collaboration with suppliers even when they are mid-contract is key, and at all times remembering the risk of insufficient or ineffective action is not just reputational, it is human, i.e. victims of modern slavery.

Where the suppliers are SMEs or VCSEs, in-scope organisations should carefully consider their approach, to ensure they do not place unnecessary burdens on these types of suppliers. In-scope organisations should also consider whether any actions will place burdens on their own teams and work within the resources they have available.

### 4.1. 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 for in-scope organisations to work effectively with their suppliers to address them.

In-scope organisations should 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 of existing/legacy contracts, if measures were not put in place at the time the contract was let, and there are risks to address, in-scope organisations should work with their 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. For new contracts the following practices can be set out in the terms of the contract (within the contracts details notice). In agreeing to any contract variations, in-scope organisations should take care not to 'gold-plate' the requirement on suppliers as this may add cost. You should ensure a proportionate approach and response to the risk agreed.

### 4.2. Monitoring

#### Supplier meetings

For contracts where the risk of modern slavery is high, in-scope organisations can include information relating to modern slavery issues to the contract. Suppliers should also be asked to provide assurance on the processes in place to identify and address modern slavery risks in their supply chains.

Monitoring can be done through regular contract management meetings where the supplier can provide detailed updates on how they are meeting legislative and contractual requirements including, where relevant, assurance of legal compliance with the Modern

Slavery Act and the production of a high quality modern slavery statement in line with [Home Office guidance](#). At these meetings, action plans should be put in place where there are suspected and confirmed instances of modern slavery to detail how these will be addressed (see below and Annex D for further details).

This level of engagement should continue throughout the life of the contract; the frequency will depend on the level of risk and length of the contract. If the supplier has completed the **Modern Slavery Assessment Tool** (see below for further details), the accompanying guidance for the tool will provide suggestions for how in-scope organisations can run meetings with suppliers about their results.

### **KPIs**

Close contract management of high-risk agreements, combined with use of KPIs should reduce the likelihood of modern slavery occurring in supply chains. In-scope organisations should ensure suppliers re-visit their modern slavery policies and practices year on year and are motivated to continue identifying and managing supply chain risks throughout the life of the contract. Example questions and KPIs are at Annex A.

Under the Procurement Act KPIs can be set where the contract meets the threshold to set, assess and publish KPIs under sections 52 and 71 of the Procurement Act (a public contract with an estimated value of more than £5 million), please refer to [Procurement Act guidance on KPIs](#) on GOV.UK

While there is no obligation under the Procurement Act to set, assess and publish KPIs which don't meet the threshold above, it may still be appropriate to include KPIs in order to mitigate identified modern slavery risks.

### **Audits**

Audits are a useful way of verifying a supplier's own assessment of their approach to tackling modern slavery and opportunities to conduct supplier audits should not be overlooked. Details of the types of audits and considerations to take into account when conducting one are at Annex B.

However, as modern slavery is usually hidden and risks in relation to modern slavery can be complex, conducting an audit will not guarantee that issues and risks will surface at the time. It might be useful to combine an audit with intelligence from a variety of sources such as local NGOs, trade unions, researchers or experts that have closer relationships with vulnerable workers.

Therefore, audits should be used as one of a number of approaches to monitor supplier activity on contracts, and they are not a substitute for long-term, open and collaborative relationships with key suppliers.

### **Working with suppliers to mitigate risks**

In-scope organisations should encourage their suppliers to be proactive and open, and report risks of modern slavery as they come to light. Responses to the [Modern Slavery Assessment Tool](#) may also indicate risk areas that need to be addressed.

When a risk has been identified, an action plan setting out the behaviours, standards and actions required of both parties is required to address the issues. It should clearly set out what action will be taken, when and by whom, including deadline dates, milestones and targets, and what preventative measures the supplier will put in place to stop recurrence. In-scope organisations should keep in regular contact with the supplier to assess progress against the plan, but also to ensure the supplier is accepting their responsibility. Any actions taken should be victim-centric, focused on providing the best outcome for the victims, particularly where children are involved.

Each action should also be considered in terms of any negative impact it may have. For example, asking a supplier to remove any child workers may seem the most ethical approach but this may have a negative impact on the child and their family. See Walk Free's [Tackling Modern Slavery in Supply Chains: A Guide 1.0](#) or the Ethical Trading Initiative [Modern Slavery Guidance](#) or [Base Code Child Labour Guidance](#), for further guidance in this area.

In-scope organisations should use their relationship and contract with the supplier to best effect when initiating the action plan. If the in-scope organisation is not a significant customer of the supplier, they could collaborate with others to increase their influence by contacting other departments and/or public bodies. **If the risks identified relate to a [strategic supplier](#) on a central government contract, the in-scope organisation must report this to the office of the Government Chief Commercial Officer without delay at [cco@cabinetoffice.gov.uk](mailto:cco@cabinetoffice.gov.uk)**

There are a range of organisations working in different sectors that can help to manage modern slavery risks, for example [Electronics Watch](#) in the ICT sector. Here, public sector affiliate members obtain reliable intelligence about working conditions in factories that assemble or make the components of the goods they purchase.

### **Contract termination**

Taking immediate action to terminate a contract can have a drastic effect and risks causing further harm to those involved. Even if a supplier is suspected of being complicit in the crime, the priority should be to work closely with the supplier to help the victims, and ensure it does not happen again. Reactive contract termination can lead to fear and concealment by suppliers, which in turn puts victims at greater risk. Maintaining transparency of the issues and risks is important and working with suppliers offers the best chance of helping victims and preventing recurrence.

Other than in extreme cases, terminating a contract for reasons linked to modern slavery should only be considered where the issues continue to occur and the supplier is unwilling to co-operate and change, despite receiving help and support from the in-scope organisation and where the in-scope organisation has considered all of its other contractual rights. The in-scope organisation must first check that they have a right to terminate the contract and take legal advice. To note, it is an implied term (section 78 (2)(b)) of every public contract that the contract can be terminated if a supplier has, since the award of the contract, become an excluded supplier or excludable supplier (including by reference to an associated person).



The in-scope organisation should also ensure they have considered the potential detrimental effect on workers, particularly if these are overseas and consider:

- Will contract termination stop the abuses occurring or will it result in working conditions worsening?
- What will happen to the workers if the supplier's business closes? Will they be able to find alternative employment?
- Will the workers be paid for the work they have already undertaken?

Where termination does occur, it does not discharge the responsibility to report alleged modern slavery conditions to the appropriate authorities to be investigated.

For further information on contract termination, refer to [the Procurement Act guidance on GOV.UK](https://www.gov.uk/guidance/the-procurement-act-guidance-on-contract-termination)

### **Impact of decisions**

The in-scope organisation should consider the impact of their decisions on the supply chain as these may contribute to increasing modern slavery risks. This includes factors such as:

- short lead times
- late payments
- demand for high flexibility, including last minute changes to orders
- downward cost pressures – if a supplier has agreed to reduce costs, how do they plan to recoup?

## **4.3. Supply chain mapping**

In addition to the supply chain visibility required while assessing conditions of participation, supply chain mapping (within the Modern Slavery Assessment Tool), is another activity that can be used to establish more precisely the risks in relation to suppliers and their supply chain on a particular contract. Supply chain mapping will require resources and in deciding whether to proceed, in-scope organisations should consider the burden on suppliers and their own teams.

Supply chain mapping should only be conducted if the supplier is high or medium risk, and they are not able to assure the in-scope organisation of the systems and processes they have in place to manage risks effectively. Categorising suppliers on these contracts by commodity or service type, or country of operation/source will assist here.

Where the in-scope organisation intends to undertake supply chain mapping, they should start with their Tier 1 supplier. Tier 1 suppliers supply goods/services directly to the in-scope organisation. These suppliers may have a wide range of consultants, sub-consultants, and sub-contractors working for them, creating additional tiers. For example, Tier 2 suppliers are those that sub-contract with the Tier 1 suppliers.

Supply chain mapping can include:

- Asking the supplier to complete the [Modern Slavery Assessment Tool](#) (see below for further information). Although not a mapping tool in itself, the tool asks about the processes the supplier has in place to identify and address modern slavery risks in their own supply chains.
- Requesting information from the supplier on how they manage their supply chain to address modern slavery risks; including details on any systems and processes they have in place to do this (where the Modern Slavery Assessment Tool is not used), remembering to be proportionate so as not to create unnecessary burdens on SME or VCSE suppliers.
- Where applicable, reviewing Modern Slavery Statements to see what risks the supplier has already identified. The Ethical Trading Initiative has produced an [evaluation framework](#) to help assess the quality of published statements and identify any strengths and weaknesses.
- Assessing the relationship with the supplier – is the in-scope organisation a key customer to them? Is it a sole supplier? Is their supply critical to the in-scope organisation? Can an alternative supply be found at short notice if required?
- Carrying out research to see if there have been any previous reports of issues with the supplier for example through audit reports or the media.
- Gathering more information on the labour force in the supply chain – does it involve a high level of manual labour, low-skilled labour or where there are high levels of poverty?
- Requiring the supplier to carry out their own due diligence and requesting evidence of what information has been included and how risk has been assessed.

It may be necessary to go beyond the Tier 1 supplier to understand the specific risks, and this will be dependent on how satisfied the in-scope organisation is with the way in which its Tier 1 supplier can demonstrate they are aware of and are proactively mitigating the risk of modern slavery in the supply chain. Where the supply chain is likely to contain SMEs or VCSEs, the in-scope organisation should carefully consider burdens on those suppliers and be proportionate in their approach. On occasion, supply chain mapping to source may be required, but this will depend on the complexity of the supply chain, the sector, the source country and the number of intermediaries involved. The Tier 1 supplier should be able to provide the required information for their own Tier 1 suppliers and beyond, where there are multiple tiers.

For a large number of commodities, the risks will exist further down the supply chain where there is less visibility and regulation of working practices. At the top of a supply chain, perhaps several tiers removed from the production of raw materials or ingredients, it will be harder to map all suppliers immediately. To address this, the in-scope organisation should, where practical, work systematically and progressively with its Tier 1 suppliers over time to build a complete picture of their supply chain until they are satisfied that all risks have been identified.

The in-scope organisation may have the right in their contract to require their supplier to provide management information either specifically relating to their supply chain or more generally. The data should be systematically captured and analysed in collaboration with



those suppliers to improve traceability. If they don't have this right, the in-scope organisation may wish to consider amending their standard contract terms for future contracts to give themselves these rights going forward, taking their own legal advice when doing so.

Supply chain mapping is already a large part of how private sector businesses tackle modern slavery and other ethical and sustainability issues. Some UK businesses have gone one step further by producing interactive maps of their supply chains which list the locations of all the companies' suppliers and factories. A good example is the [Interactive Supply Chain Map](#) from Marks and Spencer.

#### 4.4. Using contract management to manage risks

Where contracts have been categorised as high or medium risk, putting in place risk mitigation plans will enable the in-scope organisation to address areas of concern and build these into contract management activity. A remedial or corrective action plan may be required if the in-scope organisation has identified significant deficiencies in systems and processes to identify and manage risks throughout the supply chain. This can be achieved in part by adopting new contract management processes discussed here in this section 4.

Co-operation and open communication is key to making effective changes. At all times, the primary driver to taking action should not be to manage reputational risks to the organisation, **it must be to address the human risk and the victims of modern slavery in the supply chain**. Reputational risk to organisations is important, but the most effective way to tackle serious and persistent issues in supply chains globally is to acknowledge these practices do exist, to create a culture of co-operation and open communication, and to work together to resolve them.

In high and medium contracts, the in-scope organisation may decide to adopt new contract management procedures to monitor risks or introduce more regular assessment. Before they do this, they should seek legal advice as to the nature and extent of their rights in the contract to support this exercise.

If the contract does not give the in-scope organisation the rights they need to ensure that their supplier co-operates, the in-scope organisation may be able to achieve the supplier's co-operation without reliance on contractual rights. Alternatively, the in-scope organisation may want to modify their contract. However, in doing so, they should be mindful of the rules in the Procurement Act relating to modification of contracts. For further information refer to the [Procurement Act Contract Modifications guidance](#) on GOV.UK

##### **Modern Slavery Assessment Tool (MSAT)**

The Home Office has developed a [Modern Slavery Assessment Tool](#) to support public bodies to assess their own supply base for modern slavery risks. 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. There is also guidance available for public sector organisations to support them in further discussions with suppliers on their results.

To use the assessment tool the in-scope organisation must first register as a buyer via

the [Supplier Registration Service](#). From here they will be able to invite suppliers to complete assessment via the 'Manage category' link on the 'Suppliers' tab of their dashboard. For any help with the Supplier Registration Service, see the [help page](#).

The MSAT is used by a range of public sector organisations and the supplier may have already completed the assessment for one of them. When inviting a supplier to complete the MSAT, they will be able to use the in-scope organisation's invitation code to share their responses on a previous assessment.

### **Additional tools**

Additional tools which in-scope organisation can use with suppliers to mitigate the risks of modern slavery include:

- Walkfree Foundation's [Tackling Modern Slavery in Supply Chains](#) guide
- [Human Rights Due Diligence Framework](#) by Ethical Trading Initiative
- [UN Guiding Principles on Business and Human Rights](#) has a portfolio of guidance and tools on due diligence, as well as a short video explaining what due diligence is
- [Managing Risks Associated with Modern Slavery: A Good Practice Guide for the Private Sector](#), commissioned by the International Finance Corporation, CDC Group plc, the European Bank for Reconstruction and Development and the UK Department for International Development

## **4.5. Repeat the exercise at appropriate intervals**

In-scope organisations should follow-up initial supply chain mapping activities to manage risks through the life of the contract. For contracts identified as high risk, in-scope organisations should seek regular assurance that the supplier is managing risks effectively. They should also consider reviewing the risk assessment during the life of the contract. Procurements that may not have been high risk at the beginning of the procurement can change over time. For example, if the primary bidder changes their supply chain during the course of the contract, the new supply chain members may be at a higher risk of modern slavery due to their location or labour practices.

## 5. Taking action when victims of modern slavery are identified

When specific instances of modern slavery and human rights abuses have been uncovered in the supply chain, they must be addressed immediately and in a manner that is proportionate and adapted to the circumstances of the case. In some cases, abuses will be a consequence of the way a specific industry is organised and these may require a longer term approach to address the root cause.

Generally, in-scope organisations should seek to work collaboratively with the supplier and in accordance with the terms of the contract to address instances of modern slavery. A blueprint remediation plan for handling such occurrences should be in place which sets out the process for dealing with such instances, and set out roles and responsibilities. An example blueprint is at Annex D. The core points to consider are:

- If the in-scope organisation suspects workers are being subjected to modern slavery, they should involve law enforcement agencies:
- In the UK, if someone is in immediate danger, report it to the police by dialling 999. A potential victim can then be referred to the [National Referral Mechanism](#) by the police to be formally identified and offered Government-funded support. The National Referral Mechanism (NRM) is a framework for identifying victims of human trafficking or modern slavery and ensuring they receive the appropriate support. The NRM is also the mechanism through which the Modern Slavery Human Trafficking Unit (MSHTU) collect data about victims.
- If the in-scope organisation is concerned about a potential victim, or suspicious about a situation that is potentially exploitative, they can call the [Modern Slavery Helpline](#) on 08000 121 700, or call the Gangmasters and Labour Abuse Authority on 0800 432 0804 or [submit a report online](#). If overseas, then the response should be tailored to the local circumstances. The United Nations High Commissioner for Human Rights has produced a list of agencies, programmes, NGOs and foundations who work to counter slavery in high risk industry sectors and countries. For more information visit: [www.ohchr.org](http://www.ohchr.org). In some cases, it will be appropriate to contact local government and law enforcement bodies in-country.
- In cases of suspected child labour exploitation in the UK, Local Authority Children's Services and the police should be notified immediately. Once Children's Services and police have assessed indicators of modern slavery and a child has been protected or safeguarded, the next step is to refer the child into the NRM. Referrals into the NRM can only be made by selected agencies known as 'first responders'. If the in-scope organisation has identified a victim of child trafficking then they will need to refer the child to a first responder in order for them to be referred into the NRM. Additional guidance from the [Home Office is available here](#).

Once the in-scope organisation has identified an incidence of modern slavery and the victim has been safeguarded, they should consult their own legal teams, who can advise on the specific contractual mechanisms in place to handle instances of modern slavery that have emerged.

As discussed earlier, often in cases where modern slavery is discovered, terminating a contract immediately can leave the victims even more vulnerable and at risk. Where possible and practical to do so, the in-scope organisation should work with the supplier to put in place an action plan specific to the type of incident and to prevent recurrence once investigations have concluded. This action plan should at least set out:

- how to remediate the workers involved (this may include involving police and judicial system)
- a review of the suppliers' policies and systems to ensure that these are appropriate to prevent incidents from occurring in the future
- the introduction of credible, independent grievance mechanisms to mitigate any recurrence

## 6. Training

You must ensure commercial and procurement staff involved in letting and managing contracts, including where those staff come into contact with the victims of modern slavery, are given appropriate training. This will help to raise awareness of the issues, how to identify the risks and ensure that suspected instances of modern slavery are handled correctly.

The in-scope organisation should make relevant staff and the staff of suppliers aware of the Modern Slavery Helpline on 08000 121 700 or [online](#).

### 6.1. Chartered Institute of Procurement and Supply (CIPS) ethics test

The Government Commercial Function (GCF) has worked with CIPS to develop an ethics online learning suite and test.

The CIPS e-learning includes over two hours of learning resources which will help individuals gain a consistent understanding of the issues surrounding modern slavery and other ethical aspects of modern procurement (such as environmental sustainability and propriety in upholding the CIPS and the Civil Service Code). It is applicable to all levels of personnel working across the profession (both public and private sector). Successful completion of the test is also a mandatory element of gaining Chartered CIPS Status.

### 6.2. How to access CIPS ethics e-learning and test?

#### **For staff who are CIPS members:**

To access the CIPS Ethical Procurement and Supply e-learning, simply log in to [My CIPS](#). The CIPS ethical procurement and supply e-learning public sector is located in the 'My Learning' area.

#### **For public sector staff who are NOT members of CIPS:**

Information about accessing the e-learning and test is available through joining the [Government Commercial Function Knowledge Hub](#) using an official email account.

### 6.3. UK Government Commercial Function Knowledge Hub

Public sector procurement professionals can register on the UK Government Commercial Function Knowledge Hub. The GCF Network is an online network platform hosted on the Knowledge Hub. This is a gateway to find shared resources, people and guidance, access the latest commercial news in government, hear about events and engage with commercial communities to share best practice. All public sector commercial and procurement staff are able to access this site by using their official emails. The Hub already has over 400 public bodies represented by its membership.

### 6.4. Government Commercial College e-learning

The Home Office have worked with Impactt, a business and human rights consultancy in the UK, to develop an e-learning course titled 'Tackling modern slavery in supply chains: PPE case study' and is held on the Government Commercial College. The e-learning is available to public sector commercial staff.

The course consists of five modules on the practical steps that can be taken throughout the commercial lifecycle to identify and mitigate modern slavery risks. This course will help learners:

- recognise how modern slavery can manifest in supply chains
- spot modern slavery risks in procurement and critically interrogate the assurances suppliers provide (such as social audits)

Drive improvements in modern slavery due diligence to create better outcomes for workers

## **6.5. Additional training resources**

There are a number of free and fee-based training resources available including:

- the International Labour Organisation (ILO) [handbook](#) for employers and businesses to combat forced labour
- a free e-learning suite on [Protecting Human Rights in the Supply Chain](#), developed especially for public procurement practitioners by London Universities Purchasing Consortium in collaboration with the University of Greenwich and Advanced Procurement for Universities and Colleges
- the Ethical Trading Initiative [Human Rights Essentials](#) course features four modules to equip learners with the fundamentals of human rights in business
- Unseen and the Modern Slavery Helpline can provide CPD accredited training to public bodies on modern slavery

For additional training materials, the Home Office has a dedicated [Modern slavery training](#) webpage.

## 7. Acknowledgements

This guidance has drawn material from a variety of sources, particularly ‘Protecting Human Rights in the Supply Chain – a guide for public procurement practitioners’ by Professor Olga Martin-Ortega and Andy Davies, published in 2017 by London Universities Purchasing Consortium, the University of Greenwich, Advanced Procurement for Universities and Colleges and CIPS.

This guidance has been produced in collaboration with:

- Home Office Modern Slavery Unit and Commercial Directorate
- Crown Commercial Service
- Procurement policy network in central government and local authorities
- Welsh Government – Code of practice: Ethical employment in supply chains
- The Ethical Trading Initiative
- Unseen

## Annex A: Examples of model evaluation questions for suppliers in respect of the workers and supply chain that will deliver the contract

Below is a long list of example award questions. In-scope organisations should carefully consider whether the questions are relevant to their procurement before they use them.

- **Assessment and award – what to consider when speaking with suppliers**
  - Action taken/planned to tackle modern slavery within its organisation and the supply chains that will deliver the contract.
  - Evidence of compliance with all applicable labour/employment laws in delivering the contract.
  - Evidence it is not subject to any ongoing investigations or charges in relation to modern slavery in respect of the workers and supply chain that will deliver the contract.
  - Evidence it is not aware of any ongoing investigations or charges within its supply chain for the contract in relation to modern slavery.
  - Disclose its due diligence processes in respect of the workers and supply chain that will deliver the contract.
  - Provision of training on modern slavery for employees and personnel with responsibility for supply chain management in respect of the workers and supply chain that will deliver the contract.
  - Identify sourcing geographies where it will deliver services or manufacture goods for the contract where there is a high risk of modern slavery.
  - Number of workers employed and on what basis (e.g. direct, agency staff etc.) to deliver the contract.
  - Workers who will deliver the contract are aware of their rights and have employment contracts in place.
  - Describe how it will commit to fair working practices for workers engaged in the delivery of the contract (including any agency or subcontracted workers).
  - Evidence that all workers delivering the contract are paid a fair rate of pay, (in line with relevant national context) and that this is not undermined by excessive charges for accommodation and transport etc.
  - Policy clearly stating the minimum age for employment for any workers who will deliver the contract is in line with national law or international minimum standards, whichever is higher.
  - Zero-tolerance policy on violence, exploitation and abuse of children, including but not limited to sexual exploitation, applicable to any workers or supply chain workers who will deliver the contract.



- Whether workers are charged for items which are necessary for them to perform their role e.g. uniforms, PPE etc. in delivering the contract.
- Whether workers who will deliver the contract are free to leave to find work elsewhere.
- Evidence that no worker who will deliver the contract has had to pay for employment.
- Evidence that passports of the workers' who will deliver the contract are not retained.
- Evidence that workers who will deliver the contract are free to join a trade union/collective agreement.
- If an effective whistleblowing/grievance mechanism is in place for workers and supply chain workers who will deliver the contract.
- Evidence of how products are tracked to source.

### • **Questions and points related to recruitment**

- Evidence of the recruitment policy used or will be used to recruit the workers who will deliver the contract.
- Use of recruitment agencies which were used or will be used to recruit the workers who will deliver the contract and the due diligence undertaken on them – are they reputable?
- How recruitment policy prohibits the practice of worker-paid recruitment fees, e.g. adoption of the [Employer Pays Principle](#), a policy of no worker-paid recruitment fees in relation to any worker who will deliver the contract.

### • **Questions and points to consider at contract management**

- Compliance with the Modern Slavery Act.
- Review of supplier KPIs and areas to address.
- Updates on changes to recruitment practices.
- Review of supplier audits.
- Discussion on general best practice – the steps suppliers have taken/plan to take to tackle modern slavery in the organisation and their supply chain.
- Review evidence of supply chain due diligence.
- Awareness of ILO principles – awareness at both organisational and contract level.
- If the supplier is an ETI member, review their written outline of good practice including how principles are cascaded to employees/supply chain partners and their approach to risk management – where higher risk sectors are involved, specific standards may also exist, for example the solar sector and the Solar Stewardship Initiative.
- Where appropriate, review data held by suppliers on their employees to ensure identity checks are completed and there are no red flags evident such as payments to consecutive bank account numbers (suggesting that a group of employees may

have been signed up to those accounts by a third party and may not be receiving their pay directly).

- **KPIs to consider on contracts**

- Requiring commercial and frontline staff to complete annual training on modern slavery.
- Participating in the Modern Slavery Assessment Tool (or equivalent) to monitor supply chains, completing this on an annual basis throughout the life of the contract to measure progress.
- Requiring new staff, especially recruiting officers and commercial staff, to be trained on modern slavery within six months of joining the organisation.
- Reporting any suspected modern slavery violations to an Executive Director immediately upon detection and investigating the reports within 48 hours.
- Handling confirmed modern slavery cases successfully within an agreed timeframe and providing assistance to victims immediately upon detection.
- Completing a given number of supply chain audits.
- Developing and updating due diligence plans and providing data.

- **KPI measures**

The KPI measures below are taken from [Managing Risks Associated with Modern Slavery: A Good Practice Note for the Private Sector](#) commissioned by the International Finance

Corporation (IFC), CDC Group Plc, the European Bank for Reconstruction and Development (EBRD) and the UK Department for International Development (DFID):

- Percentage of business partners (clients, portfolio companies, contractors or suppliers) audited in past year.
- Number of workers spoken to confidentially without a manager present during audits in the past year.
- Number of identified non-compliances related to forced labour in audits.
- Percentage of corrective actions related to forced labour successfully closed/remedied in agreed time frame.
- Number of repeat non-compliances on forced labour from individual business partner in past year.
- Number of reports received from business partners related to modern slavery in past month.
- Percentage of identified modern slavery risks addressed through collaboration (e.g. with NGOs, civil society, trade unions and government) in past year.
- Number of business partners (e.g. clients, portfolio companies, contractors and suppliers) trained on modern slavery in past year.
- Number of complaints of forced labour received through grievance mechanisms in the past month.

- Percentage of complaints resolved in allocated time frame in the past year.
- Number of best practices shared and scaled more widely in the past year.
- Percentage of workers who receive information about their employment rights in a language they understand.
- Percentage of workers who have paid a fee to secure employment in the past month.
- Percentage of workers who receive induction on workplace rights.
- Percentage of workers who are members of an independent democratic trade union.
- Identification of high-risk geographies and sectors for priority due diligence on modern slavery (Yes/No).
- Percentage of business partners that have a policy addressing modern slavery.
- Number of business partners that have cascaded requirements on modern slavery with their third parties.
- Worker feedback on working conditions in staff surveys.
- Victim feedback on outcomes of actions and remedy.
- Independent stakeholder feedback on efficacy of strategy to address modern slavery.

## Annex B: Supplier audits points to consider

Audits can apply assurance and verification of the suppliers' own judgements. Social audits for example can give an insight to working conditions and identify issues in supply chains, particularly when they are un-announced so it is more difficult for perpetrators to cover up any exploitation. Social audits can be conducted internally or by an external body, however if an internal audit is conducted, it must be carried out by competent persons who are in a position to be impartial, objective and free from direct responsibility for the activity being audited. For this reason, they are often members of a different department or location.

Factory audits can help identify how goods are being produced and provide a snapshot in time of the standards and conditions in a particular factory at the time of the audit, and assist in the systematic gathering of information. Although there are drawbacks, it is an important activity to gain knowledge of the process and understand what works well and what is less successful.

Audits can also be carried out on suppliers of services. This can be particularly valuable in service industries where low-pay is prevalent, such as cleaning or security services.

Suppliers' recruitment practices can be audited, especially those that employ third parties to recruit workers and where workers are paid through a third party. Employee information can also be audited to look for signs of modern slavery – such as large numbers of workers resident at the same address, or with sequential bank account numbers.

There are a number of factors that in-scope organisations should consider before carrying out an assessment themselves, or employing specialist auditors to carry out the process on their behalf. These include:

- the chosen assessor should not have any links with the supplier and whether they will be required to engage with workers directly – especially those that are most vulnerable such as young workers, pregnant employees, migrant workers – at supplier companies
- the aspects for the auditor to focus on e.g. recruitment processes, working conditions, working hours, health and safety, conditions for young workers, level of wages being paid, treatment of workers etc. – ideally these should reflect any issues that the in-scope organisation identified through the risk assessment process, including the initial operating context mapping and engagement with expert stakeholders
- whether a spot check will result in a more accurate audit than a planned check
- the documentation the auditor will be reviewing and the willingness of the supplier to provide it; whether the information can be verified by other stakeholders/third parties
- if the auditor needs to visit the supplier's site(s) or whether a desk-based audit be sufficient
- if carrying out an on-site visit, to ensure it is the main site and not a 'show site'

- where the supplier is based abroad, if the auditor aware of the local laws and customs – the ILO maintains a database [NATLEX](#) of national labour, social security and related human rights legislation
- if the auditor is able to carry out identity checks on workers, ensuring that the workers on-site are those listed as staff by the supplier (auditors must be able to select the workers to be interviewed and rather than provided with those the employer wants to present)
- if the auditor can communicate with the workers in their own language / if an interpreter is needed – ideally, the auditor should be based in the country where the audit is taking place, be familiar with cultural norms and able to speak the language as this will help build trust with employees
- whether the auditor can speak with workers confidentially, possibly off-site
- whether the auditor is able to request/receive anonymous reports. It should also be made clear during the engagement with an auditor that any indication of modern slavery must be reported to the appropriate authorities. Failure to do so can allow the perpetrators to continue, the crime to remain hidden and, most importantly, victims to be denied access to the support they need and face continued abuse
- internationally recognised standards for factory audits, such as [Sedex Members Ethical Trade Audit \(SMETA\)](#) and the [Social Accountability Standard SA8000®](#)
- whether there is a recognised pattern of organisations presenting fraudulent records to auditors in the relevant location or sector

## Annex C: Modern slavery example contract clause

The clause below is provided as a guide only. In-scope organisations should take their own legal advice on the use and suitability of these example clauses.

### **The supplier:**

- a. shall not use, nor allow its subcontractors to use, forced, bonded or involuntary prison labour
- b. shall not require any supplier employees or the employees of any subcontractors to lodge deposits or identity papers with their employer and shall be free to leave their employer after reasonable notice
- c. warrants and represents that it has not been convicted of any slavery or human trafficking offences anywhere around the world
- d. warrants that to the best of its knowledge it is not currently under investigation, inquiry or enforcement proceedings in relation to any allegation of slavery or human trafficking offences anywhere around the world
- e. shall make reasonable enquiries to ensure that its officers, employees and subcontractors have not been convicted of slavery or human trafficking offences anywhere around the world
- f. shall have and maintain throughout the **term** its own policies and procedures to ensure its compliance with the Modern Slavery Act 2015 and include in its contracts with its sub-contractors anti-slavery and human trafficking provisions
- g. shall implement due diligence procedures to ensure that there is no slavery or human trafficking in any part of its supply chain performing obligations under the contract
- h. shall prepare and deliver to the authority, an annual slavery and human trafficking report setting out the steps it has taken to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its business

**[Guidance – a statement under section 54 of the Modern Slavery Act 2015 would be sufficient for the required annual slavery and human trafficking report required by clause h]**

- i. shall not use, or allow its employees or sub-contractors to use, physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation of its employees or sub-contractors
- j. shall not use, or allow its sub-contractors to use, child or slave labour
- k. shall report the discovery or suspicion of any slavery, trafficking, forced labour, child labour, involuntary prison labour or labour rights abuses by it or its subcontractors to the authority and Modern Slavery Helpline and relevant national or local law enforcement agencies

- I. if the supplier is in default under clauses a to k, the authority may by notice:
  - i) require the supplier to remove from performance of the contract any sub-contractor, supplier employees or other persons associated with it whose acts or omissions have caused the default; or
  - ii) immediately terminate the contract

**[Guidance – sub-clauses m to v and are intended for use in medium and high-risk (of modern slavery) contracts. For guidance on classifying contracts as medium or high risk, please refer to section 2 of this document. Authorities should consider which requirements, including any additional requirements, are appropriate for their contract.]**

- m. shall comply with any request by the authority to complete the Modern Slavery Assessment Tool within 60 days of such request **[optional]**
- n. shall, if the supplier or the authority identifies any occurrence of modern slavery connected to this contract, comply with any request of the authority to follow the Rectification Plan Process to submit a remedial action plan which follows the form set out in Annex D of the [Tackling Modern Slavery in Government Supply Chains](#) guidance **[optional]**
- o. shall comply with any request by the authority to provide a Supply Chain Map within 14 days of such request **[optional]**
- p. shall comply with any request by the authority to provide a copy of any reports of any sub-contractor regarding any or all of workplace conditions, working or employment practices and recruitment practices within 14 days of such request **[optional]**
- q. shall carry out due diligence to ensure workers in its business and its supply chains are not paying illegal or exploitative recruitment fees to secure employment, and where these fees are uncovered shall ensure that workers are remedied **[optional]**
- r. shall allow the authority or independent third party to carry out an unannounced or semi-announced inspection of any site and speak directly to any supplier employee in a confidential manner and in the native language of such supplier employee in respect of workforce conditions, working or employment practices **[optional]**
- s. for the purposes of an audit carried out pursuant to limb u, the authority may instruct the supplier to carry out such an audit of any subcontractor by an independent third party and, if so instructed, the supplier shall deliver a report to the Authority within 90 days of such instruction **[optional]**
- t. if the supplier notifies the authority pursuant to clause k, it shall respond promptly to the authority's enquiries, co-operate with any investigation, and allow the authority to audit any books, records and/or any other relevant documentation in accordance with the contract **[optional]**
- u. if the supplier is in default under clauses m to t, the authority may by notice **[optional]**:



- i) require the supplier to remove from performance of the contract any sub-contractor, supplier employees or other persons associated with it whose acts or omissions have caused the default; or
- ii) immediately terminate the contract

**Definitions:****Modern Slavery Helpline**

The modern slavery helpline phone number on 08000 121 700 or the online reporting tool which can be found online at [www.modernslaveryhelpline.org](http://www.modernslaveryhelpline.org)

**Modern Slavery Assessment Tool**

the modern slavery risk identification and management tool which can be found online [at  
supplierregistration.cabinetoffice.gov.uk/msat](http://supplierregistration.cabinetoffice.gov.uk/msat)

**Supply Chain Map**

Details of (i) the supplier, (ii) all sub-contractors and (iii) any other entity that the supplier is aware is in its supply chain that is not a sub-contractor, setting out at least:

- a. the name, registered office and company registration number of each entity in the supply chain
- b. the function of each entity in the supply chain; and
- c. the location of any premises at which an entity in the supply chain carries out a function in the supply chain

## Annex D: Remedial action plan blueprint: an example template

This agreement sets out the remedial actions to be taken, within the terms and conditions of the contract, **when an occurrence of modern slavery has been identified in a government contract**. The action plan sets out the responsibilities of the supplier (you) and the contracting authority (we).

### **When evidence, of modern slavery in the supply chain occurs, you will:**

- take immediate, decisive action on any evidence which shows modern slavery is taking place in your supply chain
- investigate fully any evidence of modern slavery and promptly and regularly report us those details in full, confirming the facts and being transparent and accountable in reporting progress
- work in good faith with the contracting authority, and with the statutory processes and authorities in the country concerned. In the case of UK reports, the National Referral Mechanism (NRM) and the Gangmasters and Labour Abuse Authority (GLAA) or police as appropriate
- reciprocally share information with the contracting authority that will help stop, or prevent, the abuse or exploitation of workers, including where either party has been made aware of risks specific to the supply chain
- treat all information sensitively and appropriately and not disseminate it without prior agreement of the contracting authority
- subject to any ongoing or criminal proceedings, all relevant parties including the contracting authority shall be informed of the findings of any investigation
- you will establish a **dedicated lead** to implement the remedial action plan, to coordinate the response and liaise with all necessary agencies including the contracting authority and law enforcement agencies in the UK and overseas if required – the lead must have sufficient seniority to be responsible for the exchange of information and an understanding of how sensitive information should be handled

### **When modern slavery is proven to have taken place you will:**

- set out a plan to the contracting authority detailing how you will:
  - work with victims, victim's representatives and, where relevant, statutory authorities to tackle root causes and support identified victims
  - agree timescales for remedial measures to be put in place
  - monitor delivery of the plan, in conjunction with the contracting authority
  - take further action where plans are not delivered, or where delivery is not effective or timely

**Where appropriate remedial measures require it, the dedicated lead will:**

- create partnerships with other organisations in the supply chain, and victims, and consult locally on any remedial measures
- share responsibility and costs for investigation and remedial action appropriately across the supply chain
- allow some flexibility for smaller businesses (i.e. longer time frames)

**All remedial measures shall put the victims welfare first, specifically the dedicated lead shall:**

- prioritise the safety and security of the victims of slavery, particularly children
- work and consult with victims to identify remedial solutions that works for them and improves their situation
- address child labour and modern slavery as part of a wider approach to improve working conditions, aiming for continuous improvement
- phase out child labour in a responsible fashion

**● Enforcement of the action plan**

**If you:**

- do not co-operate with investigations, including concealing information or unreasonably delay sharing information
- do not put the victims first
- continue to employ child labour illegally, or in hazardous conditions
- are irresponsible in phasing out child labour
- continue to employ people in modern slavery
- do not implement remedial measures or refuse to improve your practice

**We will:**

- review the actions available to us under the terms of the contract, in light of the best outcome for victims, including:
  - suspension,
  - termination, and
  - sharing past performance information with other public sector contracting authorities
- where it does not provide a perverse outcome for victims, we may exercise any termination right if:
  - you continue to employ child labour illegally, or in hazardous conditions, and you refuse to improve your practice
  - you are found to have committed criminal offences under the Modern Slavery Act

**If you:**

- did not commit a criminal offence under the Modern Slavery Act; and
- act in accordance with the principles set out in this plan

**We will:**

- seek to avoid termination even where your supply chain is found to have committed criminal offences under the Modern Slavery Act
- work with you to remedy any identified instances of Modern Slavery or child labour abuses
- where appropriate, work with you and our other suppliers to share lessons learnt, raise awareness within the supply chain and protect workers from exploitation and abuse

## Annex E: Case studies

### 1. Case study: Modern slavery in UK supply chains

In 2015 and 2016, across two separate criminal trials, three men were convicted of modern slavery offences for their role in trafficking workers and forcing them to work in a mattress factory in Dewsbury, West Yorkshire.

The mattress factory manager was convicted, as well as two Hungarian nationals who had recruited victims in Hungary on the promise of good work in the factory, food and accommodation in the UK.

They had trafficked up to 50 men from Hungary to West Yorkshire.

On arrival, the victims were forced to work in the mattress factory for as little as £10 per day, for 10 to 16 hours a day for up to 7 days per week. Some of the victims had their passports confiscated and survived on scraps of food, with up to 42 men forced to live in squalid, cramped conditions in a two-bedroom house.

The exploitation was uncovered when one of the victims reported to an NGO and subsequently there was a large and complex police investigation.

The mattress factory supplied beds to major UK high street retailers who were reported to have previously audited the factory but not uncovered the slavery happening there.

### 2. Case study: Addressing the risk of modern slavery on construction sites

Hundreds of agencies and sub-agencies supply labour to large projects. Corruption, lack of documentation, intimidation and secrecy ensure that the intricate web of relationships is difficult to unravel.

While migrant workers are visible on construction sites and infrastructure projects, those that are producing goods and materials – from aggregates, timber, natural stone and metals, to manufactured goods such as heating parts or personal protective equipment – are arguably even more hidden in the supply chain.

As part of the 'discovery' phase to design CCS' Estates Professional Services offer ([RM3816](#)), CCS worked with the market and customers to identify and agree the risks of modern slavery, how mature the market was in its approach to addressing the risks, and how this could be addressed effectively in the procurement.

The discovery phase identified that the sector was well aware of the risk of modern slavery, but that practice in addressing it across the sector as a whole was variable. The

first step would be to get universal acknowledgement of the risk, and set an expectation to manage that risk in the framework.

CCS reviewed industry practice and identified the [Chartered Institute of Building: Building a Fairer System: Tackling modern slavery in construction supply chains](#) as a commonly accepted set of principles and approaches to tackling modern slavery in the construction industry.

The strategy set out CCS' expectations that suppliers would be required to work with CCS, to continuously improve performance post-award and deliver improvements across the sector.

**The excerpt from the final specification was as follows:**

"The supplier shall work with the customer to deliver measurable benefits, as set out in their tender/continuous improvement plan in respect of the Social Value priorities identified by the customer and, at least, the following: Addressing the risk of Modern Slavery and exploitation in construction supply chains associated with the Service, in line with the principles set out in the Chartered Institute of Building: Building a Fairer System Tackling modern slavery in construction supply chains. All employers involved in the construction industry should make proper background checks on the agencies who supply them with labour, including where the agency is operating in a supervisory role."

### 3. Example of a modern slavery award question and criteria

#### Case study

The [Government Buying Standard for Food and Catering](#) requires, as a mandatory specification, that at least 50% of tea and coffee is fairly traded. At best practice level it requires that all tea, coffee, cocoa and bananas are certified as fairly traded. This is supported by an award question in the [Balanced Score-Card for Food](#).

#### Award question

Please describe how your organisation is working to improve labour conditions and other ethical aspects of its direct and indirect (supply chain) operations which will supply food for this contract.

Relevant factors:

Where food is sourced from states that have not ratified the [International Labour Organization Declaration on Fundamental Principles and Rights at Work \(1998\)](#), or are not covered by the [OECD Guidelines for Multinational Enterprises](#), the supplier of catering and food services shall carry out due diligence against ILO Declaration on Fundamental Principles and Rights at Work (1998).

- Risk based audits have been conducted against social / ethical supply chain standards e.g. SA8000 compliance, audit evidence for Ethical Trade Initiative (ETI) Base Code compliance, or equivalent.
- Working with suppliers to improve conditions through proactive, direct engagement programmes.
- Membership and use of ethical and responsible trading information exchange services e.g. SEDEX, or equivalent.
- Dairy products meet the [Voluntary Code of Practice on Best Practice on Contractual Relationships](#).
- Measures are taken to ensure fair dealing with farmers through, for example, the guidance contained in the [Groceries Supply Code of Practice](#).
- 100% of tea and coffee procured is produced in accordance with fair trade standards.
- Procurement of produce other than tea and coffee e.g. bananas, cocoa is in accordance with fair trade standards.

#### Award criteria

- **[Excellent]/[100]:** The applicant's approach to improving labour conditions and other ethical aspects of its direct and indirect (supply chain) operations which will supply food for this contract includes all of the suggested best practice measures that are applicable to its operations.
- **[Very Good]/[75]:** The applicant's approach to improving labour conditions and other ethical aspects of its direct and indirect (supply chain) operations which will supply food for this contract includes at least 2/3 of the suggested best practice measures that are applicable to its operations.
- **[Good]/[50]:** The applicant's approach to improving labour conditions and other ethical aspects of its direct and indirect (supply chain) operations which will supply food for this contract includes at least 1/3 of the suggested best practice measures that are applicable to its operations.
- **[Satisfactory]/[25]:** The applicant's approach to improving labour conditions and other ethical aspects of its direct and indirect (supply chain) operations which will supply food for this contract includes less than 1/3 but more than [•] of the suggested best practice measures that are applicable to its operations.
- **[Unsatisfactory]/[0]:** The applicant's approach to improving labour conditions and other ethical aspects of its direct and indirect (supply chain) operations which will supply food for this contract includes less than [•] of the suggested best practice measures that are applicable to its operations.



**Contract management**

Periodical review with contracting authority in accordance with contractual rights and remedial action, if necessary, in accordance with the contract. The contract may provide for termination of the contract if all other remedial steps fail.