



# The Food Network for Ethical Trade (FNET)

RAW MATERIALS & SERVICES WORKING GROUP: LOGISTICS TUESDAY 9<sup>TH</sup> MAY 2023



# Competition Law Statement

*“Today we are meeting to discuss the Food Network for Ethical Trade.*

*We take competition compliance seriously. Whilst discussions can cover matters of interest to our industry, we cannot discuss or exchange sensitive commercial information.*

*If at any time during this meeting, you think our discussions may be in breach of competition rules, please inform the Chair. The Chair may close the meeting at any time if she believes that discussions are in breach of competition law”*

**A recording of the meeting can be found at**

# Agenda

Approximate timing	Item
2.00 – 2.05	Introductions in the room
2.05 – 2.15	Summary of FNET
2.15-2.30	<i>Labour &amp; Human Rights Risks in Logistics</i> - Cristina Talens, Director of Risk Assessment Services, The Wilberforce Institute
2.30-2.35	<i>Labour &amp; Human Rights in Warehousing</i> , Paul McAnulty, Stronger Together
2.35 – 2.40	Company case studies
2.40-3.00	Discussion and next steps

# FNET MEMBERSHIP



# Mission and objectives

## SAFE SPACE COLLABORATION

Create a safe, non-competitive, space for collaboration on ethical trade issues

## CAPABILITY & CAPACITY BUILDING

Support and strengthen members' capacity & capabilities to manage and resolve ethical trade issues in supply chains

## MISSION

To use the collective leverage of suppliers and retailers to bring about positive change in working conditions in global food, beverage and horticulture supply chains by providing guidance, resources, training and opportunities for collaboration

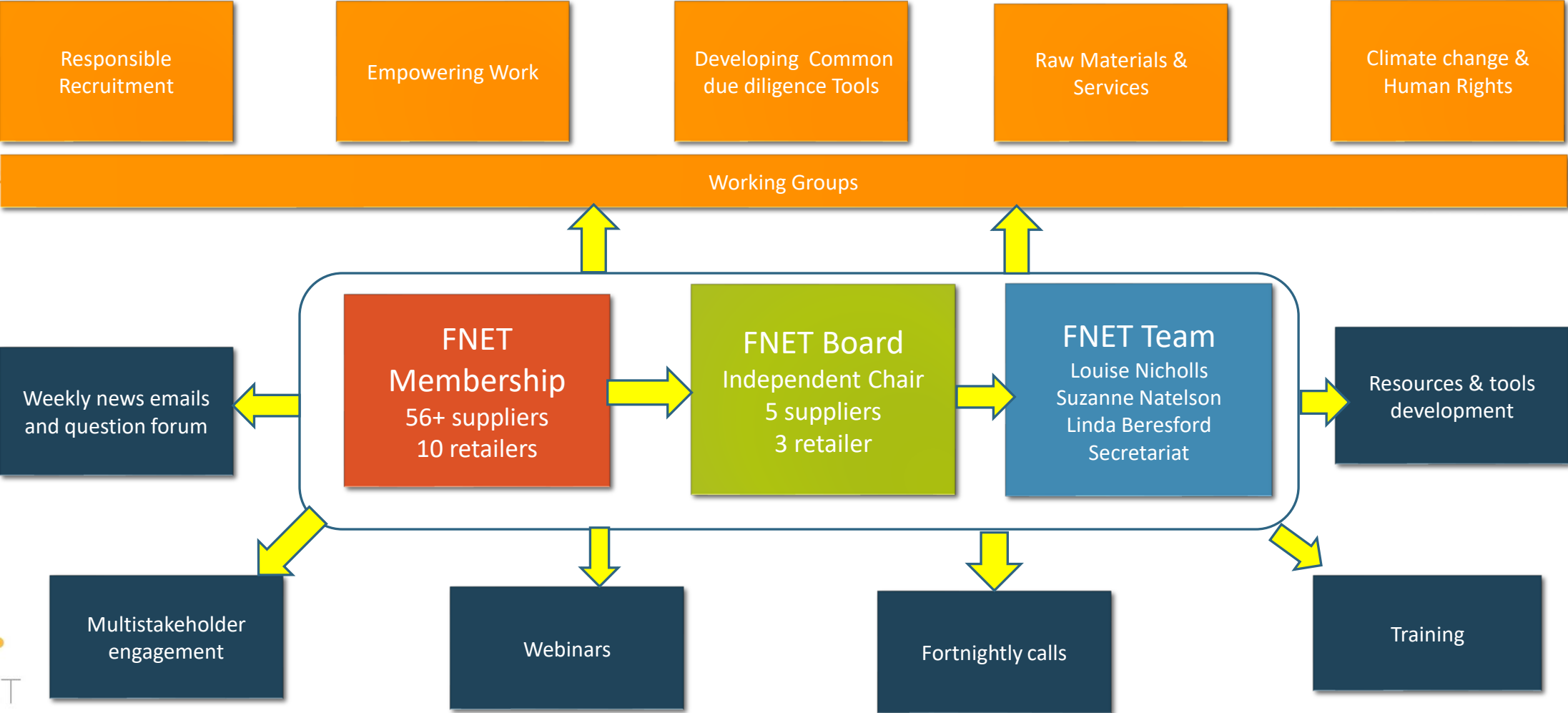
## INSIGHTS & HORIZON SCANNING

Provide credible, timely and relevant insights and horizon scanning on ethical trade issues that impact our supply chains

## SUPPLY CHAIN LEVERAGE

Work with and influence other ethical trade initiatives and stakeholders to avoid duplication and increase leverage and alignment

# How FNET works



**slido**



**What do you hope to get from this meeting?**

ⓘ Start presenting to display the poll results on this slide.

# FNET's work on road haulage

“logistics” identified by 44% members in 2022 member survey as an area to focus on in 2023

Had an initial session with members in May 2023 – presentations by ITF and members and decided to narrow the scope to road haulage as it was part of all members' business.

Conducted a survey in June to understand concerns of the members and to identify companies where there were shared suppliers as a way to identify companies to collaborate with.

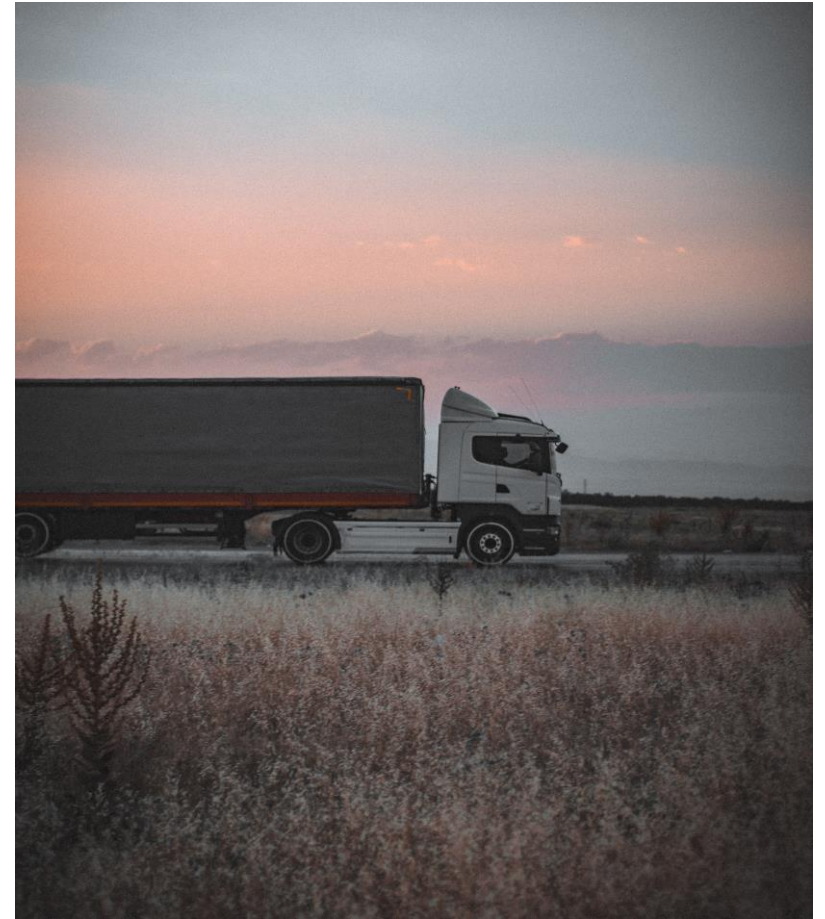


# June-July 2023: Survey Results: Road haulage

9 respondents

Some haulage companies in common across the network but a very wide range of haulage companies including specialist haulage, and also secondary transport (from warehouses/depots to stores): Containerised transport (from port to warehouses): Maritime

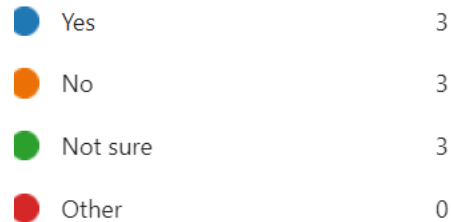
Some interest expressed in September in last mile delivery



# Haulier engagement

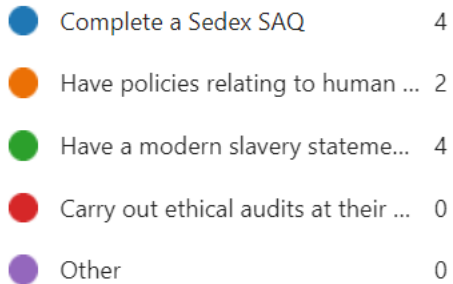
Do any of the companies engage on ethical trade issues?

[More Details](#)



Do any of the companies do the following:

[More Details](#)



## More detail on haulier engagement

Some companies produce modern slavery statements, some are linked to Sedex and complete a SAQ, some comply with Members Ethical sourcing policy, some have union members in their workforce.

# Member engagement with hauliers

Mixed response regarding engagement with haulage companies on human rights

A few reports of Sedex SAQ completion and some top-level engagement

Some responses from FNET members suggested that the level of interest might be due to the following:

*“Not interested due to other requirements and we are a small fish in a big pond.”*

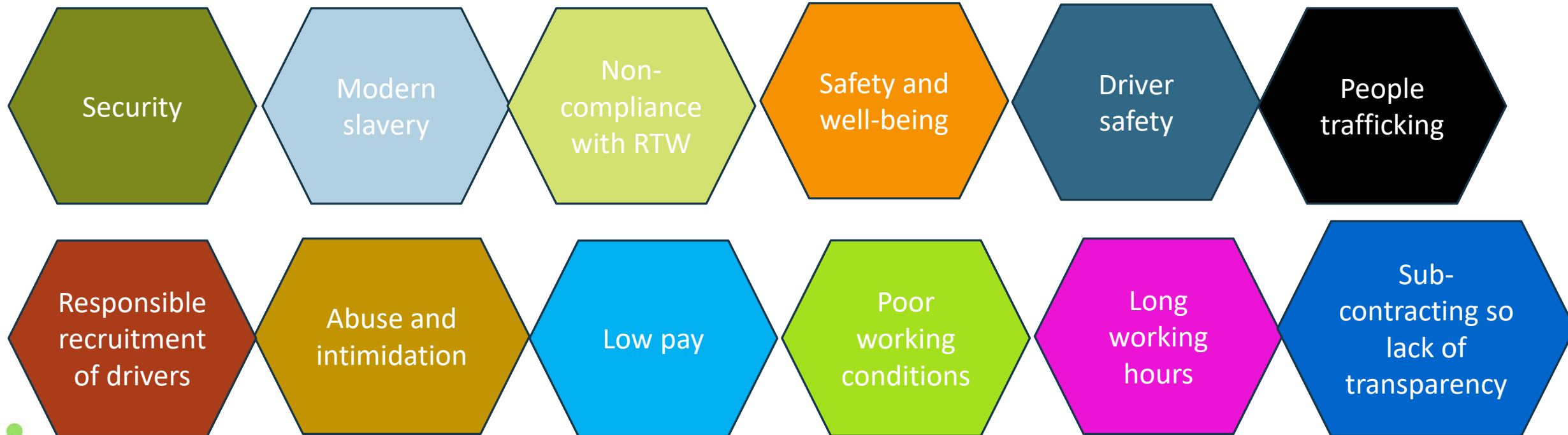
*“We have sent details of ethical standards - including our Supplier code of conduct but not had any response”,*

*“Current climate protecting drivers from illegal immigrants entering trucks on breaks. Trying to sort driver shortage crisis”*



# What are your ethical concerns about road haulage?

*“They fall outside of our scope of labour standards currently meaning there is no requirement for them to be registered on SEDEX, to complete the SAQ or undertake audits. There is no visibility of their awareness of human rights or what strategy they may have.”*



# Suggestions for FNET work on haulage

Suggestion	Comments	Action
Develop/Share standards or best practice		
Work with Road Haulage Association and other industry bodies		
Best practice from the sector		
Pilot projects with haulage companies		
Work with haulage companies via FNET		
Visit premises and spend “a day in the life” to assess concerns		
Consider more than road transport		
Share best practice with supply chain		
Understand what can be used to monitor outside of audits		
Checklist for companies to complete		
Work with RHA to develop code of practice		



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Welcome to the

**Wilberforce**

**Institute**

Labour and Human Rights Risks in Logistics

Cristina Talens



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# World-leading research centre

- Founded in 2006, we have an inter-disciplinary focus with staff from History, Law, Social Sciences and Education.
- Our team have direct experience of dealing with forced labour, debt bondage, trafficking and smuggling in supply chains.
- Our Risk Assessment Services were set up in 2014 to address modern slavery within business.



# My background...

- Director of Risk Assessment Services Antislavery International (UK) & Comité Contre l'Esclavage Moderne (France) Spain and Italy.
- Social Auditor specialising in agriculture, manufacturing and logistics. SGS, Intertek, Impactt Limited.
- UN Global Programme Against Trafficking and Smuggling of Human Beings.
- Ethical Trading Initiative (ETI) Retailers and International Brands.







# Why look at Modern Slavery Risks in logistics and haulage?

1

Legislative requirements in the UK (MSA) and across the EU on Due Diligence (CSRD).

2

Brexit has led to shortages of labour and a reliance on subcontractors and agencies.

3

Transparency on labour & human rights in the sector is weak. A lot of assumptions about transport being heavily regulated.

4

... Actively manage risks in your own supply chain and help you improve conditions for workers



# Aim of this training session



Help you understand how we check for modern slavery risks



Review labour and human rights risks in warehousing and distribution



Provide key focus points for future risk assessments around the living wage, hours, and recruitment



Cover off any questions you may have and look at best practice



# Setting the scene - Legal Requirements

1. Modern Slavery Act 2015. Section 46  
Transparency in Supply Chains (TiSC)
2. The EU Corporate Sustainability Reporting Directive (CSRD) will come into force in 2024.
3. Labour and human rights legislation in Germany, France, Netherlands, US, Australia and New Zealand.
4. Detailed reporting requirements on company impacts on the environment, human rights and social and sustainability related risks.





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# A due diligence framework

“the action taken by a company to both identify and act upon actual and potential risks for workers in its operations, supply chains and the services it uses.”

UN Guiding Principles on  
Business and Human  
Rights





# Risk Assessment - On sites

1. Management interview with 20 Key questions covering ETI Base Code provisions
2. Suppliers' knowledge of risk locally
3. Suppliers' Recruitment Practices
4. Site walk around
5. Worker interviews (if not at risk)
6. Document Checks – Pay, Hours, Worker Files
7. Interviews with local NGOs, Trade Unions, Industry bodies



Interviewing workers picking tomatoes in Italy



# Follow up with suppliers

## Supplier risk assessment

- Short report on the challenges faced by the sites and the current systems in place to meet those challenges.
- Conversation about how to overcome challenges.

## Guidance on due diligence

- Recommendations on systems that need to be in place, including a practical demonstration of “how to” gather information on 4-5 key questions.



## Encourage collaboration

- Focus on expertise of different organisations, trade unions and NGOs.

- **Follow up report**



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# Our findings in logistics & warehousing

- Significant rise in wage levels and tight margins as a result of labour shortages.
- Dependency on agency labour and subcontractors means less visibility on labour exploitation.
- Terms & conditions not understood by workers.
- Lack of communication channels for workers to raise issues.
- Excessive Working Hours.
- Cost of Living Crisis and Loans.
- Piece rates and wages
- Right to Work checks are not systematic.



HAULAGE & DISTRIBUTION IS HIGH RISK



# Focus on Hours Hours, H&S for Drivers

- Excessive working hours for drivers, in some cases exceeding 80 hours a week.
- Need to follow EU rules on drivers' hours and tachographs, when the weight of a vehicle is over 3.5 tonnes and you're driving in the UK .
- EU rules drivers must not drive more than:
  - 9 hours in a day - this can be extended to 10 hours twice a week
  - 56 hours in a week
  - 90 hours in any 2 consecutive weeks
- Loading activities and responsibilities of senders & recipients.



- GB driving rules. You must not be on duty for more than 11 hours in any working day.





# Focus on Hours for Drivers

- Duty time: Difference in the allocation of jobs to employees and the self-employed.
- Drivers working for a company = duty time is any working time.
- Self-employed, duty time is only time you spend driving the vehicle or doing other work related to the vehicle or its load.
- IR35 regulations: Subcontractors working for an employer over 6 months on a regular basis, should be given an employment contract.



IS IT BETTER TO BE AN EMPLOYEE  
OR SUBCONTRACTOR?



Are there any  
Questions?



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**Thank  
you.**

[hull.ac.uk/wilberforce](http://hull.ac.uk/wilberforce)



@WilberforceHull

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together**

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Responsible recruitment | Fair work | Free from exploitation

# Tackling Labour Exploitation in UK Warehousing



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Responsible recruitment | Fair work | Free from exploitation

**Our Vision** is a world where all workers are recruited responsibly and have fair work free from exploitation.

**Our Mission** is working together to enable organisations to embed responsible recruitment and employment practices and mitigate labour exploitation in their operations and supply chains

# What we do

1

## Capacity building guidance, resources and training

- **Training:** a range of live interactive online or in-person workshops and practical e-learning modules tailored to different actors, knowledge levels, sectors, countries and functions.
- **Guidance and resources:**
  - best-practice, in-depth toolkits
  - template policies and procedural documents
  - powerful short films
  - information posters and leaflets for workers
  - topical webinars



2

## Country, sector and thematic collaborative supply chain programmes

- UK Consumer Goods
- UK Construction
- Fast Forward – UK Apparel and General Merchandise
- Spain
- South Africa
- Malawi
- US
- Mexico and Costa Rica
- Global responsible recruitment



3

## Monitoring, Evaluation and Market Differentiation

- **Self-assessment tools:**
  - Checklists
  - Online self-assessment tools (PRT and RRT online tool)
  - Business Partners
- **Independent verification:**
  - Checklist Verification Assessments
  - Organisational Progress Assessment
  - [Fast Forward](#) forensic labour standards audits
  - [Clearview](#) responsible recruitment certification



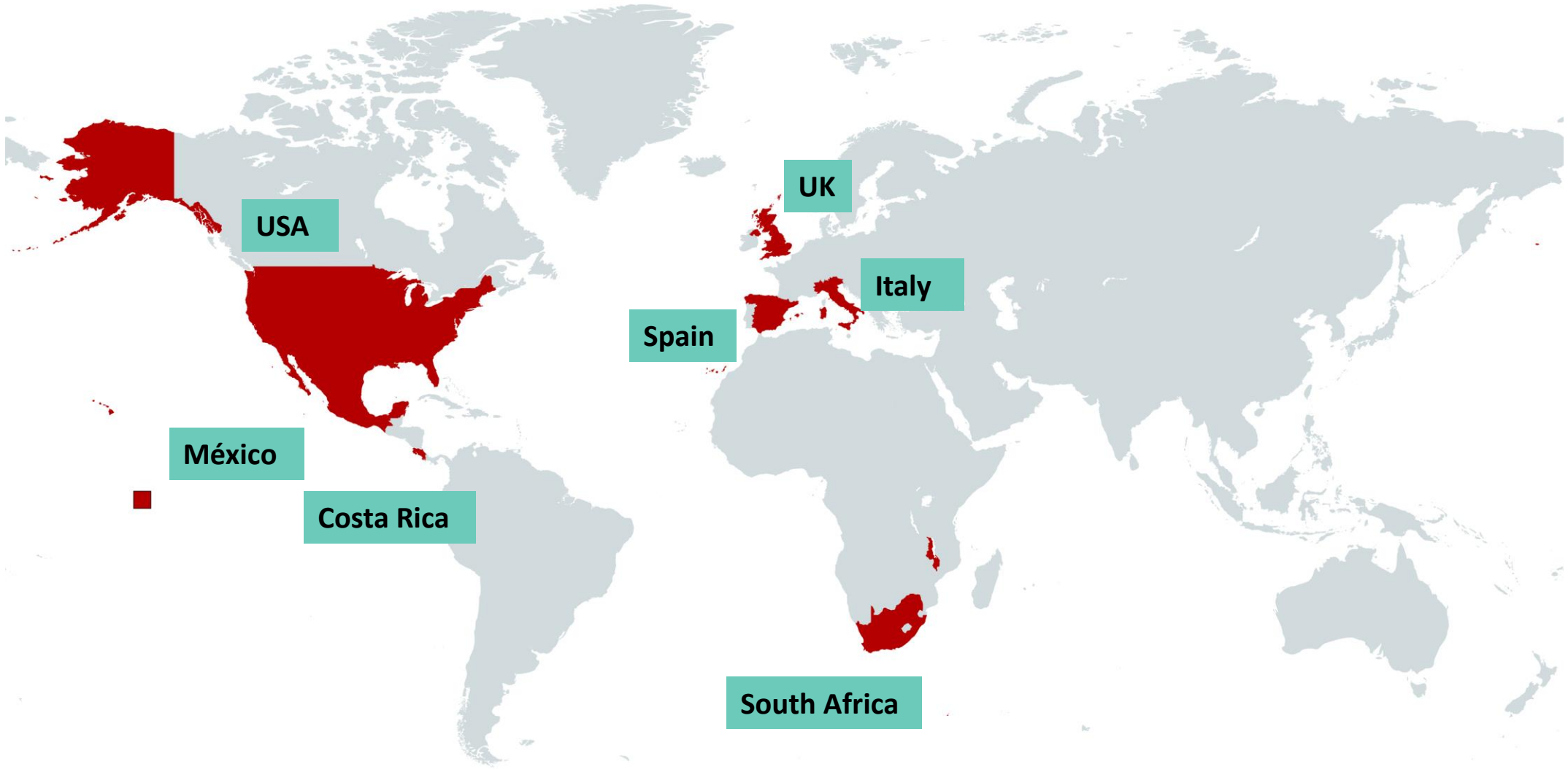
4

## Bespoke consultancy, advisory and training services

- Compelling presentations to Board/ C-suite/ management/supply chain
- Strategy and policy development
- Risk assessment and control
- Bespoke training and capacity building
- Monitoring and communicating effectiveness



# Our collaborative programmes





# Global Estimates of Modern Slavery

**49.6 million people globally** were living in modern slavery on any given day in 2021

That is **one of every 150 people in the world**

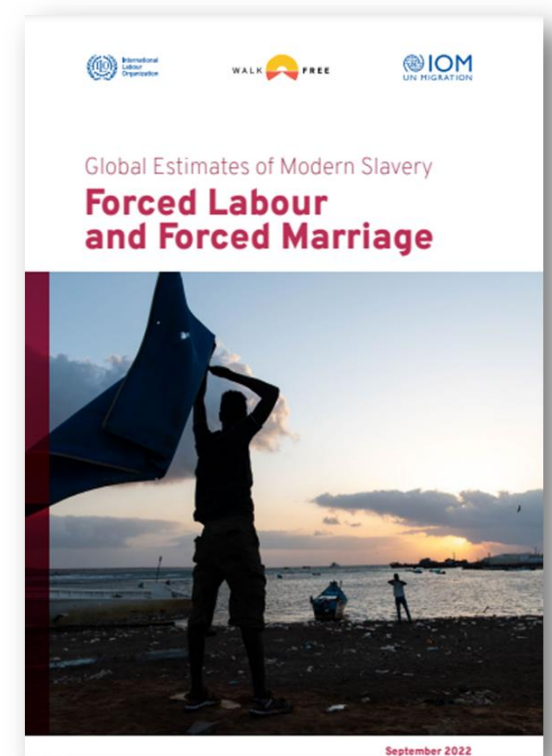
**22m in forced marriage**

**27.6m in forced labour:**

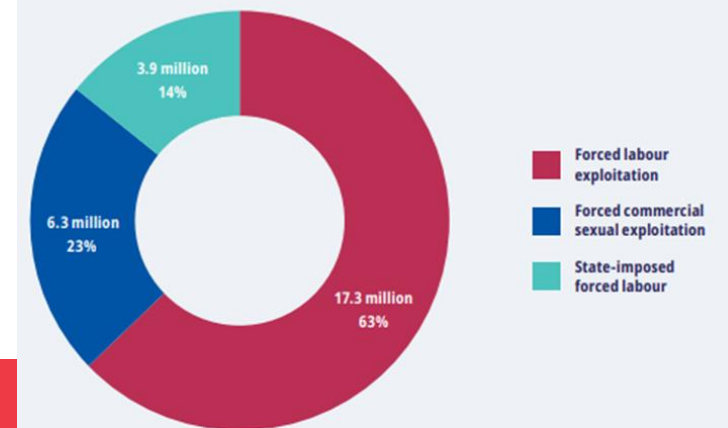
- 17m in private sector forced labour
- 4m in state imposed forced labour
- 6m in forced commercial sexual exploitation

- ***The scale of the problem is increasing***
- ***63% of those in forced labour employed in the private sector***

Source: The Global Estimates of Modern Slavery, 2022; ILO, Walk Free, IOM



Eighty-six per cent of forced labour is imposed by private actors



Number and percentage distribution of people in forced labour, by category

# Forced labour **globally**

## 27.6 million people in situations of forced labour

- 11.8 million are women and girls
- 3.3 million are children

## 87% of adult forced labour cases are in the following sectors



services



manufacturing



construction



agriculture



domestic work

# Labour exploitation **in the UK**

**An increase of 134% of cases of labour exploitation (2022 vs 2021)**

**Top 4 sectors with cases and potential victims of labour exploitation:**



services



care

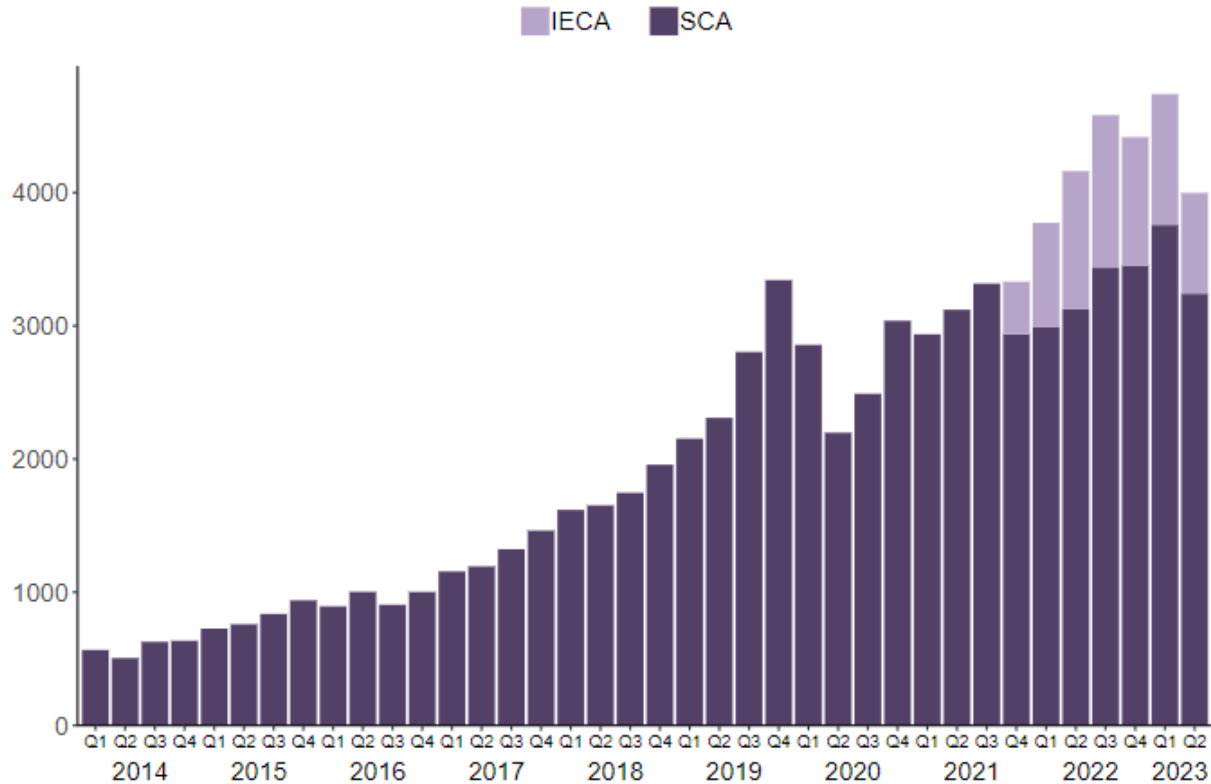


construction



agriculture

# Scale of the problem **in the UK**



Number of quarterly NRM referrals by competent authority

## NRM Statistics Q2 2023

- 3,998 potential victims referred (-16% vs Q1 2023, -4% vs Q2 2022)
- 76% male, 24% female
- Most common nationalities: Albanian, UK and Vietnamese
- Most common reported: labour exploitation for adults, and criminal exploitation for children

# What's the problem and why is UK warehousing vulnerable to labour exploitation?

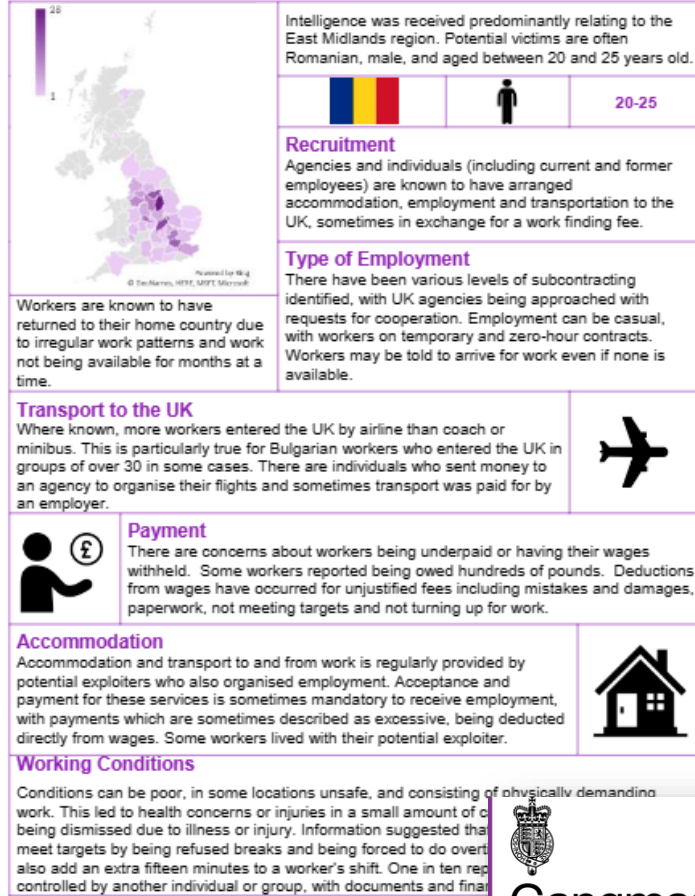
## Labour exploitation

The deliberate maltreatment, manipulation or abuse of power and control over a person as part of their work or service.

There is a spectrum of labour exploitation up to and including labour trafficking and forced labour.

- Complex supply chains
- Intense seasonal peaks
- Pressure of work
- Physical environment
- Equipment
- Security
- People smuggling/trafficking
- Lone working
- Reliance of agency/temporary labour
- Lack of grievance mechanisms

## Warehousing Industry Headline Trends



Gangmasters & Labour Abuse Authority



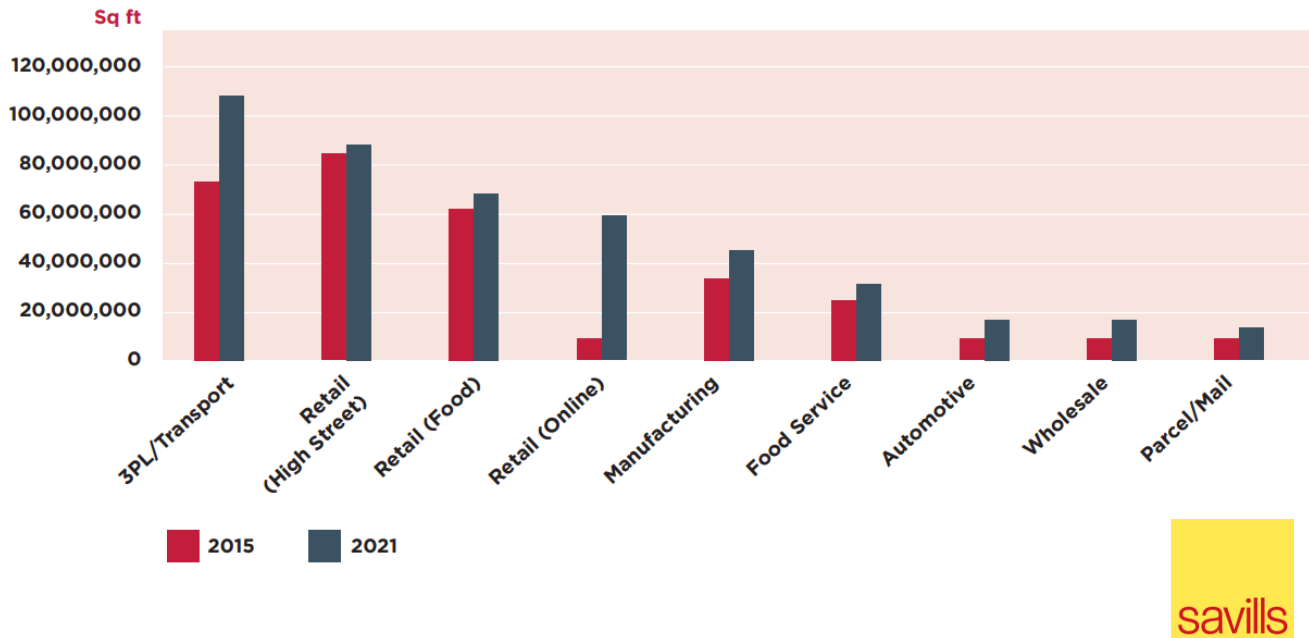
HM Government

# United Kingdom Labour Market Enforcement Strategy 2022/23

Director of Labour Market Enforcement  
Margaret Beels



# What's the opportunity in UK warehousing?



SOURCE: Savills report for UKWA, 2021

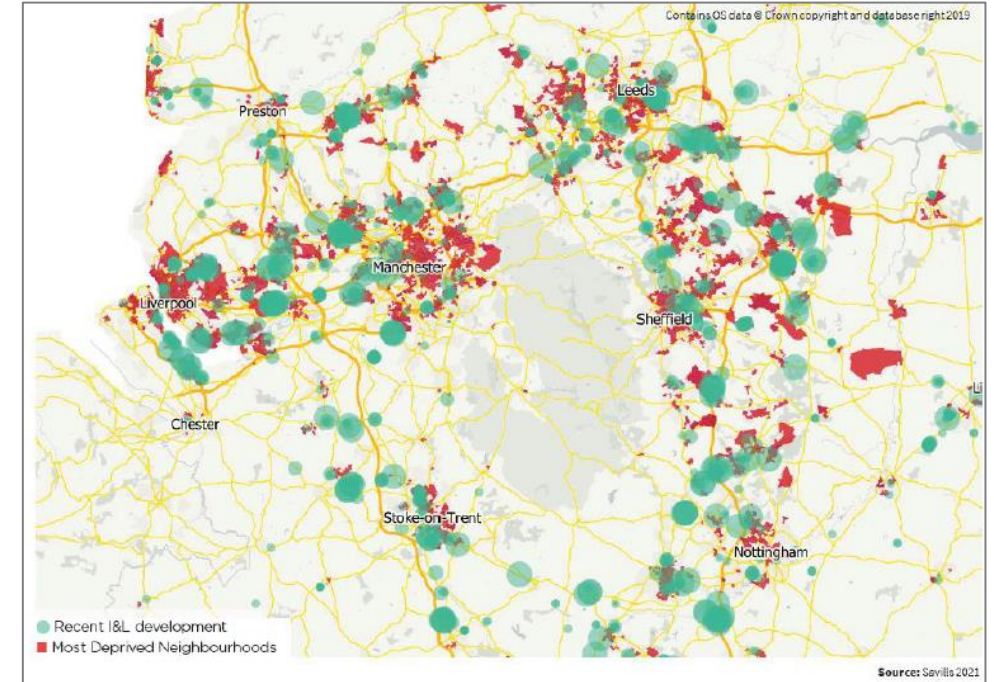
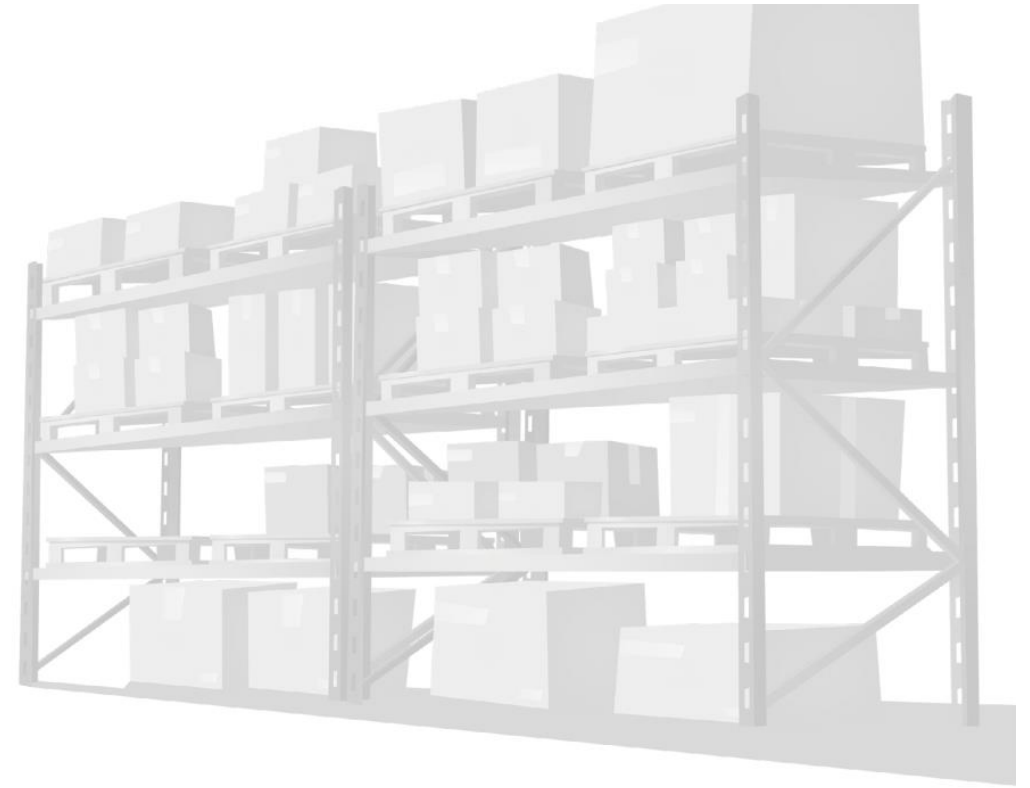


Image showing recent industrial & logistics development and most deprived areas from the recent 'Levelling Up - The Logic of Logistics' report from British Property Federation & Savills supported by UKWA: <https://bpf.org.uk/our-work/research-and-briefings/levelling-up-the-logic-of-logistics/>

# Stronger Together Warehousing resources

- ✓ Interactive training workshop
- ✓ Toolkit
- ✓ Checklist
- ✓ Film



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Responsible recruitment | Fair work | Free from exploitation



# Scope and audience



## By warehousing, we mean:

- Any premises which stores goods for redistribution
- Any premises which picks and packs goods for redistribution
- May be attached to a manufacturing site or a standalone Distribution Centre (DC)
- Any size

Movement of goods **outside** of a warehousing premises, via any kind of freight, is **not** in scope.

Warehouse owners

Contracted  
warehouse  
operators

Businesses with  
warehousing in their  
operations or SCs

Labour  
providers/recruiters  
into warehousing


# Workshop

## Who is this workshop for?

- Warehouse owners
- Contracted warehouse operators (3PLs)
- Any business with warehousing facilities in their operations or supply chains
- Labour providers or Labour recruiters, supplying labour into warehousing

## What does it cover:

- How labour exploitation can occur in the warehousing sector
- The risks to workers and the business case for preventing it
- Practical next steps to deter, detect and deal with the problem
- Familiarisation with our 6-step due diligence which can be embedded in your business to address the issue (Commit, Asses, Act, Response and Remedy, Monitor, Communicate)



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Warehousing UK



**Tackling Labour Exploitation in UK  
Warehousing**

**Audience:**  
Warehouse Operations Managers,  
Supervisors Warehouse HR Managers, other  
HR colleagues and more

**READ MORE & BOOK**

# When and how to book

- 30<sup>th</sup> November 2023
- In-house also available

9:30–3pm, online

<https://www.stronger2gether.org/workshop/tackling-labour-exploitation-in-uk-warehousing/>

Free and discounted places available to suppliers and service providers of our Consumer Goods and RRT Sponsors  
For all other places: £195 (+ VAT) per delegate



ASDA



HireGenics

Kingfisher



M&S  
EST. 1884

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Sainsbury's

SELFRIDGES & CO

TESCO

WAITROSE  
& PARTNERS

stronger  
together

Warehousing UK



Tackling Labour Exploitation in UK  
Warehousing

Audience:

Warehouse Operations Managers,  
Supervisors Warehouse HR Managers, other  
HR colleagues and more

READ MORE & BOOK

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# Tackling Labour Exploitation in UK Warehousing Toolkit



Responsible recruitment | Fair work | Free from exploitation

## Tackling Labour Exploitation in UK Warehousing A toolkit for businesses in UK Warehousing



stronger2gether.org  
June 2023

### CHECKLIST

#### GOOD PRACTICE IMPLEMENTATION CHECKLIST FOR UK WAREHOUSING

Audience	How to use this checklist	Related Stronger Together standards
 Warehouse owners and operators	<ol style="list-style-type: none"> <li>1. Appoint a relevant team member to co-ordinate the checklist's completion and ongoing monitoring; where relevant, one checklist per operational site should be completed.</li> <li>2. Assess your business's compliance against each step, select a score to indicate the level of completion; consult relevant colleagues, functions and departments from across your business/site as necessary.</li> <li>3. Develop a plan to implement the steps that your business does not currently implement or considers can be improved.</li> <li>4. Review performance on an annual basis.</li> </ol>	
 Businesses who contract warehousing services in their supply chains		
 Labour providers, recruiters or contractors supplying warehousing operations		

The following Good Practice Implementation Checklist provides a list of operational and management activities and processes, aligned to the Stronger Together's six step strategic framework, to embed responsible recruitment and fair work practices and tackle labour exploitation throughout your operations and supply chain.

The checklist enables you to self-assess your business's progress and provide an action plan for activity still required. You can then track your progress over time and share scoring with internal teams, clients and other stakeholders to demonstrate the steps you have taken and plan to take going forwards.

Overall, the checklist sets out a number of the actions that a business may report under the Modern Slavery Act 2015 S54 Transparency in Supply Chains provisions as steps taken to ensure that modern slavery and human trafficking are not taking place in its own business or labour supply chain.


## Good Practice Implementation Checklist for UK warehousing






# Call to action Collaboration is Key!

 **DOWNLOAD:** the free toolkit and checklist

 **REGISTER:** for our Interactive workshop: [Tackling Labour Exploitation in UK Warehousing.](#)

 **USE / SHARE:** '[Taking Stock](#)'; Awareness raising film, available FREE to use right now

 **COLLABORATE:** Open to being part of a sponsored collaborative programme with the aim of tackling Labour Exploitation in Warehousing? Get in touch [Paul@stronger2gether.org](mailto:Paul@stronger2gether.org)



[info@stronger2gether.org](mailto:info@stronger2gether.org)



[www.stronger2gether.org](http://www.stronger2gether.org)



[/stronger-together/](https://www.linkedin.com/company/stronger-together/)



[@S2G\\_UK](https://twitter.com/S2G_UK)

**Thank you!**

# slido



**Do you feel confident that you understand the labour and human rights risks in your haulage supply chain (including sub-contracting)**

ⓘ Start presenting to display the poll results on this slide.



# Suggestions for FNET work on haulage

Suggestion	Comments	Action
FNET budget of £3000		
Work with Road Haulage Association and other industry bodies		
Best practice from the sector/share standards		
Pilot projects with haulage companies		
Work with haulage companies via FNET		
Visit premises and spend “a day in the life” to assess concerns		
Consider more than road transport		
Share best practice with supply chain		
Understand what can be used to monitor outside of audits		
Checklist for companies to complete		
Work with RHA to develop code of practice		

**slido**



**Is there anything in addition to the list that you would find useful?**

ⓘ Start presenting to display the poll results on this slide.

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**What might you see the value of doing in collaboration?**

ⓘ Start presenting to display the poll results on this slide.



## Contact

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