

Purchasing & Modern Slavery

Purchasing Team 2021

What is Modern Slavery?

Modern slavery is defined as the recruitment, movement, harbouring or receiving of children, women or men through the use of force, coercion, abuse of vulnerability, deception or other means for the purpose of exploitation

[Horse Trading \(GLAA\)](#)

[Daniel and Weronika's Story](#)

Who is at risk?

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Vulnerable people

- Long-standing patterns of discrimination
- Informal enterprises
- Displaced persons
- Low awareness of rights or expectations
- Low skilled
- Foreign language
- Illegal workers
- Migrant workers
- UK nationals
- European 'right to work'
- Highly-skilled foreign workers
- Home workers
- People with learning difficulties
- People with mental health problems
- People with addiction issues
- Young people

Spot the signs

PHYSICAL APPEARANCE

Exploited applicants and workers may show signs of physical or psychological abuse and/or appear:

- Malnourished
- Dirty, due to lack of access to basic washing facilities at their imposed accommodation
- Frightened, anxious, withdrawn, confused
- To have injuries that seem to be the result of an assault.

FEW OR NO PERSONAL EFFECTS

Exploited workers may have:

- No money
- No personal items, e.g. purse, wallet, jewellery
- With limited or no money to buy clothes, they may wear the same items all the time, or wear clothes that are unsuitable for work
- Little or no food.

ISOLATION AND CONTROL

Exploited workers are rarely left to be on their own and may seem under the control and influence of others, for example:

- Others present their identification documents and speak for them at recruitment
- Others try to book them onto shifts or speak on their behalf when answering calls, whether they are available to work or not
- One person speaks on behalf of a number of workers and the victims look to him/her for support or permission
- They are taken to work and back, e.g. a driver may drop them off and collect them.

RELUCTANT TO SEEK HELP

Exploited workers may be reluctant to seek help and may:

- Avoid eye contact and appear frightened
- Be afraid to talk and reject help when offered – this is often because they do not know who to trust or fear retribution.

Why Purchasing Practices?

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- Impacts on suppliers and workers
- Conflict with efforts on responsible business
- Consumers and customers continual demands
- Unintended consequences

Target



to develop fair,
transparent and
equitable
relationships
on
mutually beneficial
commercial terms

- Poor or consistent communication;
- inaccurate product specifications (multiple changes to spec and late changes to the spec);
- inaccurate forecasting;
- lack of ethical criteria in contracts;
- aggressive price negotiations



And how could this impact us and our customers?

- *Damage to reputation*
 - *Risk of disruption to supply*
 - *Risk of inconsistency in quality of products*
 - *Risk of being downgraded by ETI and other standards.*
-
- *Leading to loss of consumer confidence, loss of market share and possible reduction in share price and profits*

Six Step Strategic Framework



Simplified Purchasing Process

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- Consider your organisation's purchasing processes and practices:
 - How might they be contributing to the issues?
 - Where is your current effort focussed?
 - What's missing?

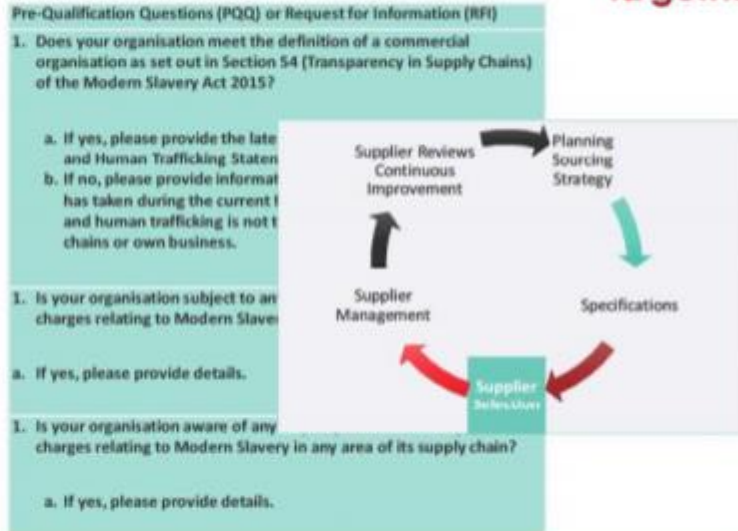
Supplier Selection

Act - Implement Policy and Process Changes



Supplier Selection

- Incorporate policy and supplier requirements in each stage of supplier assessment
- identify requirements as part of PQQ - how much detail?
- Can this be a pre-requisite criterion for issuing ITT?



Act - Implement Policy and Process Changes



Supplier Selection

- Consider the use of certification/accreditation
- Ensure that expectations regarding auditing and verification is made clear in the ITT or RFQ
- Consider additional ITT questions to enable suppliers to differentiate themselves e.g. what further actions do you plan to take, with a focus on this tender?



Supplier Selection

Act - Implement Policy and Process Changes



Supplier Selection

- Focus on the supplier's prevention and mitigation activities
 - Understand how the quote/bid may have an adverse impact on workers by developing open and positive relationships
 - Explore how they would respond to certain scenarios e.g. changes or peaks/troughs
- Ensure clarity on assumptions about workforce when evaluating and validating the quote or bid e.g. sub-contracting, levels of pay, overtime rates, volume of workers, shift patterns



Act - Implement Policy and Process Changes



Supplier Selection - Negotiations

- Understand the actual cost of labour and the assumptions made in the pricing e.g. number of staff, pay rates including overtime and any additional statutory costs
- This enables checks to be carried out during audits to identify if there are additional 'hidden' workers
- Ask how much notice is required for orders/changes to avoid adverse impact on workers?
- Seek input from experts, consult relevant trade unions
- Conduct research (e.g. global living wage coalition)
- Ensure there is a balance between commercial and ethical considerations

- Salary
 - Overtime premiums
 - Insurance
 - Leave
 - Safety equipment
 - Health and Safety measures
 - Recruitment and training for new workers
 - Skills training for existing workers
 - Training for worker representation
 - Human rights training
 - Wage compensation for worker reps
 - 2% Employers' charges (China)
 - Safe drinking water and good canteen
 - Safe transport
 - Workplace childcare
- From ETI "Guide to Buying Responsibly"



- Planning accuracy?
- Forecasting accuracy?
- Supplier reviews/analysis and feedback?
- Specification accuracy?
- do we assess supplier capabilities?

Act – Implement Policy and Process Changes



Supplier Management

Set clear expectations and use the right tone in communications

Provide written communication in relevant languages and include interpreter services for face-to-face activities

-Understand the production process and ensure an open dialogue to provide feedback on issues

Understand the impact on workforce requirements due to changes in volume or timing



Act - Implement Policy and Process Changes



- Ensure clarity regarding raw materials and supplies
- Who will meet costs of changes to specifications?
- Should customer share or pay for the whole cost of samples
- Ensure sample cost is realistic
- Reduce the number of samples you require



Ethical Decision Tree



Act - Summary



Internal

- Strengthen policies and procedures
- Training and awareness raising
- Revisions to purchasing practices
- Increasing senior staff's engagement in issue

Supplier

- Work with suppliers to resolve issues and understand root causes
- Strengthen HR and Supply Chain expertise
- Training & support
- Formalise labour providers
- Responsible Recruitment
- Support mature industrial relations
- Certifications

Industry

- Collaboration within and across industries and with civil society
- Address root causes
- Share learning and best practice

Government

- Advocate for changes to legislation or changes in infrastructure
- Work with authorities including labour inspectorates

I fully understand the criticality of climate change and the need for me to become active. I pledge to do my best to stop exploitation of nature and human beings, environmental pollution, rising inequality and injustice. I will act against modern slavery, human trafficking, child labor, corruption and bribery while upholding business ethics and law-abiding behavior.

I am convinced that all of us involved in Procurement can make a difference by joining forces to accelerate the creation of a just and low-carbon emissions world by contributing to the UN Sustainable Development Goals. I will team up with my Procurement colleagues, my Procurement networks, academics, NGOs and government bodies to exchange on and advance responsible business behavior.

Compact and other international standards and agreements. I am determined to ensure that Procurement leaves the legacy of protecting a sustainable planet for us and future generations.

The Sustainable Procurement Pledge

- ✓ I stand up for people and our planet
- ✓ Together with other SPP Ambassadors I change the world
- ✓ I start with myself
- ✓ I share my knowledge and listen to others
- ✓ I leave the right legacy

**Can we
commit to
this?**

I commit myself to lead by example and include sustainability as part of my overall mindful vision and values. I will integrate sustainability aspects into my every-day Procurement decision-making criteria and work with my colleagues and suppliers to drive lasting improvements.

I will actively share my sustainability knowledge while keeping confidentiality obligations and antitrust rules in mind and always collaborate with all involved stakeholders on our shared mission. I will remain open to the advice and proposals of my peers.

