



University of
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Rights Lab

LGA modern slavery assurance guidance

Guidance relating to construction procurement
and modern slavery due diligence

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Local
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Association


actionsustainability

Abstract

Overview of modern slavery within the construction sector and guidance for local authorities in addressing modern slavery issues within construction procurement and supply chains.

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1. Acknowledgements

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2. Introduction

Construction procurement can be complex, whether it is maintenance, new build, refurbishment, or any other type of build environment requirement. Whilst there is a need to ensure that the procurement requirements provide the best value for money, there is increasing emphasis to ensure that money spent by the Government is also spent responsibly.

This guidance document has been written to support procurement teams within Local Government and other associated bodies, when identifying and addressing risks of modern slavery and human trafficking within construction contracts and their associated supply chains.

It has been developed to outline all key activities that are associated with good procurement and provide advice, examples, and links to appropriate resources that will allow procurement teams to integrate requirements as effectively as possible.



3. Background and supply chain risks

3.1 Background

The Modern Slavery Act 2015 (MSA) was introduced by the UK Government with the aim of identifying and combatting issues of Modern Slavery in the UK and within international supply chains. Section 54 places an onus on businesses to publish an annual statement that provides an overview of activities they have undertaken to identify and address risks of modern slavery through their supply chain, including all relevant due diligence activity.

Whilst there is no absolute definition of Modern Slavery it is defined by Anti-Slavery International as the

“severe exploitation of other people for personal or commercial gain”¹

Of an estimated 40.3 million² victims of modern slavery across the globe, a total 62% of those are said to be victims of forced labour (24.9 million) which can be found in various supply chains of organisations across the globe. When the MSA came into force it was estimated that the UK had 13,000 potential victims, this figure was adjusted upwards to 136,000.

In 2020, the Home Office accepted the recommendation of an Independent Review of the MSA to include all government bodies, including local government, Local Authorities and any other body governed by public law, placing an onus on all procurement activity undertaken by the government to consider modern slavery risks as part of the procurement requirements.

The recent government’s modern slavery statement³ identified construction as a priority area for focus as part of its commitment to combat slavery within industry. Construction is considered a high-risk sector for modern

“Construction is considered a high-risk sector for modern slavery, accounting for 18% of the global numbers of victims of forced labour. This means, that globally, approximately 4,896,000 members of the construction workforce are victims of labour exploitation.”

slavery, accounting for 18%⁴ of the global numbers of victims of forced labour. This means, that globally, approximately 4,896,000 members of the construction workforce are victims of labour exploitation.

Construction supply chains are complex and multi-tiered, supported by complex contractual relationships, significant reliance on subcontracting, the passing of risk down the supply chain and high usage of temporary and transient labour. For these reasons, the risk of exploitation is high.

Local Authorities undertake a significant volume of construction work ranging from programmes of repair and maintenance to major refurbishment and new build projects across a host of different sectors including [but not limited to] schools, social care, housing, infrastructure and highways. For this reason, it is essential that Local Authorities use their spending power to ensure that their supply chain is behaving responsibly and identifying and combatting instances of exploitation wherever it may be found in the supply chain tiers.

This guidance document has been developed to support individuals within Local Authorities embed requirements through the procurement process to identify and combat exploitation and slavery wherever it may be found.

The structure of the document has been developed to follow key requirements of PAS91 Construction Pre-Qualification Questionnaires and the Construction (Design and Management) Regulations 2015 (CDM). It lays out what is expected of each stakeholder in the successful delivery of a construction project of any kind.

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3.2 Supply chain risks

Construction is a generic term which covers a wide range of activities. For this guide, construction covers design, construction, management, and disposal of fixed assets within the built environment. This includes all public buildings, including schools, offices, libraries, leisure, housing and social care, and infrastructure including car parks, highways, and urban realm.

To address exploitation effectively it is essential that organisations take a risk-based approach to procurement. Whilst construction as a sector is considered high risk for modern slavery, the risks are found within specific materials and work packages which need to be identified by any procurement team before any requirements are set.

Clients, principal designers, designers, principal contractors, contractors and suppliers throughout the supply chain should all be analysing their supply chains including any products purchased and focusing on addressing modern slavery in high-risk areas.

1 Anti-Slavery International - What is modern slavery? - Anti-Slavery International (antislavery.org)
2 Global Slavery Index - <https://www.globalslaveryindex.org/>
3 UK Government Modern Slavery Statement (publishing.service.gov.uk)

4 Construction forced labour victims ‘total 4.5m’ worldwide – Construction Manager (constructionmanagemagazine.com)



Traditionally each construction activity should be analysed for potential risks of exploitation and modern slavery. When considering risks the following criteria can be used:

Criteria	
High risk country sourcing	Products or elements come from countries with lower labour standards than the UK. Global Slavery Index and Walk free foundation highlight the highest risk countries - www.globalslaveryindex.org/2018/data/maps/#prevalence
Low skilled labour	Low skilled labour refers to low entry-level labour. Manual work that requires little or no qualifications and is usually cost based when considering recruitment criteria.
Existence ETI Base Code	ETI Base Code is the minimum level of labour standards that should be adopted by any organisation. Details of the code can be found here www.ethicaltrade.org/eti-base-code
Business relationships	Contractual relationships such as transactional, framework, and strategic supplier – high is transactional and low is strategic. This also includes Local Authority Trading Companies.
Transient and/or temporary labour	Products or services reliant on migrant, transient or temporary labour.



When considering risks, it is also suitable to consider areas that may contribute to vulnerability such as the current impact of Brexit and/or Covid-19. When determining whether the risks associated with the spend packages are high, medium, or low teams should also consider:

- **Existence of risk** – is the category prone to exploitation or susceptible?
- **Current activity** – what actions are in place to combat slavery?
- **Capacity to do more** – what else can be done that has not already been done to address these issues? Are there standards that can be adopted to help mitigate an element of the risk? Are there industry collaborations or bodies that are looking to share best practice or methods for managing risks?

High, medium, or low risks can be defined as follows:

Risks	
High	Risk sits in the supply chain, but no activity has been undertaken to address this. Potential reputational and operational risk is significant to the assessing organisation.
Medium	Risk exists in the supply chain; some activity has been undertaken to address this risk through the procurement process but is focused on Tier 1 at present. Some reputational/operational risk to the assessing organisation or Local Authority Trading Companies.
Low	No significant risk in the supply chain and/or significant management of risks have been undertaken. This can be evidenced.
N/A	Not applicable to the type of product or service being evaluated.

When identifying the risks, a collaborative multi-stakeholder approach is recommended when evaluating the packages of work. This may involve input from the design and construction delivery teams, client and end user teams, health and safety teams, and those involved in the procurement/purchasing of labour and/or, materials at any stage of the design and delivery process. In some cases, it may be suitable to undertake this activity as part of the initial briefing process with the contracting organisation to agree the priority areas of risk for the duration of the contract.

“Red or amber” or high or medium risks should be added to corporate registers as part of any organisational risk management process.

4. Client duty

For the majority of Design and Build (D&B) contracts let across the public sector clients are NOT directly involved in the procurement of individual packages of work (sub-contracts). These are carried out by the Principle/Prime contractors and by their supply chain tiers beneath them.

This adds extra layers of complexity and risk to the works being undertaken. Traditionally in construction forms of contract pass risk down the supply chain. Focus on labour exploitation and modern slavery is an area that requires a collaborative approach rather than one that passes on risk to supply chain organisations.

Clients have two main responsibilities when it comes to ensuring that suitable due diligence is in place throughout the supply chain.

4.1 Leadership, culture, planning and contractual structure

Vulnerability in the supply chain comes when there is pressure on cost, time, and scope. Clients should recognise, communicate and aim to mitigate the tension between delivering the project and ensuring value for money, and how these pressures can, in turn, lead to decisions made further down the supply chain that can lead to exploitation and modern slavery.

When commissioning and procuring construction work, clients should consider the following at the initial scoping and briefing stage, and review at the procurement (tender) stage:

- ✓ If minimum wage is specified in their tender and contract documentation; by the contractor and their respective supply chain; and how likely it is that the lower tiers will receive minimum wage?
- ✓ If programme delivery is tight how will this affect decision making in relation to resources?
- ✓ If combatting exploitation and modern slavery is essential in the Local Authority how is the supply chain supported to ensure that they have access to a system to directly report and feel comfortable and confident enough to vocalise concerns?
- ✓ What standards can be mandated to ensure that due diligence is in place through the labour and materials supply chains - See appendix 1 for relevant standards that can be adopted within the procurement process.
- ✓ What form of contract is in place? What are the contract terms? The relationship of the key players within the construction supply chain needs to be considered, and the contract structure must reflect the risk of modern slavery and exploitation, and where possible ensure that all parties in the supply chain are encouraged to proactively address the issue through applicable contract terms, collaborative models and/or Key Performance Indicator (KPI) collection.

When establishing the tender requirements clients should use the pre-tender market evaluation phase to understand the current level of due diligence in the sector, the potential for the use of responsible sourcing standards (or equivalent requirements) and engage with the supply chain to set expectations with potential bidders.

Behaviours from clients set the tone. They provide the supply chain with a very clear indication of how seriously the need to address exploitation and modern slavery is to be considered, together with setting the example and expectation around how work should be delivered.

Behaviours from clients provide the supply chain with a very clear indication of how seriously the need to address exploitation and modern slavery is in the scope of the project.

“Behaviours from clients provide the supply chain with a very clear indication of how seriously the need to address exploitation and modern slavery is in the scope of the project.”

4.2 Supply chain due diligence

When procuring, clients should include key criteria in the procurement process and the associated tender and contract documentation that allows them to identify and prioritise those organisations with effective due diligence processes which are suitable to be utilised for their construction work.

These will include suitable prequalification (PQQ) or supplier selection requirements, as well as Invitation to Tender (ITT) requirements and subsequent monitoring, measurement, and management metrics.

4.2.1 Prequalification/supplier selection

Several nationally recognised best-practice schemes are currently utilised in the construction industry. PAS91 is recognised as the mandatory/legislative question set for construction, however for further down the supply chain be aware that there are other schemes that have taken the PAS91 questions and have developed them further and are more commonly utilised by the supply chain.

A dedicated modern slavery assessment tool (MSAT) has also been developed by Crown Commercial Services providing a focused and detailed question set that asks organisations to provide answers and evidence relating to the due diligence processes that are in place within the organisation and its supply chain.

Whichever form of prequalification a client uses the key is to ensure that it includes question sets that allow them to understand the type of due diligence activities the tendering organisations have in place to address exploitation issues.



Figure 1.0 below provides an example of a question and types of responses that could be used as part of the prequalification process when selecting principal contractors or contractors.

Figure 1.0 – Prequalification for principal contractor/contractor

Question		
Please provide details of the approach your organisation has put in place to identify and combat instances of modern slavery both within your organisation and your supply chain.		
Unacceptable response	Acceptable response	Good response
<p>No demonstrable understanding of the Modern Slavery Act.</p> <p>No supporting policies or commitments relating to addressing modern slavery.</p> <p>No mention of how the organisation works with others (e.g. contractors and the supply chain) to manage the risk.</p>	<p>(Generic) policy describing approach and commitment to addressing modern slavery within the organisation.</p> <p>A modern slavery action plan in place describing how the organisation intends to work with the supply chain including a commitment to producing a risk assessment to identify areas of high risk.</p> <p>Modern slavery action plan includes training, supply chain engagement, measurement, and continuous improvement plans.</p> <p>Toolbox talks conducted with organizational employees to raise awareness including site teams.</p>	<p>(Specific) Policy describing the detailed approach and commitment to addressing modern slavery both within the organisation as well as with the supply chain.</p> <p>Policy references confidential whistleblowing provision and describes how victims shall be supported should they be identified.</p> <p>Evidence of supply chain collaboration and procurement activity is undertaken jointly to identify labour exploitation and modern slavery risks.</p> <p>Evidence of structured monitoring, measurement, and management approach with clear and tangible engagement commitments.</p> <p>Working with NGOs focusing on addressing modern slavery and/ or members of the Construction Protocol - Construction industry protocol - Induction pack - GLAA.</p> <p>Evidence of established and structured approach to materials sourcing and provenance (materials mapping).</p> <p>Evidence of strategy for addressing exploitation found in material supply chains.</p> <p>Signatory of the People Matter Charter - People Matter Charter Supply Chain Sustainability School (supplychainschool.co.uk).</p>

When evaluating the response, Figure 1.0 provides an example of unacceptable, acceptable, and good response. As a client, it is up to the authority to determine which levels attract various weightings. To support further evaluation appendix 2 provides examples of a due diligence checklist that may help when evaluating the responses provided by bidding organisations.

To support the evaluation of the bidding organisations response or help establish the standard required, appendix 3 provides an example of site set up considerations as created by the Supply Chain Sustainability School. The Awareness, Identification and Response (AIR) model provides guidance on how construction sites should be engaged and can be used by a contracting authority to evaluate responses submitted within the tendering process (see section 5 for more information). The model was created specifically for areas of construction where victims operate and were created to help organisations understand what tools and training they can establish to empower individuals to address suspicions they may have. Whilst not all construction operates from a single site, the model can be adapted to suit the site arrangements any contractor may have established such as office, induction site, building site, welfare and cabins.

Whilst it is recognised that breaches in legislation usually lead to punitive responses such as exclusions and disqualification, proper consideration and care needs to be taken when adopting this approach in respect of modern slavery. It is recommended that organisations who find instances of exploitation within their supply chain are appropriately supported and actively encouraged to share what steps they took to deal with the issues they uncovered and how they took positive action to tighten up their own processes to ensure that they do not happen again. Given the relatively limited experience and understanding of this subject matter by many in the industry, and with supply chains providing goods and services to the industry globally, collaboration, communication, transparency and proactive support is essential to help eliminate the problem.



4.2.2 Tender requirements

When compiling tender requirements clients should incorporate questions relating specifically to how successful bidders will manage the risks of exploitation and modern slavery on the contracts they will be undertaking.

Figure 2.0 is an example of wording and assessment criteria that can be used by the client organisation as part of their tender requirements.

Figure 2.0 Example tender requirements

Question		
<p>The construction sector is at high risk for exploitation practices. This not only includes labour provision but some subcontract packages, services and materials.</p> <p>Please provide details of actions you will be taking to identify and address modern slavery in the supply chain on this project.</p>		
Basic	Good	Best practice
<p>Response provides details of a responsible sourcing policy.</p> <p>Information is provided on responsible sourcing standards used to evidence ethical labour standards and a copy of a modern slavery statement is provided.</p>	<p>As Basic:</p> <p>High-risk trades and materials identified with some policy commitment towards responsible sourcing practices. The focus of risk mitigation is Tier 1.</p> <p>May reference chain of custody evidence in relation to responsible sourcing. Some commitment to poster campaigns and awareness-raising amongst the supply chain.</p> <p>Data can be provided in relation to audits and/or compliance.</p>	<p>As Good:</p> <p>Commitment to providing data for all high-risk materials and trades supplied.</p> <p>Commitment to support supply chain mapping activity beyond Tier 1 to identify where risks exist and provide the relevant data accordingly. The development and delivery of an action plan.</p> <p>Commitment to raising awareness on site as well as remediation and grievance processes in place.</p> <p>Proposed remediation activity including working with stakeholders such as City Hearts (a charity supporting victims) to provide employment opportunities.</p>

When evaluating the tenders, a cross-functional team should be included to ensure that all individuals involved in the construction project understand what requirements have been committed to as part of the contract delivery. What site standards will be implemented? What materials are being provided that support good labour conditions? What site audits and checks will be undertaken? What training commitments are in place with the supply chain?

4.2.3 Contract conditions

Contract conditions are used in procurement to manage successful tenderers. Traditional forms of contract in construction such as Joint Contracts Tribunal (JCT) and New Engineering Contract (NEC) do not have specific detailed conditions relating to modern slavery, however, they can add specific conditions to support key construction requirements.

In 2016 the Chartered Institute of Procurement and Supply (CIPS) issued a guidance document that contained sample contract conditions that could be adapted for Local Authority contracts. Examples of which are provided below in Figure 3.0.

Figure 3.0 – Example contract conditions

Modern Slavery, human trafficking, forced and bonded labour, and labour rights violations in the supply chain	
1.1	The Supplier will work with the Authority to identify and mitigate the risk of modern slavery, human trafficking, forced and bonded labour and human rights violations in its supply chain.
1.2	The Supplier will, within 90 days of the commencement date, produce a Modern Slavery in the Supply Chain Due Diligence Report identifying the main risks of modern slavery, human trafficking, forced and bonded labour and human rights violations in its supply chain, highlighting the main products and countries involved and the steps to be taken to mitigate the risks in the short, medium and long term.
1.3	The Supplier will update the Modern Slavery in the Supply Chain Due Diligence Report annually for the duration of the contract. More regular updates will be provided when risks of modern slavery, human trafficking, forced and bonded labour and human rights violations in its supply chain are assessed as imminent either by the Supplier or the Authority.
1.4	The Supplier agrees that the Authority will assess the Modern Slavery in the Supply Chain Due Diligence Report and the annual progress to prevent and mitigate risks of modern slavery, human trafficking, forced and bonded labour and human rights violations in its supply chain.
1.5	The Supplier agrees to work with the Authority in the implementation of the Modern Slavery in the Supply Chain Due Diligence Report by jointly drafting a Modern Slavery in the Supply Chain Action Plan.
1.6	The Supplier agrees to appoint a nominated person to liaise with the Authority in the drafting and implementation of the Modern Slavery in the Supply Chain Due Diligence Report and the Modern Slavery in the Supply Chain Action Plan.
1.7	The Supplier will share its Modern Slavery and Human Trafficking Statement, if required by the Modern Slavery Act to produce such statement, with the Authority. If not required to report, the Authority encourages the supplier to voluntarily produce and share a Modern Slavery and Human Trafficking Statement.

Example contract requirements can also be found in procurement guidance produced by construction partners as part of the Supply Chain Sustainability School: [Best Practice in Combating Modern Slavery](#)

Whatever conditions are included as part of the contract it is important that they encourage a collaborative relationship and aim to improve transparency in the supply chain and combat any issues of slavery found. Terminating contracts on the basis of modern slavery issues should be seen as an extreme last resort as in doing so Local Authorities and supply chain partners will lose the opportunity to understand the nature of risks in the supply chain and victims will fail to get the support necessary to release them from exploitative conditions.

4.2.4 Contract management

After selecting contractors and designers it is essential that clients manage the contracts effectively and evidence is gathered. This will:

- ensure that exploitation can be addressed where it is uncovered
- provide intelligence to key stakeholders such as the LGA on the actual and potential risks for exploitation within construction projects undertaken by Local Authorities
- provide data for Local Authority statements illustrating how far into the construction supply chain authority organisations are addressing exploitative practices
- help deliver a more finessed approach through capturing continuous improvement data from the supply chain and therefore influencing future construction procurement requirements

There are two ways that construction contracts should be managed:

- The collection of performance data
- Site audit and verification

4.2.4.1 Performance indicators

Any contractual, KPI or performance monitoring regime must form part of a clearly defined requirement at the tender stage. This should feed into the process for monitoring and supporting the supplier management regime.

Government guidance relating to modern slavery transparency recommends that organisations embed several performance indicators that illustrate training and awareness-raising activities.

To increase awareness of the issue of modern slavery within the supply chain and the supplier community it would be advisable to initially focus on management measures.

Figure 4.0 provides some examples of useful KPIs that can be included in any contract going forward – but the final set of indicators should reflect what the organisation is ultimately trying to achieve through the construction activity.

Figure 4.0 – Example of KPIs

Performance indicator	Description
Percentage of relevant suppliers with published statements	Percentage of all the key suppliers who have issued their modern slavery statement and have added it to the government's modern slavery statement registry ¹
Percentage of suppliers attending awareness raising events	Percentage of all the relevant suppliers/ subcontractors who have attended an awareness raising event organised either by the contracting organisation or an external third party
Percentage of workforce undertaking a training session or e-learning module relating to modern slavery	Percentage of the workforce who have attended either a specific training course or utilised e-learning resources such as those available through the Supply Chain Sustainability School
Percentage of key suppliers/ subcontractors that have had their supply chain mapped	Percentage of high risk spend that has had their supply chain mapped to identify locations and potential for exploitation <i>(Key suppliers/subcontractors identified through risk assessment processes and determined as high risk)</i>
Percentage of key suppliers/ subcontractors with due diligence processes independently assessed	Percentage of key suppliers/subcontractors identified, undergoing an independent assessment of due diligence processes <i>(Key suppliers/subcontractors identified through risk assessment processes and determined as high risk)</i>
Percentage of the supply chain with remediation programmes in place	Sub-contractors/suppliers with remediation programmes in place
Percentage of workforce employed through an agency	Number of workforces employed through an agency as a percentage of the total workforce

1 Modern slavery statement registry - GOV.UK (modern-slavery-statement-registry.service.gov.uk)

4.2.4.2 Supplier audits

There are various types of audit that need to be considered as part of organisational and supply chain due diligence assessment:

- **Internal audit** – the organisations own governance processes assessed by their own internal audit departments. These audits should pick up any issues with due diligence processes not being complied with and form part of a continuous improvement process.
- **Supplier/subcontractor audits** – that verify a subcontractor or contractor is complying with employer requirements including health and safety considerations. These are usually management processes based and can form part of any supplier management programme.
- **Site audits** – to ensure that labour on site are all legally fit to work in the UK and are free from exploitation.
- **Responsible sourcing audits** – these are usually linked to materials supply chains undertaken by organisations such as SEDEX who look at international supply chains and the labour standards associated with them. As with the audits mentioned above, there is a cost associated with these and there is not extensive coverage within the construction industry. BES6001 is a responsible sourcing standard for construction materials, and whilst it is heavily environmentally focused it can provide some audit and verification information relating to labour standards.

It is important to consider the output from any audit and integrate it into the contract management processes. Where issues arise, no matter where in the world, consideration must be given to how to effectively address them not just use audits as a tick box exercise.

If the client is reliant on the principal contractor/contractor to deliver supply chain due diligence there should be some agreement as to how this data is collected and reported back to the client as part of the verification and continuous improvement process.



5. Duty holder requirements

Clients can make a big impact in driving behaviours and embedding requirements designed to identify and eradicate exploitation and modern slavery. By adding requirements in the contract and developing a contract management process that ensures that contract requirements are being delivered it is then up to the contractors to deliver on their commitments. There are several duty holders under the CDM requirements who have a role to play in the construction process and each of these has a part to play in ensuring that the risk of exploitation and modern slavery is mitigated.

5.1 Principal designers/designers

Designers are primarily responsible for the specifications involved in the construction process. Whilst they work closely with the client and the contractor community, they have a responsibility to understand the responsible sourcing requirements and risks of exploitation associated with the types of materials they are building into the design. Certain materials are known to include risks of exploitation in countries with poor and unethical labour standards. These include quarry products, timber, steel, and some technology products. A good designer organisation should have in place processes that identify products that address the risks and/or understand where products could be coming from to help with the mapping activity further down the supply chain.

5.2 Principal contractors/contractors

Principal contractors/contractors need to consider modern slavery risks associated with the delivery of the contract requirements. These can be found in:

- Material supply
- Labour and subcontract arrangements

Material supply

Where designers have kept specifications generic, Principal contractors/contractors should embed human rights and labour conditions as part of the procurement considerations of key materials. This could lead to standards being specified such as Forest Stewardship Council (FSC), BES6001 and BES6002, which can provide some supply chain assurance activity.

If high-risk supply chains remain opaque after investigation the principal contractors/contractors need to notify their client of the potential for labour exploitation to determine any mitigating or alternative material strategies.

Labour and subcontract arrangements

Whilst there is a greater risk of exploitation in the supply chain of materials, the greatest reputational risk for any construction project is closer to home with the use of exploited labour on construction sites associated with Local Authority projects. In committing to good due diligence processes as part of the contract requirement Principal contractors should be able to evidence delivery of the requirements through KPIs, contract management processes and a transparent audit trail.

Depending upon the duration of the project Principal contractors should also be able to not only evidence due diligence in relation to labour standards but should also be able to deliver information relating to countries of origin and risks of exploitation within the key materials supply chains.

Clients should require Principal contractors to provide due diligence activities in relation to the following:

1. Education and awareness-raising activities.
2. Site set up and management.
3. Procurement requirements and supply chain development.
4. Risk assessment process identifying high-risk activities on the contract.
5. Implementation of ethical labour standards beyond Tier 1 in all high-risk trades including labour provision, materials, and subcontracting.
6. Grievance and remediation processes to identify and support victims of exploitation both in their organisation and within their supply chain.

6. General requirements for site set up

It is recognised that site set up requirements are managed and maintained by site teams, contracting organisations, consultants and not commercial. Ensuring that the requirement to have effective site set up systems and remediation activities can be integrated into tender requirements.

Whether there is simply a question included in the tender asking for information on how the successful contractor will ensure that sites are managing and mitigating the risks of exploitation or the adoption of specific site standards, it is important that this is factored into the procurement process.

The responding organisation should show how they are addressing exploitation on site. Evidence should be requested as part of the procurement process to demonstrate to the contracting authority how the successful bidder will raise awareness, investigate any instances of exploitation and respond to the issue should it be found. (Appendix 3 provides an example of site set up requirements developed by the Supply Chain Sustainability School for the construction industry).

7. Summary

The UK's Modern Slavery Act 2015 was created not only to increase awareness of the challenges of modern slavery, human trafficking and labour exploitation today but also to provide a legislative platform that will support victims and challenge businesses to take responsibility for their operations and supply chain.

Construction is highlighted as a high-risk sector, however, this guide has been developed to help Government organisations understand and take advantage of collaborations that have been trying to tackle this issue for the last few years within the industry.

Whilst it provides tactical guidance, it strongly advocates procurement that encourages collaboration and supplier development as key mechanisms to support the fight against the unacceptable practices of modern slavery and human trafficking.



8. Appendices

Appendix 1 – Standards to address labour exploitation and modern slavery within the supply chain

Construction Service/product	Standard	Key aspects
Any organisation	United Nations Guiding Principles on Business and Human Rights	Outlines how companies should undertake human rights due diligence measures to ensure their operations respect human rights and do not contribute to abuses.
Certain materials	BES 6001 – Responsible Sourcing of Construction Products	The standard describes a framework for the organisational governance, supply chain management and environmental and social aspects that must be addressed to ensure the responsible sourcing of construction products.
Internationally sourced materials	Ethical Trading Initiative Base Code	ETI members must adhere to the Base Code, which prescribes minimum labour standard based on relevant ILO conventions. Members must ensure that employment is freely chosen, and relevant guidance provided to employees.
Labour agencies/subcontractors	Fair Labour Association (FLA), Fair Labour Principles and FLA Workplace Code of Conduct	These standards are aimed at achieving humane working conditions, and companies must ensure the no force labour is used. Members are committed to this.

Construction Service/product	Standard	Key aspects
Any organisation	Social Accountability International, SA8000	A global standard for workplaces and organisations to meet to get certification. Sets clear definitions of forced or compulsory labour and human trafficking, sets out the requirements of certified organisations, explains the intent of the standard and gives guidance to organisations on how to implement the guidance effectively, including worker interview strategies to pick up on risks.
Labour agencies and labour employing subcontractors	Ethical Labour Sourcing Standard, BES 6002	Specifies requirements for organisation management to demonstrate an on-going commitment to the principle of ethical labour sourcing in relation to the provision of products and services.
Any organisation employing labour	People Matter Charter	A labour standards commitment addressing an organisations capability to deliver labour standards that address key construction sector challenges in relation to labour practices. This includes due diligence for modern slavery and exploitation.
Steel	Responsible Steel Standard	The industry’s first global multi-stakeholder standard and certification scheme focused on maximising steel’s contribution to a sustainable society.

Appendix 2 – Due diligence checklist introduction

The exploitation of labour and involvement in slavery and forced labour is illegal and unethical. Organisations have an obligation to ensure that recruitment and supply chain processes are robust enough to make it impossible for slavery or forced labour to be used. This checklist outlines what you as an organisation should have in place or as a procurement specialist, should be looking for in an organisation’s response to your request for due diligence processes. The checklist is based on best practice in the construction sector. When using the checklist, you should identify which items on the list are appropriate to the organisation based on the risks that are present in your operations and supply chain.

As part of the Modern Slavery Act 2015 organisations with a turnover of over £36 million are required by law to produce a Modern Slavery disclosure statement. Before drafting of the statement begins, it is advisable to consider how slavery will be identified and eliminated.

Even if an organisation falls underneath the £36 million threshold, it is equally important to understand that the requirements of the Modern Slavery Act 2015 are gradually being cascaded down to smaller corporate entities, often as part of their contractual relationships with larger clients. Therefore, while there is no legal obligation for every business to publish a statement in line with the legislation, it is essential that all businesses consider how their organisation is tackling modern slavery. This includes establishing a robust due diligence system.

This document provides guidance on what organisations need to do to ensure that they do not employ victims of slavery or forced labour. It also provides a framework to help take steps to reduce and mitigate against slavery and forced labour risks within supply chains. Whilst it has been written to combat the issue of slavery and forced labour, consideration may also want to be given to other ethical labour issues within the supply chain and apply the same thought process to these. This includes approaches to improve labour and employment standards and compliance with other relevant regulations such as the Immigration Act 2016.

More information on the issues relating to modern slavery can be found at:
[Modern Slavery | Supply Chain Sustainability School \(supplychainschool.co.uk\)](https://supplychainschool.co.uk)

When considering actions, it is advisable to consider the following when drafting plans:

1. **Size and location of risk**
2. **The probability of the risk occurring, and the impact if it does**
3. **Leverage to influence the supply chain**
4. **Opportunities to improve**

The checklist below provides a suite of considerations that will support approaches to combatting modern slavery. However, clients will want to see a response that is proportional and effective. This approach is supported by the Government’s advice in [Transparency in Supply Chains – A practical guide](#).

Work stream	Best practice
Policy	<div><div>✓ Company Ethical or Human Rights policy defining the ethical principles the company will uphold regarding its own workers and workers in its supply chain.</div><div>✓ Company recruitment policy sets out the requirement to be aware of modern slavery in recruiting staff, and that the company will not employ slaves.</div><div>✓ Supplier Code of Conduct sets out Slavery and Labour standards to be upheld by direct suppliers and in the supply chain.</div><div>✓ In all the above focus on a proportional and targeted response to slavery risks that can be incorporated within an organisational approach to other issues such as Labour Standards, Right to Work and Immigration.</div></div>
Leadership and governance	<div><div>✓ The most senior management team in the company have recognised the need to address modern slavery and labour exploitation in the company’s own operations and in its supply chain.</div><div>✓ Governance systems in place to monitor and prevent modern slavery and labour exploitation in the company’s own operations and in its supply chain.</div><div>✓ Whistleblowing process gives guidance on reporting suspected instances of modern slavery and how to respond.</div><div>✓ Review of controls by a third party.</div></div>
People	<div><div>✓ All staff are aware of the existence of modern slavery and the company’s policy in relation to it.</div><div>✓ Staff responsible for the recruitment of low pay workers are trained in how to recognise modern slavery and what to do if they suspect its presence.</div><div>✓ Staff who work with sub-contractor and agency workers are trained in how to recognise modern slavery and what to do if they suspect its presence.</div></div> <div>Recruitment</div> <div><div>✓ Recruitment process includes Right to Work check.</div><div>✓ Checks identify highly populated addresses.</div><div>✓ Payroll process includes check for multiple payments to the same bank account.</div></div>

Work stream	Best practice
Risk and opportunity assessment	<div>✓ Analysis of where the greatest likelihood of slavery is within the company’s operations, and within its supply chain, including sub-contractors.</div> <div>✓ Maintenance of an ethical risk log that is regularly reviewed.</div> <div>✓ Organisation participates in a supply chain mapping process.</div>
Measurement	<div>✓ Use of management measures that supports the evolution of a culture that does not accept and will address the risk and incidents of slavery and labour exploitation through both recruitment of direct and temporary labour and the organisation’s supply chain.</div> <div>✓ Modern slavery dashboard containing indicators of performance for own operations and supply chain.</div>
External engagement	<div>✓ Engagement plan aimed at increasing awareness with key suppliers as well as supporting collaboration with key supply chain organisations.</div> <div>✓ Understanding groups, panels and think tanks operating in the labour exploitation arena and how their outputs can be utilised within the organisation and its supply chain.</div> <div>✓ Inclusion of modern slavery in supplier relationship meetings where there is a significant ethical risk.</div>
Procurement process	<div>✓ Anti-slavery/forced labour measures are included in:<div>✓ Supplier code of conduct.</div><div>✓ Category strategy – with the risks of the category identified.</div><div>✓ Tendering process – with specific requirements placed on the supplier when a high risk of modern slavery is present.</div><div>✓ Contract – with KPIs reflecting specific risks.</div><div>✓ Supplier meetings and contract management.</div></div> <div>✓ Best practice advice on the technical aspects of the procurement process can be found at Best Practice in Combating Modern Slavery (supplychainschool.co.uk)</div>

Appendix 3 – Site set up guidance¹

Introduction

As of 2020 it has been reported that there are currently 40 million slaves globally. Of this 75% are in what is termed forced labour (some sort of debt bondage, labour exploitation, etc.), some working for your businesses and independents making goods and providing services. Construction as an industry accounts for 18% of that figure and is found in brick, sandstone, timber, personal protective equipment (PPE), and temporary labour extended supply chains amongst others.

The Global Slavery Index has estimated that there are 136,000 slaves in the UK and again forced labour is the largest contributor to this figure. Construction is the third highest industry with reports of forced labour as reported by the Gangmasters Labour Abuse Authority – behind hand car washes and agriculture.

All of this adds up to one conclusion – you cannot stand on any construction site in the UK and claim that there is no slavery in your supply chain.

All of this is alarming, but you can set up your site to identify slavery and combat it if it is found. The key is to find and address it.

As construction teams you are at the sharp end and provide invaluable support to your organisation in the fight against exploitation. You are also the hope victims have in rescuing them from conditions that are unacceptable at any level.

How can you help?

When setting up your sites there are three areas you need to focus on:

- ✓ Awareness
- ✓ Identification
- ✓ Response

This guidance sheet has been created with each of these areas in mind. It provides you with a useful set of activities that can be established on any building site and provides links to resources to help you.

For more information on Modern Slavery and additional resources:

- Supply Chain Sustainability School – Modern Slavery** | Supply Chain Sustainability School ([supplychainschool.co.uk](#))
- Gangmasters Labour Abuse Authority – GLAA**
- Stronger Together – Stronger Together**, tackling modern slavery in supply chains : Stronger Together ([stronger2gether.org](#))
- Unseen – Human Trafficking & Modern Day Slavery in the UK** ([unseenuk.org](#))

¹ Extracted and adapted from the Supply Chain Sustainability School’s site set-up guidance document

Awareness

Resources



Activities

- ✓ Include modern slavery and exploitation in site induction
- ✓ Use site checklist as part of the induction on a cross section of site staff (include subcontractors **appendix 1** provides an example)
- ✓ Posters to be displayed on site
- ✓ Include Modern Slavery and Labour Exploitation in toolbox talks
- ✓ Ensure your staff understand the signs to look for
- ✓ Ensure your staff understand what they do in case they suspect a colleague is a victim of labour abuse
- ✓ Ensure you have a nominated staff member who is trained on how to interview employees and support victims if they are found

Useful links

GLAA Induction Guidance: www.gla.gov.uk/media/4667/construction-protocol-induction-information.pdf

GLAA Induction Slides: www.gla.gov.uk/media/4668/modern-slavery-induction-pack-with-translations.pptx

Spot the signs Awareness Cards ccsbestpractice.org.uk/wp-content/uploads/gravity_forms/7-63816b02d50707a458d0be2e40d990dd/2018/07/Capture.JPG

Videos

Supply Chain Sustainability School www.youtube.com/watch?v=Dzt1ntzdMAc

Stronger Together www.stronger2gether.org/product/concrete-tackling-modern-slavery-in-the-construction-sector/

Site posters

GLAA
www.gla.gov.uk/media/4652/are-you-alright-poster-site-v3.docx
www.gla.gov.uk/media/4651/are-you-alright-poster-safe-v3.docx
www.gla.gov.uk/media/4650/are-you-alright-poster-rights-v3.docx

Stronger Together
www.stronger2gether.org/product/construction-worker-poster-en-po-li-ru/
www.stronger2gether.org/product/construction-worker-poster-sl-bg-lt-ro/

Identification

Resources



Activities

- ✓ Understand the links between exploitation and right to work (makes sure your checks for legal documents are also considering exploitation)
- ✓ Understand the links between exploitation and mental health conditions such as PTSD, Depression etc
- ✓ If you have a site mental health first aider are they trained in spotting signs
- ✓ Take an interest in your site – how are people behaving?
- ✓ Bring checks into your site inspections and audit

Useful links

Government – Home Office Right to Work Checklist:
[Right to work checklist](#)

Video

[Right to Work - Part 1](#)
[Right to Work - Part 2](#)

Respond

Resources	
<div><div><div>Gangmasters & Labour Abuse Authority</div></div></div>	
Activities	Useful links
<div><div>✓ Ensure the hierarchy of reporting is clear and you understand the project policy</div><div>✓ Immediate danger 999, suspicions can be reported to GLAA and/or Modern Slavery Helpline</div><div>✓ Report your suspicions to your line manager</div><div>✓ Ensure that instances are reported back up to your head office via the required reporting route to capture cases and intelligence</div><div>✓ Use the guidance sheet – appendix 2 as a checklist when approaching victims</div><div>✓ As a project consider how you can support local charities and safe houses that support victims of exploitation in your local areas</div></div>	<div>Modern Slavery Helpline: www.modernslaveryhelpline.org</div> <div>Salvation Army: www.salvationarmy.org.uk/modern-slavery</div> <div>Gangmasters Labour Abuse Authority: www.gla.gov.uk</div> <div>Insert your organisations helpline and reporting procedures here:</div>

Appendix 4 – Site audit checklist

Insert company commentary and policy here ...

Evidence observed	Yes	No	Copies taken	Reference # / Signature
Confirmation of address				
Contract of employment				
Passport or biometric residence permit				
Bank account details (i.e. Bank card)				
Employee confirms that no direct or indirect fees were paid to obtain work				Employee signature:
Employee confirms they are aware of statutory rights including sick pay and holiday pay				Employee signature:

Modern slavery: Site induction (guidance)

Checking the documents

You need to check that:

- ✓ the documents are genuine, original, and unchanged and belong to the person who has given them to you
- ✓ the dates for the applicant’s right to work in the UK haven’t expired
- ✓ photos are the same across all documents and look like the applicant
- ✓ dates of birth are the same across all documents
- ✓ if 2 documents give different names, the applicant has supporting documents showing why they’re different, e.g. a marriage certificate or divorce decree

Checking CSCS (Construction Skills Certification Scheme) Cards (As outlined by Go Contractor):

- ✓ **Does the card have a photo** – CSCS cards have passport size photos of the cardholder on the front. Make sure that the worker is the same person as the cardholder is one of the most important steps in preventing fraud that can endanger workers lives.
- ✓ **Unique Registration number** – Each card should have a unique registration number on the front right-hand side of the card. This number is issued by CITB to every individual that has passed the Health, Safety and Environment test and can be used for worker verification.
- ✓ **Does the card have a name on it** – Names appear on CSCS cards in a specific format, First and middle names are in the form of initials, while the surname is in full, i.e. John Paul Pope would appear as JP Pope.
- ✓ **Expiry date** – Most CSCS cards are valid for five years. The expiry dates of red CSCS cards usually lasts a year. If a card’s valid expiry date seems to be too far in the future, then you may be dealing with fake CSCS cards.
- ✓ **Microchip** – A CSCS must have a microchip, otherwise it’s not real. A smart card microchip contains information about the employee’s current level of construction, NVQ qualification, their name, their nationality, and their date of birth. This is the best way of spotting fake CSCS cards.

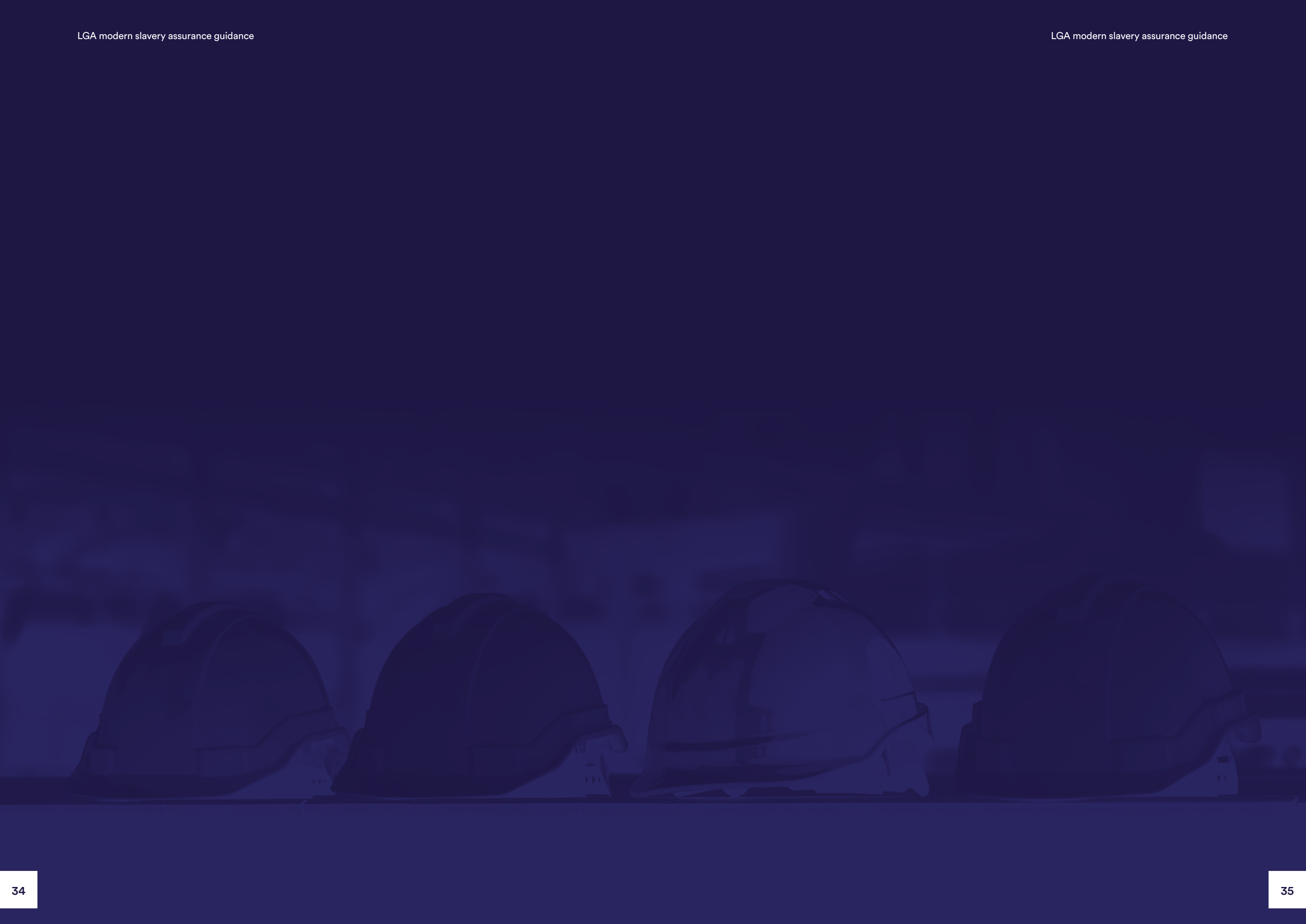
Taking a copy of the documents

When you copy the documents:

- ✓ make a copy that can’t be changed, e.g. a photocopy
- ✓ for passports, copy any page with the expiry date and applicant’s details (e.g. nationality, date of birth and photograph) including endorsements, e.g. a work visa
- ✓ for biometric residence permits and residence cards (biometric format), copy both sides
- ✓ for all other documents you must make a complete copy
- ✓ keep copies during the applicant’s employment and for two years after they stop working for you
- ✓ record the date the check was made
- ✓ make sure you follow [data protection law](#)

Appendix 5 – Practicalities of managing potential victims

- ✓ Take the victim to a place of safety where they feel comfortable to disclose
- ✓ Access to food and drink, warm clothing, somewhere to sleep
- ✓ Separate potential suspects from victims and speak to victims individually
- ✓ Keep multiple victims separate
- ✓ Assess and provide any medical / mental health needs
- ✓ Try to dispel any fears of law enforcement agencies, establish trust / rapport
- ✓ Be aware of the effects of post-traumatic stress disorder (PTSD)
- ✓ Make enquiries at an early stage to establish if you have other potential victims residing at the same address/ working at the same site
- ✓ Think forensic opportunities and seize identity documents, travel documents, financial information and retain and preserve any documentation that may be required for any subsequent court hearing
- ✓ Make notes of discussions / actions
- ✓ Give the victim as much information as you can
- ✓ If you suspect you have a victim of human trafficking inform the police or the GLAA





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