

Prevention of Modern Slavery in Procurement Policy

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Review no.2			
Review no.3			

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Related SOPs	Not Applicable
Related Guidance	SDS Modern Slavery Statement and Best Practice guidance Note on Modern Slavery in Procurement
Equality Impact Assessment completed	Yes
Intended Audience	Internal SDS Staff
Team responsible for policy	Procurement
Policy owner contact details (email)	Stacy.McDonald@sds.co.uk
Policy due for review (date)	January 2024

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1. Policy summary

This Policy aims to inform all those who work at SDS about the risk of Modern Slavery in our supply chains and how we can mitigate risk.

It sets the methods SDS will employ to mitigate any risk of modern slavery in our supply chains. SDS has a strong commitment to Fair Work First principles, to which modern slavery is contradictory.

2. What is Modern Slavery?

2.1 Extent of Modern Slavery

Slavery is not a problem confined to the past, nor is it only present abroad. In 2020 alone, 387 potential victims of human trafficking were identified in Scotland. Despite this relatively low figure by global standards, it is not low enough.

2.2 Importance for SDS

For Skills Development Scotland, ensuring a fair and rewarding working life for all living in Scotland is vital. The existence of modern slavery and human trafficking is antithetical to this desire. These immoral practices are present in Scotland and SDS is committed to playing our part to assist in its eradication.

Whilst we do not have a primary role in this eradication, we can utilise vigilance to mitigate any risk of us unintentionally funding modern slavery. This role is of great importance and affords SDS the capacity to make positive change.

3. Our Aims

3.1 Procurement

The risk of modern slavery in our supply chains is considered low – the Joseph Rowntree Foundation report on Forced labour in the United Kingdom summarises:

“Forced labour is found across the UK in sectors characterised by low-skilled, low-paid labour (like food processing, construction, hospitality) and among flexible, temporary (commonly agency) workers.”

SDS does not have a high percentage of contracts in these areas. However, there is the risk of being linked to potentially non-compliant businesses through suppliers’ funding sources, extended supply chains or sub-contracting.

Utilising frameworks (such as Scottish Procurement or Crown Commercial Services) has reduced the risk even further. This is due to these bodies following the European Single Procurement Document (ESPD) and/or Single Procurement Document (SPD) from January 2021, selection criteria question on “[3A6] Child labour and other forms of trafficking human beings”. Also, if suppliers are relying on a sub-contractor to meet the SPD requirements, then the sub-contract is also required to complete the SPD.

Further, our Corporate Procurement Strategy 2021-2025 helps ensure ethical trading.

However, despite these preparatory measures, the risk cannot be discounted, and vigilance must always be practised. SDS will strive to prevent wherever possible that the public purse is not being used to fund businesses which engage in human trafficking or modern slavery.

3.2 Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, and to further promote understanding and awareness, we have produced an e-learning module, which will become mandatory for all employees. Partnered with internal comms (including our Procurement Policy), this training is intended to improve the understanding and awareness of modern slavery across the organisation. Specific e-learning was created and is available to all staff with the intention of raising awareness of the risks of modern slavery and our obligations. In addition, updated information was provided on our intranet to advise colleagues of our approach to FWF and how that informs our practices.

4. Responsibilities

4.1 Procurement

Where applicable the Procurement team will conduct due diligence following submission of a bidders' Single Procurement document (SPD) to minimise the risk that organisations contracting with SDS are supporting modern slavery.

This includes the Single Procurement Document (SPD) selection question on "*child labour and other forms of trafficking in human beings*". If the suppliers are relying on a sub-contractor to meet the Pre-Qualification Questionnaire requirements, then the sub-contractor is also required to complete a Pre-Qualification Questionnaire.

Our standard terms, and where relevant, framework terms also allow SDS the ability to conduct audits on supplier sites.

In addition, the procurement team will consider the use of questions on fair work first practices in tenders and grants over £50,000, when relevant and proportionate to do so. The Procurement Department will also encourage ethical sourcing amongst our suppliers and SDS Terms and Conditions incorporate this in both the standard terms and conditions for the purchase of goods and services and the style Framework Agreement.

Any queries regarding the risk of modern slavery in supply chains can be directed to the Procurement department.

4.2 All Departments

If a member of SDS staff discovers any possible instances of modern slavery in the course of their work, they should immediately report it to the Procurement department. In addition, the Modern Slavery helpline on 0800 0121 700 allows anyone who thinks they may have come across an instance of modern slavery or may be a victim to call for more information and guidance on what to do next.

If a specific case of modern slavery is identified in the UK, it should be reported to the police immediately on 101. If potential victims are in immediate danger, the standard 999 emergency number should be used.

Whilst it is unlikely that a staff member will come across any possible instances of modern slavery in their time at SDS, the possibility remains. The Procurement team will be able to find a new provider/supplier to replace any party which is discovered to be falling foul of modern slavery standards.

All SDS staff should be mindful of modern slavery risks in the area in which they work. Joseph Rowntree Foundation report on Forced labour in the United Kingdom highlights the following strong indicators:

The most common 'strong' forced labour indicators were:

- breaches in or lack of contract
- non-payment of wages or illegal deductions
- payment below minimum wage
- purposeful isolation at work
- psychological harm
- fear

- confinement to workplace

These indicators are mostly likely to be picked up by those managing the contracts for SDS. This is devolved across the business areas.

Joseph Rowntree Foundation report on Forced labour in the United Kingdom details that:

“Underlying causes include a regulatory framework in which the use of forced labour makes ‘business sense’, even if illegal, because the risks of discovery and prosecution are low, and weak enforcement of labour standards.”

This again highlights the importance of contract management and audit.

This policy applies to all employees within SDS. Individuals who are seconded into SDS from another organisation (or employed through an agency) will be required to comply with this policy. Everyone involved in SDS business, including third party contractors and Board Members, has a responsibility to familiarise themselves with this policy and the standards it sets out.

5. Accountability

As well as any breach of this policy being contradictory to the core principles of SDS, it would likely lead to huge reputational damage to the organisation. Thus, all staff should take the time to learn more about the subject and adhere to this policy.

Under the SDS Code of Conduct all colleagues have a specific responsibility to comply with all applicable legal requirements and regulations relevant to the area they undertake. In this context that means that each of us have a responsibility to report a discovery of an instance of modern slavery and not doing so may be viewed as misconduct.

We will review this policy on a biennial basis to ensure its relevance and amend when needed.

This policy is made in conjuncture with our external 'Modern Slavery Statement' which is made in voluntary compliance with the provisions of section 54(1) of the Modern Slavery Act 2015.

Should you have any queries with regards to Modern Slavery or specific concerns regarding our supply chain, please contact our Procurement Team – procurement@sds.co.uk.