

Modern Slavery Statement

2025 – 26

1. Introduction

As the national skills body, everyone at Skills Development Scotland (“SDS”) recognises they have an important role to play in developing a fairer and more equal society which enables all people to thrive in a vibrant and inclusive labour market.

SDS is fully committed to taking all necessary steps to realise that vision, ensuring that we prevent the risk of modern slavery and human trafficking occurring in any part of our organisation or our supply chains through responsible procurement.

We recognise the responsibilities under the Modern Slavery Act 2015, and in voluntary compliance with the provisions of section 54 of the Act, this statement sets out the key actions, activities and improvements we have undertaken during the financial year ending 31 March 2026.

This includes details on our human resource policies and trade union engagement, our procurement procedures and practices, colleague training and key performance indicators. It summarises the actions and activities we have undertaken to better understand the potential risks of modern slavery and human trafficking, and the systems and controls we have introduced to mitigate those risks.

We are committed to reviewing this statement annually, with SDS’s procurement, human resource and legal teams being central to the process, gathering information from relevant departments within the organisation and considering year-on-year improvements.

Through this commitment, SDS hopes to lead by example as a responsible employer and a responsible public body, bringing us closer to that vision of a fairer and more equal society which all of us wants to see.

A handwritten signature in dark ink, reading "Damien Yeates". The signature is fluid and cursive, with the first name "Damien" and last name "Yeates" clearly distinguishable.

Damien Yeates

Chief Executive

Skills Development Scotland

2. SDS's Structure, Business and Supply Chains

SDS is a company limited by guarantee registered in Scotland with company number SC202659. Our registered name is "The Skills Development Co. Limited" and our registered office is at Floor 1 Monteith House, 11 George Street, Glasgow, G2 1DY. We are a Non-Departmental Public Body and Scotland's national skills agency. Our ambition is that skills contribute to a thriving, productive and inclusive Scotland. The key to Scotland's future prosperity is to ensure that its people and businesses are inspired and enabled to develop the right skills for a changing world.

We achieve this through intelligence-led delivery of Scotland's Career Service, apprenticeships, and other learning and skills interventions in support of Scottish Government ambitions. To make this happen, SDS collaborates extensively across the education and skills system. By sharing expertise and intelligence, we enable the development and delivery of innovative solutions to Scotland's skills and labour market challenges.

During the financial year ended 31 March 2026, there have been:

- 24,849 Modern Apprenticeship starts;
- 80.3% Modern Apprenticeship achievement rate;
- 13,502 people accessing our universal careers service, supported by 26,052 individual or group sessions in 2025/26;
- 20,489 next steps customers supported by 48,765 individual or group sessions in 2025/26;
- 1,589 individuals supported through our PACE service with one-to-one or group Career Information, Advice and Guidance ("CIAG") sessions and 241 employers supported through PACE services;
- a total of 2,825 non-college Foundation Apprenticeship enrolments in 2025-26;

- 185 businesses supported as part of the Team Scotland approach (with other organisations) either to locate for the first time or expand operations in Scotland and 201 jobs created; and
- 23 Regional Skills Assessments and 15 Sector Skills Assessments published.

Also, during the 2024/2025 academic year, SDS delivered face-to-face services to 154,114 school pupils across Scotland and our CIAG services were delivered to 94,927 senior phase pupils across Scotland.

Further details on SDS's strategic approach and operational activities can be found in *Skills for a Changing World*, our [Strategic Plan 2022-27](#), published in November 2022. Further information about SDS can also be found at: <https://www.skillsdevelopmentscotland.co.uk/about>.

The passing of the Tertiary Education and Training (Funding and Governance) (Scotland) Act 2026 in March 2026 confirmed that responsibility for the delivery of National Training Programmes including Modern Apprenticeships would transfer to the Scottish Funding Council ("SFC") from 1 April 2027. Over the past year, SDS has worked with the Scottish Government and SFC on the development of a transition plan for this, including TUPE transfer of colleagues to SFC, and we continue to work with them on the implementation of that plan.

We are committed to preventing the risk of instances of modern slavery and human trafficking taking place in any part of our operational activities or within our supply chains. We are also committed to protecting and respecting human rights across SDS's activities and will take, where reasonable, appropriate and possible steps to influence others to ensure slavery and human trafficking does not take place.

Our supply chain includes:

- Learning Providers with a mix of private Learning Providers, Local Authorities and Colleges/Universities. The Modern Apprenticeship contract with Learning Providers is a critical contract to SDS. The scope of the tendered services covers provision of Modern Apprenticeship services in the form of training offers to individuals in paid employment providing the opportunity to develop and learn new skills from SCQF level 5 to level 11 which includes technical, professional levels and training to support upskilling of new and existing staff. It is delivered by Learning Providers or employers for individuals and during a Modern Apprenticeship, each Apprentice's main employment and business premises must be located in Scotland. The risk of modern slavery occurring under this contract is considered to be low;
- suppliers of IT goods and services. SDS regularly sources IT goods and services through external frameworks including, Scottish Government and Government Commercial Agency ("GCA") (including G-Cloud) frameworks. We understand that the Scottish Government checks for supplier published modern slavery statements and have ongoing engagement with suppliers throughout the framework term;
- a single supplier for the provision of hard and soft facilities management services, management and call-off services to our sites across Scotland. SDS utilises the GCA framework for total facilities management for this contract; and
- recruitment agencies. SDS has a recruitment services framework in place covering three lots with multiple suppliers for the provision of recruitment of: (i) specialist ICT roles for our Enterprise Information Systems and Digital Services departments; (ii) other department roles such as Finance, Procurement, Marketing & Communications, and (iii) highly skilled and qualified senior level staff. Suppliers under the framework are required to demonstrate commitments to preventing modern slavery and human trafficking, maintain

labour standards throughout their operations and supply chains, support fair employment practices, prohibit inappropriate use of zero-hours contracts, and ensure prompt payment throughout the supply chain.

With all suppliers SDS encourages ethical sourcing and SDS is required to comply with procurement law, which mitigates the risk of modern slavery in our supply chains.

Our standard terms and conditions for the purchase of goods and services include a clause requiring suppliers to comply with anti-slavery and human trafficking laws, in addition to a general requirement to comply with all applicable laws. This clause requires a supplier to:

- comply with all applicable anti-slavery and human trafficking laws, including the Modern Slavery Act 2015 and the Human Trafficking and Exploitation (Scotland) Act 2015;
- not engage in any activity, practice or conduct that would constitute an offence under the Human Trafficking and Exploitation (Scotland) Act 2015;
- include a similar provision within its sub-contracts;
- notify us if the supplier becomes aware of any actual or suspected slavery or human trafficking in the supply chain relating to the Contract;
- maintain records to trace the supply chain of all goods and services provided to us and provide us or our representatives with access to such records; and
- warrant that the supplier has not been convicted of any offence involving slavery and human trafficking or been subject to any investigation, inquiry or enforcement proceedings regarding any such offence or alleged offence.

Similar wording is also included in our template Framework Agreement and Call-off terms and our standard Modern Apprenticeship Programme Conditions. In addition, wording is included in our template grant offer to require grantees to comply

with their obligations under all applicable anti-slavery and human trafficking legislation.

We review the appropriateness of the anti-slavery and human trafficking compliance clause, including considering potential alternatives, regularly and note that the provisions included in this clause are fairly standard and are proportionate for our purposes. We also have an additional optional supply chain transparency clause for use in SDS's standard terms and conditions for the purchase of goods and services in higher risk contracts, together with guidance for the procurement team. This optional clause includes additional requirements on a supplier, including: (i) to ensure organisations in its supply chain have a supplier code of conduct or supplier policy, (ii) to provide an annual written report on monitoring and improving labour standards and working conditions in its supply chain and (iii) to ensure certain practices are not used in its supply chain (for example forced or child labour).

We have also considered whether any additional specific modern slavery requirements should be added to our standard Modern Apprenticeship Programme Conditions, however, the current provisions appear to be appropriate for the Modern Apprenticeship Programme.

SDS primarily delivers its services through our workforce who are directly employed by the organisation via our in-house recruitment practices. On occasion where additional resource or specialist expertise is required, SDS use recruitment agencies who have been selected via established procurement routes (as noted above).

3. Our Policies on Slavery and Human Trafficking

SDS's Strategic Plan for 2022-2027 commits us to attract, nurture, and retain a diverse team of people that share and achieve our ambitions, demonstrating fair work practices. We have a formal recognition agreement in place with Unison and Public and Commercial Services union and take an active partnership approach to employee relations in line with our fair work commitment. When developing and updating SDS HR policies, our HR team consider legislative requirements, ACAS guidance, Government guidance and CIPD (the HR professional body) best practice. We also consult with our recognised trade unions on HR policies. This includes:

- consulting with trade unions when preparing drafts and discussing proposed changes; and
- trade unions signing SDS's policies in accordance with SDS's voluntary recognition agreement with trade unions.

SDS's HR team also liaise and benchmark with other stakeholders where relevant when updating HR policies, including the Scottish Government and other Non-Departmental Public Bodies.

HR policies are available for all employees to view on the employee intranet and we communicate changes to policy via our all colleague emails, ensuring employees are aware of any changes to policy.

A number of SDS's HR policies are relevant to modern slavery and human trafficking and further details on each are noted below.

SDS Early Concerns and Grievance Policy outlines:

- our commitment to dignity and respect in the workplace;
- that all colleagues should be treated with respect at all times; and
- our commitment to eliminating any form of workplace bullying and harassment and any unlawful and unfair discrimination.

This policy enables employees to raise concerns relating to their employment and for these to be considered in line with ACAS's Code of Practice, including an informal and formal route to resolving issues.

Our Human Resources Policies confirm our commitment to workplace rights for employees and we promote our [Code of Conduct](#) to ensure an environment based on dignity and respect, that does not condone or allow bullying, harassment, discrimination or any other unacceptable behaviour.

Our [Recruitment and Selection Policy](#) references our intent of fair and objective recruitment and selection processes and states that we will adhere to our legal obligations in relation to the right to work and PVG checks, where required for the role. The right to work checks include age.

Our Time off in Lieu and Overtime Pay Policy and Procedure provides that the requirement to work overtime is optional for all employees. As such, there is no compulsory overtime within SDS.

Additionally, our [Fraud and Financial Irregularity Policy and Response Plan](#) and [Whistleblowing Policy](#) provide staff with the means to report improper conduct or unethical behaviour.

Such policies are reviewed on a regular basis (generally every three years with our Code of Conduct reviewed every two years), at times of legislative change and following feedback as required.

As a public body, SDS must comply with procurement law obligations when purchasing goods and services where relevant. This includes:

- mandatory exclusion of bidders from a relevant procurement if the bidder has been convicted of any offence under Part 1 of the Human Trafficking and Exploitation (Scotland) Act 2015 or any related provisions listed in the Schedule of such Act; and

- the potential discretionary exclusion of bidders from a relevant procurement (subject to self-cleansing) where the bidder: (i) is guilty of grave professional misconduct which renders its integrity questionable or (ii) has breached obligations in the fields of social, environmental or employment law (which could include obligations under the Human Trafficking and Exploitation (Scotland) Act 2015, the Modern Slavery Act 2015 and the Equality Act 2010).

In compliance with the Procurement Reform (Scotland) Act 2014, SDS's [Corporate Procurement Strategy 2024-2027](#), along with our [Procurement Policy](#), set out our principles and approach to ensuring responsible and sustainable procurement practices. These include:

- SDS's adoption of Fair Work First ("FWF") and our expectations in connection with this from suppliers and grantees;
- the requirement on SDS to adhere to the public sector equality duty;
- seeking future opportunities to utilise the Supported Businesses framework;
- continuing to work with small and medium sized organisations;
- seeking community benefits for relevant contracts; and
- SDS's modern slavery policies and training.

Further, our [Prevention of Modern Slavery in Procurement Policy](#) sets out the specific measures being used by the Procurement Team to mitigate the risk of modern slavery in our supply chains and specifies the warning signs to which all staff should be vigilant.

SDS has complied with the requirements of the Prompt Payment in the Supply Chain Scottish Procurement Policy Note (SPPN 02/2022) from 1 June 2022. This requires an assessment to be carried out for all relevant procurement processes on a supplier's past payment performance to ensure 95% of invoices were paid on time and the inclusion of relevant provisions in our terms and conditions to ensure all suppliers who have sub-contractors in our supply chain are paid

within 30 days. These measures are intended to ensure sustainability and resilience in supply chains, are the ethical and socially responsible thing to do and could also mitigate the risk of modern slavery and human trafficking occurring in our supply chain.

SDS has also considered the requirements of the Human Rights and Grave Professional Misconduct Scottish Procurement Policy Note (SPPN 3/2026), which was published on 5 February 2026. This provides guidance to public bodies on options for dealing with bidders which may be involved in activities which constitute grave professional misconduct and provides examples of activities that may constitute this (including exploitation of assets in illegal settlements, not respecting human rights or acting in a manner through action, inaction or through business relationships, which may have an adverse impact on, or infringement of, human rights). Following our review of this SPPN, our procurement process for the award of contracts exceeding £50,000 now includes a review of the UN Database of companies active in listed activity in the Occupied Palestinian Territory before entering into contracts.

We previously considered whether it would be appropriate for SDS to prepare and introduce a supplier code of practice. As part of this, we reviewed various different supplier codes of conduct and compared the requirements of the codes of conduct with our standard terms and conditions. The majority of the provisions within the codes of conduct are included in our standard terms and conditions (including requirements on a supplier to comply with all rules and regulations (including the Equality Act 2010), have appropriate standards for its organisation and supply chain regarding legal, ethical and social issues and also not to act in a way that would damage SDS or bring SDS into disrepute). As such, a decision was made that a separate supplier code of conduct was not required at that stage but this will be kept under review. In addition, we note that contracts entered into by SDS under certain GCA (previously Crown Commercial Services) frameworks, including the G-Cloud 14 framework, include a requirement on suppliers to comply with the standards set out in

the UK Government's Supplier Code of Conduct available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779660/20190220-Supplier_Code_of_Conduct.pdf.

SDS has a detailed process in place for the development of policies. An internal guidance document sets out the process to follow, and the support available for colleagues, when developing a new policy or reviewing an existing policy. The SDS Executive Governance Board ("EGB") has responsibility for the approval/endorsement of all new and revised policies prior to their internal and/or external publication. In line with audit recommendations from 2021, the SDS Planning and Policy Team maintains a tracker of all SDS policies and reports their status regularly to the SDS Board's Audit and Risk Committee, the EGB, and all Policy Owners. Our policy management process is designed to ensure that SDS effectively prioritises its policies for review. This approach considers weighted risk factors which include whether the policy relates to a statutory responsibility, whether it is used as an internal risk control, and the time since it was last reviewed. If a policy is identified as being priority for review, the policy owner is informed, and asked to review the policy within an expected review deadline.

As noted above, our employees can access policies through our intranet and certain policies are published on our external website for third parties, including suppliers, to access. IT suppliers are also provided with copies of relevant IT policies through SDS's conditions of contract and contract management process. When policies are newly created or revised, all employees are alerted, generally through a weekly all-colleague email. In line with our Code of Conduct, colleagues are expected to demonstrate personal responsibility in relation to understanding and acting in accordance with all relevant policies.

4. Assessing and Managing Risk and Diligence Processes for Slavery and Human Trafficking

The risk of modern slavery in SDS's activities is considered low. However, we recognise the potential risks linked to the extended and indirect supply chain of goods and services. For SDS, such risks are reduced as procurement of goods and services are increasingly sourced through framework agreements (such as Scottish Procurement or GCA).

All of our prime contractors (where applicable) are also required to complete a Single Procurement Document Questionnaire. This includes a number of questions relevant to modern slavery and human trafficking including: (i) on child labour and other forms of trafficking in human beings, any offence under Part 1 of the Human Trafficking and Exploitation (Scotland) Act 2015 or under any provision referred to in the Schedule for that Act to gain assurances that these crimes are not present in the contractor's business, as set out in our [Best Practice Guidance Note on Modern Slavery in Procurement](#), (ii) on breaching obligations in the fields of environmental, social and labour law and (iii) on being guilty of grave professional misconduct. Any sub-contractors that our contractors are relying on are also required to complete a Single Procurement Document Questionnaire. The extent of due diligence that we are able to conduct is proportionate to the questions included in the Single Procurement Document Questionnaire and the identified modern slavery risks in SDS's activities. SDS's procurement team also utilise the national sustainability test tool and associated supported guidance to identify the risks or influence of high value contracts.

SDS has a procedure in place for the completion of an Integrated Equality Impact Assessment ("IEIA") for a new or revised product, policy or service that impacts on people, both SDS customers and staff, which also assists in mitigating the risk of modern slavery and human trafficking occurring in SDS's business and supply chain. The IEIA includes a Children's Rights Impact Assessment. This

requires consideration of how the project, policy or service impacts on the articles of the UN Convention on the Rights of the Child, including relevant requirements in respect to modern slavery and human trafficking. An IEIA should be completed at the start of a project, policy or service development and the relevant Senior Responsible Officer ("SRO") within SDS for such activity (usually a director or head of service) will be responsible for the IEIA, including the decision on whether to complete an IEIA. IEIAs are queried as part of various SDS department processes, including within SDS's procurement process and the business case development process of SDS's Change and Project Management Office. An IEIA should be reviewed anytime there are substantive changes to the product, policy or service and at regular intervals.

We previously undertook a review of the Home Office's Modern Slavery Assessment Tool to consider whether it would be proportionate to use based on the SDS's identified risks. This would be onerous on procurement resources and on suppliers for most if not all of SDS's contracts, however, procurement can utilise this as and when required.

We also previously reviewed the British Standards Institution's British Standard on modern slavery (BS 25700:2022 Organizational responses to modern slavery – Guidance) to further consider the risk of modern slavery in SDS's activities. This includes a number of modern slavery risk factors and the majority of those that are deemed to have the ability to increase the risk of modern slavery are not applicable to SDS's activities.

Additionally, SDS considers FWF for all regulated procurements in a relevant and proportionate manner. When FWF applies to any contract, we will evaluate with a relevant weighting if required and evaluate each submission. SDS will continuously monitor progress against tender submissions throughout the contract lifetime and support suppliers to deliver on their commitments to FWF. For contracts of lower value or where FWF does not apply, contract managers will have an awareness of the signs of modern slavery

through training and awareness (including our Best Practice Guidance Note on Modern Slavery in Procurement). SDS has also incorporated FWF in SDS grant funding requirements in line with updated FWF guidance from 1 July 2023.

Within our National Training Programmes there are strict Programme Specifications and Conditions which clearly highlight requirements and consequences for non-compliance (including sub-contractors).

We internally review Learning Providers in our supply chain by undertaking a Programme of Monitoring or Reviews of Skills and Training Programme Suppliers which includes checks on learner eligibility (Payment Terms and Conditions Compliance Monitoring), learner experience (National Operations Quality Reviews) and learner feedback (National Operations Skills Investment Adviser participant interviews). These arrangements provide several touchpoints for anyone with concerns about human trafficking to speak with and/or raise concerns with SDS. SDS also provides an online Complaint Form on our corporate website for anyone to report any issues. Additionally, we include contractual clauses which allow us to audit contractors which include rights to site visits for our National Training Programmes. If any concerns relating to slavery and human trafficking were to be raised or highlighted in connection with a supplier, we would investigate the matter and take appropriate action.

We previously considered whether any specific anti-slavery and human trafficking audits should be conducted on SDS's suppliers and whether it would be appropriate for SDS to consider whether suppliers have published modern slavery statements (if required to do so). However, given resource and knowledge implications, it would not appear to be proportionate to the identified modern slavery risk in SDS's activities to carry out anti-slavery and human trafficking audits or to check for supplier published modern slavery statements. This will be kept under review.

SDS's procurement team previously conducted a review of SDS's template contract management plans. This template was updated to

include a suggested agenda item in contract management meeting minutes for relevant suppliers to confirm that it abides by all legislation in respect to modern slavery and human trafficking in performing its obligations under the contract. Guidance is included in the template to confirm that this wording should be included for contracts that may have supply chain issues (for example where there may be an increased risk of modern slavery or human trafficking in the supply chain or where the supplier is relying on an extended supply chain).

We also require all employees and agency workers to complete pre-employment checks. Such checks include ensuring the individual is of legal age to work, has the right to work in the UK, verifying the individual's ID to check identity, the provision of references and PVG checks (where relevant). In addition, in line with the Employment Rights Act 1996, employment contracts are issued to all new SDS employees prior to employment commencement and SDS's template employment contracts are continuously reviewed for statutory compliance and policy consistency.

5. Staff Training

Working in partnership with our recognised Trade Unions we have embedded the fair work principles into the way we work, incorporating effective voice, fulfilment, opportunity, respect and security into our strategic plan.

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. Partnered with internal comms (including our Procurement Policy), this training is intended to improve the understanding and awareness of modern slavery across the organisation.

The e-learning module was updated during the financial year ending 31 March 2025, having been initially issued to staff in May 2022. It is mandatory for all staff to complete the module, which is intended to raise awareness of the risks of modern slavery, our obligations, how to report instances of modern slavery internally and to the police and notify staff of the Modern Slavery helpline. We are also able to run reports on the volume of staff who have undertaken the training and any failure to complete the training within the required timescale will be flagged to people managers and reported to the relevant Heads of Service. The module will be reviewed and updated as and when required. During the financial year ended 31 March 2026, we considered whether any further tailored training or external training is required. It was agreed that nothing further is required at present as the internal training is sufficient given the risk but this will be considered annually.

The procurement team also provided an update to SDS departments in July 2023 on the process to report any suspicions of modern slavery, which included reference to the Modern Slavery helpline. We have also provided staff with information on our intranet to advise colleagues of our approach to FWF and how that informs our practices. Our employee Code of Conduct policy also includes

reference to the process for reporting any suspicions of modern slavery.

6. Monitoring and Evaluation: Our Effectiveness in Combating Slavery and Human Trafficking

We use the following to measure how effective we have been to prevent the risk of slavery and human trafficking taking place in any part of our business or supply chains:

- effective use of appropriate pre-employment checks in all instances;
- modern slavery e-learning mandatory for all SDS personnel; and
- supplier selection checks.

In respect to the KPIs to measure our effectiveness in preventing the risk of slavery and human trafficking taking place in any part of our business and supply chain, we confirm that:

- i. there have been zero reported instances of modern slavery in SDS's supply chain during the financial year ending 31 March 2026; and
- ii. 98.3% of SDS employees have completed our modern slavery e-learning module.

In addition, SDS supplier KPIs are considered on a case by case basis and the Procurement team provide guidance to departments on the setting of KPIs for contracts over £50,000 in line with early engagement and timelines to ensure that any KPIs do not put undue pressure on suppliers, which could increase the risk of modern slavery or human trafficking in our supply chain. This is also discussed where relevant for other tenders, such as the Modern Apprenticeship contract, and potential labour issues if timelines are pushed. Any contractual KPIs in general are discussed during contract management meetings.

During the financial year ended 31 March 2026, we have considered the updated statutory guidance on Transparency in Supply Chains, including preparing a checklist of potential improvements for SDS. This checklist was updated throughout the year with relevant updates included in this statement. We intend to work on improving our practices and statement in line with the guidance in future financial years.

This statement is made voluntarily pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 March 2026. It was approved by the board on 17 September 2026.



Damien Yeates

Chief Executive

The Skills Development Scotland Co. Limited

Date: 29 September 2026

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