

MODERN SLAVERY STATEMENT 2019

INTRODUCTION FROM KEVIN WATKINS, CEO OF SAVE THE CHILDREN UK

Modern slavery, including trafficking, forced labour, as well as forced recruitment for armed conflict, prostitution, pornography and other illicit activities represents some of the worst children's rights violations in existence. Save the Children works with many children around the world who have experienced or are at risk from these forms of slavery. We help address the root causes of modern slavery, as well as support rehabilitation of those affected and protect them from further harm.

In line with the UN Guiding Principles for business, we believe that all businesses have a responsibility to respect children's rights through their business activities. This starts with business identifying and responding to the risks that exist within their supply chains. In 2012 Save the Children supported the development of the Children's Rights and Business Principles with the UN Global Compact and UNICEF and we will continue to seek ways to promote responsible behaviour by business.

We are also committed to improving our own practices in this space. This statement sets out the steps that we have taken to eliminate, as far as possible, the risk of modern slavery and human trafficking taking place in our organisation and supply chains. This explains how we have been addressing the issue during 2019 and how we plan to further mitigate the risks going forward.

THE MODERN SLAVERY ACT 2015

The Modern Slavery Act 2015 requires large UK organisations to publish annual statements to report on the steps they are taking to ensure that modern slavery and human trafficking are not taking place in their operations and in the supply chains that provide their goods and services.

Modern slavery is an overarching term used to describe a wide range of exploitation of labour, including slavery, forced or compulsory labour, servitude and other types of bonded labour, human trafficking and child labour.

SAVE THE CHILDREN UK'S STRUCTURE, GOVERNANCE AND MANAGEMENT

Save the Children is the world's leading independent organisation for children. As a global movement we are made up of 27 independent national organisations and 3 associate members, each of which is a member of Save the Children Association (SCA) which holds the membership and governance structure for Save the Children globally. Members lead on activities within their home territory and work with donors to develop programmes abroad, which are delivered by a central body - [Save the Children International](#) (SCI) - via teams on the ground in each country.

Save the Children UK is the Save the Children member for the UK. Our principal activities in the UK consist of fundraising and campaigning, advocacy on child rights and protection, and implementing UK programmes to address child poverty. We own a trading subsidiary, Save the Children (Sales) Limited, which is responsible for trading new goods in our UK shops (alongside donated goods) and from our website. Save the Children UK also funds SCI to carry out programmes around the world and maintains oversight of the work we fund. In some cases, we also provide surge capacity to support the delivery of frontline international programming in emergency situations.

Save the Children UK employs 950 staff around the UK, with a further 30 staff overseas who are primarily based in SCI offices and work with them to deliver our programmes and provide surge

capacity in humanitarian emergencies. SCI itself has around 17,500 staff in over 75 geographical territories worldwide.

The Board of Trustees of Save the Children UK has overall responsibility for the governance of the charity. The Board delegates the day to day running of the charity to the Chief Executive and Executive Directors but retains oversight of our operations through regular board and committee meetings.

You can find out more about our Governance and Structure, and about our UK and international activities, at <https://www.savethechildren.org.uk/about-us/accountability-and-transparency>

OUR SUPPLY CHAINS

Modern slavery is a complicated issue that is often difficult to detect, especially with multi-layered supply chains extending across different suppliers and countries.

Save the Children UK has broadly two types of supply chain. The first is the supply chains for our UK operations, consisting of the supply of goods and services for use in our UK operations, and the supply of new goods for sale in our charity shops. These are dealt with in detail below.

Procurement for UK operations

Save the Children directly procured almost £37.5 million of goods and services in the financial year end to 31 December 2019 to enable delivery of our operations and activities in the UK. This consisted mainly of services relating to fundraising and marketing, our offices and premises, travel, and professional services. We also procured a smaller amount of goods, in the form of IT software and hardware, office supplies and other materials used in our day to day operations.

Separate to this, during 2019 we also procured £450,000 of new goods for sale by our wholly-owned trading subsidiary in our network of 125 charity shops around the UK, and from our online shop. These goods consisted almost exclusively of Christmas cards and decorations, greetings cards, and diaries, which are sold alongside second-hand goods donated by the public.

The procurement of goods and services for our UK operations is overseen by our Procurement Team which is based in London. We have a clearly defined Procurement Policy which requires different tendering, due diligence and approval levels depending on the value of the goods or services being procured, the nature of the supplier, and the relative risks involved.

Procurement for international operations

Under Save the Children's global operating model, national members such as Save the Children UK do not generally operate outside their own countries, and instead sub-grant funds to SCI to manage and implement international programmes. SCI is responsible for undertaking these programmes and for procuring goods and services for them. We work closely with SCI and retain oversight over the use of our funds. You can read more about how SCI is addressing modern slavery in its supply chains at <https://www.savethechildren.net/>.

OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. We have an ongoing project to enhance our framework of policies and procedures generally, which has included assessing – and where necessary, strengthening - our existing policies to better address modern slavery issues.

We have a Human Trafficking and Modern Slavery Policy – which we have adopted in common with our colleagues at SCI - to reflect our commitment to acting ethically and with integrity in all our business relationships, and to implementing and enforcing effective systems, measures and controls to ensure slavery and human trafficking are not taking place anywhere in our supply chains.

In addition to our Human Trafficking and Modern Slavery Policy, our wider policy framework addresses risks regarding modern slavery as follows:

- Procurement Policy – this is our primary policy for addressing modern slavery risks in our supply chain, and it reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective and proportionate safeguards and controls.
- Code of Conduct – this is our key staff ethical policy, and includes ethical behaviour, management of conflicts of interest, and the reporting of issues.
- Child Safeguarding Policy – this is a key policy in setting out standards for our staff and partners regarding identifying and reporting child exploitation and abuse.
- Whistleblowing Policy – we have a whistleblowing hotline and whistleblowing policy.
- Anti-Fraud, Bribery and Corruption Policy – this complements our procurement and code of conduct policies and procedures.
- Pay Policy – our staff pay policy ensures that staff we employ receive fair pay (you can read more about how we pay our staff on our website).

We have for a number of years been members or supporters of organisations and initiatives which address modern slavery issues:

- We are supporters of the International Labour Organization (ILO), which is a UN body which sets global standards for labour conditions.
- We are accredited by the Living Wage Foundation. This encourages organisations in the UK to ensure that all personnel working on their premises are paid the living wage.
- We are members of the Ethical Trade Initiative (ETI), an alliance of business, trade unions and NGOs working to reduce exploitation and ensure all workers enjoy conditions of freedom, security and equity. We are committed to meeting their base-code, which is an internationally recognised code of labour practice founded on ILO conventions.

OUR STAFF

We ensure that all the staff we employ in the UK receive at least the living wage, in line with our commitments under the Living Wage campaign. We also require that any agency workers that we engage in the UK are paid the living wage by the agencies that supply their services.

HOW WE HAVE IDENTIFIED AND ADDRESSED RISKS IN OUR SUPPLY CHAINS

As well as strengthening our policies to take account of modern slavery, we have also considered the risks in our supply chains and have a process to address these. We follow the best practice guidance set out in the Government's Tackling Modern Slavery in Supply Chains guidance.

Mapping and risk assessing our supply chains

Save the Children has adopted a risk-based approach to addressing modern slavery. In 2018, our Procurement Team in London, which oversees the procurement of our UK supply chains, undertook an exercise to map our incumbent direct supply chains for our UK operations, and

identify areas where there may be a high risk of modern slavery. Since then we have been assessing the risk of modern slavery with new suppliers at the point at which we select and onboard them.

Since we manage indirect expenditure, the vast majority of our supply base relates to services where the provider operates from the UK and are the start and end of the supply chain.

In 2019 we have not procured any new goods or services from what might be considered higher risk sectors, such as manufacturing, food production or agriculture, but we continue to focus on the supply chains for the cards, decorations and other new goods we sell in our shops; cleaning, security and other office services, and technology hardware we obtain which is sourced from locations where the risk of modern slavery may be higher than in the UK.

Each year, all third-party suppliers with an annual spend of £100,000 or more will be risk assessed for likelihood of slavery-related activities, and issues escalated where appropriate. In 2019, we assessed 42 suppliers. 2 of these suppliers operate in high risk industries (security and cleaning). We work closely with the operatives of these services and undertake regular contract reviews which include operative pay. 1 of the 42 was a new supplier and modern slavery was assessed as part of the supplier selection process. We did not escalate issues in relation these 42 suppliers.

Our contracts and due diligence

Alongside enhancing our procurement and other policies, we include measures to address modern slavery in our standard supplier contracts. These include obligations on suppliers to adhere to ILO standards around child labour and forced labour, as well as provisions on the living wage, and child safeguarding standards. They also include specific references to UK modern slavery legislation, and a right of audit over our supply chains. We endeavour to negotiate these clauses into relevant supplier agreements, but acknowledge that this will not always be practical, for instance where we are procuring small quantities or dealing with large suppliers who operate on their own standard terms. Modern slavery is also included in our supplier due diligence questionnaires for prospective UK suppliers and, where appropriate, forms part of our supplier selection criteria. We also include modern slavery provisions in our standard fundraising contracts.

Engagement with suppliers

Our approach is to engage with suppliers in cases where we have identified a potential material risk of modern slavery. This involves assessing assurances they provide and measures they might have in place to provide assurance on the risks of there being modern slavery in their supply chains. We endeavour to include a right to audit a supplier and its supply chain for modern slavery, we assess how and when we might reasonably need to undertake these audits.

Training and awareness

Our Procurement Team in London has attended modern slavery training delivered by the Ethical Trading Initiative and has also undertaken the Chartered Institute of Purchasing and Supply training on Ethical Procurement and Supply, which aims to prevent issues regarding human rights abuses, fraud, bribery and corruption and the impact of procurement on the environment. We also intend to introduce training on modern slavery, as part of our mandatory training for all our staff.

Working with SCI

We work with our colleagues at SCI to ensure that there are suitable policies and procedures in place regarding the procurement of goods and services that they undertake on our behalf. SCI have embedded its Human Trafficking and Modern Slavery Policy into its supplier contracts as a mandatory policy which all suppliers are expected to comply with and are strengthening their risk assessments and due diligence procedures regarding modern slavery. You can read more about how SCI is ensuring suppliers meet with modern slavery requirements at <https://www.savethechildren.net/>.

INCIDENTS IN 2019

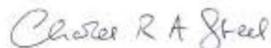
We have had no reports of modern slavery or human trafficking in our supply chains in 2019.

FURTHER STEPS

We are committed to continuing to combat modern slavery, and to build on the steps already taken regarding the supply chains for our UK and international operations. The issue of international supply chains is especially complicated and we work alongside our colleagues at SCI to improve awareness and understanding of modern slavery issues. This includes enhancing training of staff members and (in some contexts where it is considered necessary) suppliers, due diligence on suppliers, and the procedures for identifying and reporting modern slavery incidents and concerns.

This statement is made 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 December 2019.

SIGNATURE



Charles Steel
Interim Chair, The Save the Children Fund
Date: 9 July 2020