

## **MODERN SLAVERY STATEMENT 2017**

### **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 affects over 5.5million children worldwide and 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 developed the Children's Rights and Business Principles with the UN Global Compact and UNICEF to support them to do this effectively 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 2017 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 28 independent national organisations, each of which is a member of the movement's central body, the Save the Children Association (SCA). 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 around 1,000 staff around the UK, with a further 100 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 16,000 staff in nearly 50 offices 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. The second category of supply chain is for the small range of overseas humanitarian activities that Save the Children UK carries out directly. These are dealt with in detail below.

### *Procurement for UK operations*

Save the Children directly procured around £41million of goods and services in 2017 to supply our operations and activities in the UK. This consisted mainly of services relating to fundraising and marketing, IT delivery and support, our offices and premises, agency workers and consultants, travel, and professional advisers. We also procured a smaller amount of goods, in the form of IT hardware, office supplies and other materials used in our day to day operations.

Separate to this, we also procured around £275,000 of new goods for sale by our wholly-owned trading subsidiary in our network of over 100 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/>.



Save the Children UK does procure goods and services for our humanitarian capacity, which we deploy to support the operations of SCI and other Save the Children members during humanitarian emergencies. These goods and services amounted to around £500,000 in 2017. As our requirement for international goods and services is relatively limited, we use the SCI Procurement Team to procure these on our behalf.

## **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 (you can read more about this in our Annual Transparency and Accountability Report), 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 are adopting 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. The policy sets out our requirements around modern slavery for our suppliers, and reinforces our existing due diligence and contractual requirements.

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 believe that the relatively small number of 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 begun a programme to address these.

### *Mapping and risk assessing our supply chains*

Our Procurement Team in London, which oversees the procurement of our UK supply chains, has undertaken an exercise to map our direct supply chains for our UK operations, and identify areas where there may be a high risk of modern slavery. Whilst our assessment has not identified any material activities in what might be considered higher risk sectors, such as manufacturing, food production or agriculture, we have identified some potential risk areas that we wish to focus on. These include: 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.

### *Updating 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 stands. 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 have also started including 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.

#### *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 are rolling out the new Human Trafficking and Modern Slavery Policy for suppliers, and are strengthening their supplier contracts, 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 2017**

We have had no reports of modern slavery or human trafficking in our supply chains in 2017.

#### **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 will work alongside our colleagues at SCI, to improve awareness and understanding of modern slavery issues, which is often low in many of the countries where Save the Children works. This includes enhancing due diligence on suppliers, how modern slavery commitments are passed down through local supply chains, and the procedures for identifying and reporting modern slavery incidents and concerns.

In 2018 we plan to review and update our key policies addressing modern slavery risks, develop Key Performance Indicators (KPIs) on modern slavery, create Service Level Agreements (SLAs) for suppliers to follow if an incident of slavery is encountered, and enhance training and awareness materials for staff.

*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 2017.*

SIGNATURE



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Peter Bennett-Jones, CBE

Chair, The Save the Children Fund

Date: ...21...May...2018



