

## **Modern Slavery and Human Trafficking Statement 2016-17**

### **Introduction**

This statement sets out the steps taken by ESPO during the year ending March 2017 to prevent modern slavery and human trafficking in its own business and its supply chains.

As a professional, responsible, and ethical public procurement organisation, ESPO recognises that it has a responsibility to take a robust approach to slavery and human trafficking.

ESPO is committed to preventing slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

### **Organisational structure and supply chains**

ESPO is a customer-focused, public sector owned buying organisation. We're committed to getting the most for our customers by pursuing best practice in procurement, sourcing, supply chain partner support and management, contract management and EU compliance.

ESPO was established in 1981 as a Joint Committee under the Local Government Act 1972, and operates under the Local Authorities (Goods and Services) Act 1970.

ESPO is jointly owned by its six member authorities: Leicestershire County Council, Lincolnshire County Council, Cambridgeshire County Council, Norfolk County Council, Warwickshire County Council, and Peterborough City Council.

We offer our customers a complete procurement service including a market leading product catalogue, a range of frameworks compliant with EU and UK procurement regulations, and bespoke procurement support. Overall, our procurement activities engage with some 2,000 suppliers and account for annual contract values of £1.6 billion.

Our approximately 150 frameworks offer public sector customers access to a range of goods and services in the broad categories listed below (a full list of frameworks is available on our website <https://www.espo.org/Frameworks>). Supply of services through our frameworks is predominantly UK based:

- Building and Facilities Management
- Environmental services and waste management
- Highways and vehicles
- ICT
- Professional Services
- Food and catering
- Social care and health
- Energy

and through our catalogue covering around 27,000 products, supplied by some 750 suppliers, featuring a higher incidence of international supply chains for products commonly used in education, local government, charities, social landlords, emergency services, NHS, central government and the wider public sector, supplied from our 120,000 ft<sup>2</sup> distribution centre or direct from suppliers in the following categories:

- Cleaning and Catering
- Stationery
- office machines
- ICT
- Presentation and Audio Visual
- Early learning
- Curriculum
- Art & Design
- Site and Safety Management
- Furniture

### **Countries of operation**

ESPO currently operates in the United Kingdom, at its head office and warehouse in Enderby, Leicestershire, and at a satellite warehouse and transport hub at Abertillery in Wales, from which deliveries of catalogue supplies are undertaken to locations throughout England and Wales, Scotland, and Northern Ireland using our own fleet or third party carriers.

### **Due Diligence Processes for slavery and human trafficking**

As part of our risk identification and mitigation process we are developing systems to:

- Identify and assess potential risk areas
- Mitigate the risk of slavery and human trafficking occurring
- Monitor potential risk areas in our supply chains and in our own operations
- We also operate a Whistleblowing Policy, aimed principally at our employees but also available to others working in our supply chains which encourages staff to report any wrongdoing which extends to human rights violations like Modern Slavery.

### **Responsibility**

Overall responsibility for ESPO's slavery and human trafficking initiatives rests with the Director, supported by representatives from procurement and compliance (including legal), commercial, operations and human resources.

### **Relevant policies**

ESPO is subject to the policies of its servicing authority, Leicestershire County Council. The organisation operates the following policies that describe its approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in its operations;

- **Whistleblowing policy** The organisation encourages all its workers, customers and other business partners to report any concerns related to the direct activities, or the supply chains of, the organisation. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. Additional support is also available from the UK Modern Slavery Helpline 08000 121 700
- **Employee code of conduct** The Code of Conduct makes clear to employees the actions and behaviour expected of them when representing the organisation. ESPO strive to maintain the highest standards of employee conduct and ethical behaviour. Any breaches are investigated and action taken as necessary. The Code also covers the policies on Declaration of Personal Interests, and on the receipt of Gifts and Hospitality:

<http://www.leicestershire.gov.uk/jobs-and-volunteering/working-for-the-council/employee-code-of-conduct>

### **Recruitment/Agency workers policy**

ESPO recruits its employees via its servicing authority's in-house recruitment service in line with our Recruitment and Selection Policy. This policy outlines a strict recruitment and selection process to ensure that ESPO adhere to the recruitment standards and best practice whilst abiding to all relevant legislation.

Where agency workers are required, and element of the requirement is ordered in accordance with the terms of a framework agreement developed and managed by ESPO. A comprehensive procurement process was applied to select the providers available through the framework during which the practices of these agencies were verified. ESPO are aiming to draw other used agency suppliers into this framework agreement.

### **Due diligence**

ESPO undertakes due diligence when taking on new suppliers, and regularly reviews existing suppliers.

#### **Risk based approach**

ESPO uses a risk based approach to managing its supply chains, based on risk by category, country, and the strategic importance of the product/service to ESPO.

ESPO's procurement is governed by the Public Contract Regulations 2015, and ESPO uses the standard supplier questionnaire which includes a section on the supplier's approach to the Modern Slavery Act, slavery and human trafficking in the supply chain. Suppliers with an annual turnover of £36m or more, fail the assessment process if they do not comply with the Act by failing to publish a Modern Slavery statement. As part of ESPO's due diligence on new suppliers, a method statement question at the assessment stage considers how the supplier manages its own supply chain risk.

### **Steps introduced in 2016-17:**

- Major Risk Record raised to be frequently reviewed as part of corporate risk management
- review of ITT templates for frameworks and catalogue, including 'directs', to consider the inclusion of a method statement question for suppliers on their approach to Modern Slavery and Human Trafficking in their business operations and in their supply chains
- contract clauses drafted for implementation in 2017-18 to cover slavery and human trafficking in the supply chain covering;
  - sub contracting
  - due diligence and supplier warranties
  - immediate notification of any actual or suspected breaches of the organisation's policies and any actual or suspected slavery or human trafficking which has a connection to the agreement
  - audits and training
  - compliance with laws and policies, and specifically the Modern Slavery Act
  - early termination if a suspected or actual breach is discovered or reported
- pre-procurement risk assessment process under review to accommodate supply chain ethical risk including slavery and human trafficking, to reflect risk by category, country etc

due diligence and reviews include

- evaluating the modern slavery and human trafficking risks of each new supplier;
- commenced mapping the supply chain broadly to assess particular product/service category or geographical risks of modern slavery and human trafficking;
- incorporating slavery and trafficking risk in supplier and contract reviews,

### **Performance indicators**

The organisation has reviewed its key performance indicators (KPIs) in light of the introduction of the Modern Slavery Act 2015. As a result, ESPO:

- required all professional procurement staff to undertake and complete the CIPS e-learning module "Ethical Procurement and Supply 2016 v1" in 2016-17
- requires supply chain managers and HR professionals to have completed training on modern slavery by the end of 2017
- is developing and implementing a system for supply chain verification based on evaluation of potential suppliers before they enter the supply chain; and

- reviewing existing supply chains, with emphasis on those highlighted in risk assessments including as appropriate site visits/audits conducted by or on behalf of ESPO, predominantly at first tier or second tier suppliers
- Modern Slavery Statement added to prominent position on website and included in the Annual Governance Statement
- No incidences of slavery or trafficking were identified or reported during 2016-17

### **Training**

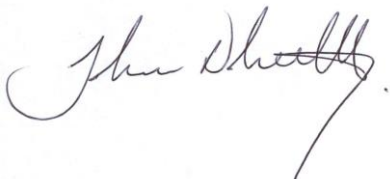
Slavery and human trafficking awareness training was delivered to Procurement Service Managers and Category Managers during 2016-17, and all professional procurement staff undertook the CIPS e-learning module "Ethical procurement and Supply 2016 v1".

This will be followed by further awareness and training for procurement and supply chain staff during 2017-18, alongside the development and enhancement of processes described above.

### **Approval**

This statement has been approved by the organisation's [board of directors/members], who will review and update it annually.

### **Director's signature:**

A handwritten signature in black ink, appearing to read "John Doherty". The signature is written in a cursive style with a long, sweeping tail on the final letter.

### **Director's name:**

John Doherty

### **Date:**

03 August 2017

This page is intentionally left blank