Development of a Process for Identifying and Managing Labour Risks in the University of Leeds Supply Chain
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1. Introduction

1.1 Background

With the coming into effect of key changes in legislation and regulations through the Public Contracts Directive (2014/24/EU), the Public Contracts Regulations 2015, and the Modern Slavery Act 2015, the University of Leeds now has new obligations and tools to address modern slavery in its procurement process. Modern slavery, although a broad term, can be defined as practices encompassing slavery, servitude, forced labour, debt bondage, compulsory labour, child labour, and human trafficking (Lake Q., et al., 2015).

The International Labour Organisation (ILO) estimates that nearly 21 million people worldwide are victims of forced labour, out of which nearly 19 million are exploited by private companies or by individuals, which generate over US$150 billion in illegal profits annually (ILO, No date, a). According to the ILO, the sectors of most concern include agriculture, construction, mining, utilities, and manufacturing, which have approximately 10.7 million workers in modern slavery conditions (Lake Q., et al., 2015). All these sectors are relevant to the University of Leeds purchases. The ILO’s numbers, however, might be conservative, as the Global Slavery Index 2016 estimates there are 45.8 million people in modern slavery conditions worldwide (WFF, 2016).

The University of Leeds has an approximate annual purchasing expenditure of £140 million, meaning it can potentially have significant impacts along its supply chains. Concerned with sustainability issues, and striving to have positive impacts in the communities and stakeholders related to the University’s procurement process, the sustainability service works closely with the purchasing teams, in order to identify opportunities for improvement. Furthermore, the University has included in its sustainability strategy the embedment of sustainability as a core element of the procurement process, with ethical and social considerations as a norm in procurement. Moreover, the University is committed to ensure that all tenders have at least 10% sustainability criteria and has recently achieved level 4 of the Flexible Framework, in order to truly embed sustainability into the purchasing process (University of Leeds, 2014a, 2014b).

1.2 Embedding sustainability into the procurement process

The procurement process involves the steps that go all the way through planning the sourcing strategy into reviewing contract outcomes and optimisation of a sustainable procurement strategy. In a basic and summarised form, the embedment of sustainability into the procurement process follows the following cycle:
During the first stages, this project will be focused on certain aspects of steps 1 and 2, where the sustainability risks related to labour issues along an organisation's supply chain are identified. The last stage of this project will focus in step 4, with recommendations to improve supplier monitoring and management.

1.3 Policy and regulatory framework

1.3.1 Social Value Act, 2012

The Social Value Act 2012 establishes that contracting authorities must consider (a) how the proposed procurement might improve the economic, social, and environmental well-being of the relevant area and (b) how, in conducting the process of procurement, the contracting authority might act with views to achieving such improvement. This act makes it a statutory requirement for the University of Leeds to do the above (University of Leicester, 2016).

Key good practice points include the following (Cabinet Office, 2015):

i. Identifying the University's social value priorities.
ii. Identify the outcomes desired for any specific contracts
iii. Identify how Value for Money (VFM) can be secured through specific contracts.
iv. Embed the desired social value outcomes into the service specifications.
v. Engage in contract management and KPI measurement.
vi. Conduct pre-market engagement to clearly communicate sustainable procurement strategy, policy, and social value outcomes for specific services.
vii. Include social value questions in the PQQ.
viii. The performance of social value requirements should be verifiable, measurable, and be part of the contract.
1.3.2 EU Public Contract Directive 2014

Sets out the procedures and practices that contracting authorities must adhere to when conducting procurement processes that are above the threshold set out by the Official Journal of the European Union (OJEU)\(^1\). This directive was transposed and implemented in the UK as the Public Contracts Regulations 2015. These regulations allow scope for wider community benefits to be part of the specification, selection, and award processes of procurement exercises for goods, services, and works. When these social benefits will be used as award criteria, they must be (University of Leicester, 2016):

i. Relevant and linked to the contract.
ii. Proportionate to the University’s needs
iii. Specific and expressly mentioned in the notice and tender documents
iv. Able to allow identification of most economically advantageous tender

When the social benefits will be used as contracting conditions, they must be (University of Leicester, 2016):

i. Indicated clearly in the notice and tender documents
ii. Not used as selection or award criteria, only as contract conditions.

1.3.3 Modern Slavery Act 2015

The Modern Slavery Act 2015 sets out the offences related to human trafficking and modern forms of slavery. Within the Modern Slavery Act 2015, there is a provision regarding transparency in supply chains, which lays out a transparency requirement from all businesses based or operating in the UK and that have an annual turnover of £36 million or more. These businesses are required to release an annual slavery and human trafficking statement, which lays out the steps these companies are taking each financial year to ensure their business and supply chains are free from modern slavery. This gives the University of Leeds a wider access to information regarding its supply chains.

1.3.4 International Labour Organisation (ILO) core Conventions

As a strategy to address labour issues in supply chains, it is common practice to include the eight fundamental ILO Conventions in contract clauses, in codes of conduct, and in sustainable procurement policies. These conventions are legally binding once ratified. The core conventions are the following (ILO, No date, b):

- Freedom of Association and Protection of the Rights to Organise Convention 1948 (No. 87)
- Right to Organise and Collective Bargaining Convention 1949 (No. 98)
- Forced Labour Convention 1930 (No. 29)
- Abolition of Forced Labour Convention 1957 (No. 105)
- Minimum Age Convention 1973 (No. 138)

\(^1\) Current thresholds of total contract value are:
(1) Goods and services: £164,176
(2) Works: £4,104,394
• Worst Forms of Child Labour Convention 1999 (No. 182)
• Equal Remuneration Convention 1951 (No. 100)
• Discrimination (Employment and Occupation) Convention 1958 (No. 111)

2. Project information

2.1 Project aim
Propose management strategies for the high risk commodity areas, regarding labour risks, in the University of Leeds procurement process.

2.2 Project objectives
i. Design potential improvements to the existing risk identification and assessment method, in terms of labour issues.
ii. Analyse the University of Leeds spend areas to find high risk categories and key commodity areas, in terms of labour issues.
iii. Propose management strategies for the high risk areas identified.

2.3 Project plan

Table 1. Project timeline.

<table>
<thead>
<tr>
<th>Ph.</th>
<th>Task</th>
<th>Week number</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>General/background research</td>
<td>1</td>
</tr>
<tr>
<td>I</td>
<td>Project plan design</td>
<td>2-3</td>
</tr>
<tr>
<td>II</td>
<td>Benchmark available risk identification and assessment processes</td>
<td>4-5</td>
</tr>
<tr>
<td>II</td>
<td>Optimisation of risk assessment for the University of Leeds procurement process</td>
<td>6</td>
</tr>
<tr>
<td>III</td>
<td>Carry out risk assessment and identification to find high risk areas</td>
<td>7-8</td>
</tr>
<tr>
<td>III</td>
<td>Validation of risk assessment and identification process</td>
<td>9-10</td>
</tr>
<tr>
<td>IV</td>
<td>Production of risk analysis report</td>
<td></td>
</tr>
<tr>
<td>IV</td>
<td>Benchmark available practices to manage issues in the high risk areas</td>
<td></td>
</tr>
<tr>
<td>IV</td>
<td>Provide recommendations for ethical and labour issues management in the procurement process</td>
<td></td>
</tr>
<tr>
<td>V</td>
<td>Validation of recommendations</td>
<td></td>
</tr>
<tr>
<td>V</td>
<td>Production of final report</td>
<td></td>
</tr>
</tbody>
</table>

The project included interviews and comments to validate the risk assessment process and the recommendations from four key information providers:

i. Olga Martin-Ortega, board of trustees of Electronics Watch and Reader in Public International Law in the University of Greenwich.
ii. Joanne Burns, purchasing in Earth and Environment.
iii. Zoe Jones, Central Purchasing.
iv. Richard Lewis, Purchasing in Arts, ESSL, PVAC and LUBS.
3. Risk identification and management strategies and guidelines research

3.1 Research methodology

There are numerous drivers for the University of Leeds to introduce sustainability into their procurement processes, such as the mitigation of financial, reputational and legal risks related to the potential uncovering of illegal and/or poor labour practices and conditions along the supply chain. For example, illegal and/or poor labour conditions may imply indirect costs to the University, associated with potential disruption of the supply chain, as well as the possible need to find alternative short-notice suppliers. Due to this, there are active attempts by both public and private organisations to address sustainability in procurement; which always require input from risk identification and assessments. In this section, relevant and appropriate tools for risk management in supply chains for the University of Leeds will be reviewed.

A specific methodology was designed and used in order to find alternative methodologies and processes used to identify labour risks along a supply chain. Given the nature of the risk assessment process used by the university and the aims and objectives of this process, grey literature and industry reports were the most relevant sources of information.

The research process was specifically targeted at other universities' processes, recognised procurement institutions, NGOs dedicated to human rights and labour issues, sustainable procurement processes used by governments or companies, etc. A pool of several risk assessment processes were found when following this process, so it was necessary to introduce exclusion criteria in order to focus the analysis on the most relevant information. In order to be included in the research results, the methodologies found had to fulfil the following criteria:

i. The documents reviewed had to be one of the following: Risk assessment and/or sustainable procurement toolkits, guidance documents, standards, or industry reports with actionable input and recommendations.

ii. The methodology had to be recent. Given changes in global supply chains and, to certain extent, changes in procurement legislation, the methodology had to be published after year 2009 in order to have relevance. Preferably, the methodology would have been published less than 3 years before this research took place, when the new EU Public Procurement Directive was released.

iii. The methodology had to be of sufficient relevance and had to have sufficient detail that some key aspects of it could be feasible to theoretically integrate into the University of Leeds current risk assessment methodology as part of this research project.

iv. The methodology had to be publicly and freely accessible. Risk assessment methodologies that require payment and/or affiliation were only reviewed to potentially include them as recommendations.

Furthermore, several Universities in the UK were reviewed in order to consider what the relevant sector is doing to address sustainable procurement issues. Information relating to sustainable procurement available in the following Universities’ websites was examined. It is worth noting that few Universities had notable methodologies or tools that could be useful for the University of Leeds. The following Universities were included:
Bristol University
Cardiff University
St. Andrews University
University College London
University of Aberdeen
University of Bath
University of Edinburgh
University of Glasgow
University of Greenwich
University of Hull
University of Manchester
University of Newcastle
University of Nottingham
University of Reading
University of Sheffield
University of Southampton
University of York

Overall, the pool of methodologies assessed contained many common and similar aspects and tools. In order to avoid being repetitive over certain key processes and methods for labour risk management, this section will only include key aspects from each methodology that provide new and/or useful information.

3.2 Chartered Institute of Procurement & Supply (CIPS, 2009, 2015)

The CIPS has made available an Ethical and Sustainable Procurement Guide, which sets out their main recommended process to address sustainability in an organisation’s procurement processes. The key recommendations of the CIPS’s process are included below.

3.2.1 Gather information

During the initial stages of procurement, the organisation could begin by examining the known supply chain vulnerabilities. This knowledge can come from the news, from information already known from suppliers or supply locations, as well as from previous risk assessments or audits. Furthermore, it is helpful to begin the risk assessment by analysis known high risk aspects of specific (1) geographical settings, (2) industry sectors, and/or (3) commodities and commodity groups.

As part of the risk assessment process, the organisation must take into account the internal relevance of each specific commodity group. The level of importance, in terms of sustainability, can be assessed by combining three approaches:

i. Matrix to compare the level of spend vs. the level of business or operational risk.

ii. Level of sustainability risk or likelihood of non-compliance with the University’s sustainable procurement policy and objectives. As mentioned above, this information of sustainability risk can come from previously known information, and it can be gathered with the use of Pre-Qualification Questionnaires (PQQ) and supplier due diligence.
iii. Likelihood of non-compliance with international and/or national labour law. This should be assessed in the same way as (ii).

3.2.2 Prioritise risks

Once the information on the three approaches mentioned has been gathered, the organisation can identify the categories and/or commodities that imply the higher levels of risk. The supplier due diligence process should address the potential and willingness of each supplier of these categories and/or commodities to achieve improvement and/or compliance with international/national labour legislation and/or with the University’s sustainable procurement policy. Then, the supply chain map for each of the high risk categories and/or commodities identified should be developed, in order to identify labour intensive and risk stages along the production process.

High-spend and high-risk commodities will need to be prioritised as strategic products, which will require more attention than low-spend and low-risk products. This matrix is already included in the current sustainability assessment procedure.

3.3 Ethical Trading Initiative (ETI, 2011; van Heerden, 2015)

3.3.1 Gather information

The ETI has made available a guidance document titled Considering Labour Standards in the Procurement Process, where it provides guidelines for organisations to take steps to address labour related issues through a sustainable procurement process. The ETI stresses the importance of approaching the issue on a case-by-case basis in high risk categories and/or with high risk suppliers in order to ensure that:

i. Relevant information is requested from suppliers, and ensuring this information can be utilised appropriately as input for risk assessments, action plans, and/or award decisions.

ii. Relevant standards and specifications are referenced.

iii. The approach allows flexibility to accommodate alternative initiatives with which suppliers may already be involved.

iv. Adequate stakeholder engagement that allows understanding the preparedness of the market and their supply chains regarding the risks identified, in order to identify the root causes of the problems and potential solutions, and work with suppliers for improvement.

3.3.2 Define approach

The ETI suggests it is necessary to understand when and how to address labour standard issues along an organisation’s supply chain, depending on the market preparedness to improve conditions and the overall labour risks of the market, category, and/or commodity. The ETI provides a simple matrix to assess this in order to find the most appropriate approach an organisation should take to address these issues.

| Market labour | High | Set minimum requirements, expect strong evidence and apply these at earlier stages in the process. | Communicate areas of concern and aspirations as part of wider market engagement or as early in the process as possible. Place contractual requirements on supplier(s) to improve labour standards assurance systems within stated timescales. Where risks are particularly high |
Sustainable Procurement

then provision of independent third party assessments may need to be mandated within the procurement process.

Low

If labour standards are to be addressed at all then scrutiny of assurance systems should be restricted to key elements (e.g. policy, risk assessments, supply chain dialogue). Minimum standards could be set at early stages.

A proportionate approach is required. If labour standards are to be addressed at all, then scrutiny of assurance systems should be restricted to key elements (e.g. policy, risk assessments, supply chain dialogue).

High

Preparedness of market

Figure 2. ETI labour standards risk vs. market preparedness decision matrix.

On one hand, the higher the market preparedness is, the higher proportion of supply chain actors have good systems in place, and the University can have access to greater level of detail on assurance systems and on information at early stages in the procurement process. This ease of access to information may enable the University to set minimum requirements for procurement.

On the other hand, when market preparedness is low, the University may need to adopt a gradual approach, based on clearly communicating the sustainable procurement policy and the University’s expectations and allow time for suppliers to take action to comply with these and implement sustainable assurance systems. Over time, this approach also provides the University with information on suppliers’ willingness and commitment to comply with the sustainable procurement policy.

3.3.3 Example of desk-based assessment questions

The ETI also proposes the inclusion of an initial desk based quantifiable risk assessment to identify red flags on labour risks for specific categories. With this tool, the organisation decides on a value scale for answers for each question (see table 2).

Table 2. Desk based risk assessment for labour standard risks.

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Are there high levels of manual labour in the supply chain?</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Are there high levels of low skilled labour in the supply chain?</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Does the supply chain include substantial amounts of activity undertaken in places where little or no effective labour standards legislation exists?</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Does the supply chain include substantial amounts of activity undertaken in places where the enforcement of labour standards legislation is weak?</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Are there high levels of seasonal or casual labour involved in the supply chain?</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Are payment cultures based on piece work, cash payment, or in-kind payment common in the supply chain?</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Are there substantial amounts of activities in the supply chain which are undertaken in places where there are high levels of poverty and deprivation?</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Are there substantial amounts of activities in the supply chain in places where there is high unemployment?</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Are there substantial amounts of activities in the supply chain in places where there is little or no employee representation groups?</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Does the supply chain use high levels of labour drawn from more vulnerable sectors, such: migrants, ethnic minorities, poorly educated, women, children, etc.)?</td>
<td></td>
</tr>
</tbody>
</table>
The ETI also suggests that the risk rating resulting from the assessment above should be combined with a strategic risk assessment, specific to the organisation performing the analysis; the ETI recommends the NHS Sustainable Procurement Risk and Opportunity User Tool (SPROUT), which is included in table 3, below.

**Table 3. NHS-SPROUT example questions.**

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Is the projected procurement value above the OJEU threshold?</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Does the contracting authority have a strong level of influence over the market?</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Does the procurement have a high profile by nature of value, subject, or parties involved, which could potentially impact the contracting authority’s reputation?</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Is the procurement seen as strategically critical, either in terms of critical goods or services or due to a fragile nature of the specific supply chain?</td>
<td></td>
</tr>
</tbody>
</table>

### 3.3.4 Prioritise risks

The results from comparing both values for specific products can then be plotted into an **overall risk rating matrix**. This matrix should be designed depending on the range of values to be used for each questionnaire. An example is included below, where both questionnaires were answered with a “No=0 and Yes=1” approach.

![Figure 3. Example overall risk rating matrix (ETI, 2011).](image)

### 3.3.5 Engage with suppliers

The ETI suggests that the **labour standard expectations should be clearly communicated to suppliers through a market engagement process, even before any procurement process has begun**. The engagement process with the suppliers allows the University to gather information with respect to their specific issues, barriers, and the market preparedness. Furthermore, it allows both the University and its suppliers to reach consensus in certain areas on how to address certain issues. The University’s **notice of contract should state that tenderers will be required to provide information on their approach to ensure labour standards are maintained along their own supply chains.**

The pre-qualification stage can be used as an initial screening where, depending on the results of the matrix in figure 3, mandatory minimum specifications regarding labour standards can be set, or weighted scores for responses can be used. In this stage, the
University can identify breaches of employment law and evidence of poor labour standards performance on similar previous contracts, and also, the steps suppliers have taken to address these issues. Therefore, the PQQ should have model answers to assess the suppliers. An example of these model answers is found in table 4.

**Table 4. ETI example PQQ model answers.**

<table>
<thead>
<tr>
<th>Value</th>
<th>Class</th>
<th>Model answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Major concerns</td>
<td>Response provides no meaningful information on labour standards, ethical sourcing or actions taken to ensure labour standards are being maintained or improved.</td>
</tr>
<tr>
<td>1</td>
<td>Concerns</td>
<td>Some information provided but this is vague and unconvincing in terms of the existence of a systematic and effective process for verifying compliance of suppliers with ILO core conventions, local labour laws, or having remedial action processes in place. Evidence is provided to demonstrate that analysis has been undertaken on the nature of the supply chain and some initial assessment of labour standards risk has been made.</td>
</tr>
<tr>
<td>2</td>
<td>Good confidence</td>
<td>Information is provided to demonstrate that some labour standards risk assessment has been undertaken. Where significant, convincing information is provided on actions the tenderer takes to verify that ILO core conventions and relevant local labour laws are being maintained with their suppliers. This is supported with details of remedial action procedures. Some timescales are provided for key activities such as supplier communication, self-assessments and verification.</td>
</tr>
<tr>
<td>3</td>
<td>Excellent confidence</td>
<td>Information is provided to demonstrate that labour standards risk assessments are undertaken as part of an ongoing and systematic approach. Where assessments identify significant risks or concerns, convincing and comprehensive information is provided on action the tenderer takes to verify that ILO core conventions and relevant local labour laws are being maintained with their suppliers, and further up the supply chain. Details are also provided on remedial action policy and procedures. All information is supported by timescales, schedules, and details on number of verifications undertaken.</td>
</tr>
</tbody>
</table>

When inviting to tender, regulation 30(6) allows to reject abnormally low tenders if their explanation for a low price is not adequate. Moreover, information can be requested related to the compliance with the provisions related to protection of employees and adequate working conditions at the place where the contract will be performed. Furthermore, the buyer can request assurance to demonstrate that the supplier’s labour costs are consistent with the provision of decent working conditions and wages.

To award a contract, the University should consider the tenderer that offers the best value for money (VFM), being this an optimal combination between whole-life costs and meeting of the authority’s requirements in the ‘Most Economically Advantageous’ way. In this sense, criteria regarding labour considerations can be used for this end, affecting economic criteria through reduction of liabilities and costs associated with the management of risks and the related consequences of it.

All the provisions the supplier is expected to comply with should be set out in the conditions of contract. An example for an unprepared supplier, the University may specify the requirement to provide evidence of labour standards self-assessments for all their first tier suppliers within a specific timeframe of the contract award. Furthermore, the University may set out that the supplier is required to maintain an effective labour standards assurance system at all times, and to provide information on request. The contract should be actively
monitored and managed throughout its duration, along with the specific conditions of labour standards agreed to in the contract.

3.4 OECD-FAO (OECD-FAO, 2016)

The OECD and the FAO collaborated to release a Framework for Responsible Agricultural Supply Chains. While this framework is specifically directed at agricultural supply chains, the tools suggested in it can be used to address issues in other supply chains, particularly in regards of the identification and assessment of risks.

When possible and relevant (e.g. for higher risk areas), the organisation should map the supply chain and identify the actors involved, including immediate suppliers of its suppliers and the sites of operation. Information could be requested from suppliers to achieve this (e.g. number of workers by gender, list of risk management practices, risk assessments undertaken in the past, addresses, etc.). While this is virtually impossible to do initially for organisations that are several tiers away from initial agricultural production, they should attempt to systematically work towards obtaining full visibility of their supply chain.

The OECD-FAO framework recommends the use of context risk assessments to initially spot red flag areas. These are used to classify supply chain risks according to source countries and regions, ranging from low risk to high risk, by looking at each site’s regulatory framework, political context, socioeconomic environment, and available information on labour standard risks. In cases identified as high risk, enhanced risk management should be used (e.g. stakeholder consultations, monitoring by civil societies or NGOs, and direct visits). As an example of this, the framework includes examples of red flag situations that call for enhanced supplier due diligence:

i. Operations are planned or products are originated from areas:
   a. Affected by conflicts or widespread violence.
   b. Weak governance areas, such as those with poor performance on the World Bank Worldwide Governance Indicators or Transparency International Corruption Perception Index.
   c. Where there have been reports of violations of human rights and/or labour rights.
   d. Where land-ownership rights are weakly defined and/or enforced.
   e. Where there are issues on food insecurity and/or water shortages.
   f. That are affected by environmental degradation or have been designated as protected areas.

ii. Products that are known to have adverse impacts in certain contexts, or that do not conform to health and/or food safety standards.

iii. Business partners that have been known for not observing labour standards, that have been known to have sourced products from red flag locations, or have business relations or other interests with others who supply or operate from red flag locations.

Geographical context risk assessments can include information on country-specific risk ratings, available in reports from various organisations and NGOs. Included, below, are the CIPS’s country risk heat-map and the Global Slavery Index 2014 country risk heat-map.
This information is useful in determining the potential risk associated with specific supply chains that have presence in high risk areas.

Figure 4. CIPS country risk heat-map Q1 2016 (CIPS, 2016).

Figure 5. Global Slavery Index 2014 country risk heat-map (WFF, 2014).

3.5 Agency for Public Management and eGovernment of Norway (Difi, 2016)

3.5.1 Socially Responsible Public Procurement Process

The Difi makes use of a 5-step methodology to embed social responsibility in the public procurement process. The 5 steps are the following:
i. **Establish the sustainable purchasing strategy and policy.** It is crucial that sustainable procurement becomes part of the day-to-day activities and it is embedded in all relevant existing procedures.

ii. **Determine areas of priority.** By executing strategic risk assessment to identify the high risk products or areas where there are documented labour risks. The Difi provides a list of products already assessed by them, and provide details on the assessment. These products are the following:
   - Building materials.
   - Catering equipment and cooking utensils.
   - IT equipment and electronics.
   - Certain food products (such as coffee, bananas, chocolate, etc.).
   - Furniture.
   - Garments and textiles.
   - Disposable medical supplies and certain medical equipment.
   - Office and school utilities.
   - Sporting equipment.
   - Toys.

iii. **Execution of tenders.**

iv. **Verification of compliance.**

v. **Reporting of results.**

### 3.5.2 Gather information

The Difi makes use, and has made publicly available, a **model assessment questionnaire** that public contracting authorities can require their suppliers and/or tenderers to fill out in order to **obtain more information about potential risks and red flags, as well as potential willingness to commit to international and national labour law, and the University’s sustainable procurement policy**. The questions are first asked in a yes/no basis, and then require further information that can be assessed through a semaphore rating (green/amber/red), depending on the response. The questions suggested are included below:

**Table 5. Difi assessment questionnaire for suppliers** (Difi, 2015b).

<table>
<thead>
<tr>
<th>Question</th>
<th>Further evaluation (if answer is yes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does your company have information about the location of all the production units that will be used to fulfil this contract?</td>
<td>Request name and addresses of all production units used for the fulfilment of the contract. Indicate those which are third-party-certified for socially responsible production, as well as the name of the certification body.</td>
</tr>
<tr>
<td>Does your company have a Code of Conduct for socially responsible production, at least including the content of the special contract clauses in this contract?</td>
<td>Request the code of conduct that describes requirement of socially responsible production. As a minimum, the code of conduct should include and commit to adhere to the ILO core conventions and the relevant national laws of the production country.</td>
</tr>
<tr>
<td>Is your company’s Code of Conduct for socially responsible production communicated to all production units used to fulfil this contract?</td>
<td>Request a description on how the code of conduct is communicated and explained to the production units. Also request for information on whether the code of conduct is signed by the managers of the production units.</td>
</tr>
<tr>
<td>Is a risk assessment and risk control undertaken at the</td>
<td>Request a description of how the production units’ adherence to the requirements of the code of conduct is carried out.</td>
</tr>
<tr>
<td>Question</td>
<td>Further evaluation (if answer is yes)</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>production units used for this contract?</td>
<td></td>
</tr>
<tr>
<td>Are self-assessment reports from the production units used to fulfil this contract available (not older than 12 months)?</td>
<td>Request a description of how this is carried out.</td>
</tr>
<tr>
<td>Are factory inspection reports from the production units used to fulfil this contract available (no older than 12 months)?</td>
<td>Request a description of how this is carried out.</td>
</tr>
<tr>
<td>Is a person in the board of directors of your company responsible for socially responsible supply chain management?</td>
<td>Request the name and contact information of the person responsible for the management of the socially responsible supply chain.</td>
</tr>
<tr>
<td>Does your company have a strategy, or an implementation plan, for socially responsible production?</td>
<td>Request a description of the strategy and implementation plan for the management of socially responsible production. Request a description of how the operations have had to be adjusted in order to adhere to the code of conduct.</td>
</tr>
</tbody>
</table>

Depending on the degree of appropriateness and completeness of the answers, the buyer can assign a green/amber/red code value to each category for specific suppliers. The amber and red codes will require further due diligence, and the agreement on a collaborative action plan to address each specific issue. Furthermore, the successful completion of this questionnaire will also provide the University of Leeds with information useful for a better mapping of the supply chain (Difi, 2016).

3.6 International Finance Corporation (IFC, 2010)

The IFC has a Good Practice Handbook available for assessing and managing environmental and social risks in agro-commodity supply chains. While this guidance is directed specifically at the agro-commodity sector, the principles of the approach can be used for the University of Leeds (particularly when dealing with products related to this supply chain). This handbook is particularly helpful in providing good practice, toolkits and techniques to identify and manage risks such as child labour, forced labour, and labour safety issues.

The toolkit provided by the IFC also allows to assess the organisation’s ability to have influence in their suppliers, and manage the risks identified. The IFC’s toolkit will allow to determine the following:

i. The risks associated with the supply chain.
ii. The supply chain’s structure and size.
iii. The organisation’s influence and leverage to address and manage these issues.
iv. The potential ability to source from other suppliers as a way to manage risks.
v. Determine the remaining risks that will be difficult to manage.

The steps described in the toolkit are the following:

i. Step 1: Organise and collect information.
ii. Step 2: Assess risk in the organisation’s supply chain.
iii. Step 3: Map relevant institutions in the supply chain.
iv. **Step 4: Assess organisation’s influence/leverage to manage risks in the supply chain.**

The IFC suggests the use of the following tools and methods to achieve an adequate identification and assessment of supply chain risks:

i. **Adapt existing supplier database to include key social sustainability information from suppliers.** The information the database should include must be coherent with the organisation’s sustainable procurement policy and with the information requested from suppliers.

ii. **Diagnose the existing information on the commodities to identify high risk areas and prioritise supply chain action.** Input information on this can come from existing contracts, shipping documents and information (mainly the information regarding the legal and logistic aspects of shipping). For example, identifying direct relationships of the organisation’s suppliers with other suppliers located in producing countries may be an indication of raw material origin. This tool uses mainly internal information.

iii. **Map the supply chain.** The organisation may obtain information from suppliers through effective questionnaires, and potentially interviews with suppliers from high risk areas. The main information needed in this stage is the establishment of commodity countries’ of origin, location of production units. In the highest risk areas, the organisation could gather information on specific primary producers. This will increase traceability of products and identify certified and uncertified suppliers from further down the supply chain.

iv. **Given the iterative nature of supply chain mapping and managing, supplier questionnaires should be a recurring tool** used to continuously gather relevant and useful information.

v. **Risk matrices** that compare different origins of risk are highly valuable. These can be used to compare commodity-specific risks with country-specific risks, for example. This information can be used to assess existing suppliers, and when assessing new ones.

a. Commodity-specific risks: Numerous factors, such as specific production/cultivation/land-use aspects, consumer demand, NGO awareness, etc., can lead to identifying risks relevant to specific commodities and commodity areas.

b. Country-specific risks: Due to numerous factors, such as inequality, poverty, poor labour legislation or enforcement, etc. can lead to specific countries where productive activities are based being inherently high-risk.

c. Consider alternative risk factors, such as transparency and complexity of supply chain.

vi. **Map the key institutions in the supply chain, such as governments, NGOs, industry associations, business partners, etc.** Sector-specific, commodity-specific and country-specific information and knowledge will provide the main institutional actors that affect specific supply chains.

vii. **Establish leverage ability.** By assessing the levels of volumes purchased to specific suppliers, the number of dominant buyers vs. producers, and the substitutability of suppliers in specific supply chains will determine how much influence an organisation has.
3.7 United Nations Global Compact Self-Assessment Tool (UNGC, 2013)

The UNGC has made available a self-assessment tool, which is based on a series of questions, each accompanied by a list of relevant indicators that enable the using organisation to assess specific topics. For the purposes of this research project, only the questions and indicators regarding human rights and labour will be included. While the sets of self-assessment questions are designed to be used to assess the organisation’s direct impacts, rather than those of its supply chains, the tool’s principles can be used as part of the risk assessment step of a sustainable procurement methodology. Furthermore, the UNGC tool provides a useful list of indicators, which can also be used for the University of Leeds risk assessment processes. The most relevant topics and indicators are included in table 6 below.


<table>
<thead>
<tr>
<th>Topic</th>
<th>Indicators</th>
</tr>
</thead>
</table>
| Safe, suitable and sanitary work facilities provided to workers. | - There are effective health and safety procedures in place that comply with industry, national, and international standards  
- There are clearly defined responsibilities for health and safety tasks in place.  
- The company routinely monitors its production processes, machinery and equipment to ensure that they are safe and in good working order.  
- Workers and managers are trained to respond to workplace emergencies; first aid kits and fire extinguishers are readily available; and escape exits are clearly marked and free from obstruction.  
- The workplace is maintained to ensure clean and comfortable conditions including a suitable temperature, ventilation and lighting; suitable washing and sanitation areas appropriate for both genders.  
- Residential or overnight facilities are safe and sanitary and meet the basic needs of workers including with regard to safety, space, temperature, lighting, ventilation, food, water, sanitary facilities, privacy, and affordability.  
- The company provides safe drinking water for workers and facilities for clean and sanitary food storage and eating.  
- Where relevant the company has put in place special health and safety precautions for pregnant women, employees with disabilities, night workers, young workers and other vulnerable groups. |
| Recognition of workers’ rights to associate freely and bargain collectively. | - The company has a commitment to recognise the rights of its workers to freedom of association and collective bargaining, including the right to freely form and/or join independent trade unions, and this commitment is clearly communicated to all employees.  
- The company recognises workers’ organisations for collective bargaining purposes and has procedures in place to ensure regular collective bargaining with authorised worker representatives concerning all workplace related issues.  
- The company allows worker representatives access to collective bargaining agreements, company premises, employees and other relevant documentation needed to fulfil their duties.  
- The company prohibits discrimination or adverse actions against worker representatives or employees for participating or refraining to participate in lawful trade union activities.  
- The company has agreed with workers’ representatives about the requirements of a fair hearing to be followed in relation to all disciplinary cases and employee grievances.  
- The company has a committee, with participation of employee-elected representatives, which is responsible for hearing, processing, and settling disciplinary cases and employee grievances. |
| Undertaking of necessary measures to ensure that there is no form of modern slavery. |
### Indicators

- Workers can give notice and leave employment within a reasonable length of time. This is clearly communicated to workers prior to starting employment.
- The company (or its recruitment agencies) ensures that it does not withhold wages or bonuses and that it pays them in a timely and regular manner.
- The company ensures it does not make deductions from wages for disciplinary measures or other deductions not authorised by national law.
- Within normal working hours workers are able to earn a living wage sufficient to meet the basic needs of themselves and their closest dependents.
- Overtime work is paid, voluntary and not compelled through threat of pay deductions, termination or other sanctions.
- The company (or its recruitment agencies) ensures that it does not retain identity cards, passports, travel documents or other personal items without which workers cannot leave employment. If letters of release or other documents are needed for the worker to leave employment, such letters are issued without delay.
- All workers are allowed to leave company premises during breaks and at the end of their shifts, and workers in company housing may freely enter and exit their accommodation at any time.
- The company (or its recruiting agencies) ensures that it does not require workers to pay recruitment fees or lodge money deposits.
- Loans or salary advancements to workers are based on fair terms that are clearly explained to the worker, are not granted to cover basic living expenses, are limited in size, and do not require the worker to remain with the company until repayment is completed.
- If the company uses prison labour it ensures that all prison workers have been convicted by a court of law, and that the work is voluntary and supervised by a public authority.
- The company ensures that it does not use labour from agencies or firms involved in human trafficking or other forms of bonded labour.

### Topic

**Undertaking of necessary measures to ensure that there is compliance with minimum age standards.**

### Indicators

- The company ensures it does not employ workers under 15 years of age for full-time work, 13 years of age for light work and 18 years of age for hazardous work (please see the question description for exceptions).
- If the company employs minors below the age of 18, the company has a list of job functions that can safely be performed by minors.
- The company is aware of local age-levels for completion of compulsory education and does not employ workers under that age for work that may interfere with such education.
- The company has a reliable procedure to check the age of young job candidates by birth certificate, other official forms of identification, or by alternative means such as physical appearance or knowledge of historic events.
- The company ensures that apprenticeship programmes do not constitute the main portion of the workforce, are limited in duration, are performed in conjunction with a school programme (or supervised by Labour Ministers or Labour Organisations), and do not interfere with the child's compulsory education.
- If the company becomes aware that it is employing young workers below minimum age, it ensures that they are enrolled in an education programme, and that their dependents are compensated for the resulting loss of income.

### Topic

**Undertaking of necessary measures to avoid discriminatory activities in employment.**

### Indicators

- The company identifies different types of discrimination, including those rooted in formal structures and cultural traditions.
- It is company policy to ensure that decisions concerning hiring, wages, promotion, training, discipline, retirement and termination are based only on unbiased criteria, and are not linked to any of the discriminatory characteristics listed in the description for this question.
**Sustainable Procurement**

- Each job category in the company has a written description stating the salary level and the qualifications required for that job category.
- The company ensures that employment advertisements do not reference discriminatory criteria, such as race, gender or age (unless listed as part of a legal equal opportunities promotion).
- The company ensures that job applicants are not asked to give information about their marital status, pregnancy, intent to have children, number of dependents, or similar information that may lead to discriminatory hiring decisions.
- All hiring managers receive training regarding the company's non-discrimination policies.
- The company has established a procedure, accessible and known to all workers, where workers can safely report incidents of workplace discrimination.
- The company takes reasonable steps to enable qualified persons with disabilities or health conditions to gain employment opportunities with the company, for example by providing wheelchair access, flexible working hours, longer breaks etc.

**Topic**

Undertaking of necessary measures to avoid systematic human rights abuses in productive units located in high risk locations.

**Indicators**

- The company actively seeks information about the general human rights situation in the areas where it operates.
- If operating in a country or region with systematic human rights abuses, the company seeks to become aware of and avoid the risk of contributing to, endorsing or benefiting from such abuses.
- Where the company risks involvement in systematic human rights abuses owing to government or societal practices, the company seeks to identify solutions through dialogue with other businesses, civil society organisations, experts and other relevant stakeholders, including where possible with the authorities.
- The company ensures that it does not endorse any state imposed discriminatory limitations on the right to vote, and does not pass along information concerning religious, racial, political affiliations or other characteristics of employees which could be used by the government as a reason to restrict the right to vote.

**3.8 Food and Drink Federation (FDF, 2016)**

The FDF provides guidance on responsibly managing food supply chains. The approach suggested by the FDF consists of 5 steps, which will be explained below. It’s worth noting that this methodology is designed to be directly used by food producers, but some principles can be adjusted to be useful for the University of Leeds.

i. Map the supply chain. The University would need to undertake a self-assessment methodology to collect information and describe their current supply chain. After asking some key questions, the University would need to gather the needed information from suppliers of the major product categories, as well as using information from external sources. The FDF suggests beginning the self-assessment process by using the following questions as a frame:

   a. **What is required to produce the products that will be assessed** (i.e. high risk products or commodities)?
   b. **Who are the immediate suppliers of the University?**
   c. **Who are their suppliers?**
   d. **From which countries do the key materials come from and what information is known from those countries?**
   e. **What are the University’s largest expenditure areas?**

ii. Identify key risks and opportunities. The self-assessment would gather information on the following:
a. Does the University source products that are in short supply, are the subject of media and/or consumer concerns, or imply sustainability red flags?

b. Which are the University’s key suppliers within the high risk areas? Are there alternative suppliers that could be used for such areas?

iii. Prioritise risks. This can be done through the DEFRA’s prioritisation tool.

3.9 CORE Coalition (CORE, 2016)

CORE Coalition has published a report called Beyond Compliance: Effective reporting under the Modern Slavery Act. This report can be used as a guideline for modern slavery statements. Furthermore, it contains specific and actionable input that can help improve an organisation’s risk identification and management processes. These key points are included below:

i. **Make sure the existing sustainable procurement policies reflect the issues in the highest risk areas of the organisation.**

ii. Make sure contracts with suppliers **include clauses regarding modern slavery, and monitor contracts’ compliance closely.**

iii. **Pay special attention to:**

   a. **Long and/or complex supply chains**, as distance within chains grow, monitoring becomes harder;

   b. Supply chains **with complex employment relationships, such as outsourced or subcontracted workers**, as these relationships make it difficult to identify slavery practices;

   c. The **presence of ‘labour brokers’ and/or gangmasters** in the supply chain, as they can imply high risk of forced labour;

   d. **Industries with high flexibility to demand** and/or are heavily consumer-driven.

   e. Supply chains **with operation in locations with lack labour regulation and/or poor enforcement.**

   f. Supply chains with **operation in locations that have presence of cheap labour and high indices of vulnerability** within workers (groups such as women, children, migrants, minorities, etc.)

   g. Supply chains with **operation in locations or industries that have lack of workers’ organisations**, or where these organisations and/or collective bargaining agreements are discouraged.

   h. Supply chains and industries that make use of **low skill labour.**

   i. Supply chains and industries that make use of **high numbers of temporary and/or seasonal labour.**

   j. Supply chains and industries directly involving **hazardous and/or physically demanding labour.**

   k. Supply chains and industries that make use of informal enterprises.

3.10 Forum for the Future (FFF, 2007)

FFF published a guide to effectively implement a sustainable procurement strategy titled ‘Buying a Better World: Sustainable Public Procurement’. In this guideline, the FFF sets out the main barriers for effective sustainable procurement, as well as a series of steps to follow. Even though this guidance document should have been excluded due to being outdated, some concepts are still widely relevant.
3.10.1 Commit to sustainable procurement

For starters, the organisation should put a clear sustainable procurement policy in place, which should ideally be integrated into the organisation’s overall procurement policy. This policy should provide the basis for requiring suppliers for information on sustainability performance, and including sustainability requirements in contracts and tender documents and specifications.

3.10.2 Prioritise risks

Afterwards, it must undertake a detailed spend analysis and prioritisation as part of annual planning cycles. Through this, the organisation can find key areas and prioritise key sub-categories that should be improved, in terms of sustainability. The FFF suggests assessing the following criteria, as part of the prioritisation process:

i. Level of spend.
ii. Level of contract renewal activity.
iii. Key suppliers by type and location.
iv. Level of risk against each sustainability objective.
v. Scope for improvement.
vi. Level of the organisation’s influence.

The above allows organisations to identify main opportunities, and classify them in the following way:

i. Key priorities: High impact, easily implemented contracts.
ii. Quick wins: Low impact and easily implemented contracts.
iii. Long-term objectives: Will need supplier engagement for improvement, but have potential for high impact.
iv. Non-start contracts: It is best to avoid these suppliers/contracts, as they pose minimal impacts and will be difficult to address for improvement.

3.10.3 Gather information

The FFF suggests public sector buyers to use the following as methods to obtain information on suppliers.

i. Use PQQs to assess the suppliers’ level of commitment towards improving labour standards. Fairtrade and other similar labour schemes have been successfully used by public buyers as requirements during the specification stage of procurement.
ii. Ensure tender documents include inquiries on legal convictions and contract/standard compliance records.
iii. Ensure the inclusion of information obtained from alternative and relevant sources, such as local authorities, trade unions, NGOs, and research bodies, for example. If the organisation chooses to use pre-qualification, they can do so by drawing specifications from various standards and PQQ published by other organisations. The strictness of requirements should be based on the sectors’ preparedness to comply and take action, as well as the level of relevance.
The FFF suggests the requirement of one (or a combination of) of the following standards, during the PQQ and/or tendering process, whether as requirement for selection or as a way to gather information:

i. ETI Base Code (see section 1.3.5).
ii. SA8000 standard.
iii. Clean clothes campaign standards.
iv. The organisation’s own sustainable procurement policy relevant to labour standards.

Furthermore, the FFF suggests ways to gather evidence in several ways:

i. The method of implementation of any good practice methodology, or standard, regarding labour standards. This can usually be done with third party auditors, especially in collaboration with other industrial partners and/or competitors to share costs, but information can also be obtained the following way:
   a. Supplier’s statement of working practices.
   b. Detailed policies on labour practices.
   c. Supplier’s self-assessment audits.
   d. Recognised labels and certifications, such as Fairtrade.

ii. The scope of coverage of the good practice methodology, or standard. Particularly referencing the ILO conventions throughout the entire supply chain. However, since this can be costly for suppliers, there are different options. The acceptable option for the buying organisation should be determined by the sector and supplier specific risk assessments.
   a. Scope only includes Tier 1 suppliers.
   b. Scope includes Tier 1 suppliers and the major Tier 2 suppliers.
   c. Scope includes the entire supply chains; this is usually only practicable when the specific supplier is part of an existing labour standards scheme, such as Fairtrade.

Furthermore, the FFF suggests that the organisation’s sustainable procurement policy, as well as the PQQ and selection stages, should take the following points into consideration. Particularly, the organisation should require evidence to ensure that suppliers are either free from the following issues, or have a management plan in place:

i. Forced labour.
ii. Child labour.
iii. Maximum 48 hour weeks, with paid overtime, if there is overtime happening.
iv. Fair living wages.
v. Freedom to unionise.
vi. Freedom from all kinds of harassment.
vii. Healthy and safe work environment.

3.11 Marrakech pre-Prioritisation Tool (University of Edinburgh, 2015)

The UN Marrakech Task Force has made available a tool that could be considered an analogous to DEFRA’s prioritisation tool. While it is not as detailed as DEFRA’s tool, the MPT can be useful as a way to compare risk ratings in between purchasing categories, rather than just comparing sub-groups within each purchasing category. This tool separates
categories the same way as DEFRA’s tool, but assesses the risk scores in a simpler way, including 7 criteria. Snapshots of the tool are included below.

The risks are calculated in a simple way, by summing the scores given to each category (which can be scored from 1 to 3, depending on the relevance for each category and sub-group). In the end, the tool delivers a summary, where the organisation can see the number of high priority sub-groups in each category, potentially providing information on the prioritisation in between categories.

![Figure 6. Marrakech pre-prioritisation tool risk-log snapshot.](image)

![Figure 7. Marrakech pre-prioritisation tool risk summary snapshot.](image)

### 3.12 Woolworths Limited country risk assessment (Woolworths, 2014)

As part of their ethical procurement policy, Woolworth's makes use of a detailed country risk assessment process to use against self-defined criteria to identify high risk areas in their supply chain, based on geographical-specific risks. This organisation makes use of 4 key indices to assess risk when their supply chain has presence in specific geographical locations. The indices are the following:

1. **Labour Rights and Protection Index.**
ii. Health and Safety Index.
iii. Corruption Index.
iv. Rule of Law Index.

Each index is given an overall score between 0 and 10, with 0 being the highest risk. Each risk score is then translated into one of four levels of risk severity, which are shown in table 7.

Table 7. Woolworth's risk assessment coding.

<table>
<thead>
<tr>
<th>Risk Level</th>
<th>Risk Score</th>
<th>Colour system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very high</td>
<td>0 – 2.5</td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>2.5 – 5.0</td>
<td></td>
</tr>
<tr>
<td>Moderate</td>
<td>5.0 – 7.5</td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td>7.5 – 10.0</td>
<td></td>
</tr>
</tbody>
</table>

Suppliers with presence in countries ranked as Very High, High, or Moderate, will then be subject of Woolworth's ethical audits. This methodology is particularly useful in terms of assessing country’s risk levels. While the methodology can be replicated, it is more practical to use the results and the country ranking Woolworths has made available (Woolworths, 2014).

3.13 Walk Free Foundation (WFF, 2014)

The WFF has produced a comprehensive report in cooperation with the CIPS and Verité, an organisation dedicated to working with business and other organisations to reduce labour issues worldwide. This report is titled Tackling Modern Slavery in Supply Chains: A Guide 1.0. This report provides useful guidance into addressing modern slavery along an organisation’s supply chain, which will be explained throughout this sub-section.

3.13.1 Design an effective Code of Conduct

According to the WFF, the main foundation to address modern slavery is to develop a clear policy framework, which can be done through a Code of Conduct. The WFF makes several recommendations on how to design an effective Code of Conduct:

i. Ensure the Code of Conduct applies to all of the organisation’s employees, suppliers, sub-contractors, and business partners.
ii. Ensure the Code of Conduct explicitly expresses commitment to legal compliance, ethical standards, and fundamental human rights, as described in the ILO conventions.
iii. Make sure the Code of Conduct’s provisions explicitly prohibit indirectly benefiting from and/or contributing to the prevalence of modern slavery.
iv. Include provisions that directly and clearly prohibit specific practices known to contribute to the risk of modern slavery, i.e. prohibiting to retain workers’ identity documents.
v. Ensure the Code of Conduct includes requirements of due diligence for suppliers that involve employment agencies, labour brokers, or gangmasters at any stage.
vi. If the organisation is aware of specific products or raw materials along specific supply chains are known to be of particularly high risk, the organisation can single them out in the Code of Conduct with special provisions, i.e. the
organisation will not source corn products traced to Bolivia, where child labour is reportedly used to produce corn.

vii. The **Code of Conduct should include provisions for grievance mechanisms** in order for workers to have a confidential and safe process to raise concerns.

The organisation should also have a **specific ethical procurement standard/policy (and guidance) that reflects the Code of Conduct**, adding further detail for suppliers to implement its provisions. The sustainable procurement standard/policy should clearly indicate that **compliance with the requirements set out in the Code of Conduct are mandatory.**

### 3.13.2 Prioritise risk

The WFF indicates that the first step to addressing labour issues in an organisation’s supply chain is **understanding the red flags and indicators of modern slavery, particularly in regards of understating its supply chain features that are particularly vulnerable**. While there are many risk factors in regards to modern slavery in supply chains, the WFF recommends looking closely at three main high risk categories: The labour cycle, location-specific, and industry-specific.

The labour cycle includes numerous practices that could indicate risks of modern slavery, in different phases:

i. **Recruitment phase:**
   a. Charge of recruitment, travel, health checks, deposits, or other illegal fees.
   b. Misinformation, or lack of information, on terms of employment to workers.
   c. Workers’ contracts are not understandable and/or legally compliant.
   d. Involvement of numerous employment agencies or labour brokers.

ii. **Employment phase:**
   a. Underpayment, delay, or withholding of wages.
   b. Withholding of workers’ identity documents.
   c. Workers are forced to stay in company or labour broker managed housing.
   d. Harassment and/or abusive discipline or termination practices.
   e. Excessive overtime over legal limits, or over Code of Conduct limits.

iii. **Employment termination phase:**
   a. Workers’ visas and/or permits are tied to single employers.
   b. Workers are charged penalties for early contract termination.
   c. Undocumented migrants are threatened with notification of migration authorities when leaving employment.

Location-specific risks are critical, as modern slavery practices vary worldwide. The WFF suggests **making use of reliable indices of country risk profiles**. Some of these indices include: The Global Slavery Index, the Freedom House List, Transparency International Corruption Perception Index, Maplecroft Ratings, etc.

Industry-specific risks relate to the link between known prevalent modern slavery and specific industries, such as mining. The WFF suggests using the US State Department’s Trafficking in Person’s Report (TIP) as input for this profiling.
3.13.3 Gather information

The WFF suggests taking a two-step approach to detect, assess, and prevent modern slavery risks in an organisation’s supply chain. As the first step, the WFF suggests undertaking an initial assessment of the entire supply chain in order to separate suppliers into high, medium, and low risk categories. Once suppliers have been separated into these categories, the second step involves undertaking an in-depth assessment of potential risk of modern slavery in all categories ranked as medium and high risk. The WFF suggests asking suppliers to affiliate in the CIPS Sustainability Index to create a consistent measurement mechanism.

i. Step 1:
   a. **Map the supply chain and all tier 1 suppliers.** While tier 1 suppliers will not provide visibility of the entire supply chain, it is the optimal place to start. Further along the process, tier 1 suppliers should follow up with their own suppliers to increase the organisation’s visibility over the supply chain.
   b. **Identify the organisation’s highest spend areas to find the priority spend areas and the company’s influence and leverage in those areas.** For this step, the organisation should follow the following steps:
      1. List suppliers by total spend.
      2. Categorise into spend areas.
      3. Identify the organisation’s market share with top suppliers.
   c. **Assess the following criteria** for categories, not necessarily for suppliers:
      1. Location of production.
      2. Industry and sector.
      3. Supplier relationships; value of contracts and length of relationship.
      4. Documented cases and/or information that indicate labour standards issues.

ii. Step 2:
   a. Once suppliers have been ranked, **medium and high risk suppliers should be required to provide more information.** This can be done through **self-assessment questionnaires.** These questionnaires should request information on:
      1. Employment and production sites, as well as management systems.
      2. Details on staff, such as gender, nationality, languages, places they are accommodated at, forms of payment and employment, etc.
      3. Details on freedom of association and presence of unions, health and safety procedures, living conditions, grievance mechanisms, etc.
   b. While information may not always be transparent, the organisation should make use of alternative resources, such as previous audits, indices, and reports, to verify the suppliers’ responses. High risk suppliers should be audited against specific and relevant labour standards.
   c. **Low risk suppliers should have the following, as a minimum:**
      1. Public policy on modern slavery that covers their own suppliers.
      2. Governance procedures to ensure compliance with such policy.
      3. Signed statutory declaration or contract where they commit to enforce the policy on modern slavery.
4. Contractual obligations that include audits to be scheduled at the buyer's discretion, as well as business consequences if issues are to be found, including inadequacy to respond.

The WFF also provides a sample **supplier scorecard** that can be used to assess a supplier’s inherent level of risk. While this scorecard is not comprehensive, it is a good starting point to assess and categorise suppliers in a standardised and consistent manner (see table 8).

**Table 8.** Supplier scorecard example.

<table>
<thead>
<tr>
<th>Category of Risk</th>
<th>Weighting</th>
<th>Answer</th>
<th>Score</th>
<th>Weighted Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country of production</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On Freedom House List Partly Free</td>
<td>15%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On Freedom House List Not Free</td>
<td>15%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transparency International Corruption Perception Index</td>
<td>15%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goods or services procured</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nature of the suppliers’ activities</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment relationships used by supplier</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of foreign migrants in supplier's workforce</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relationship with supplier</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value of contract or annual spend with supplier</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relationship length</td>
<td>5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visibility of relationship with supplier</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does the supplier have own high-profile brand?</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available labour risk information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is there documented information that may be cause of concern?</td>
<td>5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does the supplier have a code of conduct with commitment to preventing modern slavery?</td>
<td>5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other questions…</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total % Risk</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier Risk Status</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.14 Experts in Responsible Investment Solutions (EIRIS, 2009)

EIRIS has made available a report on managing core labour standards in a company’s supply chain, where they set out some principles of best practice, as well as summaries on high-risk sectors and countries. Furthermore, ERIS includes the results of a supply chain assessment by industry and by region in this report, potentially providing input for a labour risk assessment methodology.

The most vulnerable sectors usually involve products that require labour intensive practices and high pressures to keep prices down. ERIS has provided a list of the sectors they have identified as high risk and to be prioritised in risk management strategies. This list is included below.

i. Clothing and footwear.
ii. Toys.
iii. Consumer electronics.
iv. Agricultural crops.

ERIS also suggests managing Export Processing Zones (EPZs) closely, as they are located in areas where government has removed trade barriers and where trade union rights are usually a relevant issue. Furthermore, they are usually located in places with weak labour law enforcement. Maquiladoras, usually found in Mexico, Central America, and South America are another area of concern, regarding labour issues.

To conclude, ERIS provides a list of recommendations on how to engage with suppliers to cooperatively improve labour conditions along the supply chain. The following points are mentioned:

i. **Assess the level of exposure of suppliers.** When the supplier’s level of exposure to labour risks is significant (i.e. if it belongs to high risk sectors), the organisation should ensure the supplier is aware of the specific labour issues they are vulnerable to. Given the difficulty to have visibility after tier 1 suppliers, it is important to ensure suppliers are aware and work with their own suppliers to identify and manage labour risks.

ii. **Review the supplier’s labour standards policy and ensure it covers the standards required by the buying organisation,** most importantly in regards to freedom of association. At the very least, the supplier’s labour standards policy should include the minimum labour standards set out by the ILO conventions.

iii. **Assess the comprehensiveness of the supplier’s management systems for implementing the labour standards policy.**

iv. **Encourage suppliers to join multi-stakeholder initiatives,** such as SEDEX, ETI, WRC, etc. to increase visibility and share best practice within industries.

v. **Encourage suppliers to publicly report their efforts** on addressing labour issues.

vi. **Encourage suppliers to develop long-term relationships with their own suppliers** in order to increase the level of cooperation and influence.

3.15 Focus on Labour Exploitation (FLX,2016)

FLEX suggests taking a close look at those factors that imply vulnerability to labour exploitation and human trafficking as a starting point to address labour issue. Among others, FLEX includes the following as factors that shape vulnerability:

i. **Workers’ conditions:**
   a. Poverty. Workers’ need to survive will drive them to accept exploitative work.
   b. Inequality. Members of discriminated groups or minorities may have fewer work options, forcing them to accept exploitative works.
   c. Immigration (particularly illegal immigration). Constantly threatened by notification to authorities, illegal immigrants often accept exploitative work and avoid whistleblowing in fear of being deported.
   d. Homelessness.
   e. People with disabilities. This group of people may make them easier to control or coerce into accepting exploitative work.
   f. People with language barriers. Inability to communicate adequately, these workers depend on exploitative work as they are unable to seek alternative employment.
ii. Supply chain settings:
   a. Long employment chains that make use of subcontracting or labour brokers with unclear worker relationships. These make it easier to deny knowledge of issues by companies.
   b. Fake self-employment, as a way to avoid the obligation to pay workers their basic employment rights.
   c. Lacking of workers organisations or trade unions make it hard for workers to understand their rights and to raise concerns.

3.16 Business Social Compliance Initiative model (BSCI, 2016)
The BSCI is a business-driven initiative, mainly focused for retailers, that attempts to provide guidance and best practice to address labour issues along supply chains. The BSCI offers a wide array of tools and services available to members, but has made a Code of Conduct and an Implementation System available online for any kind of organisation to address the labour issues in their supply chains. The BSCI provides a comprehensive approach to addressing labour risks in an organisation’s supply chain; the most relevant aspects of this approach are included.

3.16.1 Gather information
One of the first steps of the BSCI approach involves mapping the supply chain in order to understand who the most significant business partners are and how much influence the organisation has over these partners. The BSCI suggests the organisation should gather information from business partners from any of the following sources:

i. Information directly requested from suppliers through questionnaires or equivalent forms.
ii. Information obtained from relevant stakeholders, such as NGOs or workers’ associations.
iii. Information included in grievance mechanism reports.
iv. Visits and audits led by the organisation.
v. Social audit reports carried out by external organisation.

In order to get key information out of business partners, the BSCI includes several key questions in their proposed assessment and audit questionnaires. The most relevant ones are the following:

i. Ask the supplier to describe the level of production activity for each month of the year as low, medium or high. This question helps identify seasonal work, which may involve inadequate labour and hiring practices.
ii. Ask the supplier to provide information on the contact person on the workers’ organisation.
iii. Ask the supplier to provide the minimum remuneration for their full-time workers, and the lowest wage for any regular worker in the company.
iv. Ask the supplier to provide details into any situation that led to:
   a. Overtime.
   b. Accidents.
   c. Strikes or protests.
   d. Self-identified high-risk production techniques.
3.16.2 Classify business partners

Once information has been gathered, the organisation should classify the business partners according to the level of risk associated to them. The BSCI suggests using the following sources of information and recommendations for classification:

i. **Countries’ risk classification.** BSCI has made available their own countries’ risk classification, based on governance-related risks. This model is based on 6 indices of governance, which are given a score from 1-100, and then an average rating is calculated to provide an overview of the country’s level of risk. The 6 indices considered are the following:
   a. Voice and accountability, including freedom of association and a free media.
   b. Political stability.
   c. Government effectiveness.
   d. Regulatory quality.
   e. Rule of law.
   f. Control of corruption.

ii. **Focus on least developed countries.**

iii. **Focus on sector-related issues:**
   g. **Use of labour brokers.**
   h. Products involving labour intensive practices, including food crops and handcrafts.

iv. **Look for media and NGO reports** on specific sectors, activities, and companies.

v. **Gather information through questionnaires** and audit reports.

vi. Use diagrams, such as likelihood vs severity, analysis.

Once business partners have been classified, the BSCI suggests deciding on which business partners should be monitored and to what extent. The BSCI suggests there are some business partners that the organisation can decide not to monitor, based on the following criteria:

i. The business partner does not have a production work environment or use labour brokers.

ii. The business partner provide accurate information on their social performance, and the social performance of their own business partners.

iii. The business partner holds a valid SA8000 certificate.

Nonetheless, all business partners should sign the Code of Conduct and accept to be involved in the monitoring process, including being audited, regardless of their classification.

The BSCI emphasises that implementing organisations should carefully define what the consequences are for business partners who either breach the Code of Conduct, or do not show interest in improving their compliance with the Code of Conduct.


ISO 20400 sets out a standardised process to implement a sustainable procurement system in an organisation. This standard provides a complete framework to follow, but only the aspects related to labour risk management will be addressed as part of this research.
3.17.1 Due diligence and risk management

Organisations should implement a due diligence process that can be divided into three activities: (1) initial assessment of the organisation’s sustainable procurement principles, (2) establish or update the risk management process, and (3) identify and manage the sustainability impacts.

As part of the due diligence process, ISO 20400 mentions that the organisation should include a process for tracking performance over time, and should take on appropriate actions to address the issues caused by their decisions and activities. ISO 20400 specifically mention the use of contractual obligations on suppliers and subcontractors, as well as unannounced visits and inspections, as actions to address these issues.

3.17.2 Mapping issues to procurement categories

If the organisation has a category management system and a category plan in place, this should have sustainability considerations integrated, such as the inherent risks related to the category, its level of criticality to the organisation, an understanding on relevant legislative changes, visibility over the category’s key suppliers, and the organisation’s future needs. As part of the ISO 20400 standard, reference to ISO 26000 is made, where the standard mentions the human rights risk situations for supply sourcing areas:

i. Areas of armed conflict.
ii. Areas of political instability.
iii. Areas known to use corrupt business practices.
iv. Areas with poor civil rights and enforcement.
v. Areas with prevalence of extreme poverty.
vi. Areas with poor standards of health.
vii. Areas with known communities of indigenous people.
viii. Areas known to use child labour.

ISO 20400 suggests using a matrix to compare specific sustainability issues to purchase categories and the respective level of impact, integrating all aspects of sustainability. An example of such matrix is included in table 9 below.

Table 9. ISO 20400 category vs. issue risk matrix.

<table>
<thead>
<tr>
<th>Category</th>
<th>Issue (i.e. GHG emissions)</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i.e. catering supplies)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i.e. furniture)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i.e. estates &amp; buildings)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.17.3 Mapping issues to specific suppliers

ISO 20400 states that mapping each sustainability issue to specific supplier will give organisation the information needed to understand which suppliers are critically contributing to these issues. ISO 20400 recommends three potential ways this mapping can be done:
i. **Map suppliers belonging to high risk areas** (identified as red and orange codes in the category risk table).

ii. Map suppliers based on whichever strategy or process already employed by the organisation to manage supplier relationships.

iii. **Make use of scope and influence as part of the analysis.** This is particularly relevant when the organisation can affect changes of practices in the supply chain.

iv. **Identify and map the supply chain beyond tier 1 suppliers.** It is necessary to understand which suppliers have higher maturity and preparedness to work with the organisation for increased visibility. It is also important to build a stronger relationship and/or partnership to cooperate with suppliers towards this goal.

### 3.17.4 Value chain risk analysis

ISO 20400 provides an alternate method to assess risks in the supply chain in an informative annex. This method goes into deeper detail, as it compares specific sustainability risks (i.e. labour issues) with specific parts of a product’s value chain. This tool ranges from raw materials to disposing and recycling. Although this method is very time and resource consuming, it proves further clarity into a supply chain’s risks.

### 3.18 Social Accountability International SA8000 standard (SAI, 2014)

The SA8000 standard provides some guidance into supply chain risk assessment, suggesting an organisation should look at the following information to identify risks:

i. Geographical location.

ii. Degree of regulatory oversight in specific regions.

iii. Sector, industry, or product specific risks, including production practices.

iv. Nationality differences within management and workers.

v. Certifications to any labour standards or corporate codes of conduct.

vi. Presence of any labour standards management systems.

vii. Use of sub-suppliers and sub-contractors.

viii. Organisation’s share of supplier’s business.

ix. Difficulty to replace specific suppliers.

Furthermore, the **SA8000 standard can be required from suppliers** as a way to verify compliance with minimum international labour standards.

### 3.19 UNGC Guide to Human Rights Impact Assessment and Management (HRIAM) (UNGC, 2010)

The UN Global Compact has published a comprehensive guide to assess and manage human rights associated to an organisations activities, with numerous recommendations that can be useful for any kind of organisation.

#### 3.19.1 Gather information

Organisations need to understand the context of the activities being assessed. In this sense, the organisation will need to pay particular attention to the following aspects:

i. Current policies, procedures, commitments and goals.

ii. Legal framework of operation.

iii. The industry sector, in order to understand specific risks.
iv. The country of operations, in order to understand the human rights context.

v. Use of guidelines and reports from third party organisations, such as NGOs, in order to obtain key information relevant to address human rights risks.

vi. Assess policies and practices of any current partner and potential partner, as well as on contractors and sub-contractors, and suppliers. The report provides specific guidance for managing suppliers:
   a. Organisations are increasingly demanding suppliers to comply with international labour standards and human rights standards through purchasing contract clauses.
   b. It is important to understand the level of control of the organisation over its suppliers. This depends on: (1) Details of the business relationship, (2) organisation’s share of the supplier, and (3) number of purchasers that also buy from that supplier.
   c. The organisation's standards and expectations regarding human rights should be communicated to any suppliers, and they should communicate it to their own suppliers.
   d. The organisation should develop appropriate training on their specific approach to managing human rights in order to effectively communicate and build supplier capability.

vii. The organisation’s level of control over specific issues and risks.

viii. The organisation should identify the various initiatives that provide guidance on managing human rights risks in specific industries and sectors, countries, or issues.

3.19.2 Establish a baseline condition

The UNGC provides a guidance table on a start point that can be used to establishing a baseline condition (see table 10).

<table>
<thead>
<tr>
<th>Law and enforcement</th>
<th>Potential risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inequality in government</td>
<td>Ethnic minorities and majorities can be at conflict</td>
</tr>
<tr>
<td>Regional human rights laws</td>
<td>Might be conflicting with international law</td>
</tr>
<tr>
<td>Security organisations</td>
<td>Have they historically violated human rights?</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Potential risks</td>
</tr>
<tr>
<td>Access to food, water, and others</td>
<td>Indication of inequality and poverty</td>
</tr>
<tr>
<td>Access to public services</td>
<td>Indication of inequality and poverty</td>
</tr>
<tr>
<td>Access to sanitation facilities</td>
<td>Indication of inequality and poverty</td>
</tr>
<tr>
<td>Demography</td>
<td>Potential risks</td>
</tr>
<tr>
<td>Presence of vulnerable groups</td>
<td>Discrimination</td>
</tr>
<tr>
<td>Presence of indigenous communities</td>
<td>Discrimination and marginalisation</td>
</tr>
<tr>
<td>Cultural context</td>
<td>Potential risks</td>
</tr>
<tr>
<td>Land ownership</td>
<td>Conflicts over land</td>
</tr>
<tr>
<td>Established conflicts</td>
<td>Vulnerability and exploitation</td>
</tr>
</tbody>
</table>

3.19.3 Engaging with stakeholders

Stakeholders of interest that could provide useful information on risk assessment and monitoring may be specific to the business activity. Although this group includes a wide variety of stakeholders, the most relevant to this research project are the following:
i. NGOs. The organisation should attempt to engage early, in order to get a better understanding of the local landscapes.

ii. Intergovernmental organisations.

iii. Business partners and investors.

iv. Employees and workers. Should attempt to communicate through NGOs or worker’s unions, not directly.

v. Local community organisations.

vi. Suppliers, distributors, and contractors.

vii. Media.


ix. Worker representative bodies.

3.19.4 Assessing the risks

The UNGC suggests the assessment should be appropriately scoped, in relation to the following aspects:

i. Key human rights associated with specific countries.

ii. Key human rights associated to the specific activities.

iii. Key human rights associated to specific business relationships.


In order to do the above, the organisation should look at trends that are unique to the region and industry. It is crucial to gather evidence of known risks in specific countries and sectors that signal potential risks. Once the risks have been identified, the organisation should classify them as past, ongoing, or potential, as well as the potential causes underlying these risks (i.e. weak governance or prevalent conflict).

3.20 The University of Nottingham's Sustainable Procurement Strategy (University of Nottingham, 2010, 2016).

The University of Nottingham appears to have achieved several positive goals in regards to sustainable procurement, mainly in the environmental arena. Their commitment to this area is highly visible through several examples of their successful implementation of sustainable procurement. Examples include:

i. They only source office furniture by suppliers certified with either the Forest Stewardship Council or the Programme for the Endorsement of Forest Certification.

ii. They heavily focus on recycling products to reduce purchases, particularly with stationery products.

iii. They work with suppliers of laboratory supplies to return packaging for re-use.

iv. Their food sourcing is highly sustainable, as they hold a bronze catering mark by the Soil Association due to local and high welfare supplies, as well as only purchasing fish with the Marine Stewardship Council certification, among others.

Nonetheless, in regards to addressing social and labour issues along their supply chain, there is no clear and publicly available information that suggests this University is as advanced as in terms of environmental aspects. In this section, the labour-specific PQQ questions the University of Nottingham uses are included. It’s worth noting that these
questions were found to come from the Advanced Procurement for Universities and Colleges (APUC) sustainable procurement guidance.

i. Do you observe, as far as is possible, the relevant authorities (such as the Equality and Human Rights Commission or its predecessors) Codes of Practice for Employment, or equivalent code of statutory guidance issued under equivalent legislation in another country, which gives practical guidance to employers and others on elimination of unlawful discrimination and the promotion of equality of opportunity in employment, including monitoring of workforce matters and steps that can be taken to encourage members of all parts of society to apply for jobs or take up training opportunities.
   a. If yes, please supply evidence to support your answer. Evidence may be examples or copies of documents such as your equality, diversity or equal opportunities in employment policy, documents containing instructions to staff, or outlining arrangements for advertisements, recruitment, selection, access to training, opportunities for promotion, copies of recruitment advertisements, extracts from staff handbooks, or other materials that demonstrate your organisations commitment to equality.

ii. Does your company have a supply chain policy (or similar policy) that requires your suppliers to uphold minimum commitments relating to labour standards which meet core International Labour Organisation (ILO) Conventions on Labour Rights?

iii. Do you monitor your suppliers’ operations/facilities to assess their compliance with your supply chain policy or directly with the ILO Conventions on Labour Rights?
   b. If yes, please state how you monitor.

iv. Does your company have plans in place in the event that labour rights concerns are identified in your supply chain?

3.21 The University of Manchester (University of Manchester, 2014)

The University of Manchester has made strides in regards to sustainable procurement. The University has embedded social responsibility as a key part of its 2020 strategy, where responsible procurement is one of five priorities. The University of Manchester has decided to become a net positive company, by taking an approach proposed by NETpositive.

The University of Manchester used the Marrakesh Risk Analysis Tool to identify the top 72 high risk commodity areas of the University’s procurement activities. Each of these commodities were then supplemented with a sustainability impact appraisal. This assessment was carried out by the procurement team after training sessions. Then, the University of Manchester used the NETpositive Supplier Engagement Tool, in order to engage with suppliers, obtain information, and design action plans.

Furthermore, the University of Manchester has affiliated with the Worker Rights Consortium (WRC). The WRC is an independent organisation dedicated to the monitoring of labour rights, specifically working in the university garment industry. The WRC also have campaigns to improve human rights in many parts of the supply chain. The WRC is relevant because, while Fairtrade is focused on the production of raw materials, the WRC is focused on the industrial processes that follow.
4. Risk assessment process

The process described in this section is based on a combination of several elements extracted from the methodologies reviewed in the previous section. The process is based on 6 steps which should be continuously executed to keep the risk information updated. This continuous execution could be annually, or with other periodicity the University of Leeds finds suitable. The six steps are mentioned in the list below, and then described in the sub-titles within this section.

1. Spot red flag categories.
2. Establish relevance of commodities within red flag categories.
3. Prioritise relevant commodity areas within the red flag categories.
4. Understand the risk in priority commodity supply chains.
5. Obtain input from questionnaires.
6. Map the risk in the supply chain.

4.1 Spot red flag categories

There are numerous products and categories that have already been classified as high risk areas in regards of labour standards, and should always raise red flags for procurement departments.

Table 11. Example of product categories identified as potential red flags for labour risks.

<table>
<thead>
<tr>
<th>High risk products (Difi, 2015a)</th>
<th>High risk sectors (Verite, 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee, cocoa, and tea</td>
<td>Agriculture</td>
</tr>
<tr>
<td>Construction materials</td>
<td>Construction</td>
</tr>
<tr>
<td>Cut flowers</td>
<td>Electronics and electrical products manufacturing</td>
</tr>
<tr>
<td>Electronics</td>
<td>Fishing and aquaculture</td>
</tr>
<tr>
<td>Furniture</td>
<td>Forestry</td>
</tr>
<tr>
<td>ICT</td>
<td>Healthcare</td>
</tr>
<tr>
<td>Stationary items</td>
<td>Hospitality</td>
</tr>
<tr>
<td>Surgical instruments</td>
<td>Housekeeping</td>
</tr>
<tr>
<td>Textiles and footwear</td>
<td>Mining and basic metal production</td>
</tr>
<tr>
<td>Toys</td>
<td>Textile and apparel manufacturing</td>
</tr>
<tr>
<td>Tropical fruits</td>
<td>Transportation and warehousing</td>
</tr>
</tbody>
</table>

These lists are not exhaustive, and will inevitably vary over time. Thus, in order to adequately identify labour risks along its supply chains, the University of Leeds needs to take available risk information into account. According to the guidance and methodology documents reviewed in section 3, the initial risk assessment for the University of Leeds procurement categories should begin by reviewing context-specific information on the goods they supply (i.e. risks specific to countries, industries, and categories).

As a starting point for this risk assessment methodology, the University of Leeds can use the category vs. issue matrix suggested by ISO 20400 to compare procurement categories and labour issues and scope out the categories with the least risk. During the labour risk assessment process, this matrix will only compare labour-related issues in between purchasing categories; however, this matrix can be used to also compare all kinds of issues identified for each procurement category in the future. Given the information compiled and assessed in section 3, the comparative matrix will include the following issues:

i. Human trafficking.
ii. Bonded/forced/exploitative labour.
iii. Child labour.
iv. Unsafe working environment.
v. Lack of freedom of association and of collective bargaining.
vi. Inadequate compensation.

The categories to be assessed are the following, based on the Proc-HE Level 1 coding.

1. Agricultural; Fisheries; Forestry; Horticultural; Oceanographic Supplies & Services.
2. Catering Supplies & Services.
5. Furniture; Furnishings & Textiles.
7. Laboratory/Animal House Supplies & Services.
8. Library & Publications.
9. Medical; Surgical; Nursing Supplies & Services.
10. Miscellaneous/Unclassified.
11. Printing.
15. Telecommunications; Postal & Mail Room Services.
17. Travel & Transport (incl. Vehicle hire & Subsistence).
18. Utilities.
19. Vehicles (Purchase; Lease; Contract Hire).
20. Workshop & Maintenance Supplies (Lab & Estates).

Information from (1) the Difi specific areas of priority, (2) the Verité Trafficking in Persons high risk sectors, (3) the US Department of Labour List of Goods Produced by Child Labour or Forced Labour, and (4) the Global Slavery Index 2016 were reviewed to look for the commodity groups in the University of Leeds procurement. Other reports reviewed for the previous sections of this document were also included as part of the assessment in a lesser extent.

In this assessment, each procurement category was given a ‘1 point’ score for each report they were mentioned in, and a ‘2 point’ score if they were mentioned as a critical high-risk product. Then, each category had a specific total score, which was ranked in the following way:

i. Total score = 1 or less; then the category was classified as low risk.
ii. Total score = 2; then the category was classified as medium risk.
iii. Total score = 3; then the category was classified as high risk.
iv. Total score = 4 or higher; then the category was classified as very high risk.

If any of the commodity groups found within the procurement categories is included in any of the documents reviewed as a high-risk commodity, the entire category will be classified with the same level of risk identified for the highest ranked commodity. Then, the issues
linked to each category in each of the reports were assessed, ranking them according to the level of risk identified in the previously explained assessment.

All categories rated High risk in more than one issue or Very High risk in any number of issues will be further evaluated, in order to identify the high risk areas in specific commodity groups. This will be done by the use of the following desk-based risk assessment questionnaire. This tool is based on the ETI's supply chain assessment questionnaire, but some questions have been added to result in a more comprehensive tool. Table 12 below shows the matrix to be used for the risk comparison, and table 13 displays the results of the comparison.

**Table 12.** ISO 20400 risk matrix adapted to the proposed risk assessment methodology².

<table>
<thead>
<tr>
<th>Issue Cat.</th>
<th>Human trafficking</th>
<th>Forced labour</th>
<th>Child labour</th>
<th>Working environment</th>
<th>Freedom of association</th>
<th>Inadequate compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>H</td>
<td>H</td>
<td>M</td>
</tr>
<tr>
<td>2</td>
<td>H</td>
<td>VH</td>
<td>H</td>
<td>VH</td>
<td>VH</td>
<td>VH</td>
</tr>
<tr>
<td>3</td>
<td>H</td>
<td>VH</td>
<td>VH</td>
<td>VH</td>
<td>VH</td>
<td>VH</td>
</tr>
<tr>
<td>4</td>
<td>M</td>
<td>H</td>
<td>M</td>
<td>VH</td>
<td>M</td>
<td>H</td>
</tr>
<tr>
<td>5</td>
<td>H</td>
<td>VH</td>
<td>VH</td>
<td>VH</td>
<td>H</td>
<td>VH</td>
</tr>
<tr>
<td>6</td>
<td>H</td>
<td>H</td>
<td>M</td>
<td>VH</td>
<td>H</td>
<td>H</td>
</tr>
<tr>
<td>7</td>
<td>L</td>
<td>L</td>
<td>L</td>
<td>H</td>
<td>L</td>
<td>L</td>
</tr>
<tr>
<td>8</td>
<td>M</td>
<td>M</td>
<td>L</td>
<td>M</td>
<td>L</td>
<td>M</td>
</tr>
</tbody>
</table>

**Table 13.** Risk matrix results.

<table>
<thead>
<tr>
<th>Issue Cat.</th>
<th>Human trafficking</th>
<th>Forced labour</th>
<th>Child labour</th>
<th>Working environment</th>
<th>Freedom of association</th>
<th>Inadequate compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>H</td>
<td>H</td>
<td>M</td>
</tr>
<tr>
<td>2</td>
<td>H</td>
<td>VH</td>
<td>H</td>
<td>VH</td>
<td>VH</td>
<td>VH</td>
</tr>
<tr>
<td>3</td>
<td>H</td>
<td>VH</td>
<td>VH</td>
<td>VH</td>
<td>VH</td>
<td>VH</td>
</tr>
<tr>
<td>4</td>
<td>M</td>
<td>H</td>
<td>M</td>
<td>VH</td>
<td>M</td>
<td>H</td>
</tr>
<tr>
<td>5</td>
<td>H</td>
<td>VH</td>
<td>VH</td>
<td>VH</td>
<td>H</td>
<td>VH</td>
</tr>
<tr>
<td>6</td>
<td>H</td>
<td>H</td>
<td>M</td>
<td>VH</td>
<td>H</td>
<td>H</td>
</tr>
<tr>
<td>7</td>
<td>L</td>
<td>L</td>
<td>L</td>
<td>H</td>
<td>L</td>
<td>L</td>
</tr>
<tr>
<td>8</td>
<td>M</td>
<td>M</td>
<td>L</td>
<td>M</td>
<td>L</td>
<td>M</td>
</tr>
</tbody>
</table>

² The full analysis with scoring per commodity can be found in Appendix A.
The following table (14) includes the higher risk categories identified, along with their respective commodity groups. These commodity groups will be further analysed to find the highest risk commodity groups in the University's procurement activities.

**Table 14.** High risk categories identified in the University procurement process.

<table>
<thead>
<tr>
<th>Category</th>
<th>Overall risk</th>
<th>Commodity groups</th>
</tr>
</thead>
</table>
| 2. Catering Supplies & Services    | Very High    | 2a. Groceries  
2b. Meat; Poultry; Offal  
2c. Fruit and Vegetables  
2d. Tableware; Crockery; Cutlery; Table Coverings etc.  
2e. Soft and Non-alcoholic Drinks  
2f. Bakery Products  
2g. Vending Equipment; Consumables and Charges  
2h. Beers; Wines; Spirits; Alcoholic drinks  
2i. Watercooler Equipment; Services and Consumables  
2j. Other and General Catering  
2k. Catering Services; Outsourced; including Pre-prepared Meals  
2l. Catering; Bar Equipment and Accessories  
2m. Frozen Foods  
2n. Catering Equipment Maintenance and Repair  
2o. Table and Room Decorations  
2p. Dairy Produce |
| 3. Computer Supplies & Services    | Very High    | 3a. Software Purchase; Licences; Maintenance; Development; Royalties  
3b. Desktop Computer Purchase and Maintenance; PCs; Applemacs; Monitors  
3c. Other and General Computer  
3d. Network Equipment Installation and Maintenance  
3e. Printer Purchase; Maintenance and repair  
3f. Internet and Intranet Services  
3g. Computer Consumables; Peripherals; Upgrades and Add-ons |
| 4. Estates & Buildings             | Very High    | 4a. Professional Services; Architects; Estates Agents; QS; Construction Management; Surveying Equip & Services  
4b. Capital Projects  
4c. Specialist Building Services (Scaffolding; Plumbing; Carpentry; Roofing)  
4d. Plant Purchase; Hire & Maintenance; inc. Lifts; Air-conditioning; Boilers; Generators etc.  
4e. Cleaning Services  
4f. Decoration Materials; Works & Services  
4g. Ground maintenance; Supplies & Services (inc. Landscaping)  
4h. Waste & Refuse Disposal  
4i. Building Materials  
4j. Grounds Maintenance Equipment  
4k. Tent & Marquee Purchase; Hire & Maintenance  
4l. Pest & Vermin Control Services |
<table>
<thead>
<tr>
<th>Category</th>
<th>Overall risk</th>
<th>Commodity groups</th>
</tr>
</thead>
</table>
| 4m. Signs & Signposting | Very High | 4n. Other/General Estates & Buildings  
4o. General Building Repairs & Maintenance  
4p. Temporary & Mobile Buildings; Hire & Purchase  
4q. Fencing - Property & Specialist |
| 5a. Furniture - Office purchase and hire | Very High | 5b. Floor Coverings  
5c. Other and General Furniture; Furnishings and Textiles  
5d. Furniture - Residential  
5e. Sports; Recreational and Nursery Materials and Equipment  
5f. Furniture: General Storage; Racking; Shelving (incl. Library)  
5g. Textiles; Fabrics; Soft and Loose Furnishings  
5h. Electrical White Goods and Domestic Kitche Equipment  
5i. Hair and Beauty Equipment, Services, Suppliers Purchase, Maintenance and Repair  
5j. Furniture - Classroom and Lecture Theatre |
| 6a. Cleaning and Maintenance Machines and Consumables | Very High | 6b. Other and General Cleaning and Janitorial  
6c. Laundry and Dry Cleaning Services and Equipment  
6d. Clothing and Tailoring Supplies and Services  
6e. Personal Hygiene and Vending Supplies and Services |
| 9a. Medical; Surgical; Nursing Capital Equipment > £10k | Very High | 9b. Other and General  
9c. Medical; Surgical; Nursing Small Apparatus; Equipment; purchase; maintenance; repair and hire  
9d. Medical; Surgical; Nursing Consumables and Disposables |
| 16a. Audio Visual Equipment; purchase; maintenance; repair and hire | Very High | 16b. Studio Hire and Running Costs  
16c. External Production Services (Performances; Tours)  
16d. Photographic Equipment Supplies and Services  
16e. Theatre Production Costs (scenery; lighting; props; costumes)  
16f. Fine and Creative Arts; Equipment Purchase; Maintenance; Consumables  
16g. Music Instruments; Scores; Purchase; Maintenance; |
20c. Mechanical Components and Spare Parts  
20d. Ironmongery; Door Furniture; Locksmiths Supplies and Services  
20e. Metals  
20f. Hand Tools  
20g. Plastics; Glass and Ceramics  
20h. Other Raw Materials inc. Lubricants and Road Salt  
20i. Batteries |
| 1a. Livestock; Animal and Farm Feeds | High | 1b. Veterinary and Farrier Services  
1c. Kennels, Catteries, Stabling, Supplies and Services  
1d. Livestock and Animal Services and Supplies  
1e. Agricultural; Fisheries; Forestry; Oceanographic; Purchase of Plants; Crops; Trees etc.  
1f. Agricultural; Fisheries; Forestry; Oceanographic Capital Equipment > £10k  
1h. Fertilisers; Pesticides; Composts; Soils |
| 14a. Office Equipment Purchase; Lease; Hire and Maintenance | High | 14b. General Stationery  
14c. Education Packs and Materials Specific to Teaching and Learning (not Media - use AC)  
14d. Papers (Photocopying) etc. |
| 15a. Telephony; Land & Mobile; Line Rental; Call Charges; Equipment | High | 15b. Mail Services  
15c. Telephony - Mobile Line rental; call charges; equipment |
4.2 Establish relevance of commodities within red flag categories

In order to focus the detailed assessment on the most relevant commodity groups, the commodities in each category found in table 14 will be assessed by using the input used for developing the risk matrix in table 13 and the total spend by the University in each commodity group, in order to scope out the least relevant commodity groups.

The first step of this assessment was undertaken in the same way as the category assessment risk matrix in table 13, but looking specifically at the commodity groups within each category included in table 14. The result of this first step of the assessment was a total relevance score for each commodity group. All Low relevance and Medium relevance commodity groups were scoped out. Then, the scores of all High, and Very High relevance commodity groups were compared with their respective total spend by the University, in order to find the high-risk and high-spend commodity groups within the high risk categories. The commodity groups with their respective total spend are included in table 15, below.

Table 15. High and Very High relevance commodity groups with total spend.

<table>
<thead>
<tr>
<th>No.</th>
<th>Commodity group</th>
<th>Relevance</th>
<th>Total spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a</td>
<td>Livestock; Animal and Farm Feeds.</td>
<td>High</td>
<td>£ 31,621.60</td>
</tr>
<tr>
<td>1e</td>
<td>Agricultural; Fisheries; Forestry; Oceanographic; Purchase of Plants; 1f. Crops; Trees etc.</td>
<td>High</td>
<td>£ 15,351.63</td>
</tr>
<tr>
<td>2a</td>
<td>Groceries.</td>
<td>Very High</td>
<td>£ 998,694.65</td>
</tr>
<tr>
<td>2b</td>
<td>Meat; Poultry; Offal.</td>
<td>Very High</td>
<td>£ 461,728.69</td>
</tr>
<tr>
<td>2c</td>
<td>Fruit and Vegetables.</td>
<td>Very High</td>
<td>£ 359,102.23</td>
</tr>
<tr>
<td>2m</td>
<td>Frozen Foods.</td>
<td>High</td>
<td>£ 20,215.65</td>
</tr>
<tr>
<td>3b</td>
<td>Desktop Computer Purchase and Maintenance; PC’s; Applemacs; Monitors.</td>
<td>Very High</td>
<td>£ 4,066,556.78</td>
</tr>
<tr>
<td>4a</td>
<td>Specialist Building Services (Scaffolding; Plumbing; Carpentry; Roofing).</td>
<td>Very High</td>
<td>£ 4,599,830.66</td>
</tr>
<tr>
<td>4b</td>
<td>Capital Projects.</td>
<td>High</td>
<td>£ 25,258,422.39</td>
</tr>
<tr>
<td>4e</td>
<td>Cleaning services</td>
<td>High</td>
<td>£ 771,684.71</td>
</tr>
<tr>
<td>4i</td>
<td>Building Materials.</td>
<td>Very High</td>
<td>£ 118,904.95</td>
</tr>
<tr>
<td>5a</td>
<td>Furniture - Office purchase and hire.</td>
<td>High</td>
<td>£ 1,144,366.67</td>
</tr>
<tr>
<td>5c</td>
<td>Other and General Furniture; Furnishings and Textiles.</td>
<td>High</td>
<td>£ 313,712.50</td>
</tr>
<tr>
<td>5d</td>
<td>Furniture - Residential.</td>
<td>High</td>
<td>£ 242,694.63</td>
</tr>
</tbody>
</table>
4.3 Prioritise relevant commodity areas within red flag categories

In order to decide on a threshold spend to scope out commodity groups with low relevance, the average spend was calculated, and all the commodity groups under 10% of the average spend were considered to be not relevant for the following analyses. The following commodities, sorted by total spend, have been classified as the priority areas of the University of Leeds procurement and will be further analysed (see table 16).

Table 16. Highest priority areas of the University of Leeds procurement, sorted by total spend.

<table>
<thead>
<tr>
<th>No.</th>
<th>Commodity group</th>
<th>Total spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>4b</td>
<td>Capital Projects.</td>
<td>£ 25,258,422.39</td>
</tr>
<tr>
<td>4a</td>
<td>Specialist Building Services (Scaffolding; Plumbing; Carpentry; Roofing).</td>
<td>£ 4,599,830.66</td>
</tr>
<tr>
<td>3b</td>
<td>Desktop Computer Purchase and Maintenance; PC’s; Applemacs; Monitors.</td>
<td>£ 4,066,556.78</td>
</tr>
<tr>
<td>20a</td>
<td>Electrical Sundries and Components.</td>
<td>£ 2,592,258.50</td>
</tr>
<tr>
<td>9a</td>
<td>Medical; Surgical; Nursing Capital Equipment &gt; £10k.</td>
<td>£ 2,263,813.15</td>
</tr>
<tr>
<td>17c</td>
<td>Accommodation &amp; Hotels; inc. room bookings and restaurants.</td>
<td>£ 1,277,297.47</td>
</tr>
<tr>
<td>5a</td>
<td>Furniture - Office purchase and hire.</td>
<td>£ 1,144,366.67</td>
</tr>
<tr>
<td>2a</td>
<td>Groceries.</td>
<td>£ 998,694.65</td>
</tr>
<tr>
<td>16a</td>
<td>Audio Visual Equipment; purchase; maintenance; repair and hire.</td>
<td>£ 861,979.66</td>
</tr>
<tr>
<td>4e</td>
<td>Cleaning services</td>
<td>£ 771,684.71</td>
</tr>
<tr>
<td>14b</td>
<td>General Stationery.</td>
<td>£ 502,681.74</td>
</tr>
<tr>
<td>15a</td>
<td>Telephony; Land &amp; Mobile; Line Rental; Call Charges; Equipment</td>
<td>£ 497,823.03</td>
</tr>
<tr>
<td>2b</td>
<td>Meat; Poultry; Offal.</td>
<td>£ 461,728.69</td>
</tr>
<tr>
<td>2c</td>
<td>Fruit and Vegetables.</td>
<td>£ 359,102.23</td>
</tr>
<tr>
<td>5c</td>
<td>Other and General Furniture; Furnishings and Textiles.</td>
<td>£ 313,712.50</td>
</tr>
<tr>
<td>15c</td>
<td>Telephony – Mobile Line Rental; call charges; equipment</td>
<td>£ 257,359.25</td>
</tr>
<tr>
<td>5d</td>
<td>Furniture - Residential.</td>
<td>£ 242,694.63</td>
</tr>
<tr>
<td>9c</td>
<td>Medical; Surgical; Nursing Small Apparatus; Equipment; purchase; maintenance; repair and hire.</td>
<td>£ 197,189.40</td>
</tr>
</tbody>
</table>
4.4 Understand the risk in priority commodities

Once the priority commodity areas have been identified through a general risk scoping, the next step is to further evaluate the level of risk related to each commodity area. This will be done by undertaking a desk-based assessment questionnaire, similar to the one proposed by the ETI, but expanded to include other questions, based on relevant information found in section 3 of this report (see table 17).

Table 17. Proposed desk-based assessment questionnaire.

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Is the supply chain long and complex?</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Are there high levels of manual/low-skilled labour in the supply chain?</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Does the supply chain include substantial amounts of activity undertaken in places where little or no effective labour standards legislation exists? (Including ratification of ILO core conventions).</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Does the supply chain include substantial amounts of activity undertaken in places where the governance and enforcement of labour standards legislation is weak? i.e. countries with poor performance on the World Bank Worldwide Governance Indicators or Transparency International Corruption Perception Index.</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Are there high levels of seasonal or casual labour involved in the supply chain?</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Does the supply chain typically use labour brokers or labour agencies?</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Are there substantial amounts of activities in the supply chain which are undertaken in places where there are high levels of poverty and deprivation?</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Are there substantial amounts of activities in the supply chain in places where there is little or no employee representation groups?</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Are there substantial amounts of activities in the supply chain in places affected with widespread violence or conflicts?</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Are there substantial amounts of activities in the supply chain in places where there are documented reports of violations of human and/or labour rights?</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Have there been documented reports of violations of human and/or labour rights related to the supply chain’s specific industry and/or commodity?</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Does the supply chain use high levels of labour drawn from more vulnerable sectors, such as: migrants, ethnic minorities, poorly educated, women, children, etc.)?</td>
<td></td>
</tr>
</tbody>
</table>

The Value column of this questionnaire can be answered in one of the following ways, depending on the level of detail desired, or in any similar way.

i. Yes (relevant) = 1; No (not relevant) = 0.
ii. Highly relevant = 2; Medium relevance = 1; Low relevance = 0.
iii. High risk = 3; Medium risk = 2; Low risk = 1; No relevance = 0.

The assessment that will be performed as part of this research project will use a Yes/No scoring system. The following scoring will be used to classify risk areas by total score.

i. 0 – 1 = Very low risk.
ii. 2 – 3 = Low risk.
iii. 4 – 6 = Moderate risk.
iv. 7 – 9 = High risk.
v. 10 – 12 = Very high risk.
As mentioned before, this initial desk-based assessment should make use of information available from reports made by industry, NGOs, governments, etc. There will be two outcomes from this initial assessment:

i. Identification of high risk areas, specifically regarding labour issues.
ii. Identification of detailed and relevant social and labour issues that will be added to the University’s prioritisation tool. This is helpful to gain visibility over these issues coupled with environmental issues.

The information to respond to the questions posed above and to provide an insight into procurement categories and commodities specific risks will be obtained from numerous sources. These sources are published reports on specific labour issues, commodities, industries, countries, etc. The following reports and tools will be used to evaluate the categories. It’s worth mentioning that further reports may be consulted during commodity-specific analyses, depending on the information required during the assessment process.

i. The Global Slavery Index 2016.
ii. BSI 2015 CSR Risk Index.
viii. ILO Application of International Labour Standards 2015.
ix. IFC Global Map of Environmental & Social Risks in Agro-Commodity Production 2013.
xvi. Difi Information about High-Risk Products 2015.
xvii. EAUC Promoting Poverty Aware Procurement on Campus Commodity Information Sheets.
xviii. Other industry-specific reports.

The results are included in the sections below.
### 4.4.1 4b – Capital Projects

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Is the supply chain long and complex?</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Are there high levels of manual/low-skilled labour in the supply chain?</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Does the supply chain include substantial amounts of activity undertaken in places where little or no effective labour standards legislation exists? (Including ratification of ILO core conventions).</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Does the supply chain include substantial amounts of activity undertaken in places where the governance and enforcement of labour standards legislation is weak? I.e. countries with poor performance on the World Bank Worldwide Governance Indicators or Transparency International Corruption Perception Index.</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>Are there high levels of seasonal or casual labour involved in the supply chain?</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>Does the supply chain typically use labour brokers or labour agencies?</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>Are there substantial amounts of activities in the supply chain which are undertaken in places where there are high levels of poverty and deprivation?</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>Are there substantial amounts of activities in the supply chain in places where there is little or no employee representation groups?</td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>Are there substantial amounts of activities in the supply chain in places affected with widespread violence or conflicts?</td>
<td>0</td>
</tr>
<tr>
<td>10</td>
<td>Are there substantial amounts of activities in the supply chain in places where there are documented reports of violations of human and/or labour rights?</td>
<td>1</td>
</tr>
<tr>
<td>11</td>
<td>Have there been documented reports of violations of human and/or labour rights related to the supply chain’s specific industry and/or commodity?</td>
<td>1</td>
</tr>
<tr>
<td>12</td>
<td>Does the supply chain typically use high levels of labour drawn from more vulnerable sectors, such as: migrants, ethnic minorities, poorly educated, women, children, etc.?</td>
<td>1</td>
</tr>
</tbody>
</table>

**Total score** | **Very High risk** | **11**

**Key information**

The Capital Projects commodity area is very broad and contains numerous subgroups related to large construction projects. Some of the subgroups related to this commodity area are not high-risk in terms of labour issues (such as specialist civil engineers), while other groups can be (such as roofers or general builders within these projects). The research undertaken points out the key areas of high-risk within construction projects. These key areas include construction materials (mainly wood, steel, bricks, nails, etc.), tools, and construction labour (Verité, 2015). According to the UK Department for Business, Innovation & Skills, the construction sector is one of the most common sectors where exploitation occurs in the UK (CIOB, 2015).

According to the Forced Labour in the United Kingdom report, published by the Joseph Rowntree Foundation, the main ways in which forced labour happens in the UK are the following (Skrivankova, 2014):

i. Breach in contracts or lack of contracts.
ii. Non-payment of wages or illegal wage deductions.
iii. Payments are below the minimum wage required by law.
iv. There are signs of purposeful isolation at the workplace.
v. There are signs of psychological harm to workers.
vi. Use of fear and intimidation on workers.
vii. Workers are confined in the workplace.
According to the US Department of State Trafficking in Persons Report (2014), there has been evidence of human trafficking in the construction sector in 73 countries, including the UK. This makes construction projects a high risk area for the University of Leeds.

It is common for the supply of construction materials to be directly embedded in high level construction projects. Given that most of the high-risk answers for the desk-based questionnaire were directly related to construction materials, this commodity area is divided in two sections: Direct labour force and indirect procurement of construction materials.

A brief summary of the high risks linked to this commodity area, in terms of direct labour force, is found below.

The construction sector is catalogued by the ILO as one of the most hazardous sectors, as it involves extreme physical work in dangerous sites; there are at least 108,000 workers killed in the construction sector worldwide every year. Construction work is often performed outdoors and/or at heights. The workers are usually exposed to dust, vapours, chemicals, and even asbestos, which are health and safety hazards.

The construction sector usually does not require any form of training to labourers, which results in a low-skill workforce with low wages, which leads to a highly replaceable workforce, who are intimidated not to express grievances with this fact. The industry also includes high numbers of temporary and casual workers, such as day-labourers, and ‘at-will’ employees.

Migrant workers are often hired through informal mechanisms, resulting in low wages and a lack of social and/or legal protections, as well as withholding of identification documents and intimidation by labour brokers and/or employers, and forms of debt bondage for being smuggled and/or given jobs in a new country. Migrants are at high risk of being exploited and/or trafficked in the construction section throughout the world. According to Modern Slavery UK, labourers exploited in the construction industry usually come from Hungary, Lithuania, Poland, Romania, and Slovakia (Modern Slavery UK, 2015).

Given that construction projects make use of a wide variety of workers, meaning that contracting and subcontracting are widely used, and regular employment is rare. This means that employment is usually informal and/or temporary and in the form of project-by-project basis, increasing the workers’ vulnerability and willingness to accept any kind of work conditions.

The UK makes particularly high use of labour agencies and gangmasters, which leaves agency workers with few protections, given that the Gangmasters Licensing Authority only regulates the agriculture and fishing industries (Skrivankova, 2014). According to JRF’s research, the involvement of multiple subcontractors is the main outlet of forced labour in the construction industry.

On the other hand, the construction materials often associated with labour risks include bricks, steel, gravel and crushed stone, and wood (Verité, 2015). A brief summary of the high risks linked to this commodity area, in terms of the indirect procurement of construction materials, is found below.

Bricks are reportedly produced by child labour in the following countries: Bolivia, Brazil, Colombia, Ecuador, and Peru. Furthermore, bricks are reportedly produced by a combination of forced labour and child labour in the following countries: Afghanistan,
Angola, Argentina, Bangladesh, Burma, China, India, Malawi, Nepal, North Korea, Pakistan, Paraguay, South Sudan, Uganda, and Vietnam. While these bricks will most likely be used in domestic construction, supply should be screened to identify if any bricks are sourced from these countries (Verité, 2015).

Gravel and crushed stone materials are also widely used in the construction industry, and they are reportedly produced with child labour in Guatemala and Nicaragua, and with a combination of forced labour and child labour in Nigeria. However, there are also concerns regarding gravel and crushed stone production in Afghanistan and Sierra Leone (Verité, 2015).

Steel, and Iron to produce steel, are also widely used materials in the construction industry. According to Verité (2015), steel is reportedly produced with forced labour in India, Iron is produced with forced labour in North Korea and with child labour in India. Furthermore, there are also concerns regarding steel and iron production in Mexico (Verité, 2015). Moreover, the mining of pig iron industry, one of the primary materials used to produce steel, is known to make use of modern slavery in Brazil (Brindis, No date).

Copper is another material widely used in the construction industry that can raise red flags. Copper is reportedly produced with forced labour in Zambia, mainly in Chinese-state owned mines, and it reportedly involves both forced labour and child labour in the Democratic Republic of Congo (DRC) (Verité, 2015).

Wood is another material widely used in the construction industry. According to the Global Slavery Index 2016, wood is reportedly produced with forced labour in North Korea. There are several reports of North Korea exporting workers to China, Russia, some of them also involved in forced logging. The Global Slavery Index 2016 also cites Papua New Guinea as a site where forced labour and debt bondage occurs in the logging industry. Furthermore, the same source also reports cases of modern slavery in the Russian logging industry (WFF, 2016). Other reports connect logging with illegal and modern-slavery-like logging activities in the amazon region, mainly in Brazil and Peru, and in Burma (Verité, 2015; Jimenez, 2016).

Further concerns regarding the procurement of wood relate to the long and complex international supply chain. It is known that timber is illegally harvested mainly in Africa and Asia. Much of this timber is transported to Singapore, South Korea, and China for processing, where it is labelled as legal (Verité, 2015).

Summary

Very high risk commodity area due to the combination of high risk construction materials and high risk labour.

In terms of labour:

i. Look at contractor and sub-contractor’s information on workforce, type of contracts, involvement of labour agencies, gangmasters, etc. A crucial red flag is the involvement of numerous labour agencies.

ii. Red flag workers from: Hungary, Lithuania, Poland, Romania, and Slovakia.
In terms of construction materials:

i. Red flag bricks coming from Afghanistan, Angola, Argentina, Bangladesh, Bolivia, Brazil, Burma, Colombia, China, Ecuador, India, Malawi, Nepal, North Korea, Pakistan, Paraguay, Peru, South Sudan, Uganda, and Vietnam.

ii. Red flag gravel and crushed stone coming from Afghanistan, Guatemala, Nicaragua, Nigeria, and Sierra Leone.

iii. Red flag steel sourced from India, Mexico, and North Korea.

iv. Red flag copper sourced from Zambia and the DRC.

v. Red flag wood coming from Burma, China, North Korea, Papua New Guinea, Peru, Russia, Singapore, and South Korea.

4.4.2 4a – Specialist Building Services (Scaffolding; Plumbing; Carpentry; Roofing)

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Is the supply chain long and complex?</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>Are there high levels of manual/low-skilled labour in the supply chain?</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Does the supply chain include substantial amounts of activity undertaken in places where little or no effective labour standards legislation exists? (Including ratification of ILO core conventions).</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>Does the supply chain include substantial amounts of activity undertaken in places where the governance and enforcement of labour standards legislation is weak? I.e. countries with poor performance on the World Bank Worldwide Governance Indicators or Transparency International Corruption Perception Index.</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>Are there high levels of seasonal or casual labour involved in the supply chain?</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>Does the supply chain typically use labour brokers or labour agencies?</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>Are there substantial amounts of activities in the supply chain which are undertaken in places where there are high levels of poverty and deprivation?</td>
<td>0</td>
</tr>
<tr>
<td>8</td>
<td>Are there substantial amounts of activities in the supply chain in places where there is little or no employee representation groups?</td>
<td>0</td>
</tr>
<tr>
<td>9</td>
<td>Are there substantial amounts of activities in the supply chain in places affected with widespread violence or conflicts?</td>
<td>0</td>
</tr>
<tr>
<td>10</td>
<td>Are there substantial amounts of activities in the supply chain in places where there are documented reports of violations of human and/or labour rights?</td>
<td>0</td>
</tr>
<tr>
<td>11</td>
<td>Have there been documented reports of violations of human and/or labour rights related to the supply chain’s specific industry and/or commodity?</td>
<td>1</td>
</tr>
<tr>
<td>12</td>
<td>Does the supply chain typically use high levels of labour drawn from more vulnerable sectors, such as: migrants, ethnic minorities, poorly educated, women, children, etc.)?</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total score</th>
<th>Moderate risk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5</td>
</tr>
</tbody>
</table>

Key information

The Specialist Building Services commodity area includes various services, which may not always represent labour risks (Verité, 2015). While the construction and building services commodity area may involve high risk when the jobs are undertaken in high-risk areas (such as countries with ongoing conflict or countries where there are systemic human rights abuses), the building services provided to the University of Leeds are undertaken within the UK. The UK is usually highly ranked in the indices reviewed to identify country-specific risks: 10th least corrupt country in the Corruption Index, and ranked near the top in both slavery prevalence and government response (WFF, 2016; Transparency International, 2015).
Nonetheless, some areas of the building services sector are known to make use of labour agencies, and usually requires manual and/or low-skilled labour, both of which are high risk factors (Verité, 2015). Furthermore, the UK faces a relatively high-risk refugee and migrant situation (WFF, 2016). In combination, the potential risk in this commodity area comes from the employment of labour agencies and the presence of migrants in the supply chain.

**Summary**

Moderate risk commodity area due to the potential use of labour agencies and a low-skilled migrant workforce.

1. Look at contractor and sub-contractor’s information on workforce, type of contracts, involvement of labour agencies, gangmasters, etc. A crucial red flag is the involvement of numerous labour agencies.

2. Red flag workers from: Hungary, Lithuania, Poland, Romania, and Slovakia.

### 4.4.3 3b – Desktop Computer Purchase and Maintenance; PC’s; Applemacs; Monitors & 16a – Audio Visual Equipment; purchase; maintenance; repair and hire & 15a Telephony; Land & Mobile; Line Rental; Call Charges; Equipment; & 20a – Electrical Sundries and Components

These four commodity areas were grouped together, given that the high risk associated with each of them is originated from the same activities, which is the production of ICT hardware equipment and electrical components in general. In the case of categories 16a and 15a, the high risk is associated with the purchasing of audio visual equipment and telephone (land and mobile) equipment, respectively.

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
<th>Value</th>
</tr>
</thead>
<tbody>
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<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Are there high levels of manual/low-skilled labour in the supply chain?</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
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<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Does the supply chain include substantial amounts of activity undertaken in places where the governance and enforcement of labour standards legislation is weak? I.e. countries with poor performance on the World Bank Worldwide Governance Indicators or Transparency International Corruption Perception Index.</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>Are there high levels of seasonal or casual labour involved in the supply chain?</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>Does the supply chain typically use labour brokers or labour agencies?</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>Are there substantial amounts of activities in the supply chain which are undertaken in places where there are high levels of poverty and deprivation?</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>Are there substantial amounts of activities in the supply chain in places where there is little or no employee representation groups?</td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>Are there substantial amounts of activities in the supply chain in places affected with widespread violence or conflicts?</td>
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<td>10</td>
<td>Are there substantial amounts of activities in the supply chain in places where there are documented reports of violations of human and/or labour rights?</td>
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<tr>
<td>11</td>
<td>Have there been documented reports of violations of human and/or labour rights related to the supply chain’s specific industry and/or commodity?</td>
<td>1</td>
</tr>
<tr>
<td>12</td>
<td>Does the supply chain typically use high levels of labour drawn from more vulnerable sectors, such as: migrants, ethnic minorities, poorly educated, women, children, etc.)?</td>
<td>1</td>
</tr>
</tbody>
</table>

**Total score** | **Very High risk** | **12**
Key information

The electronics industry is widely recognised as a high-risk sector in terms of labour standards and human rights, mainly due to two main aspects: The sourcing of metals and minerals used for components used in manufacturing, and the labour conditions in the manufacturing of electronics products.

A brief summary of the high risks linked to this commodity area, in terms of material sourcing, is found below.

The electronics manufacturing industry makes use of specific metals and minerals. The extraction of some of these has been reportedly linked to human trafficking and work conditions that amount to modern slavery in numerous countries: Angola, Bolivia, Brazil, Cameroon, Chile, Colombia, Cote d’Ivoire, DRC, Ghana, Guyana, Indonesia, Madagascar, Mali, Mongolia, Nigeria, North Korea, Pakistan, Panama, Papua New Guinea, Peru, Senegal, Sierra Leone, Solomon Islands, Sudan, Uganda, Vietnam, Zambia, and Zimbabwe.

In countries such as DRC, Colombia, and Mexico, the illegal and exploitative mining industry continuously funds armed conflicts (Verité, 2015). Particularly relevant to the electronics industry are tantalum, tungsten, and tin, commonly sourced from the DRC.

In the DRC, most of the human trafficking related to the mining industry occurs in the eastern provinces of North and South Kivu, places that should be particularly looked at in supply chain mapping. Exporting of DRC minerals is carried out by registered ‘comptoirs’, which are not required to provide any documentation, which makes minerals’ origin hard to trace. To complicate matters further, refiners combine minerals they receive from all over the world. Therefore, tracing and working with refiners is crucial in order to manage forced labour in the mining industry. Tin is also widely mined in Indonesia, where men and children reportedly work in very dangerous conditions (Nimbalker & Mawson, 2016).

Copper is another mineral widely used in the manufacturing of components for the electronics industry. Copper is reportedly produced with forced labour in Chinese-State-owned mines in Zambia, and with both forced labour and child labour in the DRC (Verité, 2015).

Although the vast majority of gold is used for jewellery, some is used in electronics manufacturing as well as a conductive metal. Unfortunately, gold is reportedly produced with forced labour in the following countries: Burundi, Cameroon, Central African Republic, North Korea, Sudan, and Vietnam. Gold is reportedly produced with child labour in the following countries: Bolivia, Colombia, Ecuador, Ethiopia, Guinea, Indonesia, Mongolia, Nicaragua, Philippines, and Tanzania. Furthermore, gold is reportedly produced with both forced and child labour in the following countries: Burkina Faso, DRC, Ghana, Mali, Niger, Peru, Senegal and Suriname. As with other mined metals, it is very difficult to trace where gold comes from, as refineries may mix gold that comes from all over the world (Verité, 2015).

A brief summary of the high risks linked to this commodity area, in terms of labour conditions in manufacturing, is found below.

The manufacturing of electronics is largely based in Asia and Southeast Asia, due to lower labour costs and higher efficiency. The main producer and exporter of electronic goods for
over ten years has been China. The main risk of labour issues in the electronics industry takes place in developing and underdeveloped economies, and make use of low-skill labour who are paid low wages for low value-adding activities. Furthermore, risk factors within the electronics workforce include women and migrants. The electronics industry is subject to dramatic changes in demand, which in turn result in unstable workforce needs, where excessive overtimes, forced work, and inadequately compensated work. Workers in this industry are also constantly exposed to hazardous chemicals (Verité, 2015).

Workers in this sector are easily replaced and have little leverage for wage negotiation, along with low levels of job security and high levels of intimidation, leading to low unionisation and high vulnerability to forced labour and trafficking. Furthermore, many electronics manufacturing facilities are located in Export Processing Zones and Free Industrial Zones, which involve much less scrutiny and often do not comply with minimum working standards set out by the ILO, leaving workers in higher vulnerability (Verité, 2015; ILO, 2015). This was identified as a particular issue in the Philippines, where manufacturing facilities were commonly found in these types of zones, along with low wages, excessive overtime, and overall disrespect of workers’ union rights (EAUC, 2010).

Another common occurrence in the electronics manufacturing industry, particularly in China, is the recruitment of children and students, mainly involving abuse of apprenticeships. Red-flagged factories include the Dongguan Fangmou Electronics Factory and Yonghong Electricons. In Malaysia, passport retention in the electronics industry may be above 90% (Verité, 2015).

The constant workforce demand fluctuation in the electronics manufacturing industry, there is heavy involvement and use of labour contractors, recruitment agencies, and temporary jobs, which is another relevant red flag for potential labour rights abuses. Major manufacturing hubs commonly rely on short-term contracts and temporary work for sourcing labour. This means that there are cases where workers work inside a factory but are not employed by the factory; they are employed by an external labour agent. This was a particular issue found in Malaysian electronics factories (Verité, 2015).

The electronics manufacturing industry has a long and complex supply chain, which makes it particularly difficult to monitor and manage labour issues with scrutiny; even when a specific facility in the supply chain has effective safeguards to avoid labour abuses, these may be occurring in other places, such as in the labour sourcing for the production of any of the inputs needed in the facility.

Electronics Watch, a specialised monitoring organisation dedicated to assisting public sector buyers to address labour rights in their electronics supply chains, released a comprehensive study on the main electronics manufacturers. Although, this list was released in 2014, it is useful as a starting point to assess the potential countries of manufacture of the University of Leeds electronics goods (Evermann, 2014). These are summarised in table 18.

Along with the main countries of electrical and electronics manufacturing, table 18 includes a brief summary of each country’s risk profile, according to three indices:

i. Freedom House Rating, which assesses the respect of people’s political rights and civil liberties. Suggested by the UNGC as a country risk assessment index.
ii. Woolworths Risk Rating, which provides a general country risk rating based on the comparison of country-specific indices of (1) labour rights and protection, (2) health and safety, (3) corruption, and (4) a rule of law index. This index is used by the company to determine which suppliers are subject of ethical audits, depending on the risk associated with the country of sourcing.

iii. Global Slavery 2016, which provides an estimate on the prevalence of modern slavery in the specific country, determined with the percentage of the total population that work in conditions that amount to modern slavery. The highest possible rank is 52, given to all countries with the lowest estimate percentage of modern slavery.

Table 18. List of countries with manufacturing plants of main ICT contract manufacturers (first 10 countries listed in order of total exports). Countries with highest risk potential highlighted in orange, countries with moderate risk potential highlighted in yellow.

<table>
<thead>
<tr>
<th>Country of manufacture</th>
<th>Freedom House Rating</th>
<th>Woolworths Risk Rating</th>
<th>Global Slavery Index 2016 (Global rank)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>Not Free</td>
<td>Very high</td>
<td>40</td>
</tr>
<tr>
<td>Singapore</td>
<td>Partly free</td>
<td>Moderate</td>
<td>45</td>
</tr>
<tr>
<td>Japan</td>
<td>Free</td>
<td>Low</td>
<td>41 (t)</td>
</tr>
<tr>
<td>Taiwan</td>
<td>Free</td>
<td>Moderate</td>
<td>41 (t)</td>
</tr>
<tr>
<td>Malaysia</td>
<td>Partly free</td>
<td>High</td>
<td>29</td>
</tr>
<tr>
<td>South Korea</td>
<td>Free</td>
<td>Moderate</td>
<td>32</td>
</tr>
<tr>
<td>Mexico</td>
<td>Partly free</td>
<td>Very high</td>
<td>36</td>
</tr>
<tr>
<td>Thailand</td>
<td>Not free</td>
<td>Very high</td>
<td>20</td>
</tr>
<tr>
<td>Vietnam</td>
<td>Not free</td>
<td>Very high</td>
<td>47</td>
</tr>
<tr>
<td>Philippines</td>
<td>Partly free</td>
<td>Very high</td>
<td>33</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Partly free</td>
<td>Very high</td>
<td>39</td>
</tr>
<tr>
<td>India</td>
<td>Free</td>
<td>Very high</td>
<td>4</td>
</tr>
<tr>
<td>Brazil</td>
<td>Free</td>
<td>High</td>
<td>51</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>Partly free</td>
<td>Very high</td>
<td>42</td>
</tr>
<tr>
<td>United States</td>
<td>Free</td>
<td>Low</td>
<td>&gt;52</td>
</tr>
<tr>
<td>Hungary</td>
<td>Free</td>
<td>High</td>
<td>41 (t)</td>
</tr>
<tr>
<td>Poland</td>
<td>Free</td>
<td>Moderate</td>
<td>24</td>
</tr>
<tr>
<td>Slovakia</td>
<td>Free</td>
<td>High</td>
<td>41 (t)</td>
</tr>
<tr>
<td>Russia</td>
<td>Not Free</td>
<td>Very high</td>
<td>16</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>Free</td>
<td>High</td>
<td>32</td>
</tr>
<tr>
<td>Ukraine</td>
<td>Partly free</td>
<td>Very high</td>
<td>25</td>
</tr>
<tr>
<td>Romania</td>
<td>Free</td>
<td>High</td>
<td>32 (t)</td>
</tr>
<tr>
<td>Canada</td>
<td>Free</td>
<td>Low</td>
<td>&gt;52</td>
</tr>
<tr>
<td>UK</td>
<td>Free</td>
<td>Low</td>
<td>&gt;52</td>
</tr>
<tr>
<td>Germany</td>
<td>Free</td>
<td>Low</td>
<td>&gt;52</td>
</tr>
<tr>
<td>Ireland</td>
<td>Free</td>
<td>Low</td>
<td>&gt;52</td>
</tr>
<tr>
<td>Spain</td>
<td>Free</td>
<td>Low</td>
<td>&gt;52</td>
</tr>
<tr>
<td>Turkey</td>
<td>Partly free</td>
<td>High</td>
<td>20 (t)</td>
</tr>
<tr>
<td>Puerto Rico</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Free</td>
<td>Low</td>
<td>50</td>
</tr>
<tr>
<td>France</td>
<td>Free</td>
<td>Low</td>
<td>&gt;52</td>
</tr>
<tr>
<td>Austria</td>
<td>Free</td>
<td>Low</td>
<td>&gt;52</td>
</tr>
<tr>
<td>Italy</td>
<td>Free</td>
<td>Moderate</td>
<td>44</td>
</tr>
<tr>
<td>Sweden</td>
<td>Free</td>
<td>Low</td>
<td>&gt;52</td>
</tr>
<tr>
<td>Finland</td>
<td>Free</td>
<td>Low</td>
<td>49</td>
</tr>
<tr>
<td>Israel</td>
<td>Free</td>
<td>High</td>
<td>48</td>
</tr>
<tr>
<td>Australia</td>
<td>Free</td>
<td>Low</td>
<td>&gt;52</td>
</tr>
</tbody>
</table>
Summary

Very high risk commodity area due to the widespread use of labour agencies caused by the combination of the industry’s highly variable demand and production, and the sourcing of high risk conflict minerals.

In terms of direct labour issues:

i. Look at suppliers’ information on factory locations and cross reference these locations with (1) those where modern slavery is prevalent, (2) higher risk countries with lower governance, using indices such as the ones included in table 18, and (3) Export Processing Zones or Free Industrial Zones.

ii. Look at suppliers’ information on workforce, type of contracts, involvement of labour agencies, gangmasters, etc. A crucial red flag is the involvement of numerous labour agencies.

In terms of materials used in manufacturing:

i. Look at suppliers’ information on the steps being taken to ensure the responsible sourcing of conflict minerals. Focus on supplier engagement to work with refineries and increase traceability.

4.4.4 9a – Medical; Surgical; Nursing Capital Equipment > £10k; & 9c – Medical; Surgical; Nursing small apparatus; Equipment; purchase; maintenance; repair and hire

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td>1</td>
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<td>5</td>
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<td>0</td>
</tr>
<tr>
<td>6</td>
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<td>0</td>
</tr>
<tr>
<td>7</td>
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<td>1</td>
</tr>
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<td>1</td>
</tr>
</tbody>
</table>

Total score High risk 9
**Key information**

Medical and surgical equipment, devices, and other related products are associated with numerous kinds of risks. On one hand, some of these devices make use of various kinds of electrical components. These components have specific risks associated with their manufacturing and material sourcing; the risk assessment associated with these can be seen in section 1.4.3.

On the other hand, there are specific risks associated with the medical and surgical equipment and devices industry, which will be assessed in this section. This commodity area includes a wide array of products, such as surgical gloves and bandages, as well as technically advanced imaging equipment. Most of the advanced medical equipment is produced in low risk locations, like the USA, Germany, and Japan. However, the manufacturing of specific instruments, like scalpels, scissors, gloves, clamps, etc. is usually undertaken in high risk areas, due to the low-skilled labour required (Verité, 2015).

Pakistan is highly regarded and continuously reported as a hotspot where numerous kinds of modern slavery are being used for the manufacturing of medical and surgical instruments (USDOL, 2014; Tickle, 2014). More specifically, a common and known source of surgical instruments from Pakistan is the city of Sialkot, where manufacturers commonly subcontract small workshops, making standard enforcement more difficult. Pakistan’s top export partners for surgical instruments are China, Singapore, Germany, Japan, and the USA; there is higher risk potential when importing these products from these countries (Verité, 2015). Difi (2015a) mentions Mexico as another high risk spot for workers in the surgical instruments industry.

It is important to note that a report by Swedwatch and BMA, details improvements in regards of modern slavery in Pakistani manufacturing facilities that supply both Sweden and England, specifically in regards to child labour, minimum wages, and overtime work. These improvements were not found in workshop-type facilities which sell to supply chains outside Sweden and England. The report encourages public buyers to include social criteria in their contracts to mitigate labour risks in Pakistani medical instrument manufacturing. This same report states that little improvement overall has been made in regards to workers’ health and safety (Jaekel & Santhakumar, 2015).

The focus point of this commodity area has lately turned to medical gloves. These are reportedly produced, mainly by migrants, in conditions that amount to modern slavery in Malaysia and Thailand. In Sri Lanka, there are reports of labour standards violations in manufacturing facilities found in Export Processing Zones, where they have little to no workers’ representation. More specifically, NGO work has identified labour rights abuses in Selangor and Melaka, Malaysia, in Hat Yai, Thailand, and in Biyagama, Sri Lanka. Furthermore, the following companies have been reported by NGOs to be linked to certain conditions of modern slavery: Kossan, Ansell, and Sempermed (Bhutta & Santhakumar, 2016; Tickle, 2014).

**Summary**

High risk commodity area due to the reports of widespread use of child and forced labour in Pakistan, as well as migrant forced labour and lack of union rights in Malaysia, Sri Lanka, and Thailand. There are reports that mention an improvement in conditions of the English supply chain due to NHS action to address labour issues.
In terms of direct labour issues:

i. Look at suppliers’ information on factory locations and cross reference these locations with (1) those where modern slavery is prevalent, (2) higher risk countries with lower governance, using indices such as the ones included in table 18, and (3) Export Processing Zones or Free Industrial Zones.

ii. Look at suppliers’ information on workforce and amount of migrants employed.

iii. Pay special attention to companies and manufacturing facilities already reported by NGOs in the reports mentioned.

iv. Focus more on the health and safety issues when sourcing from Pakistan, as it appears to be the weak spot of this commodity area.

### 4.4.5 17c – Accommodation & Hotels; inc. room bookings and restaurants

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td>0</td>
</tr>
<tr>
<td>2</td>
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<td>3</td>
<td>Does the supply chain include substantial amounts of activity undertaken in places where little or no effective labour standards legislation exists? (Including ratification of ILO core conventions).</td>
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</tr>
<tr>
<td>4</td>
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<td>0</td>
</tr>
<tr>
<td>5</td>
<td>Are there high levels of seasonal or casual labour involved in the supply chain?</td>
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<tr>
<td>6</td>
<td>Does the supply chain typically use labour brokers or labour agencies?</td>
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<tr>
<td>7</td>
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<tr>
<td>12</td>
<td>Does the supply chain typically use high levels of labour drawn from more vulnerable sectors, such as: migrants, ethnic minorities, poorly educated, women, children, etc.)?</td>
<td>1</td>
</tr>
</tbody>
</table>

**Total score | Moderate risk**  
5

**Key information**

The main labour risks associated with this commodity area relates to job insecurity, high occurrence of excessive overtime, and low wages for low-skill hotel and certain restaurant staff, such as dishwashers. The industry has evolved towards widespread use of labour agencies for the hiring of temporary workforce. Furthermore, the hotel industry is known to be against the unionisation of their staff, resulting in low unionisation and further increasing the labour risks and lack of protection of the workers in this commodity area. Moreover, temporary migrant workers are common, and intimidation through deportation is also reported to have happened in developed countries (University of Liverpool, 2014; Verité, 2015).
There have been reports of evidence of human trafficking in the hospitality sector (which includes hotels and catering services) by the US Department of State in the following countries: Australia, Argentina, Belgium, Belize, Brazil, Bulgaria, Burkina Faso, Cameroon, Canada, Chile, Cote d'Ivoire, Cyprus, Denmark, Gabon, Georgia, Germany, Fiji, Finland, Ireland, Italy, Iceland, Luxembourg, Macedonia, New Zealand, Niger, Palau, Panama, Portugal, Romania, Singapore, South Sudan, Sweden, Switzerland, Uganda, US, Vietnam, and Zimbabwe (USDOS, 2015).

In the UK, modern slavery in the hotel industry usually involves workers from Eastern Europe (Guilbert, 2015), with reports of widespread use of migrants in the hotel workforce with over 60% of London’s hotel staff being migrants in 2012, and presence of migrant workers even in rural areas, like the Yorkshire Dales (Baum, 2012).

Unfortunately, the accommodation & hotels commodity area of the University of Leeds is of non-contracting nature; meaning that the University of Leeds has little to no influence over the establishment, monitoring of enforcement, of supply standards. Nonetheless, the prevalence of modern slavery in this commodity area is significant enough to be included in this assessment.

4.4.6 5a – Furniture – Office purchase and hire & 5d – Furniture – Residential & 5c – Other and General Furniture; Furnishings and Textiles

<table>
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</tbody>
</table>

**Total score** | Very high risk | 10
Key information

The furniture industry has associated risks from two main sources. Firstly, the labour involved in the manufacturing of the furniture, and second, the sourcing of the materials used to manufacture furniture. This industry makes use of wood materials, metals such as aluminium, steel, and iron, plastics, certain textiles and leather, padding materials such as polyurethane foams, and certain kinds of adhesives (UNEP, 2009). Some of these materials are known to be associated with modern slavery practices.

In terms of labour used for the manufacturing of furniture, there is little publically available information to understand where the risks are coming from. Nonetheless, the US Department of Labour has identified Turkey and Bangladesh as countries where the furniture manufacturing industry makes use of child and forced labour (USDOL, 2014). With the current refugee situation, the use of child and forced labour in various industries has increased significantly, which should make the sourcing of furniture from Turkey a red flag (TRF, 2016; Johannisson, 2016). Moreover, past reports linked child labour to the furniture manufacturing industry in Pakistan, Philippines, and Thailand (Library of the Friedrich-Ebert-Stiftung, No date).

In terms of materials used for furniture, there is wider documentation on the labour risks inherent to them. After the construction industry, the furniture industry is the second largest consumer of wood worldwide (UNEP, 2009). As mentioned in the construction sector analysis, wood is reportedly produced with forced labour in North Korea, according to the Global Slavery Index 2016. There are also reports of the government of North Korea exporting workers to China and Russia; some of this workers are also involved in forced logging (WFF, 2016).

The Global Slavery Index 2016 also cites Papua New Guinea as a site where forced labour and debt bondage occurs in the logging industry. Furthermore, the same source also reports cases of modern slavery in the Russian logging industry (WFF, 2016). Other reports connect logging with illegal and modern-slavery-like logging activities in Burma, as well as in the amazon region of Brazil and Peru, mainly mahogany (Verité, 2015; Jimenez, 2016).

The US Department of State has also identified signs of modern slavery in the forestry industry in the Czech Republic, Guyana, Kyrgyz Republic, Laos, Solomon Islands, Sweden, Uganda, and Vietnam (USDOS, 2014).

Further concerns regarding the procurement of wood relate to the long and complex international supply chain. It is known that timber is commonly illegally harvested in countries like Cambodia, Cameroon, the DRC, Gabon, Indonesia, Liberia, Madagascar, Malaysia, Mozambique, and Myanmar (mainly bamboo and hardwood teak). It is common for much of this timber to then be transported to Singapore, South Korea, and China for processing, where it is labelled as legal and exported. It’s common for illegal logging activities to support armed conflicts and involve high rates of modern slavery. (Hance, 2014; Verité, 2015). Engaging with suppliers is crucial, in order to generate visibility over the sources of the wood used for furniture.

Steel, and Iron to produce steel, are also widely used materials in the construction industry. According to Verité, steel is reportedly produced with forced labour in India, Iron is produced with forced labour in North Korea and with child labour in India. Furthermore, there are also concerns regarding steel and iron production in Mexico (Verité, 2015).
Textiles could be another material of concern, in regards to the furniture supply chains. While most of the information available on modern slavery relates to textiles for the garment industry, the manufacturing of fabric has specific labour risks associated with it. The textile industry is highly competitive and makes use of low-skill work, which results in manufacturers being pressured to lower wages and sub-standard or exploitative working conditions. Moreover, this industry usually draws labour from marginalised areas, mainly children and women. There is high use of sub-contracted work to ‘homeworkers’, which makes it hard to obtain visibility in the supply chain (Verité, 2015).

The textile industry is highly dependent on migrant workers and on labour agencies and other intermediaries, which increases supply chain risk and reduces visibility and transparency; it is very common for all workers to be employed directly by an employment agency, rather than the factory, which makes this a crucial aspect to focus on through supplier engagement (Verité, 2015).

There is evidence of modern slavery in this industry in Brazil, India, Italy, Kyrgyz Republic, Malaysia, Nepal, Russia, Turkmenistan, and Zambia (USDOS, 2015). Furthermore, the textile production usually plays important roles in emerging economies; at the moment, this is mainly in Bangladesh, Cambodia, Pakistan, and Sri Lanka (Verité, 2015). Using a similar approach to that in 4.3.3, these countries’ risks were assessed and the results are included in table 19.

Table 19. Risk level of main emerging textile industries.

<table>
<thead>
<tr>
<th>Country of manufacture</th>
<th>Freedom House Rating</th>
<th>Woolworths Risk Rating</th>
<th>Global Slavery Index 2016 (Global rank)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>Partly free</td>
<td>Very high</td>
<td>10</td>
</tr>
<tr>
<td>Cambodia</td>
<td>Not free</td>
<td>Very high</td>
<td>3</td>
</tr>
<tr>
<td>Pakistan</td>
<td>Partly free</td>
<td>Very high</td>
<td>6</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>Partly free</td>
<td>Very high</td>
<td>42</td>
</tr>
</tbody>
</table>

Leather is also used in the manufacturing of furniture. The US Department of Labor has identified child labour in the production of leather in Bangladesh and Pakistan, as well as the manufacturing of certain goods containing leather in India. Other reports by the UN have identified the presence of child labour in the leather production industry in Ethiopia and Angola as well. Given the informality of the sector, it is common for subcontracted workshops to be involved in the manufacturing, obscuring the supply chain (Verité, 2015).

Summary

The furniture manufacturing industry makes use of numerous materials linked to modern slavery. Although visibility in this industry is quite limited, there are some reports that indicate the potential sources of risk.

i. The furniture manufacturing industry is known to use child and forced labour in Turkey and Bangladesh. Other reports suggest the industry in Pakistan, the Philippines, and Thailand also have child labour.

ii. Wood for furniture is a high risk material. Illegal logging is widespread, and it is usually related to practices of modern slavery. Particular areas of risk include Brazil, Burma, Cambodia, Cameroon, China, Czech Republic, the DRC, Gabon, Guyana, Indonesia, Kyrgyz Republic, Laos, Liberia, Madagascar, Malaysia, Mozambique, Myanmar, North Korea, Papua New Guinea, Peru, Russia,
Singapore, Solomon Islands, South Korea, Sweden, Uganda, and Vietnam. Tracing illegal wood is particularly challenging, so engaging with suppliers to increase visibility is important.

iii. Steel, and Iron used to produce steel, sourced from Brazil, India, Mexico, and North Korea represent high risk due to forced labour and funding of criminal groups.

iv. The textile industry from Bangladesh, Brazil, Cambodia, India, Italy, Kyrgyz Republic, Malaysia, Nepal, Pakistan, Russia, Sri Lanka, Turkmenistan, and Zambia involve high risk. It’s important to focus on labour contractors and agency employers, as well as informal ‘homeworkers’ and workshops, and women and children in the workforce, as they represent the highest risks.

v. The informal use of leather workshops in Angola, Bangladesh, Ethiopia, and Pakistan, have been linked with high risk of use of some forms of modern slavery.

4.4.7 2a – Groceries & 2c – Fruit and Vegetables & 2b – Meat; Poultry; Offal

<table>
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</table>

**Total score | Very high risk** 10

**Key information**

These three commodity groups include a wide range of food products and vary widely in supply chain complexity and length. The agricultural and food products sector, which supplies these commodities in different levels and steps of the supply chain, has been known to have cases of modern slavery even in UK sourced products, mainly in the lowest tier of the supply chain (Scott et al., 2012).
Some of the key agricultural and food products assessed for this commodity area are cereals and grains, vegetables, roots, milk, fruit, meat, oil, eggs, and grain legumes. Given the nature of the supply chain, modern slavery commonly occurs in labour intensive and low value-adding stages, particularly in hand-picked crops in farms and in food processing/packaging stages in factories. The industry’s seasonal nature makes the demand for labour to be highly variable, which forces producers to contract temporary workers through third party agencies; this is a red flag (Scott et al., 2012; Verité, 2015).

Particularly in the UK food supply chain, it’s common for farms and factories to make use of migrants in the workforce, especially from Eastern Europe, the Indian subcontinent and south-east Asia. A red flag is the presence of very large farms, which usually require more involvement from labour recruiters and other informal hiring techniques, such as verbal agreements. (Scott et al., 2012). Given its complexity and broadness, the agricultural sector is one of the most studied cases of labour issues. Because of this, there is evidence of some forms of modern slavery in many countries, including the UK and other developed countries (see table 20) (Verité, 2015). Recent examples in the UK involve the exploitation of Lithuanian workers in the pea processing industry in 2013 (Robertson, 2016) and in free range egg farms in 2015 (Lawrence, 2016).

A common red flag for inadequate wages and compensation is the use of piece-rate wages for workers, as this kind of payment is highly variable and leads to extremely low wages. Furthermore, it creates disincentives to take breaks. Given the nature of agricultural work, children and women are commonly used in the hand-picking activities. (Verité, 2015).

The following table (20) summarises the countries where the most important agricultural products are known to be produced with forms of modern slavery. While this list is not comprehensive, it provides a starting point to focus on the most relevant areas. Furthermore, the main causes of risk are generalised in the agricultural sector, mainly in the form of exploiting migrants in low-skill and labour intensive activities, such as harvesting and processing/packaging, as well as the hiring of workers through ‘labour cooperatives’; these are the areas to focus on during supplier engagement.

Table 20. Agro-food commodities risk factors.

<table>
<thead>
<tr>
<th>Product</th>
<th>Labour issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bananas</td>
<td>• Belize, Ecuador, Nicaragua and the Philippines known to use child labour (Verité, 2015).</td>
</tr>
</tbody>
</table>
| Beans        | • Afghanistan, Burma, Mexico, and Turkey are known to make use of forms of modern slavery for the production of green, soy, and yellow beans, as well as pulses.  
|              | • There is evidence to suspect the use of forced labour in soybeans sourced from Brazil and Paraguay as well (IFC, 2015).                       |
| Beef         | • Angola, Bolivia, Brazil, Botswana, Chad, Gabon, Kenya, Malawi, Mauritania, Namibia, Niger, Paraguay, South Sudan, Swaziland, Tanzania, and Uganda are known to use forced labour in herding (Verité, 2015). |
|              | • Brazil is known to use child labour in the beef industry (Verité, 2015; IFC, 2015).                                                       |
|              | • India, Namibia, Paraguay, Uruguay, and Zambia have also been reported to use forms of modern slavery, particularly child labour, in the beef industry (IFC, 2015). |
| Citrus fruits| • Belize, Turkey, and the United States are known the make use of forced, and particularly child, labour in the citrus agricultural production (Verité, 2015). |
|              | • Oranges have been found to be harvested by exploited migrants in Italy (Wasley & Ferrara, 2016).                                             |
### Cocoa (chocolate)
- Cocoa is known to be produced with forms of modern slavery in Cameroon, Côte d’Ivoire, Ghana, Guinea, Nigeria, the DRC, Sierra Leone, and Togo. Child labour is particularly widespread, and visibility is extremely limited, as the cocoa industry involves a high number of middlemen. This is the specific area of focus with suppliers (Verité, 2015).

### Coffee
- Côte d’Ivoire, Colombia, the Dominican Republic, Guatemala, Guinea, Honduras, El Salvador, Kenya, Malawi, Mexico, Nicaragua, Panama, Sierra Leone, Tanzania, Togo, and Uganda reportedly involve forms of modern slavery in the production of coffee. Large plantations make use of labour recruiters, while smallholder farms make use of child labour (Verité, 2015).
- There is reason to believe Burundi, Cameroon, Ethiopia, Indonesia and Papua New Guinea could be at high risk of using forms of modern slavery, particularly child labour, to produce coffee (IFC, 2015).

### Corn and Maize
- Bolivia, Guatemala, Philippines, and the United States reportedly make use of forms of modern slavery in the corn production industry; particularly for corn grown for human consumption (Verité, 2015).
- Brazil, Pakistan, Uganda and Zambia are risk locations for exploitative labour, particularly involving children, in the maize production industry (IFC, 2015).

### Melons
- Honduras, Mexico, Panama, and the United States reportedly use forms of modern slavery to produce melons. Particularly at-risk workers are children and female workers. Given that this industry is seasonal, casual labour is common (Verité, 2015).

### Palm oil
- Palm oil is widely used in processed foods, which make it an important raw material.
- Palm oil is reportedly produced with forms of modern slavery in Ecuador, Ghana, Guatemala, Indonesia, Malaysia, Sierra Leone, and in West Africa as a generalised area isolation of palm groves leave workers particularly vulnerable, and it is common for migrants to be exploited in this industry (Verité, 2015).
- Land grabbing associated with palm plantations leaves displaced farmers particularly vulnerable to human trafficking and other forms of modern slavery (Verité, 2015).
- ‘ Stateless’ children of undocumented plantation workers are a widespread issue in Malaysia and Indonesia. Given that they are undocumented, they can’t access education services or healthcare, which leaves them highly vulnerable to be exploited (Verité, 2015).

### Pineapples
- The pineapple industry in the following countries reportedly makes use of forms of modern slavery in Brazil, Costa Rica, Côte d’Ivoire, the United States, and Thailand (USDOL, 2015). In the United States, this problem is particularly relevant in Hawaii (Verité, 2015).
- Although there are no reported cases, the Philippines should also be considered as a high risk location (Verité, 2015).
- A particularly risky supplier linked to modern slavery is Natural Fruit (Larsson, 2016).

### Rice
- Modern slavery practices are reportedly prevalent in Brazil, Burma, Dominican Republic, India, Kenya, Mali, Philippines, and Uganda. The most risky activity in rice production is the harvesting stage; although in India, human trafficking has been found during the milling stage as well (Verité, 2015).
- Angola, Côte d’Ivoire, Guinea, and Nigeria are high risk locations where child labour is either reportedly found or highly likely to exist in rice production (IFC, 2015).

### Seafood
- Fish is a particularly risky food product, as it is common for vessels to be based in a different country than the flag they claim and from the waters where they fish, as well as having different nationalities and coastal states (Verité, 2015).
- Fish is reportedly caught, harvested, or processed with forms of modern slavery in the following countries (Verité, 2015):
- Angola, Bangladesh, Belize, Burundi, Cambodia, Cameroon, Comoros, DRC, El Salvador, Fiji, Gabon, Ghana (particularly Tilapia), Iceland, India, Indonesia, Israel, Jamaica, Kenya, Korea, Madagascar, Malawi, Mauritius, Micronesia, Mongolia, Namibia, New Zealand, Nicaragua, Pakistan, Palau, Peru, Philippines, Seychelles, Sierra Leone, Singapore, Solomon Islands, South Africa, Sri Lanka, Suriname, Taiwan, Tanzania (particularly Nile perch), Thailand, Timor Leste, Trinidad and Tobago, Uganda, the UK, and Uruguay.

- Indicators like child labour in the shellfish industry, exploited women in the tuna canning sector, and the use of casual labour systems with hiring through labour recruiters to avoid direct employment relationships are some of the red flags. Fishing training programmes are another route for exploitation of workers (Verité, 2015).

- Exploitation of migrants in fishing vessels is quite common. A widely known issue involves Bangladeshi, Burmese, Cambodian, Indonesian, and Thai people being exploited in Thai vessels, particularly in the tuna and the shrimp industries (van Hilten, 2016; Verité, 2015).

- There are also reports of forced labour in the Solomon Islands fishing industry (IFC, 2015).

- The prawn industry in Burma, Bangladesh, Cambodia, and Thailand, reportedly involves forms of modern slavery. There are numerous indicators of modern slavery throughout the entire shrimp supply chain, which makes it a particularly high risk product. This industry makes use of children subcontracted directly with parents, which makes them nearly impossible to track. There are reports of forced and child labour from the wild fry catching in Bangladesh mainly, as well as further up the supply chain in prawn farms (Verité, 2015). There are widespread reports on labour abuses in the prawn processing activities in Thailand, where migrants mainly from Laos, Myanmar, and Cambodia are exploited in prawn peeling activities (Barclay, 2013).

- There are also reports of isolated cases of farmed prawns being produced with use of child labour in Ecuador. Vietnam’s supply chain similarity to Thailand’s makes it a risk area as well (IFC, 2015).

### Strawberries

- Argentina and the United States are reported as countries where forms of modern slavery are used for the production of strawberries, mainly in the harvesting stage and by exploiting migrants (USDOL, 2015).

- There have also been reports of forced labour and child labour in Mexico (Wile & Fernandez de Castro, 2015) and exploitation of migrants in Greece (van der Putten, 2014).

### Sugar

- The sugar industry in the following countries has been linked to forms of modern slavery: Belize, Bolivia, Brazil, Burma, Colombia, Dominican Republic, Guatemala, Kenya, Malawi, Mexico, Pakistan, Panama, Paraguay, the Philippines, Thailand, Uganda, and Turkey. Modern slavery is differently rooted in these countries; for example, in Brazil, natives trafficked by labour brokers are exploited, in Bolivia and Pakistan it is indebted families that live in sugar plantations who are exploited, and in India it is migrants in debt with labour brokers who are exploited (Verité, 2015).

- The sugar industry in Angola, Congo, Costa Rica, Côte d’Ivoire, and Mozambique, either has isolated reports of forced labour, or there are indicators that point towards the possibility of forced labour; particularly children (IFC, 2015).

### Tea

- The tea industry of Bangladesh, Cameroon, India, Kenya, Malawi, Rwanda, Tanzania, and Uganda reportedly make use of forms of forced labour (IFC, 2015; USDOL, 2015; Verité, 2015).

- There are reasons to believe there is prevalence of child labour in the Indonesian tea industry as well (IFC, 2015).
Tomatoes

Tomato production reportedly involves forms of modern slavery in Angola, Argentina, Dominican Republic, Mexico, Italy, Spain, and the United States. The use of children and migrants, as well as inadequate living conditions, is particularly high in tomato harvesting and picking (Reuters, 2016; USDOL, 2015; Verité, 2015).

Summary

The commodity areas assessed in this sector are some of the riskiest in terms of modern slavery. The seasonal nature of most of the crops, along with the market-driven pressure to lower prices, and thus wages, as well as the low-skill and intensive labour involved in the lower tiers of these highly complex and non-transparent supply chains make its workers highly susceptible to be victims of modern slavery. Modern slavery in this industry is particularly prevalent, and cases of labour rights violations in developed economies, such as the UK or the US are not uncommon. This makes it highly relevant to work to increase supply chain visibility and strengthen relations with suppliers.

These supply chains are highly complex and broad, so the sources of risk among all products evaluated seem to be based on similar aspects and include the following:

i. The employment of migrant workforces.
ii. The involvement of labour brokers.
iii. Harvesting or processing facilities in countries with weak labour laws, enforcement, or governance.
iv. Per-piece payments to workers and variability of the pay-piece wages.

It is important to look at lower tier suppliers, as well as the forms of contracts and workforce composition of the labour intensive and low-skill stages in order to identify potential red flags and risks. Furthermore, it is important to look at the known issues prevalent in each commodity and whether they are relevant to the University of Leeds supply chain.

4.4.8 14b – General Stationery

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Is the supply chain long and complex?</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Are there high levels of manual/low-skilled labour in the supply chain?</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Does the supply chain include substantial amounts of activity undertaken in places where little or no effective labour standards legislation exists? (Including ratification of ILO core conventions).</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Does the supply chain include substantial amounts of activity undertaken in places where the governance and enforcement of labour standards legislation is weak? i.e. countries with poor performance on the World Bank Worldwide Governance Indicators or Transparency International Corruption Perception Index.</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>Are there high levels of seasonal or casual labour involved in the supply chain?</td>
<td>0</td>
</tr>
<tr>
<td>6</td>
<td>Does the supply chain typically use labour brokers or labour agencies?</td>
<td>1?</td>
</tr>
<tr>
<td>7</td>
<td>Are there substantial amounts of activities in the supply chain which are undertaken in places where there are high levels of poverty and deprivation?</td>
<td>1?</td>
</tr>
<tr>
<td>8</td>
<td>Are there substantial amounts of activities in the supply chain in places where there is little or no employee representation groups?</td>
<td>1?</td>
</tr>
<tr>
<td>9</td>
<td>Are there substantial amounts of activities in the supply chain in places affected with widespread violence or conflicts?</td>
<td>0</td>
</tr>
</tbody>
</table>
### Sustainable Procurement

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Are there substantial amounts of activities in the supply chain in places where there are documented reports of violations of human and/or labour rights?</td>
<td>1?</td>
</tr>
<tr>
<td>11</td>
<td>Have there been documented reports of violations of human and/or labour rights related to the supply chain’s specific industry and/or commodity?</td>
<td>1</td>
</tr>
<tr>
<td>12</td>
<td>Does the supply chain typically use high levels of labour drawn from more vulnerable sectors, such as: migrants, ethnic minorities, poorly educated, women, children, etc.?</td>
<td>1?</td>
</tr>
<tr>
<td></td>
<td><strong>Total score</strong></td>
<td><strong>Moderate to high</strong></td>
</tr>
</tbody>
</table>

### Key information

The stationery items supply chain is largely fragmented and complex, as it involves a wide range of different products, and is usually divided among many small businesses. The low-skill and intensive labour involved in the manufacturing stage is a source of risk for workers' exploitation. Unfortunately, there is very little research, visibility, or knowledge on this supply chain and the labour rights abuses happening within. Furthermore, the highly fragmented nature of this supply chain may mean small contracts between direct supplier and its suppliers that could make engagement complicated.

This commodity area includes products such as pens, paper, notebooks, adhesive tapes, and other items. This industry makes use of numerous materials that could be of high risk, such as rubber, certain plastics, certain metals, leather, etc. Due to the nature of these products and the need for low costs, manufacturing usually occurs in China, India, and Indonesia. There are reports of certain forms of labour rights abuses in Zimbabwe, Mauritius, and China (Difi, 2015).

In terms of labour issues in manufacturing, and given the lack of details on this industry, there needs to be direct supplier engagement to map the supply chain and identify the locations of manufacturing, in order to then assess the level of risk of these locations (geographical-specific documented labour right abuses or weak governance zones), as well as the workforce composition and the use of labour brokers.

### Summary

Low-skill and intensive labour is inherent to this industry. Reported cases of certain kinds of labour rights abuses in Zimbabwe, Mauritius, and China, along with the weak governance and labour law enforcement, as well as a record of continuous labour rights abuses in these and other manufacturing countries, like India and Indonesia, make this a high risk industry. Given the limited information available, supplier engagement is necessary to map the supply chain and identify the manufacturing facilities in order to better understand the associated risk.
### 4.4.9 4e – Cleaning services

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Is the supply chain long and complex?</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>Are there high levels of manual/low-skilled labour in the supply chain?</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>Does the supply chain include substantial amounts of activity undertaken in places where little or no effective labour standards legislation exists? (Including ratification of ILO core conventions).</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>Does the supply chain include substantial amounts of activity undertaken in places where the governance and enforcement of labour standards legislation is weak? I.e. countries with poor performance on the World Bank Worldwide Governance Indicators or Transparency International Corruption Perception Index.</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>Are there high levels of seasonal or casual labour involved in the supply chain?</td>
<td>0</td>
</tr>
<tr>
<td>6</td>
<td>Does the supply chain typically use labour brokers or labour agencies?</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>Are there substantial amounts of activities in the supply chain which are undertaken in places where there are high levels of poverty and deprivation?</td>
<td>0</td>
</tr>
<tr>
<td>8</td>
<td>Are there substantial amounts of activities in the supply chain in places where there is little or no employee representation groups?</td>
<td>0</td>
</tr>
<tr>
<td>9</td>
<td>Are there substantial amounts of activities in the supply chain in places affected with widespread violence or conflicts?</td>
<td>0</td>
</tr>
<tr>
<td>10</td>
<td>Are there substantial amounts of activities in the supply chain in places where there are documented reports of violations of human and/or labour rights?</td>
<td>0</td>
</tr>
<tr>
<td>11</td>
<td>Have there been documented reports of violations of human and/or labour rights related to the supply chain’s specific industry and/or commodity?</td>
<td>1</td>
</tr>
<tr>
<td>12</td>
<td>Does the supply chain typically use high levels of labour drawn from more vulnerable sectors, such as: migrants, ethnic minorities, poorly educated, women, children, etc.)?</td>
<td>1</td>
</tr>
</tbody>
</table>

**Total score | Moderate risk** | 4

**Key information**

The cleaning services commodity under the janitorial services category is associated to a high risk because of the type of labour involved in the industry, as well as the workforce usually employed in the industry. The cleaning and janitorial sector involves the following risk factors for labour exploitation:

i. Hazardous and/or undesirable labour-intensive work.

ii. Low-skill, vulnerable and easily replaced workforce.

iii. Generally made up of migrants that accept this kind of work.

iv. Workforce is usually supplied by labour agencies or third party contractors that obscure the work relationship between workers and employers.

The exploitation in this sector is closely related to that of the accommodation and hotels sector (see section 1.1.5), as it is widespread in the developed world and also involves excessive overtimes, low wages, and where temporary migrant workers are commonly intimidated through deportation in developed countries (University of Liverpool, 2014; Verité, 2015). The sector includes staff from individual cleaning staff as well as gardeners, to other facilities services individuals as well. Given that the activities in this sector are localised within the University’s location, the risk derives mainly from labour supply (Verité, 2015).
While the countries with the most evidence of labour exploitation in this industry are Australia, Belgium, Curacao, Denmark, Egypt, Finland, Italy, Morocco, the Netherlands, and the United States, the structure of the supply chain makes it potentially risky in many more countries (Verité, 2015).

4.5 Obtain input from suppliers

In order to obtain more accurate information on high risk supply chains and achieve higher visibility along these supply chains, questionnaires are widely used. While the University of Leeds already has PQQs in place, the amount of information on the supply chains that can be obtained through questionnaires can be increased by having more detailed questions, either in the form of PQQs or in the form of follow-up questionnaires (completed by contracted entities once contracts have been awarded).

In this step, the University of Leeds will make use of the NETpositive supplier engagement tool, where suppliers are required to submit key information about their business’ impacts and the priorities identified with each of these impacts (including modern slavery). The NETpositive tool will not only provide suppliers with actionable recommendations and action plans, but will provide the University of Leeds with access to that information, and to observe how suppliers set their priorities and progress against the action plans recommended.

In order to maximise the amount of information that can be obtained from suppliers, PQQs, ITTs and follow-up questionnaires (if implemented) can also be used and can contain detailed questions that give the University of Leeds.

In this sense, a pool of numerous questions used and/or recommended by the organisations assessed in section 3 has been compiled. These questions will provide the University of Leeds with useful information to (1) map the supply chain, (2) assess the suppliers’ current state in terms of labour standards, (3) the level of interest of suppliers in regards of addressing labour standards issues, and (4) their level of preparedness to address these issues. The questions are mainly based on the following sources:


Depending on the main areas of risk identified for specific product or commodity categories, questions can be taken from the examples list below and introduced in tailored PQQs. Ideally, as many questions as possible should be answered by all suppliers of high risk products, but the questions can be selected individually depending on the risks identified for each supplier. Furthermore, this questions can also be required from suppliers after the contract awarding stage in the form of follow-up questionnaires.

In every case, it is important to make it clear to suppliers that the information input in NETpositive to follow-up questionnaires is not about penalising the supplier, but to find
areas of opportunity where they can work together with the University of Leeds and their own suppliers to improve their performance.

The questions proposed are separated into three groups, depending on the overall relevance of the question: (A) must be asked, (B) ideally asked, (C) better if asked. Besides giving the University of Leeds tools to select preferred suppliers, these questions will also help the University identify potential red flags and areas of concern with specific suppliers.

### Table 21. (A) Must be asked question examples.

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
</tr>
</thead>
</table>
| 1   | Is your company taking steps, or planning to take steps, to identify and eradicate any and all kinds of modern slavery from your own business and from your supply chain?  
If so, please provide details on these steps and the processes used to ensure the company and/or its production units avoid contributing to, endorsing, or benefiting from human rights abuses. Include information on (1) the supply chain due diligence process, (2) the parts of the supply chain identified to be at risk of any kind of modern slavery, and (3) the steps being taken to address these parts. |
| 2   | Does your company have information about the location of all the production units that will be used to fulfil this contract?  
If so, please provide the name and addresses of all production units used for the fulfilment of the contract. Indicate those which are third-party-certified for socially responsible production, as well as the name of the certification body.  
If in progress, please provide details on the steps planned to be taken to achieve this. |
| 3   | Please detail the actions you have taken to try and ensure that labour standards are being maintained in line with ILO core conventions and local labour laws throughout the supply chain(s) for the goods or services to be delivered under this contract.  
If in progress, please provide details on the steps planned to be taken to achieve this. |
| 4   | How does your company and your direct suppliers ensure workers know their rights of employment? This includes those workers employed through third party labour providers. |
| 5   | Please list the main components you purchase/subcontract/outsource and their respective countries of manufacture. If possible, please provide a supply chain map. |
| 6   | Has your company conducted an assessment of its supply chain to identify which suppliers pose the greatest risk of labour rights abuses?  
If so, please provide a detailed description of the results obtained, along with information from the high risk suppliers identified.  
If in progress, please provide details on the steps planned to be taken to achieve this. |
| 7   | Does your company and the production units used to fulfil this contract make use of labour brokers, recruitment agencies, etc. as means to obtain workers?  
If so, please provide the names of the third party labour recruitment agencies/agents used.  
If in progress, please provide details on the steps planned to be taken to achieve this. |
| 8   | Has your company identified any instances of modern slavery or human trafficking in its supply chain during the last 12 months?  
If so, please provide details of the situation and the remediation taken. |
Table 22. (B) Ideally asked question examples.

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General information</td>
</tr>
</tbody>
</table>
| 1   | Please provide the following information on your company and your direct suppliers that will be used to fulfill this contract:  
     | (a) Number of workers.                                                  |
|     | (b) Percentage of workers with temporary contracts.                      |
|     | (c) Percentage of workers employed through third party labour providers.  |
|     | (d) Percentage of workers that are women.                               |
|     | (e) Percentage of workers that are migrants.                            |
|     | (f) Percentage of workers that are under 18.                            |
| 2   | Is your company’s Code of Conduct for socially responsible production communicated to all production units used to fulfill this contract?  
     | If so, please provide a description on how the code of conduct is communicated and explained to the production units. Also request for information on whether the code of conduct is signed by the managers of the production units. |
| 3   | Does your company conduct training on labour rights standards for management and procurement staff? |
| 4   | Please specify any trade unions you recognise for the purpose of collective bargaining.  
     | Please provide this information from your direct suppliers used to fulfill this contract. |
| 5   | Are your company’s workers and the workers from the production units used to fulfill this contract able to earn a living wage sufficient to meet the basic needs of themselves and their closest dependents? |
| 6   | Is overtime work paid and voluntary in your company and the production units used to fulfill this contract? |
| 7   | Does your company comply with any recognised social standards (such as BSCI, Fairtrade, SA8000, etc.)?  
     | If yes, please provide evidence.                                        |
|     | If in progress, please provide details on the steps planned to be taken to achieve this. |
| 8   | Do the production units used to fulfill this contract provide safe, suitable, sanitary, and comfortable work facilities to workers?  
     | If yes, please provide a description of the health and safety procedures that are in place to ensure compliance with industry, national, or international standards.  
     | If in progress, please provide details on the steps planned to be taken to achieve this. |
| 9   | Are your company’s workers and the workers from the production units used to fulfill this contract able to earn a living wage (based on countries of manufacture) sufficient to meet the basic needs of themselves and their closest dependents? |
| 10  | Does your company review compliance on core ILO conventions on labour rights and/or your company code of conduct (or the University of Leeds supplier code of conduct) by its suppliers through self-assessments, site visits, and/or audits?  
     | If so, please provide details of the compliance review process and on any breaches on compliance over the last 12 months. |
| 11  | Does your company work or collaborate with third party organisations or institutions for the identification of risks of slavery and human trafficking in your supply chain?  
     | If so, please provide the names and contact details of those organisations or institutions. |
12. Does your company currently conduct audits of your operations and suppliers?

If yes, please provide details, including type of audit (independent, unannounced, etc.), frequency of audits, whether it includes specific provisions on slavery and human trafficking, etc. Also, please summarise the results of your audits during the last 12 months.

13. Does your company have a Code of Conduct or policy statement for socially responsible production, at least including the content of the special contract clauses in this contract?

If so, please include a copy of the code of conduct or policy statement that describes requirement of socially responsible production. As a minimum, the code of conduct should include and commit to adhere to the ILO core conventions and the relevant national laws of the production country.

If in progress, please provide details on the steps planned to be taken to achieve this.

Table 23. (C) Better if asked question examples.

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
</tr>
</thead>
</table>
| 1   | Is a risk assessment and risk control process undertaken at the production units used for this contract?  
     If so, please provide a description of how the production units’ adherence to the requirements of the code of conduct is carried out. |
| 2   | Are self-assessment reports from the production units used to fulfil this contract available (not older than 12 months)?  
     If so, please include a summary of the results. |
| 3   | Are factory inspection reports from the production units used to fulfil this contract available (no older than 12 months)?  
     If so, please include a summary of the results. |
| 4   | Is a person in the board of directors of your company responsible for socially responsible supply chain management?  
     If so, please provide the name and contact information of the person responsible for the management of the socially responsible supply chain. |
| 5   | Do the production units used to fulfil this contract are routinely monitored in its production processes and equipment to ensure they’re safe to operate?  
     If yes, please provide a description of how this monitoring is undertaken. |
| 6   | Are the workers and managers of the production units used to fulfil this contract trained to respond to workplace emergencies? |
| 7   | Is your company committed to recognise the workers’ rights of freedom of association and collective bargaining?  
     If yes, please provide details on how this is communicated to all production units used to fulfil this contract.  
     If in progress, please provide details on the steps planned to be taken to achieve this. |
| 8   | Does your company have procedures in place to ensure regular collective bargaining with authorised worker representatives concerning all workplace related issues?  
     If yes, please provide details on these procedures.  
     If in progress, please provide details on the steps planned to be taken to achieve this. |
### Sustainable Procurement

<table>
<thead>
<tr>
<th>Question</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Does your company and the production units used to fulfil this contract have workers’ grievance mechanisms in place? If yes, please provide details on these mechanisms. If in progress, please provide details on the steps planned to be taken to achieve this.</td>
</tr>
<tr>
<td>10</td>
<td>Does your company, production units used to fulfil this contract, or its recruitment agencies withhold wages or bonuses from workers?</td>
</tr>
<tr>
<td>11</td>
<td>Does your company, production units used to fulfil this contract, or its recruitment agencies, retain identity documents or other personal items without which workers cannot leave employment?</td>
</tr>
<tr>
<td>12</td>
<td>How does your company and the production units used to fulfil this contract ensure there are no workers under 15 years of age for full-time work, 13 years of age for any kind of work, and/or 18 years of age for hazardous work? Please provide details on how it is ensured that, in case there are workers under 18 years of age, this does not interfere with their compulsory education. If in progress, please provide details on the steps planned to be taken to achieve this.</td>
</tr>
<tr>
<td>13</td>
<td>Have there been occasions where overtime or excessive overtime was necessary for your company or your direct suppliers during the last 12 months? If yes, please provide details on what led to this situation.</td>
</tr>
</tbody>
</table>

With the information obtained from supplier engagement and from the questions proposed above, category managers should reassess the commodity groups they manage with the desk-based assessment questionnaires included in table 19 (section 4.3). Furthermore, the results of this continuous assessment should also be embedded in the category strategies.

**Table 24. ETI PQQ model answer guidance for certain questions.**

<table>
<thead>
<tr>
<th>Value</th>
<th>Class</th>
<th>Model answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Major concerns</td>
<td>Response provides no meaningful information on labour standards, ethical sourcing or actions taken to ensure labour standards are being maintained or improved.</td>
</tr>
<tr>
<td>1</td>
<td>Concerns</td>
<td>Some information provided but this is vague and unconvincing in terms of the existence of a systematic and effective process for verifying compliance of suppliers with ILO core conventions, local labour laws, or having remedial action processes in place. Evidence is provided to demonstrate that analysis has been undertaken on the nature of the supply chain and some initial assessment of labour standards risk has been made.</td>
</tr>
<tr>
<td>2</td>
<td>Good confidence</td>
<td>Information is provided to demonstrate that some labour standards risk assessment has been undertaken. Where significant, convincing information is provided on actions the tenderer takes to verify that ILO core conventions and relevant local labour laws are being maintained with their suppliers. This is supported with details of remedial action procedures. Some timescales are provided for key activities such as supplier communication, self-assessments and verification.</td>
</tr>
<tr>
<td>3</td>
<td>Excellent confidence</td>
<td>Information is provided to demonstrate that labour standards risk assessments are undertaken as part of an ongoing and systematic approach. Where assessments identify significant risks or concerns, convincing and comprehensive information is provided on action the tenderer takes to verify that ILO core conventions and relevant local labour laws are being maintained with their suppliers, and further up the supply chain. Details are also provided on remedial action policy and procedures. All information is supported by timescales, schedules, and details on number of verifications undertaken.</td>
</tr>
</tbody>
</table>
4.6 Map the risk in the supply chain

Supply chain mapping is a time consuming task which cannot be accomplished overnight and requires continuous supplier engagement, but is ultimately the only way to identify specific areas to focus on and to improve visibility in complex supply chains (ISO, 2015). With the information provided by suppliers in questionnaires and through supplier engagement processes (such as review meetings, reports, and the NETpositive tool), the University of Leeds can undertake a supply chain risk mapping. In this way, the University will have specific and relevant information of each of its suppliers and will be able to focus efforts on labour issues directly on the relevant areas of each supply chain (ISO, 2015; van Heerden, 2015; WFF, 2014).

Supplier engagement is necessary to communicate the goals and objectives of the University of Leeds sustainable procurement and to get them on board with the task of mapping their own supply chains, as well as getting their own suppliers to do the same in a ‘trickle-down effect’ that continues through all tiers of the supply chain and results in visibility all the way into the sourcing of raw materials (Martindale, 2015). The information from the supply chains should be held in a central and easily accessible database, which already exists in the University of Leeds documents in the form of a Category Management Risk Log (Jones, 2016).

5. Recommendations for risk management

Progress towards a slavery-free supply chain is a time and resource consuming process. There are numerous initiatives, tools, approaches, etc. being adopted by numerous organisations worldwide, all of which have strengths and weaknesses. In this section, a set of recommendations are provided to the University of Leeds, in order to improve the social sustainability aspects of its procurement. Given the constraints faced by the Sustainability Service and the University of Leeds to implement new and complex processes, as well as the current state of socially sustainable procurement, the recommendations are divided in three groups:

A. Should adopt.
   1) Add category-specific social issues to DEFRA prioritisation tool
   2) Addition of anti-slavery clauses to contracts in high risk areas
   3) Collaboration with third party organisations
   4) Introduce modern slavery in procurement training
   5) Recording of effective Category Management Risk Logs

B. Should work towards adopting.
   6) Approach each commodity area depending on scope/influence
   7) Inform suppliers on the potential risks in their supply chain
   8) Requiring labels or certifications

C. Should consider adopting
   9) Adopt a supplier code of conduct
   10) Introduce follow-up questionnaires
   11) Require ‘social concepts’ from bidders

A summary flowchart displaying the recommendations proposed to the University of Leeds fitting within the sustainable procurement procedure is included in Appendix B.
5.1 Add category-specific labour issues to DEFRA analysis tool

The addition of category-specific labour issues into the sustainable procurement prioritisation tool will provide better and more accurate information on the level of risk of specific commodities when using the tool to assess and log risks and priority areas. The labour issues specific to each high risk commodity area assessed are included in the following table (25); the issues are summarised from the information included in section 4 (risk assessment process).

Table 25. Category-specific labour issues in high risk commodities assessed.

<table>
<thead>
<tr>
<th>Category</th>
<th>Labour issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural; Fisheries; Forestry; Horticultural; Oceanographic Supplies &amp; Services</td>
<td>- Hazardous work environment&lt;br&gt; - Highly seasonal labour&lt;br&gt; - Lack of freedom of association&lt;br&gt; - Low-skilled labour used&lt;br&gt; - Widespread use of child labour&lt;br&gt; - Widespread use of labour agencies&lt;br&gt; - Widespread use of migrant workforce</td>
</tr>
<tr>
<td>Catering supplies &amp; Services</td>
<td>- Hazardous work environment&lt;br&gt; - Highly seasonal labour&lt;br&gt; - Lack of freedom of association&lt;br&gt; - Low-skilled labour used&lt;br&gt; - Widespread use of child labour&lt;br&gt; - Widespread use of labour agencies&lt;br&gt; - Widespread use of migrant workforce</td>
</tr>
<tr>
<td>Computer Supplies &amp; Services</td>
<td>- Lack of freedom of association&lt;br&gt; - Low-skilled labour used&lt;br&gt; - Manufacture in locations with high prevalence of modern slavery&lt;br&gt; - Manufacture in low governance zones&lt;br&gt; - Sourcing of raw materials from conflict zones&lt;br&gt; - Widespread use of labour agencies</td>
</tr>
<tr>
<td>Estates &amp; Buildings</td>
<td>- Lack of freedom of association&lt;br&gt; - Low-skilled labour used&lt;br&gt; - Sourcing of raw materials from locations with high prevalence of modern slavery&lt;br&gt; - Widespread use of labour agencies&lt;br&gt; - Widespread use of migrant workforce</td>
</tr>
<tr>
<td>Furniture; Furnishings &amp; textiles</td>
<td>- Lack of freedom of association&lt;br&gt; - Low-skilled labour used&lt;br&gt; - Manufacture in locations with high prevalence of modern slavery&lt;br&gt; - Sourcing of raw materials from locations with high prevalence of modern slavery</td>
</tr>
<tr>
<td>Janitorial &amp; Domestic Supplies &amp; Services</td>
<td>- Hazardous work environment&lt;br&gt; - Low-skilled labour used&lt;br&gt; - Widespread use of labour agencies&lt;br&gt; - Widespread use of migrant workforce</td>
</tr>
</tbody>
</table>
| Medical; Surgical; Nursing Supplies & Services                           | - Hazardous work environment<br> - Lack of freedom of association<br> - Low-skilled labour used

<table>
<thead>
<tr>
<th>Category</th>
<th>Labour issues</th>
</tr>
</thead>
</table>
| Stationery & Office Supplies | • Manufacture in locations with high prevalence of modern slavery  
                             • Widespread use of migrant workforce |
| Telecommunications; Postal & Mail Room Services | • Lack of freedom of association  
                             • Low-skilled labour  
                             • Manufacture in locations with high prevalence of modern slavery  
                             • Manufacture in low governance zones  
                             • Widespread use of labour agencies |
| The Arts; Audio-Visual & Multimedia Supplies and Services | • Lack of freedom of association  
                             • Low-skilled labour used  
                             • Manufacture in locations with high prevalence of modern slavery  
                             • Manufacture in low governance zones  
                             • Sourcing of raw materials from conflict zones  
                             • Widespread use of labour agencies |
| Travel & Transport (incl. Vehicle hire & Subsistence) | • Hazardous work environment  
                             • Lack of freedom of association  
                             • Low-skilled labour used  
                             • Widespread use of labour agencies  
                             • Widespread use of migrant workforce |
| Workshop & Maintenance Supplies (Lab & Estates) | • Lack of freedom of association  
                             • Low-skilled labour used  
                             • Manufacture in locations with high prevalence of modern slavery  
                             • Manufacture in low governance zones  
                             • Sourcing of raw materials from conflict zones  
                             • Widespread use of labour agencies |

5.2 Addition of anti-slavery clauses to contracts in high risk areas

The inclusion of labour standards provisions and clauses in contracts is necessary, but is not sufficient to ensure compliance. Active monitoring and enforcement of these provisions and standards is necessary (Holley, 2015). There are two main approaches towards addition of anti-slavery clauses in contracts with suppliers: (1) cascading performance clauses and (2) responsibility of supply chain due diligence (Martin-Ortega, 2015a; 2015b).

The first approach is based on placing a specific contract clause in the contracts between the University of Leeds and its suppliers, where they are required to include specified conditions into the contracts at every level of the supply chain. Given that this ‘cascading’ effect is a legally binding one, failure of the supplier to ensure that all subcontractors further
down the supply chain are adopting the standards specified by the University of Leeds would potentially be a breach of contract.

This approach provides a legal and contractual basis for the adoption of the ILO core labour standards (or a Code of Conduct) at all levels of the supply chain, regardless of a lack of direct contractual obligations by subcontractors. However, it could be challenging to adopt by complex supply chains with numerous ongoing contracts (Martin-Ortega, 2015a; 2015b).

The second approach is based on ‘transferring’ the responsibility of taking reasonable steps for improving and monitoring working conditions in the supply chain to the University of Leeds direct suppliers. This could be done through the addition of direct and explicit legal obligations in contracts with suppliers to ensure the desired labour standards are met throughout the supply chain, but it places too many obligations on suppliers.

Alternatively, this could be done by adding provisions requiring a supplier to assume a legal obligation to exercise due diligence over its entire supply chain, as well as have in place processes and mechanisms to track, monitor, and respond to labour risks and impacts in their supply chains. Rather than requiring them to do so at once, suppliers would be required to take reasonable steps to map their supply chain and monitor its compliance with the ILO Core labour standards (or a Code of Conduct) (Martin-Ortega, 2015a; 2015b).

Contract notices should state that tenderers will be required to provide information on their approach to ensure labour standards are maintained along their own supply chains (ETI, 2011; van Heerden, 2015).

Regardless of the approach taken, the main supply chain considerations that can be added to contracts are included in this section. It is important to state into contracts that the obligations shall apply for all the supply chain, and it is crucial that the University of Leeds defines the appropriate sanctions for breaches in contract clauses (Difi, 2016). Norway’s Agency for Public Management and eGovernment recommends the following statement:

“The supplier is responsible for safeguarding that these contract performance clauses on socially responsible production are adhered to where the products, linked to this contract, are assembled and where main components to the products, linked to this contract, are manufactured.

This includes both primary production units and secondary production units, when production is outsourced from the primary production units to secondary production units.” (Difi, 2012).

5.2.1 Compliance with laws of the country of manufacture

Norway’s Agency for Public Management and eGovernment has made a document with contract performance clauses for socially responsible public procurement for other public buyers to use. One of this clauses refers to the compliance with labour laws in the country of manufacture, and is written down in the following way:

“(5) The supplier is responsible for safeguarding that the products concerning this contract are manufactured in accordance with national laws of the production country: The laws regulating labour rights and working environment) should be adhered to. Of special importance are 1) wage and working hour regulations; 2) regulations on health, safety and environment (HSE); 3) legal terms of
employment, herein included legal working contracts; and 4) social security schemes.” (Difi, 2012).

### 5.2.2 Compliance with core ILO conventions (or code of conduct)

Whether the University of Leeds adopts its own Code of Labour Standards, Code of Conduct, etc. or it adopts an externally suggested code (such as the ETI Base Code or the Electronics Watch Code of Labour Standards), contracts with suppliers of high risk products (or suppliers identified as high risk suppliers after supply chain mapping) should include a provision that requires the supplier to carry out effective and accountable due diligence to ensure the products being delivered are being produced in accordance to the labour standards described in all stages of the supply chain (Martin-Ortega, 2015a; 2015b). For example, the Electronics Watch contract conditions for supply contracts states the following (EW):

> “2. The terms require the Contractor to carry out effective and accountable due diligence in relation to whether the production conditions of the Goods comply with the Electronics Watch Code of Labour Standards, contained at part III to these conditions (the “Code”).”

In case the University will not adopt a more specific Code of Conduct and require suppliers to meet core ILO standards within their own business, sub-contractors, and supply chain, this should also be included within contract clauses in a similar way as the statement above, without referencing the “Code”. It is still recommended to explicitly include wording of the core ILO standards and labour rights expectations within Codes of Conduct (or contract clauses), as contractors may not be fully aware of potential breaches due to lack of knowledge in the area (WFF, 2014). Furthermore, the ILO standards do not cover all factors relevant to labour problems in many global supply chains (Evans et al., 2014; Martin-Ortega, 2015a) (such as minimum or living wages), which is why it is be useful to broaden the range of labour standards required from suppliers by explicitly referencing these issues in contract clauses (Martin-Ortega, 2015a). These can be extracted from the Code of Conduct in Appendix X.

> “The terms require the Contractor to carry out effective and accountable due diligence in relation to whether the production conditions of the Goods comply with the core International Labour Organisation (ILO) standards within their own business, sub-contractors and supply chain, contained in part X of these conditions.”

Norway’s Agency for Public Management and eGovernment contract performance clauses for socially responsible public procurement also recommend explicitly including ILO core conventions in the contract clauses wording. The following clauses are included (Difi, 2012):

> “(1) Prohibition of illegal child labour (ILO Core Conventions 138 and 182 and Article 32 of the UN Convention on the Rights of the Child) [Name of public organisation] expects its suppliers to safeguard, within the supply chain until the production units at a minimum that the rights set forth in the Convention on the Rights of the Child, the ILO Minimum Age Convention (C.138) or the Prohibition and Immediate Elimination of the Worst Forms of Child Labor Convention (C. 182) are enforced. The minimum admission to employment or work shall not be less than the age of completion of compulsory schooling, normally not less than 15 years or 14 where the local law of the country permits,”
deferring to the greatest age. Young workers under 18 years are not allowed to work in night shifts. Additionally, all young workers must be protected from economic exploitation at the work place and protected from performing any work that is likely to be hazardous or to interfere with the child’s education or that may be harmful to the child’s health, physical, mental, social, spiritual or moral development."

“(2) Prohibition of forced labour (ILO core conventions 29 and 105)
[Name of public organisation] expects its suppliers to prohibit any use of forced, bonded or indentured labor or involuntary prison labor, and embrace employment practices consistent with ILO Conventions pertaining to forced labor: Forced Labour Convention, (C.29) and Abolition of Forced Labour Convention, (C.105). Forced labour also includes involuntary work used as training or punishment. All work, including overtime work, will be voluntary and workers should be free to leave upon reasonable notice. Suppliers should also not mandate that workers hand over government-issued identification; passports or work permits as a condition of employment.”

“(3) Prohibition of discrimination (ILO core conventions 100 and 111)
[Name of public organisation] does not tolerate any form of discrimination in hiring and employment practices on the ground or race, colour, religion, gender, sexual orientation, age, physical ability, health condition, political opinion, nationality, social or ethnic origin, union membership or marital status. Consistent with the principles espoused in ILO Conventions on Discrimination, Employment and Occupation (C.111) and Equal Remuneration Convention (C. 100), [Name of public organisation] also discourages discrimination regarding access to training, promotion, and rewards.”

“(4) Freedom of association and collective bargaining (ILO core conventions 87 and 98)
[Name of public organisation] expects its suppliers to recognize and respect the rights of employees to freely associate, organize and bargain collectively in accordance with the laws of the countries in which they are employed, as well as core ILO conventions Freedom of Association and Protection of the Right to Organise Convention, (C 87) and Right to Organise and Collective Bargaining Convention, (C.98). In countries where C.87 and/or C.98 are not ratified, the employer should offer, and in no way hinder, arenas for meetings and collective negotiations. [Name of public organisation] recognizes the importance of open communication and direct engagement between workers and management and suppliers are to respect the rights of workers to associate freely and communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal.”

5.2.3 Supply chain transparency and disclosure clauses
The introduction of a contractual requirement of disclosure on the supplier to identify its own suppliers and pass down the requirement to its own subcontractors is one means of achieving disclosure and transparency. However, there could be issues regarding the existence of numerous contracts in complex supply chains, as well as certain confidentiality issues (Martin-Ortega, 2015a).
Therefore, another approach would have the University of Leeds including a contract clause requiring its direct supplier to take all appropriate measures to trace the supply chain and provide information regarding all subcontractors and factories that form the contracted goods’ supply chain (Martin-Ortega, 2015b). This way, the University of Leeds direct suppliers will be responsible for finding out the location of all the factories in the supply chain and gradually disclosing the details to the public buyer through supplier engagement. Over time, suppliers may end up adopting disclosure requirements. (Martin-Ortega, 2015b).

The Workers Right Consortium (WRC), a third party monitoring organisation in the licensed garments industry, includes the following requirements:

“IV. Compliance and Disclosure: Licensees/Vendors (for themselves and on behalf of their contractors, subcontractors, or manufacturers) shall disclose to the Worker Rights Consortium, the University, and the public the information set forth in Sections A, B, and C below.

A. Upon execution and renewal of the License Agreement and upon the selection of any new manufacturing facility which produces Licensed Articles, the company names, contacts, addresses, phone numbers, e-mail addresses, and nature of the business association for all such facilities which produce Licensed Articles;

B. at least sixty (60) days prior to the end of each contract year of the License Agreement, written assurance that (i) Licensees/Vendors are in compliance with the Code and/or (ii) Licensees/Vendors are taking reasonable steps to remedy non-compliance in facilities found not to be in compliance with the code;

C. at least sixty (60) days prior to the end of each contract year of the License Agreement, a summary of those steps taken to remedy material violations, and/or difficulties encountered, during the preceding year in implementing and enforcing the Code at all of Licensees’/Vendors’ facilities which produce Licensed Articles.”

The information disclosed through these provisions can then be used for discussion with suppliers during category meetings.

Electronics Watch includes the following clauses:

“9. Within 30 days of the date of the Contract, the Contractor must disclose to Electronics Watch and the Contracting Authority the Factories where the Goods are produced, the specific products or components produced in each Factory, and any audit reports relating to the Factories written within the previous 36 months which it is able to discover and obtain through enquiries, using the Disclosure Form at Part II. The Contractor must immediately disclose to Electronics Watch and the Contracting Authority any changes to the information provided in its Disclosure Form, which it becomes aware of. The Contractor must make enquiries every six months into whether any further audit reports relating to the Factories have been undertaken.”
12. The Contractor must agree (and does now agree) to the following information being made available:

a. To the general public:

- the identities of the following and the fact that they supply Goods to the Contracting Authority: the Factories (including their names and addresses), the brand manufacturers, and the Contractor; and

- Electronics Watch monitoring reports, but only after the Contractor has had a reasonable opportunity to review and address the findings of the monitoring reports.

b. To all Electronics Watch affiliates:

- Electronics Watch’s investigatory data, risk analysis and monitoring reports;

- the names and value of the Goods made in the specific Factories listed and supplied to affiliates.

c. To any Electronics Watch affiliates who are also supplied with Goods from the Factories:

- the fact that the Contractor has been required to engage in an escalation process to address apparent breaches of its obligations.

13. The Contractor must exercise its leverage to obtain any legally necessary consents to the transparency.

Where supply chain transparency clauses lead to the disclosure of factory locations, the University of Leeds Sustainability Service (or Category Managers) may want to review the following documents as a way to quickly assess the potential level of risk associated with factory locations:

- BSCI Countries’ Risk Classification (BSCI, 2014).
- Global Slavery Index 2016 Map (WFF, 2016).
- ITUC 2015 Global Rights Index (ITUC, 2016).
- Woolworth’s country risk ratings (Woolworths, 2014).

5.2.4 Obligation to fill and progress on NETpositive and follow-up questionnaires (if adopted)

The University of Leeds currently gathers information from suppliers from ITTs and PQQs. Follow-up questionnaires, while not existing in the University of Leeds current process, could be an efficient way of effectively obtaining information and mapping the risk of the supply chain. This information can also be obtained through PQQs and ITTs, but, if possible, the introduction of follow-up questionnaires is recommended, given that they have been proved to work to gather more information from suppliers (Santos, et al., 2012; Vasileva, et al., 2012).

The University of Leeds could provide input to suppliers based on the follow-up questionnaires, in order for suppliers to better understand the University’s requirements and expectations, and to have more clarity on their potential risks, before entering data into
NET positives tool. This way, the supplier engagement tool will be fed with more focused and detailed information from the supplier, and will generate better action plans.

The Difi recommends including the obligation to fill out follow-up questionnaires into contract clauses to increase transparency of the supply chain. This can be used to legally bind suppliers to effectively input information into the NETpositive tool and, ideally, to disclose information in follow-up questionnaires (Difi, 2012). The Difi words this clause the following way:

“a) The supplier is required to report on status and progress of socially responsible production at the production units, using the self-assessment questionnaire.

b) The self-assessment questionnaire shall be filled out, signed and returned within a month after the contract is signed.

c) Name of public organisation] will thereafter analyse the self-assessment. If corrective action is needed, an appointment for a self-assessment follow up will be scheduled.

d) After the self-assessment follow up, a corrective action plan is signed by the supplier.

e) [Name of public organisation] will then assess the fulfilment of the corrective actions.

f) [Name of public organisation] requires the right to make inspections, announced as well as unannounced, at the production unit/s.

g) The supplier is responsible for a third party assured re-inspection of the production unit/s if corrective action is needed.

h) If the supplier fails to meet the requests in terms of deadlines or corrective actions, sanctions, in the form of daily fines, will be imposed.

i) [Name of public organisation] will have the possibility of cancelling the contract after [X] days with daily fines.” (Difi, 2012).

The University of Leeds currently gathers information from suppliers from ITTs and PQQs. Follow-up questionnaires, while not existing in the University of Leeds current process, could be an efficient way of effectively obtaining information and mapping the risk of the supply chain. This information can also be obtained through PQQs and ITTs, but, if possible, the introduction of follow-up questionnaires is recommended, given that they have been proved to work to gather more information from suppliers (Santos, et al., 2012; Vasileva, et al., 2012).

5.2.5 Access to factories for inspection

Organisations such as the WRC, Electronics Watch, and the Fair Labor Association (FLA) include clauses that require suppliers to agree to ensure that all of their own suppliers are legally bound to allow access to independent monitoring organisations; due to this
obligation, it is important to clearly and explicitly establish the expected working standards (Martin-Ortega, 2015a).

Once more, approaching the contract with the suppliers by making them responsible of taking the necessary steps to ensure the actors in the supply chain for the contracted Goods agree to allow access to independent monitoring organisations. The University of Leeds should incorporate this expectation within contract performance conditions, but the supplier is free to decide how to achieve it. The contract performance conditions may include a requirement for regularly reporting on the actions taking to ensure the necessary steps are being taken (Martin-Ortega, 2015a; 2015b).

Unfortunately, due to the University of Leeds public buyer characteristics, this approach requires independent monitoring organisations, such as Electronics Watch, which may not currently exist in all high risk categories identified. It still proves relevant to seek to achieve access to factories. Also quite relevant is access to complete audit reports.

In their contract clauses, Electronics Watch includes the following on access to factories:

“11. The Contractor must exercise its leverage to obtain the following types of access for Electronics Watch’s independent monitors at the Factories:

a. Announced visits to the Factory premises, including: visits to all relevant work floors, hostels, and dormitories; worker interviews without the presence of supervisors or management; examination of relevant factory records, including: collective bargaining agreements; personnel records; records of working hours and wages paid; records of social security payments, pension contributions, and holiday pay; grievance procedures; disciplinary log books; health and safety policies; and other relevant factory records.

b. Unannounced visits to the Factories following notification that a visit will take place during a specified four-week period (including the same types of access listed above).”

5.2.6 General slavery in supply chains obligations

The University of Leicester’s recently adapted contract conditions include a clause on the prevention of slavery and forced labour. Particularly relevant, this clause includes the following wording (University of Leicester, 2015):

“The SELLER confirms that neither it nor any of its personnel (or those of its subcontractors) have been: (i) convicted of any offence; or (ii) the subject of an investigation, inquiry or enforcement proceedings involving slavery or human trafficking. The SELLER shall: (i) comply with all applicable laws relating to slavery, including the Modern Slavery Act 2015; (ii) comply with the UNIVERSITY’S Anti-slavery Policy as in force from time to time; (iii) maintain a complete set of records to trace the supply chain of all the GOODS and SERVICES provided to the UNIVERSITY under the CONTRACT; (iv) implement a system of training for its employees, suppliers and subcontractors to ensure compliance with this clause (and keep a record of all such training).

The SELLER shall not purchase any resources and/or materials that have been sourced from entities using forced labour. The SELLER shall implement and
maintain due diligence procedures for its own suppliers, subcontractors and other participants in its supply chains, to ensure that there is no slavery or human trafficking in its supply chains.”

5.2.7 Penalties and sanctions

Defining the appropriate sanctions for breaches is crucial for successfully addressing modern slavery in supply chains (Martin-Ortega, 2015a; 2015b). Penalties and sanctions should be defined appropriately per contract, depending on the level of risk of the product, the preparedness of the supplier, among other factors (Martin-Ortega, 2015a; 2015b, WFF, 2014). It could be advisable that the University of Leeds attempts to work with contractors to improve if breaches are found, and penalties/sanctions are triggered only after continuous breaches and/or non-willingness to work towards improvement. The Workers’ Rights Consortium includes the following remediation measures (WRC, 2012):

“A. If a Licensee/Vendor has failed to self-correct a violation of the Code, the University will consult with the Licensee/Vendor (for itself and on behalf of its contractors, subcontractors, or manufacturers) to determine appropriate corrective action.

B. The remedy will, at a minimum, include requiring the Licensee/Vendor to take all steps necessary to correct such violations including, without limitation:

   a. Paying all applicable back wages found due to workers who manufactured the licensed articles.
   b. Reinstatement of any worker found to have been unlawfully dismissed.

C. If agreement on corrective action is not reached, and/or the action does not result in correction of the violation within a specified reasonable time period, the University reserves the right to:

   c. Require that the Licensee/Vendor terminate its relationship with any contractor, subcontractor, or manufacturer that continues to conduct its business in violation of the Code, and/or
   d. Terminate its relationship with any Licensee/Vendor that continues to conduct its business in violation of the Code.”

Electronics Watch includes the following relevant sanctions:

“17. Where the Contractor has failed to perform an obligation under these terms it may be required to pay liquidated damages to the Contracting Authority as compensation in respect of the following costs which have been incurred by the Contracting Authority (and are partly or wholly wasted):

   • […] the Contractor’s tender price for the Contract, which reflected (or ought to have reflected) full performance of these terms.

   […] the Contracting Authority may require the Contractor to pay liquidated damages equal in value to:

   • […] 5% of the Contract value.
18. Where the Contractor has breached any of its obligations under these terms, and the Contracting Authority considers that the breach is sufficiently serious, the Contracting Authority may terminate the Contract by notice in writing to the Contractor.”

While contract termination of the University of Leeds with the contractor, or contract termination of the contractor with subcontractors is a strong measure to avoid working with continuously breaching suppliers, it should be left as a last measure, as it likely implies the worsening of conditions for the workers affected (Martin-Ortega, 2015a; 2015b, WFF, 2014).

5.3 Collaboration with third party organisations

Collaboration with NGOs and other organisations is crucial for the University of Leeds to be able to monitor compliance with the University’s labour standards requirements and to identify hidden risks in its supply chain. In the following table, the main organisations, institutions, and other initiatives identified are described. See table 26 for details regarding the relevance of each of these organisations and initiatives for the high risk commodity groups identified in section 4.

This information should be included within the Category Management Risk Logs. It’s worth noting that this list is not comprehensive, and there are more NGOs and initiatives that could be looked at. Furthermore, Category Managers should be responsible of continuously updating this information. Multi-stakeholder and/or third party monitoring organisations, such as Electronics Watch, are ideally suited to support the University of Leeds progress in sustainable procurement; unfortunately, this research project did not find any other organisations with the same focus. However, with The Workers’ Rights Consortium and Electronics Watch success over time, more organisations like these should appear in other industries as awareness of their issues grow.

Table 26. NGOs and organisations for potential collaboration/affiliation.

<table>
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<tr>
<th>Name</th>
<th>Description</th>
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<tr>
<td>Action Sustainability: Sustainability Tool</td>
<td>Tool. The supply chain sustainability tool, focused on the sustainability risks of the construction industry, and is free to use for the first tier of supply chains. To use for tier further down the supply chain, an annual subscription must be payed. The tool is an online reporting system which allows the member organisation to collect, report, and analyse suppliers and contractors’ sustainability performance, as well as producing reports on their performance. <a href="https://www.sustainabilitytool.co.uk/how/">https://www.sustainabilitytool.co.uk/how/</a></td>
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<tr>
<td>Association of Labour Providers (ALP)</td>
<td>Sector-specific association. The Association of Labour Providers is a trade association that represents labour providers in the UK. The ALP provides labour agencies a place to share best practice to improve the industry’s standards. University of Leeds suppliers that make use of labour agencies to source labour can be suggested to source labour from agencies affiliated to the ALP, as a way to ensure good practice in labour supply. <a href="http://labourproviders.org.uk/">http://labourproviders.org.uk/</a></td>
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<tr>
<td>Anti-Slavery</td>
<td>NGO.</td>
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<tr>
<td>Name</td>
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<tr>
<td>Anti-Slavery</td>
<td>An organisation that works with other organisations to eradicate modern slavery. Members are entitled to receive their reports and updates on labour issues around the world, as well as to have a voice in the direction the organisation moves towards and the sectors where they will invest resources towards working against modern slavery.</td>
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<td>Better Work</td>
<td>An organisation dedicated to improve the upholding of workers’ rights in the garment industries in the following countries: Bangladesh, Cambodia, Haiti, Indonesia, Jordan, Lesotho, Nicaragua, and Vietnam. While clothing and garments were not ranked as priority areas for the University of Leeds, collaboration with Better Work could help improve working conditions in this industry.</td>
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<td>Business Social Compliance Initiative (BSCI)</td>
<td>The BSCI is a business driven initiative mainly supporting retailers, which focuses on importers to improve working conditions in supplying factories and farms in order to achieve compliance with national labour law and ILO conventions to protect workers’ rights. The BSCI is based on the adoption of a common code of conduct and implementation system that allows consistency. The BSCI provides various tools and activities to support companies and producers, and membership could be suggested to suppliers that import goods.</td>
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<tr>
<td>China Labour Watch (CLW)</td>
<td>An organisation dedicated to closely monitoring Chinese workers’ rights to improve transparency in supply chains that source from China. Their work should be monitored for those commodities that have any sourcing from China.</td>
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<tr>
<td>Considerate Constructors Scheme (CCS)</td>
<td>The Considerate Constructors Scheme is an independent organisation to which sites, companies, and suppliers of the construction industry can register to in order to improve show commitment to appearance, the community, the environment and the workforce’s value. All companies who register are expected to follow a Code of Considerate Practice and, while this code is not detailed in terms of labour expectations, the scheme provides monitoring, which can help detect potential risks. The University of Leeds could ask contractors to register to this scheme and report on findings.</td>
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<tr>
<td>DIEH SHAREX</td>
<td>An online system with low cost for members and no fees for suppliers that allows monitoring at factory or farm level to identify workers’ rights risks and provides action plans for continuous improvements beyond tier 1. This tool allows to create supply chain maps and find gaps through self-assessment questionnaires that compare real conditions versus expected conditions on workers’ rights.</td>
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| Ecovadis | Tool.  
Ecovadis is a collaborative platform that provides supplier sustainability ratings for global supply chain. By assessing suppliers and providing information for numerous customers, the assessment process is more efficient and cost-effective than individual audits and assessment. This tool can be useful for identifying risks from specific suppliers as part of a bigger group of consortium without investing time and resources for individual audits.  
| Electronic Industry Citizenship Coalition (EICC) | Multi-stakeholder initiative.  
The EICC is a coalition of electronics companies that work through holding tier 1 suppliers accountable to a common code of conduct of workers’ rights, environmental, and ethical responsibility in supply chains. Electronics suppliers can be required to become members of this coalition and adopt the code of conduct and their validated audit process to work towards the improvement of labour rights in their supply chains.  
The EICC offers access to EICC-ON, an online sustainability data management system, through which companies and suppliers can share data through reporting, use of self-assessment questionnaires, and audits.  
| Ethical Trading Initiative (ETI) | Multi-stakeholder initiative.  
The ETI is an alliance of companies, trade unions, and NGOs working to promote the respect of workers’ rights and the eradication of workers’ exploitation. The ETI provides steps companies can take to implement their base code of labour practice in their supply chains. Suppliers can be asked to join the ETI, in order to have access to the best practice tools and strategic alliances the initiative offers. Furthermore, where risks are identified, the ETI can be approached by interested members and asked to investigate risks further.  
[http://www.ethicaltrade.org/about-eti/what-we-do](http://www.ethicaltrade.org/about-eti/what-we-do) |
| Fair Labour Association (FLA) | Multi-stakeholder initiative.  
The FLA is based on a multi-stakeholder approach, and works by conducting external assessments and creating spaces for engagement between civil society organisations, companies, universities, and other stakeholders to work collectively towards addressing workers’ rights concerns. The FLA works through upholding and monitoring their own workplace code of conduct on labour standards. However, the code of conduct proposed in Appendix C, or those proposed by organisations such as Electronics Watch or the Ethical Trading Initiative are more comprehensive.  
[http://www.fairlabor.org/our-work](http://www.fairlabor.org/our-work) |
| Forced Labor Risk Determination & Mitigation (FRDM) | Tool.  
FRDM is an online tool developed by Made in a Free World, an organisation dedicated to addressing modern slavery in supply chains. The tool is based on an online software where companies upload their purchase data, which is then compared against the organisation’s global slavery database. The results are built |
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<th>Name</th>
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<tr>
<td>Global Coffee Platform</td>
<td>Multi-stakeholder initiative. The Global Coffee Platform is a multi-stakeholder initiative that is seeking to align the interests of a diverse network of stakeholders to create a sustainable coffee sector. Producers, traders, labour agents, final buyers, and other supply/value chain actors can become members and, by doing so, must adopt a Baseline Code of Conduct, which includes provisions regarding ILO Core conventions. Members of the University of Leeds supply chain for coffee could be suggested to join this initiative.</td>
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<tr>
<td>Know the Chain</td>
<td>NGO. Know the Chain is an NGO dedicated to undertaking and publishing reports on supply chains’ actions steps towards eradicating modern slavery. The reports are produced through benchmarking and should be monitored by the Sustainability Service to get the latest benchmarks on several industries and their attempts to eradicate modern slavery in their supply chains.</td>
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<tr>
<td>Local Resources Network (LRN)</td>
<td>Tool. Online networking platform intending to connect sourcing companies, trade unions, and NGOs, as well as multi-stakeholder initiatives to share knowledge and experience for the management of human rights, as well as environmental risks in workplaces. Members are provided access to a database of NGOs, trade unions, and other organisations in over 50 countries. LRN is managed by an advisory board of senior staff from the Danish Ethical Trading Initiative, the Ethical Trading Initiative of Norway, and the Ethical Trading Initiative of the UK.</td>
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<tr>
<td>Verisk Maplecroft</td>
<td>Tool. The specialised global risk analytics company develops annual human rights datasets, including labour rights and protection, which enables organisations to identify, prioritise, and manage human rights risks in global operations. While access to this tool does not provide any assistance other than the information, it is a useful complement to a supply chain map in order to identify risk areas more comprehensively and efficiently.</td>
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<tr>
<td>SEDEX</td>
<td>Tool. SEDEX is based on an online database which allows members to store, share, and report on labour standards, health and safety issues, environmental aspects, and business ethics of their supply chains. Buying bodies are given access to various tools that allow them to keep track of their various suppliers’ performance, and access to a risk assessment tool developed with Maplecroft, a specialised global risk analytics company.</td>
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<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>SEDEX</td>
<td>As part of membership, buyers should require suppliers to affiliate as well, where they will be able to share ethical information with all their customers through self-assessment questionnaires, audit reports, certifications, etc. SEDEX membership spans through over 150 countries and 30 industry sectors, including small independent farms. <a href="http://www.sedexglobal.com/about-sedex/buyers-and-suppliers/">http://www.sedexglobal.com/about-sedex/buyers-and-suppliers/</a></td>
</tr>
</tbody>
</table>
| Verité                | **NGO.**  
Verité is an NGO specialised in human and labour rights that works with civil organisations and partners with interested institutions to improve the upholding of labour rights in supply chains. While not a membership monitoring organisation per se, a partnership with Verité could be a powerful tool for the University of Leeds to continuously obtain updated risk information and identify risks in their supply chains. One report by Verité was one of the main inputs for the risk assessments undertaken in section 3 due to the high level of detail and quality of their work. Verité has a useful tool to visualise risk in the globe ([http://knowledge.verite.org/#/map](http://knowledge.verite.org/#/map)). [http://www.verite.org/](http://www.verite.org/) |
| Stronger Together     | **Multi-stakeholder initiative.**  
Stronger Together is a multi-stakeholder initiative that aims to provide guidance, resources, and a network for relevant stakeholders, such as workers, third party labour providers, employers, etc., to identify and reduce hidden modern slavery in supply chains. Suppliers and their suppliers, particularly from the agro-food sector, could be suggested to become Stronger Together business partners as a way to show commitment and to encourage them to gather evidence on workers' rights in their supply chains. [http://stronger2gether.org/business-partner-commitment-entry-form/](http://stronger2gether.org/business-partner-commitment-entry-form/) |
| Worker Rights Consortium (WRC) | **Multi-stakeholder initiative.**  
The WRC is an independent labour rights monitoring organisation which conducts investigations on working conditions in factories around the world for Universities, secondary schools, and colleges. The WRC is mainly focused on combatting sweatshops, mainly for the apparel industry. While currently mainly focused on working with Universities in the US and Canada, the WRC is working with British Universities to tackle the same issues. While garment production was not determined to be a priority area, there are risks in the industry and affiliation with the WRC could result in improving workers’ conditions. [http://www.workersrights.org/howto/](http://www.workersrights.org/howto/) |

5.4 Introduce modern slavery in procurement into sustainability training  
Slight modifications are proposed to the content description of sustainability training, in order to include different aspects of modern slavery in procurement for different tiers. The proposed modified overview of training content is included below.
**Tier 2: Sustainable purchasing training**

This will introduce some of the core issues around sustainable procurement and will briefly explore impacts, opportunities and high risk products as well as how day to day purchasers can influence these. *Training could include some material regarding labels and standards (both eco and social) to increase awareness of how purchasers can actively seek these products.* It will likely include some short case studies on areas such as the Modern Slavery Act. The training is likely to be online and will utilise info-graphics and visual aids to communicate headline information. It will also briefly introduce the Sustainable Procurement Standard.

**Tier 3: Managing sustainability through tender process**

This will describe how sustainability fits into the procurement process, exploring the requirements of the Sustainable Procurement Standard and Sustainable Procurement Procedure. It will be workshop based and will look at decision making through the tender process, *including the use of sustainable labels and characteristics in technical specifications and award criteria to increase engagement with sustainability standards through the tendering process.*

It will also explore sustainability through contract management and how to monitor related contract clauses; *Electronics Watch, and any other relevant third party monitoring organisation will be introduced to increase awareness on how contract monitoring takes place.* Some of the high risk categories and issues will be explored in a further detail as the training develops, *using information from updated risk assessments and how to inform themselves on current risks.* This training will also cover how to obtain sustainability information with PQQs and follow-up questionnaires in order to inform staff involved in tenders on the likely indicators of sustainability risks. The net-positive tool will be introduced.

**Tier 4: Sustainable procurement leaders**

This training will aim to empower category managers and senior buyers to become sustainability champions within their particular categories/responsibilities. It is likely to be split between different category types *and looking at specific commodity groups* to allow issues and solutions to be explored in detail, such as supply chain mapping and identifying relevant tender clauses to manage risk and opportunity. *This training should cover how to use contract clauses for supply chain transparency and how to identify risk indicators in suppliers’ disclosed information.* It is important that tier 4 training for category managers and senior buyers makes them fully aware of the sustainable procurement process and the details of how sustainability is involved.

There will also be strong emphasis on using the net-positive tool, supplier engagement and how we will meet the ambition of the Sustainable Procurement Standard and University Sustainability Strategy. As well as exploring these key issues, discussions within these sessions will be used to inform future direction and approach. *Updated information from specific suppliers, either logged on the net-positive tool, or the information obtained in PQQs and follow-up questionnaires should be used as input for category strategy updates.* *This training should cover how to embed sustainability into category strategies, how to map the supply chain, and how Category Management Risk logs should be filled out.*
5.5 Recording of effective Category Management Risk Logs

Besides providing a systematic evaluation tool for category managers, the risk logs are necessary tools to continuously assess risks in procurement categories. Based on the risk indicators found throughout the research project, the considerations in the Social/Ethical risk can be included in a more detailed way in order to make it easier to identify these risk indicators.

Information provided by suppliers, regarding their supply chains, should be recorded in these logs in order to effectively map the University of Leeds supply chain. Furthermore, the detailed risk information on each category and commodity should be updated continuously in this risk logs. Finally, information on labels and certifications for each specific category, as well as third party organisations with which the University of Leeds can collaborate with, can also be contained within Category Management Risk Logs.

In other words, the Category Management Risk Logs should become a central repository of information for each category. Category Managers should rely on this document to keep track on suppliers’ performance within their categories, as well as available measures to improve upholding of labour standards. See table 27 for the current description of social/ethical risks in the Category Management Risk Log, and see table 28 for the proposed additions to the table.

**Table 27.** Current Social/Ethical risk section in Category Management Risk Log.

<table>
<thead>
<tr>
<th>Risk:</th>
<th>Social/Ethical:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Considerations:</td>
<td>Child/Forced Labour: The supplier/contractor shall ensure the products/goods supplied to the University have not been produced by the exploitation of ‘Children’ or by any form of ‘Forced Labour’ or in conditions where harsh or inhumane treatment is allowed.</td>
</tr>
<tr>
<td></td>
<td>High risk-product/services: The total social &amp; ethical risk of the product should be considered along with any measure that can reduce this e.g. Fairtrade, Fair Ware, labour monitoring organisations etc.</td>
</tr>
<tr>
<td></td>
<td>Minimum Wage: The contractor shall ensure that all employees are paid the minimum wage.</td>
</tr>
<tr>
<td></td>
<td>Living Wages/Working Hours: The supplier/contractor shall ensure that living wages are paid to all employees and that employees are not expected to work excessive amounts of hours within the working week, within the supply chain for products being supplied to the University.</td>
</tr>
<tr>
<td></td>
<td>Working Conditions: The supplier shall ensure that working conditions are both safe and hygienic for all employees within the supply chain for products being supplied to the University. Any product or service supplied to the University must conform to International Labour Organisation Standards.</td>
</tr>
<tr>
<td></td>
<td>Working Conditions and hours: The Contractor shall ensure that the working conditions are adequate and that the working hours are acceptable.</td>
</tr>
<tr>
<td></td>
<td>Social value: assess the social value of the contract.</td>
</tr>
</tbody>
</table>
**Freedom of Association**
The Contractor shall ensure that employees have freedom of association.

---

**Table 28. Proposed Social/Ethical risk section in Category Management Risk Log.**

<table>
<thead>
<tr>
<th>Risk:</th>
<th>Social/Ethical:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Considerations:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Child/Forced Labour:</strong> The supplier/contractor shall ensure the products/goods supplied to the University, as well as the materials/goods used in any point of the supply chain, have not been produced by the exploitation of 'Children' or by any form of 'Forced Labour' or in conditions where harsh or inhumane treatment is allowed.</td>
<td></td>
</tr>
<tr>
<td><strong>Minimum Wage:</strong> The contractor shall ensure that all employees are paid the minimum wage, including those employed through outsourced labour providers.</td>
<td></td>
</tr>
<tr>
<td><strong>Living Wages/Working Hours:</strong> The supplier/contractor shall ensure that living wages are paid to all employees, including those employed through outsourced labour providers, and that employees are not expected to work excessive amounts of hours within the working week, within the supply chain for products being supplied to the University.</td>
<td></td>
</tr>
<tr>
<td><strong>Working Conditions:</strong> The supplier shall ensure that working conditions are both safe and hygienic for all employees within the supply chain for products being supplied to the University. Any product or service supplied to the University must conform to International Labour Organisation Standards.</td>
<td></td>
</tr>
<tr>
<td><strong>Working Conditions and hours:</strong> The Contractor shall ensure that the working conditions are adequate and that the working hours are acceptable.</td>
<td></td>
</tr>
<tr>
<td><strong>Freedom of Association</strong> The Contractor shall ensure that all employees, including those employed through outsourced labour providers, have freedom of association.</td>
<td></td>
</tr>
<tr>
<td><strong>Forms of contracts:</strong> The contractor shall ensure that all workers sourced through labour agencies, gangmasters, or other types of outsourced labour providers, are included in their social/ethical due diligence process to identify any forms of labour rights violations.</td>
<td></td>
</tr>
<tr>
<td><strong>Risk locations:</strong> The contractor shall provide information on the location of the facilities where goods/products are sourced within the supply chain for products being supplied to the University and ensure high-risk locations are addressed in the due diligence process.</td>
<td></td>
</tr>
<tr>
<td><strong>Social value:</strong> assess the social value of the contract.</td>
<td></td>
</tr>
<tr>
<td>High risk-products/services: The total social &amp; ethical risk of the product should be considered along any measure that can reduce this e.g. SA8000, ETI, Fairtrade, Fair Ware, labour monitoring organisations etc.</td>
<td></td>
</tr>
</tbody>
</table>
5.6 Approach each commodity area depending on scope/influence

The EC has provided guidance on how to embed social responsibility in a contracting authority’s procurement process, and mentions the need to make it a step-by-step approach. The EC suggests contracting authorities should start by addressing a small range of products and services with the highest impacts and risks. To address these issues, contracting authorities should understand their needs, in terms of social responsibility. In this sense, it is necessary that contracting authorities understand the social standards they want to promote/require from specific products and that they actively seek out opportunities to do so. Once this is understood, contracting authorities can define the subject-matter of a contract in relation to these social standards (European Commission, 2011).

However, it is also crucial to understand how prepared a market, supplier, or a specific commodity supply chain is to respond to the desired social standards (ETI, 2011). Once the purchasing categories have been classified as high/medium/low risk, a labour standards risk vs. market preparedness matrix/assessment can be prepared in order to decide the best course of action to address labour issues in specific supply chains. The base model for this matrix is proposed by the ETI (ETI, 2011).

The analyses previously carried out by the University of Leeds with DEFRA sustainable procurement prioritisation tool in terms of the University’s influence compared with the products’ scope for improvement are very useful in terms of understanding the market preparedness and the approach the University of Leeds should take when setting technical specifications, award criteria, and contract clauses on specific commodities and/or suppliers. Market preparedness relates to the scope for improvement, while market willingness relates to the level of influence.

Additional to the information logged in DEFRA’s scope vs. influence matrix, the availability of information, reports, and initiatives such as Electronics Watch give insight into the level of scope for improvement of specific markets or products, and the University’s share of specific suppliers, or the use of purchasing frameworks with purchasing consortiums, give insight into the level of influence. The following table (29) summarises the potential approaches that could be taken, depending on which quadrant of the Influence vs. Scope graph the commodity group falls.

**Table 29. Labour standards risk vs. market preparedness decision matrix.**

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Set stricter minimum requirements, expect strong evidence and apply these at earlier stages in the process, such as with labels/certifications in the technical specification stage and communicate them through market engagement. Put strong contract clauses to improve/maintain/monitor labour standards in place.</th>
<th>Communicate areas of concern and aspirations as part of wider market engagement or as early in the process as possible. Place contractual requirements on supplier(s) to improve labour standards assurance systems within stated timescales. Where risks are particularly high then provision of independent third party assessments/monitoring may need to be mandated within the procurement process.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pioneer</td>
<td>If labour standards are to be addressed at all then scrutiny of assurance systems should be restricted to key elements (e.g. policy, risk assessments, supply chain dialogue). Minimum standards could still be set at early stages due to high market preparedness.</td>
<td>A proportionate approach is required. If labour standards are to be addressed at all, then scrutiny of assurance systems should be restricted to key elements (e.g. policy, risk assessments, supply chain dialogue). Further improvements based on supplier engagement and capacity building.</td>
</tr>
<tr>
<td>R&amp;D</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5.7 Inform suppliers on the potential risks in their supply chain

The Municipality of Eindhoven in the Netherlands make use of contract performance conditions that belong to one of three potential regimes, which winning bidders have to select themselves (Evermann, 2015):

i. The contractor is a member of a multi-stakeholder initiative which covers human rights and labour risks of workers.

ii. The contractor sees no risks of human rights violations in their supply chains.

iii. The contractor sees risks or is not aware if there are any risk. In this regime, the contractor will be obliged to undertake a risk assessment and will be required to fulfil specific reporting obligations.

By providing an appendix, in which the bidders are informed on the human rights risks that reportedly occur in their supply chain, the Municipality of Eindhoven avoided contractors to deny existence of risks in their supply chain, forcing them to either affiliate to a relevant multi-stakeholder initiative or to agree to undertake a risk assessment and fulfil the University of Leeds reporting obligations. The following obligations were used by the Municipality (included in the same appendix as the labour risks in the contractors’ supply chain) (Evermann, 2015):

- The contractor is expected to indicate whether the risk situations described by the University of Leeds have been identified in their supply chain relevant to the contract. If the contractor recognises no risks, it means that they source products (including raw materials) from countries where the risk situations described do not exist, and that they have fully analysed their supply chain and have set up control mechanisms that allow them to exclude the risk situations. In that case, contractors are expected to substantiate the above at the conclusion of the contract.

- If the contractor recognises risks may occur in their supply chains relevant to the contract with the University of Leeds, they are expected to make a reasonable effort to avoid and reduce risk situations. For this, they are required to submit a plan of action within one month after the conclusion of the contract. This plan of action must show that the contractor has analysed its supply chain and has identified where relevant risks arise, and that they have a policy that shows agreement with the social standards expected by the University of Leeds (either ILO Core standards, or a Code of Conduct if adopted).

- Furthermore, the plan of action must show that the contractor has taken appropriate measures which illustrate how they attempt to reduce the identified risks and violation of required labour standards, along with a description of the contractors’ priorities. The plan of action must also show how the contractor monitors the implementation and progress of the measures describe, and how relevant stakeholders were consulted.

5.8 Requiring labels or certifications

The new legislation on public procurement allows the requirement of labels with specific environmental, social, or other characteristics in the technical specifications, the award criteria, and/or the contract performance conditions. Labels can be used as proof that the goods being supplied satisfy required characteristics. The contracting authority may even require suppliers to meet only some of the label requirements, if appropriate. Furthermore, the contracting authority shall also accept as means of proof other documentation, such as
technical dossiers, that provide valid proof that the works fulfil the same requirements as the labels specified.

Article 44 of the Public Contracts Directive (2014/24/EU) states that contracting authorities may require economic operators to provide test reports, such as certifications, as means of proof of conformity with the requirements or criteria set out in the technical specifications, the award criteria, or the contract performance conditions. Article 43 states the following conditions on the use of specific labels in public procurement:

"(a) The label requirements only concern criteria which are linked to the subject-matter of the contract and are appropriate to define characteristics of the works, supplies, or services that are the subject-matter of the contract;

(b) the label requirements are based on objectively verifiable and non-discriminatory criteria;

(c) the labels are established in an open and transparent procedure in which all relevant stakeholders, including government bodies, consumers, social partners, manufacturers, distributors and non-governmental organisations, may participate;

(d) the labels are accessible to all interested parties;

(e) the label requirements are set by a third party over which the economic operator applying for the label cannot exercise a decisive influence."

If the label of interest fulfils the points (b) to (e) but is not linked to the subject-matter of the contract, then the technical specifications may be defined by reference to the specifications of the label that are linked to the subject-matter of the contract without requiring the label as such. However, Martin-Ortega (2015a, 2015b) states that it is unlikely that labour conditions in sub-contracted component assembling factories will be appropriate to the subject-matter. Nonetheless, some labels may be found quite appropriate for the technical specification and award criteria (TCO Development, 2014). Furthermore, if some labels can't be explicitly used in the technical specifications due to lack of appropriateness to the subject-matter of the contract, the University of Leeds can use the specific characteristics within the label that are appropriate (ISEAL, 2015).

If the label will be required in the technical specifications of the tender, then it must be explicitly mentioned and an annex should include the label requirements. If only some criteria will be required in the technical specifications of the tender, the label can be used as proof of compliance with the specific criteria (ISEAL, 2015).

The following labels/certifications (table 30) were identified for the high risk commodity areas assessed and could be required from suppliers as means of proof of their compliance with social considerations. This list should be contained within Category Management Risk Logs. It's worth noting that this list is not comprehensive, and there are more labels and certifications with labour considerations that could be looked at. Furthermore, Category Managers should be responsible of continuously updating this information.

Table 30. Labels and standards relevant to labour issues in the high risk commodities of the University of Leeds.
<table>
<thead>
<tr>
<th>Label/Standard</th>
<th>Areas of application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonsucro</td>
<td>Products containing sugar from sugarcane can be required to source certified sugar.</td>
</tr>
<tr>
<td>Certified Sustainable Palm Oil</td>
<td>Products that contain palm oil can be required to source certified palm oil.</td>
</tr>
<tr>
<td>Ethical Tea Partnership Global Standard</td>
<td>Tea producers and smallholder farms in members’ supply chains.</td>
</tr>
<tr>
<td>Fair for Life</td>
<td>All kinds of agricultural products, aquaculture products, wild-collected plants, fungi, or lichens, cosmetics and beauty products, textiles (for furniture, for example), artisanal products, tourism services.</td>
</tr>
<tr>
<td>Fairtrade</td>
<td>Bananas, chocolate, gold (for electrical components), coffee, cotton, flowers, sugar, tea, wine, certain kinds of nuts, among other products.</td>
</tr>
<tr>
<td>Forest Stewardship Council Forest Management Certification</td>
<td>Forests and plantation areas where forestry products are sourced from.</td>
</tr>
<tr>
<td>Forest Stewardship Council Chain of Custody Certification</td>
<td>Tracks the FSC certified material from forest/plantation all the way into the store.</td>
</tr>
<tr>
<td>GlobalG.A.P. Certification</td>
<td>16 standards available for crops, livestock, and aquaculture. GRASP (GlobalGAP Risk Assessment on Social Practice) is an add-on specifically developed to assess social practices in farms.</td>
</tr>
<tr>
<td>ISO 20400 (when available)</td>
<td>Standardised guidelines and principles for all actors in supply chains to demonstrate good practice for sustainable purchasing across all industrial sectors. (May not be a label or certifiable standard, but characteristics and recommendations can be extracted and required in technical specifications).</td>
</tr>
<tr>
<td>Marine Stewardship Council (fisheries)</td>
<td>All wild-capture fisheries, Catch and grow fisheries, hatch and catch fisheries, and habitat modified fisheries.</td>
</tr>
<tr>
<td>Marine Stewardship Council (supply-chain)</td>
<td>Traceability and segregation of the full supply chain from certified fisheries to final sale.</td>
</tr>
<tr>
<td>Programme for the Endorsement of Forest Certification</td>
<td>Entire forest supply chain for timber and non-timber forestry products.</td>
</tr>
<tr>
<td>SA8000</td>
<td>Standard for workplaces that protect the basic human rights of workers across all industrial sectors.</td>
</tr>
<tr>
<td>TCO Development</td>
<td>Sustainability in all phases of electronics’ life cycle (Displays, notebooks, tablets, smartphones, desktops, all-in-one PCs, projectors, and headsets).</td>
</tr>
<tr>
<td>BES 6001</td>
<td>Any material, product, or product group within the construction products industry can be certified against the standard.</td>
</tr>
<tr>
<td>Rainforest Alliance Certification</td>
<td>Agricultural and forestry products.</td>
</tr>
<tr>
<td>Responsible Fishing Scheme</td>
<td>All types of fishing vessels and fisheries.</td>
</tr>
<tr>
<td>UTZ</td>
<td>Coffee, cocoa, hazelnuts, and tea.</td>
</tr>
</tbody>
</table>

5.9 Adopt a supplier code of conduct

Adopting a supplier code of conduct where the specific requirements of the University of Leeds, regarding the eradication of modern slavery in its supply chains, is a powerful tool, which is useful to communicate expectations with suppliers and to increase consistency of expectations and requirements throughout all procurement activities.
This code of conduct should set out the minimum requirements and expectations that the University of Leeds has from its suppliers. Although the requirements to uphold core ILO standards are explicitly stated in the Sustainable Procurement Standard, it may still be advisable to aim towards the future adoption a more detailed and specific supplier Code of Conduct to go along with the Sustainable Procurement Standard, which has shown positive results for public and private procurers alike (Santos, 2012; Vasileva; 2012; WFF, 2014). For this reason, a draft is proposed and included. Specific labour standards requirements can be extracted from this draft and included as part of contract performance clauses.

There are several examples on useful codes of conduct for eradication of modern slavery in supply chains, including the Electronics Watch, the Ethical Trading Initiative, the Workers’ Rights Consortium, and the Business Social Compliance Initiative. Affiliation to any of these initiatives may involve the adoption of their code of conduct as a way to communicate consistent and standardised expectations from all affiliates to the sector covered by such initiative (e.g., Electronics Watch requires the adoption of their code of conduct for all electronics suppliers). A general code of conduct draft is proposed, which combines elements of all four codes of conduct and can be used for suppliers in categories without defined codes of conduct (see Appendix C).

5.10 Introduce follow-up questionnaires

Follow-up questionnaires, a strategy used by the Stockholm County Council along with other Swedish County Councils, are helpful to verify the measures that the contractor takes to ensure the eradication of modern slavery in their supply chains. Swedish County Councils send a 15-question questionnaire to contract awardees in high risk areas, along with guidance on what is expected in each question. These questions are continuously updated, as well as the high risk areas where questionnaires will be sent (Evermann, 2015).

While suppliers will be required to introduce information into the NETpositives tool to generate sustainability action plans, the tool does not enquire about detailed information useful to map labour risks in the supply chain, such as factory locations or the workforce composition, for example. In this way, for some high risk contracts where the supply chain is long and complex, and when the risks within the supply chain are not so visible/known, follow-up questionnaires can be a good way to gather information (Evermann, 2015).

A pool of questions that can be included in follow-up questionnaires is contained in section 4.5. Responses to these questions that provide useful information on potential risks or details on the supply chain should be recorded by category managers in Category Management Risk Logs and discussed in category meetings with suppliers. Even if follow-up questionnaires are not sent, some of the questions included in section 4.5 can be used during Category Management Meetings to review suppliers’ performance and identify potential risks.

5.11 Require ‘social concepts’ from bidders

Dataport, a German public IT provider for administrative bodies, adopted an approach of requiring bidders to include a ‘social concept’ referring to upholding of ILO Core labour standards. At the time of the tender, Electronics Watch was not yet an established organisation, for which the institution had to find an alternative way to address labour issues in this supply chain. This document’s weighting was divided the following way: 50% for the concept’s plausibility, 40% to the verification model proposed, and 10% to the breadth
of social standards coverage. Overall, this social concept accounted for 10% of the quality award criteria. The tender documentation included a set of questions that could be helpful to include in the verification reports (some questions can be pulled from section 4.5) (Evans, et al., 2014).

The concept required from suppliers had to describe how bidders are going to comply with the University of Leeds required standards (either core ILO standards or a code of conduct). This concept had to include all stages in the supply chain, from sourcing of conflict-free and responsible raw materials to the manufacturing of the final product. Furthermore, the social concept had to describe how the company would monitor compliance (Evermann, 2015). The concepts were then awarded points based on the extent to which bidders were able to demonstrate the quality of their procedures and the wideness of labour standards coverage (Evans, et al., 2014).

In more specific detail, the social concept was awarded points on three main aspects:

1. The concept’s plausibility. This refers to (1) the extent to which the bidder was able to identify and provide information on the manufacturers’ suppliers and all the subcontractors throughout the supply chain; (2) the extent to which it was possible to identify the mechanisms through which manufacturers would gather information on working conditions throughout the supply chain; and (3) the extent to which the bidder can show that their manufacturers had taken the appropriate measures to address the expected labour standards in both manufacturing and production of raw materials.

2. The verification model. This refers to how bidders will provide evidence for compliance with the expected labour standards. A possibility that was brought up was reporting. These reports would show the measures that suppliers had taken to align their production with the expected labour standards. Third party audits were also a possibility mentioned.

3. The concepts’ coverage of the desired labour standards. This refers to how many of the expected labour standards will be covered by the proposed procedure.

Refer to the WEED Practical Guide on Socially Responsible ICT-Procurement (Evermann, 2015) to review the tender documentation provided by Dataport to bidders.
6. References


IFC. 2015. A tool for the assessment of the environmental and social risks of agro-commodity production. IFC Global Map of Environmental and Social Risks in Agro-Commodity Production Tool.


Public Services (Social Value) Act 2012. (c.3). London: The Stationery Office.


7. Appendices

Appendix A. Full commodity general risk analysis.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural; Fisheries; Forestry; Hort; Livestock; Animal and Farm Feeds</td>
<td>31,624.60</td>
<td>1 1 1 1</td>
</tr>
<tr>
<td>Agricultural; Fisheries; Forestry; Hort; Veterinary and Field Services</td>
<td>26,058.01</td>
<td>0 0 0 0</td>
</tr>
<tr>
<td>Agricultural; Fisheries; Forestry; Hort; Kennels, Catteries, Stabling, Supplies and Services</td>
<td>21,647.23</td>
<td>0 0 0 0</td>
</tr>
<tr>
<td>Agricultural; Fisheries; Forestry; Hort; Livestock and Animal Services and Supplies</td>
<td>18,000.00</td>
<td>0 0 1 1</td>
</tr>
<tr>
<td>Agricultural; Fisheries; Forestry; Hort; Agricultural; Fisheries; Forestry; Oceanographic; Pumps</td>
<td>15,351.63</td>
<td>0 1 1 1</td>
</tr>
<tr>
<td>Agricultural; Fisheries; Forestry; Hort; Agricultural; Fisheries; Forestry; Oceanographic Capital</td>
<td>9,723.95</td>
<td>0 0 0 0</td>
</tr>
<tr>
<td>Agricultural; Fisheries; Forestry; Hort; Fertilizers; Pesticides; Composts; Soils</td>
<td>3,659.17</td>
<td>0 1 0 0</td>
</tr>
<tr>
<td>Catering Supplies &amp; Services</td>
<td>Groceries</td>
<td>998,694.65</td>
</tr>
<tr>
<td>Catering Supplies &amp; Services</td>
<td>Meat; Poultry; Offal</td>
<td>461,726.69</td>
</tr>
<tr>
<td>Catering Supplies &amp; Services</td>
<td>Fruit and Vegetables</td>
<td>359,102.23</td>
</tr>
<tr>
<td>Catering Supplies &amp; Services</td>
<td>Tableware; Crockery; Cutlery; Table Coverings etc</td>
<td>306,304.80</td>
</tr>
<tr>
<td>Catering Supplies &amp; Services</td>
<td>Soft and Non-alcoholic Drinks</td>
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<td>Conferences, meetings, and room bookings</td>
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<td>Travel &amp; Transport incl. Vehicle Hire</td>
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<td>Travel &amp; Transport incl. Vehicle Hire</td>
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<td>Batteries</td>
<td>1,702.84</td>
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Appendix B. Sustainable Procurement Process with project inputs.

The review proposed in the following process should happen PER CONTRACT.

- **Sustainable Procurement Standard**
- **Modern slavery statement**
- **Sustainable Procurement Procedure**

Consult the sustainability Risk and Opportunity Matrix

- If *Green* (low risk), input not needed
- If *Amber* (medium risk), contact sustainability to identify if input is needed
- If *Red* (high risk), input needed

Sustainability to consult Category Management Risk Logs to identify key risk indicators, relevant certification/standards third party organisations that can be engaged (i.e. EWI)

Sustainability to consult influence vs. scope of commodities group

Sustainability to input Social Contracts

Satellite Purchasing to inform suppliers on the potential risks in their supply chain by means of an appendix in Contracts

- Standard sustainability assessment Questionnaire and Award Criteria used (10%)
- Sustainability to input PQG from PQG repository
- Sustainability to input technical specifications and award criteria
- Sustainability to input Contract Performance Clauses
- Sustainability to engage with monitoring (i.e. EWI)

Purchasing to score questionnaire and Award Criteria

If questionnaire and/or award criteria score of winning supplier is low, contact sustainability

Satellite Purchasing to record values/savings sheet

If relevant

Sustainability to engage with monitoring (i.e. EWI)

Category Managers to record sustainability answers in Category Management Risk Logs

Satellite Purchasing to record values/savings sheet

Contract monitored against sustainability performance criteria

Category Managers to record sustainability answers and map the supply chain in Category Management Risk Logs

Category Management Meetings to monitor contract performance risk updates and supply chain changes

Update Category Strategies, Category Management Risk Logs (including risk assessments and supply chain map changes), and training materials
Appendix C. Proposal “Draft Code of Conduct for the University of Leeds”

I. Introduction

A. The University of Leeds is committed to conducting its business affairs in a socially responsible and ethical manner.
B. The present Code of Conduct aims at setting up the values and principles that the University of Leeds strives to implement in its supply chain.
C. The University of Leeds believes that all its Suppliers share this commitment, which is why it requires all Suppliers, at a minimum, to adhere to the principles set forth in this Code of Conduct (the “Code”).
D. This code sets out standards for the production of Goods. To be in compliance with this Code, Goods must be produced under conditions that comply with all the listed standards. This means:
   • Where the standards relate to the rights and conditions of workers, the Goods must be produced by workers who benefit from all of those rights and conditions;
   • Where the standards relate to workplaces, the Goods must be produced in workplaces that meet all of these standards.
E. Workers are involved in the production of Goods, for the purposes of this Code, if they have any involvement, however slight, in the production of the Goods or the production of the raw materials and/or components from which the Goods are produced.

II. Notice

A. The principles set forth in this Code shall apply to all Suppliers.
B. Suppliers must comply with the Code.
C. Suppliers are required to adhere to the Code within [six (6) months] of notification of the Code and as required in applicable contracts.
D. The provisions of this code constitute minimum and not maximum standards.
E. Where provisions of law and this Code [OR THIRD PARTY CODES, SUCH AS EW, ETP, ETI, ETC.] address the same subject, the provision which affords the greater protection for workers is expected to be applied.
F. This Code is a legally binding one.

III. Implementation

A. The principles set out in this Code represent the aspirational goals and minimum expectations that the University of Leeds has with regard to its supply chains’ social conduct.
B. The University of Leeds and its Suppliers commit to use reasonable endeavours to achieve the goals set out in this Code. While full observance of all their Suppliers at all times cannot be guaranteed, the University of Leeds Suppliers commit to take reasonable measures to abide by the principles of this Code, particularly in those regions and sectors where higher risks of non-observance of the Code exists.
C. The Code requires a co-operative approach where every Supplier:
• Involves its respective Suppliers;
• Takes all reasonable and appropriate measures in its sphere of influence needed to implement this Code; and
• Exchanges information to timely identify any challenge requiring mitigation.

D. Suppliers should act with due diligence and develop the necessary management systems, policies, and processes to a reasonable extent as well as effectively prevent and address any adverse human rights impacts that may be detected in the supply chain.

E. While the aspirations will remain unchanged, the minimum expectations and social standards may change in line with changes in society.

F. Terminating a business relationship or an individual contract with a Supplier because of a struggle to implement and/or abide by this Code is considered a last resort, unless deemed necessary when the Supplier breaching the code fails to act in a manner consistent to the principles set out in the Code or is unwilling to undertake the measures needed to fulfil any of the obligations set out in the Code.

IV. Standards

A. Domestic Labour Standards

Goods must be produced in compliance with all applicable domestic labour law. Domestic labour law includes international standards that are applicable to Suppliers under domestic law. Relevant applicable domestic labour law includes (but is not limited to) laws regulating:

• Health and safety;
• Wages and benefits, including overtime compensation;
• Hours of work, public holidays and leave;
• Discipline, violence, harassment and abuse;
• Contracts for both short-term and long-term workers;
• Freedom of association and collective bargaining;
• Prohibition of forced labour;
• Prohibition of child labour;
• Prohibition of discrimination;
• Social security; and
• Environmental protections.

B. International Labour Standards

Goods must be produced in compliance with the following international labour standards:

1. Employment is freely chosen (ILO Core Conventions No. 29 and No. 105; Relevant ILO Recommendation No. 35)
   1.1. There is no forced, bonded or involuntary prison labour.
1.2. Workers are not required to lodge “deposits” or their identity papers with their employer and are free to leave the employer after reasonable notice.

2. Freedom of association and the right to collective bargaining are respected (ILO Core Conventions No. 87 and No. 98; ILO Convention No. 135; Relevant ILO Recommendation No. 143)
   2.1. Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively, without prior authorisation from the Suppliers’ management, and according to relevant national law. The Supplier must not interfere with, obstruct, or prevent such legitimate activities.
   2.2. The Supplier must adopt an open attitude towards the activities of trade unions and their organisational activities.
   2.3. Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
   2.4. Where the right to freedom of association and collective bargaining is restricted under law, the Supplier facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.
   2.5. The Supplier must not discriminate against or otherwise penalise worker representatives or trade union members because of their membership of, or affiliation with, a trade union, or their legitimate trade union activity, in accordance with international labour standards.

3. Child labour shall not be used (ILO Core Conventions No. 138 and 182).
   3.1. There shall be no new recruitment of child labour.
   3.2. The Supplier shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child; “child” being defined as any person at an age younger than 15 (or 14, where consistent with ILO practices for developing countries, the law of the country of manufacture allows such exception).
   3.3. Children and young persons under 18 shall not be employed at night or in hazardous conditions which compromise their health, their safety or their moral integrity, and/or which harm their physical, mental, spiritual, moral, or social development.
   3.4. All work of persons under the age of 18 must be subject to an appropriate risk assessment and regular monitoring of health working conditions, and hours of work.
   3.5. These policies and procedures shall conform to the provisions of the relevant ILO standards.
   3.6. Suppliers agree to consult with governmental, human rights, and nongovernmental organisations, and to take reasonable steps as evaluated by the University of Leeds to minimise the negative
impact on children released from employment as a result of implementation or enforcement of this Code.

4. No discrimination in employment (ILO Core Conventions No. 100 and No. 111; ILO Convention No. 183; Article 68 of ILO Convention No. 102; Relevant ILO Recommendations No. 90 and No. 111).

4.1. There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

4.2. The Supplier must not require a pregnancy test or discriminate against pregnant workers except where required by applicable laws or regulations or prudent for workplace safety. In addition, Supplier must not require workers or potential workers to undergo medical tests that could be used in a discriminatory way, except where required by applicable laws or regulations or prudent for workplace or food safety.

4.3. The Supplier should have an equal opportunity employment policy that promotes gender equity in employment practices, and states maternity leave provision and support for child care where appropriate.

5. Working hours are not excessive (ILO Convention No. 1)

5.1. Working hours must comply with national laws, collective agreements, and the provisions of 5.2 to 5.6 below, whichever affords the greater protection for workers. Provisions 5.2 to 5.6 are based on international labour standards.

5.2. Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

5.3. All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: The extent, frequency, and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate as is legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate recommended to be not less than 125% of the regular rate of pay.

5.4. Workers shall be provided with at least one day off in every seven day period or, where allowed by national law, two days off in every 14 day period.

5.5. The total hours worked in any seven day period shall not exceed 60 hours, except when covered by clause 5.5 below.

5.6. Working hours may exceed 60 hours in any seven day period only in exceptional circumstances where all of the following are met:
   - This is allowed by national law;
   - This is allowed by a collective agreement freely negotiated with a workers’ organisation representing a significant portion of the workforce;
• Appropriate safeguards are taken to protect the workers’ health and safety; and
• The Supplier can demonstrate that exceptional circumstances apply, such as unexpected production peaks, accidents or emergencies.

6. Legal wages (ILO Conventions No. 95 and No. 131; ILO Recommendations No. 131 and No. 135) and living wages are paid (Article 23 of the Universal Declaration of Human Rights).

6.1. The Goods must be produced by workers who receive the remuneration to which they are legally entitled.

6.2. Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event, wages should always be enough to meet basic needs and to provide some discretionary income.

6.3. All workers shall be provided with written and understandable information about their employment conditions, including wages, hours, and holidays, before they enter into employment, and about the particulars of their wages for the pay period concerned each time that they are paid.

6.4. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

6.5. For the purposes of the Code, a “living wage” means a “take home” or “net” wage (excluding any taxes, bonuses, allowances, or overtime wages) earned during a country’s legal maximum work-week (which does not exceed 48 hours), which is sufficient to pay for the basic needs (housing, energy, nutrition, clothing, health care, education, potable water, childcare, and transportation) of a family of four people, and includes an additional 10% of the cost of basic needs as discretionary income.

7. Regular employment is provided (ILO Convention No. 158).

7.1. To every extent possible, work performed must be on the basis of recognised employment relationship established through national law and practice.

7.2. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the excessive use of fixed-term contracts, labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

7.3. The workers involved in the production of the Goods must not have their employment terminated unless there is a valid reason for such
termination based on the capacity or conduct of the worker or on the operational requirements of the factory.

8. Agency or indirectly employed workers
   8.1. The **Supplier** is responsible for the rights of all workers on their site, whether they are directly employed or employed or engaged through a labour provider, agent, or a contractor.
   8.2. The **Supplier** should have due diligence processes in place to ensure that workers on their site do not pay any form of recruitment fees to any agents to gain employment.
   8.3. The **Supplier** must have a process to ensure that they have a record of all workers at their site, including those engaged through an agency, labour provider, or contractor, within three days of beginning employment or physically being on site.
   8.4. The **Supplier** must have a clear written agreement with labour providers to ensure that the welfare of workers is safeguarded, and must monitor adherence to this agreement. This includes their health and safety, payment and benefits terms, accommodation, and non-discrimination.
   8.5. The **Supplier** must ensure to meet any local laws relating to the use of labour providers, agencies, or contractors, including workers at their own **Suppliers** and sub-contractors. For example, by including these laws in contractual or procedural agreements with third party employers.

9. Working conditions are safe and hygienic
   9.1. The Goods must be produced under safe and healthy working conditions, in compliance with domestic and international labour standards. The Goods must be produced in Factories that maintain effective occupational health and safety (OSH) programs in the following three areas: Comprehensive OHS programs; identification, evaluation, and control of health and safety hazards; and worker participation in the development, implementation, and verification of OHS programs.
   9.2. A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
   9.3. Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
   9.4. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
   9.5. Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
9.6. The company observing the code shall assign responsibility for health and safety to a senior management representative.

10. No harsh or inhumane treatment is allowed
10.1. Every employee shall be treated with dignity and respect. No employee shall be subject to any physical, sexual, psychological, or verbal abuse or discipline. The threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall not be used or tolerated.
10.2. The Supplier should provide training on non-discrimination and harassment where possible.

11. Workplace grievances
11.1. The Supplier must provide equal access to a grievance mechanism for workers (and their organisations where these exist) to raise workplace concerns. This grievance mechanism must allow for anonymous complaints to be raised and addressed.
11.2. This grievance mechanism must involve members of an appropriate level of management and address workers’ concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned.
11.3. The existence and scope of this grievance mechanism must be clearly communicated to all workers and their representatives.

12. Land rights [PARTICULARLY ON AGRI-FOOD SUPPLIERS]
12.1. All Suppliers must adhere to the practice of Free and Prior informed consent for land rights and Suppliers must conform to local, national, and international standards of land tenure when working in communities. Where applicable, this may include evidence of a due diligence process within communities to understand where established rights to property and land lie.

V. Verification

A. It shall be the responsibility of the Suppliers (for themselves and on behalf of their contractors, subcontractors, or manufacturers) to ensure their compliance with this Code.