



# CONSTRUCTION AND THE MODERN SLAVERY ACT

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## REPORT SUMMARY

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## INTRODUCTION

### Modern slavery in the UK

There are more than 40 million people in modern slavery globally, with 25 million in forced labour, according to the International Labour Organization (ILO).

In Europe nearly three people in every thousand are estimated to be victims of slavery. The National Crime Agency is significantly revising upwards its previous estimate of 13,000 modern slavery victims in the UK.

Developed nations make appealing targets for exploiters because they can generate high income levels per worker, estimated at up to US\$34,800 a year. And, with the easy supply of labour, the cost of human life is plummeting. The Gangmasters and Labour Abuse Authority (GLAA) has seen incidences of individuals traded for as little as £250. Chief constable Shaun Sawyer, national policing lead for modern slavery says:

*“We regularly hear stories of slaves being traded...sometimes not even for money. They could be sold for a crate of wine or whatever takes their fancy at that time... the supply, handover and changeover of slaves is so quick, criminals put very little value on individual lives.”*

In 2017, a total of 5,145 potential victims of slavery were submitted to the National Referral Mechanism (NRM), the government’s official slavery register. This was an increase of 35% on the previous year and involved 116 nationalities. Forced labour is now the NRM’s fastest growing category.

Slavery is a lucrative business model for both organised criminals and casual opportunists and has been found in every region of the UK. In March 2018, there were more than 600 live policing operations on modern slavery, from major cities to rural areas. Calls to the Modern Slavery Helpline are predicted to rise to 6,000 in 2018.

Modern slavery should not be viewed in isolation. It is the most extreme example of abusive practices that thrive within fragmented supply chains and aggressive price-driven business models. While the construction sector has many risk indicators of exploitation, the potential scale of the problem in the UK is only just emerging.

### Challenging perceptions

There is a perception that all modern slavery victims are illegal or low-skilled immigrants. This is only the partial picture. Many victims are from the UK or EU accession countries and have a right to work. There are also cases of well educated foreign nationals being tricked and trapped into slavery.

The one factor that victims have in common is that they were vulnerable or were made vulnerable at some point in their recruitment process. Illegal and expensive recruitment fees, or fraudulent online recruitment, are two frequently used methods for tricking and trapping people into debt and vulnerability.

Another false perception is that modern slavery is only found in informal small enterprises, operating illegally or within the grey area of the law, such as car washes and nail bars. But there is growing evidence that traffickers are targeting big business. Legitimate businesses are more attractive to criminals than illegal operations because of higher wage levels.

In cases of British nationals trapped in forced labour, many have underlying problems such as financial debt, learning difficulties, gambling or addictions. Traffickers will often groom victims to increase their vulnerabilities. There is a strong link between homelessness and forced labour.

### Perpetrators

Across Europe, the majority of criminals involved in human trafficking are EU nationals. The most common nationalities for traffickers based in the UK are British and Romanian.

Foreign nationals tend to exploit people from their home countries, or those with whom they share linguistic or ethnic ties. British traffickers have a more diverse victim base. As well as buying foreign victims from other groups, they also target vulnerable nationals, such as the homeless.

Perpetrators range from casual informal labour providers that disappear with wages, to sophisticated organised criminal gangs.

This report summarises some of the key points made in **Construction and the Modern Slavery Act, Tackling Exploitation in the UK**, which was launched by CIOB in May 2018.

The full report, which includes interviews, comment, industry case studies and best practice examples, can be downloaded from <https://policy.ciob.org/research/construction-and-the-modern-slavery-act-tackling-exploitation-in-the-uk/>

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The GLAA is warning that organised gangs are using human trafficking as the gateway to other types of crime in the workplace, such as theft of goods or plant.

### How people become trapped

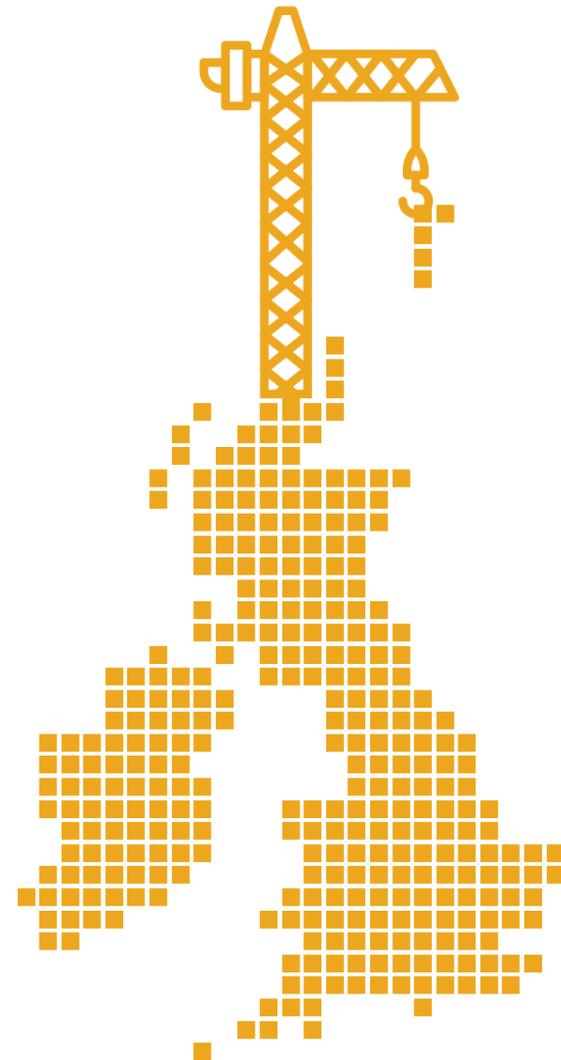
People may not be in slavery all the time. Their working conditions could switch from minor exploitation to forced labour and back again as they are shuffled into different workplaces, locations and sectors.

Some situations may appear to be benign on the surface, but victims may be trapped by invisible factors, such as debt, psychological control or fear of violence against themselves or their families.

Decent working conditions can gradually worsen. A range of employer behaviours can engineer vulnerability in the workforce, including:

- Disciplining the workforce through dismissal, or threatening to do so
- Punishing people for refusing to work overtime or if they become ill
- Using intrusive surveillance and setting unrealistic production targets
- Retaining wages ‘for safe keeping’
- Withholding passports
- Letting visas expire so that workers lose their legitimate right to work

*There is a perception that all modern slavery victims are illegal or low-skilled immigrants. This is only the partial picture. Many victims are from the UK or EU accession countries and have a right to work.*



## MODERN SLAVERY IN CONSTRUCTION

*“There are a lot of decent people in construction. If they really knew how some people were being treated by ruthless gangmasters, there would be a bigger outcry.”*

*Peter Jacobs, past president of the CIOB and managing director of Wilson James’ construction logistics division*

### Structural problems in the sector

In the European Union, construction ranks second only to the sex industry as the sector most prone to exploitation. In the UK, anti-slavery leaders have highlighted construction as a priority area. Incidences have been found on major infrastructure projects and power plants, PFI hospital projects, housing and regeneration schemes and in the demolition and recycling sectors.

Construction projects are thought to be most at risk of being infiltrated by forced labour at or below tiers four and five of the supply chain. This is problematic because major contractors typically have little visibility below tiers one and two.

### Risk factors for UK construction:

- **High reliance on migrant labour:** 1 in 8 workers born outside of the UK
- **Fragmentation of supply chains:** more than 99% of the sector made up of SMEs
- **Escalating use of agency labour:** the UK has the highest proportion of agency labour in the EU, often supplied through multiple tiers of subcontracting
- **High proportion of low-skilled workers** earning at or near minimum wage level
- **Temporary projects** and unstable supply chains
- Projects working to **tight time constraints**
- **A price-driven culture** driven by lowest cost tendering
- **Very low margins** – some tier one contractors are struggling to make margins of 1%

Although these conditions do not necessarily lead directly to modern slavery, they create an environment in which it is easier for exploitation to thrive. Within this environment, a range of industry behaviours are creating hardship both for individuals and companies, and also encouraging corners to be cut.

**Abuse of the retentions system** – retentions are typically around 5% of project value. Common abuses of the system include withholding money to obtain a project discount. Tier one contractors also divert retentions money to help with their own cash flow and labour costs. Suppliers at the lower tiers of a supply chain are often hardest hit.

**Late, discounted or non-payment** – Money can take a long time to trickle through supply chains. Late or even non-payment, for bogus reasons, is entrenched in business culture. SMEs often have to endure payment cycles of 120 days or longer. Some suppliers and subcontractors are forced to grant a discount in return for faster payment. In a recent survey by the Federation of Master Builders, 30% of SMEs said that late payment forced them to delay paying their own suppliers, and some said they had been forced to delay paying wages.

**Agency labour** – UK construction’s heavy reliance on agency labour is eroding the rights of both British and foreign workers. Companies are hedging their risk by using a flexible workforce, but are not paying a fair price for this flexibility. Although contractors may be setting payment at minimum or living wage levels, this amount could be reduced, as each layer of subcontracting takes a cut. This is also related to the problem of bogus self employment.

**Bogus self employment and umbrella companies** – agencies often force skilled and unskilled workers to work for umbrella companies. Many such companies are making unfair deductions from wages. Workers are forced to sign zero hours contracts with exclusivity clauses forbidding them to work elsewhere. Unions complain that workers are not receiving their due holiday pay and are often left in pensions limbo.

The imbalance of power is leaving workers vulnerable to **bullying** and **intimidation** on sites. **Blacklisting** is thought to be continuing in new forms, despite high profile court cases in recent years.

**Lowest cost tendering and the decline of collective bargaining** – Collective agreements between employers and trade unions are designed to protect all parties on a project, regulating terms and conditions in the workplace, and setting out duties of care for employers.

But unions say the use of collective agreements, such as the National Agreement for the Engineering Construction Industry (NAECI) negotiated by the National Joint Council for the Engineering Construction industry (NJC) is in decline as clients aim for the cheapest possible contracts. They argue that client obsession with lowest cost tendering is also pricing ethical players out of the market.

#### Domestic clients

The domestic sector is believed to be a soft target for exploited labour, fuelled in part by the eagerness of householders to use informal arrangements, paying for building and fit out services in cash. As well as undercutting legitimate tax-paying companies, there is a high chance that informal players are taking short cuts on health and safety and not complying with wage laws. In the worst cases they could be using trafficked people.



*“We’ve trained a generation of young people in the industry to think beating up subcontractors is the way business should be done. It’s shameful.”*

Dispute resolution expert

## SLIPPING THROUGH THE NET

### Modern slavery in the UK

Modern slavery is a complex and hidden crime, carried out by entrepreneurial criminals who continually evolve their models to evade detection. Commercial barriers, behaviours and limitations also act as enablers for criminals. These include:

#### Failures in the auditing system

Whilst auditing is positive for benchmarking and generally raising standards, research in the UK construction and food processing sectors has found that auditing is ineffective at detecting modern slavery. In fact, there are known cases of modern slavery being found in workplaces that have successfully passed audits.

This is partly down to the commercial and operational model: auditors may fear reporting problems to the police or other agencies, for fear of losing business. Pre-booked audits give rogue employers sufficient warning to give workers the day off.

The problem of tracking workers is exacerbated in construction where the workforce is mobile and can quickly cycle through a project. Auditors are unlikely to meet the same people twice on the same site.

Auditing methodology often fails to keep up with the pace of change as new criminal operational models evolve.

#### Secrecy and fear of damage to reputation

Where exploitation is detected, companies that choose to deal with the problem themselves, rather than involve other agencies or the police, are giving perpetrators the opportunity to move their operations to other clients with minimal risk.

#### Denial and disbelief that it can happen here

Media reports give the impression that modern slavery in the UK is found on the fringes of the economy. NGO scandals have focused on comparatively easy targets abroad, such as the 2022 FIFA World Cup in Qatar. Complacency is also an issue: in a recent CIPS survey, 58% of construction procurement managers

in the UK were either “very” or “fairly” confident that they did not have modern slavery in their supply chains. This is highly improbable given construction’s risk factors.

#### Historically poor understanding of the problem

Construction is by no means the only industry that has struggled to grasp the issue of modern slavery. All industries that employ high numbers of low skilled migrants are equally vulnerable and face similar challenges. The police and other agencies admit that they are still getting to grips with the nuances and complexities as they develop their intelligence across all sectors.

Slavery could be hidden in plain sight: most construction managers have probably had the experience of non-English speaking work gangs transported to and from the site in the same van. The procedure may be perfectly legitimate in many cases, in others it could be a sign of exploitation. In complex scenarios, it can also be difficult to determine which players are the criminals and which are the victims. Heightened awareness and discretion is required from all workers on site.

#### Conflation of immigration and anti-slavery checks

The government is placing two somewhat conflicting responsibilities on industry: checking for signs of exploitation and enforcing immigration policy. Sometimes the two activities are being conflated into one, with priority given to immigration checking. There is a tension between those two goals as one (immigration crackdowns) can create conditions of exploitation.

In addition, many people trapped in unfair working conditions, from modern slavery to minor

exploitation, have a legitimate right to work in the UK. Some are British; many are from the 27 other European Union member countries.

### Pushing risk down the supply chain

Larger companies often have limited visibility of the lower tiers of their long supply chains. On many sites, responsibility for labour checks often falls to subcontractors that are less well resourced and less likely to have expertise in spotting fake documents.

Anecdotal evidence suggests that, despite strong checking regimes, fraudulent identity documents are still being found on some major construction projects. There are still cases of subcontracted workers being paid cash in hand.

### Last minute changes and decisions on site

While many companies are tightening their checks on labour agencies, there is a more hidden risk of criminals infiltrating construction sites through subcontractors. Organised gangs could also take advantage of a sudden demand for labour as projects battle to stay on schedule.

*“There are large publicly known organisations with a high turnover that are being very slack –that’s the most positive spin I can put on it – in human resources recruitment.”*

Caroline Haughey QC

## Future risks

### Costs

Rising costs for materials and labour and the falling value of the pound will continue to squeeze margins.

The fallout of Brexit could lead to further instability and disruption of supply chains, with added cost inflation. It could also disrupt best practice in purchasing, as contractors scramble to secure new suppliers.

### Organised crime

As border controls tighten, it is expected that organised criminal activity will expand to help more migrants cross frontiers, significantly raising the risks of exploitation. Both the UK and Germany moved from low to medium risk countries on Verisk Maplecroft’s Modern Slavery Index in 2017.

### Falling migration

Migration to the UK has been falling since the Brexit vote, particularly from EU countries. Construction already has a skills crisis but the Recruitment and Employment Confederation fears that unscrupulous employers “may resort to undocumented workers to keep their businesses afloat, which could also lead to cases of exploitation and modern slavery.”

### Hostile immigration policies

The government’s focus on immigration is expected to intensify as Britain prepares to exit the European Union. New restrictions on movement could put migrant workers from EU countries at higher risk of exploitation.

### Racial abuse

Unsavoury trends have been emerging since the Brexit vote. In a recent cross-industry workshop on fairness, inclusion and respect, more than two thirds of participants had noticed an increase of incidents of racial abuse on construction sites.

## THE MODERN SLAVERY ACT

Under the Modern Slavery Act (MSA) 2015, companies with a turnover at or above £36 million are required to write an annual statement on the steps that they have taken to combat modern slavery in their supply chains. The act covers all UK-based organisations, including subsidiaries and franchises where the parent company is based abroad.

All eligible companies must write a modern slavery or transparency in supply chains (TISC) statement regardless of whether or not they have taken any actions to combat slavery that year. The statement must:

- Be signed off by a director
- Be approved by the board
- Appear clearly on the company homepage.

### First cycle reporting

*“A significant proportion of companies are failing to take any substantive steps on modern slavery and this is something I want to see changing fast. This is not a mistake, but a wilful avoidance of their legal and moral responsibilities.”*

Kevin Hyland OBE *Independent anti slavery commissioner*

There are roughly 19,000 organisations in the UK that should be publishing modern slavery statements. As of the beginning of 2018, roughly 8,000 had missed their annual deadline.

Around 30% of eligible construction companies published a modern slavery statement in the first year. The sector’s response rate lagged behind other industries. NGOs criticised many organisations for the poor quality of their statements. There were examples of several companies publishing almost identical reports, as if written to a template. There was very little mention of risk, with organisations focusing mainly on policies.

Anecdotal evidence suggests that many companies are treating the drafting of modern slavery statements as a discrete task, isolated from business operations, rather than a reflection of meaningful activities carried out throughout the year.

There is also evidence that companies are watering down their statements after publication to remove mention of risk. This is thought to be for fear of future litigation or negative publicity but is against the spirit of the Modern Slavery Act.

### Looking forward

NGOs are already ranking companies on the qualities of their statements. Independent anti-slavery commissioner Kevin Hyland has warned that negligent companies could face civil actions in the future. Enforcement agencies may also view the failure to publish statements as an indicator of poor governance, and a red flag for triggering investigations.

Baroness Young of Hornsey has launched a second private members bill to extend the Modern Slavery Act to the public sector. The bill is supported by a number of politicians and industry organisations.

## Construction’s response to the MSA

In summer 2017, the Chartered Institute of Procurement and Supply (CIPS) carried out a survey of procurement managers. From this, CIOB worked with an anonymised data sample of 77 procurement specialists working in construction.

### Defaulting to compliance

*28% have sought assurances from suppliers that they are compliant with the Modern Slavery Act and 26% have reviewed supplier contracts*

Growing evidence suggests that many large organisations are defaulting to compliance exercises and pushing risk onto their less well resourced suppliers. Some organisations have been writing a “zero tolerance” approach to modern slavery into

their contracts. This goes against good practice: as well as forcing suppliers to cover up the problems, it could act as an enabler for criminals to move on to other companies undetected.

Helen Carter, senior consultant at Action Sustainability and the Supply Chain Sustainability School says

*“We need to get out of that mindset that modern slavery is a compliance issue. Organisations won’t know what’s happening below tier one unless they ask the right questions. Suppliers need to be comfortable enough to ask for help.”*

**Risk mapping**

26% have started mapping their supply chains

Mapping out risk in supply chains is one of the first activities recommended by supply chain specialists. This would be a complex undertaking in any sector, but construction has the added challenge that its supplier base – which often runs to thousands - can change dramatically from project to project, transforming again within joint ventures.

Nevertheless, some companies have started elements of this gargantuan process. Mace is using the Sedex platform to generate risk reports. Marshalls launched its Ethical Risk Index in 2017, which demonstrates how its stone products are sourced in various regions of the world and the risk factors associated with each product.

There has also been some collaborative action. The Supply Chain Sustainability School, which has more than 65 major contractors and clients as members, recently mapped out the journeys of four common construction products. Having received the information, it is now up to companies to decide how they use it. However, anecdotal evidence suggests that many companies are failing to use the findings to influence or inform procurement strategy.

**Training and education**

25% have provided training to employees and suppliers on the risks of slavery

CIPS data suggests that construction lags behind other sectors on training. Roughly a third of respondents said that they would not know what to do if modern slavery was found in their businesses or supply chains. This was significantly higher than the 16% average across all industries.

However, many large contractors are using the resources developed by the Supply Chain Sustainability School, and others have also signed up for the Stronger Together Toolkit, a multi stakeholder initiative originally developed in the retail sector.

**Procurement reform gets off to a slow start**

25% have introduced procurement policies complying with the Modern Slavery Act

According to the CIPS survey, only a quarter of construction companies have introduced procurement policies complying with the Modern Slavery Act.

As procurement teams are in a powerful position to collaborate with suppliers and implement change, the lack of reported action in this area is concerning.

Some contractors and clients are calling for more industry standards to increase the traceability of products.

**Hotlines and remediation programmes are in development**

Many companies interviewed by CIOB had launched or taken part in modern slavery awareness campaigns. Some had also introduced whistle blowing hotlines. But anecdotal evidence suggests that many organisations have yet to implement procedures to deal practically with reported incidents.

**Construction backs labour market enforcement**

61% of construction procurement professionals back tougher labour enforcement legislation

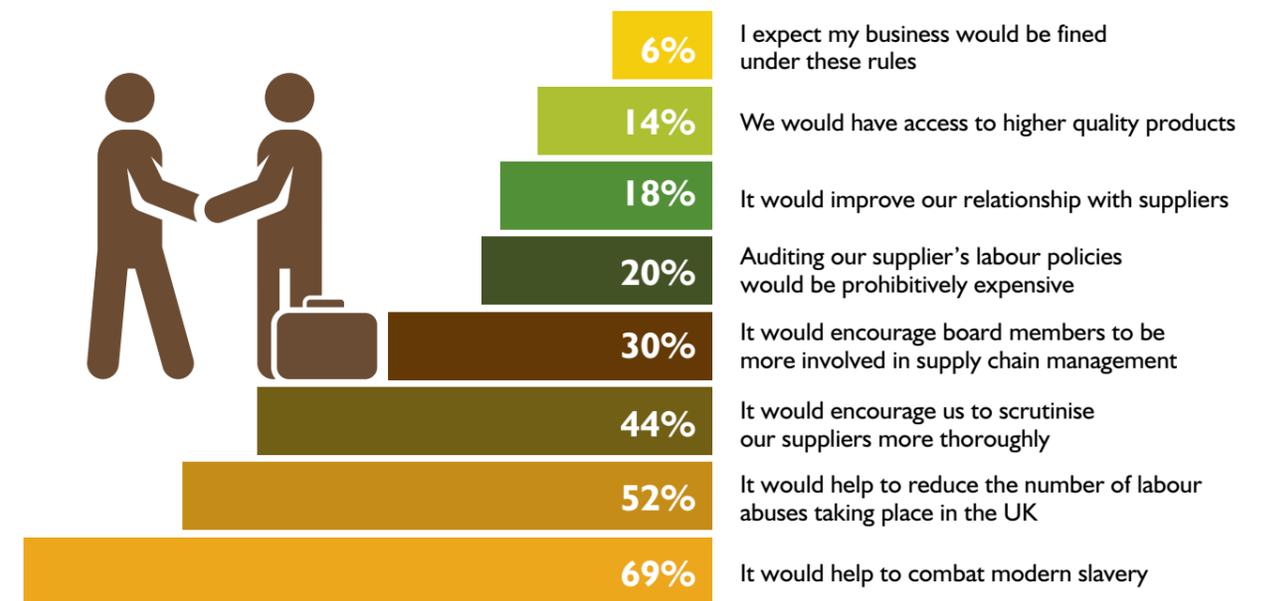
Should major companies be held liable for labour abuses committed by their suppliers, such as minimum wage violations?

Industry is often resistant to extra legislation, but 61% of construction procurement professionals in the CIPS survey backed tougher laws, with 69% believing that it would help to combat modern slavery. Just over half of respondents thought that that new legislation would reduce the amount of labour abuses taking place in the UK generally.



**What effect would labour market enforcement have on your business?**

Top answers from construction procurement professionals:



## CHANGING THE MODEL

*“Companies need to recognise that the risks are everywhere. They need have at least a three to five year strategy. Modern slavery is an ongoing issue and needs an ongoing response.”*

Justine Currell, executive director, the Modern Slavery Helpline and Unseen

Businesses will need to change their approach if they are to take meaningful steps to tackle exploitation in their supply chains. This section looks at the barriers and incentives.

### Modern slavery and reputation management

Fear of reputational damage is the biggest driver for change in corporate efforts to tackle modern slavery. But this can have negative as well as positive consequences. On the plus side, it can encourage organisations to become proactive. Conversely, directors may try to cover up evidence, become defensive or avoid looking for problems at all.

Dr Alexander Trautrim of the University of Nottingham's Rights Lab is calling for a culture change:

*“Companies need to feel more comfortable about being open. They should be proud when they detect problems. It shows that their auditing and compliance regime is working.”*

When a problem is discovered, best practice suggests that priority should be given to focusing on due diligence and remediation, only disengaging with suppliers that are unable to improve conditions.

### International legislation

The UK Modern Slavery Act 2015 is part of a wider mosaic of human rights legislation and targets coming into effect around the world. These include the UN Sustainable Development Goal 8.7 to eradicate forced labour and modern slavery by 2030, ending all child labour by 2025.

Influential legislation includes the 2010 California Transparency in Supply Chains Act, which came into effect in 2012, the EU Non Financial Reporting Directive which requires large organisations to disclose what actions they are taking to manage risk on non-financial issues including the environment,

human rights, employee welfare, corruption and bribery. France's Duty of Vigilance Law requires large companies to publish the steps they are taking to root out human rights and environmental violations from their supply chains.

Anti-slavery legislation is also being drafted in the Australian parliament and there are plans for introducing legislation into many other countries.

### Prosecutions in the UK

Criminal barrister Caroline Haughey QC prosecuted the first modern slavery case in Britain in April 2011 and has advised on or prosecuted more than 40 defendants in modern slavery cases in England and Wales. She is critical of the lax approach that some large UK companies are taking to recruitment, warning that British companies may also be vulnerable to prosecutions in the future.

Whilst most companies don't want to be criminal employers, Haughey points to a link between modern slavery and involvement in money laundering, bribery and corruption. She says:

*“If you have exploitation in your supply chain, you're theoretically a money launderer because you are encouraging and inciting criminal activity, facilitating someone's financial gain without doing appropriate checks either because they are turning a blind eye or alternatively knowingly complicit.....[I would use] every power available to me [to prosecute] ... If we can't succeed through policing we could recommend a health and safety or fire safety inspection. If we are not satisfied with financial activities we may refer it on to the fraud squad. Tax avoidance issues could go to HMRC.”*

So far, British companies have escaped prosecution for supply chain failures abroad. But James Sinclair, international lawyer and researcher in modern slavery at Kings College London believes the legal landscape could be changing as activists and civil society organisations look to use strategic litigation to hold parent companies more accountable for actions of their subsidiaries. He says:

*“Companies taking meaningful and reasonable actions to address labour exploitation issues are unlikely to be pursued. But those with systematic modern slavery practices at the heart of their business models – or using their modern slavery report as an elaborate PR exercise – could find themselves in difficulty.”*

### Investor actions

Investors and activists are placing increasing pressure on companies to be more transparent about environmental, social and governance factors. This is likely to influence supply chains over the long term.

For example, Land Securities, the UK's largest commercial property developer, has committed to ensuring that employees in all its environments, including construction sites, will be paid wages set by the Living Wage Foundation by 2020. Land Securities recently participated in the Workforce Disclosure Initiative pilot, launched in 2017 by investor pressure group ShareAction. As part of its annual commitment to the WDI, Land Securities will be seeking evidence from its tier one suppliers that its wage policies are taking effect.

## Regional initiatives

The Welsh Government launched its **Code of Practice for Ethical Employment in Supply Chains** in 2016. This voluntary code covers supply chains to all public bodies in the country, accounting for £6 billion of procurement and potentially impacting millions of employees. Aspects of the code are likely to be incorporated into tender documents as well as construction and operational contracts. Within the code, businesses of all size are encouraged to produce a modern slavery statement, and anyone involved in the procurement, recruitment or deployment of workers should receive training on modern slavery and ethical procurement practices.

The Scottish Government published its first **Trafficking and Exploitation Strategy** in May 2017, and has committed to conducting a review every three years. Scotland's Procurement Reform (Scotland) Act 2014 requires public bodies to consider how procurement can be used to improve social, economic and environmental well-being, with a particular focus on inequality. The Scottish government was the first government in the UK to become an accredited living wage employer.

Meanwhile the **Police Service of Northern Ireland** set up a dedicated unit to tackle modern slavery in 2015. The **Modern Slavery Human Trafficking Unit** has developed a screening process to assess and safeguard every potential victim discovered in the province. Several initiatives are under way to raise awareness of modern slavery in Northern Ireland and to identify potential victims of trafficking.



## RECOMMENDATIONS FOR ACTION

### Supply chains support

In order to raise standards, it is important that clients and tier one organisations actively engage with supply chains, supporting continual improvement. They should encourage an atmosphere of openness in which systemic weaknesses and sourcing problems can be discussed without fear of reprisals.

Organisations such as Action Sustainability and the Supply Chain Sustainability School can help.

[www.actionsustainability.com](http://www.actionsustainability.com)

[www.supplychainschool.co.uk](http://www.supplychainschool.co.uk)

### Transparency in supply chains reporting

Modern slavery reporting should set out the meaningful steps a company is taking to eradicate exploitation from its supply chains and reflect a long term view, or at least a three to five year strategy. Companies below the £36 million threshold should also consider making a statement as many clients will expect this in the future. The Modern Slavery Helpline is just one of many organisations that provides resources and training. NGO consultancy Ergon, which promotes respect for labour standards and human rights, is also providing analysis and guidance.

[www.modernslaveryhelpline.org](http://www.modernslaveryhelpline.org)

<http://ergonassociates.net>

### Training

Every member of staff should be trained in spotting the signs of slavery. Anti-slavery champions should be appointed in strategic company roles and receive specialised training to fit their discipline. See resources and materials from StrongerTogether and also the Supply Chain Sustainability School.

[www.stronger2together.org/construction](http://www.stronger2together.org/construction)

[www.supplychainschool.co.uk](http://www.supplychainschool.co.uk)

### Ethical standards

A variety of standards and models are emerging to help companies align their business operations with ethical procurement and sustainability goals. These include ethical procurement standard ISO 20400 and BRE's Ethical Labour Standard. Both were launched in 2017 and encourage continual improvement and revision of processes. See also the Eight Pathways white paper, launched by APRES (also part of BRE) in 2017, which helps organisations examine their operations from a responsible and ethical sourcing perspective.

<http://apres.bre.co.uk>

[www.bsigroup.com](http://www.bsigroup.com)

### Labour standards

Contractors should prepare themselves for the possibility of labour licensing in the future. At the very least, they will come under increasing pressure to comply with voluntary initiatives. The Association of Labour Providers has just launched Clearview, a voluntary labour standards certification programme.

[www.clearviewassurance.com](http://www.clearviewassurance.com)

### Eradicating worker recruitment fees

Recruitment fees paid by workers often leave them in situations of debt bondage. The Leadership Group for Responsible Recruitment, launched by the Institute for Human Rights and Business in 2016, is aiming to eradicate worker fees from supply chains within a decade.

Members, which include Coca Cola, Hewlett Packard, Tesco, Mars, IKEA and Vinci, have signed up to the Employer Pays Principle: No worker should pay for a job. The costs of recruitment should be borne not by the worker but by the employer.

[www.ihrb.org/employerpays/leadership-group-for-responsible-recruitment](http://www.ihrb.org/employerpays/leadership-group-for-responsible-recruitment)

### Information sharing

Modern slavery is complex and difficult for organisations to tackle alone. But there are several initiatives underway to help industry share intelligence and data more widely, working both at a regional and national level. The GLAA has set up a **construction protocol** which establishes, among other things, a voluntary information sharing agreement and a quarterly forum for industry meetings.

Contact Samantha Ireland for more information [samantha.ireland@glaa.gsi.gov.uk](mailto:samantha.ireland@glaa.gsi.gov.uk) and see also [www.gla.gov.uk/i-am-a/i-use-workers/constructionprotocol](http://www.gla.gov.uk/i-am-a/i-use-workers/constructionprotocol)

Other organisations include **West Yorkshire Anti-Trafficking and Modern Slavery Network**, set up by West Yorkshire Police and NGO Hope for Justice. See <http://hopeforjustice.org/wyatmsn>

**The Combating Modern Slavery, East Midlands Police and the Business Community in Collaboration** project is a joint collaboration with the Derbyshire Constabulary and the University of Derby. It is establishing multi-disciplinary teams of business representatives, academia, and agencies to tackle the challenges and is expanding into new regions. For more information contact: [L.PajonMoreno@derby.ac.uk](mailto:L.PajonMoreno@derby.ac.uk)

### Fighting fake recruitment

Dishonest recruitment is the most obvious entry point into labour exploitation. Online recruitment scams are also proliferating. Charging fake fees and costs, they perpetrate financial fraud, leaving victims financially vulnerable, particularly if they have moved to another country to start work. Senior management roles provide particularly lucrative targets. British professionals have been caught up in scams overseas.

SAFERjobs is a not for profit organisation offering a free telephone advisory service for jobseekers and partnering with more than 100 recruitment companies. By partnering with SAFERjobs, recruiters indicate that they are carrying out enhanced checks on the veracity of advertisements.

Companies are encouraged to promote SAFERjobs on their websites and only to use recruitment agencies and jobsites that partner with the charity.

[www.safer-jobs.com](http://www.safer-jobs.com)

### Incident protocols

It is important that organisations establish clear protocols for dealing with real or suspected incidences of modern slavery within their organisations or supply chains. Individuals are advised not to deal with problems without the help of experts. As well as helping to protect victims, this helps to safeguard evidence for prosecutions, and makes it more difficult for criminals to relocate their operations.

The Modern Slavery Helpline, GLAA and NGOs such as Hope for Justice all offer help and advice. Stronger Together can also provide support (see training section).

Contact the **Modern Slavery Helpline** on **08000 121 700** to get help, report a suspicion or seek advice. [www.modernslaveryhelpline.org](http://www.modernslaveryhelpline.org)

Call the **GLAA** on **0800 432 0804** to report problems or call 0345 602 5020 for general enquiries [www.gla.gov.uk](http://www.gla.gov.uk)

**Hope for Justice:** <http://hopeforjustice.org>

### Rehabilitation

Survivors of slavery are often highly traumatised and malnourished, and can take months or years to recover from their ordeal. An important part of their recovery can be getting them into normal work. The Co-op Bright Future project is helping survivors into employment. CIOB is setting up a working group to see how it can support this scheme.

See [www.co-operative.coop/ethics/bright-future](http://www.co-operative.coop/ethics/bright-future) for more details.

### Conclusion

We need to work together, as an industry and as a nation, to change the narrative around modern slavery. If it can be acknowledged that modern slavery, or exploitative labour practices, have infiltrated most supply chains, companies should be more open about their experiences and the risks that they face.

Companies cannot tackle the systemic challenges alone. Knowledge sharing and collaboration will be essential for developing tools and best practice. And no initiative will be sustainable without the genuine commitment of senior management.

Adopting decent work principles will help to curb exploitative practices. It is hoped that labour standards will follow a similar trajectory to health and safety, which has seen a marked improvement in the industry over the past two decades. Organisations demonstrating leadership in this area will make their businesses more resilient.

# THE CIOB ROUTEMAP TO FAIR BUSINESS



## Change the narrative

- Acknowledge the inherent risks of exploitation in all supply chains
- Shift the conversation to how the risks are managed
- Engage with the general public, clients, suppliers and governments
- Publicise the effects of anti-slavery initiatives



## Lead and commit

- Lead on anti-slavery initiatives at senior board level
- Embed policy into procurement and daily operations
- Empower employees to find and fix problems
- Set standards and expectations at the outset of a project



## Train and educate

- Train all employees to spot the signs of slavery
- Appoint anti-slavery ambassadors in strategic departmental roles
- Educate the workforce of their rights and employment law
- Encourage more open conversations with suppliers



## Act with fairness

- Commit to the living wage for temporary and permanent workers
- Encourage direct employment over agency labour
- Eliminate worker recruitment fees – the employer pays the costs
- Fully understand the supply chains for materials, labour and services
- Set realistic prices



## Map out risk

- Identify the risk areas and activities most at risk of criminal infiltration
- Build a wider picture of countries, migration routes and economic trends
- Link this understanding with corporate strategy



## Investigate and find

- Protect and strengthen the audit process to include modern slavery investigations
- Seek evidence that suppliers are taking appropriate actions
- Reward proactive suppliers that are working to minimise risk



## Declare

- Create an annual modern slavery statement – whatever size of business
- Use it to reflect the corporate journey and long term goals
- Sign up to UN Sustainable Development Goals and other initiatives



## Collaborate

- Join multi-disciplinary groups of industry, NGOs, agency and law enforcement
- Exchange intelligence at a local, regional and national level
- Work with peers to stamp out fake recruitment
- Collaborate with competitors to influence common suppliers
- Work with unions



## Evolve

- Evolve new methods of detection and prevention to keep pace with criminality
- Build on activities year on year
- Question progress. Be prepared to discard what is not working



## Be proactive

- Ensure that there is a robust infrastructure for dealing with incidences
- Report problems to the GLAA, Modern Slavery Helpline and the police
- Have a remediation strategy for survivors of modern slavery
- Commit to putting right where corporate wrongdoing is discovered

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<https://policy.ciob.org/research/construction-and-the-modern-slavery-act-tackling-exploitation-in-the-uk/>

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