



# Modern Slavery and Labour Exploitation

## Guidance and Requirements for Suppliers

Balfour Beatty UK  
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**Balfour Beatty**

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## Introduction

All Balfour Beatty subcontractors and suppliers are required to provide details of the actions they are taking to ensure labour exploitation, slavery and human trafficking are not taking place in any part of their business or supply chain. **We will not tolerate abuses of human rights.**

# Modern Slavery

Depriving someone of their freedom is a terrible violation. Modern slavery is a destructive, personal crime and an abuse of human rights. It is a widespread and profitable criminal industry but despite this it is largely invisible, in part because it disproportionately affects the most marginalised.

The International Labour Organisation (ILO) estimates that 24.9 million men, women and children are working in conditions of modern slavery-including trafficked persons. In the past five years, 89 million people experienced some form of modern slavery for periods of time ranging from a few days to the whole five years. The vast majority of these people are in the supply chains of legitimate industries.

## Modern Slavery Act

- Consolidates and clarifies the existing offences of slavery and human trafficking whilst increasing the maximum penalty for such offences,
- Provides two new civil preventative orders,
- Introduces new enforcement powers in relation to ships,
- Establishes an office of Independent Anti-Slavery Commissioner,
- Introduces measures focused on supporting and protecting victims,
- Requires certain businesses to disclose activities they are undertaking to eliminate slavery and trafficking from their supply chains and their own businesses,
- Requires the Secretary of State to publish a paper on role of Gangmasters Licensing Authority.

Commercial Organisations with a global group turnover of £36m per annum are required by the Modern Slavery Act 2015, to prepare a slavery and human trafficking statement per financial year. The purpose of the statement is to set out what an organisation has done to prevent modern slavery in their own business and supply chain. It is not a statement confirming there is no modern slavery anywhere in the business or supply chain.

Clear organisational policies demonstrate an organisation's commitment to this issue and ensure that appropriate and coordinated action is taken throughout the business. Clear policies

should include a provision that all employees in the organisation and the organisation's supply chain know how, and are resourced, to prevent or identify exploitation. They should provide information about the first steps when modern slavery is identified and broadly how and with whom to contact.

## Labour Exploitation

Subcontractors and suppliers should also:

- Afford their employees the freedom to choose to work for them. Employees should be free to leave their employer after reasonable notice is served. Suppliers should not use forced, bonded or non-voluntary prison labour;
- Demonstrate a commitment to equality of opportunity for individuals and groups enabling them to live their lives free from discrimination and oppression;
- Offer working hours to their staff which are compliant with national laws or industry standards;
- Under no circumstances abuse or intimidate employees and have appropriate disciplinary, grievance and appeal procedures in place;
- Work within the laws of their country;
- Take appropriate measures to ensure the health and safety of their workforce and the wider public; and
- Offer wages and benefits that at the very least meet relevant industry benchmarks or national legal standards.



While it may be unlikely large companies are directly employing trafficked people, contractors and sub-contractors (or agencies supplying labour) could find themselves targeted by unscrupulous gangmasters who may be offering a ready supply of labour at knocked down rates.

## **Assessing and Managing Risk**

Risk assessment policies and procedures should be proportionate to the organisation's size, structure, location of activities and supply chain(s), and nature of business. Identifying relevant information from internal and external sources will help businesses to undertake effective risk assessments and appropriate review of those risks.

Organisations should then decide how identified risks can be investigated, and where issues are found, how they can best be remediated or mitigated through activities such as industry collaboration or improved purchasing practices internally. Training the Board, the organisation's leadership, and employees to develop the skills and knowledge to understand and support risk prevention and remediation can greatly assist.

Please note that suppliers and subcontractors to Balfour Beatty are required to notify us as soon as they become aware of any instance of Modern Slavery or Labour Exploitation taking place in their supply chains or in any part of their businesses.

## **Offences under the Modern Slavery Act**

Slavery and human trafficking are criminal offences, it is essential that businesses understand the offences and do not commit a breach. It is critical to understand the many implications this Act has on your business.

These offences are applicable to all people and all businesses regardless of whether your company is required to produce a Slavery & Human Trafficking Statement. It is suggested businesses should review supply chain processes and contracts to ensure they are eliminating the opportunity for these offences to be committed in their own business and / or their supply chain.

## **Maritime Enforcement**

The Act provides additional powers for UK law enforcement to tackle suspected slavery and human trafficking at sea, for the purpose of preventing, detecting, investigating or prosecuting a human trafficking or slavery offence. The Act also sets out provisions where UK law enforcement can pursue ships in foreign waters.

If your business or supply chain uses ships as part of its supply chain then the considerations set out this section of the Act must be fully understood and taken into consideration through operating processes and contracts, i.e. who takes the risk of goods being held up as part of an investigation.

## Immigration Act 2015 Considerations

When considering the Modern Slavery Act it is worth incorporating the relevant aspects of the Immigration Act 2015. Immigration and visa requirements play an increasing part in the recruitment process. Those dealing with recruitment must have a good knowledge of immigration law so they can assess how to legally employ migrants.

Employers have a duty to prevent illegal working and must be familiar with their obligations. Failure to identify migrants who require UK immigration permission or failure to undertake the prescribed document checks can result in criminal and civil penalties of imprisonment and fines. The maximum fine is £20,000 for each illegal worker.

## Protection of Victims

The Act provides a defence for slavery or trafficking victims, which is intended to encourage victims to come forward and give evidence without fear of being convicted for offences they may have committed in connection with their slavery or trafficking. A person is not guilty of that offence if they commit the offence because they were compelled to do so as a result of slavery or relevant exploitation. The Act also sets up support processes for victims.

Balfour Beatty Suppliers and subcontractors should set up appropriate processes for employees to report suspected offences under the Act, including how they will provide support to the employee(s). Contracts of employment and HR policies should be reviewed to ensure compliance and best practice for employees.



## Requirements for Suppliers of Products & Materials

If you are providing products or materials that are sourced from high risk countries of origin we will need to understand more about the steps you are taking to ensure that modern slavery and labour exploitation does not occur. You will be required to provide us with the following information:

- A copy of your Modern Slavery Statement or other document detailing the steps you are taking to ensure that modern slavery and labour exploitation does not occur in your own business or supply chain.
- Details of the % of products / materials by value sourced / manufactured / produced by you for Balfour Beatty from high risk countries of origin as defined by the Global Slavery Index 2018 (Split by direct and via sub-contractors)
- or as a minimum details of the % of products / materials by value sourced / manufactured / produced by you from high risk countries of origin as defined by the Global Slavery Index 2018
- Evidence that you conduct annual / regular supply chain audits, either directly or through third party auditors to monitor performance, including;
  - Summary of audits or other activity undertaken by you or via 3<sup>rd</sup> parties to assesses labour standards in your supply chain operating in high risk countries of origin.
  - Sample of evidence confirming audits have been undertaken i.e. Audit extract or other declaration.
  - Sample or other evidence confirming action is taken to address issues highlighted at audit.
  - Copy or copies of template audits that detail the areas covered. As a minimum audits should include confirmation that your supply chain;
    - Comply with all applicable laws, statutes, regulations and codes including but not limited to the, United Nations Global Compact and the International Labour Organization, International Labour Standards;
    - Afford your employees the freedom to choose to work for you. Employees should be free to leave after reasonable notice is served. Balfour Beatty Suppliers and Sub-contractors should not use forced, bonded or non-voluntary prison labour;
    - Demonstrate a commitment to equality of opportunity for individuals and groups enabling them to live their lives free from discrimination and oppression;
    - Impose working hours on your staff which are compliant with national laws or industry standards;
    - Under no circumstances abuse or intimidate, in any fashion, employees and have appropriate disciplinary, grievance and appeal procedures in place;
    - Take appropriate measures to ensure the health and safety of their workforce and the wider public;
    - Offer wages and benefits that at least meet relevant industry benchmarks or national legal standards.

**The highest risk countries include:** India, China, Pakistan, North Korea, Nigeria, Iran, Indonesia, Democratic Republic of the Congo, Russia, the Philippines, Eritrea, Burundi, the Central African Republic, Afghanistan, Mauritania, South Sudan, Pakistan, Cambodia Syria, Iraq, Yemen and Libya,

For more information please visit <http://www.globalslaveryindex.org/findings/>

## Requirements for Recruitment Agencies or Subcontractors Providing Labour

Modern Slavery is a term used today to describe issues such as Labour exploitation, Forced Labour, Human Trafficking and practices such as debt bondage, passport holding, and other such breaches of an individual's basic human rights.

Subcontractors or recruitment agencies providing Labour are required to provide us with the following information

- A copy of your Modern Slavery Statement or other document detailing the steps being taken to ensure that modern slavery and labour exploitation does not occur in your business or supply chain.
- Details of how you check applicant documentation. Including details of how you confirm:
  - the documents are genuine, original and unchanged and belong to the person who has given them to you
  - the dates for the applicant's right to work in the UK haven't expired
  - photos are the same across all documents and look like the applicant
  - dates of birth are the same across all documents
  - if 2 documents give different names, the applicant has supporting documents showing why they're different, e.g. a marriage certificate or divorce decree
  - the applicant is in possession of their legal documents (passport, identification and their own bank account details) or if these are being held by someone else.
- Evidence that all staff, including temporary workers, have a written contract of employment and that they have not had to pay any direct or indirect fees to obtain work.
- Evidence that all staff, including temporary workers are being paid at least the legal minimum wage.
- Evidence that workers are not having wages taken off them for accommodation, food or to repay any supposed debt.
- Details of how workers are informed of their statutory rights including sick pay, holiday pay and any other benefits they may be entitled to.
- Details of how working hours are monitored.

## Use of Umbrella Companies

Balfour Beatty's preferred method of worker engagement is for all workers to be directly employed by a company through a PAYE model, but we recognise that in some circumstances individuals and companies working within our supply chain may seek alternative approaches to manage their commercial, employment, taxation and statutory liabilities such as personal limited companies or through umbrella companies. There may also be legitimate instances where workers are genuinely self-employed and therefore subject to separate Construction Industry Scheme tax deduction rules.

Where umbrella companies are used these services must be provided in line with the Freelancer & Contractor Services Association (FCSA) code of compliance. This means that individuals employed by umbrella companies have the same access to all statutory rights and benefits of direct employment and money is not deducted from their salary to meet those costs.

**N.B.** Everyone working on a Balfour Beatty site who is **not directly employed by Balfour Beatty** may be required to provide evidence of identification including; confirmation of address, passport, a valid contract of employment and details of the bank account where their wages will be paid.

Please also note that suppliers and subcontractors to Balfour Beatty are required to notify us as soon as they become aware of any instance of Modern Slavery or Labour Exploitation taking place in their supply chains or in any part of their businesses.

# Protect your business by following some straightforward checks:

All employers involved in the construction industry should make proper background checks on the agencies who supply them with labour, including where the agency is operating in a supervisory role. The Association of Labour Providers and the Recruitment and Employment Confederation are the two main recruitment industry associations, working with the Gangmasters Licensing Authority to tackle slavery.

## **Contracts of employment:**

Check that all staff, including agency workers, have a written contract of employment and that they have not had to pay any direct or indirect fees to obtain work.

Right to work: Make sure staff are legally able to work in the UK. Does the recruitment agency provide assurance that the appropriate checks have been made on the person they are supplying?

## **Wages:**

Make sure the wages you pay go to the workers. Avoid cash in hand and cheque arrangements. Be aware that workers may be forced into debt and have bank accounts controlled by exploiters.

## **Shared occupancy:**

Check the names and addresses of those working for you. If you have a number of people listing the same address it may indicate high shared occupancy, often a factor for those being exploited.

## **Statutory rights:**

Make sure your workers know their statutory rights including sick pay, holiday pay and any other benefits they may be entitled to.

## **Assess quotes and fees:**

Use indicative pricing statistics to assess quotations and fees from agencies offering or charging suspiciously low rates.

## **Signs to spot potential victims:**

Legal documents: Is the person in possession of their legal documents (passport, identification and their own bank account details) or are these being held by someone else? Victims will often be forced to use false or forged identity documents.

## **Pay:**

Are there a group of workers who have their wages paid into the same bank account? This may be sign of an illegal gangmaster collecting all their wages. Are they having wages taken off them for accommodation, food or to repay supposed debt?



### **Transport:**

Are a group of workers dropped off or picked up at unusual times of the day, are they all taken to the same property?

### **Appearance:**

Does the person look malnourished, unkempt, or appear withdrawn? Are they suffering physical injuries? Do they have few personal possessions and often wear the same clothes? The clothes they do wear may not be suitable for their work.

### **Behaviour:**

Is the person withdrawn or appears frightened, unable to answer questions directed at them or speak for themselves and/or an accompanying third party speaks for them? If they do speak, are they inconsistent in the information they provide, including basic facts such as the address where they live? Do they appear under the control/influence of others and rarely interact with colleagues?

### **Medical care:**

Does the person have old or serious untreated injuries? Have they delayed seeing a healthcare professional? Are they vague, reluctant or inconsistent in explaining how the injury occurred?

### **Fear of authorities:**

Is the person afraid of the authorities (police, immigration, the tax office)? Are they scared of removal or what might happen to their families?

### **Debt bondage:**

Does the victim perceive themselves to be in debt to someone else or in a situation of dependence?



## If you suspect someone is the victim of modern slavery

The **Gangmasters and Labour Abuse Authority (GLAA)** has police-style powers that allow them (in England and Wales only) to investigate all labour market offences. These include: gangmaster offences, non-payment of the National Minimum Wage, forced and compulsory labour and any associated trafficking and other modern slavery offences.

The GLAA relies on your information so please let them know about any form of labour abuse, or employers or labour provider who you think could be exploiting workers.

### How to contact them

**By telephone** - **0800 432 0804** or **0115 959 7049** to report your concerns in confidence. Lines are open Monday to Friday 9:00am - 5:00pm, you can leave a message outside of these hours. or **0115 959 7052** to speak to one of the intelligence team. (The GLAA has interpreters available and can take calls in any language.)

**By email** - [intelligence@gla.gsi.gov.uk](mailto:intelligence@gla.gsi.gov.uk)

- If the person is in immediate danger or is under 18 then call 999 as a matter of urgency

### If you have any suspicions about any other potential labour exploitation

Please report them online at [www.balfourbeattyspeakup.com](http://www.balfourbeattyspeakup.com) or by using UK Freephone – **0800 028 0822** with the specific details of the case and we commit to taking the issues raised seriously, issues can be reported anonymously if preferred.

If you are unsure whether your concern should be reported through Speak Up, you may contact [businessintegrity@balfourbeatty.com](mailto:businessintegrity@balfourbeatty.com) for guidance.

**We expect suppliers to ensure that any employees and subcontractors making such a complaint shall not be disciplined or discriminated against.**

For access to a range of free guidance including toolkits, a video for workers on avoiding forced labour, workplace posters, induction materials and details of workshops visit [www.stronger2gether.org](http://www.stronger2gether.org) <http://www.supplychainschool.co.uk/modern-slavery/>

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