

UNICEF UK MODERN SLAVERY STATEMENT

MARCH 2019

Unicef UK is publishing this second statement pursuant to Clause 54 in the UK Modern Slavery Act 2015 (the 'Act') and as part of our commitment to uphold the highest levels of transparency and accountability. The Act requires organisations to set out the actions they have taken during the financial year to ensure modern slavery and human trafficking is not taking place in their operations and supply chains. This statement covers the activities of Unicef UK for the financial year ending 31 December 2018.

Human trafficking, slavery, servitude and forced or compulsory labour ('Modern Slavery') continues to be prevalent across the world, including in the UK. In 2017, over 5,000 people were referred to UK authorities as potential victims of slavery; an increase of a third from 2016. This also included 2,000 children. Children are particularly vulnerable to Modern Slavery as a result of their developmental status, and face additional challenges in accessing support, for example, through the judiciary.

In line with our global mandate to uphold the Convention on the Rights of the Child and promote the rights and wellbeing of all children, Unicef UK (UUK) remains strongly committed to playing our part to eradicate Modern Slavery and specifically, any form of child exploitation and abuse. In the past year, UUK has submitted advice to the UK Independent Modern Slavery Review Board concerning the principle of non-punishment of victims of trafficking. UUK has advocated strongly that the application of this principle is imperative for children who have been trafficked to commit offences such as cannabis cultivation, to ensure that they are not prosecuted and criminalised, and that the best interests of the child remains paramount.

Additionally, UUK participated as a member of the Home Office Evaluation Panel which was established to scrutinise and advise on the implementation of the Independent Child Trafficking Advocates system for child victims of trafficking, ahead of a national roll-out in 2021. This system provides specialist independent support for trafficked children, to ensure that the best interests of children are upheld in decisions made by public authorities. Ensuring that the National Referral Mechanism (NRM) is set up in such a way that allows for quick and easy identification of potential child victims of trafficking has also been a priority for UUK. Over the coming year we will continue to advocate for the best interests of child victims of trafficking and will be represented on the NRM Multi-Agency Panel; a new top-tier decision-making body granting the status of victim of modern slavery.

However, we are also on a journey to increase our understanding of where some of the risks of Modern Slavery might be within our own organisation, and within some of the supply chains we are a part of – whether operating as a buyer or a seller or just linked through our organisational relationships. We know that we are not exempt from inadvertently facilitating or allowing Modern Slavery to take place in these supply chains, and like other organisations and businesses, we have a duty to carry out comprehensive due diligence so that we are in a position to identify and address any human rights issues as they arise, and to be transparent about challenges encountered along the way.

Our last [statement](#) set out our organisational structure and supply chains, offered some detail on governance and policies pertaining to Modern Slavery, and on our due diligence and capacity building work to build awareness of the potential risks of Modern Slavery in UUK. We also set out a number of commitments to future action in areas where we were seeking to strengthen our approach to tackling Modern Slavery. This statement will give a progress update on these commitments, as well as other areas in which we have looked to improve how UUK identifies and addresses Modern Slavery and Human Trafficking risks.

This statement has been approved by the Board of Trustees, and we would welcome feedback and insight from other organisations as to how we might further improve our approach going forward.



Mike Penrose
Executive Director

GOVERNANCE

Modern Slavery is now recognised within UUK as one of our salient organisational risks. In 2018 we worked to strengthen the governance and oversight of potential modern slavery risks by including Modern Slavery within UUK's Risk Register. This Register tracks the causes and effects of the most significant risks to our organisation, along with any existing or proposed mitigations and organisational controls. Each risk is assigned both an owner, responsible for operationalising any mitigations, and an executive lead, who takes overall accountability for the risk.

The Risk Register is monitored each quarter through the Risk Management Group, comprised of UUK Directors, two Executive Directors, and two Trustees. The Risk Management Group is chaired by our Chief Financial Officer responsible for the drafting and implementation of all policies and standards at UUK. If a significant issue arises, such as a mitigation control failure, this will be escalated to the Audit Committee. The CEO and Trustees have oversight of our governance systems.

Having senior level oversight of Modern Slavery risks in the organisation not only ensures that the severity of this issue is understood within UUK, but also ensures that there is accountability for meeting progress commitments set out in our annual statement.

ENGAGING WITH MULTI-STAKEHOLDER GROUPS

The potential global scale of Modern Slavery, and the complicated supply chains within which it takes place, means that no organisation is able to tackle this issue alone. Real systems change is going to be required in order to ensure that the underlying drivers which increase vulnerabilities to Modern Slavery and Human Trafficking are addressed; such as a lack of decent work, an absence of transparency in supply chains and insufficient, or poor quality, child protection systems and services.

In 2018 we joined the Ethical Trading Initiative (ETI) – a tripartite organisation of companies, civil society actors and Trade Unions – which provides a platform for collaboration on labour rights issues, including issues that form part of the ecosystem around Modern Slavery. As a new member of this organisation, we take our responsibilities to uphold the [Ethical Trading Initiative Base Code](#) very seriously, recognising that by doing this we are helping to address some of the vulnerabilities in the labour market that put people at risk of Modern Slavery and Trafficking. Further details about how we manage some of these risks are in our first statement.

The tripartite nature of the platform also helps facilitate collaborative action on shared challenges that are linked to Modern Slavery and wider human rights issues. By participating in collaborative platforms, such as the ETI, we hope to be able to share our learnings and technical expertise as children's rights specialists, as well as learn from the actions of others about how we might be able to improve our own practices.

TRAINING AND CAPACITY BUILDING

This year we launched a pilot Children's Rights and Business training session for colleagues. This three-hour session explored the way in which global markets are playing an increasingly significant role in shaping society, with fast growing consumer economies altering labour patterns, increasing connectivity, as well as contributing to poverty alleviation. The session looked at how businesses can be both a force for good, as well as cause and contribute to human rights abuses such as the exploitation of workers, the families and communities.

The session introduced colleagues to some of the international frameworks, such as the UN Guiding Principles on Business and Human Rights (UNGPs) and the Children's Rights and Business Principles (CRBPs), which attempt to move away from a strictly State-centric reading of international law and clarify the private sectors' responsibilities with regards to human rights. The session then drilled down into domestic policies such as the Modern Slavery Act (2015) and the Transparency and Supply Chain clause, exploring businesses' responsibilities to identify and address Modern Slavery and Human Trafficking, and giving an overview of how UUK is also attempting to tackle some of the potential risks in our own operations and supply chains.

A pilot of c.20 colleagues took part, and we will now be rolling out the training each quarter for the rest of the organisation, including as part of a mandatory induction for new starters, as well as for our Senior Leadership and Trustees. All Senior Leaders will be trained this year, and we aim for the rest of the organisation to have received training by the middle of next year.

REVIEWING OUR ETHICAL FRAMEWORK

Our Ethics Framework currently underpins all we do at UUK and provides guidance to Board members, management and colleagues when faced with ethical matters and decisions in their day-to-day work. It starts with our four values (to be brave, honest, smart and hopeful), which inform our Code of Conduct and our Code of Ethics and which in turn inform our policies and standards. Our approach to Modern Slavery sits within this wider ethical framework. Further details can be found in our first statement.

Last year we committed to strengthen our procurement standards within this framework, building on our existing manufacturing standards and extending these to non-branded products we use for fundraising events and products that are also used as fundraising mechanisms, such as Cause Related Marketed products (products sold in which a proportion of the sale goes to charity). We are currently in the process of carrying out a procurement review to comprehensively map our existing supplier base. As part of this we are assessing the need to implement a process for screening new suppliers and contractors, and are drafting a Supplier Code of Conduct, and a set of Procurement Standards for non-branded manufactured products, which we hope to be in a position to publish in the first half of this financial year. These standards will then be rolled out over the rest of 2019 and into 2020, along with an internal training programme for any Unicef UK colleagues involved in procurement to support them read social compliance audits and promote ethical supply chain practices. A preferred supplier list will also be developed for key product areas.

RAW MATERIAL SOURCING

This is one area that has proven to be more challenging than expected. The T-shirts sold on our website are made using organic Fairtrade cotton, our cotton bags are sourced from India, and our fundraising T-shirts are manufactured in the UK. As part of our procurement review, we will be mapping other potential sources of cotton across our supplier base. Once this mapping has been completed, we will be reviewing what further action may need to be taken to ensure that our cotton is being sourced in the right way and will be developing a preferred supplier list for this product area.

INDEPENDENT WORKERS AND HOMEWORKING

UUK sells a number of products through an online marketplace platform. Many of the products on this site are sourced from small-scale or artisanal independent workers, often working out of their own homes. These independent 'homeworkers' form an important part of the workforce. Home-based craft production can bring significant benefits to those who chose to engage in these types of activities, such as an increase in

household income and flexible childcare arrangements. However, this work can also come with risks, particularly in cases where workers are in lower tiers of informal supply chains and lack the visibility of downstream workers. The presence of children in the home can also heighten the potential risk of children's rights abuses occurring such as child labour, or injury through contact with machinery in the home.

The vast majority of workers in our supply chains would be classified as independent workers, rather than homeworkers, since they are in direct relationships with our supplier and are not working through agents or as subcontractors. The definition for a homemaker is set out by the International Labour Organisation in its Convention, No.177 on Home Work. Nevertheless, craft-based production chains do come with a heightened risk of child labour and other children's rights challenges. As a result, we are currently engaging with our suppliers to discuss what, if any, safeguards should be in place to protect the workers and their families in our supply chains with the view to publishing a safeguarding in home-based craft production policy later this year.

SCREENING PROGRESS

It is important to us that we work exclusively with organisations and individuals that are committed to our values and mandate to uphold children's rights. This means before we go into partnership with any company or individual, they are screened by our in-house Screening Team, which is made up of representatives from across our fundraising, advocacy and media functions. Our Screening Team is responsible for advising the organisation about any potential risks associated with these companies and individuals, which includes any credible allegations of labour rights and human rights abuses which may have occurred within their operations and supply chains, and for putting in place any necessary safeguards.

However, there is a lot more we could do to ensure better consistency and cohesiveness when risk screening partners, including individuals, corporate, institutions, third party suppliers, or anyone else we may work with at UUK. We have therefore engaged the Boston Consulting Group to carry out a review of our current processes, and to make recommendations to ensure that we are not missing areas of unidentified risk. The process has already started, and the outputs will be available by the end of the year. We will then be looking to implement any recommendations towards the end of 2019 and into 2020.

MOVING FORWARD

As with any organisation, there is always more we can do to strengthen our practices to address potential risks of Modern Slavery and Human Trafficking taking place in our organisation and supply chains, and we are committed to continuing this work year on year. We are also committed to working in collaboration with other stakeholders across civil society, policy and corporate sectors similarly committed to tackling Modern Slavery and to improving wider labour practices in such a way which reduces peoples' vulnerability to exploitation.

We have therefore committed to the following activities for the coming year:

- Finalising and publishing an updated procurement policy and rolling out capacity building workshops for colleagues involved in procurement across UUK
- Publishing a safeguarding in home-based craft production policy in collaboration with our marketplace supplier
- Continuing to map our exposure to cotton and establishing a preferred supplier list for this product area
- Rolling out the Children's Rights and Business colleague training following a successful pilot in 2018
- Review of our procurement practices to improve efficiencies and consolidate ethical practices