



Modern Slavery and Human Trafficking Statement

2019-20




Introduction

This statement sets out the actions taken by ESPO to understand all potential modern slavery risks related to its business and the steps taken by ESPO aimed at ensuring that there is no slavery or human trafficking in its own business or supply chains. This statement relates to ESPO's actions and activities during the financial year ending March 2020 to meet the requirements of Section 54 of the Modern Slavery Act 2015.

As a professional, responsible, and ethical public procurement organisation, ESPO recognises that it has a responsibility to take a robust approach to slavery and human trafficking. We have a zero-tolerance approach to any form of non-ethical practices.

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



Organisational structure and supply chains

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

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

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

ESPO's customers are UK-wide and include schools, local authorities, emergency services, and the wider public sector including charities, nurseries and care homes.

We offer our customers a complete procurement service including a market leading product catalogue, a range of frameworks compliant with EU and UK procurement regulations, and bespoke procurement support. Overall, our procurement activities engage with some 2,000 suppliers and account for annual contract values of £2.2 billion. Our exceptional customer experience is provided by approximately 350 members of staff.

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

- Building and facilities management
- Energy
- Environmental services and waste management
- Food and catering

- Highways and vehicles
- ICT
- Professional services
- Social care and health
- Sport and leisure

Our portfolio of catalogues contains in excess of 25,000 products and are supplied by some 650 suppliers. This method of supply features a higher incidence of international supply chains for products commonly used in education, local government, charities, social landlords, emergency services, NHS, central government and the wider public sector, supplied from our 120,000 ft² distribution centre or direct from suppliers in the following categories:

- Art and design
- Cleaning and catering
- Curriculum
- Early learning
- Furniture
- ICT
- Office machines
- Presentation and audio visual
- Site and safety management
- Stationery

Countries of operation

ESPO currently operates in the United Kingdom, at its head office and warehouse in Enderby, Leicestershire, and at a satellite warehouse and transport hub at Abertillery in Wales, from which deliveries of catalogue supplies are undertaken to locations throughout England and Wales, Scotland, and Northern Ireland using our own fleet or third party carriers. ESPO currently utilises a satellite warehouse in Kent for the bulk storage of business-critical products, supporting ESPO's business continuity programme and ensuring contingencies.



Due diligence processes for slavery and human trafficking

As part of our risk identification and mitigation process we:

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

Responsibility

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

Relevant policies

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

Whistleblowing policy: The organisation encourages all its workers, customers and other business partners to report any concerns related to the direct activities, or the supply chains of, the organisation. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. ESPO follows Leicestershire County Council's Whistleblowing Policy and Procedure which is designed to make it easy for workers to make disclosures without fear of retaliation. Similarly, ESPO follows the Council's Supplier Whistleblowing Procedure to enable suppliers to raise any concerns they may have.

Additional support is also available from the UK Modern Slavery Helpline 08000 121 700.

Employee Code of Conduct: The Code of Conduct makes clear to employees the actions and behaviour expected of them when representing the organisation. ESPO strive to maintain the highest standards of employee conduct and ethical behaviour. Any breaches are investigated and action taken as necessary. The Code also covers the policies on Declaration of Personal Interests, and on the receipt of Gifts and Hospitality. [For more information click here.](#)

Supplier Code of Conduct: The Supplier Code of Conduct sets out the main principles which ESPO expects its suppliers to adhere to, helping to ensure that our suppliers adhere to the highest standards of ethics. Suppliers are required to demonstrate they provide safe working conditions where necessary, treat workers with dignity and respect, protect their human rights and act ethically and within the

law in their use of labour. ESPO is committed to better understand our supply chains and working towards greater transparency and responsibility towards people working in them, and works with suppliers to ensure they meet the required standards. However, serious violations of these expectations will lead to the termination of the business relationship. [For more information click here.](#)

Recruitment/agency workers policy: ESPO recruits its employees via its servicing authority's in-house recruitment service in line with our Guidance on the Recruitment and Selection of Employees, Guidance for managers on the Recruitment and Employment of Apprentices and our Policy and Guidance on the Engagement of Independent Contractors. These documents outline strict recruitment and selection process to ensure that ESPO adhere to the recruitment standards and best practice whilst abiding to all relevant legislation. Where agency workers are required, these are ordered in accordance with the terms of a framework agreement developed and managed by ESPO. A comprehensive procurement process was applied to select the providers available through the framework during which the practices of these agencies were verified.

Pay: ESPO use Leicestershire County Council's job evaluation scheme, thereby ensuring that all employees are paid fairly and equitably. All new and changed jobs are evaluated by a panel of trained evaluators.

Due diligence

ESPO undertakes due diligence on its suppliers as part of the procurement processes it undertakes, which typically last no longer than four years. Existing suppliers are reviewed for compliance regularly as part of ESPO's contract management process with appropriate action taken for non-compliance.

Risk assessment and management

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

ESPO's procurement activity is governed by the Public Contract Regulations 2015, and ESPO uses the standard supplier questionnaire developed by CCS (Crown Commercial Services) which includes a section on the supplier's approach to the Modern Slavery Act, slavery and human trafficking in the supply chain. Suppliers with an annual turnover of £36m or more, fail the assessment process if they do not comply with the Act by failing to publish a Modern Slavery statement:

Section 7		Modern Slavery Act 2015
Evaluation Guidance: These questions will be assessed as Pass or Fail		
7.1	Are you a relevant commercial organisation as defined by section 54 ("Transparency in supply chains etc.") of the Modern Slavery Act 2015 ("the Act")?	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
7.2	If you have answered yes to question 7.1 are you compliant with the annual reporting requirements contained within Section 54 of the Act 2015 ?	Yes <input type="checkbox"/> Please provide the relevant url No <input type="checkbox"/> Please provide an explanation

As part of ESPO's due diligence on new suppliers, and proportionate to the level of supply chain risk, additional method statement questions may be posed at the assessment stage to consider how suppliers manage their own supply chain risk.

Any concerns that arise regarding modern slavery or trafficking should be raised in the first instance with the Director of Law and Governance at Leicestershire County Council.

Steps introduced in 2019-20:

- Major Risk Record reviewed quarterly as part of corporate risk management.
- Incorporation of the Supplier Code of Conduct within contractual arrangements with suppliers, to provide clear expectations and to facilitate implementation of the contract terms outlined above.
- Contract clauses drafted and pending implementation to cover slavery and human trafficking in the supply chain covering:
 - Sub-contracting
 - Due diligence and supplier warranties
 - Immediate notification of any actual or suspected breaches of the organisation's policies and any actual or suspected slavery or human trafficking which has a connection to the agreement
 - Audits and training
 - Compliance with laws and policies, and specifically the Modern Slavery Act
 - Early termination if a suspected or actual breach is discovered or reported

¹ Section 54 of the Modern Slavery Act sets out a requirement for any commercial organisation in any sector, which supplies goods or services, and carries on a business or part of a business in the UK, and is above a specified total turnover (£36m), must produce a slavery and human trafficking statement for each financial year of the organisation. For the purposes of this requirement, 'supply chain' has its everyday meaning. The statement must set out what steps they have taken during the financial year to ensure that modern slavery is not occurring in their supply chains and in their own organisation.

Due diligence and reviews include:

- Evaluating the modern slavery and human trafficking risks of each new supplier
- Undertaking broad mapping of key supply chains to assess particular product/service category or geographical risks of modern slavery and human trafficking
- Incorporating slavery and trafficking risk in supplier and contract reviews
- Consideration of slavery and trafficking risk in the supply chain at internal governance reviews at the pre-tender and contract award stage.

Performance indicators

Following the introduction of the Modern Slavery Act 2015, ESPO created performance indicators to monitor the effectiveness of steps being taken:

- Professional procurement staff undertake and complete the CIPS e-learning module "Ethical Procurement and Supply"
- Continually review existing supply chains, with emphasis on those highlighted in risk assessments including as appropriate site visits/audits conducted by or on behalf of ESPO, predominantly at first tier or second tier suppliers
- Has identified or reported no incidences of slavery or trafficking during 2018-19.

Training on modern slavery and trafficking

As a professional procurement organisation, we have a large number of staff who are members of the CIPS. CIPS have a wide range of eLearning modules available for members including Ethical Procurement and Supply which we encourage staff to complete.

In February 2020, ESPO engaged the services of Leicestershire Police to talk to staff and offer advice on how to observe signs of Modern Slavery and Human Trafficking. This also included an overview of the key identifiers to look for when letting contracts.

No further training is currently planned, however, over the next 12 months ESPO will take steps to review its training programme and consider the inclusion of further training relating to modern slavery including:

- ⦿ Basic principles of Modern Slavery Act 2015 (refresher of training previously undertaken)
- ⦿ Principles of risk assessment and the tools available to help
- ⦿ How to recognise and prevent slavery and trafficking
- ⦿ What to do to alert the relevant parties within the organisation to potential slavery and trafficking issues
- ⦿ What external help is available (e.g. the Modern Slavery Helpline)

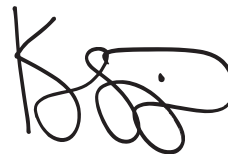
The future

As a professional public sector buying organisation, ESPO recognise the responsibility we have to embed social value into our business activities. This includes working towards eradicating modern slavery and human trafficking in our business and supply chains. We remain committed to this and will continue to work over the next 12 months to make further improvements.

We will continue to work with our suppliers, member authorities, customers, staff and other stakeholders to share best practice and to encourage more commitment to eradicating slavery and human trafficking from all supply chains.

Approval

This statement has been approved by the ESPO Leadership team, who will review and update it annually.



Kristian Smith
Director

