# modern slavery SME TOOLKIT

## A practical guide for SMEs on how to mitigate the risk of modern slavery in their operations.

STOP THE TRAFFIK
PEOPLE SHOULDN'T BE BOUGHT & SOLD

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SHIVA FOUNDATION

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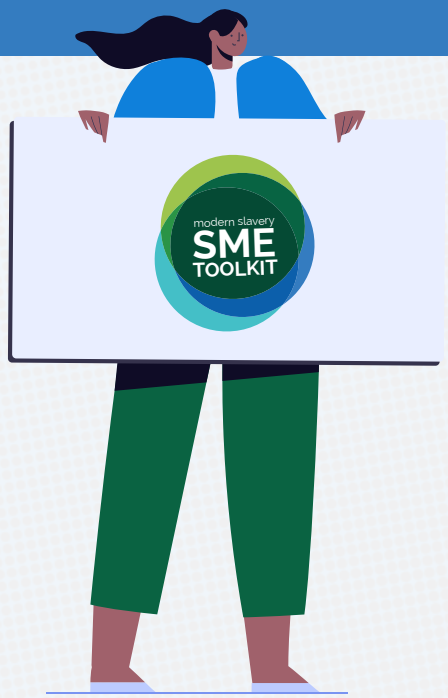
# About this Toolkit




**This toolkit, jointly developed by STOP THE TRAFFIK and Shiva Foundation, seeks to provide practical guidance for small and medium-sized enterprises (SMEs) on how they can prevent modern slavery in their business operations. We recognise that many useful resources are available already and we provide reference to them in our further resources list, however, none of the existing free resources are designed specifically for SMEs.**

SMEs are crucial to the UK economy, employing over 60% of those working in the private sector[1]. Therefore, SMEs are also crucial to preventing modern slavery and should be at the centre of the national strategy. Section 54 of the Modern Slavery Act, the UK's flagship legislation to prevent modern slavery, is designed so that large companies are targeted by the legislation and in turn cascade awareness and mitigation efforts down their supply chains to smaller businesses. Although the learnings are gradually being passed on to SMEs in this way, we believe that more needs to be done to provide the SMEs with the tools to proactively prevent modern slavery themselves.

This toolkit is structured so that users can gradually work through the guidance in their own time, returning for specific advice when needed. The self-contained sections are presented in a logical order that starts at identifying the risk and progressively moves through mitigation steps.


### 1. Relevance to SMEs — Page 3

This section will outline how businesses, including SMEs, might be affected so that you can take crucial steps to reduce your risk.

### 2. Risk Assessment — Page 8

This section provides a quick tool for assessing your company's modern slavery risk, enabling you to determine which parts of the toolkit are relevant to your business.

### 3. Protecting Employees — Page 10

As modern slavery can occur in your workforce without your knowledge, this section provides practical steps to take to reduce the risk of modern slavery affecting your employees.

### 4. Protecting Agency Workers — Page 13

This section provides practical guidance on what questions to ask of labour providers and what checks to make to reduce the risk of modern slavery when using agency workers.

### 5. Reporting Incidents — Page 18

This section provides clear guidance on how to report concerns if you suspect modern slavery is occurring.

### 6. Supply Chains — Page 19

Recognising that SMEs do not have the same buying power as large companies, this section provides quick steps to take to prioritise and manage your supply chain risk.


Tools and further resources are included in the Additional Tools section.

* Resources have been highlighted throughout which can be found in the Additional Tools section of this toolkit.

1 Department for Business, Energy & Industrial Strategy, October 2019, Business population estimates 2019

# 1. Relevance to SMEs

**Modern slavery happens everywhere, including here in the UK. It operates in plain sight and could affect your business without you even knowing. It is crucial that all businesses, including SMEs, understand how they might be affected so that they can take steps to reduce the risk.**

## 1.1 Risk and opportunities for your business

In 2015, the UK Government introduced the Modern Slavery Act. Section 54 of this Act, Transparency in Supply Chains, established the requirement for all businesses that earn more than £36 million in annual revenue to produce a modern slavery statement that outlines what steps they have taken to prevent modern slavery. Although the requirement to publish an annual modern slavery statement does not apply to SMEs, modern slavery prevention still poses both a risk and an opportunity for your business.

### The risk

Without taking the appropriate precautions, modern slavery can occur on your site without you even knowing. If this happens, your reputation can be negatively affected, and you might find your business caught up in an investigation.

You are probably aware of the alleged cases of modern slavery occurring in Leicester apparel factories in 2020, where multiple SMEs were caught up in a labour exploitation scandal. However, scandals can affect businesses who never intended to cut corners or take advantage of workers but are still unwittingly exposed.

### Case study

An agriculture company operating in Warwickshire found itself affected by modern slavery when the prosecution of the UK's largest modern slavery network revealed that two victims had worked on their farms.

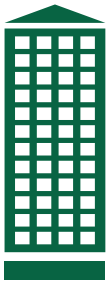
The victims had been employed by licensed labour providers, with one working for one day on the farm and the other for a couple of weeks. The farmer expressed his regret for not being able to identify and support them. This criminal network affected numerous companies, ranging from national chains to SMEs, in multiple sectors such as agriculture, warehousing, manufacturing, and recycling.

All of these companies were unaware of the exploitation happening on their site.

## The opportunity

Modern slavery prevention also presents an opportunity for SMEs, providing another way for companies to distinguish themselves from their peers and demonstrate the values their business embodies.

## Supplying to large businesses



- Many large companies that must publish modern slavery statements are requiring their suppliers to report on what measures they are taking to prevent modern slavery, enabling the company to mitigate its supply chain risk.
- Some of these companies are also including ethical performance into their scoring criteria during supplier selection.
- By requiring larger companies to act on the risk of modern slavery in their supply chains, the Modern Slavery Act has ensured that it pays to be a business that upholds high standards and can provide evidence of such.

## Supplying to the public sector

- The UK Government is also requiring more from its suppliers, with the Government extending the duty to publish modern slavery statements to public sector bodies including Government departments, local authorities, and police forces.
- This means that SMEs supplying to the public sector will need to demonstrate what they have done to prevent modern slavery.
- Additionally, from January 2021, all Government contracts will include a scoring criterion that measures how bidders deliver social value. Therefore, if a business can demonstrate they meet best practice modern slavery mitigation, they will be highlighting their social value priorities and increase their chances of winning public contracts.
- Combining this emphasis on modern slavery prevention and social value in public supply chains with the UK Government's strategy to increase procurement from SMEs to 33% by 2022, it is clear that SMEs that can demonstrate that they have the steps in place to prevent modern slavery will be putting themselves ahead of their peers.

In short, by making small changes to how you operate, you can both reduce the risk of modern slavery occuring in your company and win more business by demonstrating your values. It is a win-win situation.

### A comparison to health and safety

When health and safety first became mandated for all companies, it took businesses time to understand what was required and how to implement it. At first, some companies led the way with best practice setting an example for others, whilst others lagged behind and mistakes were made.

Fast forward to the present day, health and safety has been fully naturalised into business practice, with companies following best practice without needing to overthink it. Taking the necessary steps has become second nature.

We believe that over time, the same will be true for modern slavery prevention. It might appear burdensome or challenging now, but by understanding the small changes you need to make, you can be ahead of the curve. Like health and safety precautions, modern slavery prevention requires three key steps: identifying the risk, taking steps to mitigate that risk, and reporting on these steps. In this toolkit, we provide you with practical guidance on how to make this process second nature in your business.

## 1.2 Understanding modern slavery

Modern slavery is an umbrella term that was adopted by the UK Government in 2015 to coordinate the prevention and prosecution of four crimes: slavery, human trafficking, forced labour, and domestic servitude.

All incidents of modern slavery include two basic elements (1) the deception or coercion of an individual (2) for the purpose of exploitation.

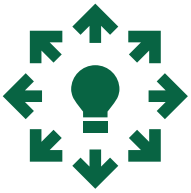
**Victims** can be exploited in various ways, but crucially for businesses, the majority of cases involve the use of labour exploitation. Victims are either forced or deceived into working whilst the person who controls them gains financially. It can occur in legitimate businesses, with the controller on or off site, or in criminal business operations. They might be forced to work long hours without breaks, be housed in inadequate accommodation, have little contact with the outside world, or have their wages taken away from them.

**Human traffickers** do not necessarily use chains to control their victims, instead, they employ hidden and psychological tactics. Victims might have their passports taken from them or be forced to pay their wages into someone else's bank account. They might owe a debt to their trafficker for their recruitment costs, accommodation, or travel and feel unable to leave until they pay it back. Victims or their families might be threatened with violence if they try to escape, or the victims might be unable to ask for help due to not speaking English.

Sectors and industries commonly identified as high risk for labour exploitation in the UK include:

- Warehouses and distribution
- Construction
- Fishing and shellfish gathering
- Cleaning and facilities services
- Food processing and packaging
- Agriculture
- Apparel and textiles (including footwear)
- Hand car washes
- Social care
- Beauty services (including nail salons)
- Hospitality, catering and food service
- Recycling and waste
- Manufacturing and electronics
- Security services

## The continuum of exploitation



There isn't a clear line defining where exploitation begins and ends, instead it occurs on a continuum. Exploitation accounts for all situations that stray from "decent work", from labour market infringements and abuse all the way to more severe forms of exploitation.

| EXAMPLES OF LABOUR MARKET INFRINGEMENT |
|---|
| Nonpayment of minimum wage |
| Lack of personal protective equipment (PPE) |
| Few or no breaks |
| Demeaning treatment |
| Long working hours |

| EXAMPLES OF FORCED LABOUR |
|---|
| Worker is controlled, forced or coerced to perform work |
| No payment, withholding of wages or excessive wage reductions |
| Retention of identity documents or valuable possessions |
| Restriction of movement or confinement to the workplace |
| Threat of denunciation to authorities (mainly illegal migrant workers) |

All situations that stray from decent work should be considered. They represent illegal activity and may reflect something more sinister going on.

## Vulnerable workers

Vulnerable workers are those who are at risk of having their workplace entitlements denied, or who lack the capacity or means to secure them (HSE). They are usually employed in low-skilled, low-paid jobs with little job security. There are several factors that may put a person at risk of being exploited.

These are show in the below table.

| Migration status: | Language barriers: | Recruitment fees: | Homelessness: | Lack of social network: |
|---|---|---|---|---|
| Migrant workers can be vulnerable to exploitation due to their migration status. Migrants that do not know their rights are less likely to call out discrimination in pay or working conditions. Undocumented workers can have their migration status used against them to force them into poor working conditions. | Workers that do not speak English are vulnerable as it is difficult for them to access support, ask for help, or learn about their rights. | Workers who have come from abroad might have had to take out a loan to cover their recruitment fees or costs. Once in debt, workers are particularly vulnerable to exploitation as they are much more reliant on the income to pay off their debt so are less able to walk away from an exploitative job. | Rough sleepers and homeless people are often targeted by exploiters who offer them false working opportunities, trapping them in exploitation. | Workers who do have a social net are more vulnerable as they are forced to rely entirely on their exploiters to fulfill their basic needs such as food and accommodation. |

**UK figures (**Office for National Statistics, The Centre for Social Justice **&** TUC**):**

It is worth mentioning that due to hidden nature of this crime it is difficult to estimate its scope which is why a range of differing estimates have been included throughout this document.

**10,627**

potential victims referred through the UK National Referral Mechanism (NRM) by December 2019.

**According to the Center for Social Justice, there could be at least**

**100,000**

**victims of modern slavery in the UK (It still happens here: fighting UK slavery in the 2020s).**

- 27% off the 10,627 potential victims referred through the NRM were UK nationals.
- 48% of the victims referred to the NRM experienced labour exploitation and 39% experienced sexual exploitation.
- There is an estimate of 2 million workers in vulnerable employment in the UK (TUC).

# 2. Assessing your company's risks:

**In this section you will be able to self-assess your business's modern slavery risk, determined by your economic sector and the composition of your workforce.**

As a growing business looking for opportunities to become a supplier of bigger companies or the Government, it is important that you know how your business is exposed to modern slavery so that you can target your mitigation.

The below table offers a simple method of assessing your risk. As you read through the conditions, tick any that apply to your business.

## Table 1: Assessing your risk

| 1. YOUR INDUSTRY TYPE | Selection |
|---|---|
| Agriculture | |
| Apparel and textiles (including footwear) | |
| Beauty services include nail salons | |
| Cleaning and facilities services | |
| Construction | |
| Fishing and shellfish gathering | |
| Food processing and packaging | |
| Hand car washes | |
| Hospitality, catering and food service | |
| Manufacturing and electronics | |
| Recycling and waste | |
| Security services | |
| Social care | |
| Warehouses and distribution | |

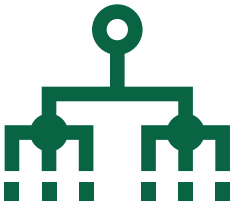
| 2. NATURE OF YOUR WORKFORCE | Selection |
|---|---|
| Low-skilled or unskilled workers | |
| Low-paid workers and/or vulnerable workers (See Section 1) | |
| Temporary, seasonal, agency workers or those employed by labour providers | |
| Subcontracted workers | |
| Workers performing dangerous or physically demanding work | |
| Isolated workers (work takes place in rural locations, is home-based or in unmonitored environments). | |
| Workers who have self-employed status | |
| Workers who live on site or are provided accommodation | |
| Workers that are not represented by a worker representation committee or trade union | |

If you have ticked at least one box, your business is at risk of encountering modern slavery. The more boxes you ticked, the higher the risk.

Bear in mind there are no right or wrong answers. We expect most businesses to have some degree of risk. The aim of this exercise is to help you understand your risk. We encourage all SMEs to follow the guidance in this toolkit, but this is especially important if you're at high risk of being exposed to modern slavery.

## Supply chain risk

You can also use the above table to determine your key suppliers' modern slavery risk. Do you source from any of the high-risk sectors in the table? If your supplier was to complete the table which boxes would they tick?



Once you know which of your suppliers are at risk, you need to know what you can do about it. Section 6 provides practical advice for how to work with your suppliers to reduce their risk.

## Hospitality and the risk of sexual exploitation

As well as the risk of modern slavery affecting your workers, if you are a hospitality business, you need to be aware of the risk of modern slavery affecting your customers. Hospitality businesses, especially those providing lodging services such as hotels, hostels, motels, bed and breakfasts or similar, should be aware that traffickers and exploiters may use their facilities to sexually exploit victims. Shiva Foundation's Stop Slavery Blueprint and STOP THE TRAFFIK's Spot the Signs provide more information about sexual exploitation and how to spot the signs.

# 3. Mitigating the risks affecting your direct workers

**As you may already know modern slavery can occur in your workforce without your knowledge. This section will provide practical advice on what you should do to reduce the risks of your employees being affected by modern slavery.**

## 3.1 Steps to mitigate the risks of exploitation

| Do promote awareness of rights |
| --- |
| Provide every worker with a written contract in a language they understand. The contract must include:<br>• Working hours<br>• Pay and overtime rates<br>• Deductions (if any and including clear concepts)<br>• Holiday and sick pay entitlements<br>• Accommodation arrangements (if applicable)<br>Please refer to ACAS templates for written terms of employment for more information and examples. |
| Raise awareness among your workers about their rights. You can do this by displaying workers' rights posters in the common areas of your business. |
| Share information about unions with your workers as they have the right to freedom of association (joining a trade union). |
| Raise awareness of the risks of modern slavery and the signs to look out for. |
| **Do encourage reporting** |
| Have clear procedures and communication channels with your workers so they can report concerns (grievances and whistleblowing) and share these with them on a regular basis. If possible, the policies and procedures should also be translated into your workers' native languages. |
| Post pictures of the workers that speak English and other languages (indicate by flags) so other workers can ask for their support if they don't speak English fluently. We have included a template for this poster in the Additional Tools section. |
| If you need to use an interpreter, make sure you use a professional service and not an informal alternative. |

Have regular informal conversations with your workers (directly employed and outsourced) to find out their stories, who they are, and to ask simple questions to make sure they are safe. We have included a list of questions that should guide these discussions * in the Additional Tools section. If you have a large workforce, you can include periodic surveys as a best practice.

**Do conduct internal checks**

Use your own payroll system or ask your payroll provider to perform regular checks to make sure that :
Your workers' wages are directly paid into their bank accounts instead of those of third parties.
Workers are not sharing the same bank account or home address.
If you detect any of the flags above, further investigation might be required.

Complete a right to work check for each worker following the government's right to work checklist and keep a copy of all relevant documents in your files. For additional information, please read an employer's guide to right to work checks.

Make sure you are not unknowingly infringing national minimum wage regulation when making deductions from your workers' wages for things such as training, uniforms, travel expenses, insurance and others.

If you are providing accommodation to your workers as part of their working arrangement, please bear in mind:
It should comply with Health and Safety Standards (as recommended by the ILO).
If deductions are to be made for this concept, it should be clearly stated in the worker's contract.
Talk to your workers regularly to find out if someone else is charging them for accommodation fraudulently.

**Do commit to upholding high ethical standards**

Show your commitment to address labour exploitation. You can do it by publishing a voluntary Modern Slavery Statement (follow the ETI framework) or by creating a code of conduct (ETI Base Code).

Make sure that your company (or those recruiting workers on your behalf) do not charge fees to secure a job at your business.

Make sure your workers have access to their identification and visa documents at all times

## 3.2 Spot the signs of exploitation

Traffickers and perpetrators can find a way into your business without you knowing. Remember, even when taking the necessary steps to reduce the chance of exploitation happening on your site, it can still happen. Therefore, it's important to be aware of the signs to spot any potential exploitation.

If you encounter any or all of these signs among your workforce, please refer to Section 5 below for how to report concerns.

## Signs of exploitation

| | |
|---|---|
| **Physical appearance** | Your worker might look unkempt, malnourished, dirty, frightened, withdrawn or confused. They could also have signs of physical abuse such as scars, bruises, scratches, or even untreated injuries (resulting from work or not). |
| **Few or no personal possessions** | They might have little or no money and food, little and unsuitable clothing. |
| **Isolation and control** | They might be rarely left alone and seem to be under the control of someone else who is always speaking on their behalf. This person might control their passport and other valuable documents. They might be driven to and from work by this person. |
| **Reluctant to seek help** | They might avoid eye contact, or seem frightened and refuse help when offered (e.g. GP, police, social services, etc.). |
| **Restricted freedom of movement** | They might have movements controlled by someone, especially if they are living on site or provided accommodation. |
| **Unusual travel times** | They might travel at unusual times and always work late. |
| **A group of workers always being picked up and dropped off at work together** | A group of workers might be taken to and from work together. They may live together even if they do not appear to be friends. |

## 3.3 Guidelines when working with recruitment agencies

If a third party is helping you recruit your employees, you have to be aware of the potential risks this might involve, especially when workers are recruited abroad. Recruitment agencies in the UK are regulated but most of them do not require a licence to operate. Only those providing recruitment services in agriculture, horticulture, shellfish gathering, food processing and food packaging require a licence.

Additionally, all recruitments agencies must comply with the Employment Agencies Act 1973 and the Conduct of Employment Agencies and Employment Businesses Regulations 2003.

A questionnaire * you can use with your recruitment agency and labour provider about their ethical practices is included in the Additional Tools section of this toolkit.

# 4. Mitigating the risks affecting your agency workers

**Agency workers are people who work on your site temporarily but remain employed by a labour provider, sometimes called an employment agency. These workers help your business during busy times but are not classed as your employees.**

Labour providers play an important role in today's economy, particularly in sectors with fluctuating production levels, providing businesses with a cost-effective method for maintaining capacity.

Unfortunately, using labour providers also increases the risk of exploitation within your workforce since it blurs oversight and accountability, especially when labour providers outsource to other labour providers.

However, there are simple, practical steps you can take to reduce the risk of modern slavery whilst still using labour providers. The following section highlights these steps, dividing them into three groups: one-off checks of the labour provider, regular checks of agency worker documentation and regular engagement with agency workers.

In addition to these practical steps, two principles should always be kept in mind when using labour providers:

1. Your labour providers should always uphold the same working standards as your company. Make sure agency workers are treated in the same way as you treat your workers.

2. If a labour provider's price is too good to be true, it probably is. Use your initiative to identify instances where the providers may be offering a price that is too low to be paying agency workers the national minimum wage whilst still making a profit.

A helpful way to check that your labour provider is not offering a price that is too good to be true is to refer to the most recent Charge Rate Guidance. This guidance is created annually by the Association of Labour Providers and is published on the GLAAs' website.
The guidance establishes how low labour rates can be whilst covering statutory requirements and a basic overhead. In other words, if your labour provider is offering rates below these minimums, they are cutting corners to do so.

Additionally, a questionnaire * you can use with your recruitment agency and labour provider about their ethical practices is included in the Additional Tools section of this toolkit.

## 4.1 Initial labour provider checks

The first step to effective monitoring of labour providers is to ensure that the company has the relevant policies and procedures outlined in this section. Some of these policies are required by law, whilst others demonstrate best practice.

### Licensing

Any labour provider supplying workers to companies operating in following sectors must be licensed by the Gangmasters and Labour Abuse Authority (GLAA):

- Agriculture
- Horticulture
- Processing and packaging of food and drinks
- Shellfish gathering

If your SME operates in one of these sectors, you are legally responsible for ensuring you only use labour providers that have been licensed by the GLAA. An up to date list of licensed labour providers can be found on the GLAA Public Register. The GLAA also provides a free update service that updates you on any changes to your labour providers' licences.

### Prohibited list

The Employment Agency Standards Inspectorate (EAS) maintains a list of people that have been prohibited from running a labour provider due to past misconduct. You should check that the directors or executives of the labour providers you use are not included in this list.

### Sub-contracting

The risk of exploitation is significantly increased when labour providers subcontract, particularly to intermediaries overseas who identify new workers. It is important to check if your labour provider subcontracts abroad. If they do, you should ask them to provide evidence of the checks they have carried out on their subcontractors.

If you operate in a sector where you must use GLAA licensed labour providers, any subcontractors or intermediaries, including those operating or registered abroad, must also be licensed by the GLAA.

### Recruitment fees

In the UK, it is illegal for labour providers to charge a fee to workers for finding them work. However, recruitment fees and costs are commonplace globally and do occur illegally in the UK.

You should make sure that your labour provider is committed to both not charging recruitment fees, and ensuring that recruitment costs, such as flights or visas, are not paid for by the worker. You can do this by checking to see if the labour provider has a code of conduct that includes such a commitment and by asking the labour provider what expenses are covered by them when sourcing workers. This is particularly important if you use a labour provider that recruits workers directly from abroad.

### Reporting mechanism

It is important to ensure that the labour provider has a grievance reporting mechanism that is accessible to all workers. The grievance mechanism should establish a transparent process for assessing grievances that provides workers with information on the outcome and allows them to appeal.

Labour providers following best practice will provide workers with guidance on how to use this grievance mechanism in their native language. Again, this is particularly important if the labour provider recruits workers directly from abroad.

When conducting these initial checks, you should ask to see the labour provider's reporting policy; but to make sure that it is accessible in practice, you should ask agency workers about their experience of using the mechanism, as outlined below in Section 4.4. The guiding questions for worker engagement * included in the Additional Tools of this toolkit include questions to ask about the reporting mechanism.

### Optional services

Labour providers cannot charge workers a fee for finding them work, however, they can charge them for providing non-work finding services such as accommodation, transport to work, or training. These services must be optional; they cannot be a condition of working for the labour provider.

You should check that your labour provider provides all their workers with written details of:

- What these optional services include
- How much they cost
- How workers can refuse or cancel them without penalty.

Again, it is best practice to provide this information in the workers' native language if recruiting directly from abroad.

### Driving improvement

If your labour provider cannot demonstrate that they have the relevant policies and procedures in place, you should not immediately terminate your contract with them as this does not improve sector-wide practices. Establishing effective modern slavery mitigation is an ongoing process and labour providers should be given the chance to improve their practices before being terminated.

Instead, if your labour provider fails to meet these standards, you should communicate that you expect them to bridge the gaps and endeavour to support them by signposting them to resources such as those provided by the ALP or the UK Government's EAS. You should set deadlines by which you expect the standards to be met and organise a meeting to check the progress upon expiry.

Contracts should be terminated if the labour provider does not show a willingness to improve, fails to meet the deadlines, or there is evidence that they are intentionally avoiding modern slavery mitigation practices.

## 4.2 Periodic checks of agency worker documentation

The second step to effective monitoring of labour providers is to periodically review key documents of a sample of your agency workers to ensure that the standards you expect are being met. Refer to the steps to mitigate the risks of exploitation in your direct workers table to make sure that you are covering all the aspects related to the standards.

Best practice to perform these checks:

| | | |
|---|---|---|
| Write down how you will undertake these checks in a policy. | Establish how often you will make these checks, what documents you will check, the sample size, and how you will choose the sample. | Record the results of this check each time as it can be used as evidence to demonstrate your high standards. |

We have included a template labour provider due diligence policy * in the Additional Tools section for you to use.

## The documents you should request from labour providers are:

### Terms of engagement

When a labour provider places an agency worker on an 'assignment', the period the worker will be working on your site, they must provide written terms of engagement. This document is sometimes referred to as an assignment contract or a worker assignment schedule.

This document should include:

- ✓ The name of the labour user (your SME) and the nature of its business
- ✓ The start date and the expected assignment length
- ✓ What the position is, what work it includes, the working hours, and the location
- ✓ The health and safety risk and how the labour user (your SME) will mitigate them
- ✓ What experience and training is needed
- ✓ The rate of pay and any other benefits
- ✓ What expenses can be claimed back, such as travel

When checking this document, you should make sure that the description matches both the agreement you made with the labour provider and the working conditions for agency workers on your site.

### Payslips

When reviewing agency worker payslips there are a range of details you should check:

1. The number of hours worked matches your records and that the rate of pay matches the worker's assignment document.
2. Check that the worker is receiving at least the national minimum wage (NMW). The pay rate cannot be taken below the NMW by deductions for tools, uniforms, or travel costs. However, deductions for accommodation that takes the pay below the NMW are allowed, but only if the deduction is no more than the official accommodation offset rate. The accommodation offset rate is set in April every year by the UK Government.
3. Make sure that any deductions for optional services are clearly indicated and that there are no deductions for recruitment fees or costs. If the same deductions for optional services are found on all payslips, you should check with the agency workers that they have been given the chance to reject these services.
4. Check that the correct income taxes and national insurance contributions have been paid. All agency workers must also be paid for their holiday entitlement.

## Right to work checks

You should also check the right to work checks conducted by the labour provider. The 'An employer's guide to right to work checks' guidance produced by the UK Government includes how to conduct the checks and what documents can be accepted.

## 4.3 Ongoing engagement with agency workers

Finally, in addition to conducting the due diligence outlined above, the most effective tool you can use to identify and stop exploitation is to engage with your workforce, including agency workers. Having regular conversations with agency workers is an effective way to understand how they are being treated by the labour provider or if they have faced any form of exploitation.

Engagement is particularly useful for identifying if any workers are being exploited by a third party. Although the above due diligence checks are important to determine if the labour provider is meeting the required standards, these checks will not be able to identify any exploitation which is taking place outside of the labour provider.

Engagement can be achieved through formal processes, such as asking agency workers to complete surveys, or through informal processes, such as one-to-one conversations with agency workers. A list of suggested questions to ask your workforce * can be found in the Additional Tools section. This list is not exhaustive but is useful for guiding the conversation, helping you identify any potential exploitation or non-compliance.

As well as having agency workers, you might also have workers from your service providers on your site. For example, you might pay a cleaning company to provide cleaners to your business. As these workers can also be at risk of modern slavery, it is also good practice to engage with them. You can use the same suggested questions to guide your conversations with on-site service providers' staff as well (found in the Additional Tools).

If you are conducting engagement in person you should make sure you do it in a private setting where the team member can speak freely. Engagement can uncover safeguarding concerns other than modern slavery, so be prepared to provide the necessary advice and signpost them to the relevant support when needed.

## Using interpreters

A common control technique used in modern slavery cases is for the controller to speak on behalf of the victim and limit their interaction with colleagues; this is particularly true when there is a language barrier. Therefore, to make sure the correct message is being translated, you should only use professional interpreters or workers who you know and trust to interpret if the agency worker does not speak English. You should never allow a 'friend' or 'family member' to translate for the agency worker over the phone, as you cannot vouch for their legitimacy. As mentioned in the steps to mitigate the risks of exploitation in your direct workers table above, you can have posters including pictures of the workers that speak English and other languages (indicate by flags) so other workers can ask for their support if they don't speak English fluently. We have included a template for this poster * in the Additional Tools section.

## Evidence of engagement

As with any checks you carry out in your business, it is always helpful to record engagement with agency workers in writing. You should record the name of the worker, the date, the location of the discussion, a summary of the discussion, and highlight any concerns that should be followed up. This paper trail can then be used as evidence to demonstrate you follow best practice in your operations if you are audited on behalf of a client.

# 5. Reporting Concerns

**Even if you implement best practice modern slavery mitigation, there is always a small chance that you might identify a potential victim or a company that is not meeting its legal responsibilities. To ensure that the potential victim is safeguarded, you need to know how to report concerns.**

Given the hidden and complex nature of modern slavery, often reporters are not completely confident in their suspicions; they just know that something is not quite right. In these cases, we always encourage the reporter to trust their instincts and report the suspicion – a false positive is always preferred to a false negative.

However incomplete or insignificant your information might appear to you, it might provide the missing piece of the picture that enables an intervention to be made.

## How to report

**If it is an emergency or someone is in immediate danger, you should call the police on 999. If there is no immediate danger, then you have several options:**

| Police | Gangmasters & Labour Abuse Authority | modern slavery & exploitation helpline 08000 121 700 |
|---|---|---|
| You can contact your local police force on 101, quoting modern slavery, to report an incident or concern. | The GLAA is a non-departmental public body whose role is to protect vulnerable and exploited workers. Responding to intelligence from their inspections, the public, industry and other government departments, they investigate reports of worker exploitation and illegal activity.<br><br>You can report incidents to them on their website, via email on intelligence@gla.gov.uk, or via phone on 0800 432 0804. | To report a suspicion or seek advice you can contact the Modern Slavery Helpline. Businesses can call for information, advice and to report any concerns they have about potential instances of modern slavery. The helpline is available 24/7 and reports can be made anonymously.<br><br>You can report an incident to them on their website or via phone on 08000 121 700. |

# 6. Supply chains

**For some businesses, supply chains represent a serious risk for modern slavery, affecting both goods and services. This is why large companies and public sector organisations will ask you to demonstrate how you mitigate risk – as you are their supplier.**

As an SME, you will have suppliers too but you will not necessarily have the same financial leverage that large companies have over their suppliers. We recognise that SMEs cannot demand the same from their suppliers as larger businesses. However, there are still steps you can take.

Commonly, SMEs have service providers who send staff to work on their site, such as cleaners or security personnel. These suppliers are particularly important as they are close to home. If modern slavery affected their business, it means it could occur on your site. Therefore, we suggest you pay extra attention to these suppliers when prioritising your engagement. The questionnaire for labour providers and recruitment agencies * in the Additional Tools of this toolkit can also be used with on-site service providers.

| Steps to managing risks in your supply chain |
|---|
| **Step 1: Manage your supplier data** |
| Have a complete and up to date list of your suppliers, including providers of both goods and services. |
| Your suppliers data must include at least:<br>• The supplier's name and address<br>• What type of good or service they provide to you<br>• How much you spend annually on them |
| **Step 2: Prioritise your engagement** |
| If any of your key suppliers operate in sectors or countries that are 'high risk' for modern slavery, you should consider encouraging them to take their own mitigation steps (e.g. share this toolkit with them). |
| Use the above self-assessment tool or the resources included in the Additional Tools to identify which of your key suppliers are high risk. |
| See section 1.2 Understanding modern slavery for a non-exhaustive list of high risk sectors. |
| **Step 3: Trust your instincts** |
| Trust your instinct when it comes to choosing new suppliers. If a company from a high-risk sector offers you something too good to be true, it probably is. |
| Ask how the company can offer below the expected minimum price and inquire what steps they have in place to mitigate their own modern slavery risk. |

# 7. Useful resources

| Purpose/Audience | Resource |
|---|---|
| General | Managing Risks Associated with Modern Slavery. This report by the Ethical Trading Initiative and Ergon Associates provides detailed advice for large companies on how to assess, mitigate, and report on their modern slavery risks. |
| | Labour Exploitation: Industry Profiles. The GLAA provides annually updated industry profiles that detail the risks of labour exploitation in high-risk UK sectors based on national evidence. |
| | The Ethical Trading Initiative Base Code. The ETI Base Code sets out a clear standard that all businesses should follow to ensure fair and safe working conditions. |
| Assessing risk | Modern Slavery Assessment Tool. Although this tool designed by the UK Cabinet Office intends to help public sector buyers understand their supply chain risk, it can be used by non-Government suppliers to assess their own risk. Once completed, you will automatically receive tailored recommendations on how you can reduce your modern slavery risk. |
| | Responsible Sourcing Tool. This online tool, produced by the US Government and US NGOs, provides an overview of country and commodity risks to enable businesses to risk map their supply chains. |
| | Business Model Red Flags. This resource by Shift provides a list of business model features that carry inherent human rights risks. |
| Employment | Fair Hiring Toolkit. This online tool by Verité provides advice on best practice modern slavery prevention for recruitment and employment, especially of migrant workers. |
| Labour providers | Use of Labour Providers: Advice on Due Diligence. This guidance provided by HM Revenue & Customs provides information on how to ethically use labour providers whilst avoiding reputational risk. |
| | Guidance On Who Needs A License. This guide produced by the GLAA outlines who needs to be licensed when supplying labour to the fresh produce supply chain and what exemptions exist. |
| | Good Practice Checklist for Using Labour Providers. This guide produced by the Association of Labour Providers outlines practical steps to mitigating the risk of modern slavery when using labour providers. |
| Writing a modern slavery statement | Transparency in Supply Chains: A practical guide. This official UK Government guidance provides advice on who is required to produce a modern slavery statement and how to write one. |
| | CORE – Writing a Modern Slavery Statement. CORE is a group of NGOs seeking to prevent modern slavery. They provide simple and clear guidance on what to include in a modern slavery statement. |

# Additional Tools

## Guiding questions for worker engagement:

For the following questions, keep an eye out for signs of exploitation. See section 3.2 of this toolkit for more information.

### 1. Recruitment process

The questions in this section help you identify whether any activity has taken place in the recruitment process that causes concern (e.g. charged fees or withholding documents) or whether there were any informal recruitment channels, or use of unknown subcontractors, that warrant further investigation.

a. How did you find out about your job?
b. Have you had any personal documents or valuable items withheld during your recruitment process?
c. Did you pay a fee at any point during your recruitment?

### 2. Contract/wages

This section will help you ensure good practice has been followed when employing and paying workers. If there are discrepancies between what has been pre-agreed (for contractual terms, job role, hours worked and pay) and what the reality is, further investigation is warranted. Additionally, working conditions should comply with UK law (e.g. minimum wage). Not having access to one's own bank account and not being free to leave one's employment are common indicators of modern slavery.

a. Were you given a contract? And if so, does it match with the job you are doing?
b. Are you being paid your contractual wage? Are you working your contractual hours? (How many hours did you work last week? What was your pay?)
c. Is this going straight to you or through someone else? Does anyone else have access to your bank account?
d. Are you free to terminate your employment without paying a fine or facing any other disciplinary action?

### 3. Accommodation

The following questions will help you gauge whether any accommodation your worker has been offered as part of their employment is agreed by the worker, is not putting undue financial strain on the worker, and upholds health and safety standards. If the rate of the accommodation is large compared to the earnings of that worker or if the worker cannot come and go as they please, further investigation is warranted.

a. Are you provided with accommodation? And if so, is this voluntary?
b. Do you pay weekly/monthly rent for this accommodation? And if so, how much do you pay?
c. What are the conditions of your accommodation? How many people do you live with in the house/in your room? Do you have access to hygiene facilities?
d. Are you free to come and go as you please?

## 4. Controlling

Traffickers use various methods to control victims. Abuse, restriction of movement, threats, financial control and forced work are all indicators of modern slavery (see additional indicators in section 3.2 of this toolkit).

a. Are you being verbally or physically abused?
b. Is anyone controlling when you can leave your house?
c. Are you able to take holiday?

## 5. Grievances

Workers should be aware of their employment rights and of the channels they can use if their rights are violated. Not only should workers be aware of reporting channels, they should feel able to use them without retribution. There should be independent and confidential channels to raise concerns.

a. Are you aware of your employment rights?
b. Are you aware of a grievance procedure you can use to report concerns? Can you report concerns confidentially?
c. Do you feel confident in using this reporting mechanism?
d. Have you experienced any unfair treatment in your job?
e. Have you made any complaints? How were they dealt with?

If answers to the above cause any concern or warrant further investigation, see section 5 of this toolkit on how to report concerns.

If a worker is disclosing abuse, exploitation or harassment, remember to listen and provide reassurance. Try not to raise any alarm bells with their alleged abuser while further investigation is carried out.

## Example labour provider due diligence policy

[COMPANY NAME] is committed to preventing labour exploitation and modern slavery. We recognise that, without conducting effective due diligence, using labour providers can increase the risk of modern slavery.

At [COMPANY NAME] we reduce the risk of labour exploitation and modern slavery by conducting checks on all our labour providers before we work with them and regularly checking agency staff documentation to ensure our high standards are being met in practice. This policy establishes what checks we carry out and how often.

We commit to never use a labour provider that offers labour rates lower than those established in the Charge Rates Guidance calculated by the Association of Labour Providers and published by the Gangmasters and Labour Abuse Authority.

Our [JOB ROLE] is responsible for ensuring these prior and ongoing checks are completed in line with this policy. They report on compliance with this policy to [JOB ROLE/TEAM NAME].

Initial Screening
Before working with a labour provider, we always check that:

- The company is licensed to provide temporary labour to our sector.
- The company's directors are not listed on the Employment Agency Standards Inspectorate's list of people that have been prohibited from running a labour provider due to past misconduct.
- The company only subcontracts with our authorisation and conducts their own due diligence on subcontractors when we give permission to subcontract.
- The company has a clear commitment to not charging recruitment fees and to covering the cost of recruitment when sourcing staff from overseas.
- The company has an accessible and transparent reporting mechanism that all staff can use to report concerns or issues.
- The company provides information to their staff on what optional services they offer, how much they cost, and how the workers can refuse or cancel them without penalty.

We will not do business with a labour provider that fails any of these initial screening checks.

Periodic Monitoring
When we have agency workers on our site, we periodically review a sample of their key documents to ensure the standards we expect are being met.

Time-period – we conduct these checks at the end of every month

Sample size – we consolidate the names of all agency workers that have been on our site that month, regardless of how long they were on site for. We then randomly choose either the square root of the number of agency staff or five, whichever is larger.

Checked documents -

- Terms of engagement (we check that these agreements between the worker and the labour provider matches the contract we have with the labour provider in terms of hours, pay, and working conditions)
- Payslips (we check that the number of hours match our records, that the all workers are being paid at least the NMW, that optional services are clearly indicated, and that correct taxes and national insurance contributions are being paid)
- Right to work checks

We keep evidence of these checks for our records.
If we identify any concerns or irregularities, we discuss this with the labour provider to ensure they are rectified. If the labour provider refuses or fails to rectify the issues, we report our concerns to the GLAA.

## Mock language poster

# We speak your language!

### Please come to us if you have any problems at work that you want to speak about.

| | | |
|---|---|---|
| Example Name | Example Name | Example Name |
| Polskie (Polish)<br>Русский (Russian) | Shqip (Albanian) | Français (French) |
| Example Name | Example Name | Example Name |
| Lietuvis (Lithuanian)<br>Eesti (Estonian) | Tiếng Việt (Vietnamese) | Română (Romanian) |

## Agency questionnaire

| Questions to ask your recruitment agency, labour provider, or service provider | Permanent Recruitment | Temporary Workers | On-Site Service Provider |
|---|---|---|---|
| Is your company a member of any professional body such as the Recruitment and Employment Confederation (REC) or similar? | | | N/A |
| Does your company hold any additional affiliations such as Investors in People, ISO standards or any other? | | | |
| Do you have a code of conduct? Does this specify a clear prohibition of the use of forced / trafficked labour? | | | |
| Are workers directly recruited from overseas? | | | |
| If recruiting from overseas, do you use subcontractors? If yes, what checks do you conduct on these agents to ensure they are working legitimately and adhering to ethical standards? | | | |
| Do you or your subcontractors charge workers with fees or deposits? If yes:<br>- What do the fees/deposits cover?<br>- How much are they and are any of them refundable?<br>- Is there written documentation to substantiate the fees or deposits? | | | |
| Do you perform checks to establish a worker's identity and eligibility to work? | N/A | | |
| Do you provider all workers with a terms of engagement document that covers:<br>• The name of the labour user and the nature of its business<br>• The start date and the expected assignment length<br>• What the position is, what work it includes, the working hours, and the location<br>• The health and safety risk and how the labour user will mitigate them<br>• What experience and training is needed<br>• The rate of pay and any other benefits<br>• What expenses can be claimed back, such as travel | N/A | | N/A |
| Do you have a reporting mechanism that all workers can use to report concerns about their employment? | N/A | | |
| Do you or your subcontractors retain worker identity documents (e.g. passport) or any other valuables as deposits? | N/A | | |
| Do you provide workers that do not speak English their terms and conditions in their native language? | N/A | | |
| If you provide dormitories for your workers, can you provide evidence that these meet health and safety regulations? | N/A | | |
| What optional services do you provide to your workers and how can workers opt out of them? | N/A | | N/A |

"Small and medium sized businesses have an essential role in combatting modern slavery, but often struggle to find resources tailored to their needs.

"I welcome this accessible and informative guide which sets out the practical steps SMEs can take to safeguard workers in their own operations and in their supply chains. It can be used across any sector, and may be a useful reference tool for larger businesses too."

Dame Sara Thornton, DBE
Independent Anti-Slavery Commissioner

modern slavery SME TOOLKIT

STOP THE TRAFFIK
PEOPLE SHOULDN'T BE BOUGHT & SOLD

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