

How can universities contribute to tackling modern slavery?

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Executive Summary

The following report explores the Modern Slavery Act (2015) (MSA) legislation as it applies to – and is implemented by – UK universities. Using a qualitative review of existing reports from the business sector, from non-governmental organisations (NGOs) and international non-governmental organisations (INGOs), a review of UK and American legislation, and existing anti-slavery policies and statements published by a variety of organisations, this report provides an analysis of the existing landscape of Modern Slavery Act (2015) compliance and reporting. Following this analysis, the report provides UK universities with a clear set of best practice recommendations to improve methods of identifying and responding to the modern slavery risks affecting UK universities.

Part One is an overview of globalisation and the roles of business and organised crime in the emergence and perseverance of modern slavery. The terms used to establish these concepts are herein defined, and discussion on legitimate business and organised crime models ensues.

Part Two establishes the connections between business models, businesses and higher education institutions. It also establishes the unique space that universities occupy at the intersection of public and private enterprise. It moves into an analysis of Modern Slavery Act (2015) statements published by universities, and examines the potential role of the MSA legislation compliance requirements in the emergence of universities as innovators and leaders in establishing methods of identifying modern slavery risks, combating modern slavery and reporting upon those efforts effectively. This section also highlights the importance and benefits of collaboration.

Part Three examines best practices that have been applied in the business realm and adapts them for higher education purposes, highlighting the differences between the two types of institution that enable universities to bridge gaps imposed by profit-driven business practices. Best practices that are unique to public sector organisations are also delivered here.

Conclusion and Recommendations provides a brief summary of the findings in the preceding three sections and provides the recommendations for universities in modern slavery risk assessment, addressing and reducing those risks, and in reporting risks and efforts to combat them in compliance with the Modern Slavery Act (2015).



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Part One:

Overview of Globalisation and the Roles of Business and Organised Crime in Modern Slavery

This section examines the roles of globalised business and organised crime models in the facilitation of modern slavery. This begins with definitions of globalisation and modern slavery, followed by an overview of the business models and practices identified as particularly high-risk with respect to the likelihood and/or presence of modern slavery and slavery-like practices and conditions in the supply chain or in the service provisions. Following this, a brief overview of organised crime models that profit from slavery and trafficking will be presented. These establish the foundation from which practices in higher education institutions that might contribute to the presence of modern slavery will be explored in the next section.

1. Definitions of terms

Globalisation

Economic globalisation has been characterised by the reduction in the late 20th century of international trade restrictions, largely in developed countries; this reduction of restrictions has thus enabled multinational and transnational businesses to expand into and/or across several countries.¹ This phenomenon has taken place alongside sweeping technological advances, enabling global businesses to run international branches from a centralised head office.

Modern Slavery

For the purposes of this study, the comprehensive Bellagio-Harvard legal definition of modern slavery will be applied.² This definition is derived from and based on the definitions in the ILO conventions, specifically the definition of “slavery” in Article 1(1) of the 1926 Slavery Convention, its reproductions in Article 7(a) of the 1956 Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery and in Article 7(2)(c) of the 1998 Statute of the International Criminal Court. Also taken into account in the development of this definition were the human rights law as applied to the 1948 Universal Declaration and 1966 International Covenant on Civil and Political Rights, as well as the 2000 United Nations Palermo Protocol on Trafficking in Persons and the 2005 Council of Europe Convention on Action against Trafficking in Human Beings. Within the parameters determined by the members of the Research Network on the Legal Parameters of Slavery, “[s]lavery is the status or condition of a person over whom any or all of the powers attaching to the right of ownership are exercised”, in which ownership is

¹ Bales, Kevin et al, *Modern Slavery: The Secret World of 27 Million People* (Oxford: Oneworld Publications, 2009), 47 – 51. See also No author, “Globalisation – Glossary of Statistical Terms” (The Organisation for Economic Co-operation and Development [OECD], created 25 September 2001, last updated 10 June 2013): <https://stats.oecd.org/glossary/detail.asp?ID=1121>.

² Allain, Jean, ed., “Appendices: 2012 Bellagio-Harvard Guidelines on the Legal Parameters of Slavery”, *The Legal Understanding of Slavery: From the Historical to the Contemporary* (Oxford: Oxford University Press, 2012), p. 375 - 380.

understood as “constituting control over a person in such a way as to significantly deprive that person of his or her individual liberty, with the intent of exploitation through the use, management, profit, transfer or disposal of that person”.³

Behaviours relating to ownership that might indicate or provide evidence of slavery include:

- Buying, Selling or Transferring a Person (i.e. human trafficking)
- Using a Person
- Managing the Use of a Person
- Profiting from the Use of a Person
- Transferring a Person to an Heir or Successor
- Forced Labour and Bonded Labour⁴

2. Globalised business practices and organised crime models that may contribute to, encourage or depend upon the presence of modern slavery on supply chains and in services

“The phenomenon of globalization means that the goods we buy are increasingly assembled in different parts of the world, using components from all over the world. There are numerous steps and parts that go into making a product and slavery can creep into any one of them. [...] The problem is even more complex because only a small and hidden proportion of any particular commodity actually has slave input”.

(Kevin Bales et al, *Modern Slavery*, 49)

In *Modern Slavery*, leading anti-slavery scholar Kevin Bales and his co-authors identify a number of elements contributing to the sharp increase in the global prevalence of modern slavery in the second half of the 20th century, most of which are intimately related to the phenomenon of globalisation. These include the global **population** explosion, particularly in developing countries, and the **impoverishment** that follows when the population growth strains resources and is not accompanied by a matching growth in production.⁵ Another factor is the **economic transformation** accompanying globalisation, which has “driven many people in the developing world both into the shanty-towns surrounding the major urban centers and into serious social and economic vulnerability. These dislocated and impoverished people are a bumper crop of potential slaves”.⁶

Writing in March 2016, Roel Nieuwenkamp, Chair of the OECD Working Party on Responsible Business Conduct observes, “The recent migrant crisis paired with shocking exposés of labour issues in global supply chains [children working in cobalt mines for the Apple and Samsung supply chains, Syrian refugees working under terrible circumstances for garment supply chains in Turkey, Rohingya refugees working as slaves in the

³ Ibid.

⁴ Ibid.

⁵ Kevin Bales et al, *Modern Slavery*, 52 – 53.

⁶ Ibid, 55.

Thai fishing industry and North African migrants working in agriculture in Italy and Spain] has heightened public attention to modern slavery, forced labour and human trafficking.”⁷ He also cites International Labour Organization (ILO) statistics reflecting that 44% of victims of forced labour are migrants.⁸ According to the *Global Slavery Index*, of the estimated 45.8 million people enslaved globally in 2016, there are an estimated 11,700 people living in modern slavery in the United Kingdom. A significant number of these victims are subjected to forced labour throughout the country, some in areas along the supply chains of the commodity areas regularly accessed by UK universities. Some of these sectors include agriculture and food processing, restaurants, bars and hotels, building and construction, and scrap metal and recycling.

The Ethical Trading Initiative (ETI) and the Ashridge Executive Education, Hult International Business School (Hult) collaborated on research with several global businesses to determine risk areas for modern slavery, as well as to develop best practice to address the issues. They discovered that risk awareness is relatively high, concluding that 71% of companies believe there is a likelihood of modern slavery in the supply chain, “particularly in high-risk countries or sectors and at the lower stages of the chain”.⁹

Many of the risk factors identified by participants revolved around competition: concerns around costs, timeframes and quality all affect the effectiveness and reliability of the supply chain. While some companies are attempting to transcend competitive tension in order to address modern slavery, competition and competition law continue to pose a threat to potential collaborations among business peers, unions, governmental and non-governmental organisations, and other bodies.¹⁰

Some participants noted, “because of the huge profits to be made from exploitation of the most vulnerable workers, the business case for improving working conditions is harder to apply.”¹¹ This concern is echoed by Klara Skirvankova, writing for the Joseph Rowntree Foundation (JRF): “[u]nderlying causes [of forced labour] include a regulatory framework in which the use of forced labour makes ‘business sense’, even if illegal, because the risks of discovery and prosecution are low, and [because of the] weak enforcement of labour standards”.¹² In fact, Skirvankova emphasises that UK labour market and economic factors are more prevalent driving factors than serious organised or individual crime in the use of forced labour.¹³

An April 2015 report by the Centre for Social Justice suggests that many organised criminal networks (OCNs) involved in trafficking for forced labour use as sophisticated a business model as their legitimate counterparts.¹⁴ The same report suggests, “[o]rganised crime is at the heart of nearly all forms of modern

⁷ Nieuwenkamp, Roel, “Tackling modern slavery in global supply chains” (*OECD Insights*, 11 March 2016): <http://oecdinsights.org/2016/03/11/tackling-modern-slavery-in-global-supply-chains/>.

⁸ No author, “The Protocol to the Forced Labour Convention: Strengthening the global fight against all forms of forced labour” (ILO, Special Action Programme to Combat Forced Labour (SAP-FL) – Fundamental Principles and Rights at Work Branch, Geneva: n.d), http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_321414.pdf.

⁹ Lake, Quintin et al., *Corporate approaches to addressing modern slavery in supply chains: A snapshot of current practice* (Ashridge Executive Education, Hult International Business School; Ethical Trading Initiative, UK: 2015), 6 – 7.

¹⁰ Ibid.

¹¹ Ibid, 9.

¹² Skrivankova, Klara, “Forced Labour in the United Kingdom” (Joseph Rowntree Foundation [JRF], UK: 2014), 1.

¹³ Ibid, 7.

¹⁴ Cunningham, Fiona, *A Modern Response to Modern Slavery* (The Centre for Social Justice, London: April 2015), 11.

slavery".¹⁵ Quoting March 2015 figures from *The Financial Times*, Cunningham asserts that the annual illegal profit per forced labour victim of organised criminal networks is \$34,800 USD (this figure includes victims of commercial sexual exploitation).¹⁶ According to the report, criminal networks exploit the internet (and the "dark" or "deep" web), an overburdened immigration system and employment agencies as tools with which they can obtain and maintain control and ownership of vulnerable people.¹⁷

With respect to industries in the UK, in addition to trafficking for commercial sexual exploitation, OCNs have been involved in agriculture, food processing, manufacture, hospitality, building and construction, waste management and disposal, and cleaning.¹⁸ OCNs that are involved in modern slavery are often also involved in other criminal activities, such as drug trafficking and money laundering.¹⁹ Cunningham's work pays close attention to what she terms "modern slavery cartels" operating in the UK—groups that she asserts are indeed enabled by globalisation, which allows for increased trafficking opportunities and supply chain control.²⁰ This perverted type of integration affords the OCNs increased control over multiple areas of illicit profit.

Conversely, but relatedly, vertical integration is one business model that appears to have a positive impact on modern slavery awareness within legitimate companies, as such a model allows greater involvement in, knowledge of and control over each stage of production.²¹ While most non-integrated companies employed audits to ensure due diligence, most participants agreed that audits were ineffective in identifying incidences of modern slavery.²² One participant recalls that, despite their best efforts, the organisations performing two separate audits of a particular supplier were unable to detect modern slavery issues that later

¹⁵ Ibid, 14.

¹⁶ Ibid, 30.

¹⁷ Ibid, 14, 30 -31,

¹⁸ For examples, see No author, "Focus on Labour Exploitation: Tackling exploitation on the labour market consultation" (Focus on Labour Exploitation [FLEX], December 2015):

<http://www.labourexploitation.org/sites/default/files/publications/FLEXBISConsultationFINAL.pdf>.

See also Balch, Alex, "Tackling Exploitation and Forced Labour in the UK Hotel Sector" (Centre for the Study of International Slavery, University of Liverpool, n.d [c. 2015].

See also No author, "'Modern slavery' family jailed for Cardiff forced labour" (*BBC News*, 24 May 2016):

<http://www.bbc.co.uk/news/uk-wales-south-east-wales-36332024>

See also No author, "Man 'forced to live in van' subject of trafficking probe" (*BBC News*, 26 August 2015):

<http://www.bbc.co.uk/news/uk-england-manchester-34066660>.

See also Procter, Ian, "Chicken factory 'modern slavery' case -- three family members to face crown court over 'servitude' charge" (*The Bolton News*, 9 March 2016):

http://www.theboltonnews.co.uk/news/14332281.Chicken_factory__modern_slavery__case____three_family_members_to_face_crown_court_over__servitude__charge/

See also Eve, Carl, "Police raids in Plymouth find 15 alleged victims of human trafficking and modern slavery", (*The Herald*, 9 March 2016): <http://www.plymouthherald.co.uk/Police-raid-Plymouth-properties-remove-15-alleged/story-28889079-detail/story.html>

See also No author, "Kirklees Bed Factory Owner Sentenced for Facilitating Human Trafficking" (West Yorkshire Police, 12 February 2016): <http://www.westyorkshire.police.uk/news/kirklees-bed-factory-owner-sentenced-facilitating-human-trafficking>

¹⁹ Cunningham, *A Modern Response*, 42.

²⁰ Ibid, 39.

²¹ Lake et al, *Corporate Approaches*, 6 – 7.

²² Ibid, 22 – 23.



surfaced.²³ Another participant observes that installing a constant presence among suppliers enables companies to distinguish genuine, consistent efforts to address modern slavery issues from those affected solely for appearances during an audit.²⁴ It was the general consensus that trust-building and communication with suppliers in tandem with an auditing policy is more effective in addressing and avoiding modern slavery risks.²⁵ These and other approaches will be discussed in greater detail in the **Best Practice** discussion in Part 3.

First, the relationships shared by the above business and organised criminal network practices with university supply and service chains will be explored.

Part Two:

Modern Slavery in Higher Education Supply and Service Chains – Establishing the Links, Highlighting the Risks, and Examining the Practices

The objective of this section is to examine briefly UK university roles, operations, supply chains, services, international campuses, and overseas partnerships, and to identify particular modern slavery risks and opportunities.

1. The Unique Position of Universities

As institutions that are both privately and publically funded, UK universities occupy a unique position as large-scale consumers of goods and services. Universities must on one hand function as for-profit bodies, balancing income against expenditure and searching for the most cost-effective methods of operation; they must keep their stakeholders happy. On the other hand, they are subject to procurement legislation as dictated by the relevant government which require regular tendering processes to ensure fair competition, and they must always prioritise their service to their communities. Public procurement is increasingly being recognised as an avenue to bring about change in business practices: UK public sector organisations spend about £250 billion a year on goods and services²⁶, meaning policies and practices aiming to make procurement more socially responsible can influence the market. EU procurement rules now recognise this potential for bringing about positive change in supplier practices, and require procuring bodies to consider social and environmental impacts of purchases.

²³ Ibid.

²⁴ Ibid.

²⁵ Ibid.

²⁶ House of Commons, “Public Procurement” (3rd July 2015)

<http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN06029>



Universities across the world are making increasing commitments to social responsibility and sustainability. Most UK university strategic plans make reference to these overarching commitments, including areas such as fair trade and sustainable procurement, equality and diversity, and social sustainability. Universities are also leading social research and development, and are looked toward innovative methods to combat social injustices and imbalances. As such, their active engagement in anti-slavery methods is imperative and universally beneficial. Universities are increasingly considering the impact on the world – its people and the environment, of research activities, and of their own business practices and transactions.

Universities are able to combine their academic expertise on human rights and business, with their professional procurement practices, in order to take a lead on combating modern slavery. Of course, risks do not only lie in supply chains: University campuses themselves are not invulnerable to modern slavery risks. As part of diligence in modern slavery awareness and in compliance with the Modern Slavery Act 2015, it is imperative that UK universities carry out risk assessments on their own human resource and recruitment practices.

2. University Supply Chains

This is an area into which individual university procurement teams and social responsibility representatives may already have considerable insight. For example, the University of Edinburgh and the University of Hull have carried out preliminary risk assessments relating to commodity areas and have identified similar risks in given areas. Priority areas of spending by universities include electronics, construction and buildings facilities, food and catering supplies, laboratory supplies, and travel (which includes hospitality in the destination locations).

Some major suppliers in these commodity areas, such as the major laboratory supply companies Oxford Instruments and Carl Zeiss Ltd., have made statements available that describe their anti-slavery policies and practices.²⁷ The clarity of and detail in a company's anti-slavery policy statement are strong indicators of that company's understanding of and willingness to address the risks along their own supply chain. A statement that details specific risk areas along their own supply chain as well as the company's efforts to address and reduce risk indicates a high awareness of and commitment to combating modern slavery. A statement lacking these elements—or the total lack of a statement, particularly in the cases of multinational companies with a high turnover—could indicate just the opposite, signalling a higher-risk supplier. This is particularly true if these companies operate in, import from or outsource labour to high-risk countries or are engaged in high-risk industries, such as mining. Industries that rely on unskilled labour are at higher risk of slavery on the supply chain; commodities involving skilled work in any or all stages of their production tend to be lower-risk.

The Modern Slavery Act requires that organisations, understood as including universities, with a turnover of £36M or more, develop and demonstrate an awareness of supply chain risks which include services used by the university, such as building, cleaning, and waste disposal and management—particularly when these services are provided by external contractors whose recruitment practices are unknown to procurers. There

²⁷ No author, "Human Rights Policy" (Oxford Instruments Corporate and Social Responsibility, n.d): <http://www.oxford-instruments.com/corporate-and-social-responsibility/human-rights-policy>.

See also Paul Adderley, "ZEISS Status Regarding UK Modern Slavery Act" (Carl Zeiss Ltd., 24 March 2016): http://www.zeiss.co.uk/content/dam/Corporate/UK/Downloads/PDF/compliance_to_slavery_act.pdf

has been at least one documented case of an OCN that was suspected of using forced labour in its illegal dumping practice. Posing as a legitimate waste disposal business, the gang would obtain recycling contracts, collect waste, and stockpile it illegally on sites that it had historically later abandoned.²⁸ 17 EU migrant workers, suspected victims of forced labour, were found on three sites.

Cleaning, particularly as an externally-contracted service, is another area of moderate risk. A study by the Centre for the Study of International Slavery on forced labour in the UK hotel sector revealed that in the preceding five years, journalists had exposed exploitative labour practices “particularly with contract cleaning and other outsourced functions”.²⁹ Temporary agencies and outsourcing companies posed the highest risks, and these risks were most prevalent in London though they were found throughout the UK. Other risks included hotels that were recruiting staff from their home countries “and forcing them to stay in specified accommodation whilst living in the UK”.³⁰ Trade union representation and membership, which can empower workers with knowledge and protection of their labour rights, as well as legal advice and support in cases of labour exploitation, were found to be very low among workers in this sector.

The construction industry is a high-risk area for exploitation, as several cases have been discovered and reported throughout the UK.³¹ As with cleaning services above, any externally-contracted or outsourced construction, building or related labour should be considered high-risk for modern slavery.

3. International Campuses and Overseas Partnerships

Many UK universities and higher education institutes have international campuses, offices, and/or partnerships with overseas universities and institutions. While universities tend to retain control over recruitment, at least of academic staff, for their branch (international) campuses, other staff may be recruited locally.³² Even less control over, or knowledge of, recruitment practices of overseas partnerships can be obtained, particularly when the partnerships are solely financial ones whereby UK universities are given money by an overseas institution in exchange for course validation.³³

Of 25 universities that have overseas campuses, four have campuses in China and three have campuses in India.³⁴ Both countries hold high scores on the *Global Slavery Index*; China has one of the highest absolute

²⁸ Mathiesen, Karl, “Six arrested for illegal waste dumping suspected of using forced labour” (*The Guardian*, 10 March 2015): <https://www.theguardian.com/environment/2015/mar/10/six-arrested-for-illegal-waste-dumping-suspected-of-using-forced-labour>.

²⁹ Balch, Alex and Glynn Rankin, “Tackling Exploitation and Forced Labour in the UK Hotel Sector” (University of Liverpool – Centre for the Study of International Slavery, 2014), 1: <http://www.gla.gov.uk/media/1587/tackling-exploitation-and-forced-labour-in-the-uk-hotel-sector.pdf>

³⁰ *Ibid*, 3.

³¹ For example, see Carl Eve, “Police raids in Plymouth find 15 alleged victims of human trafficking and modern slavery”: <http://www.plymouthherald.co.uk/Police-raid-Plymouth-properties-remove-15-alleged/story-28889079-detail/story.html>.

See also Minchin, Rod, “Traveller family found guilty in slavery case” (*The Independent*, 14 December 2012): <http://www.independent.co.uk/news/uk/crime/traveller-family-found-guilty-in-slavery-case-8417770.html>

³² Matthews, David, “Empires and allies” (*The Times Higher Education*, 18 October 2012): <https://www.timeshighereducation.com/features/empires-and-allies/421485.article>

³³ *Ibid*.

³⁴ *Ibid*.

numbers of modern slavery, while India has both a high absolute number and a high prevalence.³⁵ India is at a particularly high risk for bonded labour, while the enforcement of China's recently-amended labour laws has been inadequate in addressing issues of forced labour with effectiveness. The *Global Slavery Index* indicates that while China has recently introduced labour laws making forced labour illegal, the laws currently only cover women and children, ignoring men's exploitation.³⁶ Efforts have been made toward tackling issues of forced labour and other forms of modern slavery, including incremental but promising changes to laws surrounding workers' rights to collective bargaining and to strike.³⁷ However, China has not ratified the Forced Labour Convention, 1930.³⁸ Forced labour continues to be a significant issue in many sectors, including manufacturing, mining, agriculture, food and hospitality, and domestic servitude. Additionally, whether the Chinese government has indeed abolished its own Re-Education Through Labour camps, in which detainees were subjected to forced labour, torture and inhumane conditions, also remains unclear; the practice appears to continue through Custody and Education Camps.³⁹

Six of the universities have campuses in the United Arab Emirates (UAE; five are in Dubai and one is in Ras al-Khaimah), and one has a campus in Qatar.⁴⁰ The UAE and Qatar have well-documented issues with forced labour, especially with the pervasive exploitation of Asian and South Asian migrant workers in the booming construction industry.⁴¹ Both countries have ratified the Forced Labour Convention, 1930.⁴² Both countries have also recently made amendments to their labour laws, with the UAE mandating the use of standard contracts and allowing employees to terminate contracts in some cases, and with Qatar making reforms to the problematic *kafala* system (which binds foreign employees' visas to a specific employer); employees must now seek Ministerial approval for travel and employment changes rather than their employer's approval.⁴³ However, Ministerial approval is still contingent upon employer approval—but the new system allows an official appeals process for employees.

Thus, through differing legal labour standards, labour law enforcement, labour practices, and in judicial or legal recourse for victims of exploitation, international campuses and overseas partnerships in particular, especially when located in high-risk countries, present UK universities with increased susceptibility to slavery in the supply chain. At present, UK Universities have little opportunity to identify or intervene in incidences of modern slavery among partner universities. The establishment of communicative and involved relationships with partners and adding contractual requirements with respect to potential partners

³⁵ No author, "Findings" (*Global Slavery Index*, Walk Free Foundation, May 2016):

<http://www.globalslaveryindex.org/findings/>

³⁶ No author, "China" (*Global Slavery Index*, Walk Free Foundation, May 2016):

<http://www.globalslaveryindex.org/country/china/>

³⁷ Chang, Hee Lee, "Working Paper No. 7: Industrial relations and collective bargaining in China" (International Labour Organization [ILO], Industrial and Employment Relations Department, Geneva, October 2009):

http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-beijing/documents/publication/wcms_146612.pdf

³⁸ ILO, "Ratifications of C029 - Forced Labour Convention, 1930 (No. 29)" (*NORMLEX*, n.d.):

http://www.ilo.org/dyn/normlex/en/f?p=1000:11300:0::NO:11300:P11300_INSTRUMENT_ID:312174

³⁹ Ibid.

⁴⁰ David Matthews, "Empires and allies".

⁴¹ No author, "The Middle East and North Africa" (*Global Slavery Index*, Walk Free Foundation, May 2016):

<http://www.globalslaveryindex.org/region/middle-east-north-africa/>

⁴² ILO, "Ratifications of C029 - Forced Labour Convention".

⁴³ Ibid.



addressing modern slavery risks are examples of steps that can be taken toward lowering modern slavery risks abroad.

Part Three:

Examples of Best Practice in Business and Higher Education Institutions; How Universities Can Adapt and Adopt Processes to Address Risks

This section will explore anti-slavery best practice methods in universities and businesses.

1. Current University Reporting for the Modern Slavery Act 2015

In the UK, the implementation of the Modern Slavery Act in October 2015 introduced the requirement that all commercial organisations supplying goods or services with a total turnover in the amount prescribed by the Secretary of State (currently a total turnover of £36M or more) provide a public statement on their awareness and efforts to address modern slavery in their operations and supply chains. Similarly, in the United States the California Transparency in Supply Chains Act that went into effect in January 2012 requires that all retail sellers and manufacturers doing business in the state and having annual worldwide gross receipts exceeding⁴⁴ \$100M (USD) must disclose their efforts to eradicate slavery and human trafficking from their direct supply chains for tangible goods offered for sale.⁴⁵ A national congressional bill with similar requirements was introduced and referred to the House Committee on Financial Services on 27 July 2015; if the bill is successful, all 50 states will demand the same disclosure from businesses as is required in California.⁴⁶

Both the MSA and the Transparency in Supply Chains Act were preceded in 2011 by the endorsement and subsequent publication of the United Nations Guiding Principles on Business and Human Rights; the Guiding Principles' influence upon the above legislation is apparent.⁴⁷ The Guiding Principles are not legal measures; instead, through their implementation, they provide businesses with details on conducting operations in a manner that complies with international human rights law. Through the Protect/Respect/Remedy approach to both state and corporate human rights matters, the Guiding Principles clarify methods of practising due diligence to ensure adherence to international law (including in special circumstances, such as regional

⁴⁴ Modern Slavery Act (2015) c. 30, Part 6, Section 54: Transparency in Supply Chains (UK, 2015): <http://www.legislation.gov.uk/ukpga/2015/30/section/54/enacted>

⁴⁵ Senate Bill no. 657, Chapter 556 (Washington D.C, 30 September 2010), 93: http://www.leginfo.ca.gov/pub/09-10/bill/sen/sb_0651-0700/sb_657_bill_20100930_chaptered.pdf

⁴⁶ H.R. 3226 – “Business Supply Chain Transparency on Trafficking and Slavery Act of 2015”, 114th Congress (7 July 2015): <https://www.congress.gov/bill/114th-congress/house-bill/3226>

⁴⁷ No author, “Guiding Principles on Business and Human Rights” (United Nations Human Rights – Office of the High Commissioner, New York and Geneva, 2011): http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf .

conflict), to ensure the development of effective human rights policy, and the remediation of human rights abuses and violations when they arise or are discovered.⁴⁸ In 2015 a Reporting Framework was introduced; this publication provides details on how businesses eager to implement the Guiding Principles could measure and record their efforts.⁴⁹

As a result of these initiatives, modern slavery statements have become commonplace alongside human rights policy statements among the world's largest retail companies. With the Modern Slavery Act 2015 extending the reporting requirements beyond retail to include any commercial organisation with the required turnover, such statements are increasingly familiar among goods *and* service suppliers with significant relevance to higher education institutions. The implementation of these measures in the United Kingdom and the United States could indicate the beginning of a global trend toward similar legislation.

As is touched upon in the University Supply Chains subsection in Part 2 of this report, an anti-slavery statement that demonstrates an awareness of modern slavery in the reporting party's industry and their own supply chain, particularly when coupled with details on the reporting party's efforts to address and combat modern slavery along their supply chain points toward a lower modern slavery risk for the reporting party. UK universities should seize this opportunity to set a national and international example of diligence by expending and disclosing substantial efforts in seeking, acknowledging, addressing, and combating modern slavery in their practices, operations and supply chains.

The Modern Slavery Act 2015 legislation specifies the information that should be provided by each reporting party in their annual slavery and human trafficking statements.⁵⁰ The statement must include the steps taken to ensure that slavery and human trafficking are not taking place on any of the reporting party's supply chains or in any part of its own operations. If no steps have been taken, this must be reported in the statement as well. The legislation also indicates that the statement *may* include additional relevant information about the reporting organisation, such as the organisation's structure, supply chains, existing modern slavery and human trafficking policies, known modern slavery risks, and training efforts. This section affords organisations an opportunity to develop and report upon specific modern slavery risks they have discovered, as well as any novel, extensive and/or effective efforts being made or proposed to combat them. Here, universities are given an opening to declare a zero-tolerance position on modern slavery in the supply chain and in their own operations on any campuses (whether domestic or international). In addition to making potentially significant contributions to the national and global anti-slavery movements, as organisations founded upon the concepts of innovation and philanthropy, universities that place themselves at the vanguard of the anti-slavery movement could benefit from the visibility generated through such efforts.

As of 22 August 2016, a handful of universities' Modern Slavery Act 2015 statements are available online. Some universities have seized the opportunity presented by the Modern Slavery Act 2015 to perform a thorough self-evaluation and self-assessment, identifying its existing risks and best practices, and developing

⁴⁸ Ibid.

⁴⁹ No author, "UN Guiding Principles Reporting Framework with Implementation Guidance" (United Nations, February 2015): http://www.ungpreporting.org/wp-content/uploads/2015/02/UNGGuidingPrinciplesReportingFramework_withimplementationguidance_Feb2015.pdf

⁵⁰ Modern Slavery Act (2015).



methods of addressing the risks that remain—and those that are unique to the institute or its industry. Good examples of statements include an overview of the University’s business, followed by the statement’s purpose and a detailed identification of risks. They include the measures taken by the university in their own hiring practices to avoid risks in this area (such as direct recruitment and use of accredited, compliant agencies), and those taken to reduce risks that target students (e.g. staff both in Student Services and the Student’s Union will receive related training on assisting vulnerable and/or affected students). A detailed assessment of the university’s supply chain and procurement practices is included, and a plan for the future including reporting, training and monitoring.

There are still areas that can be strengthened in these university statements. For example, universities should detail due diligence plans regarding overseas partnerships and campuses and the different modern slavery risks they present. Some universities have published statements that are lacking in detail, and, while they meet the minimum requirements set out in the Modern Slavery Act 2015 legislation, these statements do not demonstrate as active an engagement with modern slavery risks as those above. In describing efforts being made, some reporting bodies defer almost entirely to the general descriptions of the procurement policies of the external procurement companies to which they belong without providing any details on their own recruitment practices, commodity areas, supply chains, or modern slavery risks. Conclusions might consist of a single sentence advising of future intentions but do not provide any detail of how these intentions will be realised and within what time frame.

Such statements, while they may meet the minimum legal standard, do not reflect the efforts that the reporting bodies might actually be putting into curbing risks of modern slavery in their supply chains or on their campuses. It is always in an organisation’s best interest to be as thorough as possible with these statements to ensure that its risks are understood and its efforts to address them are reported and effective. Otherwise, these organisations might be missing out on important opportunities both to eradicate modern slavery from its supply chains and practices, and to pioneer methods of doing so. By ensuring that the additional information that the Modern Slavery Act legislation states may be included is, indeed, included, higher education institutions can set a high standard of participation and engagement with the Act and its purpose.

2. Best Practice – Business Models

One high-risk area in which universities invest large sums of money is that of Computer Supplies & Services. Several high-profile suppliers in this area, such as Apple Inc., have acknowledged the many issues they have with modern slavery on their supply chains and have published detailed statements on their policies and procedures for identifying and addressing these issues.⁵¹ Apple’s statement includes the stipulations they impose on their own suppliers, such as the requirement that recruitment fees cannot be charged.⁵² The statement describes the detailed and extensive auditing process to which Apple adheres, as well as bespoke practices; in the lead-up to new product launches (which become high-risk periods due to increased hiring of

⁵¹ No author, “Statement on Efforts to Combat Human Trafficking and Slavery in Supply Chains” (Apple Inc., 30 March 2016): https://www.apple.com/supplier-responsibility/pdf/SB_657_3.30.2016.pdf

⁵² *Ibid*, 1.

temporary and permanent workers), teams are sent to production sites to provide hands-on guidance to suppliers who might need help addressing potential labour issues.⁵³

However, reviewers of Apple's anti-slavery statement have pointed out that they do not specifically address one area where risks are high: mining of raw materials. While this work might not be sourced directly by Apple (the raw materials would be sourced by the contracted factories assembling the hardware for Apple units), Apple is in a position to make an explicit statement about problematic mines, the companies they supply, and the measures Apple is currently taking to address the situation.⁵⁴ Whether the problematic mines named in a *Guardian* article do supply Apple as they report was not verified, but the fact that Apple does not address this known risk in their anti-slavery transparency statement is an oversight that should be rectified.⁵⁵

Another high-profile computer product supplier, Hewlett-Packard (HP), has also published its Global Human Rights Policy as well as a detailed statement on modern slavery to describe the company's compliance with the California Transparency in Supply Chains Act of 2010.⁵⁶ In the latter can be found an example of best practice emerging from HP's struggle with slavery practices on its supply chain: its development of two specialized supply chain labour standards. One, introduced in 2013, specifically addresses the needs of and risks among student and dispatch workers. The other, introduced in 2014, addresses the needs of and risks to foreign migrant workers in recruitment and management practices.⁵⁷

While HP effectively describes the many efforts made to combat modern slavery on its supply chain, reviewers have identified that its statement does not clarify any specific risks or risk areas within its supply chains or practices—save for a brief mention of raw material mining in the Democratic Republic of the Congo, the very topic that is notably absent from Apple's statement. It would be useful for HP to include this information as, like universities, businesses can help one another identify risks within their industries, which could also lead to collaborative methods to address it. As **collaboration is a common theme among higher education institutions**, universities are not required or even expected to adhere to rigid competitive practices.

⁵³ Ibid, 4.

⁵⁴ This 30 March 2016 article on *Bloomberg.com* describes the steps Apple has taken to achieve transparency, including the significant measure to audit 100% of its suppliers for the use of conflict minerals. It is expected that, though it is not currently included, their anti-slavery policy will be amended to acknowledge these efforts. See: Chasan, Emily, "Apple Says Supply Chain Now 100% Audited for Conflict Minerals" (*Bloomberg.com*, Bloomberg Technology, 30 March 2016): <http://www.bloomberg.com/news/articles/2016-03-30/apple-says-supply-chain-now-100-audited-for-conflict-minerals>

⁵⁵ Kelly, Annie, "Children as young as seven mining cobalt used in smartphones, says Amnesty" (*The Guardian*, 19 January 2016): <https://www.theguardian.com/global-development/2016/jan/19/children-as-young-as-seven-mining-cobalt-for-use-in-smartphones-says-amnesty> .

⁵⁶ No author, "HP Global Human Rights Policy" (Hewlett-Packard, n.d): <http://www8.hp.com/us/en/hp-information/global-citizenship/governance/humanrights.html>

and No author, "CA Transparency in Supply Chains Act of 2010" (Hewlett-Packard, n.d): <http://www8.hp.com/us/en/hp-information/global-citizenship/society/california-transparency-in-supply-chains-act-of-2010.html>

⁵⁷ No author, "CA Transparency in Supply Chains Act of 2010".

3. Best Practice for Universities

One effective collaborative method already implemented and working to address modern slavery along the electronics supply chain is found in Electronics Watch, an organisation whose extensive network independently monitors factories through permission and fee payment by affiliates.⁵⁸ Their assessments are worker-driven, and they can help public-buyer affiliates to achieve compliance with each key area of the Modern Slavery Act (2015). Nine universities and two university purchasing and procurement companies (including AUPC) are currently affiliate members of the organisation.⁵⁹ **Joining Electronics Watch and/or similar organisations furnish universities with reliable information on incidences and risks of modern slavery along their supply chains, and encourages collaborative engagements among universities and other public procurers.**

While the examples in the above sections may be specific to the electronics industry, or even to the individual companies whose statements served as examples, they demonstrate the companies' commitment to identifying and addressing the modern slavery risks and incidences occurring along their unique supply chains. Universities can also **engage directly with first-tier (direct) suppliers** to clarify their effectiveness in addressing modern slavery. For example, universities can ask a supplier representative:

- Whether the company has undergone a modern slavery risk assessment, and if so, when the assessment took place, what risks were identified and how they were addressed, and whether any non-compliances were identified. This will give a sense of the supplier's history of modern slavery and, if such a history exists, what has been learned or improved upon, and whether risks persist
- Whether the supplier is aware of any modern slavery risks on their sites, in their own supply chains, or in their industry in general. Awareness of risk along one's supply chain can indicate a great deal about a company's willingness to address issues; a company that is unaware of issues on their supply chain is a company at greater risk of incidences of modern slavery
- Whether the supplier has any reporting or whistleblowing procedures in place for employees. This indicates a company's awareness of risk and determination to prioritise worker safety
- Where workers are located and whether they are skilled or unskilled. This can help the university to determine the level of risk to the workers by country and industry. Unskilled labourers are more vulnerable than their skilled counterparts
- How workers are recruited, and how much freedom workers have to leave their positions. Suppliers that regularly use employment agency labour are at a higher risk of incidences modern slavery; if the employment agency's name is provided, one could investigate whether the agency (or agencies) used is (or are) reputable. Also, any restrictions placed on the process of resignation (such as the visa restrictions in the *kaffala* system) place workers at a higher risk

Two of the conclusions drawn from the ETI/Hult study are centred on the relationships between businesses and their suppliers. The first is that "[e]nd-to-end supply chain visibility and engagement" is considered crucial to establishing trust between businesses and their suppliers, but it is also deemed rare.⁶⁰ The second is that the mutual trust fostered in a system of end-to-end supply chain visibility is more effective than audit-

⁵⁸ No author, "Electronics Watch: Supporting Compliance with the Modern Slavery Act" (Electronics Watch, n.d): http://electronicswatch.org/briefing-note-electronics-watch-supporting-compliance-with-the-modern-slavery-act_2455795.pdf .

⁵⁹ No author, "Founding Members" (Electronics Watch, n.d): http://electronicswatch.org/en/founding-members_2221327 .

⁶⁰ Lake et al, *Corporate approaches to addressing modern slavery in supply chains*, 6.

led approaches in discovering and addressing incidences of modern slavery along the supply chain. Both of these conclusions are strong indicators that the establishment of a direct and open relationship with suppliers is a highly effective measure of combating modern slavery along the supply chain. The direct, prolonged involvement of business representatives at the supplier level both encourage sustained efforts in combating issues of modern slavery, and invite open dialogue when issues of modern slavery are discovered and need to be addressed.

The necessity of such a familiarity between universities and suppliers is raised in the UN Guiding Principles: The Corporate Responsibility to Respect Human Rights, 13. (b): “The responsibility to respect human rights requires that business enterprises ... Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.”⁶¹ Universities that ensure they know their suppliers’ practices well will be compliant with this requirement.

Another area of best practice involves **training and engagement at every level**. The ETI/Hult study concluded that an engaged, informed and concerned leadership ensured greater success and progress in addressing issues of modern slavery.⁶² In a 2011 report by Verité exploring best practice for companies with respect to the California Transparency in Supply Chains Act, it was found that corporate-level engagement was crucial to the process of identifying and actively addressing incidences of modern slavery along the length of the supply chain.⁶³ In October 2016 the University of Nottingham will provide a free online course titled, “Ending Slavery: Strategies for Contemporary Global Abolition”.⁶⁴ This free university course, which is taught by Professor Kevin Bales, the world’s leading scholar in contemporary slavery studies, would provide ideal training for members of the higher education sector who seek better to understand modern slavery and to develop strategies to combat it.

As some universities have established in their modern slavery statements already a detailed training plan and schedule for all members of staff (with additional training provided to those who might encounter particular risks or vulnerable groups) is vital to effectively addressing modern slavery. The ETI/Hult study found that organisations with **clear, aligned plans (including policies, approaches, and strategies)** had a better understanding of their risks and a greater ability to address the issues affecting workers on their supply chains.⁶⁵

These examples of best practices have been adapted to suit the unique roles universities play as businesses and as public, philanthropic institutions. The following section will provide a summary of the best practices both in combating modern slavery along the supply chain and in operations, as well as in reporting these

⁶¹ No author, “Guiding Principles on Business and Human Rights” (United Nations Human Rights – Office of the High Commissioner, New York and Geneva, 2011): http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf .

⁶² Lake et al, *Corporate approaches to addressing modern slavery in supply chains*, 6.

⁶³ No author, “Compliance is Not Enough: Best Practices in Responding to the California Transparency in Supply Chains Act” (Verité, Massachusetts, 2011): http://www.verite.org/sites/default/files/VTE_WhitePaper_California_Bill657FINAL5.pdf .

⁶⁴ No author, “Ending Slavery: Strategies for Contemporary Global Abolition” (University of Nottingham, 2016): <https://www.futurelearn.com/courses/slavery> .

⁶⁵ Lake et al, *Corporate approaches to addressing modern slavery in supply chains*, 6.



practices and their findings not just in compliance with, but also in earnest engagement with the Modern Slavery Act (2015).

Conclusion and Recommendations

The Modern Slavery Act (2015) legislation requiring all businesses to report their modern slavery risks and the steps they are taking to address them has afforded all reporting parties an opportunity to make a significant contribution to the global effort to eradicate modern slavery. As institutions occupying a unique space at the intersection of public and private enterprise, universities face unique challenges in addressing the issues along their supply chains, as well as in their practices on campuses at home and abroad.

Following the UN Guiding Principles, as public sector bodies (or, in the Guiding Principles' distinction, "State" institutions), UK universities have an obligation to protect subjects from human rights violations as well as to respect human rights and remedy abuses or violations. However, universities also occupy a unique space as philanthropic leaders and innovators. Thus, not only do thorough efforts to identify and address their modern slavery risks and detailed reporting thereof fit their purpose, such activities enable universities to place themselves at the forefront of the global movement to end slavery, subsequently raising international profiles and setting a high standard for organisations that follow.

Collaboration, leadership and knowledge are key; the better informed an organisation and its leaders, the more organised and effective the response. Universities are more easily able to collaborate and share information with other organisations than private enterprises are; thus, universities are in an ideal position to expand the pool of knowledge of an area that is by its nature clandestine and nebulous.

The Modern Slavery Act (2015) is one of only two pieces of well-known legislature that specifically address supply chain transparency. The analyses in this report are thus limited in their regional scope (focusing on UK universities). As only a handful of Modern Slavery Act (2015) statements have been published by higher education institutions, the sample sizes are still relatively small. Therefore, many future areas of research to be explored remain and will emerge in this nascent field, including opportunities to compare published reports year-by-year, opportunities to observe collaborative efforts and effective methods, and the opportunity to measure and analyse the effectiveness of the Modern Slavery Act (2015) legislation itself.

Nevertheless, at this early stage of research, several promising methods have emerged to steer universities toward effective anti-slavery practice. Therefore, the following key recommendations are made to UK universities implementing efforts to combat modern slavery and reporting on their risks and efforts in compliance with the Modern Slavery Act 2015:

- Universities should use the opportunity afforded by the Modern Slavery Act 2015 Statement requirement to perform and report upon a thorough assessment of the modern slavery risks affecting the university at every level, including supply chains, recruitment practices, and overseas campuses and partnerships, as well as the methods employed to address and reduce risk. Crucially, universities' MSA Statements should include a clear verbal commitment to protecting and respecting human rights, and an unequivocal statement of zero tolerance of modern slavery in supply chains or in global university operations
- Universities should collaborate with other universities and organisations, sharing information about modern slavery risks and methods employed to address them with colleagues



- Universities should consider joining organisations that collect, assess, collate, and distribute information on modern slavery risks
- Universities should engage directly with first-tier suppliers (and go further down the chain, if possible); studies have found that end-to-end supply chain visibility has a more noticeable impact on reducing modern slavery risk than the audit model
- Universities should establish and publish a clear policy, plan and strategy to combat all known modern slavery risks
- Universities should introduce and/or continue modern slavery training programmes at every level
- Universities should ensure that those in leadership roles are informed of the modern slavery risks that affect the university, and that they are aware of and engaged in policies and methods implemented to address and reduce those risks

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