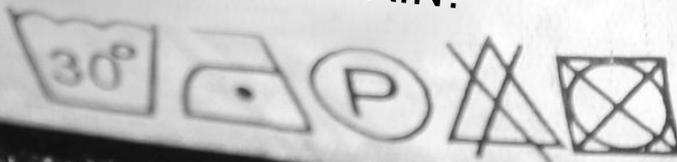




HAS THE GOVERNMENT'S
SUPPLIER CODE OF
CONDUCT MISSED A TRICK
IN TACKLING SLAVERY IN
THE SUPPLY CHAIN?



By Michael Pollitt
Business Ethics Adviser
GoodCorporation

The Supplier Code of conduct, published recently by the UK Government's Commercial Function contains several reasons to be optimistic. The standards it sets for suppliers to central government on world-class innovation, greater inclusion of SMEs, zero-tolerance of harassment and greater transparency on conflicts of interest are commendable.

However, its section on modern slavery could leave key stakeholders underwhelmed.

In July last year, the UK Government's twenty highest-earning suppliers met the Independent Anti-Slavery Commissioner and the Chair of the Modern Slavery Bill Evidence Review to discuss the transparency of the government's

“ Several suppliers voiced their concern that greater consistency was required between government departments to establish a common standard of compliance on modern slavery to which all government suppliers could be asked to adhere. ”

own supply chain, in light of the modern slavery legislation it had recently enacted.

Several suppliers voiced their concern that greater consistency was required between government departments to establish a common standard of compliance on modern slavery to which all government suppliers could be asked to adhere.

As a result, the Cabinet Office agreed to include a section on the UK Government's expectations regarding modern slavery in the code of conduct they were drafting for their suppliers.

This perhaps alleviated momentarily the concerns of some campaigners who felt that, although the Government had been keen to impose supply chain reporting on UK businesses through the Modern Slavery Act, it had been less quick to address the modern slavery risks in its own supply chain.

However, these campaigners may find cause for renewed concern now that the Government Supplier Code of Conduct has been released.

Rather than setting out best practice on countering modern slavery for its suppliers and their subcontractors, the Government's Supplier Code of Conduct asks only for compliance with 'all applicable human rights and employment laws', including the provisions of the Modern Slavery Act, suggesting that anything short of illegality is acceptable.

This seems odd when we consider that best practice on countering modern slavery in supply chains had already been set out in the government's own *Practical Guide on Transparency in Supply Chains* published two years previously. Indeed, this guidance itself was updated only two months ago, to include even more prescriptive advice on how businesses can build on the Modern Slavery Act's base-line provisions.

Under the revised guidance companies are encouraged to:

- Publish their modern slavery statements 'at most' within six months of the financial year end;
- Aim to include in their statements details of organisational structure, internal policies, due diligence procedures and capacity building;
- Keep historic statements online so that the public can measure their progress when a new statement is released;
- Publish a statement voluntarily even if they do not meet the £36 million turnover threshold.

The new Code of Conduct asks for adherence to government-issued guidance like this in several other areas, such as cyber security, financial transparency and ethical behaviour. Yet, on the issue of modern slavery, it seems that simply staying on the right side of the law is sufficient to maintain a contract with the government.

This arguably represents a missed opportunity for the UK Government on two fronts:

- Firstly, in its failure to publicly enshrine its own standards of best practice on a key human rights issue in the benchmark by which it will judge a company suitable for partnership;

- Secondly, in its failure to stay one step ahead of the forthcoming Modern Slavery (Transparency in Supply Chains) Act, which looks set to make certain key categories of information compulsory for inclusion in a modern slavery statement.

The combined implication is that, rather than leading by example, the Government would prefer to wait for changes in primary legislation to raise the bar it sets for its suppliers.

This could be viewed in contrast with the actions of the US Federal Government, which built on the basic modern slavery provisions of the California Transparency in Supply Chains Act by significantly strengthening its own Federal Acquisition Regulation. The revised regulation requires large multinational suppliers to maintain a modern slavery compliance plan for the duration of their contract with the government.

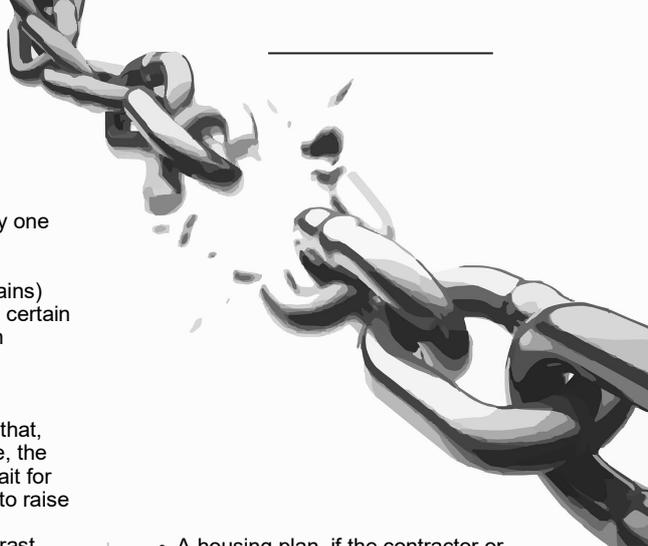
The US compliance plan must, at a minimum, include:

- A programme to raise awareness;
- A process for the resolution of grievances;
- A recruitment and wage plan that meets specified requirements;

- A housing plan, if the contractor or subcontractor intends to provide or arrange housing;
- A procedure to detect and terminate subcontractors who engage in prohibited activities.

Viewed in this context, the UK Government's actions seem to fall short of a best-practice standard in government-supplier relations being established on the world stage, as well as the more basic standards of supply chain management being established by its own guidance.

In either case, the Government's Supplier Code of Conduct is unlikely to satisfy the demands of modern slavery campaigners in the UK or, perhaps more significantly, the concerns of the Government's suppliers themselves.




DIGITAL ESCROW

CODE SHIELD • CODE SHIELD + • PLATFORM SHIELD

REDEFINING THE WAY
BUSINESSES PROTECT THEIR
DIGITAL ASSETS

**Unlimited Contracts
25gb from £89 per month**

- Software escrow contract creation and signing
- Pre-agreed trigger events to avoid disputes
- From source code to entire platform mirroring
- Intuitive MI, KPI and workflow interface
- Unlimited space and upload frequency available
- Legal advice and dispute resolution

www.caytonscyber.com info@caytonscyber.com



DATA PROTECTION DATA PROTECTION DATA PROTECTION

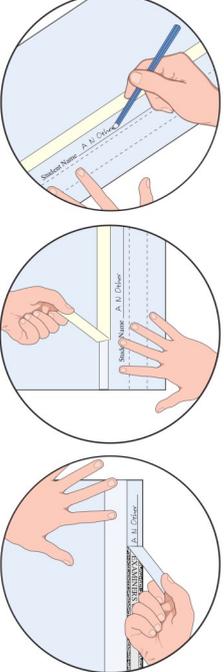


INFOSAFE®

EXAM SECURITY SYSTEM

In use by over 50% of universities in the UK, as well as Ireland and France.

This award winning, secure and efficient system can be personalised for every university



Call or email for more information
Tel: 0141 810 1515 Email: enquiries@tradeforms.co.uk
www.anonymoussmarking.com

DATA PROTECTION DATA PROTECTION DATA PROTECTION