

UNICEF UK MODERN SLAVERY STATEMENT

MARCH 2018

Unicef UK is publishing this statement pursuant to Clause 54 in the UK Modern Slavery Act 2015 (the 'Act') and as part of our commitment to uphold the highest levels of transparency and accountability. The Act requires organisations to set out the actions they have taken during the financial year to ensure modern slavery and human trafficking is not taking place in their operations and supply chains. This statement covers the activities of Unicef UK for the financial year ending 31 December 2017.

Human trafficking, slavery, servitude and forced or compulsory labour ('Modern Slavery') affects millions of people worldwide, with around 152 million children engaged in various forms of child labour including hazardous forms of labour and forced labour. It has absolutely no place in our society and UNICEF works around the world as first-responders for children who have been affected or are at risk of exploitation, to ensure they have the support and protection they need. UNICEF also works to address the systemic drivers of child exploitation, engaging directly with governments to build capacity within health care and education systems, and to foster social inclusion and equity so all children can reach their full potential.

Businesses have an important role to play in supporting UNICEF's work and in creating a society in which children can survive and thrive, free from violence and exploitation. Business investment in UNICEF's programmatic work is a key part of this, however businesses also have a responsibility to ensure that their own activities, and those of their suppliers and partners, are not having any adverse impact on human rights. The UN Guiding Principles on Business and Human Rights are an international standard setting out the responsibility of businesses to carry out comprehensive due diligence to understand potential and actual human rights risks and to take appropriate mitigating or remedial action to compensate victims of abuses. Addressing Modern Slavery is one important aspect of this work.

Children are particularly vulnerable to harmful business activities because of their age and developmental status, and so businesses have a heightened responsibility to respect children's rights. In collaboration with Save the Children and the UN Global Compact, UNICEF published the Children's Rights and Business Principles to support businesses understand how they may be impacting children's rights and to indicate how sustainable business practices can lead to better development outcomes for children. Similarly, addressing child trafficking and labour exploitation is an important part of this due diligence work.

However we are aware that no sector or industry, including the third sector, is immune to Modern Slavery and Human Trafficking and this is not an area in which Unicef UK is complacent. We are strongly committed to playing our part to eradicate Modern Slavery, including all forms of child exploitation, by continually increasing our understanding of the issues, increasing our understanding of where our own organisational risks might lie, and to putting in place robust processes and procedures to tackle any instances wherever they are found. We are also committed to playing our part in multi-stakeholder initiatives where the potential drivers and solutions for Modern Slavery require collective action.

This statement sets out the activities Unicef UK has taken in relation to identifying and addressing Modern Slavery and Human Trafficking risks and has been approved by the Board of Trustees.



Mike Penrose
Executive Director

ORGANISATION AND GOVERNANCE

Unicef UK (UUK) is a one of 34 National Committees of UNICEF (the United Nations Children's Emergency Fund), employing 330 colleagues. UNICEF is mandated by the United Nations General Assembly to advocate for the protection of children's rights, to help meet their basic needs and to expand the opportunities to reach their full potential. UUK is established as a charitable company limited by guarantee and governed by a Board of Trustees who are concurrently Directors under Company Law. UUK has signed a cooperation agreement with UNICEF, which provides a framework for alignment of operations and built upon our shared commitment to the unique mandate accorded to UNICEF by the UN to uphold the rights of all children, as enshrined in the UN Convention on the Rights of the Child. The Executive Team has responsibility for the day to day management and running of UUK, including ensuring that we are abiding by the cooperation agreement for UNICEF and upholding the rights of all children.

Our primary purpose as a National Committee is to raise funds and awareness for UNICEF's work internationally, in support of realising UNICEF's global vision; *a world where the rights of every child are realised*. In 2017, we raised over £100 million for children in danger. The vast majority of this funding came through public fundraising, our partnerships with corporates and philanthropists, and through statutory funding bodies and foundations. A small amount was also raised through our online market place retail platform.

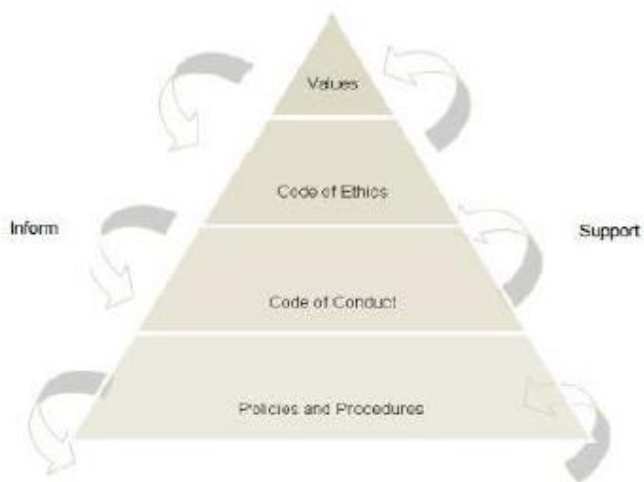
UUK also delivers programmes in Rights Respecting Schools, aimed at promoting understanding about the UN Convention on the Rights of the Child, ensuring a generation are more informed of their rights. UUK also runs the Baby Friendly Initiative which aims to protect, support and promote breastfeeding and close parent-infant relationships.

Underpinning all that we do are our four values.

1. **We're honest** – we tell it like it is, we don't exaggerate or mislead and we don't shy away from the truth
2. **We're brave** – we set ourselves big challenges and hold ourselves to account for delivering them
3. **We're smart** – we know what we're talking about, make decisions based on evidence and are a trusted voice
4. **We're hopeful** – we believe passionately that the world can be a better place for children

Our commitment to play our part to help eradicate Modern Slavery and Human Trafficking aligns with our four values, as well as our core purpose as an organisation to uphold the Convention on the Rights of the Child which stipulates that all children should be free from any form of exploitation that could harm their welfare or development.

POLICIES



Our [Ethics Framework](#) underpins all we do at UUK and provides guidance to Board members, management and colleagues when faced with ethical matters and decisions in their day to day work. This approach is part of our commitment to uphold human rights in our own organisation and supply chains, and to encourage others to do the same. Where any issues are found, we are committed to providing remedy. Our approach to Modern Slavery sits within this wider ethical framework.

Our policies and procedures are foundational to the Ethics Framework as they provide the detail for individual issues

and support colleagues make decisions. Our Code of Conduct and our Code of Ethics sit on top of our policies and similarly support colleagues through the process of making decisions at work. These Codes are grounded in the principle of putting children first, mandating respect for the public and our supporters, our commitment to ethical partnerships, to working with businesses to uphold the Child Rights and Business Principles, to values based leadership which align with our brand values and core purpose, and finally our commitment to ethical procurement. This includes ensuring that all procurement activities are maintained under ongoing review in recognition of the dynamic nature of supply chains. Our values sit at the top of the pyramid, encouraging a culture of transparency and accountability.

All UUK policies are reviewed at least every three years by the Audit Committee, when there are changes in legislation or when requested by a UUK governance committee. Responsibility for updating and securing approval of each policy will sit with the responsible individuals from the relevant team. We contract an external firm of independent auditors who review UUK processes, governance arrangements and policies. Areas for review are instructed by the Audit Committee. Policies of particular significance to how we seek to tackle Modern Slavery and Human Trafficking include:

Unicef UK Child Safeguarding Policy: We recognise that children are often the most vulnerable and marginalised people in society and are therefore at a higher risk of exploitation and trafficking. Our safeguarding policy therefore seeks to ensure that the welfare of children remains the paramount consideration in all aspects of our work and that all personnel understand how to implement good safeguarding practices in their role, to respond appropriately where concerns arise about specific children and provides clarity around the process that will be followed when this policy is breached. This policy has been developed and informed by national and international laws and guidance including The Human Rights Act 1998 and the United Nations Convention on the Rights of the Child.

Whistleblowing Policy: This policy sets out our position and protections in place when workers whistle blow on issues which are in the public interest such as Modern Slavery or the use of trafficked or child labour. Complaints go directly to the Executive Director or the Chair of the Audit Committee and can be left anonymously over email. Details of this are available on the shared UUK Intranet which is open for all UUK employees, agency workers, casual workers, contractors, volunteers and others contracted by us.

Recruitment and Selection Policy: We have a strict process in place for recruiting and selecting colleagues which ensures that measures are in place to prevent illegal working which increases the risks of Modern Slavery and Human Trafficking, such as checking the legal ability to work prior to the contract commences. Recruitment agencies or other third parties engaged to support recruitment at UUK must also adhere to this policy.

Minimum Procurement and Manufacturing Standards for Unicef branded products: This sets out the measures that need to be in place to mitigate the risk of labour exploitation in manufacturing sites. Further details are in the supply chain section below.

DUE DILIGENCE

Developing the methodology

Modern Slavery and Human Trafficking are interlinked, and mutually reinforced, by other human rights abuses such as labour exploitation and child protection issues. Therefore, when considering our own organisational risks of Modern Slavery and Human Trafficking we made the decision to adopt a broader human rights due diligence methodology rather than an approach examining single issues. A stakeholder participatory methodology, integrating children's rights considerations was developed, in line with our own values and core purpose which seeks to put children at the heart of all we do.

This approach involved extensive stakeholder interviews with Unicef UK employees, suppliers and partners, in which questions on children and family life derived from the Children's Rights and Business Principles were built into a more traditional human rights consultation framework. A children's rights approach was also chosen because children are the most vulnerable people, often impacted disproportionately and permanently by business activities. By considering their needs and challenges we were able to identify some of the most salient potential risks within our organisation and supply chains as required by the UN Guiding Principles on Business and Human Rights, including where there might be potential risks of Modern Slavery and Human Trafficking.

The process we followed had 6 steps:

1. **Preparation:** developing methodology and putting in place grievance mechanism to capture any issues along the way.
2. **Review operating context:** mapping operations, stakeholders and business relationships, collating policies, guidelines and codes of conduct and understanding the legislative context.
3. **Investigation:** carrying out extensive stakeholder consultation.
4. **Validation:** understanding and outlining impacts and validation these with further interviews.
5. **Action and integration:** prioritising most salient issues and developing action plan to be integrated into UUK's ways of working and operating model.
6. **Report and review:** tracking progress of action plan and reporting on outcomes.

Identifying and taking action to address salient risks

There is no single definition of Modern Slavery. It is a dynamic, hidden and evolving challenge taking many forms, meaning that indicators of slavery and trafficking can vary from situation to situation. Taking a broad approach to human rights due diligence, including integrating children's rights considerations, allowed us to identify some of these varied risks, indicators and take action.

In [our direct organisation](#) we identified two potential areas of risk. The first is where we contract organisations and agencies to provide services for UUK and to carry out activities on our behalf, rather than through direct employees. This is because where we employ colleagues directly, we have more control over the recruitment process and have measures in place to verify age, legal right to work in the UK, and we request a DBS check as part of our child safeguarding practises. These measures decrease the risk of exploitation and offer increased security for colleagues and UUK.

Colleagues providing cleaning and security services are recruited through an agency, which means we are one step removed from the recruitment processes. We have worked with these agencies for many years and have a long-standing and trusted relationship with them. We also ensure that these workers are paid the Living Wage by the agency, which offers some protection from indebtedness which we know increases a worker's risk of exploitation. Similarly we also use agencies to contract street fundraisers on our behalf. We also work with the agency to ensure that these colleagues are also paid a Living Wage.

The second area of risk was in our former internship programme. Like many organisations in the sector, our previous internship programme was funded through a stipend system rather than a formal employment contract. We recognised that this system increased the risk of exploitation and was not in line with our values of fairness and particularly with regards to our commitment to fair pay. We are proud to be an Accredited Living Wage Employer and so we have since replaced this programme with a pilot Graduate scheme which offers more structure and formality to the learning process and ensures that colleagues have more secure work, including a secure pension and other social benefits offered to all UUK employees. We are currently in the process of reviewing the success of this pilot and will be making a decision about its continuation in its current form over the next year.

We have also carried out a process of mapping [our supply chains](#) to understand where the most material and salient risks are. The scale and complexities of supply chains, even where volumes of product are low, mean that this is the highest area of Modern Slavery and Human Trafficking risk we have. There are three primary areas of procurement:

- **Products for the office.** This includes items such as office equipment, including computers and mobile phones, as well as office furniture.
- **Products for fundraising.** This includes clothing for fundraising colleagues such as t-shirts, waterproof jackets and fleeces. We also procure a number of printed products such as booklets, mailing cards, thank you booklets and banners and stands. We also procure a small number of supply stock for overseas operations such as nut paste, which is given to children suffering severe malnutrition and equipment to measure the nutritional status of children.
- **Online retail.** We have an online marketplace platform where we sell artisanal products such as jewellery, gifts, clothing, products for the home and gift cards.

All manufacturing sites for own-brand products will have received an internationally recognised social compliance audit in the last 24 months if they are in a high-risk sourcing country. We recognise that audits have a limited role to play in tackling hidden issues such as Modern Slavery so we are working to identify areas and raw materials where we may need to take a different approach. We will do this in a way in which our activity is proportionate to the risks we have as an organisation and the volumes of product we procure, allowing us to focus on the most important and salient issues. One area we have identified for further investigation is the material used for our fundraising t-shirts.

Working with our supplier for online retail requires a different approach. The vast majority of our tier two suppliers are individuals or SMEs selling high value products where the risks of Modern Slavery are lower compared to products with smaller margins. We do not negotiate on the price of these products and all suppliers are able to name the price they want, ensuring that they are able to cover the cost of production and are able to make a margin they feel is appropriate and fair. This approach to costing further reduces the risk of Modern Slavery and Trafficking, however we are aware that there might be other challenges our suppliers face, such as ensuring there is an appropriate homeworking environment for children. This is also an area we are strengthening at the moment.

The last area of potential risk is through [our partners](#) and business relationships. We seek to work only with organisations and individuals that share our values and are committed to supporting achieve UNICEF's goals. We have an extensive screening process for external relationships such as Corporate Partners and donors to support this. This involves understanding potential partner's policies, how they are perceived to manage potential human rights risks, including Modern Slavery and assesses the broader risks of the industry they are a part of. Colleagues at the global level are also involved in this process and carry out further due diligence, to ensure its robustness.

Through this process, we seek to ensure that any businesses or individuals (where relevant) are perceived to be meeting international standards with regards to the ILO Core Conventions on forced labour, child labour, discrimination and freedom of association and the UN Global Compact. Where issues are identified, we will either terminate the relationship or, where possible, put in place measures to mitigate and manage those risks with the potential partner. One example of this is the capacity building work we do with businesses to support them develop human rights due diligence methodology. We do not currently, however, have a process in place to identify and manage potential risks associated with suppliers or which guides our choice of agency and contractors. We will be assessing the need for such a measure in the coming year.

TRAINING AND CAPACITY BUILDING

Ensuring that colleagues are aware of the risks of Modern Slavery and Human Trafficking, particularly where it relates to the exploitation of children, is a key part of our strategy.

All colleagues are required to attend mandatory induction training on the UN Convention on the Rights of the Child, which sets out children's basic fundamental rights to ensure protection from violence and abuse, including from forced recruitment into wars and other forms of hazardous work. Mandatory training on Child Safeguarding is also given by our dedicated and experienced safeguarding lead. This includes training on the practical action colleagues are obliged to take if they have any safeguarding concerns related to the children they come into contact with.

Building on this work, we are developing an introductory training session on Children's Rights and Business which will be available for all colleagues in the organisation, and aims to increase awareness on the human rights challenges businesses face in their operations and supply chains, including risks associated with Modern Slavery and Human Trafficking, and how we work with businesses and business stakeholders to tackle them. This is being developed by the Head of Child Rights and Business who has completed the University of Derby and GLAA's training programme on modern slavery and has attained the Certificate in Continuous Professional Development in Investigating Modern Slavery.

MOVING FORWARD

Tackling the root causes of Modern Slavery and Human Trafficking is a difficult process and the risks and challenges are constantly changing. This will require us and colleagues across other civil society organisations, businesses and business leaders and policy makers, to continually review and revise our own approaches. It also calls for collaboration and safe spaces where we can be transparent and honest about the challenges we have. The introduction of the Transparency in Supply Chain Clause is fundamental to this process.

With this in mind, we have committed to the following activities for the coming year:

- Joining the Ethical Trading Initiative to play our part in promoting decent work and ethical business practices
- Implementing a Children's Rights and Business training programme for colleagues, which will look at issues and risks connected with Modern Slavery and Human Trafficking
- Reviewing our ethical framework to strengthen the procurement stipulations
- Further investigation on our cotton supply chain
- Strengthen our approach to homeworking for our online tier 2 suppliers
- Assessing the need for expanding our screening process to cover suppliers and agencies