

# ASI Modern Slavery and Human Trafficking Statement

## Introduction

Human trafficking and modern slavery are grave global human rights challenges that afflict vulnerable groups, undermine good governance and corrupt the international economy. At Adam Smith International we see it as our responsibility to support transparency, identify and address risks, regularly review our business practices, and collaborate with others to protect the rights of those who are most vulnerable to abuses such as modern slavery.

This is our second Human Trafficking and Modern Slavery statement. In this statement, we describe the steps we have taken over the past 12 months to identify and mitigate the risks of human trafficking and modern slavery in our supply chains.

This Statement covers our entire global operations including the activities of our network of subsidiaries.

## ASI's commitment to addressing Human Trafficking and Modern Slavery

### UN Global Compact

We are a signatory of the UN Global Compact and is committed to upholding its Ten Principles in relation to human rights, labour, environment and anti-corruption.

### Transparency In the Supply Chain (TISC) reporting tool

We are committed to openness and transparency and we submit our Modern Slavery Statement through TISC, a global supply chain transparency register, which helps fund the UK Anti-Slavery Helpline and Resource Centre and to advance the broader anti-trafficking and anti-slavery causes.

### B-Corp

Through the process of becoming a triple bottom line company as an accredited B-Corp, we are required to show evidence of our commitment to supply chain transparency and to consider social and environmental credentials in our procurement processes.

### Development Sector Networks and Forums

We are collaborating with organisations across the development sector on the topic of safeguarding. The exploitation of vulnerable people underpins the discussion on both Modern Slavery and Safeguarding.

## Continued efforts to mitigate Human Trafficking and Modern Slavery risks since last statement

### Our workforce

In our 2016 statement, we stated that we believe the risk of modern slavery in our workforce to be low. We explained that this was because much of our workforce is educated and skilled, therefore the factors that are likely to give rise to enslaved labour are considerably reduced.

Since our 2016 statement, we have carried out an in-depth analysis of our global workforce including the employees of our overseas subsidiaries. While we employ approximately 250 individuals through our key UK operating company, Adam Smith International Limited, our global workforce comprises approximately 400 individuals and includes relatively low skilled workers, such as drivers and cleaners, employed through our overseas subsidiaries, for example in Nigeria, Kenya and the Solomon Islands. This improved understanding of the greater exposure to the risks of modern slavery and human trafficking within our own workforce has led to a number of initiatives aimed to increase awareness of safeguarding and modern slavery risks amongst our staff.

### Identified Risk

**Low-skilled workers** – we are aware that there is a higher risk of forced or compulsory labour slavery amongst low skilled workers. We manage this risk by ensuring that all our workers receive a fair wage for the work they perform for ASI and by making all staff aware of the red flags to look out for in relation to modern slavery and human trafficking. Since our last statement we have also carried out significant work to promote our independent, multilingual whistleblowing hotline and all our offices worldwide have posters raising awareness of this hotline which are visible to those in our workforce.

### Our Supply Chains (Transparency)

Our supply chains consist of third party suppliers, self-employed consultants and partner organisations spread across our global operational platforms.

While we are aware that modern slavery exists in the UK, our supply chain in the UK presents a much lower risk of modern slavery abuses than the potential for those in our international operations across sub-Saharan Africa, Middle East and North Africa, South Asia and Asia Pacific. We recognise that many countries in these regions are high-risk environments for modern slavery and human trafficking, with high levels of poverty, lack of awareness and weak enforcement of any legislation which may exist to prevent modern slavery and human trafficking.

We strive to ensure that all goods and services purchased as part of programme delivery and ongoing operations are free from modern slavery and human trafficking. Since our last statement, we have enhanced our supply chain due diligence process with the purchase of market-leading compliance software to support the screening process for all third parties above a de minimis spend threshold (applicable to all third parties exposed to the risks of modern slavery and human trafficking). As well as ensuring that ASI does not engage any third parties that appear on sanctions lists or other watchlists, this screening software also helps us identify whether our suppliers are known to have engaged in modern slavery or human trafficking.

As part of the screening process, the Third Party Screening Questionnaire requires suppliers to confirm compliance with the UK Modern Slavery Act and that the supplier does not promote or practice slavery, forced or compulsory labour or employ anyone under the age of 18.

### Identified Risk

**Construction contracts** – have been identified as being particularly high risk from a modern slavery, human trafficking and child labour perspective. The highest level of third party due diligence will be applied to all suppliers offering any form of construction services and approval will be required from the ASI Executive Team to engage with any third party providing such services.

### Our Policies

We formalised our stance against human trafficking and modern slavery through a standalone corporate policy in March 2016. Since the last statement, the following policies aimed at mitigating the risks of modern slavery and human trafficking have been updated or implemented:

- **ASI Supplier Code of Conduct**

Sets out ASI's expectations of our suppliers in relation to ethical conduct, which includes zero tolerance approach to bribery and corruption, compliance with the UNGC Principles, which relate to the prohibition of forced, bonded or indentured labour, as well as an explicit prohibition of engaging in any form of modern slavery and human trafficking. The Supplier Code of Conduct also contains the ASI whistleblowing hotlines, which should be used to report breaches of the Supplier Code. ASI requires its suppliers to adhere to the principles that are set out in the Supplier Code of Conduct and to cascade these standards further down their supply chains. The Supplier Code of Conduct also provides ASI with audit rights to ensure that suppliers are complying with the Code.

- **Updated Code of Conduct**

Our updated Code of Conduct (available in Arabic, Burmese, English, French, Hausa, Swahili, Tetum and Urdu) sets out ASI's commitment to working with donors and partners to ensure the integrity of our supply chains and to use our own expertise to help end human trafficking and modern slavery.

- **Modern Slavery Policy**

ASI's Modern Slavery Policy sets out ASI's zero-tolerance approach to modern slavery and human trafficking and ASI's approach to tackling them, including an obligation on employees and associates to report actual or suspected instances. The Policy also mandates the need for the risk of modern slavery and human trafficking to be considered as part of the procurement process.

- **Safeguarding Policy**

ASI's Safeguarding Policy outlines our zero-tolerance approach to safeguarding offences, and our commitment to promoting a safeguarding culture.

- **Third Party Screening Policy and Manual**

ASI's Third Party Screening Policy and Manual provide guidance on conducting robust checks on our supply chains, which is a key part of mitigating modern slavery and human trafficking risks.

- **Updated Whistleblowing Policy**

ASI's whistleblowing policy remains an important channel for our staff, associates and external stakeholders to report

policy breaches and legal violations, including making disclosures about actual or suspected occurrences of modern slavery and human trafficking. All corporate and programme offices display whistleblowing posters. The Whistleblowing Policy and our Code of Conduct emphasise that anyone reporting in good faith should not be subjected to retaliation or harassment and that anyone in breach of the non-retaliation principle may face disciplinary action.

ASI suppliers are contractually required to comply with the policies stated above.

## **Training**

The ASI Legal, Ethics and Compliance team has rolled out the following training in relation to safeguarding, modern slavery and human trafficking:

- Safeguarding and modern slavery e-learning modules rolled out in April 2018
- Safeguarding training delivered by external law firm, Simmons & Simmons
- Modern Slavery and Safeguarding have been discussed as part of the Ethics and Compliance training which has been delivered across our operations globally

## **Whistleblowing and Investigations**

We can report that no instances of human trafficking or modern slavery have been reported or found in our business or supply chains.

## **Continuous Improvement**

We are always seeking ways to improve our approach to mitigating the risks of modern slavery and human trafficking. As part of our 2018/19 approach, we would like to make improvements in the following areas:

- **Supplier Code of Conduct**  
The ASI Supplier Code of Conduct is being rolled out as part of the Third Party Screening process, which will assist in raising awareness of the need to tackle modern slavery and human trafficking among our suppliers.
- **Programme-level Risk Assessments and Risk Registers**  
Safeguarding, modern slavery and human trafficking risks will be embedded into the risk assessments carried out at the inception phase of each programme.
- **Review and update our Modern Slavery Policy**  
We will review and update our Modern Slavery Policy to ensure that our staff, associates and other stakeholders are clear on what is expected of them in relation to mitigating the risks of modern slavery and human trafficking.
- **Review and update our Background Checks Policy**  
We will review and update our Background Checks Policy and process to ensure that low-skilled staff, in particular, are hired through reputable agencies, if not hired directly.
- **Capacity building**  
Building capacity of our supply chain partners is crucial in order to help them understand the importance of ensuring that their own workforce and supply chain is free from modern slavery. Where appropriate, we will work with suppliers to improve their own policies and processes to mitigate the risks of modern slavery and human trafficking.

## **Conclusion**

Our efforts in identifying and mitigating the risks of modern slavery and human trafficking have focused on prevention through our third party screening process and awareness-raising through training and policies, which clearly set out ASI's stance towards modern slavery and human trafficking. Our independent whistleblowing hotline has been in place since August 2017 and enables the reporting of breaches that could relate to modern slavery and human trafficking. However, there is more to be done.

We understand that as we continue to gain a better understanding of our supply chains, we will expose further risks of modern slavery and we recognise that we will need to continually renew our efforts to minimise the negative impact on vulnerable people in our supply chain. We are therefore continuously reviewing potential processes to proactively identify and address modern slavery across our operations. Our ongoing commitment means that we will progress year on year in our efforts towards transparency, prevention, identification and mitigation of human trafficking and modern slavery deeper down our supply chains.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes ASI's Modern Slavery and Human Trafficking statement for the financial year 1 January 2017 to 31 December 2017.

Signed on behalf of the Board by

Jonathan Pell  
Chief Executive Officer  
Adam Smith International