



London Universities Purchasing Consortium Slavery and Human Trafficking Statement

Year Four: A Review of August 2017 to July 2018

INTRODUCTION

London Universities Purchasing Consortium (LUPC) is a non-profit professional buying organisation owned by its Members, for its Members. LUPC exists to derive better value for our Members through the collaborative procurement of goods and services, without causing harm to others.

LUPC remains committed to supporting the [UK Government's National Action Plan](#) to implement the UN Guiding Principles on Business and Human Rights.

This Statement is designed to satisfy the requirements of Section 54 of the Modern Slavery Act 2015, by informing our Members, staff, and public stakeholders about LUPC and its policy with respect to modern slavery, human trafficking, forced and bonded labour and labour rights violations in its supply chains and the steps taken to identify, prevent and mitigate the risks. This is LUPC's fourth annual statement to be published under the Act.

Although, as a business, LUPC turns over far less than the threshold for businesses required to publish a statement under the Act, LUPC's Board considers that our Members' spend (around £237m annually) through its supply agreements warrants a statement on the risks inherent in our supply chains and the responsible steps we are taking to address them. LUPC therefore wishes to demonstrate that the 'Golden Thread' of responsible procurement has embedded itself deeper in the LUPC's policies and strategies, its organising of the procurement function and their influence over the procurement process.

OUR GOVERNANCE AND POLICIES

Our Policies

- [Responsible Procurement Policy](#)
- [Whistleblowing Policy & Procedure](#)

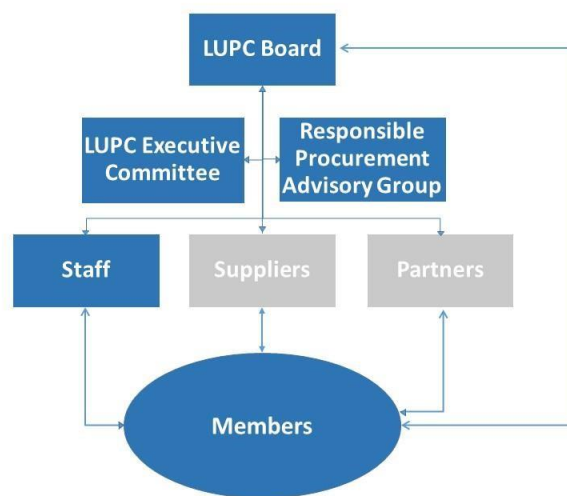
In our last statement we reported that in 2017 we introduced a Responsible Procurement Policy and Strategy. This policy continues to be at the forefront of our business operations and implemented with every supplier. It was developed by our Responsible Procurement Advisory Group (see below), guaranteeing a diversity of views, experiences and inputs.

We also have a Whistleblowing Policy and Procedure which allows and encourages staff to use internal mechanisms for reporting any malpractice or illegal act or omission including abuses of human rights, including as modern slavery and human trafficking.

Our Modern Slavery Governance Structure

LUPC's Board of Directors is the ultimate decision making authority on preventing and addressing Modern Slavery. Its decisions are acted out and fed into by the Executive Committee, Responsible Procurement Advisory Group, Staff, Suppliers, Members and our partners, who include:

- [The Business, Human Rights and Environment Research Group \(BHRE\)](#), University of Greenwich;
- [Electronics Watch](#);
- [International Learning Lab on Public Procurement and Human Rights](#);
- Higher Education Procurement Association and the Advanced Procurement for Universities and Colleges.



REVIEW OF 2018 ACTIVITY

Our Business and Supply Chain

LUPC's supply chain falls mainly under five 'super-categories' based on the purchasing frameworks agreements we produce, which are:

- Laboratory Consumables and Equipment
- Library Resources
- Professional Services
- ICT Equipment and Services
- Estates Goods and Services

86 full Members, an additional 38 from further education institutions and 70 associate Members use our frameworks to purchase goods and services under these super-categories, and therefore have a direct and indirect impact on the sub-tiers of them through their expenditure.

As well as our own frameworks, our Members also use the frameworks of other purchasing consortia and higher education institutions from the UK, for example the Crown Commercial Service and the

Southern Universities Purchasing Consortium. In total we have direct contact with **140** suppliers on our own frameworks and **868** suppliers on all the frameworks combined.

RISK ASSESSMENT

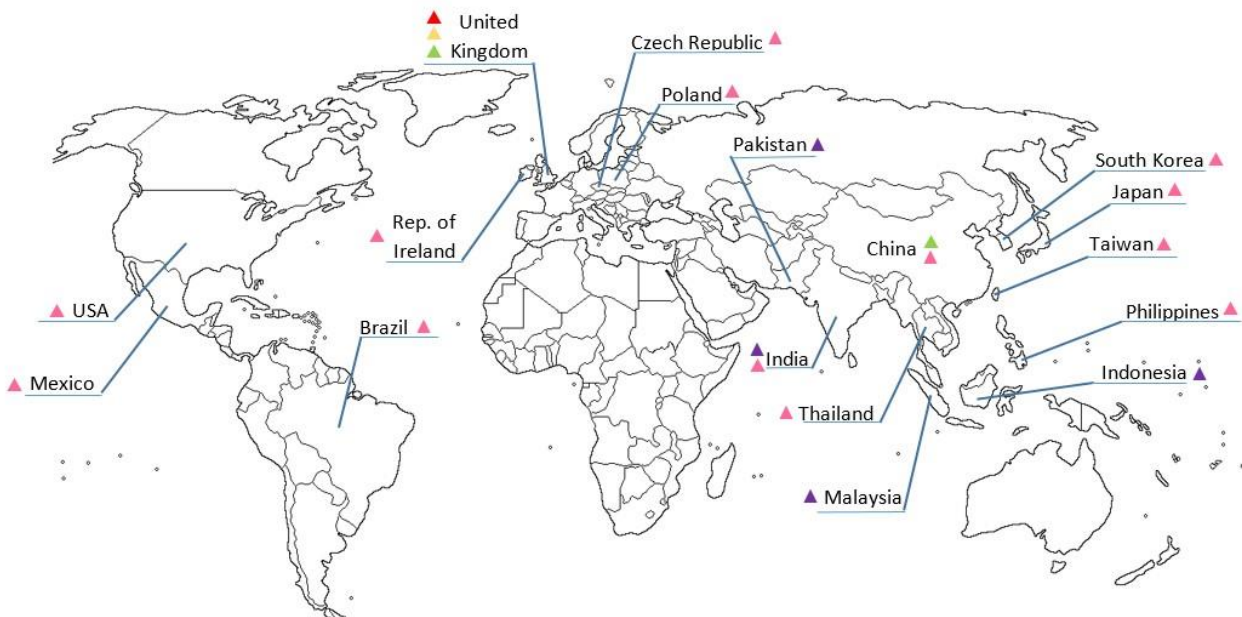
Assessing the Risks Associated to Categories

The principal categories which LUPC deems as carrying significant material risks are laboratory consumables (including laboratory gloves), ICT equipment, some estates services, such as cleaning and security services, and graduation gowns. We have arrived at this conclusion through assessing the risks associated to the production countries, our own research on products and production methods, including working conditions and supply chain structures, and our continuous engagement with our partners and suppliers.

LUPC deems the corresponding source countries to be as follows:

Category	Country
Laboratory consumables, including gloves	Malaysia, Indonesia, India, Pakistan ▲
ICT equipment	China, India, Mexico, Taiwan, Brazil, Poland, Czech Republic, Malaysia, USA, Ireland, Philippines, Japan, Vietnam, Thailand, South Korea* ▲
Cleaning services	UK** ▲
Security Services	UK** ▲
Graduation gowns	UK, China ▲

**Due to the complexity of the ICT equipment supply chain this list of countries is not definitive and there are likely to be other countries where the ICT equipment is manufactured, assembled and where materials are sourced from.*



We are aware that the fact that goods and services are produced or delivered in the UK does not imply a complete guarantee that workers are not exposed to risks of modern slavery and human trafficking. The only services 100% carried out in the UK for our Members are cleaning and security.

In order to better understand our supply chain and identify potential risks we will begin supply chain mapping in the coming year.

Assessing our Suppliers

Fulfilling our goals from the last statement, in the year 2018 we implemented our Equiano modern slavery risk assessment tool pilot project.



Equiano was developed with funding from the Local Government Association and under the supervision of the BHRE at the University of Greenwich. This supplier engagement tool was designed by us to gather information to help identify risks of human rights abuses in public supply chains. It offers a low cost alternative to private systems used by high street retailers when conducting human rights due diligence in supply chains.

In total, 7 institutions and local authorities participated in the pilot, including the LUPC. Participants were asked to put forward a varied list of their suppliers from higher-risk spend categories. Amongst all the participants' suppliers we selected and invited 153 to take part in the pilot. Suppliers were asked to complete a questionnaire consisting of 35 questions which were designed to allow us to gain insight into the supplier's operations and activities, covering procurement, sustainability, modern slavery and human rights due diligence. Following the analysis of the answers given by suppliers, a multi-stage risk assessment was carried out. The risk assessment was done by trained staff and the project as a whole was overseen by an expert from the [BHRE](#).

The Equiano pilot project ran between April and August 2018, and in September we provided each participant with a report outlining our findings with each individual supplier of theirs as well as recommended follow up actions aimed at achieving greater transparency in the supply chain. Considering that participation in the pilot was voluntary we are very pleased the submission rate was 51%.

DUE DILIGENCE

Since our first reporting year we have continued to develop actions to identify, prevent and mitigate the risks of modern slavery and human trafficking in the supply chains of our Members. As part of our human rights due diligence we have taken steps in specific sectors, increased our resources devoted to responsible procurement and developed several tools and collaborations, as described in

this section. This past year we continued to work on the projects we set out in our Responsible Procurement Policy and Strategy.

Continued Support for Electronics Watch

The LUPC continues to be an affiliate of and work closely with the NGO Electronics Watch, the collaborative organisation monitoring global electronics supply chains, since helping found it in 2014. We affiliated all of our Members to EW this year.

Electronics Watch Update

LUPC has also this year extended its close collaboration with both Electronics Watch and HP and Dell, the two leading Original Equipment Manufacturer (OEM) brands by sales on the National Desktop and Notebook (NDNA) framework in order to further improve due diligence and their effectiveness in protecting and improving the legal and human rights of workers in their electronics supply chains.

LUPC has begun the process of collecting and with the help of Electronics Watch, analysing the most recent summary audits from the OEM brands. This analysis includes their compliance with relevant wage, working hour, occupational health and safety, environmental and human rights legislation and regulations. These findings attained from their main place of overseas manufacturing are being held centrally by LUPC and be shared with EW affiliates (and therefore every LUPC full-member) through a non-disclosure agreement.

Similarly, the new Electronics Watch guidelines for disclosure of factories were shared with both Dell and HP with the intention of improving both the quality and depth of supply chain assembler and component supplier information whilst ensuring this was relevant to the products sold under the NDNA framework. Further dialogue will extend out to other brands within the agreement during 2019.

LUPC co-sponsored the annual Electronics Watch Conference at the Royal Tropical Institute in Amsterdam, which held 90 participants from 18 countries, including 41 public buyers. On the 10th of December an Electronics Watch Affiliates and Monitors meeting was held, with the main conference the next day on the 11th, with three LUPC delegates attending to discuss and share the latest advances in responsible electronics procurement from around the globe.

We are also participants in an innovative project with Electronics Watch and a Swedish organisation called Globalworks, who conduct social risk analyses by screening public social media posts in electronics supply chains. This is another angle through which we can identify grievances and raise them with suppliers to tackle them.



Laboratory Gloves Social Factory Audit

LUPC undertook its first social audit on the 1st October 2018 of a factory involved in manufacturing nitrile gloves purchased by LUPC Members, both in the UK university sector and beyond. LUPC

shadowed the audit, to review and risk assess factory working conditions for possible human rights abuses including modern slavery. The audit standard employed was SMETA version 6.0 pillar 2. LUPC conducted the audit with full access and support from factory management, gloves manufacturer and gloves suppliers to the UK market.

All partners see the importance of understanding and auditing conditions of workers involved in the manufacture of gloves destined for the UK public sector's research and healthcare supply chains. LUPC will be working collaboratively to review the final auditor's report, and implement any necessary actions. The social factory audit is the first to be conducted by LUPC and its partners; following publication of the final report, LUPC will share findings and best practice learnt with Members in our Linked Magazine and other mediums, with the aim of applying this to other commodities in the future.

So far we can report that five out of the six corrective actions have been undertaken.

Responsible Procurement Officer Role

In September 2018, with the approval of our Board, LUPC put in place the budget for a new role of a Responsible Procurement Officer. This allowed us to bring expertise on the area of modern slavery and human rights abuses into our organisation. The purpose of the Responsible Procurement Officer is to ensure responsible procurement is practiced across all of LUPC's operations and relationships with the Members' suppliers. The Responsible Procurement Officer assists senior contracts managers in pre-qualification stages and all the way through to contract management and ensures the Responsible Procurement Policy & Strategy is implemented as well as contribute to the Responsible Procurement Advisory Group.

Responsible Procurement Advisory Group

The LUPC has a further due diligence mechanism through its own "specific 'Responsible Procurement Advisory Group' (RPAG) with clearly defined Terms of Reference setting out their responsibilities, which include the requirement to, *'Oversee LUPC's progress with its Responsible Procurement programme, ensuring that it has vigour and broadly reflects the values of LUPC's membership'*, taken from Pg. 9 of Action Sustainability's ISO report on the LUPC. The RPAG is comprised of sustainability managers, procurement managers and students drawn from LUPC's membership, plus representatives of National Union of Students, People & Planet and other relevant groups, having now met four times to plan future due diligence projects.

Embedding Responsible Procurement into Tendering and Contracts.

Each LUPC senior contracts manager is responsible for implementing responsible procurement in their framework, and this implementation is overlooked by the Responsible Procurement Officer.

One example is the inclusion of a question for waste management suppliers in the tender stage on what steps they take to guard against modern slavery and human trafficking in their supply chain and how the supplier's recruitment process mitigates such risks. The answers to the question were reviewed and scored by the Responsible Procurement Officer.

In addition to this, multiple Electronics Watch contract clauses have been incorporated into our own contract for temporary labour providers and included tailored clauses, while the ETI Base Code has been and will be introduced into all new frameworks and contract renewals.

Supply Chain Mapping

We are committed to develop supply chain mapping in order to gain the necessary knowledge and understanding which would allow us to identify, prevent and mitigate risks. We aim to better understand the origin of the products and services our Members benefit from when using our agreement frameworks and therefore we are determined to strategically use our resources to further map our supply chains, particularly with high risk sector suppliers. This past year we began mapping our graduation gowns supply chain. We are able to confirm that three out of the four graduation gown suppliers on our frameworks manufacture their gowns in China whilst the other does so in the UK.

EFFECTIVENESS OF OUR POLICIES AND PROCEDURES

In order to understand the impact of our policies and procedures we need to measure their effectiveness. This is not a simple task and we are still devising the right approach to this. However, we are proud to have been assessed externally on our overall progress regarding sustainable procurement. Since the 2017 ISO20400 Guidance Standard for Sustainable Procurement assessment score of 3.72, LUPC has undergone another assessment and been awarded 4.33 by the same assessors, Action Sustainability.

Action Sustainability have acknowledged this is the highest score they have ever given for the ISO assessment, having worked with hundreds of public institutions across the UK. 25/30 of the recommendations from the first assessment were completed, with the remaining five being worked on before the next reassessment to achieve an even greater score.

TRAINING

Our staff are highly aware of the challenges we face regarding modern slavery in supply chains and we strive for them to attend as many external trainings as possible. A representative of the LUPC attended a British Academy Rising Star Engagement Award Event at Queen Mary University of London on the 15th of November 2018 to expand their knowledge of socially responsible public procurement, including modern slavery issues. They engaged with and learned from civil society participants, other public buyers and academics to bring back and share the most up-to-date theory and practice on modern slavery and other human rights, occupational health and environmental risks contained within public procurement operations.

This increased the chances of future modern slavery actions, strategies and policies and has led to the further encouragement of best procurement practice, not only through the LUPC, but also to Members with whom the lessons learned from this event will be shared via a new website in January 2019. LUPC is therefore contributing to the expansion and continuation of discussion among institutions with real power to eliminate modern slavery in supply chains, not just within the procurement profession, but beyond in civil society and academia.

We believe it is also our responsibility to share our knowledge with our suppliers and this is why we have provided Modern Slavery Act training to multiple cleaning and security providers on the 26th of February 2018. Two sessions were held, the first being presented by the then LUPC Director Andy Davies on what the Modern Slavery Act is and its impacts on UK businesses, and what practices could be implemented to ensure compliance. The second session was held by Professor Olga Martin-Ortega of Greenwich University on due diligence and remediation, outlining due diligence that can be carried out by businesses to identify potential risks and how to mitigate risks in the future. It also looked at what practical steps should be taken if there is an issue currently occurring.

A training session for LUPC and SUPC Members called 'Making Supply Chains More Sustainable with ISO 20400' was presented by James Cadman, Lead Consultant of Action Sustainability (a social enterprise) at the LUPC-SUPC Conference on the 24th of May 2018. He discussed what the standard is, and how Action Sustainability assessed the LUPC (and used the LUPC as a case study for future assessments). This training session raised awareness of the standard, how it can be incorporated into member organisations as the only responsible procurement standard that incorporates modern slavery considerations.

Modern Slavery E-Learning

In addition, during 2018 we have continued to provide and promote our modern slavery [eLearning on our website](#). Up to the time of writing, **471** staff members from different public and private sectors ranging from government to private corporations have completed the training. All LUPC staff have completed the eLearning.

FURTHER STEPS

LUPC reconfirms its commitment to better understand its supply chains and work towards greater transparency and responsibility towards the people working in our Members' supply chains.

We will continue to work with our partners and suppliers to gain first-hand experience of supply chain due diligence and of mitigating the risks of human rights abuses in our supply chains. As LUPC acquires knowledge and develops capability across all higher-risk spend categories, the intention is to codify and communicate for wider benefit those due diligence processes that are found to be the most successful.

Our Goals for 2019:

In the year ahead, we will continue our strategy to be a leader within our sector on preventing and addressing Modern Slavery by fulfilling a number of **key goals for 2019**:

- 1) Roll out our supplier due diligence tool to all of our other suppliers on our frameworks. To optimise this tool, we are collaborating with Advanced Procurement for Universities and Colleges based in Scotland to create a single risk assessment tool before it can be used more widely by our Members and the higher education sector in general.

- 2) Further map our supply chain, for example office stationery products and furniture. We are in discussion with the North East Universities Purchasing Consortium to explore ways for improving due diligence in the furniture supply chain, who lead the furniture category.
- 3) Report figures on the percentage of goods procured from each country by category of procurement.
- 4) Carry out social audits with our cleaning and security suppliers.
- 5) Establish specific Modern Slavery KPIs.
- 6) Provide further targeted training and raise general awareness of modern slavery risks with our staff, for example Social Value Act training.
- 7) Continue to work on special projects outlined in the Responsible Procurement Strategy. One example is that we will utilise our Responsible Procurement officer to increase our understanding of how we can use the Social Value Act to better protect workers' rights in the future, working with a number of external partners.
- 8) Finally, we will annually review and update our Responsible Procurement Policy and Strategy special projects in line with new opportunities to further our due diligence and effectiveness in combatting Modern Slavery.



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