

Modern Slavery Transparency Statement

1. Introduction

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. Associated British Ports (**ABP**) welcomes the opportunity to reinforce ABP's commitment to operating in an ethical manner with integrity, and to affirm ABP's commitment to ensuring that no slavery, forced labour or human trafficking takes place in ABP's supply chain or in any part of ABP's business.

ABP does not tolerate or condone abuse of human rights within any part of ABP's supply chain or business and will take seriously any allegations that human rights are not being properly respected.

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2. ABP's Business & Supply Chain

ABP is the UK's leading ports operator. As the main operating company within the overall ABP group of companies, ABP employs over 2,000 individuals across the UK and facilities within its Statutory Harbour Authority jurisdictions handle approximately a quarter of the country's seaborne trade.

The principal activities of ABP comprise the ownership, operation and development of port facilities and provision of related services to ship and cargo owners and users of sea ports in the UK. ABP also owns and operates an inland rail freight terminal which handles sea freight containers.

Together with its customers, ABP supports 84,000 jobs around Britain and contributes approximately £5.6 billion of gross value to the UK economy every year. Delivering jobs and driving growth are key to ABP fulfilling its core purpose of "Keeping Britain Trading".

ABP's current supply chain is extensive with over 4,000 different suppliers and subcontractors, who supply a broad range of goods and services to ABP.

ABP's supply chain can broadly be broken down into the following six procurement categories:

1. **Infrastructure Projects:** development, design and engineering services, project management, construction delivery, cost and commercial services (e.g. quantity surveying support).
2. **Port Specific Equipment:** plant and equipment for lifting materials, moving materials, moving people and marine equipment.
3. **Maintenance, Repair and Operations:** services, spares and tools relating to maintaining, repairing and overhauling ABP's assets.
4. **Utilities:** supply of electricity, gas and water, removal of waste, fuels, renewable energy generation, metering and related consultancy.
5. **Facilities Management & Property:** facilities management, property, technical and legal services and minor works.
6. **Business Support Services:** quayside contractors and stevedores, business consultancy, IT, HR, finance, marketing & communications and compliance related services.



3.

Modern Slavery Risk Within ABP's Business & Supply Chain

As ABP's business operations are generally carried out in the UK, the risk of modern slavery taking place in ABP's business is relatively low compared to other organisations which carry out certain activities in jurisdictions which are considered higher risk. However, it is a known issue that ports can be used as entry into the country for human trafficking. It is also a known issue that crews on vessels from other jurisdictions using a port can sometimes be forced to work in sub-standard conditions. ABP works closely with the relevant authorities in relation to these issues and ABP's Anti-Slavery and Human Trafficking Policy includes guidance for ABP employees about what to do if they have any concerns about these issues.

In respect of ABP's supply chain, there are certain areas which have been identified as giving rise to a potentially greater risk of modern slavery occurring and therefore warrant further investigation and focus. These include:

Construction

ABP is constantly developing its port facilities and this typically involves contractors carrying out development activities on ABP's behalf, including in relation to significant infrastructure projects. The construction industry has identified that modern slavery is an issue for the UK construction industry due to the risk of vulnerable workers being exploited. In addition, the procurement of raw materials used in construction may be sourced from higher risk jurisdictions.

PPE

Although ABP procures its PPE from a UK supplier, parts of the PPE are manufactured in higher risk jurisdictions.

Port Equipment

ABP procures some of its significant port equipment (such as cranes) from outside of the UK and parts of the equipment may be manufactured in higher risk jurisdictions.

Facilities Services

ABP procures significant cleaning and security services across the group and such services are generally provided via agencies.



4.

ABP's Approach to Procurement & Transparency in Supply Chains

ABP has been undergoing a strategic review of its procurement processes and is in the process of making some significant changes in the way in which it carries out its procurement. In relation to this, ABP has appointed a Group Head of Procurement to establish a new Procurement Centre of Excellence. ABP currently has in excess of 4,000 suppliers (most of which are based in the UK) and it is expected that ABP's supply chain will be simplified and that the number of suppliers will be substantially reduced. This will enable ABP to have more focus and control over its supply chain. It is anticipated that following completion of the strategic review, a project plan will be put in place which will include the following actions:

- centralising and controlling the majority of the procurement function for the ABP group;
- the introduction of an ABP Supplier Code of Conduct which sets out a clear set of ethical principals which ABP will require its suppliers to adhere to;
- the creation of an ABP Responsible Procurement Policy which will replace the existing Group Procurement Policy;
- the introduction of more stringent due diligence checks as part of the supplier selection process which will include specific questions dealing with modern slavery issues, and focus on the higher risk areas identified above; and
- measuring and monitoring the percentage of ABP's key suppliers identified as higher risk suppliers, as well as the percentage of higher risk suppliers that have Modern Slavery and/or Responsible Procurement policies in place and reporting internally on those statistics periodically.

ABP's new approach to procurement will enable it to have greater control and oversight over its suppliers and greater transparency of the overall supply chain. ABP will be seeking confirmation from its suppliers that they employ robust procedures for ensuring that slavery is eliminated from their supply chain, with particular attention given to the key risk areas highlighted above.



5.

Policies & Contractual Controls

ABP is continually seeking to promote a culture and behaviours which are in line with its company values. Our values are core to how we do business and set out what our customers and colleagues should expect to see. The behaviours that underpin each value are embedded in our business and reflect ABP's commitment to ensuring that everyone is treated fairly and consistently, to creating a workplace that is open, honest, transparent and collaborative and to ensuring that individuals, customers and suppliers are encouraged to speak up if and when they see that our high standards are not being met. Our policies and procedures relating to modern slavery are in line with our culture and values.

ABP has a number of internal policies which underpin ABP's commitment to ensuring no slavery, forced labour or human trafficking takes part in ABP's supply chain or in any part of ABP's business. These include:

- a new ABP Anti-Slavery & Human Trafficking Policy to demonstrate ABP's commitment to the issues of modern slavery and forced labour and ensure that there is focus within the business on this issue;
- a Whistleblowing Policy which provides a way for employees or any other person to anonymously report any wrongdoings including any concerns that they may have. All reports are fully investigated; and
- an Employee General Code of Conduct which is being updated to specifically refer to the ABP Anti-Slavery & Human Trafficking Policy.

We have also undertaken a review of ABP's other HR policies and recruitment processes and where appropriate these are being updated to specifically refer to the ABP Anti-Slavery & Human Trafficking Policy and incorporate its requirements.



Although the risk of modern slavery taking place within ABP's business is much lower than through our supply chain, our recruitment procedures nevertheless incorporate several steps that are designed to eliminate any such risks. These include:

- carrying out rigorous “right to work” checks to confirm a prospective employee’s eligibility to work in the UK and ensuring that any agencies used to supply temporary workers carry out equivalent checks;
- carrying out pre-employment checks to verify the identity of prospective employees and to ensure that such employees are aged over 16;
- ensuring that an employment contract is in place with each member of staff prior to the commencement of their employment at ABP;
- ensuring that the bank accounts to which salaries are paid match the name of the relevant employee; and
- ensuring that all of our employees are paid at least the National Living Wage rate.

ABP maintains healthy relationships with its trade union partners and attends quarterly meetings with Unite, ABP's recognised trade union, to discuss any items and areas that may affect any part of ABP's Unite members. Matters such as ABP's terms and conditions of employment, learning and development and business changes are often discussed at these meetings. Annual pay and conditions of employment negotiations are also undertaken with ABP.

In relation to dealings with our suppliers, we note the steps set out above which we are intending to implement following completion of the procurement strategic review. This includes adopting new procurement policies and procedures.

We also include specific modern slavery contractual provisions in our standard form of contracts so that our suppliers and business partners know what is expected of them.



6. Awareness

All ABP employees have been made aware of the Modern Slavery Act 2015 and the new ABP Anti-Slavery & Human Trafficking Policy and guidance has been issued in relation to these, which will also be available to all new employees. We recognise that the risk of modern slavery is ongoing and as such, ABP will keep under review the guidance that it provides to its employees and the need for more detailed training that may in the future need to be provided to relevant individuals in the business.

7. Review of ABP's Progress

ABP is committed to improving its practices to combat slavery and human trafficking. In order to review ABP's progress in doing this, we will assess progress against the five actions set out in Section 4 above within 12 months of the date of this Statement. Following completion of ABP's strategic review of its procurement processes, we will measure ABP's compliance with the Modern Slavery Act 2015 in accordance with a range of KPIs. For example, it is likely such KPIs will include measuring the percentage of ABP key suppliers which are identified as higher risk suppliers and then the percentage of these higher risk suppliers that have a responsible procurement or modern slavery policy in place.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes ABP's slavery and human trafficking statement for the financial year ended 31 December 2016. This statement has been approved by ABP's board of directors.

Signed by:



**James Cooper, Chief Executive
Associated British Ports**

