

Christian Aid Statement on Modern Slavery Act

August 2017



Christian Aid is a Christian organisation that insists the world can and must be swiftly changed to one where everyone can live a full life, free from poverty.

We work globally for profound change that eradicates the causes of poverty, striving to achieve equality, dignity and freedom for all, regardless of faith or nationality. We are part of a wider movement for social justice.

We provide urgent, practical and effective assistance where need is great, tackling the effects of poverty as well as its root causes.

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Contents

Foreword	4
Executive summary	5
Christian Aid, its operations and current work on modern slavery	6
Policies in relation to slavery and human trafficking	7
Due diligence processes in its activities and supply chains relevant to modern day slavery	10
Addressing the risk of slavery and human trafficking	11
Training and capacity building	12

Cover photo: Oliverio De Carvalho is an organic coffee farmer with MST, a Christian Aid partner in Brazil. He sells the coffee he grows in a local cooperative and this gives him and his family an income, which in turn provides them new opportunities. As a young man, Oliverio worked in a sugar cane factory owned by a wealthy family. The workers were victims of modern day slavery. He led an uprising against the owner of the factory.

Photograph: Christian Aid/Anna Bland

Foreword

Christian Aid is a Christian organisation that insists the world can and must be swiftly changed to one where everyone can live a full life, free from poverty. We provide urgent, practical and effective assistance where need is great, tackling the effects of poverty as well as its root causes.

In the trade justice movement, and through campaigns like Banking on the Poor, Who Runs the World, Jubilee 2000, and Make Poverty History, we identified poor working conditions as a key driver of global inequality. This campaign helped to make the case in 2008 for tackling modern-day slavery, including participation in an exhibition in London.¹ Since then, we have continued to monitor labour conditions in diverse settings and supported local partners to tackle the root causes of global injustices.

Modern slavery is one of the most discussed human rights issues of our time. Human trafficking, though a largely hidden crime, is believed to affect 2.4 million people at any given moment. It is also estimated that 21 million people are living in forced labour conditions, generating profits of around \$150bn per year for their abusers. An estimated 14.2 million of those working in forced labour are in the private sector. Primary sectors at risk include agriculture, construction, domestic work, manufacturing and tourism and leisure industries.²

Today we are proud to present our first statement outlining our current approach to demonstrate how we tackle modern day slavery, and by doing so we encourage others do take a proactive and transparent approach.

Dr Rowan Williams, Chair of Christian Aid Board of Trustees

This statement has been approved by the boards of directors of Christian Aid and the other entities named below, and is authorised to be signed on behalf of each of them by:



Signed by Dr Rowan Williams, Chair of Christian Aid Board of Trustees for itself and on behalf of: Christian Aid Ireland Limited (Northern Ireland), Christian Aid Ireland Ltd (Republic of Ireland), Christian Aid International (Spain), The British and Irish Churches Trust Ltd, Christian Aid Trading Ltd, and Change Alliance (India).

Date: 15/08/2017

Executive summary

Forced labour often affects vulnerable persons, and migrant workers, indigenous people and women are particularly affected. The risk of human trafficking and forced labour being associated with all companies has now become material, for both the companies and their investors.

We have a long history of engaging in issues related to modern slavery. In 2007, alongside National Museums Liverpool, we commissioned the Haitian Freedom! statue at the Liverpool Slavery Museum to mark the 200th anniversary of the prohibition of the slave trade³ and in our international operations we have supported initiatives such as the Global March Against Child Labour, the West Asia Task Force of the Migrant Forum Asia – working to promote the rights of migrant domestic in the Middle East, and a programme to combat child trafficking in South Asia supported by Comic Relief. Our work in India and other parts of South Asia continues to have a strong focus on capacity building and advocacy in ending caste-based discrimination and social exclusion which according to our programme experience can lead to instances of modern-day slavery.

This statement outlines our continued work towards tackling modern day slavery both in the UK and in our non-UK offices and through our partners. The structure of the statement relating to our own operations follows the recommendation from the UK Modern Slavery Act both in terms of structure (Section 54, subsection 5) and responsibility for implementing the statement (subsection 6). In each substantive section of the statement we include a final section concerning our own risk assessment and further commitments which we will report on in the next financial year's statement.

Christian Aid, its operations and current work on modern slavery

Christian Aid is a charity headquartered in the UK which has offices in 37 countries in Africa, Asia and the Middle East, Latin America and the Caribbean, which work on both long-term development work and humanitarian response. A description of Christian Aid's corporate group structure and subsidiary undertakings where our work takes place is included in our annual accounts for 2016/17.⁴ (NB Figures taken from draft version of the *Christian Aid Annual Report and Account 2016/17* and may be subject to change at publication.) This statement covers all of these entities. In 2016/17 financial year we worked with 475 partners in 37 countries on long-term development issues, and delivered 44 humanitarian responses in 26 countries.

Christian Aid's total income in 2016/17 was £96.6m. This composed primarily of donations (56%) eg, individual giving, legacies; institutional grants (38%) eg, from the UK Department for international development; institutional contracts (5%) and other income (1%). Our subsidiary Christian Aid Trading Limited is a trading-for-profit company that pursues commercial fundraising opportunities in Britain and Ireland, and donates its profits to the charity.

Outside of Britain and Ireland, Christian Aid has offices which work mainly through local partner organisations that implement work on the ground. Grants to local partners accounted for 42% of Christian Aid total expenditure. Therefore, as part of this statement, we examine our relationships with partners whose work we finance, as well as examining our own operations, supply chain and distribution chain of partners and other intermediaries through which we reach diverse communities.

Christian Aid's expenditure reflects our charitable mission as we continue our campaigning, advocacy and education work to achieve long-term benefits for the communities with which we are involved. Fundraising costs in 2016/17 amounted to 14% of the total expenditure (£13.1m), while the remaining 86% (£80.1m) was spent on charitable activities. Of our total charitable activities, the majority (49%) was grants to partners (£39.1m), direct operations were the the second most important area (43%) – including humanitarian assistance, influencing, campaigning, education and other projects we delivered ourselves (£34.6m), and finally 8% of the total charitable activities was allocated to support costs (£6.8m).

We are proud to work with a wide variety of partners and proud of our partners' response to emergencies such as the famine in South Sudan, refugee crisis in Serbia and Greece following the conflict in the Middle East, and work in conflict-affected areas in Syria and Iraq, drought in Malawi, and reconstruction efforts following the earthquake in Nepal in 2015. In our long-term development work, we work in areas such as supporting inclusive market development, access to low-carbon energy, supporting community and national health systems and advocating for a fairer tax system. Grants are

made within the agreed strategies of Christian Aid, and grants for development programmes are usually given on a three-year basis. Partners' own policies and processes are used to monitor grants, while Christian Aid has oversight over key risk areas it has identified including anti-corruption issues. All projects are systematically monitored for the duration of their existence according to Christian Aid's partner financial monitoring frameworks. In general, grants to partners cover core expenditures such as training and other capacity-building activities, publications, engagement with communities and supplies for humanitarian relief. In limited cases, there is significant partner spend on implementation of projects including capital expenditure on goods and services, which may introduce significant supply chain relationships. Meanwhile, the direct operations are managed through our own policies and guidelines, including project evaluation and impact assessment.

Christian Aid is an active founding member of the Ethical Trading Initiative (ETI) and a member of the Corporate Responsibility Coalition (CORE) and has supported both organisations in advocacy and campaigning during the creation and implementation of the Modern Slavery Act.⁵ We also seek to address human rights issues in the business sector and are working towards the implementation of the UN Guiding Principles on Business and Human Rights in the UK. We have helped to launch Christian Aid's new business network, Salt, which is supporting its members to do business better, including understanding and taking action on modern slavery, both in companies that fall within the scope of the Act and smaller companies who wish to make a statement voluntarily. More generally, Christian Aid considers it important to improve supply chain transparency, including transparency of ownership of companies and their beneficial owners to know which companies and supply chains are related to each other. We also look at understanding the real beneficial owners of companies with whom we engage in partnerships, via fundraising or in advocacy. In these circumstances, we often find significant difficulties of identifying ultimate beneficial ownership, and use available resources to find out the beneficial owners as far as feasible. We work to highlight the issue of modern-day slavery around the world, including domestic workers in the Middle East,⁶ farmers and migrant workers in Latin America and the Caribbean and excluded groups in South Asia.

In the sections that follow, we summarise the steps that Christian Aid has taken immediately prior to, and during 2016/17 to work on preventing slavery and human trafficking in our activities and supply chains and the commitments that we make for 2017/18.

Policies in relation to slavery and human trafficking

This section outlines our existing policies which relate to slavery and human trafficking, both in respect to our staff, our partners, our supply chains and distribution chains.

Upon starting at Christian Aid, all staff are required to read and undergo training on our policies to safeguard against any breach of

Case study

Rights of workers in the Middle East

In Lebanon, our partner Insan Association has advocated for the rights of migrant domestic workers who are subjected to restrictions including limits on their right to leave their employer's house outside of their working hours, confiscation of their passports and forced confinement.

Christian Aid has worked together with partners to ensure ratification of the International Labour Organisation convention on migrant domestic workers. In Israel and the occupied Palestinian territories, our partners Kav LaOved have highlighted abusive work practices. Kav LaOved provides legal assistance to Palestinians both in labour courts and in communications with the authorities, and educates workers through workshops conducted in cooperation with Palestinian trade unions. The focus on labour rights has been a feature of our programming across the Middle East, given the tumultuous events after the Arab Spring.

conduct. Staff members have to sign the Christian Aid Staff Code of Conduct⁷ to show their awareness of the requirements. The Staff Code of Conduct includes a commitment, among other things, to ensure the safety, health and welfare of all Christian Aid employees, volunteers and contractors.

Supply chain management is covered in our Procurement Policy and Procedure. This applies to all expenditure on goods and services purchased directly by the organisation, regardless of the cost of such goods or services. The policy promotes ethical and sustainable procurement processes, and includes a Code of Conduct for Suppliers which, among other things, requires that:

- employment is freely chosen
- freedom of association and the right to collective bargaining are respected
- working conditions are safe and hygienic
- children are not exploited
- living wages are paid
- working hours are not excessive
- no discrimination is practised
- regular employment is provided
- no harsh or inhumane treatment is allowed.

Additionally, the 'Guidance on whistleblowing' also applies to all staff, consultants, contractors or suppliers of services to Christian Aid.⁸ All procurement decisions valued at £50,000 or over, require approval from the Christian Aid Contracts and Procurement Team who will manage or oversee the selection process. Smaller procurements and supplier relationships may be approved by local teams in accordance with delegated authorities.

The full list of Christian Aid policies that relate to safeguarding against modern day slavery is below. All the following policies are available on the Christian Aid intranet for staff; some are also available externally to other stakeholders.

- Christian Aid Staff Code of Conduct⁹
- Recruitment and Selection Policy and Procedure
- Recruitment Information for Candidates (UK and Ireland)¹⁰
- Guidance on whistleblowing¹¹
- Child Protection Policy¹²
- Open Information Policy¹³
- Grievance Policy and Procedure – including staff complaints policy and procedures
- Employee Relations guidelines – dealing with problems policy
- Serious Incident Reporting Policy
- Bullying and Harassment Policy and Procedure
- Diversity and Inclusion Policy, including additional diversity and inclusion related policies on the national level
- ACT Alliance Code of Conduct for the prevention of sexual exploitation and abuse, fraud and corruption and abuse of power – for all staff of ACT Alliance members and the ACT Alliance Secretariat
- Anti-diversion and abuse, Misuse of funds, Anti-bribery and Anti-money laundering policies
- Procurement Policy and Procedure

- Code of Conduct for Suppliers
- Core Humanitarian Standard on Quality and Accountability (CHS)
- Partner Financial Monitoring Policy
- Christian Aid Volunteering Policy
- Christian Aid Standard Supplier Terms and Conditions – used for all significant UK spend.

In our humanitarian work, we joined the Humanitarian Accountability Partnership (HAP) in 2006 and have been regularly audited to ensure that we maintain their standards. In 2015, HAP merged with People in Aid and evolved to become the CHS.

The Procurement Policy and Procedure requires us to follow robust procurement practices in relation to contract management and renewals. Our highest value contracts include print, media services and IT services. In 2015/16, Christian Aid put its banking services out to tender and a cross-functional working group was established to evaluate the options including an assessment of the ethical and sustainability policies of the different providers, including in relation to labour practices.

The Volunteering Policy recognises that volunteers contribute a huge amount of energy, enthusiasm, skills and commitment to our work and we aim to include a wide diversity of volunteers. In addition to the thousands of people who raise funds for Christian Aid in their churches and local communities, we also benefit from the contribution of a team of specialist volunteers. A total of 490 people offered their time and skills in roles such as speaking, teaching, helping with administration and fundraising in the 2016/17 financial year, contributing around 15,000 hours. Christian Aid will not introduce volunteers to replace paid staff. In March 2017, we launched a new e-recruitment portal for volunteers, aligning the recruitment of volunteers with our online career site for paid roles. The system will provide better support for both internal and external users as we seek to increase the involvement of volunteers in our organisation.

Central procurement can provide guidance and oversight to partner procurement, and encourage structured procurement plans. Most international procurement is conducted by partners. A £50,000 threshold also applies to procurement by partners commissioned by Christian Aid. Many partner procurements are small-scale, below this threshold and managed locally, with oversight from the Christian Aid programme office. However, procurements in certain larger and complex projects may be quite considerable in value and require head office involvement. In addition, we comply with institutional donor procurement rules as these may provide specific requirements in greater detail than our policy. The Christian Aid Procurement Policy is shared with partner organisations to guide their commercial decisions and procurement training has been given to partners, most recently in Ethiopia and Nepal during the 2016/17 financial year.

Commitment to updating policies

We commit to update the following policies in the 2017/18 financial year to include all offences and processes relating to modern slavery:

- Supplier Code of Conduct
- Procurement Policy and Procedure.

We also commit to improve the range of guidance related to our ethical and sustainable procurement policies and Supplier Code of Conduct available to staff, to include training modules and information resources. This information can be shared via relevant national platforms and organisations as well as bilaterally.

Due diligence processes in its activities and supply chains relevant to modern-day slavery

Managing risk effectively is integral to the achievement of Christian Aid's essential purpose, which is eradicating the causes of poverty, striving to achieve equality, dignity and freedom for all, regardless of faith or nationality. Governance structures are in place and designed to ensure the early identification and management of key risks, and support the delivery of our strategy. The board of trustees is ultimately responsible for risk management and the effectiveness of Christian Aid's internal control systems. The board has considered and approved the risk management policy and risk appetite. The regular and in-depth review of the risk management process is done by our Audit and Risk Committee. We have a standard contract template which provides the default terms and conditions of contract for all significant supplier relationships, and incorporates the Supplier Code of Conduct.

One area of risk is Christian Aid's work with, and through independent partners. In most cases, Christian Aid delivers its programme via local partners rather seeking to deliver programmes directly with the end beneficiaries, communities and actors. This means that partner policies, processes, and practices are critical to understanding the impact and also risks associated with Christian Aid's impact. While we believe this is the most effective way to reduce poverty as independent partners are rooted in local communities, it is not without risk, including modern slavery risk, as partners may lack capacity to monitor compliance of their own suppliers, especially in challenging contexts.

Christian Aid mitigates that risk by undertaking thorough due diligence on our implementing partners – before providing funding – through capacity assessments that consider the organisation's past performance and its governance and control processes. This due diligence includes assessing whether the partner's values and behaviour align with Christian Aid's and our policies.

In addition, we conduct ongoing monitoring of partners. The Christian Aid Partner Financial Monitoring Policy (updated in June 2016) requires country programmes to carry out periodic Partner Operational Capacity (POC) assessments. The frequency of the assessment varies depending on the circumstances of the partner and the nature of the partnership. A POC assessment is undertaken at the start of a new funded relationship and at least once every three years thereafter. A review of operational capacity is undertaken at least once a year for partners whose overall risk rating is high.

Operational capacity is also reviewed following significant events including, but not limited to, major staff changes (eg, change of director); a rapid onset of an emergency situation in the country; before inclusion of the partner in a project involving a large scale-up

of activities; and funding with a complex donor which requires a specific reporting system to be put in place.

The assessment includes review of the partners' mission statements, strategy documents, code of ethics and working environment (observation during visits and meetings, desk review of documents and interviews with staff). This way we gain assurance that the partners' values and behaviours match Christian Aid's. We additionally monitor our funded projects and provide feedback to partners where issues are noted for future follow-up as agreed within the partnership agreement. We support partners, where necessary, in building their capacity, including on donor compliance requirements.

There are risks in the partnership approach because we do not have direct control over partners' recruitment practices, work practices or any other areas that may relate to the Act. We also recognise that national contexts differ from country to country, and many of the countries in which our partners operate have not ratified core labour standards by the International Labour Organisation (ILO) and average wages in those countries may be well below national and international poverty lines.

Addressing the risk of slavery and human trafficking

Key areas of risk that are likely to rest with our suppliers and partners include the use of agency workers, low-skilled workers and activities carried out by third-party organisations. The 'Guidance on whistleblowing' covers to all types of relationships from employment, consultancy, suppliers and contractors and ensures that any employee's concerns covered by the policy will be taken seriously and investigated. This includes criminal activity, breach of legal obligation (including negligence, breach of contract, breach of administrative law), miscarriage of justice, danger to health and safety or environment and the cover-up of any of these in the workplace. Christian Aid's Code of Conduct requires staff to commit from the outset to safeguarding vulnerable persons and reporting any abuse. The staff intranet system is available for reporting both security and health and safety incidents. Incidents are investigated and lessons learned for the future. Protecting vulnerable beneficiaries is at the heart of Christian Aid's work.

In our humanitarian interventions we are certified by the Humanitarian Quality Assurance Initiative (HQAI) against compliance with the CHS which includes fair and equitable treatment of staff in humanitarian situations, and focus on accountability to beneficiaries and grievance mechanisms.

We are accredited as a UK Living Wage Employer by the Living Wage Foundation. That commitment ensures that everyone working for Christian Aid in the UK receive a minimum hourly wage that is significantly higher than the national minimum wage.

Commitment on due diligence

During the 2017/18 financial year we will commit to developing a supplier due diligence process for Christian Aid staff and partners to be applied to purchases over £50,000 in value. The modern slavery aspects of due diligence will be developed in consultation with the Ethical Trading Initiative (ETI) Due Diligence Framework.

Several HR initiatives were launched by Christian Aid between 2015 and 2016. These are outlined in more detail in our 2015/16 Annual Report, but they include:

- review and streamlining of our HR policies and practices
- deepening awareness and understanding of Christian Aid's gender strategy and work
- conducting impact assessment concerning our policy and programme work to support wider workforce learning.

Common areas of risk in employment practices include agency workers and outsourced work contracts such as guards, cleaners and vehicle drivers. Our agency worker guidance limits tasks to up to 10 weeks in length, and any longer task is recommended to be presented as a fixed-term position.

Our suppliers may have other practices concerning agency workers and this may present additional risks of modern slavery. Finally, another area of risk is that some of our country offices, partners and suppliers operate in countries and sectors at higher risk of modern slavery, including countries where wages are severely depressed in part due to structural inequalities that make this possible.

Training and capacity building

Christian Aid's rigorous recruitment and selection guidelines are clear about the safeguards that managers and persons involved in recruitment need to know. This includes referencing, checking right to work, safeguarding against child abuse and ensuring equal opportunities for everyone. Once a staff member starts employment, they must complete and act in accordance with the following types of corporate induction processes, all of which have a role to play in safeguarding against modern-day slavery:

- Managing risk
- Introduction to gender
- Introduction to equality and diversity
- Basic child protection awareness
- Anti-bribery and anti-money laundering policies.

This training, which is repeated periodically, safeguards some aspects of modern slavery such as child labour, aspects of human trafficking and key employment-related legislation.

Commitment to addressing areas of risk

To improve our partner-related due diligence process in relation to modern-day slavery, we commit to including practices covered in the Modern Slavery Act in our policy covering periodic Partner Financial Monitoring and in the risk matrix of the Partner Operational Capacity (POC) assessment during financial year 2017/18. This will be implemented using existing systems of risk assessment and mitigation.

Commitment on training

During 2017/18, we commit to providing training for staff, working in procurement, human resources and finance, on the new requirements around modern-day slavery. This will be incorporated into existing staff training and induction modules where they cover key policies including modern-day slavery.

Endnotes

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- 4 *Christian Aid Annual Report and Accounts 2016/17*, Christian Aid (to be published late 2017).
- 5 *Modern Slavery Bill: Submission to the Joint Committee on Human Rights*, CORE Coalition, 27 August 2014, http://corporate-responsibility.org/wp-content/uploads/2014/09/CORE-submission-to-jchr_ModernSlaveryBill_Aug-2014.pdf
- 6 'Palestinian workers', Kav LaOved, 2017, www.kavlaoved.org.il/en/areasofactivity/palestinian-workers/; *Trapped: Migrant Workers in Lebanon*, INSAN Association, 2015, www.insanassociation.org/en/images/Trapped.Compressed.pdf
- 7 'Code of conduct – Christian Aid', Christian Aid, www.christianaid.org.uk/images/code-of-conduct.pdf
- 8 'Guidance on whistleblowing', Christian Aid, www.christianaid.org.uk/images/guidance-on-whistleblowing.pdf
- 9 See note 8.
- 10 'Recruitment information for candidates: for the UK and Ireland', Christian Aid, www.christianaid.org.uk/images/Recruitment-information-for-candidates-UK-Ireland.pdf
- 11 See note 9.
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- 13 'Christian Aid open information policy', Christian Aid, www.christianaid.org.uk/programme-policy-practice/about-us/accountability-transparency/open-information-policy