



Modern slavery is a crime. This term includes slavery, servitude, forced or compulsory labour and human trafficking. Our business is firmly committed to zero tolerance on slavery and human trafficking. We will therefore comply with all UK law applicable to working standards. We will only engage with supply chain members who have similar commitments and can demonstrate that they do not condone slavery and human trafficking in any form.

The Human Resources (HR) Department is responsible to ensure that efforts are made to investigate and remediate the risk of modern slavery in our business and our Purchasing Director is responsible for ensuring that basic labour standards are met in terms of our supply chain.

Our Corporate Social Responsibilities (CSR) Policy and employees' handbook outline the company policies and procedures for managing people and for setting standards associated with human rights at work including those expected of employees, grievances, anti-harassment, anti-bullying and for whistleblowing. The employees' handbook also describes the arrangements which have been put in place to protect everyone from any form of victimisation or vulnerability due to their invocation of any related company policy.

We have put in place ethical trading policies and robust purchasing procedures. Prior to entering into any contract with a new supplier or renewing contracts with existing suppliers including employment agencies we carry out checks via our approved supplier policy to ensure that the prospective supplier does not operate contrary to the Modern Slavery Act. We will request that they provide evidence of their arrangements such as policies, procedures etc. during this initial process and from time to time thereafter.

We factor legal and fair full labour costs into production and sourcing costs to avoid the need for seemingly cheaper slave or bonded labour in operations or the supply chain by using reputable UK based suppliers who have similar obligations and have set similar standards to our own. Where any supplier is found to have been involved in modern slavery we work with them to remediate any such issues, if they are unwilling or unable to change their arrangements, we will terminate any agreements.

We will avoid making demands of suppliers or subcontractors that might lead them to violate human rights. These types of demands include insufficient or late payments, and late orders or high-pressure deadlines. We will ensure that zero tolerance for modern slavery and respect for human rights, including children's rights, are built into contracts and represented in dialogue, self-assessments, training and capacity building opportunities for suppliers, subcontractors and other business partners.

#### **Slavery and human trafficking statement**

The Modern Slavery Act 2015 requires businesses with an annual turnover of £36M or more to produce an annual statement setting out the steps they have taken to ensure there is no modern slavery in their own business and their supply chains. We will produce a slavery and human trafficking statement for each financial year. We will publish our statements as soon as practicable after the end of each financial year and certainly within six months of the



financial year end. FES group will produce a single parent company statement that subsidiary FES Group Limited Companies can then use to meet their requirement under the Act. The slavery and human trafficking statement will be concise, written in simple language and will include:

- Our organisation's structure, our group businesses and their relationships, the sectors we work in.
- Our supply chains, the countries we source goods or services from including high risk countries.
- Reference to our policies in relation to slavery and human trafficking.
- All the steps we have taken to prevent slavery and human trafficking.
- Reference to our due diligence processes.
- Specific reference to the parts of our business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps we have taken to assess and manage that risk.
- Our effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as we consider appropriate.
- The training and awareness activities we have undertaken to build awareness about slavery and human trafficking to our staff.

The slavery and human trafficking statement will be approved by the FES Group Board and signed by the Managing Director. Since it is a public facing document, we will publish our statement on our website and include a link in a prominent place on its homepage entitled 'Modern Slavery Act Transparency Statement'.

#### **Responding to an incidence of modern slavery**

Any incidence of modern slavery will be dealt with appropriately and relevant remedies made available to potential victims. Since we only deal with UK suppliers it will be reported to the police immediately.

#### **Assessing and Managing Risk**

Modern slavery risk assessments are seen as part of our wider approach to risk management and so form part of our general risk assessment (See IMS 6.1 "Actions to address risks and opportunities"). Our risk assessment policies and procedures ensure that the assessments are proportionate to the size and structure of our organisation, the location of our activities, our supply chain, and the general nature of our business.

When assessing the risk we will consider the following:

- Country risks – Global supply chains in countries where protection against breaches of human rights are limited, particularly with regard to rights of foreign contract workers to retain their own ID and papers, and/or where work arrangement by agents is common.
- Sector risks – The risks and arrangements which generate bonded labour situations for workers in the extractives sector may differ to those causes in manufacturing.



- Transaction risks – Banks or financial institutions involved in facilitating financing from or supporting cases of modern slavery and bonded labour in operations or supply chains or through money laundering.
- Business partnership risks – Different supplier relationships and business partnerships will all carry different levels of risks. In some cases, existing long-term partnerships will involve less risk because the organisation will have a better knowledge of their partner's operations and policies.
- Relevant information from internal and external sources.

We will then decide how identified risks can be investigated, and where issues are found, how they can best be remediated or mitigated through activities such as industry collaboration or improved purchasing practises.

### **Due Diligence**

We have put in place due diligence procedures proportionate to the identified modern slavery risk:

- For UK based supply chain members we will develop our knowledge about our first-tier suppliers' controls, and if it outsources or sub-contracts we will ensure that they have similar controls in place to manage the downstream risk.
- Where we are considering working with suppliers who are based in high risk countries we will seek support from expert independent, third parties and civil society stakeholders, and hear from workers themselves about their working conditions.

### **Performance Indicators**

The following indicators have been introduced to measure our performance:

- Training rates for raising awareness about modern slavery issues, awareness of risk, appropriate decision-making and swift action.
- The invocation rates of grievance and whistle-blowing procedures for employees.
- The incidence of supplier approval checks undertaken and the outcomes.
- We reserve the right to check personal employee details if we suspect a number of unrelated workers are using the same personal information as each other.
- Ensure that all Agencies used are aware of our Slavery and Human Trafficking policy and apply the same principles when providing a service to the Forth and Oban Group.

### **Training & Awareness**

We will ensure everyone in our organisation that make key decisions relating to human resources and procurement are aware of the risks of modern slavery to ensure informed decisions are made in a way which mitigate and manage these risks, and to monitor the implementation of relevant policies.

When generating awareness, the following topics will be included:

- An overview of the Modern Slavery Act and the associated company policies and other controls.
- The importance of protecting against slavery and human trafficking.



- What to do if they encounter something that raises concerns.
- Awareness of the Modern Slavery Helpline on 0800 0121 700.

Awareness will be generated using various techniques such as:

- Intranet bulletins.
- Employees' handbook.
- Procurement policies and procedures.
- Employee self-service "SelectHR" system
- We expect employees to refer to this policy and understand what is required of them in relation to modern slavery.
- This policy on modern slavery will be communicated to all suppliers, contractors and business partners at appropriate points during our business relationship with them and reinforced as appropriate thereafter.

Signed

Duncan K Fletcher  
Managing Director  
7 January 2019