



Modern slavery in construction roundtable: 18th April 2024



Summary report

On 18th April 2024, construction sector CEOs and senior managers met with investors, regulators and the Cabinet Office to discuss the systemic risk of modern slavery and labour exploitation in the sector.

The roundtable event was the result of a collaboration between the Cabinet Office, CCLA Investment Management, LGT Wealth Management and the Supply Chain Sustainability School. The event was moderated by Dame Sara Thornton, the former Independent Anti-Slavery Commissioner and a modern slavery consultant for CCLA.

We heard about the growing risks of modern slavery from Unseen and GLAA. Construction is consistently regarded as a high-risk sector by the Director of Labour Market Enforcement. Although there has been a recent spike in calls to the Unseen helpline related to the care sector, construction has consistently been the top sector over the past six to seven years.

Why is construction a high-risk sector?

Construction has a number of risk factors including:

- Roles that are low wage and relatively low-skilled
- High numbers of migrant workers some with limited right to work
- Widespread sub-contracting, with many different workers moving on- and off-site over a project development.

There have been growing numbers of construction sector cases reported to the modern slavery helpline: in 2023, cases increased by 20 percentage points. Indeed, regulators expect a spike in exploitative conditions in the sector due to the increase in 'shortage



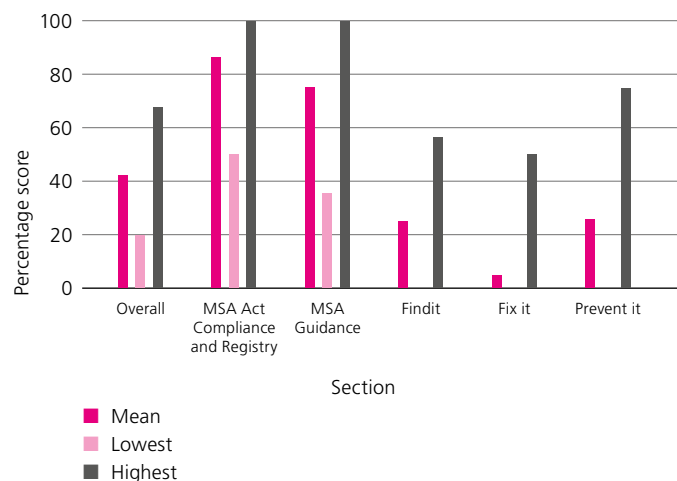
occupation visas' being granted to the sector (1,300 were issued in Q3 of 2023 compared with 200 in Q2).

It is not just the labour supply chain, however. With so many raw materials sourced from countries with poor labour market enforcement and in conditions where exploitation is rife, many buildings contain embodied slavery. Sharon Prince CEO of Grace Farms argued that we should no longer accept a 'forced labour discount'. Design for Freedom - an initiative of Grace Farms - has initiated a global mission, including over 100 experts and leaders who have committed to use their expertise and wherewithal to eliminate modern slavery from the built environment. They have developed a free toolkit as a comprehensive resource for design and construction professionals to implement ethical, forced-labour free materials sourcing strategies into their practices.

Find it, fix it, prevent it

CCLA presented its aggregate analysis of 25 construction companies modern slavery scorecards. These scorecards assessed companies' statements on the degree to which they were disclosing finding, fixing and preventing modern slavery, using the same methodology as used in the CCLA benchmark. 'Fix it' was the lowest scoring category on all three measures, followed by 'Find it' and 'Prevent it'. Disclosures are still primarily on policies and procedures, with relatively little detail on active due diligence.

CCLA Analysis – Construction companies scores by scorecard section



Most companies placed in Tiers 3 and 4, with only two companies in Tier 2. This distribution is more heavily weighted to the lower end than that for the 2023 UK Modern Slavery Benchmark. The scorecards demonstrated that, in general construction, companies need to do a lot more to tackle the risks of modern slavery in the sector. Furthermore, they need to disclose more details on their activities and efforts to provide remedy.

Investors are taking note

LGT Wealth Management disclosed why investors are engaging on this topic. As long-term investors who prioritise sustainability themes, LGT has a number of construction companies on its buy-list. Investors need to see transparency from the companies they invest in. Supply chain risk is financial risk. LGT Wealth Management uses the Find it, Fix it, Prevent it framework when considering investments.

Survivor testimony

In addition, the delegates heard from a survivor, who had been trafficked into the UK and subsequently forced to work as a cleaner on construction sites. In a poignant moment, she reflected that nobody asked her about her life. If they had done so, she may have escaped earlier.

Bright Futures Co-operative works with businesses to offer a supported, accessible route to safe and stable employment for survivors of modern slavery, who are ready to re-enter the workplace. This enables them to have control over their futures, reach sustainable independence and live in freedom with dignity. Companies who wish to support other survivors should get in touch with Bright Future Co-operative at info@brightfuture.coop.

Key takeaways

People in the room commented on the need for leadership from the top of the business and how lessons can be applied from the approach to health and safety. Adopting a mentality that it is a question of when and not if will prepare people and systems for when cases occur.

The role of collaboration in combatting slavery and labour exploitation was also emphasised. Competitors and businesses from across the value chain need to work together to share findings, leverage purchasing power and collectively address systemic issues that enable exploitative practices to persist.

The group also heard lessons from a large development, where addressing modern slavery had been a key client requirement. Building awareness, particularly with site supervisors, is key. However, the language of modern slavery does not work at site-level. Rather, working with NGOs and specialists to run clinics on working conditions, health and safety, worker welfare, pay and labour exploitation will cut through.

Useful resources

A wide range of free resources are publicly available to help businesses with their due diligence – from how to identify and address risk in construction through to best practice in remediation.

For example, the Supply Chain Sustainability School signposts to 250+ free resources and events tailored to combating slavery in the built environment, and is backed by 220 main contractors, housebuilders, infrastructure clients and FM service providers.



Another example is the Stronger Together Construction and Property Programme, which was developed in conjunction with the Chartered Institute of Building (CIOB) and the Gangmasters and Labour Abuse Authority (GLAA). They have developed a toolkit which provides employers and labour providers in the UK construction and property sectors with pragmatic and practical information, guidance and tools to deter, detect and deal with modern slavery and other serious forms of labour exploitation within their own operations and supply chain.

Next steps

In terms of actions, there were several people who articulated a need for a modern slavery intelligence network in the sector – a possible collaboration with civil society and regulators, similar to a model developed in the food and farming sector developed by the supermarkets.

We have heard that the roundtable has spurred activity across government, with the Cabinet Office looking to incorporate more about the Modern Slavery Act in Sourcing and Contract Management Playbooks and the Department of Business and Trade offering support via the Construction Leadership Council's network to raise awareness and share intelligence.

An industry statement on modern slavery was also discussed, acknowledging the problem of recognising that we all have agency to 'Design for Freedom' and committing to redouble efforts to address it.

Others wished to support Bright Futures Co-operative, by providing employment opportunities for survivors of modern slavery. Delegates agreed that the risks of modern slavery in the construction sector are significant and growing, and that the sector as a whole can take additional actions to address the risks and tackle this exploitative practice.

The following organisations attended the roundtable and are committed to raising awareness of modern slavery and labour exploitation and taking effective action to protect workers.

Signed

- CCLA Investment Management
- LGT Wealth Management
- Cabinet Office
- Gangmasters & Labour Abuse Authority
- Supply Chain Sustainability School
- Bright Futures
- Causeway
- MACE
- Grace Farms
- Amey
- Balfour Beatty
- Wilmott Dixon
- Unseen
- Stronger Together
- Tilbury Douglas
- Bouygues
- Kier Group



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