

Modern Slavery Transparency Statement

1. Introduction

This statement is published in accordance with the Modern Slavery Act 2015 and sets out the necessary steps taken by Associated British Ports (**ABP**) during 1 January 2018 to 31 December 2018 to ensure that no slavery, forced labour or human trafficking is taking place in ABP's supply chain or in any part of ABP's business.

ABP published its first and second "Modern Slavery Transparency Statements" on 30 June 2017 and 30 June 2018 respectively (the **Previous Statements**). As set out in the Previous Statements, modern slavery is a crime and a violation of fundamental human rights which 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.

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. ABP also continues to reinforce its commitment to operating in an ethical manner with integrity.

In this document

1. **Introduction**
pg. 2
2. **ABP's Business & Supply Chain**
pg. 3
3. **Modern Slavery Risk Within ABP's Business & Supply Chain**
pg. 4
4. **ABP's Approach to Procurement & Transparency in Supply Chains**
pg. 5
5. **Policies & Contractual Controls**
pg. 6-7
6. **Awareness**
pg. 8
7. **Review of ABP's Progress**
pg. 8



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 119,000 jobs around Britain and contributes approximately £7.5 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 around 4,000 different suppliers providing a broad range of goods, services and works 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 Overhaul:** 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 high risk jurisdictions.

Facilities Services

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

Stevedoring Services

ABP procures significant stevedoring and other quayside services across its various ports with some of these services being provided via agencies or similar providers of contingent labour services.



4.

ABP's Approach to Procurement & Transparency in Supply Chains

ABP undertook a strategic review of its procurement processes in 2018 and is in the process of making some significant changes in the way in which it carries out its procurement. ABP currently has just under 4,000 suppliers (most of which are based in the UK) and has started and will continue to simplify its supply chain. The number of suppliers will continue to be substantially reduced over the next few years. This will enable ABP to have more focus and control over its supply chain. The following actions have also been undertaken since the publication of ABP's 2018 Statement:

- implementation of an updated Group Procurement Policy and standard procurement process;
- transition of all supplier due diligence checks as part of the supplier selection process into a centralised team. The centralised process includes specific questions dealing with modern slavery issues and focuses on the higher risk areas identified in Section 3 above; and
- creation of dedicated functional procurement roles in regional teams and centrally to support the delivery of high standards of procurement compliance.

In 2019, ABP expects the following actions to be completed:

- implementing an online Supplier Portal to manage the registration, sourcing and selection of suppliers which will include classification and qualification questions to support the measuring and monitoring of the percentage of ABP's key suppliers identified as high risk suppliers, as well as the percentage of high risk suppliers that have modern slavery and/or responsible procurement policies in place and reporting internally on those statistics periodically; and
- implementation of the ABP Supplier Code of Conduct which sets out a clear set of ethical principles which ABP will require its suppliers to adhere to.

Through the new supplier selection and onboarding process ABP asks for confirmation from its suppliers that they employ robust procedures for ensuring that slavery, forced labour and human trafficking are eliminated from their supply chain, with particular attention given to the key risk areas highlighted above.



5.

Policies & Contractual Controls

ABP continually promotes a business culture and behaviours that are in line with its company values. These 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, thereby engendering a workplace that is open, honest, inclusive and collaborative. We strive to maintain a business environment in which 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:

- the ABP Anti-Slavery & Human Trafficking Policy, which demonstrates ABP's commitment to the issues of modern slavery and forced labour and ensures 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 sets out clear expectations of how ABP expects its employees to conduct business on its behalf.

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. Unite also undertake annual pay and conditions of employment negotiations 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

ABP's employees have been made aware of the Modern Slavery Act 2015 and the ABP Anti-Slavery & Human Trafficking Policy and guidance has been issued in relation to these, which is also 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. Over the previous year ABP has continued to make progress in seeking to ensure that its supply chain environment remains free from slavery, forced labour and human trafficking. ABP has progressed its strategic review of its procured goods, services and works and developed its central procurement function to lead future procurement activity across the ABP group.

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 2018. This statement has been approved by ABP's board of directors.

Signed by:



**Chief Executive Officer on behalf of
Associated British Ports**

