

MODERN SLAVERY & HUMAN TRAFFICKING POLICY

Policy Statement

Modern slavery is a hidden crime that exists today where workers are exploited by criminals for profit. Currently, modern slavery is prevalent in supply chains in the United Kingdom as well as globally across the world and we must all play our part in reducing its prevalence. It is important that people understand what modern slavery is, can recognise the signs where it is occurring, and know what to do if they encounter it.

The Government passed the Modern Slavery Act in 2015 to deal with slavery and trafficking offences. This Act ensures that police and law enforcement agencies have the powers to deal with modern slavery in all its forms and to provide protection to victims. CarmichaelUK is fully committed to compliance with all aspects of the Modern Slavery Act 2015.

Modern slavery can occur in many industries, but construction ranks highly as an industry that is prone to exploitation. This is because there is a wide-spread use of sub-contracted labour and a high turnover of workers. As a part of the construction industry, CarmichaelUK is working collaboratively with its supply chain to reduce the incidence of modern slavery.

Scope of the Policy

This policy applies to all employees, suppliers, business partners, consultants, contractors, and temporary workers who work for or with CarmichaelUK. All employees are made fully aware of this policy and their duties and responsibilities under it at their induction. All suppliers, business partners and consultants are made aware of the policy as part of their contract with us. As a company we will work only with those individuals and entities who support this policy.

This policy is freely available on our website, along with our annual statement of our approach to modern slavery which outlines the steps we are taking to manage the risk relating to modern slavery and human trafficking.

Policy Elements

The Directors believe that educating people about modern slavery is the beginning of the process to reduce and eventually eradicate it from the construction industry supply chain. Understanding the issue will enable people to work collectively to find and fix the issue.

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Characteristics of modern slavery

In educating people, it is important to first understand the characteristics of modern slavery. There are many different characteristics that distinguish slavery from other human rights violations, however only one of these needs to be present for slavery to exist. Someone is in slavery if they are:

- Forced to work through mental or physical threat.
- Owned or controlled through mental or physical abuse or the threat of it.
- Dehumanised, treated as a commodity or bought and sold as 'property'.
- Physically constrained or have restrictions placed on their freedom of movement.

Modern slavery takes various forms and affects people of all ages, genders, and races. Common forms of modern slavery include the following situations:

- **Forced labour** - any work or service which people are forced to do against their will under threat of some form of punishment. Almost all slavery practices contain some element of forced labour. It is frequently found in labour intensive and/or under-regulated industries such as agriculture & fishing, domestic work, construction, mining, quarrying, manufacturing, processing, packaging, prostitution & sexual exploitation, market trading and illegal activities.
- **Bonded labour** - a person becomes a bonded labourer when their labour is demanded as a means of repayment for a loan. The person is then tricked or trapped into working for very little or no pay and debts are often passed from generation to generation.
- **Human trafficking** - involves people including children being brought into a situation of exploitation using violence, deception or coercion and forced to work against their will. People can be trafficked for many different forms of exploitation including forced prostitution, forced labour, forced begging, forced criminality, domestic servitude, forced marriage and even forced organ removal. When children are trafficked, no violence, deception or coercion needs to be involved: simply bringing them into exploitative conditions constitutes trafficking.
- **Descent-based slavery** - a situation where people are born into a 'slave class', caste or a group viewed as being in slavery by other members of their society. If one's mother is in slavery, one is born into slavery.
- **Child slavery** - includes children who are used by others who profit from them including prostitution or pornography, forced begging and petty theft, the drug trade, forced labour (including domestic work) and forced participation in armed conflict.
- **Slavery in supply chains** - many of the products we buy and use every day were made using forced labour at some point in production. This is not just about a company's suppliers, but the suppliers of suppliers right back to the raw material.
- **Forced and early marriage** - covers children under the age of 18 and can be referred to as slavery if the child has not genuinely given their free and informed consent to enter the marriage. Modern slavery is also present if the child is subjected to control and a sense of "ownership" in the marriage itself, particularly through abuse and threats, and is exploited by being forced to undertake domestic chores within the marital home or labour outside it, and/or engage in non-consensual sexual relations. If the child cannot realistically leave or end the marriage, leading potentially to a lifetime of slavery then modern slavery is present.

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Common signs of modern slavery

Modern Slavery is a hidden crime because it can be difficult to identify a victim and because victims do not feel that they are able to make their plight known. Common signs to look out for that may indicate that modern slavery is happening include the following:

Physical appearance where the person:

- Is tearful, anxious, depressed, submissive, tense, or nervous/paranoid.
- Exhibits unusually fearful or anxious behaviour.
- Appears withdrawn.
- Avoids eye contact.
- Is reluctant to seek help.
- Lacks health care/dental care.
- Appears malnourished.
- Shows signs of physical and/or sexual abuse, physical restraint, confinement, or torture.

Isolation where the person:

- Is not allowed to travel on their own.
- Rarely interacts with others.
- Is unfamiliar with their neighbourhood or where they work.
- Seems under the control of others.

Lack of control where the person:

- Has few or no personal possessions.
- Is not in control of his/her own money, no financial records, or bank account.
- Is not in control of his/her own identification documents such as their ID or passport.
- Is not allowed or able to speak for themselves.
- Is spoken to through a third party who may insist on being present or translating.
- May wear the same clothes repeatedly.
- May wear clothes that are inappropriate for the work being done.

Poor living conditions which are:

- Dirty cramped environment.
- Over-crowded accommodation.
- Involve living and working at the same place.

Unusual travel times where the person:

- Maybe dropped off and collected for work on a regular basis either very early or late at night.

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Managing the risk of modern slavery

CarmichaelUK will take all necessary steps to work collaboratively with our partners to fix and find instances of modern slavery with the aim of eradicating it. The company will:

- Ensure all employees, are aware of what constitutes modern slavery and the common indicators to enable them to identify victims more easily.
- Ensure that suppliers, customers, business partners and others who are directly linked to our business operations understand that we have a zero-tolerance approach to modern slavery.
- Walk away from business or contracts that we suspect may expose us to organisations that condone or use modern slavery practices either directly or indirectly.
- Conduct due diligence with formal suppliers with an annual turnover in excess of £30,000 (excluding VAT) with the aim of ensuring that the company does not purchase products where slavery or human trafficking may form part of the production process. This includes avoiding complex supply chains where such risks are increased.
- Include clauses relating to modern slavery and human trafficking in contracts with formal suppliers and require them to confirm that they will comply with the company's Purchasing & Procurement Policy.
- Examine the company's direct operations, supply chain and other business relationships in high-risk environments to identify risk factors.
- Review performance of key suppliers in terms of policies and practices regarding labour rights issues as part of the procurement process for key purchases.
- Document any identified instances of modern slavery in the business or supply chain together with details of corrective action plans and results.
- Avoid making demands of suppliers or subcontractors that may lead them to abuse human rights and ensure agreed payment terms are adhered to.
- Put in place procedures for reporting concerns over modern slavery within the company's operations and communicate these effectively including a Whistleblowing Policy and clear grievance procedure.
- Follow up any reports or suspicions relating to modern slavery or human trafficking.
- Ensure compliance with associated company policies including its:
 - Purchasing & Procurement Policy.
 - Ethics & Business Integrity Policy.
 - Whistleblowing Policy.
- Provide a copy of this Modern Slavery & Human Trafficking Policy to anyone who makes a written request for it within 30 days from receipt of the request.
- Comply fully with the ETI Base Code including the April 2014 Amendment. Full details of our commitment to upholding the ethical trading initiative standards can be found in the CarmichaelUK Ethics and Business Trading Policy.

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Adherence to this policy

CarmichaelUK will seek positive assurance from formal suppliers that they agree to comply with the principles of this Policy, our Ethics & Labour Standards Policy, and our Purchasing & Procurement Policy which form part of their contract. Formal suppliers are required to demonstrate that they comply with our policies and that they ensure that contracts they have in place with their own suppliers and subcontractors reflect our standards as a minimum. Where appropriate, we may carry out due diligence on prospective suppliers, as well as auditing existing and prospective suppliers with regards to legal and contractual compliance.

Breaches of this policy

Disciplinary action may be taken against any employee who acts in breach of this policy. Disciplinary action may include summary dismissal in the case of a serious breach or repeated breaches. In other cases, it may include a verbal or written warning. Such action will be taken in accordance with the CarmichaelUK disciplinary procedure. Breaches of this policy may also result in the employee responsible being held personally liable if legal action is taken in relation to modern slavery issues. All staff have a responsibility to be vigilant, looking out for signs of modern slavery in the workplace and reporting these immediately in line with our Whistleblowing procedure.

For contractors or temporary workers, the assignment may be terminated immediately, and the contractor or temporary worker may not be offered further work until the outcome of the enquiry has been completed.

Suppliers, business partners and consultants risk termination of their contract with CarmichaelUK if found to be in breach of this policy.

Reporting of suspected cases of modern slavery

Any suspected incidence of modern slavery or human trafficking will be taken seriously and may be reported confidentially in line with the company's Whistleblowing Policy or grievance procedure.

The employee, contractor or temporary worker can expect full protection when making such a disclosure and will not suffer detriment or reprisals of any type for doing so. Details of all such reports will be recorded by the company and audited at least annually.

Employees may wish to contact the Modern Slavery Helpline on 0800 0121 700. This will allow anyone who thinks they may have come across an instance of modern slavery, or indeed who may be a victim themselves, to call for more information and guidance on what to do next. If a specific case of modern slavery is identified in the UK, it should be reported to the police immediately on 101. If potential victims are in immediate danger the standard 999 emergency number should be used.

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Responsibilities of Carmichael^{UK}

It is the direct responsibility of the Managing Director supported by the members of the Board to ensure compliance with this policy on a day- to-day basis.

Responsibilities of Employees

All employees of CarmichaelUK have a responsibility to accept their personal involvement in applying this policy. They must be familiar with the policy and ensure that it is followed by themselves, other employees, contractors, temporary workers, and suppliers for whom they are responsible.

Approval & Review

This policy will be reviewed once a year to ensure continuing suitability with business requirements. As necessary additional alterations may be made from time to time in the light of legislative changes, operational procedures, or other prevailing circumstances.

This policy has been approved by the Board of Directors to ensure it is fit for the purposes of the business in respect of managing the risk of modern slavery and human trafficking.

