Contract Manager Guidance: Ethical Supply Chains

Purpose of this Guidance

This guidance supports Contract Managers responsible for overseeing contracts that include Ethical Supply Chain requirements.

It focuses on practical contract management activities that help Contracting Authorities and suppliers identify, manage and reduce risks of modern slavery, human trafficking, labour exploitation and other unethical employment practices in the delivery of public contracts.

What are Ethical Supply Chains?

Ethical supply chains are supply chains in which workers are treated fairly, lawfully and with respect for their human rights. Ethical supply chains support fair work practices, workforce wellbeing and responsible business behaviour.

Building ethical supply chains includes taking steps to prevent:

- Modern slavery
- Human trafficking
- Forced labour
- Child labour
- Labour exploitation
- Illegal employment practices
- Harm to local or indigenous communities

These supply chain and human rights risks increase where goods or services are sourced through complex, global supply chains, particularly in sectors or regions associated with poor labour standards, vulnerable workers, or weak regulatory oversight.

Why are Ethical Supply Chain requirements included in public contracts?

The Northern Ireland Executive's Social Value Framework includes a theme on **Building Ethical and Resilient Supply Chains**.

Some public contracts contain Social Value requirements under Indicator 2.2:

Commit to ethical supply chains and practices by identifying and managing risks of modern slavery and human rights abuses in the delivery of the contract, including in the supply chain.

These requirements are typically included where there is an elevated risk of modern slavery, labour exploitation, human rights abuses or unethical employment practices within the contract supply chain.

The purpose of Ethical Supply Chain requirements is not to create unnecessary administration. It is to encourage suppliers and Contracting Authorities to work together to identify, manage and reduce risks of modern slavery, human rights abuses and unethical employment practices in the delivery of public contracts, while supporting fair and responsible business practices.

What Should I Expect From a Supplier?

Depending on the contract requirements, suppliers may be required to:

✅ Complete the Modern Slavery Assessment Tool (MSAT)

✅ Develop an action plan to identify and mitigate human rights risks in their operations, including remediation mechanisms if necessary

✅ Produce a supply chain map

✅ Deliver modern slavery awareness training

✅ Report progress during the contract

✅ Review and update actions throughout the contract

✅ Demonstrate continuous improvement

Always check the specific requirements set out within the contract you are managing. Different contracts may contain different initiatives, timescales and reporting requirements.

Contract Manager Checklist

At Contract Commencement

Have you:

☐ Confirmed which Ethical Supply Chain initiatives apply?

☐ Confirmed submission dates and milestones?

☐ Discussed requirements with the supplier?

☐ Signposted available guidance and resources?

☐ Agreed reporting arrangements?

☐ Confirmed how progress will be reviewed during the contract?

During the Contract

Have you:

☐ Reviewed supplier progress?

☐ Discussed supply chain risks?

☐ Reviewed any new suppliers introduced during delivery?

☐ Considered recruitment and labour supply risks?

☐ Recorded delivery through the Social Value monitoring arrangements?

☐ Escalated concerns where appropriate?

At Annual Review

Have you:

☐ Reviewed progress against agreed actions?

☐ Checked supporting evidence?

☐ Discussed any emerging risks?

☐ Agreed actions for the year ahead?

☐ Encouraged continuous improvement?

Reviewing Supplier Submissions

Modern Slavery Assessment Tool (MSAT)

If the MSAT is included within the contract requirements, suppliers may be required to complete the assessment and develop an improvement plan based on the recommendations.

When reviewing the improvement plan, consider:

- Does it identify actions arising from the MSAT assessment?
- Are responsibilities clearly assigned?
- Are completion dates included?
- Does it focus on meaningful improvements rather than repeating existing policy statements?

Supply Chain Mapping

A supply chain map helps identify where ethical risks may exist.

A good supply chain map should:

- Identify key suppliers involved in contract delivery.
- Highlight higher-risk suppliers, goods, services or labour sources.
- Consider recruitment and labour supply arrangements.
- Include a simple risk assessment.
- Set out any actions planned or completed.
- Be reviewed periodically.

Contract Managers should encourage suppliers to focus on the areas of greatest risk rather than attempting to assess every supplier in the same level of detail.

Example

Supplier	Product / Service	Risk Level	Action
Supplier A	Workwear	Low	Annual review
Supplier B	Electronics	Medium	Supplier questionnaire
Supplier C	Agency labour	High	Enhanced due diligence

Modern Slavery Training

Where training forms part of the contract requirements, Contract Managers may wish to consider:

- Who received the training?
- How frequently is training delivered?
- Does the training cover modern slavery indicators and reporting mechanisms?
- Are attendance records retained?

The objective is to ensure staff understand how to identify and respond to potential labour exploitation concerns.

Responsible Recruitment

Many modern slavery and labour exploitation risks arise during recruitment and workforce deployment. Risks may be higher where:

- Labour is sourced through multiple agencies.
- Workers are recruited from overseas.
- Workers depend on employer-provided accommodation or transport.
- Cash payments are common.
- Workers have limited English language skills.
- High staff turnover exists.
- Workers have temporary or insecure employment arrangements.

Where these indicators are present, Contract Managers should consider discussing responsible recruitment practices with suppliers and may wish to seek additional assurance from the supplier.

Examples include:

- The use of labour providers and recruitment agencies.
- No recruitment fees charged to workers.
- Worker induction arrangements.

- Availability of grievance and whistleblowing mechanisms.
- Workforce welfare arrangements.
- Communication with workers whose first language is not English.

Contract Review Meetings

Ethical Supply Chains should be a standing agenda item at contract review meetings.

Useful discussion questions include:

Supply Chain

- Have any new suppliers been introduced?
- Have there been any supply chain disruptions?
- Have any higher-risk suppliers been identified?
- Have any concerns been raised regarding labour standards or human rights violations?

Recruitment and Workforce

- Have labour providers changed?
- Are there any recruitment challenges?
- Are any workforce vulnerabilities emerging?
- How do workers raise concerns?

Continuous Improvement

- What actions have been completed since the last review?
- What improvements have been made?
- What challenges remain?
- What actions are planned next?

Monitoring Requirements

Where specified within the contract, suppliers are required to record progress through the Social Value Monitoring System. Contract Managers should review monitoring reports regularly and ensure:

- delivery remains on track;
- evidence is available where required;
- under-performance is addressed promptly.

Reviewing Progress Reports

When reviewing supplier progress reports, it may be useful to consider:

- What risks were identified?
- What actions were taken?
- What evidence supports delivery?
- What challenges were encountered?
- What improvements have been made?
- What actions are planned for the next reporting period?

The focus should be on evidence of continuous improvement rather than perfection.

Examples of Supporting Evidence

Examples of evidence that suppliers may provide include:

- MSAT report
- Improvement plan
- Supply chain map
- Supplier questionnaires
- Training records
- Modern Slavery Statement
- Human Rights Policy
- Contract review reports
- Records of supplier engagement

Supporting SMEs

Many Northern Ireland suppliers are SMEs and may be delivering Ethical Supply Chain requirements for the first time.

Contract Managers should remember that suppliers are expected to take a proportionate approach which reflects:

- the size of their organisation;
- the nature of the contract; and
- the level of risk within the supply chain.

The objective is to identify and manage risks appropriately, not to create unnecessary administrative burdens.

Helpful Resources

Understanding Modern Slavery

- Modern Slavery Assessment Tool (MSAT) - An online self-assessment tool that helps organisations identify, manage and reduce modern slavery risks in their operations and supply chains.
- Stronger Together UK & Ireland resources and toolkits - Free practical guidance, templates and tools to help organisations tackle labour exploitation, modern slavery and responsible recruitment risks.
- UK Government Transparency in Supply Chains Guidance - Practical guidance for businesses on identifying, preventing and addressing modern slavery risks within their operations and supply chains.

Identifying Supply Chain Risks

- Global Slavery Index - Country and sector risk information to support supply chain mapping and risk assessment.
- US State Department Trafficking in Persons Report - Annual assessment of human trafficking risks and government responses around the work, including country-specific risk information.
- US Department of Labor List of Goods Produced by Child Labor or Forced Labor (ILAB) - Identifies goods and source countries where there is reason to believe child labour or forced labour may be present.

Responsible Recruitment

- Stronger Together 360° Assessment Tool - An online self-assessment tool to help organisations identify strengths and gaps in their responsible recruitment and anti-slavery arrangements.
- Association of Labour Providers (ALP) - Guidance and resources for organisations using labour providers, including information on responsible recruitment, worker welfare and labour standards.

Human Rights Due Diligence

- Business & Human Rights Resource Centre - Free guidance and examples to help organisations understand and manage human rights risks in their operations and supply chains.
- UN Global Compact Human Rights Due Diligence Resource Hub - Practical tools, training and guidance to help businesses develop effective human rights due diligence processes.
- UN Guiding Principles on Business and Human Rights - The internationally recognised framework setting out the responsibility of businesses to respect human rights and address human

Further Support

The Social Value Unit can provide support and advice to Contracting Authorities and suppliers delivering Social Value requirements.

Contract Managers should encourage suppliers to seek support early where challenges arise and use contract review meetings as an opportunity to discuss progress, barriers and opportunities for improvement.