Supplier Guidance: Ethical Supply Chains

Purpose of this Guidance

This guidance explains how to deliver Ethical Supply Chain requirements that may be included in public sector contracts in Northern Ireland.

It is designed for suppliers of all sizes, including SMEs, social enterprises, voluntary/community organisations and larger organisations. The guidance focuses on practical actions that can help you identify and manage risks of modern slavery, human rights abuses and unethical employment practices in your supply chain.

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 also 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 am I being asked to do this?

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

Some public contracts contain a Social Value requirement 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.

Contracting Authorities may include this requirement where:

- The supply chain contains higher-risk goods or services;
- Workers may be vulnerable to exploitation;
- There is greater risk of modern slavery or human rights abuses;

- The sector has recognised ethical sourcing risks.

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 might my contract require?

Depending on your contract, you may be asked to:

✅ Complete the Cabinet Office's Modern Slavery Assessment Tool (MSAT)

✅ Prepare an improvement or action plan to identify and mitigate human rights risks in your 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 during the contract period

Always check the specific terms of your contract as requirements may differ between contracts.

A Five-Step Approach

Step 1: Understand the Contract Requirements

At contract award:

- Review the Social Value requirements.
- Identify any deadlines.
- Check what evidence must be submitted.
- Discuss the requirements with the Contract Manager if anything is unclear.

Create a simple action plan showing:

- What needs to be completed;
- Who is responsible;
- Target dates.

Step 2: Identify Your Supply Chain

Start by identifying the suppliers involved in delivering the contract.

This may include:

- Manufacturers
- Distributors

- Labour providers
- Recruitment agencies
- Logistics providers
- Sub-contractors
- Service providers

Focus first on the suppliers that have the greatest impact on delivery of the contract.

Step 3: Assess Risk

Consider where there may be an increased risk of:

- Modern slavery
- Human trafficking
- Forced labour
- Child labour
- Poor working conditions

Risk may be higher where:

- The supplier operates in countries with weak labour protections.
- Temporary, agency or migrant labour is used.
- Labour-intensive sectors are involved.
- Goods are sourced through complex international supply chains.

The aim is not to eliminate every risk immediately. The aim is to understand where the greatest risks may exist and take reasonable steps to manage them.

Step 4: Take Action

Examples of actions include:

- Completing the Cabinet Office's Modern Slavery Assessment Tool.
- Developing an improvement plan.
- Asking suppliers about their modern slavery controls.
- Requesting relevant policies.
- Providing awareness training.
- Including ethical requirements in contracts with suppliers.
- Increasing engagement with higher-risk suppliers.

Proportionate action is key. A small business with ten suppliers is not expected to manage risk in the same way as a large multinational company.

Step 5: Monitor and Report

Keep records of the actions you have taken.

At contract review meetings:

- Share progress with the Contracting Authority.
- Discuss any concerns or emerging risks.
- Provide updates on agreed actions.
- Explain any challenges and how they are being addressed.

Good communication is one of the most effective ways to manage ethical supply chain risks.

Completing the Modern Slavery Assessment Tool (MSAT)

Many contracts require suppliers to complete the Cabinet Office's Modern Slavery Assessment Tool (MSAT).

MSAT helps organisations:

- Understand their exposure to modern slavery risks;
- Assess existing controls;
- Identify gaps;
- Develop practical improvements.

After completing MSAT:

- Review the recommendations.
- Prioritise actions.
- Develop an improvement plan.
- Share the plan with the Contracting Authority where required.

MSAT is intended to support continuous improvement and is not a pass/fail exercise.

Producing a Supply Chain Map

A supply chain map helps you understand where ethical risks may exist.

It does not need to be complicated.

A spreadsheet is often sufficient.

Example:

Supplier	Product / Service	Country	Risk Level	Action
Supplier A	Workwear	UK	Low	Annual review
Supplier B	Electronics	Overseas	Medium	Supplier questionnaire
Supplier C	Agency labour	UK	High	Enhanced checks

You may wish to record:

- Supplier name
- Product or service supplied
- Country of operation
- Type of workforce used
- Risk level

- Planned actions
- Review date

The supply chain map should be reviewed periodically as suppliers and risks change.

Responsible Recruitment

Many cases of labour exploitation and modern slavery arise during the recruitment process, particularly where temporary, agency, migrant, seasonal or low-skilled labour is involved.

Suppliers should ensure that workers engaged directly or through labour providers are recruited in a fair, transparent and ethical manner.

Good practice includes:

- Ensuring workers are not charged recruitment fees.
- Verifying the legitimacy of labour providers and recruitment agencies.
- Providing workers with clear information about their role, pay and working conditions before employment begins.
- Ensuring workers understand their employment rights.
- Providing contracts and key employment information in a language workers understand where possible.
- Having clear grievance and whistleblowing mechanisms.
- Monitoring labour providers and recruitment agencies throughout the contract.

Where labour providers are used, suppliers should consider whether additional due diligence is required based on the nature of the work and workforce.

Recruitment Risk Indicators

Consider whether higher risks may exist 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.

If one or more of these factors are present, suppliers may wish to undertake additional checks and monitoring

Tackling Modern Slavery Training

Some contracts may require training for staff working on the contract.

Training should help staff:

- Understand what modern slavery is;
- Recognise warning signs;

- Know how concerns can be reported;
- Understand the organisation's procedures.

Training can be delivered through:

- E-learning
- Toolbox talks
- Team briefings
- Workshops
- Induction programmes

Keep records of attendance and completion.

What Does Good Practice Look Like?

Good practice in relation to Building Ethical and Resilient Supply Chains does not need to be complicated.

A supplier demonstrating good practice may:

✓ Know who their key suppliers are

✓ Understand where higher risks exist

✓ Complete MSAT

✓ Keep a supply chain risk register

✓ Deliver awareness training

✓ Engage with higher-risk suppliers

✓ Review and update actions regularly

✓ Discuss progress with the Contracting Authority

The focus should be on continuous improvement rather than perfection.

Evidence You May Wish to Retain

You may be asked to demonstrate progress during the contract.

Useful evidence may include:

- MSAT report
- Improvement plan
- Supply chain map
- Supplier questionnaires
- Modern Slavery Statement (where applicable)
- Training records
- Contract review reports

- Internal policies and procedures
- Notes of supplier engagement activities

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 US government efforts to combat human trafficking globally, 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 rights risks.

Procurement and Supply Chain Professionals

- Chartered Institute of Procurement and Supply (CIPS) Modern Slavery Resources - Guidance, case studies and training materials for procurement professionals managing modern slavery risks in supply chains.

Frequently Asked Questions

We are a small business. Are the expectations different?

Yes. Requirements should be approached proportionately. Small businesses are expected to take reasonable steps to identify and manage risks that are relevant to their organisation and the contract.

Can we use our existing Modern Slavery Statement?

Yes. Existing policies and statements can support delivery, but they may not replace any specific contract requirements.

How often should we review our supply chain map?

At least annually, and whenever significant changes occur within the supply chain.

What if we identify a risk?

You should assess the issue, take reasonable steps to address it and inform the Contracting Authority where appropriate.

Further Support

If you require assistance in delivering Ethical Supply Chain requirements, speak to your Contract Manager in the first instance.

The Social Value Unit can also provide guidance and signpost suppliers to relevant resources and support networks.