

Modern Slavery Awareness Briefing

F R E E D O M

June 2024

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In today's interconnected global economy, international businesses rely on complex supply chains.

While these networks enable the efficient movement of goods and services, they also pose significant ethical challenges.

It's a harsh reality that modern day slavery is alive and thriving, where millions of people are forced into labour under exploitative conditions.

As responsible corporate citizens, we have a responsibility for reshaping the safety standards of our suppliers for the better.

Factoid

An estimated 49.6 million people
28 million in forced labour
12 million children in modern slavery
6.3 million in forced sexual exploitation.
The covert nature of human trafficking and
modern slavery makes it hard to get an accurate
picture of the scale of the problem.

Source: International Labour Organisation

Factoid

1 in 3 foreign workers in Malaysia's electronics sector work under conditions of forced labor. Down the supply chain, in the Democratic Republic of Congo, armed troops make profits from forcing people to mine coltan and other precious minerals used by the electronics industry, and spend it on weapons and ammunition, perpetuating conflict.

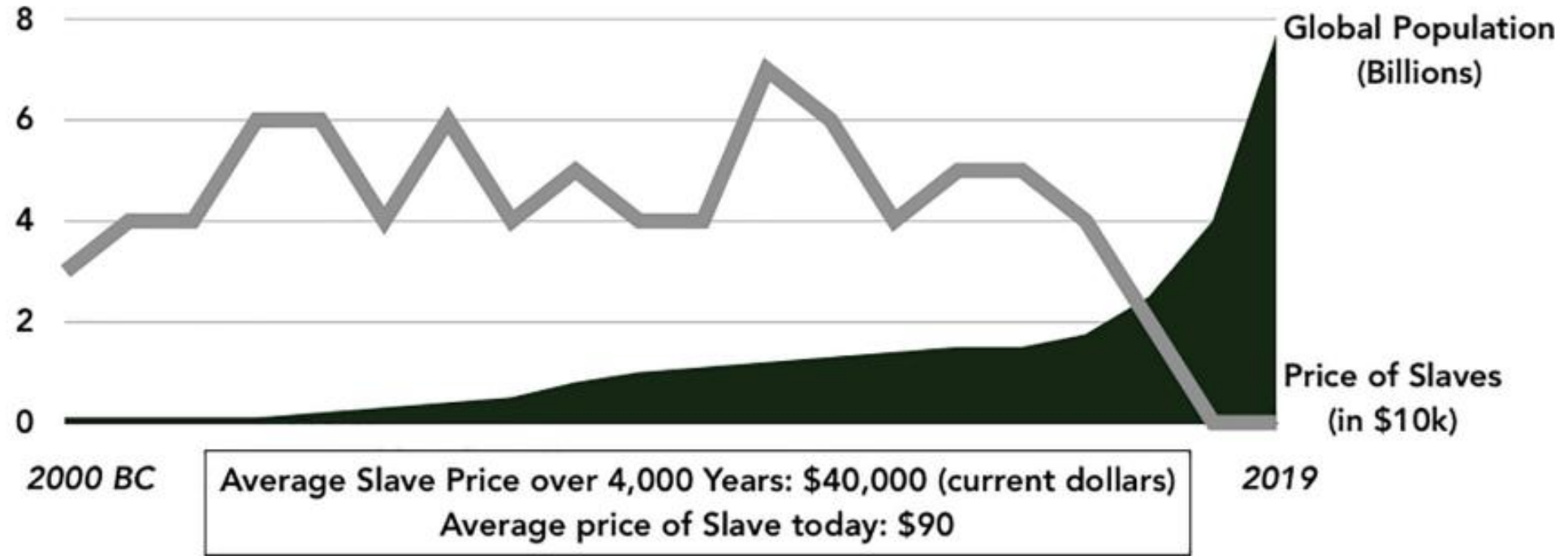
Source: Unseen

Bringing it to Life: Barbie



Source: Justin Wolfers
Professor of Economics
University of Michigan
Image: Mattel

Global population & average slavery prices (adjusted for inflation and to US\$)



Source: K.Bales & B.K. Sovacool (Energy Research & Social Science)

Factoid

An estimated US\$150 billion.
Highest profits earned in Asia Pacific region (51.8%) and in developed economies and the EU (46.9%).

That's higher than the total GDP of Croatia, Lithuania, Cyprus and Uganda combined. More surprisingly, nearly half of these annual profits (\$46.9 billion to be exact) are generated in developed countries like the UK.

Source: Unseen

Map & Document your Supply Chain



We need to say, 'I've checked my supply chain. We're good. My suppliers, my supplier's suppliers and my supplier's supplier's suppliers aren't involved.'

Joe Walden Associate Teaching Professor
Analytics, Information & Operations
Management, University of Kansas.

According to U.S. Customs and Borders Protection (CBP), advising on the Uyghur Forced Labor Prevention Act (UFLPA), you should maintain the minimum information:

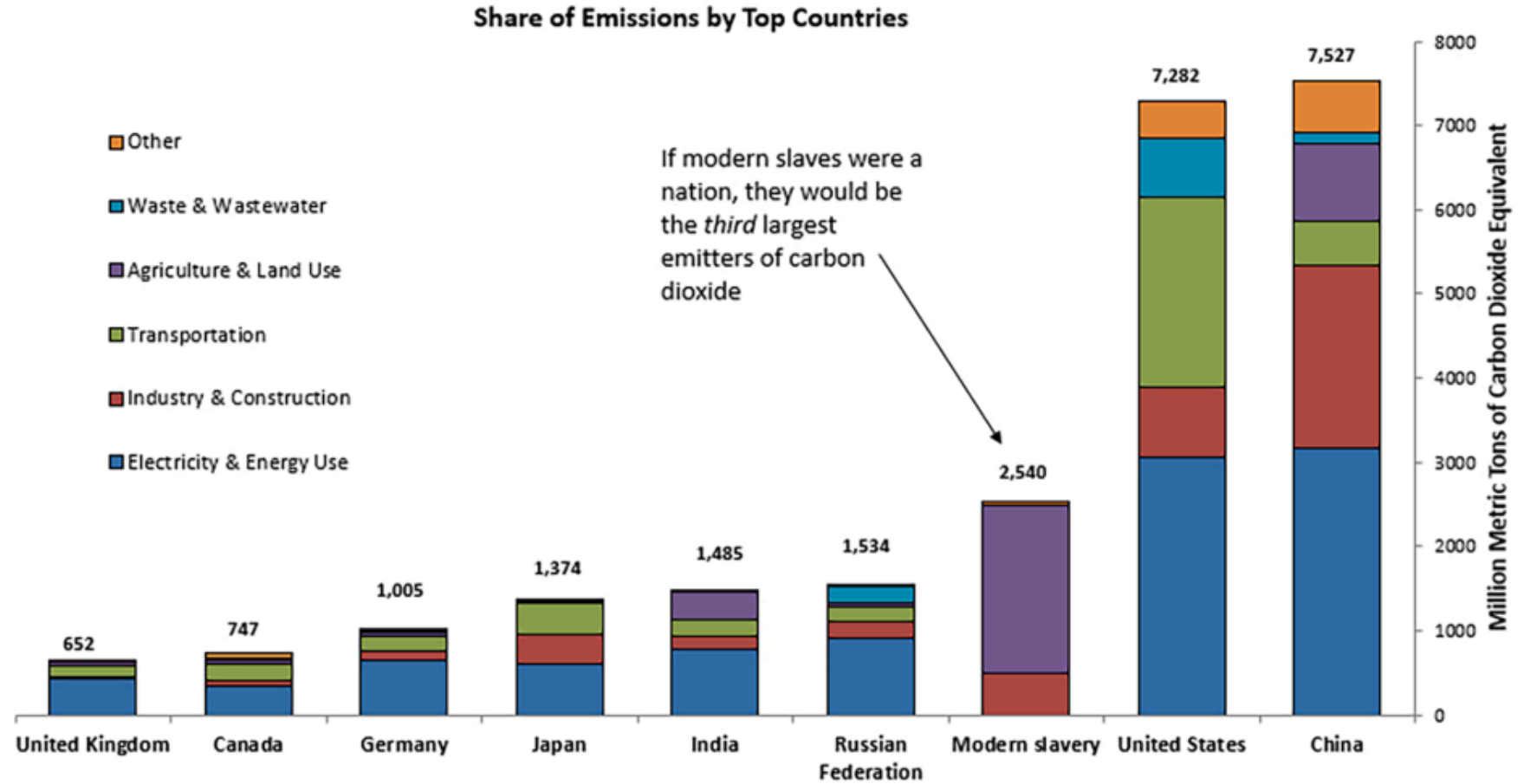
- Detailed description of your supply chain including all stages of production
- A list of suppliers involved in each step of the production process
- Contact information for all suppliers
- Documentation that traces raw materials to merchandise
- Manufacturing or production records
- Reports on factory conditions including reports on site visits
- Reports showing that the volume of inputs matches the volume of outputs for merchandise produced

Modern Slavery – a contributor to climate change

Slave labour is commonly used for activities like illegal logging, fishing and the mining of natural commodities such as gold and other minerals for our mobile phones and laptops. Each of these industries causes massive amounts of CO2 pollution.

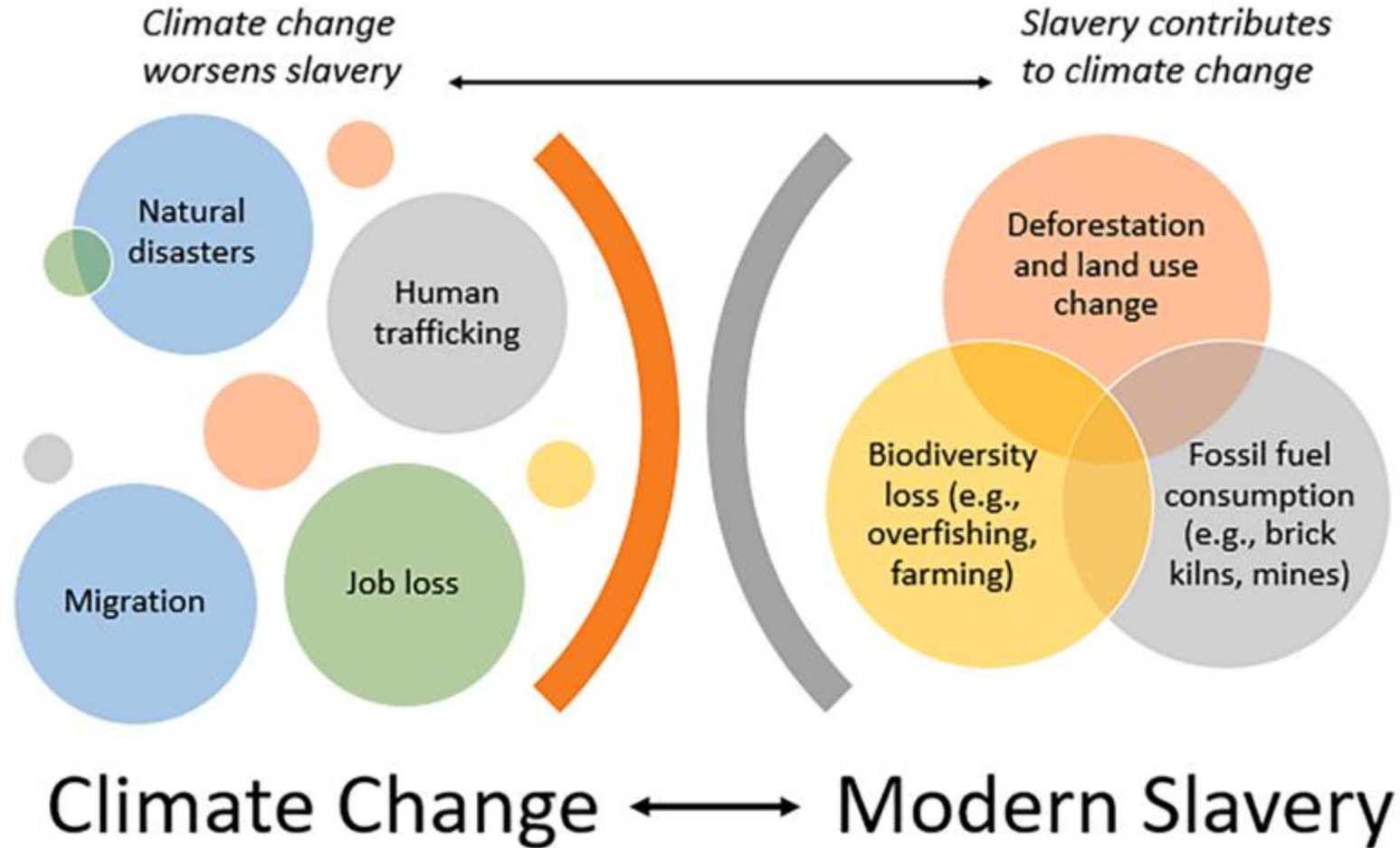
Modern Slavery and Climate Change

Contribution of Modern Slavery to Global Greenhouse Gas Emissions



Source: K.Bales & B.K. Sovacool (Energy Research & Social Science)

Modern Slavery and Climate Change



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QinetiQ in Numbers



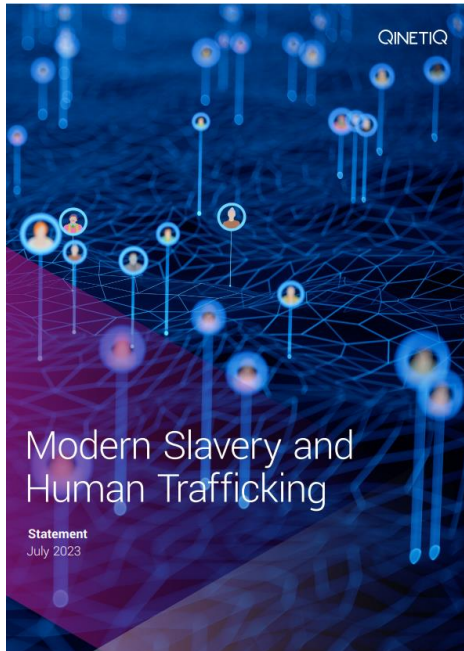
Approx **8,200** active suppliers
91% of spend: QQ UK, US & AUS



Group Revenue FY23: **£1,580.7m**
93% revenue from UK, US & AUS



0.4% Tier1 suppliers located in high risk countries
0.09% of our global spend



Region	Nbr of Suppliers	KPI	FY23
N. America	2,170	% of key role employees completed training	88%
S. America	7	% of suppliers who have signed the Supplier Code of Conduct	77%
Europe (including UK)	4,542	% of suppliers who have fully completed JOSCAR assessments	81%
Africa	6	% of suppliers in high risk countries completed annual sanctions checks	100%
Asia-Pacific	53	Number of written briefings provided to the Board on Modern Slavery	3/3 100%
Australasia	77		

Legislation: QinetiQ Group



- S-211 Fighting Against Forced Labour and Child Labour in Supply Chains Act



- Trafficking Victims Protection Act (TVPA)
- Uyghur Forced Labour Prevention Act (UFLPA)



- German Supply Chain Due Diligence Act (GSCDDA)
- (EU) Corporate Sustainability Due Diligence Directive (CS3D)



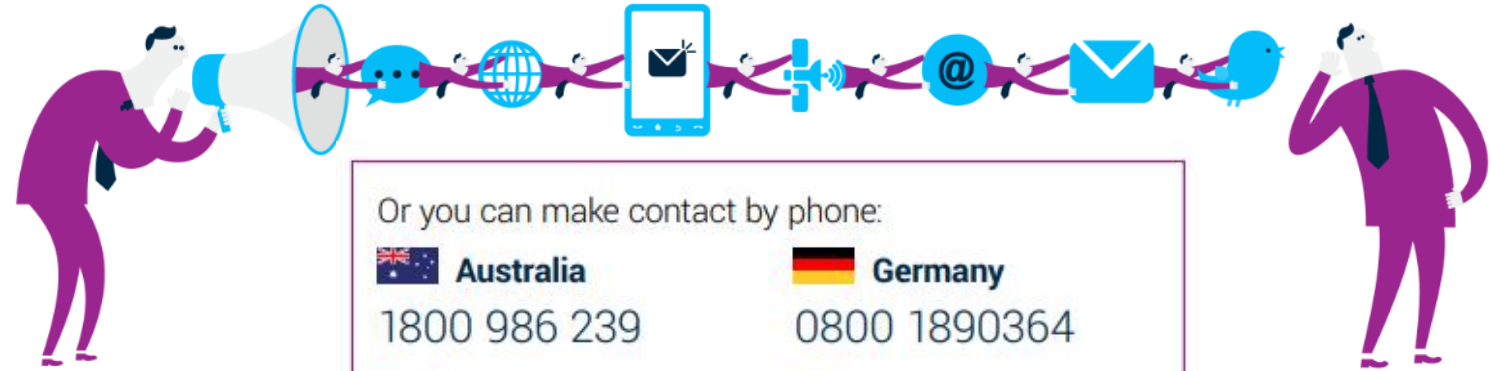
- Modern Slavery Act
- PPN 02/23
- Social Value Model









- Commonwealth Modern Slavery Act


QinetiQ Speak Up

- It is important to QinetiQ that all our suppliers speak up if they identify a concern modern slavery in our supply chains.
- We have a number of routes available including our “confidential report” service, which operates 24/7 and our ethics line.



Or you can make contact by phone:

 Australia 1800 986 239	 Germany 0800 1890364
 Canada (844) 932 1013	 Sweden 020 10 93 34
 France 0805 08 09 86	 UK 0800 069 8738

 For suppliers to our US business, please use the following details:

Ethics email: **ethics@us.QinetiQ.com**

Externally provided confidential reporting system
<https://QinetiQinc.ethicspoint.com>

Toll free number, accessible anytime from within and outside the USA

1-888-400-4511

For our ethics email please use:

ethics@QinetiQ.com

To use the externally provided confidential reporting system, visit:

<http://QinetiQ.ethicspoint.com/>

Reporting Concerns - Helplines

UK:

[Modern Slavery Helpline](#)

Call: 08000 121 700

Police: 999

Canada:

[Canadian Human Trafficking Hotline](#)

Call: 1-833-900-1010

Police: 911

USA:

[National Human Trafficking Hotline](#)

Call: 1-888-373-7888

Text: 233733

Police: 911

Germany:

[Service Centre against Labour Exploitation, Forced Labour and Human Trafficking](#)

Call (women): +49 8000 116 016

Call (men): + 49 800 1239000

Police: 110

Australia:

[Anti-Slavery Australia](#)

Call: 02 9514 8115

Police: 000

Federal Police: 131 237



Expectations of our Supply Chain



Expectations:

- Uphold the same standards as ourselves
- Flow down these requirements
- Perform the required due diligence
- Publish modern slavery statements and codes of conducts
- Monitor purchasing practices do not create pressures
- Consider risks of modern slavery at all relevant steps
- Consider vulnerable worker groups
- Put measures in place to report grievances e.g. Speak Up Line

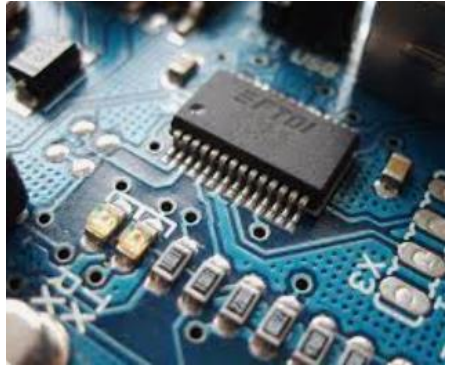


Factoid

Over 3.5 million people work in the palm oil industry, often on the promise of high-paying work. Some of these workers are then exploited, forced to work to repay a debt. Others are exploited in palm oil plantations in their own country, particularly Indonesia.

Source: Unseen

High Risk Categories



Bringing it to Life: ChatGPT

TIME



Source: Time Magazine

ChatGPT, hailed as one of 2022's most impressive technological innovations. Within 1 week it had 1 million users.

Creator, OpenAI, outsourced data labelling of toxic content to Kenyan partner Sama who employs workers in Kenya, Uganda and India.

Interviewed Kenyan data labellers:

- earned between \$1.32 and \$2 per hour
- expected to read, label 150-250 passages of text per 9 hour shift
- traumatic nature of texts

The contracts stated that OpenAI would pay an hourly rate of \$12.50 to Sama

There is no universal minimum wage in Kenya (Nairobi, Receptionist \$1.52)

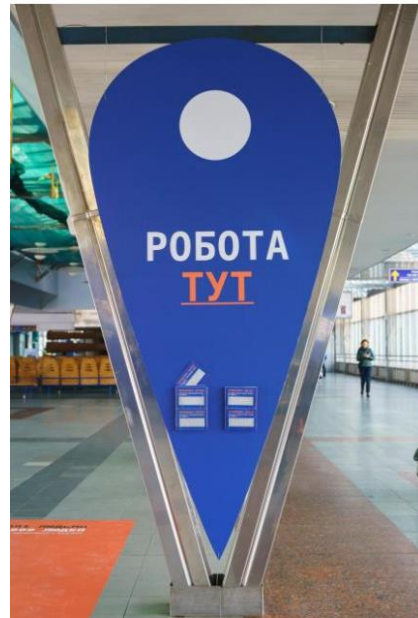
Bringing it to Life: Impact of Conflict

Estimated number living in Modern Slavery pre-war:
559,000 (12.8 per 1000)

Ukraine ranks 4th for prevalence and 3rd in terms of total estimated number of people in slavery in Europe / Central Asia Region



**“LOOK
AGAIN”
Campaign**
International
Organisation
for Immigration



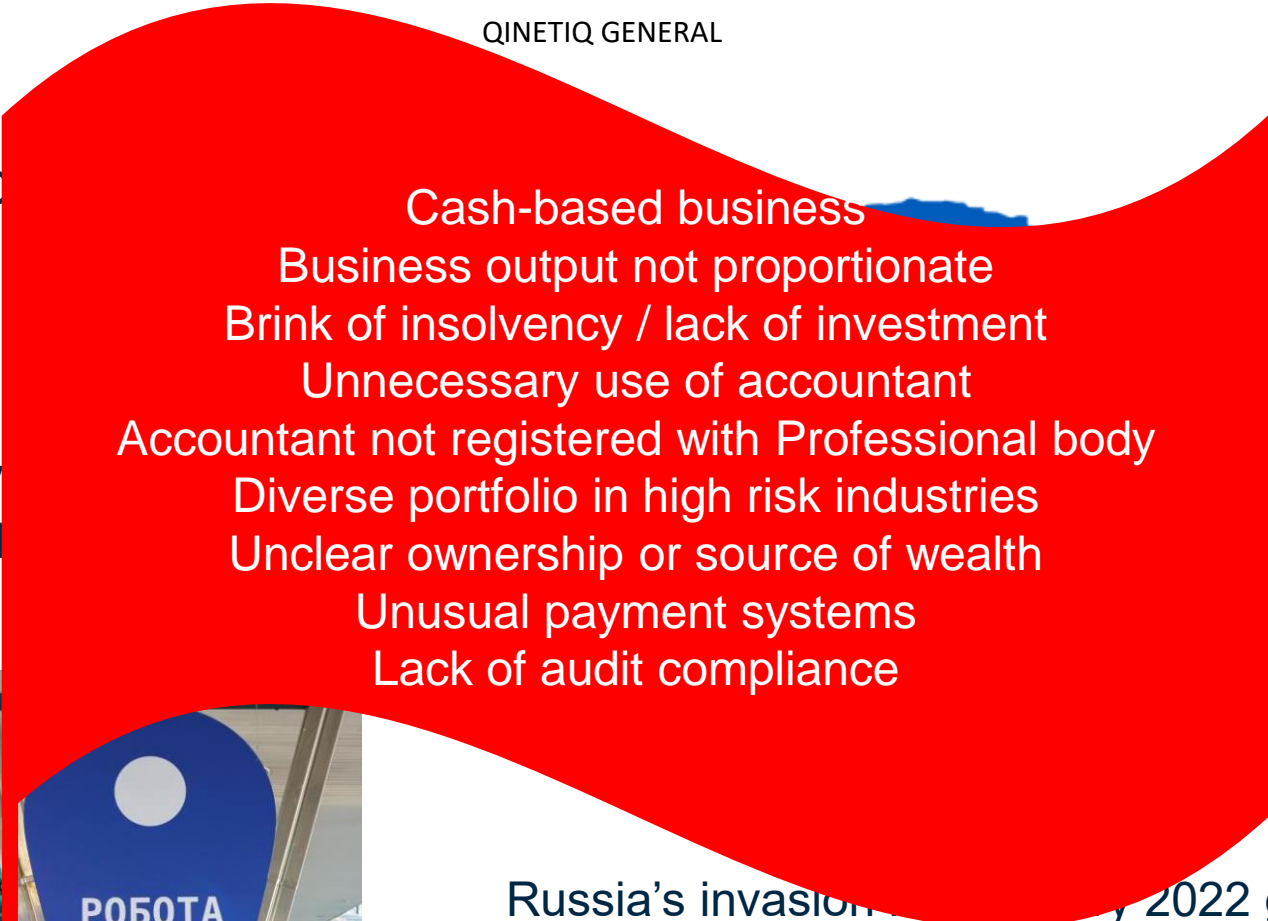
Russia’s invasion in February 2022 generated new risks through mass displacement and exacerbated pre-existing vulnerabilities, including children in institutionalised care.

The conflict has amplified gaps, and hampers the Government’s ability to address them

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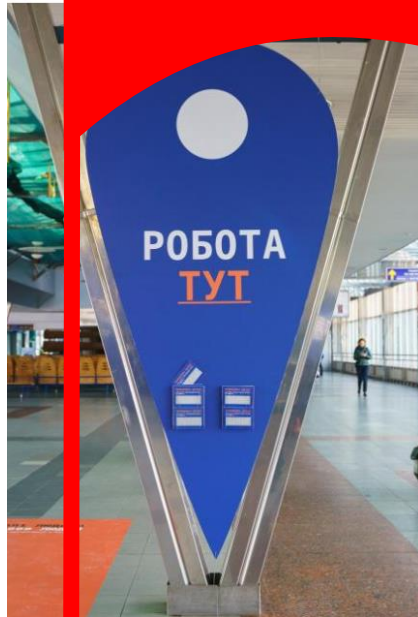
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- Cash-based business
- Business output not proportionate
- Brink of insolvency / lack of investment
- Unnecessary use of accountant
- Accountant not registered with Professional body
- Diverse portfolio in high risk industries
- Unclear ownership or source of wealth
- Unusual payment systems
- Lack of audit compliance



**“LOOK
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Bringing it to Life: Amazon

Agency workers have been left in the lurch with zero-hours contracts and no guarantee of pay for 20 hours' work a week – both of which are in breach of Amazon's stated policies... many warehouse workers struggling to pay bills, with shifts cancelled at the last minute and hundreds of pounds in wages left unpaid.

There are over 6.3 million sellers on Amazon, each with their own supply chains

Outsourcing recruitment through temporary agencies, Amazon has created a situation where working for the world's richest man (\$190bn) is no guarantee of a livable wage.



“Governments must not allow companies to outsource their moral responsibility to treat their staff with decency and respect. It should be a bare minimum for firms to pay staff a fair wage and uphold workers' rights.”

20,000+ seasonal workers in the UK in 2020

Source: Bureau of Investigative Journalism

Image: Amazon

Recruitment Considerations

Coercive recruitment: abduction, confinement

Recruitment linked to debt

Use of recruitment fees

Deception about nature of work, working conditions, legality of work

Forced overtime

Limited freedom of movement and communication

Dependency on employer for accommodation, food, travel

Confiscation of identity papers

Withholding of assets and / or wages

Threats against family members

Financial penalties or blackmail

Constant surveillance

Isolation

Sexual or physical violence or punishment

Religious retribution

169 million
migrant
workers

5% of global
workforce

1 in 20
workers is a
migrant



Source: Institute for Human Rights and Business

Indicators of Modern Slavery

If a person doesn't have access to their passport

If a person has injuries as a result of controlling measures

If a person let's someone else speak for them

If a person works long hours for little or no pay

If a person speaks another language

Real Living Wage



Definition:

“The [Living Wage](#) requirement applies to any third-party contracts for regular services (but not goods) provided to or on behalf of your organisation for two or more hours a week for eight or more consecutive weeks in a year.”



The Minimum Wage
UK GOV minimum for
under 23s
£10.18

The National Living Wage
UK GOV minimum for over
23s
£10.42

The Real Living Wage
Based on what people
need to live
£12.00 UK
£13.15 London

Source: Living Wage Foundation

Practical Guidance to Suppliers

What is your official position on modern slavery?

- Be explicit about what conduct you expect from all of your stakeholders through a policy or code of conduct

Where are your highest risks of modern slavery in your business?

- Undertake a risk assessment of high risk countries and high risk categories within your supply chain
- Engage in conversation with suppliers, peers and industry bodies to access a combination of data and analysis

What due diligence do you have in place to manage the risks of modern slavery?

- Due diligence policies and procedures relating to:
 - Recruitment
 - Confidential reporting mechanism
 - Supplier audits

Practical Guidance to Suppliers

Are you educating your stakeholders about modern slavery risks?

- Employees
- Suppliers

What will you do if an instance of modern slavery is found in your business or supply chain?

- Escalation plan
- Appropriate remediation and victim support
- Working to address the issue and not terminating contracts and walking away

Do you know if your actions are guarding against modern slavery?

- Evaluate effectiveness
- Metrics, assessments and reporting by performance

Further Guidance

- [QinetiQ Supplier Code of Conduct](#)
- [QinetiQ Sustainable Procurement Guide](#)

- [Stronger Together](#)
- [Global Slavery Index](#)
- [Ethical Trading Initiative](#)
- [UN Guiding Principles Reporting Framework](#)
- [Know the Chain](#)
- [International Labour Organisation](#)
- [Institute for Human Rights and Business](#)
- [UK Government Resources](#)
- [UK Gangmasters & Labour Abuse Authority](#)
- [Salvation Army](#)
- [Unseen: Modern Slavery Helpline](#)

What will you differently?



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