

# London Universities Purchasing Consortium Slavery and Human Trafficking Statement

Year Two: A Review of 2016

## Introduction

London Universities Purchasing Consortium (LUPC) is a non-profit, professional buying organisation owned by its Members, for its Members. We aim to derive better value for our Members through the collaborative procurement of goods and services, without causing harm to others.

LUPC remains committed to supporting the UK Government's [National Action Plan](#), updated in May 2016, to implement the UN Guiding Principles on Business and Human Rights.

This Statement is designed to satisfy the requirements of Part 6 of the Modern Slavery Act 2015, by informing our Members, students, staff, campaigners and the public about LUPC and our policy with respect to modern slavery, human trafficking, forced and bonded labour and labour rights violations in our supply chains and the steps taken to identify, prevent and mitigate the risks. This is LUPC's second annual statement to be published under the Act.

## Our structure

LUPC is one of six separate, regional purchasing consortia serving UK higher education, sharing many of the framework agreements that we manage for the benefit of our members nationally.

LUPC is a company limited by guarantee, with a Board of directors responsible for the strategic leadership of the consortium and an Executive Committee of procurement professionals that oversees its work. Both are democratically-elected by the membership, while the Board appoints LUPC's Director, leading a staff of ten.

Although, as a business, LUPC turns over far less than the threshold for businesses required to publish a statement under the Act, our Board considers that our members' spend (over £200m annually) through our supply agreements warrants a statement on the risks inherent in our supply chains and the steps we are taking to address them, in line with LUPC's leading practices in sustainable and responsible procurement.

## Our policy

We share our Members' values when it comes to responsible procurement. Our current [Sustainable Procurement Policy](#) is shared by all purchasing consortia that make up Procurement England Limited, our vehicle for national, developmental collaboration in procurement in English higher education.

LUPC's new Responsible Procurement Advisory Group is scheduled to recommend a new Responsible Procurement Policy and Strategy for LUPC to the Board for approval in March 2017, which will explicitly address our modern slavery and human trafficking policy goals.

## **Our spend categories and those that present risks of human rights abuses**

LUPC's supply chains mainly fall under five 'super-categories', which are:

- Laboratory Consumables and Equipment
- Library Resources
- Professional Services
- ICT Equipment and Services
- Estates Goods and Services

The principal spend categories that we believe carry higher risks to human rights are office supplies, laboratory consumables and equipment, ICT equipment and some estates services, such as cleaning and security services.

## **Our due diligence processes and their effectiveness**

In our [first statement](#), we identified the main categories of goods and services that present higher risk of human rights abuses. During 2016, we have advanced our knowledge and understanding of these risks and we are now progressively implementing strategies to address them.

In some cases, such as cleaning and security services, we are developing new approaches in collaboration with our suppliers to protect workers from human rights abuses. Across all our higher-risk spend categories, our intention is to codify and communicate for wider benefit those due diligence processes that we find to be the most successful.

### *Office supplies and laboratory consumables*

LUPC leads in the procurement of office supplies for UK higher education institutions and other Members. A wide range of products are supplied, many of which are sourced by our distributors from producers in low-cost countries where modern forms of slavery are prevalent. The UK agreement for laboratory consumables is led by our sister consortium, Southern Universities Purchasing Consortium (SUPC).

Most of our suppliers in these higher-risk categories have committed to the [Base Code](#) of the [Ethical Trading Initiative](#) (ETI), which is founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of labour practice, requiring that:

- Employment is freely chosen;
- Freedom of association and the right to collective bargaining are respected;
- Working conditions are safe and hygienic;
- Child labour shall not be used;
- Living wages are paid;
- Working hours are not excessive;
- No discrimination is practised;
- Regular employment is provided; and
- No harsh or inhumane treatment is allowed.

Following the publication of the British Medical Association's report [In Good Hands](#), we have worked with our laboratory consumables suppliers to identify sources of laboratory gloves in the BMA report that were the subject of factory audits and media reports. LUPC's intention is to establish whether alleged human rights abuses have yet been resolved by the suppliers and to advise our Members accordingly.

### *Laboratory Equipment*

LUPC manages one of the leading framework Agreements for the supply of laboratory equipment for UK higher education and research institutions. A wide range of equipment is supplied, spanning 76 different equipment types, over 6,500 models and 1,300 accessories, all supplied to us by re-sellers rather than manufacturers. Last year's national spend through this agreement exceeded £30m.

Although most manufacturers are assembling this equipment in traditionally lower risk countries, many of the components and raw materials are processed in higher risk countries where modern forms of slavery are prevalent. Most of our suppliers on this framework agreement have now committed to the ETI Base Code, while high-impact equipment lines are being identified with a view to mapping their supply chains as a prelude to developing a due diligence process in partnership with the manufacturers. A dialogue with the market-leading manufacturers has been commenced.

### *ICT Equipment*

LUPC leads in the procurement of desktop and notebook personal computers for UK higher education institutions and other Members. We also play an active part in the management of supply agreements led by our sister consortia for Apple products, servers, storage and other ICT equipment.

In 2014, LUPC became a founding member of [Electronics Watch](#), an independent monitoring organisation working to achieve respect for labour rights in the global electronics industry through socially responsible public purchasing in Europe. With Electronics Watch, LUPC is seeking to work with suppliers of ICT equipment to commit to new monitoring regimes where corporate codes of conduct and social auditing policies and practices are failing in their transparency and effectiveness. Previously, there was no comprehensive, credible and independent monitoring system for the electronics industry that involves workers and local civil society organisations.

During 2016, LUPC successfully secured the inclusion of supplier due diligence and monitoring clauses in new supply agreements for Apple products and for server and storage solutions. With Electronics Watch and through engagement with our suppliers, LUPC took an active part in changing the working conditions of a group of students who had their freedom to choose their employment restricted in an electronics factory in China. In 2017, we will include supplier due diligence and monitoring clauses in the next iteration of the National Desktop and Notebook Agreement, to be tendered in 2017. This will allow us to have contractual rights to enter into dialogue with suppliers on those issues and collaborate with them to establish due diligence and mitigation strategies to address human rights risks.

We also awarded our first, national HE supply agreement for ethically-sourced smartphones during 2016.

### *Cleaning and Security Services*

LUPC offers a supply agreement for cleaning and security services to our Members in London and south-east England. These are recognised as spend categories where operatives are traditionally among the lower paid and LUPC perceives a higher level of risk to workers in these supply chains.

In October 2016, LUPC awarded new supply agreements for cleaning and security services that include new clauses requiring our suppliers to demonstrate their ongoing commitment to ensuring that they take steps on our behalf to guard against modern slavery, human trafficking, forced and bonded labour and labour rights violations in their supply chains, throughout the term of the agreement. This involves identifying and reporting the risks of human rights abuses and jointly implementing action plans to address them. Preparation for the launch of the agreement in October

included a briefing for suppliers on the risks of modern slavery and human trafficking by the Gangmasters Licensing Authority.

### **Our training, capacity building and contribution to wider policy development**

In March 2016, all of LUPC's procurement professionals took and passed the Chartered Institute of Procurement & Supply (CIPS) on-line training module on ethical procurement and supply. In June, our annual conference, staged in partnership with SUPC, included a session for our Members on the Modern Slavery Act. This led to the development of a one-day training course for procurement professionals and other managers in higher education, delivered by the BHRE for the Higher Education Procurement Association (HEPA).

The UK Parliament's Joint Committee on Human Rights is currently conducting an [inquiry on human rights and business](#). LUPC submitted its written evidence in August, welcoming the UK Government's updated National Action Plan, through which it has re-iterated the expectation that UK plc should be undertaking human rights due diligence. In LUPC's view, the Government should also use its leverage with businesses to scale up the practice of human rights due diligence by employing public procurement as a powerful instrument of social change. Accordingly, LUPC made five recommendations that, if implemented, would enable the UK Government to fulfil its obligations under Principle 6 of the UN Guiding Principles on Business and Human Rights.

In September and October, LUPC's Director led a series of external sessions on ethical procurement, aimed at promulgating the message about risks to human rights in public supply chains. These took place at the HE Show at Olympia and at conferences and other events hosted by HEPA, Uniac, CIPS, the East of England Local Government Association and the Chartered Institute of Public Financial Accounting. He also led a similar session for the Board of Procurement England Limited.

During the year, LUPC strengthened its partnership with academics at the [Business, Human Rights and the Environment Research Group \(BHRE\)](#) in the School of Law at the University of Greenwich, led by Dr Olga Martin-Ortega, who was elected to the LUPC Board in 2015.

In November, LUPC held the inaugural meeting of its Responsible Procurement Advisory Group, comprised of procurement and sustainability managers and students. It will meet each quarter with the aim of recommending responsible procurement policy and strategy and to determine our responsible procurement priorities moving forward.

LUPC is a member of the [International Learning Lab on Public Procurement and Human Rights](#) and its Director serves on the Steering Committee of the Lab as representative for the public sector. In November, LUPC and the BHRE together helped organise the Lab's second annual workshop in Geneva, along with the International Corporate Accountability Roundtable, the Danish Institute for Human Rights, the Harrison Institute at Georgetown University Law Center and the Public Procurement Research Group at the University of Nottingham School of Law. The workshop brought together civil society, NGOs, academics and public procurement practitioners from around the world to share experience and develop good practice.

In December, LUPC, BHRE and Electronics Watch jointly organised the third [Socially Responsible Public Procurement Symposium at Greenwich](#) which focused on "Modern Slavery, Human Trafficking and Human Rights Risks in Global Supply Chains: Roles and Responsibilities of Public Buyers", further enhancing its leadership position among public sector buyers in awareness and proactive responsiveness to the human rights challenges present in public supply chains.

## **Our plans for the future**

LUPC reaffirms its commitment to better understanding its supply chains and working towards greater transparency and responsibility towards people working on them.

We will continue to work with our suppliers and our Members to encourage more of them to commit to managing the risks to human rights in their supply chains. Working with them and with groups like Electronics Watch, we plan to map out all those supply chains which represent a higher risk of modern slavery, human trafficking, forced and bonded labour and labour rights violations. Our Board has already committed funds to our acquisition of the know-how to undertake this vital activity and to developing support services for our Members and the wider UK public sector.

This Statement has been approved and published by the LUPC Board and will continue to be reviewed at least once annually.

A handwritten signature in black ink, appearing to read 'AP Davies', written in a cursive style.

**Andrew P Davies MBA FCIPS**  
Director, LUPC

**December 2016**