

## Briefing Note - Due Diligence Project

Supply Chains are critical to the delivery of goods and services essential to the work of Cardiff Council (and the Ardal collaboration) and the Cardiff Local Authority was one of the first in Wales to sign up to the Welsh Government's Ethical Employment in Supply Chains Code of Practice, which was launched in 2017.

The Modern Slavery Act 2015 recommends that public procurement processes are strengthened to ensure non-compliant companies are not eligible for public contracts, so it is therefore increasingly important that we work with the right supply chains and understand the detail of first, second and third tier suppliers, to provide us with the confidence that the necessary obligations are passed on to sub-contractors.

The high-risk sectors for Modern Slavery include agriculture, leisure, hospitality, catering, cleaning, clothing, construction, social care and manufacturing. A review of Council spend has shown that for most of the high-risk areas the Council provides the service in-house, utilises national frameworks and/or local suppliers. The risk of modern slavery and human trafficking by our direct suppliers is considered low.

Through the tendering process, the Council ensures that our direct suppliers are aware of our commitment to tackle modern slavery and human trafficking and that they also understand their obligations as a supplier or contractor of the Council.

The Council undertakes due diligence when considering taking on new suppliers and will seek to review its existing suppliers on an annual basis through its contract management arrangements.

Recent years have seen a marked and significant shift in anti-slavery supply chain legislation worldwide, with a stronger focus on stricter reporting requirements and global accountability. International businesses now face a complex landscape, juggling diverse regulations and ensuring compliance across the entire supply chain.

Navigating this landscape requires understanding our obligations, implementing the correct reporting procedures, and strengthening our approach to mitigating the risk of modern slavery.

Crucially, new legislation demands looking beyond our direct suppliers. It extends responsibility to lower tiers in our supply chain, often spanning the globe, although we recognise our approach must remain proportionate. Even as a UK-based public body where our suppliers are mostly domestic, their tier 1 sourcing might extend beyond the UK, subjecting Cardiff Council to these regulations through indirect connections.

Due diligence in supply chains refers to the process of assessing and managing risks associated with the sourcing, production, and distribution of goods and services. It involves a thorough investigation and ongoing monitoring to ensure that suppliers and business partners comply with legal, ethical, and environmental standards. We have sought to achieve this through the trialling of a Self-Assessment Questionnaire (SAQ).

When initially launched, the process stalled due to the COVID pandemic and, unsurprisingly, there was little engagement. However, we have reinvigorated the process, with the initial pilot focussed on the SEWSCAP framework. Suppliers have been contacted and the following request made:

*SEWSCAP is committed to this process and would appreciate an appropriate person completes the attached survey, which I'm sure might also assist your organisation in identifying potential gaps in your standards.*

*We're here to help and support you in this process, so please do not hesitate to contact our specialists whose details you will find on the first page of the survey, if you have any questions or require any assistance.*

Survey: <https://forms.office.com/e/hqsnfEMvgF>



To date we have had nine responses, and the feedback received has proved positive. The SAQ is concise, user-friendly (with a QR code available for access and drop-down menus embedded within the questionnaire) and not too time consuming to complete.

The activity areas covered are:

1. General Information
2. Employee Information
3. Modern Slavery Statement
4. Code of Practice: Ethical Employment in Supply Chains
5. Health & Safety Management
6. Supplier Management
7. Due Diligence & Audits
8. Modern Slavery Training

We will be following up with the contractors who have completed the survey with ideas and support on how they might mitigate any risks identified.

The proposal for next steps includes a further roll-out of the SAQ to other frameworks and to the top 50 Cardiff Council suppliers by spend.

The data provided will not only identify any potential 'red flags', but other emerging issues, whilst providing some assurance that we are doing all we can to mitigate risk through this due diligence process.

Jeff Norman  
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