

Liverpool John Moores University Modern Slavery Act Transparency Statement 2016/17

This statement has been published in accordance with section 54(1) of the Modern Slavery Act 2015. It sets out the steps taken by Liverpool John Moores University during the financial year ending 31 July 2017 to prevent Modern Slavery and Human Trafficking in its business and supply chains.

1. Introduction

1.1 Liverpool John Moores University published its first Modern Slavery statement in January 2017. In the last 12 months we have taken positive steps towards increasing our understanding of the risks we face. We know that slavery, servitude, forced labour and human trafficking is a global issue, existing in every region in the world and in every type of economy. As a University with a global approach and footprint, we are committed to improving our practices to play our part in eradicating slavery and human trafficking. Modern Slavery is a crime and a violation of fundamental human rights. It takes various forms, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

1.2 We are committed to better understanding our supply chains and working towards greater transparency in, and responsibility towards, people working within them.

1.3 We are committed to working with our suppliers in our supply chains to encourage more of them to commit to the highest standards of business in dealing with Modern Slavery.

2. Our Business and Structure

2.1 Liverpool John Moores University is a modern civic university, integral to the life of the City of Liverpool, yet with a global approach and footprint.

2.2 We are one of the largest Universities in the UK, home to over 23,500 students and 2,300 staff, drawn from over 100 countries world-wide. In 2016/17 we purchased approximately £75m of goods, services and works through various supply chain arrangements. We collaborate with a number of international partners to facilitate world-leading research and collaboration, in order to tackle some of the huge global issues facing the modern world. At any one time, we have around 1,650 students enrolled on accredited University courses overseas.

2.3 The University was established as a Higher Education Corporation under section 124A(3) and (4) of the Education Reform Act 1988. It is a legally independent corporate institution with charitable status accountable through a governing body, which carries ultimate responsibility for all aspects of the University.

2.4 The University is an exempt charity under the Charities Act 2011. We are supervised by the Higher Education Funding Council for England, which is charged, as our principal regulator, with ensuring we fulfil our obligations under charities law.

2.5 Our day to day operations are overseen by a Strategic Management Team, headed by the Vice Chancellor and Chief Executive. Our academic structure is divided into five Faculties, each of which is led by an Executive Dean. We have three business services divisions (Organisational Enhancement; Finance and Resources; Student and Academic Services), each of which is led by a Deputy Chief Executive.

2.6 Given the complexity and evolving nature of Modern Slavery and Human Trafficking, we have formalised our internal governance of this risk at the highest level: Executive Deans of each academic area and the Deputy Chief Executives of each of the business services divisions are responsible for ensuring that their respective areas comply with due diligence requirements set and overseen by the finance team within Finance and Resources in relation to the approval and use of suppliers and the approval of collaborative partners. Executive Deans and Deputy Chief Executives will be required to certify compliance in their respective areas on an annual basis.

2.7 Progress will continue to be reported annually to the Board of Governors.

3. Our Values

3.1 We are a socially responsible institution. We are aware of our impact as an organisation within our local community. We recognise our responsibilities as a major employer and contributor to the local economy and to society at large. Equally we seek to minimise our environmental impact and encourage responsible and ethical behaviour in all aspects of our operations.

3.2 Our values and commitments are embedded in our Strategic Plan 2017-22. We have undertaken within our Strategic Plan to act as a catalyst for social change. We have a number of policies and procedures, which embed these values into our day-to-day activities.

4. Supply Chain

4.1 Our supply chain includes a large number of diverse suppliers, including suppliers of goods and services that directly support research and teaching activity, for example, for the supply of student computer equipment, library services including books and online services, and suppliers of indirect goods and services not directly related to these activities such as estate maintenance. A large proportion is bought through frameworks established by collaborative HE consortia.

4.2 Our main areas of expenditure can broadly be classified as follows:

| Expenditure type | Value £m | % |
|-------------------------------------|---------------------|----------|
| Academic and related expenditure | 96.7 | 46.83 |
| Academic services | 26.3 | 12.74 |
| Administration and central services | 11.4 | 5.52 |
| Premises | 39.8 | 19.27 |
| Residences and catering | 1.7 | 0.82 |
| Research grants and contracts | 6.5 | 3.15 |

| | | |
|------------------------------|-------|------|
| General Education | 10.9 | 5.28 |
| Staff and student facilities | 8.7 | 4.21 |
| Other Expenses | 4.5 | 2.18 |
| Total | 206.5 | 100 |

4.3 We procure goods and services from suppliers across the world and although we consider our day to day activities are low risk, we recognise that the global nature of our supply chains may increase the risk of modern slavery occurring, particularly in high risk industries and high risk countries. As part of our initiative to identify and mitigate risk in respect of our supply chain, we are continuing to implement and improve systems to identify and assess potential risk areas in our supply chains and to mitigate the risk of Modern Slavery and Human Trafficking occurring.

4.4 During financial year ending 31 July 2017, we developed a new due diligence questionnaire aimed at identifying modern slavery and human trafficking risks, which will be rolled out to all new suppliers and collaborative partners in 2017/18. Our standard contractual terms now refer to MSA compliance and impose contractual controls on suppliers/third parties in this regard. These contractual controls will be further enhanced in 2017/18 with the implementation of our Anti-Slavery and Human Trafficking Policy, as well as the enhanced due diligence checks.

5. Due Diligence

Identifying and assessing potential risk areas in our supply chains

5.1 During the financial year ended 31 July 2017 we have undertaken a process of cleansing our supplier data to facilitate more effective reporting.

5.2 We have carried out a risk assessment of our suppliers, cross-referencing both country of origin and value of expenditure and have devised a score card against which each supplier can be assessed. We have integrated supplier responses from the NETpositive toolkit (see 5.4) into our risk assessment to provide additional information.

5.3 Based on the risk assessment carried out we initially contacted our top 100 suppliers (by value of expenditure) to make them aware of the University's commitment to, and to determine their response to the Modern Slavery Act and to encourage them to share the University's objectives to prevent Modern Slavery in their supply chains. Suppliers were also asked to sign up to the NETpositive toolkit (see 5.4).

Supplier engagement

5.4 The University has subscribed to the supplier sustainability toolkit NETpositive. The toolkit enables suppliers to sign up and develop their own sustainability action plan. The tool addresses Modern Slavery, encouraging suppliers to develop a code of conduct and publish a Modern Slavery Transparency Statement. As part of changes to our new supplier processes all suppliers will be asked to sign up to the toolkit from 2017/18.

6. Our Policies and Contractual Controls

Finance

6.1 We have an Ethics Policy Framework, designed to organise the University's ethics related policies into categories and groups to assist staff in giving due consideration to ethical issues arising from the University's activities. This is an overarching framework providing guidance to support the University's vision, mission and values and the Ethical Investment Policy, Fairtrade Policy, Procurement Strategy, Sustainable Procurement Policy and Financial Due Diligence Process are all set within that Framework.

6.2 We operate a Whistleblowing Policy for our employees, students and others working in our supply chains, to encourage the reporting of any wrongdoing, which extends to human rights violations like Modern Slavery. All reports are fully investigated and appropriate remedial actions taken.

6.3 Our Sustainable Procurement Policy, in conjunction with our Procurement Strategy, sets out our aims in relation to developing ethical criteria in supplier and product/service selection. Staff are advised to consider suppliers' environmental and social credentials during the contracting process.

6.4 We are a Fairtrade University, committed to the Fairtrade aims of better prices, decent working conditions, local sustainability and fair terms of trade for farmers and workers in the developing world.

Research

6.5 We have a Research Code of Practice, which provides a framework for good ethical governance to be followed when staff and students undertake any academic activities.

Employment

6.6 At the point of recruitment, we ensure that appropriate checks on prospective employees are completed in accordance with the law. We have a comprehensive Recruitment Policy and training programme for those involved in recruitment to ensure compliance.

6.7 We are committed to ensuring that people are paid appropriately for the work that they carry out. In March 2016, we became the first University in Liverpool, and the largest employer in Liverpool, to be accredited as a Living Wage employer.

6.8 In June 2016, we were awarded the Workplace Wellbeing Charter Accreditation, reflecting our commitment to ensuring the health and safety of staff working at the University. We have set ourselves a goal of securing a rating of "Excellence" for all criteria by implementing a number of initiatives to support the next stage of accreditation.

6.9 During 2016/17 we undertook a review of flexible labour (in contrast to directly employed staff) engaged by the University, which has helped us better to understand and to identify where in the business this flexibility is required, and to enhance our internal set-up processes for the use of flexible labour to ensure Modern Slavery Act compliance.

6.10 We place the highest importance on the integrity of our operations, and have in place a number of policies and procedures to address problems that may arise for our students and staff.

7. Training

7.1 The University provides staff involved in recruitment with appropriate training, to ensure legal compliance.

7.2 Our Finance staff receive regular training and updates on changes to the law.

7.3 To ensure a high level of understanding of the risks of Modern Slavery and Human Trafficking in our supply chains two e-learning modules have been developed and launched during the year. The first module has been developed as a general training package and has been shared with all University staff. The training aims to raise awareness of Modern Slavery and outlines the University's obligations in addition to advising staff of the correct channels through which concerns can be raised. At the end of the financial year, 30% of University staff had undertaken the module.

7.4 The second module is a bespoke training package, which is aimed at key University staff. This comprehensive training includes detailed case studies to inform staff of the different forms Modern Slavery can take. Initially this has been targeted at Finance staff. It is envisaged this training will be provided to People and Organisational Development, Legal and Governance, International Relations and Research and Innovation Services in 2017/18.

8. Raising awareness

8.1 We have developed a dedicated intranet page, which provides information to staff and students on the Modern Slavery Act and the actions the University is taking towards eliminating Modern Slavery and human trafficking from its supply chains. The website will be updated on a regular basis to update staff with the progress the University is making towards its Modern Slavery obligations.

9. Steps taken in Preventing Modern Slavery and Human Trafficking during 2016/17

During 2016/17 we have taken the first steps to eliminate the risk of Modern Slavery and Human Trafficking from our business and supply chain. We appreciate that this risk is not static and that this will be a long journey, as we raise awareness both within the University and with our partners and stakeholders. The progress we have made is summarised as follows:

- Developed and launched an e-learning module for all University staff aimed as providing key information in respect of the Modern Slavery Act and the University's obligations.
- Developed and launched an e-learning module targeted at Finance staff, providing comprehensive training, and detailed case studies.
- Developed a dedicated intranet page in respect of Modern Slavery which is updated on a regular basis with progress.
- Cleansed our supplier database to facilitate more effective reporting.
- Carried out a supplier risk assessment, categorising supplier in the context of value of supply and country of origin.
- Contacted our top 100 suppliers, by value of supply, determine their response to the Modern Slavery Act.
- Subscribed to the supplier sustainability toolkit NETpositive, which enables suppliers to develop a sustainability action plan which includes Modern Slavery.
- Contacted our top 100 suppliers, by value of supply, to ask them to sign up to NETpositive and develop their own code of conduct and publish a Modern Slavery statement.
- Undertaken an audit of flexible labour used across the University and refined internal set-up processes for the engagement of flexible labour.
- Developed a draft Anti-Slavery and Human trafficking Policy which will be embedded across the University in 2017/18.
- Embedded Modern Slavery controls and requirements into our standard contracting processes.
- Designed a draft Modern Slavery questionnaire, which will be embedded into the new supplier and partner set up process in 2017/18.

We have clear plans for the year ahead in terms of further steps we will be taking to mitigate Modern Slavery risk.

10. Assessment of Effectiveness in Preventing Modern Slavery and Human Trafficking

10.1 Reporting on KPIs

In our 2015/2016 statement, we committed to report on the following key performance indicators. The table below details our progress:

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| Strengthen supply chain auditing and verification | We have undertaken a detailed supplier risk assessment and begun to understand the risk profile of our supply chain. |
| Supplier responses and action plans developed through NETpositive toolkit. | We contacted our top 100 suppliers (by value) for 2016/17 and requested they sign up to NETpositive and develop an action plan. 25 of these suppliers signed up to the toolkit. In addition 256 other |

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| | suppliers had already signed up to the toolkit through a different route. |
| Steps taken to upskill any suppliers identified as "high risk", and assessing their ability to detect and mitigate Modern Slavery risk in supply chains | We have used the supplier engagement toolkit NETpositive to help educate suppliers in respect of sustainability and specifically encourage suppliers to create an action plan for Modern Slavery. |
| Staff training levels | We have launched two bespoke training courses, 'Understanding Modern Slavery' for all staff, and 'Modern Slavery - Awareness and Understanding' for key staff. To date 30 % of all staff have completed 'Understanding Modern Slavery' and 52% of Finance Staff have completed 'Modern Slavery - Awareness and Understanding'. |
| Investigations undertaken into reports of Modern Slavery and remedial actions taken in response. | We have not identified any instances of Modern Slavery during the period. |

10.2 In order to assess the effectiveness of the measures taken by the University we will be reviewing the following key performance indicators and reporting on them in our future Modern Slavery statements:

- Actions taken to strengthen supply chain auditing and verification;
- Supplier responses and action plans developed through NETpositive toolkit.
- Steps taken to upskill any suppliers identified as "high risk", and assessing their ability to detect and mitigate Modern Slavery risk in supply chains;
- Staff training levels;
- Investigations undertaken into reports of Modern Slavery and remedial actions taken in response.

11. Our Plans for the Future

11.1 We commit to better understand our supply chains in their entirety and work towards greater transparency and responsibility towards people working within them.

11.2 We will continue to implement and develop the following action plan to address the risks Modern Slavery and Human Trafficking represent in our business and supply chains:

- We will continue to carry out supplier and partner risk assessments and embed our MSA due diligence into the supplier and partner set up process.
- We will review and monitor supplier action plans through regular contract management and support initiatives to reduce the risk of Modern Slavery and Human Trafficking occurring.
- We will review and monitor supplier action plans developed through the NETpositive toolkit.
- We will implement and embed our Anti-Slavery and Human Trafficking Policy, which will provide clear and easily accessible guidance on Modern Slavery and

Human Trafficking to all staff, contractors and other business partners and the measures being taken by the University to tackle Modern Slavery and Human Trafficking in its business and supply chains.

- We will arrange a Modern Slavery and Human Trafficking awareness raising day, in partnership with Liverpool Students' Union, to ensure that all those in our University community are aware of the problems of slavery, servitude, forced labour and human trafficking. By promoting discussion and awareness we will raise the profile of this issue internally and externally and all staff and students will be reminded of ways to report any concerns.
- We will continue to provide training for all key staff on MSA compliance, with a particular focus on People and Organisational Development, Legal and Governance Services, International Relations and Research and Innovation Services.
- We will review and update all relevant policies and controls to embed MSA awareness.

If you have questions about this statement, please contact Belinda McGuiness, Acting Finance Director (B.Mcguiness@ljmu.ac.uk).

Declaration

This statement has been approved and published by the Vice-Chancellor's Office and will be reviewed at least once annually.

Signed

**Professor Nigel Weatherill DL, DSc, FREng, FRSA
Vice-Chancellor and Chief Executive
Liverpool John Moores University**

This statement was endorsed by Audit Committee on 8 November 2017.