

CARBON TRUST GROUP

Modern Slavery and Human Trafficking Statement

July 2022



Modern Slavery and Human Trafficking Statement

The Carbon Trust Group (the “Carbon Trust”) made its first voluntary modern slavery and human trafficking statement in June 2021. We oppose slavery and human trafficking in all its forms and are making this second-year statement pursuant to section 54(1) of the Modern Slavery Act 2015, which sets out the steps we have taken and will take in seeking to ensure that there is no slavery or human trafficking in our business or in our supply chains.

1. About us

- 1.1 We are a not-for-dividend, mission driven organisation. We are an expert partner for businesses, governments and organisations around the world – supporting them in realising ambitious plans for a decarbonised future. We believe that environmental sustainability and economic prosperity can go hand-in-hand as we address the climate crisis.
- 1.2 Our supply chains include the following goods and services:
 - **Office goods.** The Carbon Trust purchases goods, including office and IT equipment; stationery; catering supplies and other goods that would be reasonably expected within a commercial office workspace.
 - **Office services.** The Carbon Trust has contracts with cleaning professionals, general and specialist maintenance providers and other suppliers reasonably expected within a commercial office workspace.
 - **Professional services.** The Carbon Trust works with suppliers of IT, legal, finance, public relations and recruitment professional services.
 - **Delivery partners.** The Carbon Trust contracts with various organisations including charities, community organisations, universities, small to medium sized enterprises, national and international consultants (including specialists in the fields of environmental and climate sciences), international non-government organisations and both national and international government organisations to implement and deliver projects and programmes. This includes, for example, the Transforming Energy Access programme for the UK Government’s Foreign, Commonwealth and Development Office.

2. Our commitment to ethical trading

- 2.1 We are committed to ethical trading principles and to acquiring goods and services without doing harm to others. We are a signatory to the UN Global Compact and comply with Principles 3 to 6 relating to labour as part of our approach to doing business. Two of our seven core principles (set out below) emphasise the importance of the safety and well-being of our people, the value we place on diversity and the importance of ensuring an inclusive working environment.
 - **Health, safety and environment.** We have a systematic approach to health, safety and environmental management. We work to have a positive impact on the environment and ensure the safety and well-being of our people. We are committed to continually improving our environmental performance, as set out in our Health, Safety and Environment Policy.
 - **People.** We value diversity and provide an inclusive environment for our people. We recruit, reward and promote on merit and seek to develop skills and capabilities.

3. Due diligence and risk assessment

- 3.1 To help identify and monitor the risk of slavery and human trafficking in our supply chain we carry out a modern slavery risk assessment for all new suppliers (as required by our internal Modern Slavery Policy). This is carried out on an annual basis for long term suppliers. For suppliers identified as medium to high risk (by country or industry) we undertake further due diligence to review their modern slavery policies and processes to mitigate the risks of, and combat, modern slavery.
- 3.2 We include a requirement in relevant contracts with identified potential higher-risk suppliers confirming that they have policies and procedures in place to mitigate, tackle and prohibit modern slavery and/or human trafficking in their activities. Additionally, we take steps to include anti-slavery and human trafficking provisions in all relevant contracts with suppliers.

- 3.3 We comply with the modern slavery due diligence requirements of our funders on the large-scale programmes the Carbon Trust manages and/or implements.
- 3.4 We only employ agency workers through reputable employment agencies.

4. Overview of year one steps to combat slavery and human trafficking

In 2021/2022 during our first year of active monitoring, we undertook the following steps to monitor our supply chain, train staff and raise awareness of modern slavery:

4.1 Undertook a supply chain mapping exercise to identify any potential medium or high-risk suppliers and subcontractors based on location and project-type.

- We identified 45 contractual relationships in 17 medium/high risk countries.
- We identified 34 contractual relationships (24 UK, 3 China, 1 South Africa, 3 Singapore and 3 Mexico) that are of medium-high risk by the nature of the product/service provided.

4.2 Reviewed all of our historic suppliers and subcontractors, where costs had been incurred in the previous 6 months and undertook an updated modern slavery risk assessment for those that are categorised as medium to high-risk.

- For all contracts that fell into the categories of 'higher risk' by location or project type, project managers were asked to submit a risk assessment to a centralised inbox. Our findings:
 - Several contracts were part of a large, funded programme. As part of the programme, enhanced due diligence was completed on modern slavery on these suppliers during the contract and as such, no further assessment was required. When managing or implementing a large-scale programme for a funder, the Carbon Trust will often need to comply with the funder's additional due diligence requirements.
 - Of the remainder of contracts identified as higher risk in stage 1 they were either:
 - Found to be not risky in practice. For example, a fire risk assessment company who employs staff who review building risk assessment (and may therefore constitute physical labour) however these workers are highly trained and appropriately remunerated.
 - Had appropriate safeguards in place. For example, a coffee supplier to one company in the group had a modern slavery policy that explains their safeguards in place.

Having reviewed and assessed our suppliers and subcontractors over the past year, the Carbon Trust Group's pool of suppliers and subcontractors have generally been found to be low risk.

4.3 Introduced in-house training for all employees on how to identify the risks of slavery and human trafficking in our business and supply chains.

- In June 2021 we introduced Modern Slavery E-Learning as part of our onboarding process.
- In July 2022 we are rolling out Carbon Trust bespoke E-Learning on modern slavery to all employees. Relevant project and contract managers will be required to undertake this training annually. The training includes: 'What is Modern Slavery'; 'How is it relevant to the Carbon Trust'; and 'What are we doing to address Modern Slavery?'

Training is now available to all employees at the Carbon Trust to identify the risks of slavery and human trafficking in our business and supply chains. Feedback will be monitored, and improvements incorporated into later revisions.

4.4 Produced an internal modern slavery policy to raise awareness of modern slavery, the risks, and the steps Carbon Trust employees must take to adhere to our commitments under this modern slavery and human trafficking statement.

- In July 2021, the Carbon Trust launched its first internal Modern Slavery Policy. The policy is aligned with our Modern Slavery Statement to ensure that our internal processes and culture mirrors our external commitments. The policy covers: our commitments, internal risk assessments, how we mitigate risks, supply chain due diligence, our People processes, raising awareness and concerns, internal reporting and how the policy interacts with other policies. The policy will be reviewed on an annual basis.
- We also amended our existing Whistleblowing Policy and Purchasing and Subcontracting Policy to incorporate the launch of our Modern Slavery Policy and the relevant processes it introduced.

5. Overview of year two steps to combat slavery and human trafficking

Having completed the Carbon Trust Group's year one steps to combat slavery and human trafficking, we now commit to the following steps for year two:

- 5.1 Ensure all project and contract managers continue to complete a modern slavery risk assessment for new suppliers and subcontractors, assessed via an annual internal audit.
- 5.2 Roll out bespoke company-wide modern slavery training, including identifying colleagues who should complete this annually.
- 5.3 Annually review our Modern Slavery Policy to ensure it is fit for purpose.
- 5.4 Require suppliers to confirm they comply with Principles 3 to 6 relating to labour of the [UN Global Compact](#).
- 5.5 Review and bolster our Whistleblowing Policy to make it clear modern slavery concerns can be reported under this process and allow external reporting of modern slavery risks.
- 5.6 When a supplier/subcontractor is identified as medium-high risk, include contractual clauses for (i) modern slavery audit rights; and (ii) termination rights for modern slavery breach.

6. Further steps

We shall continue to annually review the effectiveness of our steps to ensure that there is no slavery or human trafficking in our supply chains. We intend to consistently improve our efforts in combating slavery and human trafficking in a meaningful way in our following statements and in the future.

This slavery and human trafficking statement is made in connection with section 54(1) of the Modern Slavery Act 2015, for the financial year ending March 2023. It was approved by the board on 12 July 2022.

Signed by Timon Drakesmith, Chief Financial Officer

THE CARBON TRUST

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