

VSO Statement on Modern Slavery for the financial year 2021/2022

Modern slavery is an abhorrent abuse of human rights, and includes practices such as forced labour, debt bondage, human trafficking, and child labour.

I am pleased to give my personal commitment to VSO's determination to prevent modern slavery in all its forms in VSO's operations and to promote the best possible working conditions of everyone working with VSO. I fully endorse our Modern Slavery Statement.

It is the responsibility of all VSO people whether they be trustees, employees, volunteers, contractors or suppliers systematically to avoid risks of modern slavery and to report any concerns confidentially and without fear using our whistleblowing procedures.



Philip Goodwin
Chief Executive

1. About Us

1.1. Vision, values and strategy

Voluntary Service Overseas ('VSO') is a not-for-profit independent international development organisation that works through volunteers with a mission to empower communities in developing countries.

VSO's vision is a fair world for everyone. VSO's purpose is to create lasting change through volunteering. We bring people together to address marginalisation and poverty. We aim to fight poverty not by sending aid, but by working through volunteers and partners to create long-lasting change in some of the world's poorest regions.

We are committed to preventing modern slavery and human trafficking within our organisation and to ensuring that our supply chains are free from the same. This statement sets out the steps we have taken to eliminate, insofar as is possible, the risk of modern slavery and human trafficking taking place.

This statement is made pursuant to section 54 of the Modern Slavery Act 2015 and covers the period from 1 April 2021 to 31 March 2022. It covers the activities of VSO and all of its international operations.

1.2. VSO's organisational structure

VSO is a company limited by guarantee, registered in England and Wales (registration number 00703509). VSO is also registered as a charity in England and Wales (registration number 313757). Its registered address is 100 London Road, Kingston Upon Thames, KT2 6QJ.

VSO operates internationally primarily through branch offices in the following locations: Bangladesh, Cambodia, Ethiopia, Kenya, Malawi, Mozambique, Myanmar, Nepal, Nigeria, Pakistan, Philippines, Rwanda, Sierra Leone, Tanzania, Thailand, Uganda, Zambia, and Zimbabwe.

In addition, VSO has the following international operations:

- Voluntary Service Overseas (Ireland), a company limited by guarantee, a subsidiary of VSO and incorporated as a charitable entity in Ireland;
- Stichting VSO Nederland, a Dutch independent charitable organisation whose accounts were integrated with VSO's as of April 2018; and
- Voluntary Service Overseas USA, Inc. which is a US corporation with US 501 (c) (iii) tax status.

This structure of branch offices and subsidiaries enables us to effectively deliver VSO's mission globally. It helps us respond quickly to challenges and opportunities as well as reducing duplication of work and administration.

1.3. VSO's governance and management

VSO's ultimate level of governance is its International Board of Trustees which sets the strategic direction for VSO, is responsible for upholding the organisation's values, and ensures we meet our objectives. Some tasks of the International Board are delegated by the Board, to Board Committees, which operate under clear terms of reference. The Business of Board meetings includes receipt of reports and minutes of Board Committee meetings.

1.4. VSO's people

VSO employs approximately 512 employees across its office in the UK and the locations in which it operates. VSO has approximately 903 international and national volunteers. VSO is an accredited Living Wage employer, which means that VSO staff are paid a living wage in the UK.

VSO aims to build a workplace culture that is protective of its staff and volunteers' human rights. VSO's policies and procedures reflect and underpin this culture. VSO meets its commitment to safeguarding and promoting the protection of children, young people and vulnerable adults with its Global Safeguarding Policy, Code of Conduct and by carrying out all necessary background and pre-employment checks.

VSO's Global People Resourcing Policy sets out the recruitment procedures for employees and volunteers. The Policy provides that recruitment shall be carried out in a fair and transparent manner consistent with VSO's values and in line with VSO's Safeguarding and Diversity and Inclusion Policies.

All employment offers or volunteer agreements are conditional on satisfactory background checking and right to work entitlements being met. Candidates are always required to provide evidence of their identity and eligibility to work in the relevant location.

1.5. VSO's supply chains

VSO operates with a decentralised approach to procurement where we focus on strong procurement skills and capacity within our programme teams. In keeping with VSO's mission of fighting poverty, wherever possible, and where the quality is available, we source goods and services locally in the countries we operate. This aligns with our sourcing approach to procure where we work (where sufficient value for money can be found) which supports the local communities.

Procurement can also be carried out by global teams. VSO's Global Procurement team supports all high value and high-risk procurements. Our supplier base is broad and diverse and is comprised of organisations best able to meet our requirements.

Typical types of goods/services VSO purchases include IT equipment, vehicles, consultancy services, printing services, and workshops/ conferencing.

VSO is committed to implementing and maintaining the highest standards of efficiency and integrity in its purchasing activities for goods, works and services. All procurement activity must demonstrate fairness, transparency, compliance, value for money and be ethical. VSO is committed to ensuring that suppliers are treated ethically at all times by VSO, and that VSO procurement activity does not support organisations involved in any criminal activity such as fraud, corruption, modern slavery and other human rights abuses.

Suppliers must comply with all applicable human rights and employment laws in the jurisdictions in which they work and have robust means of ensuring that the subcontractors in their supply chain also comply.

VSO expects suppliers to be ethical in the treatment of their workers and suppliers: working conditions and relationships should not involve abuse or exploitation, workers and suppliers should be paid fair wages, and on time.

When making purchasing choices, VSO strives to purchase from organisations which have similar visions and values to its own. Gender equality and inclusion are cross-cutting for all VSO's programmes and suppliers that promote these values (e.g. women-owned enterprises, organisations providing employment opportunities to marginalised groups such as individuals with disabilities, etc.) are invited to bid wherever possible.

1.6. VSO's Partners

At VSO, partnerships are central to creating lasting change for our primary actors. Partnerships help us to amplify our impact and reach.

Partnerships are a powerful means to collectively achieve the UN Sustainable Development Goals and achieve our mission. We partner with other organisations and entities that believe in and share our mission and values and buy in to our approaches, and our Volunteering for Development model.

VSO works with partners for many reasons, including those who can help us to:

- design and deliver programmes
- achieve greater reach/scale/impact
- hold greater legitimacy or authority
- exchange technical knowledge
- advocate regarding a specific development issue
- mobilise volunteers
- secure funding

The following principles guide our partnership practice:

- **Focus on changes that make a difference to the lives of poor and marginalised people** with clear objectives, monitoring and evaluation.
- **Accountability and transparency** between each other, to donors, relevant authorities and to people the partnership benefits.
- **Sharing learning and willingness to change as a result of learning** – learning is an integral part of the partnership process and this will be used to inform planning.
- **Promoting sustainable local ownership and respect for sovereignty of local organisations.**

In practice this means that we will work with partners who aspire to bring about positive change for impoverished and marginalised people, seek to be mutually accountable and aspire to equity in design, decision making and ownership of outcomes.

Partnerships help VSO continually improve practices and those of our partners. When working with partners, we need to keep primary actors at the centre of what we do.

2. VSO's policies on slavery and human trafficking

VSO operates a number of policies that assist in the prevention of slavery and human trafficking in our operations.

The following were updated during the period 2021-2022:

- **Global Whistleblowing Policy** This was updated in March 2022 and includes how to report concerns.
- **Preventing Criminal Practices Policy** This was updated in June 2021 and compliance training was rolled out to all staff and volunteers in March 2022.

Policies and Codes which are central to VSO's efforts to combat modern slavery include:

- **Global Whistleblowing Policy** VSO encourages all its trustees, employees, consultants, suppliers, temporary staff, volunteers, and other people at VSO worldwide to be vigilant for signs of wrongdoing or criminal activity by individuals or organisations working with or for VSO, and to report any concerns (including the endangerment of the health and safety of any individual) without fear of retaliation. The Global Whistleblowing Policy applies to VSO's UK office, branches and subsidiaries worldwide and anyone who wants to raise a concern about VSO.
- **Global Preventing Criminal Practices Policy and Procedure** This policy outlines VSO's position on preventing and prohibiting criminal practices, including modern slavery. This Policy confirms VSO's commitment to ensuring that there are no instances of modern slavery or human trafficking occurring within the organisation or its supply chains.
- **Global Code of Conduct** VSO strives to maintain the highest standards of conduct and ethical behaviour when operating abroad and managing its supply chain. All VSO employees, volunteers, workers, consultants and agency workers must abide by the Global Code of Conduct.
- **Global People Resourcing Policy** As part of VSO's onboarding process, all VSO employees and volunteers are required to provide proof of their identity and their right to work in the country in which they are hired. Background and suitability checks are conducted for all VSO employees and volunteers prior to commencing work.

- **Global Procurement Policy** This policy applies to VSO globally (including its subsidiaries) and is compulsory for all VSO employees, volunteers, consultants and implementing partners. The policy requires all staff and volunteers to follow the procurement principles of fairness, transparency, ethical behaviour, compliance and value for money. Procurement activity must not support organisations involved in criminal activity such as fraud, corruption, forced labour, modern slavery and other human rights abuses. VSO staff are required to remain vigilant and aware of the possibility of modern slavery abuses taking place in supplier business and report concerns as required.
- **Supplier Code of Conduct** This code is referenced in all VSO contracts, agreements and purchase orders. This code sets out VSO's requirements of suppliers in relation to areas such as safeguarding, human rights and labour standards (including modern slavery), criminal practices and ethical conduct. VSO will only do business with those who are proactive in preventing criminal activity. VSO will not contract with, provide funds for, work with, or assist organisations that are involved in or suspected to be involved in criminal practices. Any suspicion of criminal activity, failure to comply with legal obligations or regulatory requirements, activity which endangers someone's health and safety or the environment, covering up wrongdoing or unethical conduct must be reported in line with VSO's Global Whistleblowing Procedure by emailing whistleblowing@vsoint.org.
- **Partner Code of Conduct** This code is referenced in all VSO partnership agreements and contracts with partners. It sets out VSO's expectations of partners in relation to areas such as safeguarding, human rights and labour standards (including modern slavery), criminal practices and ethical conduct. VSO will only partner with organisations that are proactive in preventing criminal activity. Where a partner is unable to fully comply with the code, VSO will seek to build their capacity to do so. VSO will not contract with, provide funds for, work with, or assist organisations that are involved in or suspected to be involved in criminal practices. Any suspicion of criminal activity, failure to comply with legal obligations or regulatory requirements, activity which endangers someone's health and safety or the environment, and covering up wrongdoing or unethical conduct must be reported in line with VSO's Global Whistleblowing Procedure by emailing whistleblowing@vsoint.org.
- **Ethical Fundraising Policy** This policy sets out the framework for ensuring that all donations are from donors whose ethics and values are compatible with VSO's. VSO will not accept any donation where it is known or reasonably suspected that they involve or are related in any way to criminal practices.
- **Global Safeguarding & Child Protection Policy** All VSO employees and volunteers must abide by the Global Safeguarding & Child Protection Policy. Suppliers and partners are expected to adhere to VSO's Global Safeguarding & Child Protection Policy. This policy provides a comprehensive framework for VSO's zero tolerance against abuse and exploitation of vulnerable people. Pursuant to this policy, VSO works to a set of key principles to protect vulnerable people.

All policies are available on VSO's internal SharePoint platform. The following are publicly available on VSO's website [here](#):

- Global Safeguarding & Child Protection Policy
- Global Code of Conduct
- Global Whistleblowing Policy
- Supplier Code of Conduct
- Partner Code of Conduct

3. Due diligence processes for modern slavery and human trafficking

VSO has appropriate policies and due diligence processes in place for its procurement, partnerships and HR functions. These underpin our commitment to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our operations.

3.1. Procurement

VSO's intention is always to purchase goods and services from ethical suppliers, which helps ensure that no persons are abused or exploited in its supply chain. VSO requires that before contracts are awarded, suppliers are subject to due diligence checks and screening to ensure ethical procurement. Procurement due diligence is carried out at the programme office level, or by the global team on the supplier that is selected following the procurement process, and is conducted in accordance with established VSO policies and procedures which provide transparency and oversight of all transactions. We regularly review our procurement processes to ensure they highlight any activities that might indicate the abuse of human rights or modern slavery. Higher anticipated spend with suppliers requires more comprehensive due diligence. In particular, VSO has the following supplier due diligence processes:

- **Counter Fraud and Terrorism** An electronic system is used to check the supplier against key sanctions lists required by our donors.
- **Reference Checks** This involves following up on references given by the supplier.
- **Financial assessment** The supplier's recent and current financial standing is assessed to ensure they do not present a risk to VSO.
- **Supplier site visits** This involves visiting the supplier's premises and carrying out an inspection. Visits are carried out in industries and contexts where there is an increased risk of poor labour practices and modern slavery.

In some instances, donors may also require additional specific due diligence activities to be carried out.

VSO's tender process embeds due diligence in its Pre-Qualification Questionnaire ('PQQ'). This document enables VSO to gather information about its potential suppliers. One of the questions the PQQ asks the potential supplier is whether their organisation or anyone in their organisation has been involved in an offence under the Modern Slavery Act 2015, or local equivalent, or subject to an investigation relating to the Modern Slavery Act 2015, or any other human rights violations. Suppliers are also required to state if they use sub-contractors and whether they have processes in place to check whether any of the above circumstances apply to their subcontractors.

3.2. Supplier adherence to VSO's values and ethics

VSO has zero tolerance to slavery and human trafficking. If an existing supplier were to be suspected of having links to involvement in modern slavery, interaction with that supplier would immediately cease.

3.3. Partnerships

All VSO partnerships must meet legal and internal policy requirements. Assessment tools have been developed to assess partner capacity practices and policies to ensure we understand their ability to deliver and any associated risks.

Prior to entering into a Partnership with other organisations, VSO has developed several due diligence tools which include:

- **Ethical screen** When scoping collaboration with a private sector partner that presents potential high risks, a rapid ethical screen is encouraged as best practice. This includes preliminary desk-based research and (for major publicly listed companies) reviewing their EIRIS environmental, social and corporate governance ('ESG') report to identify any red flags early in line with the Ethical fundraising policy.
- **General Partner Assessment** This is used ahead of formalising the partnership and internal stakeholders agreeing whether VSO should explore the potential partnership further. This includes an assessment of the partner's employment practice, including their Human Resource Policies and Procedures, Employee Code of Conduct, financial management capacity and management of volunteers.
- **Partner Safeguarding assessment** This is mandatory for all partners and includes an assessment of safeguarding policies, reporting procedures and whether the organisation has specific protocols for supporting victims/survivors.
- **Ethical Review** This is conducted prior to working with private sector partners in line with the Ethical Fundraising policy. This is undertaken by reviewing EIRIS ESG reports, consulting with internal stakeholders and undertaking desk-based research to conduct risk assessments. An Ethical Review Template has been created to assist with this process and includes a section on whether the Partner has a Modern Slavery Statement on their website. The Ethical Review Committee is the decision-making authority for high risk or high value partnership ethical reviews. The committee makes a recommendation which is then validated by the Executive Board. Where necessary the decision can be referred to the Executive Board or the International Board.
- **Counter Fraud and Terrorism** An electronic system is used to check the supplier against key sanctions lists required by our donors.

3.4. Recruitment

VSO's recruitment processes are outlined in the Global Resourcing Policy (as detailed above) and include checking each applicant's right to work/live, their identification documents and conducting a counter fraud and terrorism check.

3.4.1. Contract workers

VSO rarely engages contract workers paid via a sub-contractor or third party or workers through agencies. In the UK, when we engage staff through a company the screening checks include making sure they have good employment practices in place.

3.4.2. International operations

For our country office staff we conduct annual benchmarking exercises to ensure all staff are paid in line with VSO's approach to pay, which includes ensuring paying the minimum wage where there is one.

4. Risk assessment and management

As outlined in VSO's Global Risk Management Policy, VSO aims to integrate risk management into its culture and its planning, budgeting, projects and programme processes.

International development, by its very nature, carries a degree of inherent risk. For VSO to achieve our mission it is necessary for us to take managed risks and to capitalise on opportunities.

VSO recognises that modern slavery is a risk both within the organisation and in its relationships with partners and suppliers. VSO is committed to continually improving its system of internal controls so as to combat this risk.

In 2021/2022, VSO made progress introducing additional controls, including more work to ensure all staff, trustees and volunteers are fully aware of the issue of modern slavery and VSO's stance on this issue. Notably, in 2021/2022, VSO took the following actions:

- Modern slavery training was delivered to Board members.
- Modern slavery was included in VSO's Global Preventing Criminal Practice training which was rolled out to all VSO employees.
- Refresher training on recruitment processes and interview panels was delivered to VSO employees responsible for recruitment.
- Existing policies were enhanced to include further information on modern slavery. The Global Whistleblowing Policy was amended to include further guidance on how to report modern slavery concerns.
- We launched a risk assessment across all VSO locations with active operations to further assess the nature and extent of our exposure to the risk of modern slavery.
- We explored ways in which we could further support our partners. Some support is provided through the Partner Code of Conduct and the due diligence process. In order to provide further, tailored support and guidance to partners, we launched a survey which was sent out to 164 partners. As we work through the responses, we will explore ways in which we can improve capacity building. Internal Audits review supplier due diligence during location audits.
- Improvements to our supplier due diligence were made. We worked to raise our supplier awareness about VSO's approach to modern slavery and a link to VSO's Modern Slavery Statement has been included in our supplier facing procurement templates.
- We launched Supplier Site Visit Guidance and a Supplier Site Visit Assessment template to help staff spot incidences of modern slavery in suppliers and provide signposting about next steps. These can be used as part of the supplier due diligence process and are recommended in contexts in which modern slavery is likely to exist.

Planned actions for 2022/2023:

- Suppliers:
 - We will undertake a full review of all procurement templates to ensure the area of modern slavery is covered, with particular focus on high-risk industries.
 - We will further develop contract management and due diligence guidance to ensure appropriate attention is given to the ongoing risk of modern slavery in supply chains.
 - The Global Procurement Policy revision and update will also review any references to modern slavery and make adaptations where required.
- Partners:
 - We will support partners through capacity building and provide further information to partners on the risk of modern slavery. We will conduct another survey of our partners to understand their needs and how we can support them.
 - A new digitised partner assessment process is being designed. This will include all assessments undertaken in one place as well as an automated approval process and relevant action planning.
- Policies: We will update the Global Risk Management Policy and include guidance on undertaking regular risk assessments on our duty of care responsibilities including those for identifying and managing modern slavery related risks.
- Awareness and training: We will continue to raise awareness of the risk of modern slavery across the organisation.

5. Performance indicators of VSO's effectiveness in combating modern slavery and human trafficking

We judge the effectiveness of our procedures via the number of reports we receive from employees, workers, agency workers, volunteers, partner organisations, donors, suppliers and other business partners and third parties including the general public and law enforcement agencies. If no such reports are received, the procedure is deemed to be performing adequately. No reports were received in 2021/2022.

VSO set the following key performance indicators ('KPIs') for 2021/2022:

- Reporting: The number of complaints or whistleblowing reports raising concerns about modern slavery. No complaints or whistleblowing reports were received in 2021/2022.
- Remedial action: the number of remedial actions needed. No remedial actions were needed.
- Training: the percentage of staff trained in modern slavery. At the end of the financial year, 71% of staff had completed compliance training which included training in modern slavery.

As part of VSO's commitment to continuously improve in this area, VSO will also continue to monitor these KPIs for 2022/2023.

6. Training on modern slavery and trafficking for staff

Recognising the importance of combatting modern slavery, including human trafficking, VSO has trainings in place for all staff. Training to heighten awareness of modern slavery and how to report it is incorporated into our Global Preventing Criminal Practices training, which is mandatory for all staff as part of their induction and thereafter on an annual basis. A refreshed and improved training was launched across the organisation in 2022 and will be repeated annually.

About this statement

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes VSO's slavery and human trafficking statement for the financial year 1 April 2021 to 31 March 2022. It was approved by the Board on 20 July 2022.

The statement is reviewed annually by the Board.



Philip Goodwin
Chief Executive
Voluntary Service Overseas



Sam Younger
Chair
Voluntary Service Overseas