

## Modern Slavery Act Statement

### Modern slavery: where we stand

# BT Lancashire Services

At BT Lancashire Services Limited we are committed to running our business responsibly. We strive to maintain high ethical principles and to respect human rights. It also means doing our best to encourage high standards in our supply chain and business.

In this document we describe our business and supply chain, and how we operate them. We explain our current policies and practices, and the plans that we have to enhance these in light of the Modern Slavery Act.

#### **Our business and supply chain**

BT Lancashire Services Limited is a wholly owned subsidiary in the BT group and provides information, communications, telecommunications and other services, principally to Lancashire County Council but also to other local organisations. We provide IT solutions to over 15,000 users and human resources and payroll services to more than 56,000 people which includes over 600 schools and academies across the North West of England. We also collect approximately £60 million in council tax revenue and £31 million in business rate revenue each year for our local authority partners.

We do not have any employees of our own. We operate using a mixture of people who are either seconded to us from Lancashire County Council, or are BT employees. Similarly, we don't have any of our own suppliers. We use the wider BT group supply chain to provide our services with a very small number of suppliers sourced via Lancashire County Council contracts.

Around 18,000 suppliers sell to BT, on top of that, lots of those suppliers have their own suppliers. The BT supply chain is therefore very large and complex. So BT prioritises attention on companies that supply high value products or services, or things without which our businesses couldn't run.

#### **Our stance on modern slavery**

We primarily source our suppliers as part of the BT group, so BT group standards, principles and policies apply in our supply chain. We have a long-standing policy that we don't use or accept forced, bonded or involuntary prison labour or child labour. Nor do we demand deposits or hold onto our workers' identity papers, or work with businesses that do. We only work with people who choose to work freely. We respect the right to equal opportunity and freedom of association. BT group's statement of business practices and values - [The Way We Work](#) - echoes this. It is available in 14 languages. In 2017/18 it will be updated to better reflect the Modern Slavery Act.

## **Our BT Group employees**

'The Way We Work' sets out how BT people should behave. It applies to all BT people working for BT group companies. It is also the standard we expect from everyone who works on our behalf - including suppliers and contractors.

'The Way We Work' is part of the purchasing terms for BT's direct suppliers. BT takes an even firmer approach with those companies whose products or services we couldn't do without - or those with whom we have longstanding contracts. Here it also uses its [Sourcing with Human Dignity](#) standard, establishing the principle that working conditions in its supply chain should meet international labour standards.

'Sourcing with Human Dignity' covers freely chosen employment, freedom of association, working conditions, child labour, living wages, working hours, discrimination, regular employment and harsh or inhumane treatment. It is available in eight languages. BT is strengthening sections of it to include more explicit references to forced or bonded labour and human trafficking. We welcome our people speaking up about any unethical behaviour, and BT makes it easy for them to do so via their manager or BT's ethics team.

Speak Up, BT's global, confidential helpdesk lets anyone (including contractors and suppliers) report any wrongdoing or behaviour they think goes against BT's standards. It's available on the phone and online, and BT promotes it with poster campaigns, on its intranet, via internal communications and on its [Selling to BT website](#).

BT aims to prevent modern slavery or human trafficking in its business right at the start of its recruitment processes, which includes a recruitment policy which aligns with the principles in 'The Way We Work'. BT doesn't charge fees to people joining BT and it wouldn't expect its external agents to either - but this year BT has updated its agency contracts to make it expressly clear and will do the same for its recruitment policy this year.

Once people join BT, they're expected to live up to the principles in 'The Way We Work'. BT gives its people plenty of support, education and training. But if they don't behave ethically at work it would consider taking disciplinary action against them, which ultimately could lead to dismissal.

## **Our Lancashire County Council seconded staff**

The vast majority of people who work in our business are seconded to us from Lancashire County Council (LCC). As employees of LCC, they must comply with LCC's ethical standards and policies when they work on behalf of BTLS.

LCC is not required to publish a Modern Slavery Statement as a [UK Local Government County Council](#), but it has adopted and is following UK Government advice on Modern Slavery. LCC issues regular Council wide staff bulletins to all staff, including those seconded to BTLS, of their 'duty to notify' with a link directing staff to the Gov.uk web site providing details/factsheets on the subject (<https://www.gov.uk/government/publications/how-to->

[report-modern-slavery](#)).

Additionally LCC has introduced a 1 day training course for staff, backed up by access to collateral produced by UK Government (such as posters) that can be printed off and pinned to staff and other information noticeboards.

## **Supply Chain**

The steps BT takes for its supply chain depends on how it initially evaluates a supplier. It asks all but its lowest risk suppliers to complete its 'Sourcing with Human Dignity' questionnaire - which helps establish a high, medium or low risk of them falling below the BT standards.

Risk profiling helps BT focus its efforts where they are most needed. For example, suppliers may present a higher risk of slavery or human trafficking because of where they're based or the type of product or service they provide. All medium risk suppliers get a review. High risk suppliers get a more detailed review to better understand the risk and put in steps to tackle it; this may mean visiting their sites.

This year BT did around 63 on-site audits of the higher risk suppliers across the BT group.

BT keeps its processes under review. In 2014 BT looked at its procurement processes as part of an overall human rights review of its business. It's implementing the review's recommendations, as well as looking again at the supply chain approach in light of the Modern Slavery Act.

In December 2015 BT analysed the areas with the biggest risk of modern slavery and human trafficking. It based that on what BT were buying from them, and from where they were sourcing their products or services. It found the highest risks in construction and engineering services for BT's Infrastructure; in guarding and monitoring services for BT properties and Infrastructure; and in the catering and cleaning services used in the business.

## **Helping people learn about the issues**

Everyone who works for BT has to complete training on 'The Way We Work' when they start. In June 2015 BT changed how often people have to repeat it from every two years to annually.

The course includes a human rights module which will be updated to more specifically address modern slavery and human trafficking. This will help BT people understand and identify slavery and human trafficking risks, and remind them how they can report any concerns.

LCC secondees are invited by LCC to attend a similar Council run 1 day face to face course to learn about modern slavery and human trafficking.

All BT buyers have to complete Corporate Social Responsibility and Sustainability Awareness training. This includes learning about the 'Sourcing with Human Dignity' standard. In 2016 BT had knowledge sessions on the Modern Slavery Act with buyers working with suppliers in higher risk categories.

## **Measuring how we're doing**

BT checks how it's measuring up against its business standards - including 'The Way We Work' - in a number of ways. BT's Line of Business Audit and Risk Committees and Regional Governance Committees monitor how many people complete their mandatory training at least quarterly against its targets. Mandatory training reports (which include 'The Way We Work' course) go to BT's Operating Committee and to other parts of BT's business each month.

BT's Human Rights Steering Group monitors the approach to human rights across the BT group; they regularly update BT's Operating Committee and Board. A cross-functional team has been set up to look at how BT group addresses modern slavery and human trafficking. It's made up of people from legal, governance, compliance, policy, human resources and procurement.

Every year BT reports publicly on its ethical procurement key performance indicator. This tracks how effective it's being in following up responses to the 'Sourcing with Human Dignity' questionnaire from high and medium risk suppliers. It also tracks the number of Speak Up reports every year and its measures of employees' awareness of ethical issues.

BT is developing a more comprehensive programme addressing the risks of modern slavery and human trafficking beyond its direct suppliers. Longer term, it'll look at developing better ways of measuring the effectiveness of the steps it takes to manage these risks. And it'll be able to talk more about how it's progressed in next year's statement.

This statement covers 01 April 2016 to 31 March 2017 and has been approved by the board of BT Lancashire Services Limited.

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Danny Longbottom, Director

Date: 28 September 2017