



JBS Modern Slavery & Ethical Procurement Policy

JBS Group is an ethical supplier. To continue being an ethical supplier, our staff and our suppliers must all be aware of the areas where ethics can be compromised. Slavery is one such red line area. Hence this policy to create awareness and compliance guidelines to ensure ethical trading at all times.

Modern Slavery Act 2015

Overview

The UK Modern Slavery Act was enacted on 26 March 2015. The act consolidates slavery and trafficking offenses and introduces tougher penalties and sentencing rules. It ensures that the main offences are subject to the toughest asset recovery regime under the Proceeds of Crime Act 2002. It introduces bespoke slavery and trafficking compensation orders. It provides for the confiscation of vehicles, ships and aircraft used for the purposes of trafficking.

The act includes provisions to:

- Enable the Secretary of State to make regulations relating to the identification of and support for victims
- Make provision for independent child trafficking advocates
- Introduce a new reparation order - to encourage the courts to compensate victims where assets are confiscated from perpetrators
- Close gaps in the law - to enable law enforcement to stop boats where slaves are suspected of being held or trafficked
- Require businesses over a certain size and threshold to disclose each year what action they have taken to ensure there is no modern slavery in their business or supply chain.

This latter point is most relevant to JBS and our Suppliers: because we seek to be proactive in

- a) ensuring no slavery in our supply chain
and
- b) in disclosing our actions and our suppliers actions in ensuring same.

JBS and Effective Ethical Procurement

External drivers

The following external drivers influence an organisation's choice to purchase abroad, or from a particular supplier:

- Economic – exchange rates, profit margin, duties, tariffs, insurance, the employment market and availability of resources. Sustainable innovation can lead to the creation of new market space for products and services
- Technological – the ability to communicate real-time information enables developing country suppliers to compete effectively
- Legislation – social, technical, environmental and economic/competition
- Social – social consciousness, e.g. avoidance of worker exploitation, influences consumer behaviour and political activity. Increased worker satisfaction can improve productivity
- Environmental – use of energy, re-useable, non-toxic materials, reduction of waste and processes to improve profit margins, reduction of carbon in supply chains, etc.

JBS Group Response to Ethical Procurement

Due to the business risk of unethical procurement practices, JBS Group has a **Code of Conduct** that sets out minimum standards and parameters for procurement, other than simply cost.

They include the following ways of working which:

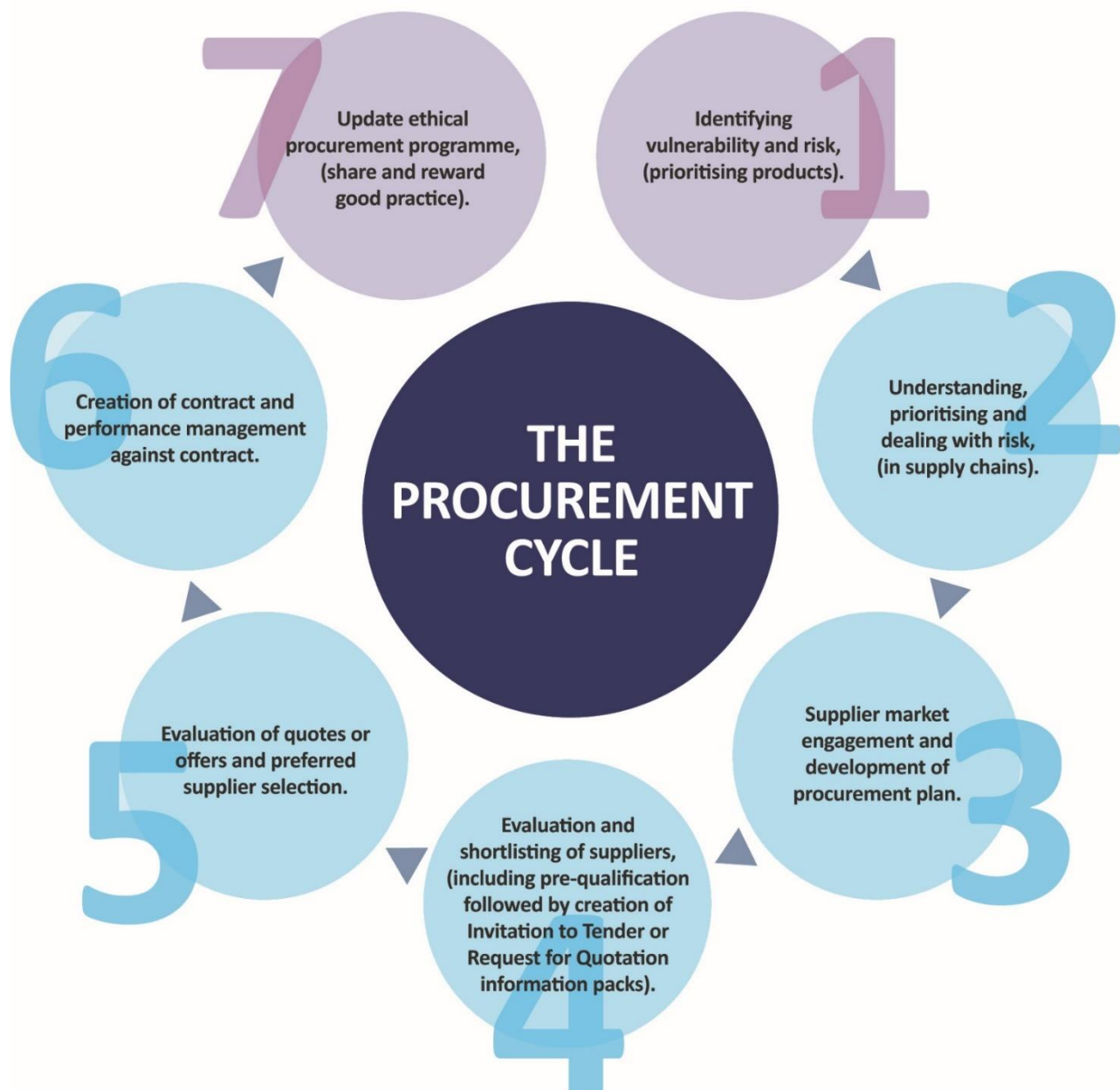
- collect and provide all parties with the information they need to plan more effectively, (e.g. **share audit reports**)
- lead to efficient communications and formalised, streamlined buying and production processes.
- empower buyers to select and reward good practice and leadership of suppliers.
- encourage buyers and suppliers to collaborate with organisations who have expertise in addressing systematic problems within the supply chain.
- identify and address unacceptable practices like fraud, bribery and modern slavery.
- enable buyers to collaborate with others who are purchasing from the same supplier (where appropriate).

JBS Group recognises the **shared responsibility for suppliers to implement good workplace practices** and for buyers to select, enable and encourage good performance by suppliers. Where bad performance is identified, especially where it concerns conduct that violates minimum standards, this should be addressed as a priority.

The Procurement Cycle

A detailed procurement cycle breaks down into seven major stages. The following section examines each of these stages, highlighting good practice and, specifically, what a buyer should bear in mind.

- Stages 1 and 7 focus on the ethical/responsible purchasing programme covering all purchases
- Stages 2 – 6 are the stages a purchasing organisation goes through in relation to each purchase



In brief:

Stage 1: An organisation needs to **identify risks and vulnerabilities in its supply chain** to be able to prioritise its actions to improve social and environmental impacts.

Stage 2: Understanding, **prioritising and dealing with Risk**. If it is not already clear from the Code of Conduct and procurement policies, procurement professionals should work with internal colleagues who requisition products, as well as other colleagues, to shape the technical, social and/or environmental criteria of the specification.

Stage 3: Supplier market engagement & development of procurement plan. **Engage with suppliers** - to assess who meets our desired standards. Assess the economic situation of the workers in the supply chain. Procurement professionals give feedback to internal colleagues on what the market is able to provide, and the implications of different sourcing approaches, including timings.

Stage 4: Evaluate and shortlist suppliers. During this stage buyers reinforce to suppliers the importance of environmental and social performance, and assess suppliers' willingness to meet & commit to ethical standards.

Stage 5: Evaluate quotes or offers and Preferred Supplier selection. When buyers assess pre-qualification questionnaires, tenders or audit reports from suppliers abroad, it is important to look for inter-related elements.

Stage 6: Create **Buying Contract** and performance manage (SLAs) against contract. The economic and business parameters which you negotiate then impact social responsibility - through a series of positive or negative consequences for the supplier or the environment. **Ethical procurement and sustainability targets should be included in the contract** as well as in the specification. Buyers need to assess supplier performance against the desired level of social or environmental performance, focusing on elements identified in corrective action plans or improvement initiatives recorded in the contract.

Stage 7: Update ethical procurement programme - including setting standards. Share and reward good practice. Identify root causes and barriers to improvement. Act to address root causes.

GB Reviewed Nov 3rd 2017. This applies to all companies within JBS Group, including James Boylan Safety Ltd, James Boylan Safety (Ni) Ltd., Approved Safety Products Ltd, Romar Innovate Ltd., W.C Willis & Co Ltd.



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