



## **Navy, Army and Airforce Institutes Modern Slavery Statement for financial year ended 2018/19. Issued pursuant to section 54 of the Modern Slavery Act 2015**

### **Our Business, Structure and Supply Chains**

NAAFI was created in 1921 when the Expeditionary Force Canteens (EFC) and the Navy and Army Canteen Board (NACB) were combined to run the Armed Forces recreational establishments and to sell goods to servicemen and their families. Today, NAAFI operates in Germany, Gibraltar, Brunei, the South Atlantic Islands and on-board HM Ships, providing convenience and a 'taste of home' to our Forces and their families overseas. Our Strategic aim is a straight forward one:

“To create a sustainable, competitive business that continues to serve the services and to provide value for money facilities to the Armed Forces”

This is supported by a code of conduct, a way of behaving that we all continually work towards, along with our values of Passion, Respect, Integrity, Determination and Excellence. These values are embedded in everything we do.

### **Our Policies**

NAAFI is fully committed in reducing and eventually ending the risk of modern slavery in society.

Our Corporate Social Responsibility Policy outlines the way we conduct our business, which is with honesty and integrity and with respect to the views and interests of our employees, customers and third parties.

Our policies fully embrace the Human Rights Act and the local customs in the places where we trade. We use UK employment law as our employment framework and as a result employee benefits are often more generous than those required. We are committed to ensuring that our recruitment policy and practices are robust and do not provide an opportunity for modern slavery to occur within our employee pool. All our policies are regularly reviewed and updated to ensure that they are fit for purpose and provide our employees with a clear and transparent route to report any issues. This includes:

- Recruitment Policy
- Anti-Bribery and Corruption Policy
- Whistleblowing Policy
- Health and Safety Policy
- Corporate Social Responsibility Policy
- Working with Vulnerable Adults and Young People
- Grievance Policy
- Employee Code of Conduct
- Supplier Code of Conduct

## **Due Diligence and Risk Assessment**

We employ 418 employees in a number of locations across the world. We recruit directly and do not use any overseas agencies. All employees are on terms and conditions that either meet or exceed the minimum remuneration for their location.

Within Europe we only work with large, recognised suppliers and buy branded products. In our overseas territories we use suppliers that also supply local UK military units following approval by the Ministry of Defence. Our ships chandlers are all chosen from the International Ship suppliers & Services Association (ISSA).

We have signed up to the MoD Sustainable Procurement Charter, this Charter ensures that NAAFI has a supply chain that achieves the best value for money, whilst, at the same time, ensures minimum adverse impact on the environment and society.

Our Supplier Risk Assessment process continues to evolve, as we work continually with our suppliers to mitigate the risks of forced labour and to ensure that we all effectively tackle the challenges of modern slavery.

When considering engaging new suppliers, we:

- Engage with suppliers to ensure they understand our approach to modern slavery and human trafficking
- Complete due diligence, including a risk assessment that will focus on assessing their potential risk and controls in place to manage their exposure to slavery and human trafficking.
- We will ensure that our supplier contracts include:
  - Clauses that ensure our suppliers adhere to the Modern Slavery Act across their entire operations and this is reinforced with regular reviews.
  - A right to audit their organisation to gain assurance of compliance if required.

In our supplier reviews we:

- Include a risk assessment exercise that focusses on assessing their potential risk of exposure to slavery and human trafficking.
- If any evidence of slavery or human trafficking is identified or a significant risk is identified, the following action will be taken:
  - We will cease to work with the supplier until an investigation is completed and we are satisfied that there is no issue
  - Where possible, we will work with the supplier to improve their processes to help them mitigate possibility of slavery or human trafficking occurring in their operation
  - Map the supply chain to assess particular product or geographical risks.
  - Taking steps to improve sub-standard suppliers' practices.

## **Steps to Assess and Manage Risks**

The greatest risk in terms of modern slavery existing in our employee pool is in our overseas operation. To mitigate this risk and reduce the risk of worker exploitation in all our overseas territories we have removed all external recruitment agencies and use our overseas managers to take the lead role in all recruitment activities.

Our employees are on permanent contracts and our recruitment policies and practices are guided by UK law, or those of the country in which we operate.

We work closely with immigration offices in our overseas territories and with the in-country MoD unit to ensure that we comply with any regulations imposed by them. This can include where we recruit from, vetting and security clearance. All employees are interviewed, and checks are made prior to employment to ensure that they meet the requirement for working in each location.

The greatest risk in our supply chain is also overseas and within the ships supply chain. To mitigate the risk in our supply chain we have a robust supplier code of conduct and due diligence processes for engaging new suppliers and reviewing existing suppliers.

Our European suppliers are used wherever possible and in our overseas locations our managers are responsible for understanding and assessing the working practices of local suppliers.

We regularly refer to and use the resources provided by the Gangmasters and Labour Abuse Authority and resources available on the United Nations Global Compact Sustainable Supply Chain website to ensure that we are up to date with and adopt best practice.

We are currently engaged with ISSA and are awaiting a review of their ethics policy to include their approach to the Human Rights Act and Modern Slavery.

### **Training**

Training has taken place with our overseas managers and individuals involved in procurement and central support roles using resources from:

- Gangmasters and Labour Abuse Authority
- United Nations Global Compact Sustainable Supply Chain website
- The Independent Anti-Slavery Commissioners website
- Government Modern slavery awareness booklet
- Anti-Slavery Partnership Training Library

We are confident that our employees in these areas are aware of how to spot the signs of human trafficking and know what steps to take to report any suspicions they may have.

To this date we believe that the measures we have taken, as documented in this statement, have ensured that no identified incidents of modern slavery have occurred within our business and supply chain. We will continue to monitor and evolve our policy in line with international, MoD and local country direction.

This statement was approved by the NAAFI Board of Directors on the 5<sup>th</sup> March 2019

**Director's signature:**



**Director's name:**

**Steve Marshall**

**Date:**

**11<sup>th</sup> March 2019**