

# POLICIES

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## MODERN SLAVERY STATEMENT 2020/2021

### INTRODUCTION

This is the fourth Modern Slavery Statement published by Commercial Corporate Services Ltd<sup>1</sup>, and covers the financial year ending on the 31<sup>st</sup> of January 2021. It has been prepared according to the Modern Slavery Act 2015. This statement includes the following subsidiaries in scope:

- Commercial Ltd<sup>2</sup>,
- Commercial IT Services Ltd<sup>3</sup>

Commercial is committed to eliminating any form of modern slavery from our supply chain. To achieve this, we are taking an active and collaborative approach with both our Suppliers and partners.

Modern slavery is a gross violation of human rights and research completed by the ILO. The ILO estimates that 40 million people, if not more, face some form of modern slavery today<sup>4</sup>.

Unfortunately, these statistics show a

startling reality about the global supply chains in modern society.

The Modern Slavery Act 2015 has given Commercial a clear and defined understanding of what modern slavery means and to whom it applies. Modern Slavery includes the practices of human trafficking, forced servitude, exploitative, coercive and abusive behaviour, generally coupled with appalling working and living conditions that breach basic human liberties. No national or international sector can consider itself immune from these insidious business practices.

Modern slavery is often considered by some to be a geographical problem that only exists beyond our borders. This is simply not true. The United Kingdom currently sits in the third tier down on a list of the top five worst countries with systematic violations of workers' rights<sup>5</sup>.

Commercial undertakes an internal risk-based assessment to determine prevalence of modern slavery within our global supply chain. This also includes evaluating our domestic

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<sup>1</sup> Commercial Corporate Services Ltd  
Company Number: 07531759

<sup>2</sup> Commercial Ltd  
Company Number: 02589514

<sup>3</sup> Commercial IT Services Ltd  
Company Number: 07482128

<sup>4</sup> International Labour Organisation. (2019). Measuring child labour, forced labour and human trafficking in global supply chains: A global Input-Output approach. [online]: pp.4. Available at: [https://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---ipec/documents/publication/wcms\\_733916.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---ipec/documents/publication/wcms_733916.pdf)

<sup>5</sup> [https://www.ituc-csi.org/IMG/pdf/ituc\\_globalrightsindex\\_2020\\_en.pdf](https://www.ituc-csi.org/IMG/pdf/ituc_globalrightsindex_2020_en.pdf)



supply chain and our internal operations. Commercial is committed to acting ethically and with integrity at all times. Our Modern Slavery Statement sets out to provide information about what Commercial is doing internally to achieve positives steps towards understanding our supply chain and helping combat any form of modern slavery.

## OUR BUSINESS AND SUPPLY CHAIN

Commercial is the UK's largest independently owned business services group. Commercial is principally a reseller of products sourced from manufacturers and wholesalers. Each of Commercial's Suppliers is responsible for curating their product portfolio and sourcing these goods; Commercial, and its customers, have access to all or parts of these catalogues. Commercial is not a direct manufacturer of products but does supply three specific Commercial-branded product lines produced by appointed manufacturers.

Our business consists of nine divisions: Office Supplies, Print, Interiors, Managed Print, Creative Systems, Technology, Smart Technology, Managed IT Services and, our newest division, Facilities PPE & Workwear. Having nine divisions means that our organisation has access to an expansive array of product lines that are complex from the nature of the supplier network.

Commercial-branded products have been mapped down to the factory level. We are actively collaborating with our remaining Suppliers to obtain comprehensive information on the remaining products within our portfolio. We source directly from UK Suppliers and ask our Suppliers to provide us with Country of Origin (on their products) to help us create a preliminary supply chain map. Commercial has complete visibility of our immediate Tier 1 Suppliers, and partial visibility of Tier 2 Suppliers. Overall, Commercial is committed to engaging with our Suppliers to build and maintain an accurate map of our supply chain.

<b>Turnover</b> £67.5m	<b>Suppliers</b> 750+	<b>Total Products</b> 295,000
<b>Employees</b> 285	<b>Customers</b> 6400	<b>Own-brand Products</b> 200

## OUR PARTNERSHIPS AND POLICIES

Commercial, like so many other businesses, could not be as successful as it is without the help and tools provided by our partnerships.

Since 1991, Commercial has been building the business and the reputation it has today and, for that reason, we are equally concerned with how we perform financially and how we measure against other non-financial metrics.

Commercial wants to make it easier for customers to achieve social and environmental best practice. In 2010, we established a tool to help our customers assess the supply chain behind each product. This tool, referred to as Green Cat, has multiple criteria which rate products on both their environmental and social standards. Green Cat gives a customer suitable evidence to make an informed buying decision on products that champion positive change.



In 2020, Commercial started to shift away from Green Cat and are working towards producing a more transparent

and interactive reporting system for our customers. This financial year marked the beginning stages of our work towards the introduction of Products with Purpose.



Products with Purpose, located on Sprint - our purchasing platform – helps to highlight products that are environmentally friendly, ethically produced, made with recycled material and/or is sourced from, or manufactured by, a social enterprise with a simple click of a button.



In 2011, Commercial became a member of The Ethical Trade Initiative (ETI). As a member, we have adopted the ETI Base Code which was founded on the conventions of the International Labour Organisation and is an internationally recognised code of labour practice.

Participation with ETI has given Commercial the tools to identify and mitigate acts of human violation. In addition, our involvement helps to improve our understanding of complex global

supply chains and enables us to share best practice with other members.



In 2017, Commercial became an accredited Living Wage Employer by the Living Wage Foundation as part of our commitment to ensuring workers are given fair monetary value for their work. Our Managing Director has said that "everyone putting in a day's work deserves a fair day pay. Becoming a Living Wage accredited employer underlines our commitment to this. At Commercial, we put a lot of energy into maintaining a sustainable and responsible business culture. Treating staff well – and going beyond legislative requirements – is an important aspect of this". The Living Wage Foundation ensures that Commercial is not only looking at the supply chain stability but also in-house practices. Employee welfare is an important matter to Commercial. Monthly reviews are held with all employees to ensure that wellbeing is maintained throughout the business.



Commercial has recently signed up to the Disability Confident Scheme, alongside eighteen thousand companies, who are trying to change perceptions and attitudes for a better working environment. Commercial is committed to this scheme because we want our recruitment process to be inclusive and accessible for all. Ensuring disabled people and those with long term health conditions have the opportunities to realise their aspirations and fulfil their potential. As a business, we have achieved a Level 1 Accreditation but we are not planning to stop there. Commercial will continue to pioneer a sustainable working environment and ensure we achieve all Three Level Accreditations.



Commercial is a "B" member of SEDEX, the Supplier Ethical Data Exchange. SEDEX is a not for profit organisation dedicated to improving business practices. SEDEX offers Commercial a simple and effective way of managing ethical and responsible practices in our supply chain.

In addition to our memberships, Commercial has a zero-tolerance policy with regards to matters of harassment, discrimination, modern slavery, bribery, inequalities and any other act that may make an employee feel uncomfortable or at risk of danger.

Provided below is a list of internal policies that help combat modern slavery, which can be given upon request:

1. **Suppliers Ethical Code of Conduct:** This document affirms Commercial's commitment to addressing Suppliers' performances on a regular basis, so progress can be assessed continuously.
2. **Anti-Bribery and Anti-Corruption Policy:** This document affirms Commercial's commitment to honesty, transparency, and integrity.
3. **Equality and Diversity Policy:** This document affirms Commercial's commitment to equal opportunity for all, regardless of background, religion, gender, and race.
4. **Harassment and Bullying Policy:** This document affirms Commercial's commitment to preventing unwanted behaviour

that could negatively affect someone's well-being.

5. **Grievance Policy:** This document affirms Commercial's commitment to identifying and promptly dealing with any matter of concern within the workplace.

## DUE DILIGENCE PROCESS

Commercial has sought to build stable and long-lasting relationships with strategic Suppliers – many that have been established in excess of 10 years – and we actively seek to maximise Supplier retention. Overall, Commercial believes that education programmes and remedy plans with existing partners are more effective and beneficial for mitigating risk.

Commercial's Ethical procurement and purchasing procedures help evaluate all new and existing Suppliers. Commercial's purchasing team has an in-depth Due Diligence Questionnaire for all new Suppliers. This questionnaire gives the purchasing team a clearer understanding of the risks relating to the supplier and opportunities for continual improvement. The Due Diligence Questionnaire assesses Suppliers on a number of factors, such as modern slavery compliance, finance, living wage, information security, workplace policies, transparency of operations and ISO compliances (where applicable).



During Covid-19, some Suppliers were fast tracked through the Due Diligence Questionnaire. All suppliers who were fast tracked, had to complete a virtual due diligence conference call with our Purchasing Director. These calls covered topics such as company finances, supply chain, ethics, and sustainability. A new Supplier will only be appointed if they have an alignment with our Commercial by Nature approach.

As a result of the increased sales of PPE and workwear, across the group, Commercial recently appointed a Director of Facilities PPE & Workwear. This Director has been appointed to ensure sustainability, compliancy and credibility remains throughout our supply chain. This includes recent certifications such as BSIF and EN/UKCA.

Furthermore, we work closely with all of our Suppliers to improve the visibility of the products sourced and the manufacturing practices, particularly relating to working conditions. In 2020, we signed up with EcoVadis to help us assess our direct and indirect Suppliers. Further information about this partnership will be appear in next year's Modern Slavery Statement.

Our direct Suppliers, often disclose how frequent they have visited manufacturing

plants. Where there are no visits, Suppliers must report the process of advocating for the workers, such as NGOs or Trade Unions. In addition, all of Commercial's Suppliers must adopt the ETI base code and adhere to its requirements throughout their business and supply chain.

Supplier meetings were attended virtually to address purchasing practices. The more strategic the partnership, the more frequent the supplier meeting. However, if at any time a critical matter arises Commercial will address the situation as a matter of urgency, as part of our due diligence process.

## **RISK ASSESMENT AND EFFECTIVENESS WITH OUR SUPPLY CHAIN**

The range of products available to our customers through our Suppliers is expansive and contains items sourced from across the world. The complexity of products, their sub-assemblies and material used make it challenging to have full visibility of the supply chain and this increases the potential risk of modern slavery occurring. The majority of the 200,000+ product lines are sourced through a multi-tiered supply chain. These products are beyond Commercial's immediate sphere of operational control which is a risk that we are seeking to minimise.

Commercial has substantially greater operational control with our own-brand

products including notebooks, paper, inkjets and toners. During Covid-19, Commercial asked all our own-brand suppliers to report against the Enhanced Expectations - as Commercial had completed for The Ethical Trading Initiative. Responses were collected by the Sustainability Team and follow up meetings were completed if necessary. More information on ETI's Enhanced Expectation can be found below - in the subsection titled Covid-19.

Beyond our own brand product lines, we focus our efforts on the supply chain where we consider we have the most leverage and can achieve positive impact. Supply chain mapping and understanding country of origin is critical in our assessment. Commercial has started to upgrade our data accuracy for all our products with the installation of Fusion. This system enables us to create a more transparent supply chain. All data obtained is collected and stored centrally, and analysed by our purchasing and sustainability team. In addition, Publications from Human Rights Watch, ITUC Global Rights Index, SEDEX, Transparency International and other platforms inform our risk assessments which address modern slavery and other significant human rights and ethical trade issues.

Furthermore, over the past year, Managed IT has worked hard to gather more information on each of their main suppliers, but Commercial had to put a pause on product data gathering for the division's Sustainable IT Portfolio. The ambition remains to address this complex industry. This portfolio would look into accreditations such as TCO Certified, Energy Star, refurbished hardware and sustainability best practice. We feel that creating this portfolio will help us to achieve greater clarity, invest in sustainable products and partners, but most importantly, strengthen our supply chain map for technology hardware and services.

All supplier information is shared internally with our Ethical Trade Champion Team. These Champions are the procurement leads across the business' operating divisions and maintain established relationships with our Suppliers. The Champions are responsible for engaging internally with their respective buying teams to ensure issues, such as, workers' rights are addressed. Each champion is also responsible for communicating the requirements of the ETI Base Code to their Suppliers and for collating supplier related data within our Ethical Procurement System.

#### **Covid-19:**

The introduction of Covid-19, in February 2020, marked the beginning of an unprecedented time for the working economy but more importantly our everyday lives. Commercial,

like many other companies, had to adapt to the changing times. As a result of the pandemic, Commercial helped support our suppliers and customers ensure they had safety equipment (PPE), and our Managed IT Services helped support customers when it came to sending staff home during each lockdown.

Commercial reported its yearly activities against the deliverables in The Ethical Trading Initiative's Enhanced Expectations:

<https://www.ethicaltrade.org/enhanced-expectations>. An Enhanced Expectation self-assessment form was sent to all divisional heads within the Group. Their responses were collated by our internal sustainability team and reported to our managing director, before submitting to The Ethical Trading Initiative.

Commercial also attended the supplementary conference on how each general merchandise sector scored across the board.

Some key areas 'The Enhanced Expectation' highlighted across the group during this time were as follows:

- Commercial was committed to being as adaptable as possible during this period and we worked with all our Suppliers and customers to ensure they had our

support during this unpredictable time.

- Commercial was flexible with suppliers and customer's on payment terms. As a business, we were happy to pay upfront or on delivery for all our Suppliers.
- Commercial did not cancel any order placed over the year and made sure all promised purchases were fulfilled in order to support our supply chain.
- Commercial did not impose any sanctions for late orders. Instead, we made sure our communication was clear for both suppliers and customers. Relaying all relevant information to our customers about time constraints.

In regards to our internal sustainability, Commercial made a commitment to keep communication strong during an isolating period. Commercial continues to encourage employees to talk openly during daily team catch ups and monthly reviews. Most importantly, all Commercial staff were able to use a free of charge and confidential consultation service with a dedicated psychologist. This service can help improve our staff wellbeing but also help Commercial ensure all our employees feel safe at home and at work.

## TRAINING AND EDUCATION

Commercial regularly attends conferences, networking events, and training courses that



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increase Commercial's awareness on the issues of modern slavery and broader human rights abuses. Any training completed by our purchasing team or sustainability team is replicated within the business through the quarterly Ethical Trade Champions meetings. These meetings help our employees understand modern slavery issues and understand the importance of Commercial's continual success against these metrics.

Commercial believes that every employee plays an important part in reducing modern slavery within the

supply chain and believes that openness and transparency are the key components to tackling modern slavery.

Ultimately, Commercial understands that education is always an ongoing journey. We will continue to strive for a sustainable world, to be a business for good, and continue to educate and train our staff and external partners on the increasing epidemic of modern slavery. Commercial will continue to develop strong relationships with suppliers and partners, alongside championing best practice. Most importantly, we are committed to being a leading advocate for ethical and sustainable trade.

This statement will be reviewed annually.

Signed 

Date February 2021