

Virgin Care

# Modern Slavery Statement 2019

# Who we are

This statement is made by Virgin Healthcare Holdings Limited whose ultimate parent company is Virgin Group Holdings Limited (a company incorporated in the British Virgin Islands which is wholly owned by Sir Richard Branson).

The organisation has never made a profit, and Virgin Group has invested more than £60m of funding into the business. Sir Richard Branson has pledged to reinvest any profits made by the organisation in the future which he could take as a dividend (over and above his original interest free investment) back into publicly funded health and care services.

This statement is made in relation to the Virgin Care Group's supply chain and on behalf of Virgin Care Limited, Virgin Care Services Limited and VH Doctors Limited ("The Virgin Care Group").

The Virgin Care Group provides more than 400 frontline health and social care services, partnering with the National Health Service and local authorities across England. The organisation employs approximately 7,000 people.

As a result, each year our organisation changes significantly with the end of some contracts and the start of new contracts involving the transfer of operational health and care services.

Consequently, new suppliers, supply chains and ways of working are inherited along with those contracts. During the last year (18-19), The Virgin Care Group changed approximately one third of its business and this naturally affects how we report our progress, in proportional terms, in this statement.

# Our supply chains

Our supply chain includes professional services providers, NHS Trusts, NHS Foundation Trusts, social enterprises, medical equipment suppliers and office equipment suppliers. As a consequence of the nature of our business the vast majority of spend is on medical consumables; around 80% of our annual procurement spend is with NHS Supply Chain, a Government-commissioned supplier service, and more than 99% is with companies based in the UK and Europe.

We share the majority of our supply chain with the state-operated NHS, and all organisations supplying the NHS are subject to the NHS Code of Conduct on Ethics and Labour. As an NHS supplier ourselves, we are also subject to this code.

While a very small proportion of spend, from time to time we procure marketing collateral including t-shirts, pens, caps and 'promotional items'. These are always sourced from British Promotional Merchandise Association Chartered (<http://bpma.co.uk/>) suppliers. During 18-19 we took additional steps to reduce the usage of promotional materials across the Group.

# Our policy

We consider that modern slavery and human trafficking are completely unacceptable whether they are in our supply chain or any other part of our business, and the communities where we work. We regularly review our policies and procedures in order to ensure we have effective systems which lessen the risk of modern slavery and human trafficking taking place anywhere in our supply chains.

We have anti-slavery and trafficking provisions contained within our procurement policy which set out our approach to ensuring our supply chain does not contain modern slavery and our Safeguarding and Whistleblowing policies provide colleagues with guidance on how to report their concerns.

Where annual spend with an individual supplier exceeds £50,000, or a supplier has been identified through initial due diligence as being high risk, we work to ensure Virgin Care standard Terms and Conditions – which contain provisions ensuring compliance with our policy on Modern Slavery – are in place rather than the supplier's own terms.

We encourage and require our suppliers to proactively manage the risk of modern slavery in their own supply chains.

# Safeguarding training

Our frontline teams are trained to an appropriate level in Safeguarding for their role, and this training – which must be completed annually – includes material on identifying the signs of modern slavery and human trafficking among the people who use the services we run.

In 18-19, 87% of our colleagues had completed their safeguarding training within the relevant timeframes. A programme of review as part of our annual appraisal process is underway during May 2019, aiming to increase compliance.

In addition, we take part in a number of joint initiatives with local authorities and other healthcare providers to further increase our ability to identify potential modern slavery and human trafficking among our patient populations.

# Our central procurement team

Our procurement team use the Ethical Trade Initiative (ETI) Base Code as our standard on Labour, and all members of the team are required to certify that they are familiar with the code on an annual basis.

In 2018-19, all members of the team will be required to complete eLearning training which reinforces both our policy and the ETI Base Code, part of our annual Statutory and Mandatory Training Programme.

In addition, senior procurement officers are members of the Chartered Institute of Purchasing and Supply and have completed that organisation's Ethical Procurement and Supply course.

# Training our colleagues

We have continued our work on the ETI and Department of Health and Social Care Ethical Procurement for Health programme throughout the year. We have made good progress against this programme and believe that we are achieving the detailed standards, however the changing nature of our business as referenced elsewhere in this statement does mean that this will be an ongoing process.

We offer a range of guidance and training to all of our colleagues in the business on our Purchase to Pay system, best practice procurement and assisting with minimising the risk of modern slavery in our supply chains.

Of note is that our Chief Operating Officer and Executive Team member Stuart Rennison-Price is a Board Trustee of Stop The Traffik, a global charity whose aim is to eradicate trafficking and modern slavery.

# Due diligence processes

We seek to minimise the number of suppliers we work with in order to allow us to work more closely with those we do, and we have seen a net reduction in suppliers since our last statement. The addition of new suppliers to our system is managed by the Procurement team in line with our policies, and our process has been enhanced during 18-19 with additional checks and information collected.

Our central procurement team ensure that all of our suppliers are aware of our policy and our terms and conditions. Since 2017 all new suppliers have been required to confirm they have read, understood and comply with our terms and conditions which cover labour issues and complete a questionnaire covering their policies in risk areas including slavery and human trafficking before they are accepted as a supplier.

We also undertake regular risk assessment of existing suppliers to understand and mitigate risks as part of our contract management, led by our central procurement team. During 2018-19, we began a survey of our existing suppliers' compliance with our amended processes.

We aimed to survey 10% of our total suppliers and although we did not achieve this aim because the process took longer than we expected with each supplier, we did complete an audit of goods suppliers with an annual spend of £50,000 per annum or greater. We also completed a review of suppliers and were able to reduce the number of suppliers we work with overall. We now have 2% fewer suppliers as we begin 2019-20.

During 2019-20, we will continue this audit process and aim to audit 100% of new suppliers added as a result of new contracts and kept on as suppliers during 2019-20 and all existing suppliers with whom we spend £50,000 or more per annum.

For practical reasons, we excluded sole traders and small LLPs who supply the services of one or a small number of consultants or doctors from this audit process. Our processes were independently audited by the company auditors as part of the annual audit process and no concerns were raised.

# Non-compliance

If we find an existing supplier is non-compliant with our policies or code of conduct or provides us with inadequate information to assure us of their compliance with our Terms and Conditions we will work with them to ensure that they are able to provide us with the information and, if appropriate, to improve their performance.

If a supplier is found to be unable to meet our terms and conditions or policies, we will review our relationship with them as soon as practicable. During 2019-20 we are pleased that we did not encounter any occasions where we needed to consider terminating our relationship.



This statement is made in accordance with section 54(1) of the Modern Slavery Act 2015 and constitutes the Virgin Care Group's slavery and human trafficking statement for the financial year ending March 31 2018.