



DUCHY OF CORNWALL

MODERN SLAVERY STATEMENT

JUNE 2019

This statement sets out the work the Duchy has done over the last year on the issue of modern slavery and the work it plans to do over the next year. Although the Duchy is not one of the organisations required to produce a statement under s54 of the Modern Slavery Act 2015, this statement is intended to comply with those requirements. This is the second statement and relates to the financial year ended 31st March 2019.

INTRODUCTION

Modern Slavery as a term covers slavery, servitude, forced or compulsory labour and human trafficking. It is a moral, legal, economic and sustainability issue. In line with The Prince's ethos about how the Duchy estate is to be managed, we have a zero tolerance approach to modern slavery, both on the estate and within the organisations with whom we do business.

GOVERNANCE, STRUCTURE, BUSINESS AND SUPPLY CHAINS

The Duchy of Cornwall is a private landed estate that provides an income to The Duke of Cornwall, HRH The Prince of Wales. It is managed in harmony with The Prince's ethos in order that it can be passed on with pride to the next generation.

The Duchy of Cornwall estate extends across 21 counties in England and Wales. It comprises 53,000 hectares of land, a mixture of lowland agricultural land, upland moorland, islands, foreshore, and forest. It includes rural commercial and residential property, urban commercial property, urban residential property, and some development sites, most notably Poundbury, the urban extension to Dorchester, and Nansledan near Newquay. There is a financial investments portfolio.

The estate is managed from seven offices: the head office is at Buckingham Gate, London, and there are further offices on the Isles of Scilly, at Lostwithiel (Cornwall), Newton St Loe (Somerset), Princetown (Dartmoor), Poundbury (Dorset), and Hereford. The average number of full time

equivalent staff employed by the Duchy during the 2018/19 financial year was 108. The split of staff was: Administrative 65, Estate workers 13, Nursery 23, and Housekeepers 7.

Almost all Duchy property is let out to tenants on standard commercial terms. There are four small direct trading enterprises: the harbour on St. Mary's, Isles of Scilly, the Duchy of Cornwall Nursery at Lostwithiel, Cornwall, a portfolio of directly let holiday cottages, and in-hand forestry management. Our "customers" therefore comprise those who rent property from us, and those who buy from one of these trading enterprises.

The Duchy is the majority shareholder in J V Energen LLP which has built and runs an anaerobic digester and biomethane injection facility near Dorchester. It owns 100% of QMS (Poundbury) LLP, which developed and now owns some property at Queen Mother Square, Poundbury, 50% of RP (Poundbury) LLP, which was established to build and then sell property at Royal Pavilion, Queen Mother Square, Poundbury, and 15% of Poundbury Spa LLP, which will fit out and operate a spa at Queen Mother Square, Poundbury.

The Duchy's major suppliers are professional services firms (lawyers, chartered surveyors, auditors, IT consultants), and construction services firms, both in relation to ongoing property maintenance and at development sites. We have over 1,500 suppliers in any year, ranging from major companies to sole traders. Our top 10 suppliers account for over 50% of spend, and over 70% of spend relates to construction and building maintenance services.

Given that nearly all property is let, and the trading enterprises are relatively small, there are few standard production processes and many of our supply chains are relatively short. However, where the estate or our contractors are involved in construction activities, these supply chains will be more complex and multi-tiered. During the year we started an exercise to map these supply chains, which will be extended over the coming year beyond tier one suppliers. In addition, some of our tenanted farms will make use of seasonal and migrant labour, areas where workers can be at higher risk of exploitation.

POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

We have now completed writing our Modern Slavery Policy. This applies to all employees, contractors, consultants, officers, interns, casual and agency workers, and anyone else under our control. We already have the following policies in place which are relevant to this issue: Bribery Policy, Equality and Diversity Policy, Grievance Policy, Induction and Probation Policy, and a Whistleblowing Policy. These policies ensure that prospective employees are legally entitled to work in the UK and are freely employed, and, together with employment contracts, protect all employees from abuse and coercion. They provide clear routes and processes for staff to raise concerns and to be protected while doing so. And we are developing a standalone Bullying and Harassment Policy.

All policies are developed, overseen, and enforced by the Executive Committee. Policies undergo periodic review and the next iteration will ensure alignment with the new Modern Slavery Policy. All staff have been made aware of and have access to these policies. There is a Staff Consultative Committee with representatives from all offices.

DUE DILIGENCE PROCESSES

Responsibility for Modern Slavery sits with The Secretary and Keeper of the Records and the Duchy Executive Committee, which meets quarterly, implements strategy and manages all operational activities. A Modern Slavery Working Group has been established, reporting to the Executive Committee, comprising three members of the Executive: the Land Steward Eastern District (who deals with rural property matters), the Head of Planning (land use and construction issues) and the Rural Director of Finance (governance, policy and sustainability issues). The Working Group is responsible for developing the Modern Slavery Policy, designing due diligence programmes, undertaking risk assessments, establishing effectiveness measures and continuing staff awareness and training. The Executive Committee is in turn advised and overseen by The Prince's Council, chaired by The Prince of Wales. Further details can be found at duchyofcornwall.org or in the latest Integrated Annual Report, also available from the website.

We have reviewed our standard letting, tendering and contractual agreements with the guidance of our external legal advisers. They contain the necessary provisions relating to compliance with the Act for tenants, developers and contractors by virtue of requiring compliance with all UK statutes. We continue the process of reviewing our standard tendering procedures and contract documentation against the Modern Slavery Act and best practice.

During the year we reviewed one aspect of how well the major players in our supply chain are engaging with the issue of modern slavery by reviewing the modern slavery statements of all tenants who we believe are required to produce a statement under section 54 of the Act. As far as can be determined, all Duchy tenants who should be producing a statement (13 companies) have produced one, although not all complied with all the requirements and the statements are of variable quality. We are liaising with them on this.

RISK ASSESSMENT AND MANAGEMENT

Our approach to the risk of modern slavery has been built on our risk register and strategic risk assessments. This risk analysis has guided the development of our work on modern slavery and the work we are doing. Both the risk analysis and the compilation of this statement were undertaken with the guidance of external human rights consultants, specialists in the field of modern slavery. We continue to engage with farm tenants and construction companies to learn from them and share with them the development of our work in this area.

Our assessment of the estate's assets and activities, looking at operations, tenants and supply chains, has identified the following areas as being higher risk (although not high risk): the use of temporary and seasonal labour on tenanted farms, labour within contracted construction companies, and the sourcing and transportation of construction materials supplied to contracted construction companies and directly for use on Duchy projects. This risk assessment has determined the training programme for the year (see "Training" below).

Although identified as a higher risk area, temporary and seasonal labour on tenanted farms is, we believe, relatively rare on Duchy farms compared to the country at large, given the nature of the predominant farming operations (dairy and livestock). Labour within the agricultural sector is subject to greater oversight and governance than other sectors, through the Gangmasters and Labour Abuse Authority, and there are often strict requirements from the purchasers of farm products, for example through supermarket codes of supplier conduct and those who voluntarily work with Stronger Together.

EFFECTIVENESS

We do not have a key performance indicator relating to modern slavery itself. Our progress is assessed by the processes put in place and the extension of our training and awareness raising programmes. During the year, most progress was made with developing our training programme:

Team	Staff - #	Trained - #	Trained - %
Rural surveyors	11	11	100%
Building surveyors & construction	14	12	86%

We also finalised our Modern Slavery Policy.

This coming year we aim to complete work begun last year by revising our tender documents and contracts, and creating a supplier code of conduct; communicating with all farm tenants not reached so far; and completing the mapping of our supply chain.

Discussions with colleagues, tenants and contractors have not uncovered any instances of modern slavery within the organisation or its supply chains. Any incidences found will be recorded and reported using our grievance mechanism and whistle-blowing policies.

TRAINING

Building on training in 2017/18, when the Duchy Executive Committee was briefed on and discussed the issue of modern slavery at its meetings and all estate management staff were made aware of the issue of modern slavery via the staff intranet and at office meetings, 2018/19 saw more detailed training for both the rural surveying and building surveying teams (see data above).

In October 2018, specialist modern slavery training was given to all Duchy rural surveyors and others who manage the rural portfolio and work with our tenant farmers. This training looked at modern slavery in the global, national and UK agricultural contexts. Case studies were reviewed. Practice was developed around how to recognise modern slavery in the agricultural sector, report and remediate it, and how to raise awareness.

This was followed in March 2019 with bespoke training for Duchy building surveyors and staff who work on our development sites. This highlighted what modern slavery is and where it exists in the sector, how to identify signs of modern slavery, and what steps can be taken to prevent and tackle hidden labour exploitation in our building and construction supply chains.

Now that our Modern Slavery Policy has been completed, all staff will be briefed on it. Working with external human rights consultants, who also work with Stronger Together, we are designing how we will work with our higher-risk contractors.

This statement was authorised by the Finance and Audit Committee on 4th June 2019, and is signed on behalf of The Prince's Council.



Alastair Martin, Secretary and Keeper of the Records.