



DUCHY OF CORNWALL

MODERN SLAVERY STATEMENT

JUNE 2018

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 first statement and relates to the financial year ended 31st March 2018.

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 23 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. There are 153 directly employed members of staff.

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, and 50% of RP (Poundbury) LLP, which was established to build and then sell property at Royal Pavilion, 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. 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. Over the next year we will be working to understand these supply chains in greater depth. And 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 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.

We are developing a specific Modern Slavery Policy, which will apply to all suppliers, contractors, business partners and employees. 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 have started the process of reviewing our standard tendering procedures and contract documentation against the Modern Slavery Act and best practice. We have engaged with supply chain consultants to consider how we can best begin to engage with and audit higher risk suppliers, and work with others in our sectors to share best practice.

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 have started on. 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 have also engaged 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.

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 yet have a key performance indicator relating to modern slavery itself. Our progress over the coming year is to be assessed by the processes put in place and the extension of our training and awareness raising programmes: we will complete a Modern Slavery Policy; revise our tender documents, supplier code of conduct and contracts; complete background training for all staff and detailed training for frontline staff (building surveyors and rural surveyors); communicate with all farm tenants not reached so far; and review the modern slavery statements of our core commercial tenants.

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

The Duchy Executive Committee, was briefed on and discussed the issue of modern slavery at its meetings during the year. All estate management staff have been made aware of the issue of modern slavery via the staff intranet and at office meetings. While we believe this is sufficient training for general staff, more detailed training is planned both for the rural surveying and building surveying teams for later in 2018. Once our Modern Slavery Policy is completed, all staff will be briefed on it, and front-line staff will receive more focussed training. Working with external human rights consultants, who also work with Stronger Together, we are designing how we will work with our contractors on this issue.

Farm tenant seminars, to which all farm tenants were invited, were held in the spring of 2018. Modern slavery was discussed and resources from Stronger Together and the Home Office were distributed. The discussion covered what modern slavery is, likely risk areas, signs of modern slavery, and an agricultural case study. Over 100 people attended, including representatives from 67 farms (one-third of the estate's fully equipped holdings), the Tenant Farmers Association, Country Land and Business Association, National Farmers Union, members of Prince's Council, and Duchy staff. The issue of modern slavery and resource materials have also been made available via the tenants' e-newsletter and on the tenants' intranet site.

This statement was authorised by The Prince's Council on 6th June 2018 and is signed on their behalf.

A handwritten signature in dark ink, appearing to read 'Alastair Martin', with a horizontal line extending to the right.

Alastair Martin, Secretary and Keeper of the Records.