

Ethical Business Impact Report

How Achilles and its clients collaborate to increase visibility across the supply chain and using actionable data to prevent cases of exploitation associated with their business activities..

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Introduction



International
Labour
Organization

Organizations worldwide are stepping up their ESG efforts, proactively addressing sustainability risks and impacts. This includes setting clear roadmaps, strengthening governance, and embedding sustainability into business strategy. Key focus areas span carbon reduction, environmental responsibility, safety, security, and human rights.

Due diligence and anti-modern slavery laws outline clear expectations for companies to mitigate human rights risks in their operations and supply chains. These regulations, rooted in long-standing international conventions, increasingly require businesses to demonstrate concrete actions taken to prevent exploitation and modern slavery.

Beyond ethical responsibility, safeguarding human rights in employment plays a crucial role in procurement decisions. Human rights violations within supply chains can damage business growth and reputation, making transparency and accountability essential for companies of all sizes.

Supply Chain Challenge

Human rights violations are often more prevalent and harder to identify in a company's supply chain than its direct operations. Several factors including complexity, weak oversight, high-risk

industries and cost pressures exacerbate issues. Larger organizations are now under increasing pressure to identify and report on potential issues to comply with regulations such as CSRD and IFRS.

Meeting Obligations

Identifying, preventing, tracking, communicating and remediating human rights issues within complex global supply chain networks is challenging for even the most sophisticated and mature organizations. Many suppliers understand the importance of aligning with legal norms, however, there continue to be companies that are willing to exploit workers for their own benefit. These suppliers are often difficult to identify and track, even for the largest organizations who do not have the necessary resources to monitor the supply chain.

Achilles supports clients to achieve visibility of potential human rights violations within the supply chain, enabling businesses to introduce remediation measures and track implementation efficiently.

This report explores how Achilles and its clients are collaborating to increase visibility across the supply chain and using actionable data to prevent cases of exploitation associated with their business activities.



Taking impactful action with Achilles

The Achilles Ethical Business Programme, launched in 2018, empowers clients to align with Modern Slavery legislation and identify potential unethical employment practices. Rooted in Achilles' 30-year philosophy of transparency and collaboration, the program combines site surveys and management system audits to uncover unethical practices or human rights violations within supply chains.

The program's strength lies in its dual approach: combining meticulous site surveys with comprehensive management system audits. These tools enable buying organizations to identify and address unethical practices or human rights violations that may lurk within their supply chains. By conducting thorough management system audits, such as the Ethical Business Audit, the program not only supports buyers but also fosters a collaborative environment where best practices can be shared with supplier organizations.

'Our 'boots on the ground' strategy involves detailed site surveys that delve into complex work sites, where multiple agency workers or contractors may be employed. This hands-on approach allows us to swiftly identify agencies or contractors that may require additional support, enabling clients to take proactive measures.

Through the use of detailed site analytics and client feedback sessions, businesses can adopt a more efficient and meaningful risk-based approach to their supply chain due diligence activities. This proactive stance increases the likelihood of remediating issues before they escalate, ultimately enhancing overall performance.

Management system audits serve as a valuable complement to site surveys. They allow us to work closely with specific suppliers to identify root causes that may necessitate remediation at the source. By reviewing supplier policies, procedures,

and records, these audits help bridge the gap between office practices and on-site realities. Moreover, they provide an invaluable opportunity for direct collaboration with suppliers, facilitating the exchange of best practices.

To date, the program has made significant strides, surveying tens of thousands of individual workers and visiting hundreds of companies. The data and audit findings gathered have become instrumental for clients, enabling them to focus their efforts on specific areas of their supply chains.

Beyond empowering our clients, the data collected through the Ethical Business Programme is making a broader impact. It is being shared with charities, NGOs, and policymakers, informing their efforts to combat modern slavery and exploitation. Notably, Achilles and clients like Scape have proactively shared this data with organizations such as the GLAA, University of Nottingham, Unseen, and Independent Anti-Slavery Commissioners in the UK and Australia.

This collaboration between private and public organizations is driving tangible progress in high-risk industries. By improving processes for induction and training, we are collectively working towards reducing modern slavery and exploitation in supply chains.

How the Ethical Business Programme Works

The Ethical Business Programme unites clients and their supply chains to identify, mitigate, and remediate unethical employment practices through collaborative audits and site surveys. Clients gain visibility into their operations, while suppliers receive guidance to improve policies and procedures. The journey often begins with a site survey, providing data on working conditions and demographics, followed by audits that enable and facilitate continuous improvement. Achilles supports this process by offering performance reports that help organizations monitor progress and ensure transparency in their ethical practices.

Supplier benefits

Suppliers chosen to undergo an Ethical Business Audit gain significant benefit from the process. They receive an independent review of their policies and procedures, along with expert guidance from Achilles' highly qualified auditors. This invaluable insight, coupled with a comprehensive audit report and action plan, empowers suppliers to build capacity and implement lasting changes.

Step 1: Site Survey

For many clients, the Ethical Business journey begins with an initial site survey. This survey provides a rich dataset on working conditions, site demographics, and specific areas of concern, enabling clients to take immediate action.

Step 2: Ethical Site Survey Report

The Ethical Site Survey Report offers detailed insights across various metrics, guiding clients in their next steps. Each client receives analytical feedback on high-risk suppliers, occupations, and worker demographics, informing their mitigation and remediation strategies.

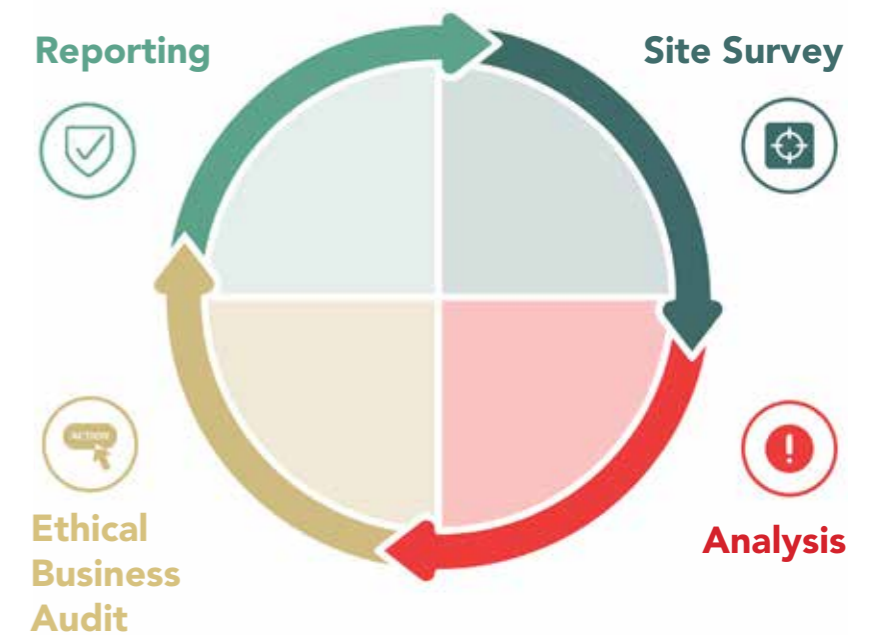
Step 3: Ethical Business Audit

To drive continuous improvement, the Ethical Business Audit serves as the next phase in the cycle. This audit facilitates closer collaboration between clients and specific suppliers, with Achilles providing constructive feedback and guidance on best practices.

Step 4: Performance reporting

For organizations committed to monitoring and communicating their progress, Achilles works closely to deliver site survey and management system data in the form of performance reports. These reports help clients track trends and support annual disclosures, ensuring transparency and accountability in their ethical business practices.

How it works Continuous Improvement Cycle



Ethical Sourcing Audits

For organizations sourcing products and materials globally, Achilles' Ethical Sourcing solution offers a comprehensive, triangulated audit aligned with international industry frameworks and standards. Developed in 2018 in collaboration with the civil society organization Verite, this audit has been deployed worldwide to support clients across a wide range of sectors.

The Achilles Ethical Sourcing Audit comprises three key components:

- 1. Management system audit;** This assesses a company's policies and procedures, ensuring they align with international and national ESG legislation and standards.
- 2. Site and accommodation inspection;** Our auditors inspect supplier premises to evaluate the suitability of environmental, safety, and wellbeing protections in both working and living areas.
- 3. Confidential worker interviews;** Workers are given a safe space to voice concerns, share knowledge, and direct auditor attention during the audit process, ensuring their perspectives are heard.

Global Footprint

Managing global supply chains requires a global resource. Achilles employs over 200 auditors strategically located around the world to support the Ethical Business and Sourcing programmes. With the highest audit qualifications, extensive language capabilities, regional awareness, and accountability, our team has been operating globally for over two decades.

Audits in South America, Eastern Europe, Southern Asia, and the Asia Pacific have uncovered severe issues like forced labor and hazardous conditions. By identifying these problems, we help clients implement remediation plans and monitor progress, fostering a more responsible supply chain.

Increasing Traceability

As global legislation increasingly mandates businesses to trace the origins of their products and materials, Achilles leverages both technological advances and on-the-ground teams. Our presence in remote or inaccessible locations enables clients to gain a deeper understanding of their supply chains.

Risk-based Flexibility

Recognizing that no two audits or suppliers are alike, Achilles works closely with clients to develop tailored Ethical Sourcing audit plans. By focusing on specific areas and adjusting audit durations, we enhance the effectiveness and robustness of these critical due diligence elements to meet each Client's business requirements.

Corrective Action and Mitigation

Through the Achilles platform, responsible sourcing teams can easily access audit reports, scores, and findings. Our Non-Conformance Module makes findings instantly visible to clients and suppliers, facilitating swift remediation.

Continual Improvement

With live audit performance updates in Achilles Analytics, corrective action evidence in the Non-Conformance Module, and custom risk reports from our Data Science team, clients gain valuable insights and expert guidance. This together with Achilles comprehensive support for suppliers to address issues and raise standards helps build a culture of continual improvement across the global supply chain.

Ethical Business Statistics

Number of sites

200

in more than 30 countries.

Number of Interviews

10K

Number of industry sectors

10

Tangible results

10%

average supplier improvement*.

*Average increase in score for all suppliers participating in the programme.

Achilles Data insights



Site survey results

As clients face increasing demands for supply chain transparency, the Ethical Business Programme has seen a surge in adoption. Since its launch in 2018, over 10,000 interviews have been conducted globally, shedding light on human rights risks within supply chains.

Global Insights, Local Impact

These interviews have not only increased visibility but also enabled clients to benchmark performance at the county level. This actionable insight helps address issues that might otherwise go unnoticed. Occupational and nationality data further pinpoint roles or individuals at higher risk of poor employment practices.

Critical Findings

Site survey data reveals significant room for improvement. For instance, 32% of individuals in UK construction reported not receiving formal terms and conditions of employment, often relying on verbal or text communications.

Green Shoots of Progress

There are encouraging signs of improvement. In 2021 and 2022, 80% of workers were unsure about the signs of modern slavery. By 2024, this figure had dropped to 52%, indicating growing awareness.

Opportunities for Improvement

Identifying risk areas and trends is crucial for strategic focus. Survey data from eight sectors—including construction, housing, food retail, and renewables—across the UK and Europe, highlights profiles and processes that can combat exploitation and modern slavery.

Diverse Workforce, Uniform Challenges

Interviewees represented various employment types and 110 nationalities. Notably, 33% reported receiving employment arrangements informally, with plant operators in construction and Moldovan and Eritrean nationals being most affected.

The Power of Knowledge:

Understanding terms and conditions is vital in mitigating unfair employment practices. Workers unaware of their rights are at higher risk of exploitation. The Ethical Business Programme is committed to empowering workers and driving meaningful change across industries. Mitigating unfair employment practices. Workers who are unaware of their basic employment terms and their statutory rights may be at increased risk of being exploited, particularly individuals who are unaware of basic employment rights afforded to them.

Driving change

The Ethical Business Programme has made significant strides in enhancing supply chain transparency, driven by mounting client pressure. With over 10,000 global interviews conducted since 2018, the program has uncovered critical human rights risks and enabled clients to benchmark performance, leading to actionable insights and improvements.

Achilles Site Survey Statistics

33%

of workers that reported receiving employment arrangements informally

32%

of individuals in UK construction that reported not receiving formal terms and conditions.

52%

of workers still unsure about the signs of modern slavery.

Notably, awareness of modern slavery indicators has risen, and the program continues to identify and address unfair employment practices across diverse sectors and nationalities. By empowering workers and driving strategic focus, the Ethical Business Programme is fostering meaningful change and mitigating exploitation risks in supply chains.



Case Studies

A person in a white protective suit and blue boots is using a shovel to dig up dark, muddy soil in a construction or demolition site. Other workers in similar suits are visible in the background. The scene is dimly lit, with a yellow vertical beam of light on the left side.

CaixaBank, one of Spain's largest banks, is working with Achilles to improve ESG criteria in its supply chain. With over 20 million customers, 45,000 employees and 4,200 branches worldwide, CaixaBank is one of the biggest and best-known banks in Spain.

The bank has been hugely successful thanks to its strategic approach and ability to adapt to changes in the financial environment. The bank has got behind technological innovation, providing online banking services and developing digital solutions to enhance the customer experience. CaixaBank's corporate culture also sets it apart with the focus on corporate responsibility and environmental sustainability. The bank has set itself a net zero target by 2050, and offers its customers solutions and advice to support their sustainable transition.

Commitment to Sustainability

The bank firmly believes in the social and financial benefits of sustainability. César Chaves, Manager of Transformation and Management Control, notes that "CaixaBank has been a leading figure in the field of sustainability for many years and we aim to remain so, both out of conviction and because it is profitable." Likewise, its conviction and strategy go beyond its employees and internal systems, extending as far as the supply chain.

ESG Criteria in the Supply Chain

When it comes to choosing suppliers, the bank takes into consideration not only factors such as price and quality but also ESG performance. However, there were challenges with raising supplier awareness of its importance and getting them to improve their practices.

Collaboration with Achilles

CaixaBank began working closely with Achilles in 2019 to raise awareness and make developments within its supply chain.

Achilles performs on-site ESG audits of its most strategic suppliers.

"The information we obtain from the Achilles audits is 100% sustainability. That's really important to us as we couldn't have a key supplier with major non-conformities," said Irene Tejón, from Transformation and Management Control.

"Through this development programme, companies are better equipped to meet our sustainability goals, but it also helps them strengthen their market positions, to the benefit of their other customers"

Irene Tejón, Transformation and Management Control

Supplier Development Programme

As well as on-site audits, CaixaBank and Achilles have launched a supplier development programme to help them understand the importance of sustainability and improve their ESG profiles.

Compliance and Future Goals

The exhaustive awareness-raising and evaluation process carried out by Achilles via the ESG development programme, as well as the audits, gives the bank peace of mind, ensures compliance with the highest sustainability standards and positions the bank ideally to comply with the upcoming EU Sustainability Due Diligence Directive.

Caixa Bank's supply chain is also gradually improving. Not only does this enhance the quality of the goods and services offered by CaixaBank, it also helps it to achieve its business aims and the Sustainable Development Goals it has set itself as a company.



**CaixaBank
is improving
suppliers' ESG
credentials using
Achilles**

Achilles helps Tesco reach new ethical employment standards



Tesco is one of the largest multinational food retailers and employs over 330,000 people across the UK, the Republic of Ireland and Europe. Across thousands of sites worldwide, Tesco's complex supply chains provide millions of customers with healthy and sustainable food.

With thousands of people working for Tesco across its supply chains, ensuring everyone is treated with the high standards it expects is a key commitment for the business. To guarantee the right standards were being met across its complex and international supply chains, Tesco needed a partner that could comprehensively audit a sample of its own operations in Central Europe to ensure high ethical standards were being applied throughout. It turned to Achilles and its holistic supply chain monitoring solutions: the Ethical Business Programme.

With supply chains operating in markets around the world, ensuring everyone working for Tesco is treated with respect and fairness has always been a key priority.

Engaging Workers in Central Europe

Tesco wanted to directly engage with workers across its supply chains in Central Europe in a comprehensive supply chain audit to understand how they felt about their working standards, how up-to-date their knowledge of modern slavery practices was and areas where employees felt their working experience could be improved. Tesco needed a partner that could audit its global operations, engage employees directly and proactively highlight areas for improvement.

"We had not conducted such an assessment in Central Europe before, and while a focus on worker engagement was key, we didn't want to be prescriptive on what the worker experience looked like. We knew Achilles was very thorough and very flexible in its audit approach and that this was something we really benefitted from in working together."

Courtenay Forbes, Human Rights Manager

Ethical Employment Audits

Achilles carried out unannounced inspections and ethical employment audits, including interviews. In total, Achilles carried out 412 ethical employee interviews across 12 sites, including distribution centres and supermarkets. These anonymous interviews asked workers about their employment standards and their knowledge of ethical working practices.

Findings and Improvements

Through these surveys, Tesco has gathered significant evidence from its employees, helping it better understand the working standards of the people working for Tesco. These audits confirm the strengths of Tesco's ethical employment standards

as well as identified areas where an even stronger worker experience could be developed.

The Achilles surveys also drew attention to broader areas of interest for Tesco. For example, Achilles highlighted that a large number of Tesco's workforce was aging, potentially compounding existing labour shortages experienced by many in the retail sector – which, in some circumstances, have been linked to increased risks for high ethical working standards.

Building a Sustainable Working Environment

By collating a wide range of data, Tesco has been able to engage in more holistic supply chain management.

Tesco raises the standards of ethical employment across its operations: Using the assessment results and interview responses, Tesco has taken its ethical standards even further. With an in-depth understanding of how the business sources some of its employees and where there were areas to be strengthened, Tesco was able to plan for improvements by allocating additional resources.

Tesco develops a more resilient supply chain: Through the Achilles audit programme, Tesco highlighted that high levels of agency labour were reducing Tesco's visibility of its supply chains. With this in mind, Tesco is looking at ways to tighten its oversight in this area.

Tesco can better inform its human rights strategy for Central Europe: Thanks to Achilles' Ethical Business Programme, Tesco can call upon a wide range of data and evidence to inform its future human rights strategy for the region.

Tesco is continuing to set new standards when it comes to continuous supply chain monitoring, allowing it to build an even more positive working experience for all who work for the business.



For more than 30 years, Achilles has protected organisations' business interests and reputations by providing unrivalled levels of supply chain transparency, carbon reduction and management.

Operating from 22 locations worldwide, Achilles is at the forefront of the battle against climate change, a champion for social justice and human rights, and an expert in health, safety, and risk management.

Achilles has the economies of scale to provide a comprehensive supply chain risk solution that both fulfils global legislative requirements and enables businesses to deliver on their own ambitious business resilience and sustainability goals at a cost-effective price.

Achilles works with market-leading financial, industrial, commercial and governmental organisations requiring the serious, detailed analysis and expert insight necessary to deliver exceptional levels of risk management and reporting confidence.

If your business would like more confidence in its ability to meet increasingly stringent supply chain due diligence requirements, anticipate and respond to disruption and enhance business resilience and security discover more about working with Achilles.

Contact us to arrange a free no obligation consultation.

675

Sustainability and Procurement Experts



Expert global team including validators and auditors provide end-to-end supply chain management in >20 languages.

22

Office Locations



Global reach and local presence ensures understanding of local regulations, language and culture to enable superior supply chain risk management.

6500+

Annual Audits



Unique desk and on-site audit capability supports even the most rigorous supply chain due diligence requirements and goals.

#1

Global Platform



Designed to collect, validate and manage complex supply chain data and simplify supply chain management and reporting.

Achilles Customers

We support the world's biggest companies to create and maintain ethical, sustainable and transparent supply chains and enable effective carbon reduction.

We work with some of the biggest brands in energy, mining, oil and gas, construction, chemicals, pharma, transport and logistics, manufacturing, financial services and retail. We also support government procurement and not-for-profit agencies.

Contact Us

Learn more about Achilles at www.achilles.com.

Alternatively [contact us](#) for a free, no obligation supply chain risk or carbon reduction consultation.

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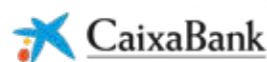
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 **Achilles**
Supply Chain Sustainability