FTSE 100: Modern Slavery Due Diligence

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“*You may choose to look the other way, but you can never say again that you did not know*.”

– William Wilberforce

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Acronyms

AS	Anti-Slavery
AS/AHT	Anti-Slavery / Anti-Human Trafficking
DI	Development International e.V.
ETI	Ethical Trading Initiative
FTSE	Financial Times Stock Exchange
KPI(s)	Key Performance Indicator(s)
LLP	Limited Liability Partnership
MS	Modern Slavery
MSA	Modern Slavery Act (U.K.)
PLC	Public Limited Company
SMEs	Small and Medium Enterprises
TISC	Transparency in Supply Chains
URL	Uniform Resource Locator

Executive Summary

Slavery is one of the earliest forms of exploitation, and aspects thereof survive to this day. Present-day legislation seeks to protect potential victims of new forms of slavery, recognising that globalised markets agents in positions of leverage have a duty not only to be vigilant, but to identify and address human rights violations in their own businesses and supply chains. The UK Modern Slavery Act (2015) is an invitation to do just that.

This report focuses on the FTSE 100 constituents, which represent the largest publicly traded companies in the U.K. Given that the FTSE 100 had a combined net turnover of £ 1.9 trillion as of May 2020, and owned ca. 30,000 subsidiaries worldwide[1], their impact potential on the issue is especially high. Today, FTSE 100 companies represented 81% of the entire market capitalisation of the London Stock Exchange in 2021.[2]

We assess each organisation's compliance with the MSA legal requisites, disclosure conformance and reported anti-slavery/anti-human trafficking good practice measures, divided into five dimensions: (1) MSA Requirements, (2) Disclosure Conformance, (3) "Find It", (4) "Fix It", and (5) "Prevent It".

Our findings show that basic compliance in the FTSE 100 cohort was generally mixed (see Figure 1). Ninety-nine (99) out of one hundred (100) FTSE 100 companies had a modern slavery statement. The average compliance with the MSA's core requirements was 90.3%.

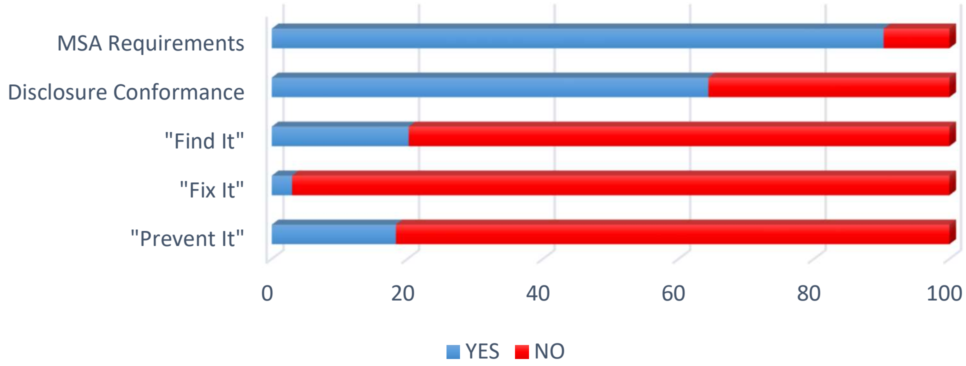

Figure 1: FTSE 100, mean scores across the five dimensions, N = 99

Corporate performance was lower in the dimension of Disclosure Conformance, related to the Home Office's Guidance on the Modern Slavery Act. The average conformance score was 64.4%, and only four (4) out of ninety-nine (99) companies received 100% of the Disclosure Conformance points.

[1] The Guardian, 'Sustainable' companies hide behind subsidiaries in secretive tax havens. Retrieved January 20, 2022, from: https://www.theguardian.com/sustainable-business/companies-hide-subsidiaries-tax-haven-christian-aid
[2] FTSE Russell Factsheet, FTSE 100 (2021). Retrieved January 20, 2022, from: https://research.ftserussell.com/Analytics/Factsheets/Home/DownloadSingleIssue?issueName=UKX&IsManual=false

Also analysed is the performance of the FTSE 100 companies under the indicators pursuant to CCLA's *“Find It, Fix It, Prevent It” initiative*. We find that the average score was only 20.2% in the “Find It” dimension (modern slavery identification), only 3% in the “Fix It” dimension (action taken), and only 18.3% in the “Prevent It” dimension (proactive measures).

The average overall performance on all 60 indicators was 39%. No company earned all points (100%).

I. Introduction

A. U.K. MSA

Section 54 of the U.K. Modern Slavery Act requires all businesses that operate in the U.K., with a worldwide turnover of more than £36 million per year, regardless of size or footprint in the U.K., to report annually on the steps they took to address modern slavery in their supply chains and business practices, or to report that no such steps were taken. The basic premise of the law is that the existence of forced labour in global value chains is an issue requiring transparency and remediation.

In-scope organisations are obliged to include primary information in their statements, as directed in subsection 5 (Section 54) of the Act: its structure, business and supply chains policies, due diligence, and training in relation to slavery and human trafficking. It also requires companies to provide information about the: “parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk”. In the words of former U.K. Home Secretary and Prime Minister Theresa May: “It is simply not acceptable for any organisation to say, in the twenty-first century, that they did not know”. The law also contains an explicit expectation that organisations discuss their actions and approaches to combat modern slavery within the framework of their businesses and supply chains, rather than outlining an ambiguous course of action. Successful risk management further relies on applying targeted measures to identified factors that affect business activities, once effective risk assessments have been conducted.

The legislator was keen to signal the importance of discussing concrete circumstances for an evident reason: it would be very hard to measure the impact of the actions an organisation has undertaken if it fails to describe the specific risks to which their operations are currently exposed. If a company were to correctly address each one of the aforementioned items, it should be ready to answer the final question: how do they rate their effectiveness in ensuring that slavery and human trafficking are not taking place in their business and supply chains? To quantify effectiveness, the MSA does not dictate a methodology: companies are given the leeway to use the Key Performance Indicators (KPIs) of their choice.

This normative layout couples nudge theory with ‘sunlight-is-the-best-disinfectant' logic, to encourage companies to contemplate the steps they are – or are not – taking.

Since its passage, the Home Office has issued two guidance documents, the latest one – *Transparency in supply chains: a practical guide* – released on 13/12/2021.[3]

[3] UK Home Office, Transparency in Supply Chains etc. A practical guide (2021). Retrieved May 3, 2022, from: https://www.gov.uk/government/publications/transparency-in-supply-chains-a-practical-guide/transparency-in-supply-chains-a-practical-guide

B. FTSE 100

This study assesses the anti-slavery performance of the FTSE 100 constituents as per the U.K. MSA. The FTSE 100 is a share index of 100 companies in the U.K. with the highest market capitalisation listed on the London Stock Exchange.

C. Prior analyses of corporate modern slavery statements

Upon the UK MSA's entry into force, observers were keen to examine a number of outcomes. Most immediately, observers scrutinised the modes and degree of compliance with the Act, both in letter and in spirit. Beneath the matter of compliance, however, was the extent to which law's transformed corporate policies, systems, and procedures with respect to modern slavery. Ultimately of great interest, was how the implementation of anti-slavery measures has impacted at-risk populations.

A year after the introduction of the MSA, a collaborative report published by the Ethical Trading Initiative (ETI) and the Hult International Business School[4] found that in the wake of the law, and in line with government guidance, companies focused primarily on training their employees and senior management, conducting risk assessments, and structuring their anti-slavery policy. While these measures initially demonstrated action on the part of the companies, the quality of the reports stagnated, especially when it came to reporting on the impact of measures.

Subsequent work[5] conducted by the above cited research centres found several factors that impacted negatively on corporate willingness to be transparent. Encountering material limitations that impeded proper engagement with the lower ends of their supply chains and incurring potential reputational risks were identified as the main constants that discouraged companies from the robust reporting. Similarly, an early review[6] of modern slavery statements concluded that for the FTSE100: "*Information about supply chains and supply chain risk is currently collected in an ad hoc way, and most companies have yet to put in place mitigation and remedial action plans related to modern slavery*", which constitute a vital component to combat slavery and measure effectiveness. In that direction, a framework to guide companies in drafting of their modern slavery statements was created by the ETI,[7] focusing on key content companies' may elaborate on without having to overly expose themselves.

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[4] Ethical Trading Initiative, Hult International Business School, Corporate Leadership on Modern Slavery (2016). Retrieved November 14, 2022, from: https://www.ethicaltrade.org/sites/default/files/shared_resources/corporate_leadership_on_modern_slavery_summary_0.pdf

[5] Ethical Trading Initiative, Hult International Business School, Corporate approaches to addressing modern slavery in supply chains: A snapshot of current practice (2016). Retrieved November 14, 2022, from: https://www.ethicaltrade.org/sites/default/files/shared_resources/corporate_approaches_to_addressing_modern_slavery.pdf

[6] Historic Futures, Ergon Associates, Has the Modern Slavery Act had an impact on your business? (2016). Retrieved November 14, 2022, from: https://media.business-humanrights.org/media/documents/files/documents/msa-report-ergon-oct2016.pdf

[7] Ethical Trading Initiative, Modern Slavery Statements: A Framework for Evaluation. Retrieved November 14, 2022, from: https://msframework.ethicaltrade.org/

In 2018, research conducted by the Business and Human Rights Resource Centre[8] concluded that strong commitment to addressing modern slavery risks was largely absent among FTSE 100 constituents. Furthermore, the study pointed out that even best performers "*Appear to be selective about what they disclose*'', and that *"While more companies now report that they have identified risks in operations and supply chains, few disclose what those risks are*". During the same year, a review[9] on corporate compliance in the cocoa and garment sector, arrived at similar conclusions. In 2019, another study[10] that scrutinised the hospitality sector judged that the hotel industry was still no exception to the rule of poorly constructed statements. On the other hand, a paper[11] in the Journal of the British Academy reported growing improvements on the side of the fashion and textile industry, yet concluded that: "*The lack of enforceable reporting standards on modern slavery engagement coupled with the absence of any meaningful penalties mean that the modern slavery statements vary significantly in quality and depth*."

A more recent and exhaustive review led by the Bingham Centre for Modern Slavery and Human Rights,[12] remarked that even though statements had increased in length and sophistication, "*It is not possible to be sure that these improvements in reporting actually correspond to meaningful changes in companies' practices, or to substantial reductions in the risks of modern slavery occurring in supply chains*". The omission of fundamental information to substantiate certain claims is one of the reasons for their scepticism. The study also points out inconsistencies between MSA statements produced by the same company, and the confusion this adds to the lack of much-needed detail. It seems that even when companies find a way to discuss each item on the list, they also manage to avoid meaningful elaboration.

With this status quo, CCLA's "*Find It, Fix It, Prevent It*" initiative[13] aims to target the core business response to modern slavery and render it more effective. The program complements public policy advocacy along with active business engagement, and the development of better data on which to build robust tools to fight slavery. The analytical dimensions developed for this study also draws on a prior instrument[14] crafted by Development International to evaluate anti-slavery corporate performance.

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[8] Business and Human Rights Resource Centre, FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action (2018). Retrieved November 14, 2022, from: https://media.business-humanrights.org/media/documents/files/FTSE_100_Briefing_2018.pdf

[9] Leona Vaughn, Small Sample Analysis of Modern Slavery Statements in Cocoa and Garment Sectors (2018) Retrieved November 14, 2022, from: https://www.liverpool.ac.uk/media/livacuk/politics/ccc/Small,Sample,Analysis,of,Modern,Slavery,Statements.pdf

[10] Minderoo Foundation's Walk Free Initiative, WikiRate, Et al, Beyond compliance in the hotel sector: A review of UK modern slavery act statements (2019) Retrieved November 14, 2022, from: https://media.business-humanrights.org/media/documents/files/2632_MSA-statements.V8_FNL.pdf

[11] Hinrich Voss, et al., International supply chains: compliance and engagement with the Modern Slavery Act (2019) Retrieved November 14, 2022, from: https://eprints.whiterose.ac.uk/148130/1/Voss%20et%20al%202019%20International%20supply%20chains%20compliance%20and%20engagement%20with%20the%20Modern%20Slavery%20Act.pdf

[12] Bingham Centre for Modern Slavery and Human Rights, Effectiveness of Section 54 of the Modern Slavery Act Evidence and comparative analysis (2021) Retrieved November 14, 2022, from: https://modernslaverypec.org/assets/downloads/TISC-effectiveness-report.pdf

[13] CCLA, Find It, Fix It, Prevent It (2020) Retrieved November 14, 2022, from: https://www.ccla.co.uk/documents/find-it-fix-it-prevent-it-annual-report-2020/download?inline=true

[14] Development international e.V.; GLOBAL GOVERNANCE - Compliance and Conformance with U.K. MSA and Good Practice in Human Rights (2018). Retrieved January 20, 2022 from: https://docs.wixstatic.com/ugd/f0f801_e4fe7195ed6447a29ce587d243f9f693.pdf

D. The ever-present risk of modern slavery

The risk of modern slavery cuts across all industries represented in the FTSE 100. In the UK, the legal framework that classifies the various expressions of exploitation that fall under the umbrella term “modern slavery” – labour exploitation, domestic enslavement, sexual exploitation, criminal exploitation – are defined in the Home Office publication “A typology of Modern Slavery Offences in the UK”.[15]

In their Annual Report issued November 2021[16], the UK Home Office stated that “*criminal exploitation was the most common type of exploitation reported for child potential victims, whilst labour exploitation was most common for adult potential victims*”. Modern slavery, according to a survey conducted by ACSI, is particularly encountered with the presence of vulnerable populations in the workforce, high-risk business models, high-risk procurement categories, and high-risk geographies.[17]

This section focuses on salient modern slavery risks specific to each sector of industry covered by the FTSE 100. To inform the categories and discuss the risks of the FTSE 100[18] constituents, we utilised the GICS Classification Standard for Industries.[19] That said, in our highly globalised world, it is common for the lines that separate one industry or market from one another to be blurred. In their Guiding Principles and Methodology issued on January 2020 (ibid.) the MSCI asserts that indeed “*drawing the line between goods and services is becoming increasingly arbitrary as they are now commonly sold together*.”

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[15] The four broad groupings are:

> Labour exploitation: Victims of this type of slavery are often associated to isolated working environments or remote rural locations where offenders have direct control over workers.
>
> Domestic enslavement: Where victims are forced to undertake household chores being utterly confined to the house they work at.
>
> Sexual exploitation: Encompassing child sexual exploitation and trafficking and forced sex work in a fixed or changing location.
>
> Criminal exploitation: Victims are forced into gang-related criminality or forced to work for the purposes of an illegal activity, such as financial fraud, where workers are withheld from their identity documents and used to claim benefits.

UK Home Office. A typology of Modern Slavery Offences in the UK (2017). Retrieved May 3, 2022 from: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/652652/typology-modern-slavery-offences-horr93.pdf

[16] UK Home Office. Annual report on Modern Slavery (2021). Retrieved May 3, 2022, from: https://www.gov.uk/government/publications/2021-uk-annual-report-on-modern-slavery/2021-uk-annual-report-on-modern-slavery-accessible-version#chapter-1--modern-slavery-in-the-uk

[17] ACSI, Modern Slavery risks, rights, and responsibilities, a guide for companies and investors (2017). Retrieved May 3, 2022 from: https://assets.kpmg/content/dam/kpmg/au/pdf/2019/modern-slavery-guide-for-companies-investors-feb-2019.pdf

[18] The Financial Times Stock Exchange (FTSE) group is a financial organisation based in the UK that specialises in the creation of market indexes and asset management, their sheer footprint and purchasing power translate into great potential for anti-slavery impact. Most of the FTSE 100 companies have long, complex, and diversified supply chains. Although some of the listed companies operate large conglomerates outside the UK, they all fall under the legal aegis of a UK public interest company.

[19] MSCI, Global Industry Classification Standard (GICS®) Methodology (2020). Retrieved May 3 2022 from: https://www.msci.com/documents/1296102/11185224/GICS+Methodology+2020.pdf/9caadd09-790d-3d60-455b-2a1ed5d1e48c?t=1578405935658

ENERGY

The energy sector[20] is characterised by extraction, processing and transportation operations in high-risk locations. The Australian Human Rights Commission[21] has pointed out that countries that are affected by conflict or prone to instability are often targets of criminal activity connected to slavery practices. This is aggravated by the fact that the workforce that is usually exposed to the highest risk is also the most vulnerable: the high demand for base-skill workforce frequently attracts migrants and other groups at risk looking for job opportunities in construction and maintenance services.

The Commission also notes that the shift towards decarbonisation is changing procurement strategies and therefore reducing visibility over multi-layered supply chains that are becoming increasingly complex. In the last few years, renewable energy technologies have been linked to allegations of forced labour in developing countries. A 2020 report[22] issued by the EU illustrates this conflicting scenario: "*In 2020, 75% of all imports of panels into the EU came from China, according to Eurostat, the EU's statistics agency. (...) If you were to decide in February 2022 that you want to suddenly buy from crystalline solar companies that have nothing to do with Xinjiang you would have almost no choice*."

MATERIALS

An ILO study[23] on the risks of modern slavery in the construction, manufacturing, mining and utilities industries supply chains[24] noted that US$ 34 billion (23%) of the US$ 150 billion [25]generated annually by forced economic exploitation around the world: *"Outsourcing, unethical recruitment, on-site exploitation, and construction material sourcing are all high risk. Migrant workers are also at a high risk on-site*." The report also highlights that subcontracting is by far the most common business format. In fact, 90% of the industry is made up by SMEs, to which the prime construction contractor outsources their work (who instead primarily focuses on winning and managing projects). As a result, "*work is passed on to small businesses which are hired on a weekly, daily or even hourly basis*".

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[20] The energy sector is comprised of the Energy Equipment & Services, Oil, Gas and Consumable Fuels industry. BP, DCC, ROYAL DUTCH SHELL, and SSE are the FTSE 100 constituents that fall under this category.

[21] Australian Human Rights Commission, Resources, energy and modern slavery: Practical responses to managing risks to people (2021). Retrieved May 3, 2022, from: https://humanrights.gov.au/about/news/combatting-modern-slavery-resources-and-energy-sectors

[22] S&P Global, Solar imports set for scrutiny as EU takes aim at human rights in supply chains (2022). Retrieved May 3, 2022, from: https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/solar-imports-set-for-scrutiny-as-eu-takes-aim-at-human-rights-in-supply-chains-68810066

[23] International Construction, Is construction taking slave labour seriously? (2021). Retrieved May 3 2022 from: https://www.international-construction.com/news/is-construction-taking-slave-labour-seriously-/8016412.article

[24] The materials sector covers chemicals, construction materials, containers and packaging, metals and Mining and paper and forest products. The FTSE 100 companies that produce these goods are: ANGLO AMERICAN, ANTOFAGASTA, BHP GROUP, CRH, CRODA INTERNATIONAL, EVRAZ, FERGUSON, FRESNILLO, GLENCORE, JOHNSON MATTHEY, MONDI, POLYMETAL, RIO TINTO, SMITH (DS) and SMURFIT KAPPA.

[25] The materials sector covers chemicals, construction materials, containers and packaging, metals and Mining and paper and forest products. The FTSE 100 companies that produce these goods are: ANGLO AMERICAN, ANTOFAGASTA, BHP GROUP, CRH, CRODA INTERNATIONAL, EVRAZ, FERGUSON, FRESNILLO, GLENCORE, JOHNSON MATTHEY, MONDI, POLYMETAL, RIO TINTO, SMITH (DS) and SMURFIT KAPPA.

When it comes to the geographical distribution of modern slavery risks within the sectors of the materials industry, some areas are particularly concerning. For instance, a 2020 briefing[26] on forest products pointed out that North Korea, Peru, and two of the world's largest timber producing countries – Brazil and Russia – are countries in which timber is produced with forced labour. In this context, the briefing also notes that up to half of illegal logging worldwide is dependent on forced labour, and that *"in producing countries in the Amazon basin, Central Africa, and Southeast Asia, it is estimated that 50-90% of forestry activity is carried out illegally."*

INDUSTRIALS

Amnesty International revealed the ordeals large industrial firms[27] have systematically subjected migrant workers to in Qatar during the build-up to the 2022 World Cup. The organisation published an investigation about an engineering company whose 1,200 workers "*had been involved in building vital infrastructure serving the city and stadium hosting the opening and the final matches of the 2022 World Cup"* yet had gone unpaid for several months *"and went weeks without running water or electricity*."[28]

Third-party contractors chartering and contracting sea transport is also a high-risk factor for companies that transport goods and supplies. In October 2020, the International Transport Workers' Federation denounced[29] that seafarers were forced to spend up to 18 months on ships without being able to set foot on land, under the guise of COVID restrictions. The charity Mission to Seafarers Gladstone reported that "*workers from all over the world had been "cajoled, sometimes bribed, and very often threatened" to extend their contracts to keep ships moving and avoid docking at ports for long*". As a result, seafarers spent up to 16 months at sea, with anything beyond 11 months breaching conventions, and suffered from extreme ill-health.[30]

CONSUMER DISCRETIONARY

Especially in recent years, the textiles and clothing industry, a subset of the consumer discretionary rubric,[31] has come under public spotlight. A recent report by Anti-Slavery

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[26] Know The Chain, Forced Labor in Forestry (2020). Retrieved May 3 2022 from: https://knowthechain.org/wp-content/uploads/KTC_forestry_brief.pdf

[27] Aerospace & Defence, Building Products, Construction & Engineering, Electrical Equipment, Industrial Conglomerates, Machinery, Trading Companies & Distributors, Commercial Services & Supplies, Professional Services, Air Freight & Logistics, Airlines, Marine, Road & Rail and Transportation Infrastructure are the businesses that comprise the industrials sector. ASHTEAD, BAE SYSTEMS, COCA COLA HBC, HALMA, INTERNATIONAL AIRLINES GROUP, INTERTEK, MEGGITT, MELROSE INDUSTRIES, RENTOKIL INITIAL, ROLLS-ROYCE HOLDINGS, ROYAL MAIL, SMITHS GROUP and SPIRAX-SARCO ENGINEERING are the firms that fell under this category.

[28] Amnesty International, Reality check: Migrant workers' rights with four years to Qatar 2022 World Cup (2019). Retrieved May 3 2022 from: https://www.amnesty.org/en/latest/campaigns/2019/02/reality-check-migrant-workers-rights-with-four-years-to-qatar-2022-world-cup/

[29] ABC News, Seafarers forced to spend up to 18 months on ships, International Transport Workers' Federation says (2020). Retrieved May 3 2022 from: https://www.abc.net.au/news/2020-10-20/seafarers-spend-18-months-without-leaving-cargo-ships/12780960;?nw=0

[30] Ibid.

[31] The consumer discretionary sector comprehends Auto Components, Automobiles, Household Durables, Leisure Products, Textiles, Apparel & Luxury Goods, Hotels, Restaurants & Leisure, Diversified Consumer Services, Distributors, Internet & Direct Marketing Retail, Multiline Retail and Specialty Retail. In the FTSE 100, the companies that produce these goods and provide these services are: AUTO TRADER, BARRAT DEVELOPMENTS, BERKELEY HOLDINGS, BURBERRY GROUP, ENTAIN, FLUTTER INTERNATIONAL, INTERCONTINENTAL HOTEL GOUP, JD SPORTS FASHION, NEXT, PERSIMMON, TAYLOR WIMPEY and WHITBREAD.

International[32] notes that for workers operating at the deepest ends of garment industry supply chains, the risk of forced labour is a daily concern. In Vietnam, for example, field interviews with workers revealed that they had all been "*threatened with potential loss of employment or wage deductions if they took sick days off, made mistakes at work or did anything contrary to the expectations of the management".* On top of this, occupational health and safety (OHS) standards were regularly breached, with workers inhaling chemicals and dust, and receiving insufficient protective gear and OHS training.

In another more recent briefing,[33] the organisation detailed the risks of forced labour that Turkmen workers face in cotton production fields: *"Cotton picking is arduous work and conditions in the fields are poor, with limited access to fresh drinking water. (…) Workers assigned to remote areas have to stay overnight, often crowded into temporary accommodation, and with no option but to live in unsanitary conditions. Long-term shift workers need to carry bags filled with groceries, as they are required to secure their own food and sleeping arrangements. Forced labourers sometimes have no more than bread and tea to subsist".*

CONSUMER STAPLES

In respect to the modern slavery risks surrounding the lower tiers of the global food and beverage supply chains[34], one report[35] listed several risks that remain salient:

- Precarious Employment Conditions: Seasonal agricultural work, either informal or temporary, often excluding workers from legal shelter.
- Poor Working and Living Conditions: Migrant workers at a coffee farm in Brazil were found to be working 17-hour shifts, often without the mandatory day off and living in unhygienic accommodations
- Low Wages: For example, in Italy, it is reported that "*the going rate is €3.50 to fill a chest with 300 kg of tomatoes*". In "piece rate" employment, a worker is paid a fixed piece rate for each unit they produce, possibly ignoring the actual time it takes to complete the tasks. If the "piece rate" is structured such that the amount of work required in an hour is unrealistic, and falls below the minimum wage rate, it could very well constitute a case of Modern Slavery.

In 2018, the GLAA[36] took legal action against a UK-based gangmaster who exploited their workforce forcing them to work 24-hour shifts without rest: *"One worker started work at 17:47 at a fish processing factory, finished at 04:17 the next day then was supplied by DNK to work at another site from 06:00 to 18:30. Over a two-day period the employee worked 24 hours and 43mins with a break of only 1hr 43min. The company was also effectively withholding Holiday*

[32] Anti-Slavery International, Sitting on Pins and Needles (2019). Retrieved May 3 2022 from: https://www.antislavery.org/wp-content/uploads/2019/04/Pins-and-Needles-Vietnam-supply-chains-report.pdf
[33] Anti-Slavery International, Turkmen cotton and the risk of forced labour in global supply chains (2019). Retrieved May 3 2022 from: https://www.antislavery.org/wp-content/uploads/2019/04/Turkmenistan-Turkey-report.pdf
[34] The consumer staples sector covers food and staples retailing, beverages, food products, tobacco, household products, and Personal Products. The FTSE 100 companies that produce these goods are: ASSOCIATED BRITISH FOODS, B&M, BRITISH AMERICAN TOBACCO, BUNZL, COMPASS GROUP, DIAGEO, IMPERIAL BRANDS KINGFISHER MORRISON (WM) SUPERMARKETS OCADO RECKITT SAINSBURYS TESCO and UNILEVER.
[35] Know The Chain, Forced Labor in Forestry (2020). Retrieved May 3 2022 from: https://knowthechain.org/wp-content/uploads/2020-KTC-FB-Investor-Brief.pdf
[36] Fresh Produce, Cornish gangmaster stripped of licence (2018). Retrieved May 3 2022 from: http://www.fruitnet.com/fpj/article/174551/cornish-gangmaster-stripped-of-licence

Pay by calculating it incorrectly in their favour based on hourly rates instead of the much higher 'piece rates' their workers were entitled to."

On March 2021, Reuters[37] reported that a large tobacco firm faced serious slavery charges in a landmark Brazilian case. Five children, aged from nine to 16, were rescued from a tobacco farm where they had been living in very poor conditions, working without protective gear, being exposed to high concentrations of nicotine, and receiving less than a third of Brazil's minimum wage in return.

In June 2021, The Guardian[38] reported that two large tobacco exporters supplying BAT had been unable to mitigate the serious modern slavery charges they currently face for alleged child exploitation in Malawian farms: *"The companies' application to strike out the case had been misconceived. The judge said lawyers for the farmers were not required to offer proof at the beginning of a legal action, only when it came to full trial. The case follows the publication of a Guardian investigation in June 2018 that revealed the plight of children forced to work in the fields."*

HEALTH CARE

In the medical system,[39] according to the Australian Human Rights Commission,[40] modern slavery may arise in the procurement of goods, and in operating and frontline care activities. The glove manufacturing industry is particularly high-risk. With an estimated 150 million gloves produced annually, the nature and size of the industry is known to expose workers to hazardous working conditions. The Commission pointed out, for instance, that according to the Ethical Trading Initiative, 80% of the surgical instruments imported by the UK's NHS (National Health Service) were made in Pakistan. In particular, the Pakistani region of Sialkot produces large amounts of these instruments *"with heavy reliance on the informal sector and has been scrutinised for the use of child labour, hazardous working conditions and other labour rights violations."*

The Commission, in the same study, also detailed the risks migrant workforce face in this sector. These are particularly acute for foreign nurses and other health care assistants, a number that has grown significantly over the last decade. "*A lack of transparency in recruitment processes, and the use of labour agency contractors, tends to increase the risk of modern slavery for health care workers*", the study concluded.

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[37] Reuters, Tobacco exporter faces slavery charges in landmark Brazil case (2021). Retrieved May 3 2022 from: https://www.reuters.com/article/us-brazil-slavery-tobacco-idUSKCN2AT3Q1

[38] The Guardian, UK tobacco firms fail in bid to have Malawi child labour case struck out (2021). Retrieved May 3 2022 from: https://www.theguardian.com/business/2021/jun/25/uk-tobacco-firms-fail-in-bid-to-have-malawi-child-labour-case-struck-out

[39] The health care sector is comprised of the Health Care Equipment & Supplies Health Care Providers & Services Health Care Technology Biotechnology Pharmaceuticals and Life Sciences Tools & Services industry. ASTRAZENECA, GLAXOSMITHKLINE, HIKMA PHARMACEUTICAL, and SMITH & NEPHEW are the FTSE 100 constituents that fall under this category.

[40] Australian Human Rights Commission, Modern slavery in the health services sector (2021). Retrieved May 3 2022 from: https://assets.kpmg/content/dam/kpmg/au/pdf/2021/health-services-modern-slavery-practical-guide.pdf

FINANCIALS

The UK Anti-Slavery Commissioner[41] explained how the financial sector[42] was exposed to modern slavery risks: "*As modern slavery is conducted primarily for financial gain, the financial sector has a significant role to play in detecting the patterns that that can arise from coercion, exploitation and misuse of bank accounts. (…) In Operation Fort, the largest modern slavery case to go through the English courts, at least seven banks had been used to launder the money through hundreds of bank accounts. Yet, despite suspicious behaviour at cashpoint machines and in branches, not one branch raised a suspicious activity report (SAR) before being contacted by the police.*"

It should be emphasised that holding companies are not divorced from the entities and assets they manage, and in which then have an interest. Even when they do not participate on those businesses' daily activities, they do maintain oversight capacities over their management decisions. This observation is of great importance, as financial institutions could be connected to modern slavery through those businesses in which they invest but have no direct control. For example, a bank may be providing funds to finance a mining project on a high modern slavery risk location where law enforcement is frail. The financial system in general, and banks in particular, could be facilitating forced labour by "laundering" the profits of criminal activity. In that vein, the Australian Human Rights Commission[43] pointed out that: *"Banking facilities can be used by perpetrators to facilitate modern slavery, particularly debt bondage. Where an entity's financial services and products are offered in numerous locations, this introduces additional layers of complexity, particularly in high-risk geographies with unstable regulatory environments."*

INFORMATION TECHNOLOGY

As with the financial sector, the most common scandals involving companies dealing with electronics[44] are connected to their supply chains. Geographically speaking, the World Economic Forum[45] states that, for hardware, "all roads lead to Shenzhen," alluding to data reports that more than 90% of world´s electronic components come from this region in China. A journalistic investigation by Danwatch[46] exposed how *"Tens of thousands of Chinese students are sent by*

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[41] Anti-slavery Commissioner, The role of the financial sector in eradicating modern slavery (2021). Retrieved May 3 2022 from: https://www.antislaverycommissioner.co.uk/media/1672/iasc-report-sep-2021-the-role-of-the-financial-services-sector-in-eradicating-modern-slavery.pdf

[42] Financials include Banks Thrifts & Mortgage, Finance Diversified, Financial Services, Consumer Finance, Capital Markets and "Mortgage Real Estate Investment Trusts (REITs)", Insurance. This industry is one of the largest in the FTSE 100, being comprised of: 3I GRP, ABRDN PLC, ADMIRAL GRP, AVIVA, BARCLAYS, EXPERIAN, HARGREAVES LANSDOWN, HSBC HLDGS, INTERMEDIATE CAPITAL GROUP, LEGAL & GENERAL, LLOYDS BANKING, LONDON STOCK EXCHANGE GROUP, M&G, NATWEST, PERSHING SQUARE, PHOENIX GROUP HOLDINGS, PRUDENTIAL, SCHRODERS, SCOTTISH MORTGAGE INV TST (MANAGED BY BAILLIE GIFFORD GRP), ST.JAMES'S PLACE, and STANDARD CHARTERED.

[43] Australian Human Rights Commission, Financial services and modern slavery (2021). Retrieved May 3, 2022, from: https://assets.kpmg/content/dam/kpmg/au/pdf/2021/financial-services-modern-slavery-practical-guide.pdf

[44] IT Services Software Communications, Equipment Technology Hardware, Storage & Peripherals Electronic Equipment, Instruments & Components Semiconductors & Semiconductor Equipment are the products and services offered by the information technology industry. The FTSE 100 constituents that fall under this category are: AVAST, AVEVA GROUP and SAGE GROUP.

[45] World Economic Forum, The astonishing rise of Shenzhen, China's gadget capital (2017). Retrieved May 3, 2022, from: https://www.weforum.org/agenda/2017/11/inside-shenzhen-china-s-gadget-capital

[46] Danwatch, Servants of servers - Rights violations and forced labour in the supply chain of ICT equipment in European universities (2015). Retrieved May 3, 2022, from: https://electronicswatch.org/en/servants-of-servers-rights-violations-and-forced-labour-in-the-supply-chain-of-ict-equipment-in-european-universities_1846593.pdf

their schools - many of them forced, on irrelevant internships to the assembly lines of electronic factories to produce servers and other ICT equipment for the world's biggest brands. Interns work 10-12 hours a day, six days a week for 3-5 months producing equipment that later will end [sic] in universities across Europe."

Furthermore, The Guardian[47] reported that in Malaysia, where electronic devices such as mobile phones are produced, as much as 40% of the workforce is made up of migrant workers, up to a third of which are undocumented. Note that, to date, the country has not ratified the fundamental *ILO Freedom of Association and Protection of the Right to Organize* convention.[48]

In 2019, The Guardian[49] reported on a legal case against the world's largest tech firms by Congolese families. A lawsuit argued that Apple, Google, Dell, Microsoft and Tesla had been aiding and abetting mining companies, allowing children to work under very dangerous conditions that lead to serious injuries and even death. Children were being paid "*as little as $2 (£1.50) a day for backbreaking and dangerous work digging for cobalt rocks with primitive tools in dark, underground tunnels."*

COMMUNICATION SERVICES

The media industry[50] is heavily dependent on the performance of the electronic sector. The organisation Lawyers for Uyghur Rights presented evidence to the UK Parliament that some of the largest communication companies in the UK, including BT, ET, O2, Three, Virgin and Vodafone, had been purchasing components from Huawei, which in turn produced these components relying on modern slavery. In particular, the forced transportation of Uyghur and other Turkic thousands of miles from their homes to work in electronic factories was reported.[51]

Vodafone, for one, acknowledged 15 "*issues related to forced labour*", in its 2018-2019 slavery and human trafficking statement.[52] As previously outlined, much of the world's cobalt – integral for the production mobile phones – is mined in the Democratic Republic of the Congo, with numerous reports of modern slavery, including the worst forms of child labour.[53]

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[47] The Guardian, Malaysia: forced labour casts dark shadow over electronics industry (2017). Retrieved May 3, 2022, from: https://www.theguardian.com/global-development/2016/nov/21/malaysia-forced-labour-casts-dark-shadow-over-electronics-industry
[48] ILO, Up-to-date Conventions and Protocols not ratified by Malaysia (2022). Retrieved May 3, 2022, from: https://www.ilo.org/dyn/normlex/en/f?p=1000:11210:0::NO:11210:P11210_COUNTRY_ID:102960
[49] The Guardian, Apple and Google named in US lawsuit over Congolese child cobalt mining deaths (2020). Retrieved May 3, 2022, from: https://www.theguardian.com/global-development/2019/dec/16/apple-and-google-named-in-us-lawsuit-over-congolese-child-cobalt-mining-deaths
[50] The communication services sector covers diversified telecommunication services, wireless telecommunication services media, entertainment interactive media and services. The FTSE 100 companies under this category are: BT GROUP, INFORMA, ITV, PEARSON, RELX, VODAFONE and WPP.
[51] Polak and Georgopoulos, Written evidence submitted by Lawyers for Uyghur Rights (2020). Retrieved May 3, 2022, from: https://committees.parliament.uk/writtenevidence/13103/pdf/
[52] Vodafone, Modern Slavery Statement (2018). Retrieved May 3, 2022, from: https://www.vodafone.com/content/dam/vodcom/sustainability/pdfs/Vodafone-Slavery-and-Human-Trafficking-Statement-2018-19.pdf
[53] The Guardian, Is your phone tainted by the misery of the 35,000 children in Congo's mines? (2019). Retrieved May 3, 2022, from: https://www.theguardian.com/global-development/2018/oct/12/phone-misery-children-congo-cobalt-mines-drc, and Axbom, The Slavery Supported by That Device in Your Pocket (2020). Retrieved May 3 2022 from: https://ethical.net/technology/the-slavery-supported-the-device-in-your-pocket/

UTILITIES

The international community is today well-aware of the human rights violations currently ongoing in the Chinese region of Xinjiang, and members of the UK parliament have called for penalties to compel businesses[54] to ensure Uighur forced labour is not used in their supply chains.[55] Last year, The Guardian[56] revealed that up to 40% of UK solar farms were built using panels purchased from Chinese solar companies: *"Companies with factories or major suppliers in Xinjiang produce about a third of the polysilicon material used to make the world's solar panels."*

The report found that these solar power firms were tied to exploitation accusations against the Uyghur minority in forced labour camps. Some of the UK's largest solar developers – Bluefield Solar, Foresight Solar, Solar Century (acquired by Statkraft, owned by the Norwegian state) and water companies Scottish Water and United Utilities (FTSE 100) – were reported to use panels from the Xinjiang-linked companies. The ILO has signalled that there is "*a solid body of international research*" connecting unconventional workforces – such as temporary contractors offered by labour agencies to large industrial ventures – to poor employment and recruitment practices, which increase the risks of injury and other more serious adverse health effects.[57]

REAL ESTATE

According to the Australia Human Rights Commission,[58] the business models in the real estate sector[59] tend to heavily rely on outsourcing. Hundreds of work streams involving short-term engagements with SMEs across multiple sites may be associated with just one construction project. This complicates risk management in general and collaborative approaches to risk management in particular. In addition, the Commission highlights that for real estate, procurement decisions tend to be inherently risky: *"The sector also places a heavy reliance on contract terms, predicated on low margins and significant pressure on delivery times. (…) Additionally, as a result of the volume of imported materials and services, transactions tend to become commoditised and purchasing decisions are made on simplified commercial criteria such as price and availability."*

[54] Utilities include: Electric utilities, Gas utilities, Multi utilities, Water utilities, independent power and renewable electricity producers. The constituents for this category are: NATIONAL GRID, SEVERN TRENT, and UNITED UTILITIES.
[55] The Guardian, UK must fix modern slavery laws to help protect Uighurs in China, say MPs (2021). Retrieved May 3 2022 from: https://www.theguardian.com/world/2021/mar/17/uk-must-fix-modern-slavery-laws-to-help-protect-uighurs-in-china-say-mps
[56] The Guardian, Revealed: UK solar projects using panels from firms linked to Xinjiang forced labour, say MPs (2021). Retrieved May 3 2022 from: https://www.theguardian.com/environment/2021/apr/23/revealed-uk-solar-projects-using-panels-from-firms-linked-to-xinjiang-forced-labour
[57] ILO, The effects of non-standard forms of employment on worker health and safety (2015). Retrieved May 3 2022 from: https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_443266.pdf
[58] KPMG, Property, construction and modern slavery guide (2020). Retrieved May 3 2022 from: https://home.kpmg/au/en/home/insights/2020/08/property-construction-modern-slavery-practical-guide.html
[59] The real estate sector comprehends Equity Real Estate Investment Trusts (REITs) and Real Estate Management & Development. In the FTSE 100, the companies that provide these services are: BRITISH LAND, LAND SECURITIES, RIGHTMOVE and SEGRO.

Specifically, in 2018, farmers and their families in Cambodia have been reported[60] to fall into bonded labour in brickmaking supply chains. Families turn to brick factory owners to buy their debts, but they hardly ever manage to pay off the loans to them. As a result, the families and their children go on to work for the brick factory owners, being exposed to serious health impacts such as *"amputated limbs from operating dangerous machinery, lack of safety equipment and noxious gases that cause life-threatening respiratory diseases."*

[60] ABC News, 'Blood bricks': How climate change is trapping Cambodians in modern slavery (2018). Retrieved May 3 2022 from: https://www.abc.net.au/news/2018-10-16/how-climate-change-is-trapping-cambodians-into-modern-slavery/10377982

II. Methods

A. Data

The study's data comprised the subject organisations' public statements pursuant to the U.K. MSA. Data was collected between October and December 2021.

Given its indexing methodology, the constituents of the FTSE 100 rating are periodically updated. The FTSE 100 list is provided by the London Stock Exchange and was consulted on 14/10/2021.

We assessed the statement that was accessible at that time on the subject organisation's website. In the event that the statement could not be found on the company's website, we undertook a web search to identify a statement, also consulting the TISC Report and Modern Slavery Registry databases. If the web search however yielded no results, the company received a score of zero.

For the purposes of this assessment, we evaluated information contained in the statement as well as information provided by pertinently linked documents. Only hyperlinked documents were consulted whose relevance clearly arose from the text of the statement. For example, QR code links, without an appropriate explanation of relevance, were ignored. Furthermore, references that did not explicitly redirect the reader to the external source were not accepted. We assessed the representations made by each company at face value.

B. Evaluation framework

This study's evaluation framework is based on the letter and spirit of the UK Modern Slavery Act of 2015. It also considers the Home Office's MSA Guidance (2017 edition), as well as the practices currently deployed in the way of corporate anti-slavery/anti-human trafficking measures.

The evaluation instrument consists of five research dimensions. The first two – MSA requirements and disclosure conformance – are based on the definitive provisions contained in Section 54 of the MSA. Indicators for these sections were extracted directly from Development International's "GLOBAL GOVERNANCE - Compliance and Conformance with U.K. MSA and Good Practice in Human Rights (2018)" evaluation framework.[61] The "*Find It, Fix It, Prevent It"* dimensions feature a set of indicators developed by CCLA in view of promoting the normative efficacy on the part of subject companies.

MSA requirements: The compliance section related to the slavery and human trafficking statement concerns the mandatory disclose items as per the law and are drawn directly from

[61] Development international e.V., GLOBAL GOVERNANCE - Compliance and Conformance with U.K. MSA and Good Practice in Human Rights (2018). Retrieved January 20, 2022 from: https://docs.wixstatic.com/ugd/f0f801_e4fe7195ed6447a29ce587d243f9f693.pdf

the legislation. To be awarded full marks on this dimension, the organisation does *not* need to have an active anti-slavery/anti-human trafficking programme in place.

1.	Included a link to the slavery and human trafficking statement on website's homepage?
2.	Signed by director (corp.), designated member (LLP), or partner (partnerships)?
3.	Approved by the board of directors or equivalent management body [except LLPs]?
4.	Explanation of steps organisation has or has not taken to ensure slavery and human trafficking is not taking place in any of its supply chains?
5.	Explanation of steps organisation has or has not taken to ensure slavery and human trafficking is not taking place in any part of its own business?
6.	Include a defined fiscal year period, which the contents of the statement are meant to cover?
7.	Comply with the annual publication requirement of the MSA?
8.	Identify which individual company(ies) is/are covered under the statement?
9.	Make clear it is pursuant to the MSA?

Disclosure conformance: The disclosure conformance section concerns the six topics recommended to be discussed as per Section 54 of the law. The updated U.K. Home Office guidance[62] explains this stipulation as follows: "A statement should aim to include information about: (…)

(**a**). the organisation's structure, its business and its supply chains;

(**b**). its policies in relation to slavery and human trafficking;

(**c**). its due diligence processes in relation to slavery and human trafficking in its business and supply chains;

(**d**). the parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk;

(**e**). its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate;

(**f**). the training about slavery and human trafficking available to its staff."

***Find It, Fix It, Prevent It*:** These last dimensions are operational elements that comprise an organisation's Anti-Slavery/Anti-Human Trafficking (AS/AHT) programme. Featured are 37

[62] UK Home Office, Transparency in Supply Chains etc. A practical guide (2021). Retrieved January 20, 2022, from: https://www.gov.uk/government/publications/transparency-in-supply-chains-a-practical-guide/transparency-in-supply-chains-a-practical-guide

indicators based on the CCLA's Annual Report for the *Find It, Fix It, Prevent It* initiative[63], which undertakes a review and identification of relevant practices reported by organisations under the U.K. MSA. The *Find It* indicators fall under the following rubrics: policy implementation, operations and value chain mapping, workforce information, further details on risk assessments, audit practices, whistle-blower channels/grievance mechanism and industry collaborations. The *Fix It* section discusses action taken in the case forms of modern slavery were to be found within a company´s operations/supply chains, its position regarding violations found and the steps taken to mitigate them. Last, the *Prevent It* section concerns proactive measures that, when implemented, increase an organisation's ability to deal with modern slavery when encountered.

In sum, the framework advances the following:

"Find It" – proactively search your supply chain for modern slavery, on the assumption that it exists

"Fix It" – work towards and report on remedy for those affected

"Prevent It" – take meaningful steps to ensure that the situation does not continue

For a full list of indicators, see Appendix A at the end the report.

C. Scoring

An organisation's score reflects the five dimensions specified above. High marks were achieved when the organisation not only had a quality AS/AHT programme in place, but also is able to describe it in sufficient detail in their U.K. MSA statement.

For the sake of clarity, and to minimise subjectivity, indicators were designed such that the output was a binary yes/no ("Not Applicable" was not an option).

While each dimension received a score, a combined score was also awarded. To do so, weighting was employed: each dimension received a specific weight: 20% was assigned to MSA requirements and 20% to disclosure conformance, receiving a combined scoring of 40%, leaving the *Find It, Fix It, Prevent It* dimensions representing 20% each, adding up to 60%. Table 1 provides further detail on the weighting assigned for each indicator and the overall balance for each dimension.

In case the information provided was too vague or unclear language reader, companies were not awarded the corresponding point. Eighty percent (80%) is the maximum scoring a company achieved if it provided answers to all indicators yet claimed to have found no evidence of modern slavery in their business or supply chains.

[63] CCLA, Find It, Fix It, Prevent It Annual report (2020). Retrieved January 20, 2022: https://www.modernslaveryccla.co.uk/sites/default/files/2021-04/CCLA_Find%20It%20Fix%20It%20Prevent%20It%20Annual%20Report.pdf

dimension	*indicator source*	*# of indicators*	*weighting*	
MSA requirements	Based on law's verbatim	9	20%	40%
Disclosure conformance		14	20%	
"Find It"	Based on CCLA's "*Find It, Fix It, Prevent It"* framework	22	20%	60%
"Fix It"		6	20%	
"Prevent It"		9	20%	
TOTAL		60	100%	

Table 1: Scoring methodology

D. Analyses

Descriptive statistics, in particular measures of central tendency, was used to qualitatively analyse the data. Also featured are industry-specific breakdowns for each evaluation dimension.

E. Selection of specific cases

For each indicator, examples of good reporting practices found in FTSE 100 statements were provided. Along with further notes, this orientation helps the reader understand the criteria utilised to analyse the wording and content of a statement. However, such examples are meant to be understood as references only, for the law does not oblige organisations to use any specific language to address its requirements. If no company carried out the practices that would merit a point under a given indicator, this is noted and, where applicable, practices are highlighted even if they did not merit a point.

F. Research team, competing interests statement

The core research team consisted of (1) Legal Evaluator Tomás Becerra and (2) Principal Investigator Chris N. Bayer, PhD. The data were collected and scores were awarded solely by the research team. The study's Principal Investigator and legal evaluator declare that they have no competing interests, nor conflict of interests, in their execution of this study. Neither Development International e.V. nor the project team members provide services to any of entities evaluated. In sum, they had no known vested interests vis-à-vis the individual scores and findings of this study.

G. Scorecards and right to review

The scorecards and underpinning datasets may be accessed by contacting CCLA. A data review option – in the form of a right to review – for individual organisations was offered by CCLA before publication of this report. Organisations who disagreed with – or had questions about – their grading interfaced directly with CCLA to this regard.

III. Findings

A. In-scope organisations

In-scope of this study were one hundred organisations: the FTSE 100 constituents. For a full list of the companies covered by this examination, see Appendix B. We identified 99 statements pursuant to the MSA for the one hundred companies in scope. PERSHING SQUARE's annual report states that "*the Company does not fall within the scope of the U.K. Modern Slavery Act 2015*" and thus produced no MS statement. It dedicates one paragraph only of its annual report to human trafficking. We therefore excluded PERSHING SQUARE from the set of companies, bringing the number of observations to 99.

B. Profile of in-scope organisations

The top three represented sectors in the FTSE 100, in terms of frequency, were finance/insurance, materials and consumer staples. The following chart illustrates the industries contained within the FTSE.

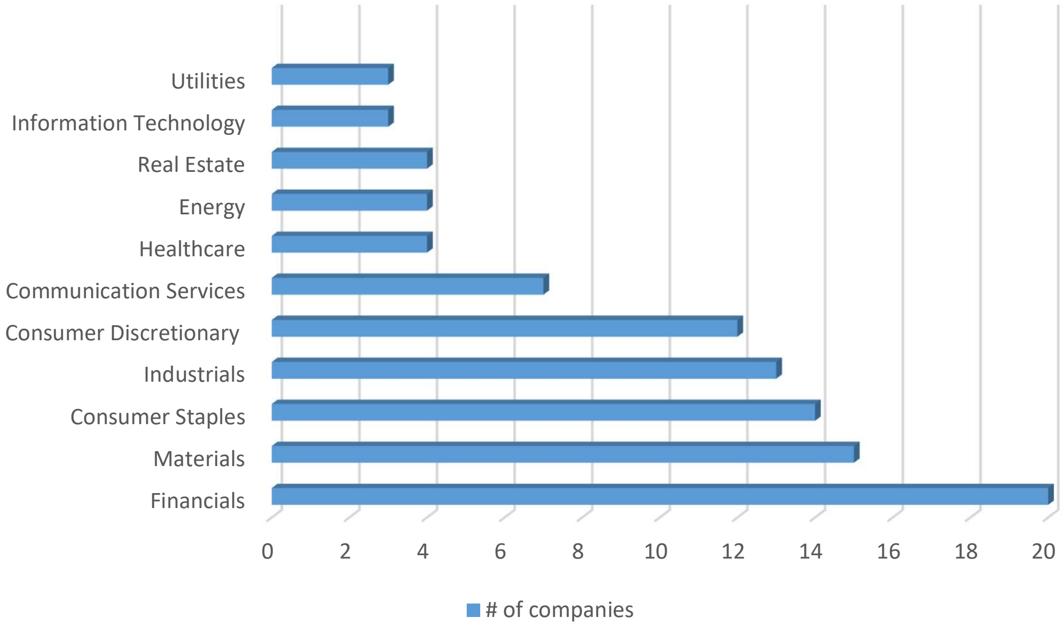

Figure 2: FTSE 100, Industry sectors according to the MSCI classification for industries. N = 99.

C. MSA requirements

1. *Performance against indicators*

The “MSA requirements” section features nine (9) must-do items concerning the slavery and human trafficking statement that are drawn directly from the legislation. To be awarded full marks on this dimension, the organisation needs not have an active anti-slavery/anti-human trafficking programme in place. In other words, all points may be earned in this section even when the company has taken no steps against modern slavery. Companies that however failed to describe their approach to modern slavery – or reported the non-existence of such an approach – were not awarded the point for *Indicator 4* concerning a description of steps taken to prevent modern slavery.

1. Included a link to the slavery and human trafficking statement on website’s homepage?

As per the law, the organisation must provide a URL to their current MSA statement on their homepage to earn this point. The link should be conspicuous as the MSA envisions that statements will be easily accessible to the general public.

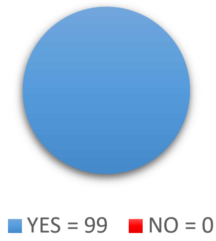

Figure 3: Link to statement, N = 99.

All statements were found through a quick online search, displayed on the organisations’ homepages.

2. Signed by director (corporations), designated member (LLP), or partner (partnerships)?

The signature requirement “would ensure,” according to the law’s guidance, “that these statements have appropriate support and approval from senior management, who are best placed to implement changes in the business.” Points are earned if the signature uniquely identifies the signatory party and the statement is otherwise signed in accordance with the referred guidance. A handwritten signature and inclusion of the date signed are preferred.

Figure 4: Signed statement. N = 99.

Almost every statement was found to be signed by a member of the board. The lack of a signature is not only failing to comply with minimum legal compliance requirements, but it also weakens the strength of the contents described by the statement.

3. Approved by the board of directors or equivalent management body [except LLPs]?

The MSA requires that the statement be approved by the organisation's board of directors to ensure that those individuals are apprised of the organisation's actions regarding modern slavery. As some organisations, e.g. certain real estate companies, do not have a board of directors, points were awarded when an equivalent management body approved the statement.

Figure 5: Board approval. N = 99.

All statements found (99) were approved by either the board or a designated member.

Explanation of the steps that the organisation has or has not taken to ensure slavery and human trafficking is not taking place in any part of its:

4. **BUSINESS?**
5. **SUPPLY CHAINS?**

The MSA requires organisations to report on anti-slavery measures or state the absence thereof. The law also differentiates between supply chains and own business operations. Both steps in its own business as well as in its value chains must be discussed. Alternatively, the organisation must explicitly acknowledge inaction. To earn this point, the statement must be able to guide the reader through the company's anti-slavery approach, outlining the activities that stand for either the absence or implementation of their AS policy. Highlighting key areas of progress is also considered OK. Organisations need not have taken steps to earn the point, yet language only indicating intention were not considered steps. By "steps" is meant the articulated set of actions aimed at tackling modern slavery during a given period of time. This includes, but is not limited to: risk assessments, risk management, training and a variety of consulting and collaboration. If measures are in place and activities ongoing, organisations should be ready to describe the causal chain of events that triggered each one of the steps that altogether constitutes their anti-modern slavery strategy.

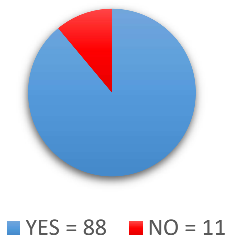

Figure 6: Steps to ensure no MS in BUSINESS. N = 99.

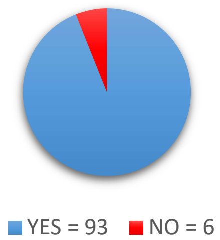

Figure 7: Steps to ensure no MS in SUPPLY/SERVICE CHAINS. N = 99.

As did other companies, GLENCORE provided an account for each one of their actions set in motion, shedding light not only over the areas where they faced potential exposure, but also illustrating the connection between their risk assessments and mitigation activities.

6. Did the statement define a fiscal year period, which the contents of the statement were meant to cover?

In order to be compliant with the requirement to have a “slavery and human trafficking statement for each financial year of the organisation”, in-scope organisations must have specified the fiscal year that the statement is meant to cover, preferably including both month and year to earn the point. Simply indicating that the statement covers “2020”, or that it encompasses all activities undertaken during 2020 is insufficient. Statutory guidance in the form of a reporting extension was provided by the UK government [64] in order to aid organisations on basic compliance aspects.

[64] UK Home Office; Guidance - Publish an annual modern slavery statement (2019), updated July 2021, Retrieved January 25, 2022: https://www.gov.uk/guidance/publish-an-annual-modern-slavery-statement

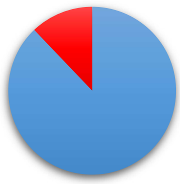

Figure 8: Fiscal year. N = 99.

> *"This statement described the steps which HIKMA has taken up to the financial year ended December 2020".* Examples of formats similar to the language utilised by HIKMA PHARMACEUTICALS, that clearly defined a time frame, were considered OK.

7. Did the statement comply with the annual publication requirement of the MSA?

In order to comply with the requirement to have annual statements, the organisation must have published their statement on time. However, given the challenges presented by COVID-19, organisations mandated to publish a modern slavery statement under section 54 of the MSA were granted an extension of terms, enabling them to postpone such publication by up to *six months* without penalty.[65]

Figure 9: Annual publication. N = 99.

Most organisations account for having solid archives of their previous statements and reports, publicly available on their websites.

8. Did the statement identify which individual companies are covered under the statement?

The organisation must identify all individual entities covered by its statement in order for law enforcement to determine whether in fact the statement indeed covers all in-scope entities.

[65] Ibid. See term extension in web repository: https://web.archive.org/web/20200528033611/https://www.gov.uk/government/publications/coronavirus-covid-19-reporting-modern-slavery-for-businesses/modern-slavery-reporting-during-the-coronavirus-covid-19-pandemic

Indicating that the statement is meant to cover an organisation and all of its subsidiaries or group entities subject to the MSA is insufficient without identification of those entities. The sole reference to an external link where to find a full list of the company's subsidiaries (as opposed to the subsidiaries *covered by the statement*) is considered insufficient. FTSE 100 constituents are usually large conglomerates that operate in multiple regions around the globe. It is therefore essential that groups producing a joint modern slavery statement are clearly delimited and their constituents itemised. Organisations made use of a variety of language to address this indicator, however, only those that appointed each business and subsidiary covered by the statement were awarded points.

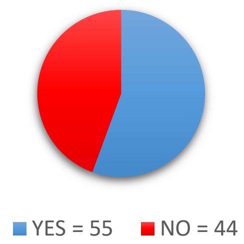

Figure 10: Identification of individual companies covered. N = 99.

SSE's statement provided an appendix with the name, country of incorporation, holding % and principal activity for each business that composes its matrix.

9. Did the statement make clear it is pursuant to the MSA?

The statement must make clear that it was made pursuant to the U.K. Modern Slavery Act of 2015, such that the reader would not need to assume or infer that the published document indeed constituted the mandated "slavery and human trafficking statement". Mentioning "modern slavery" alone is not sufficient.

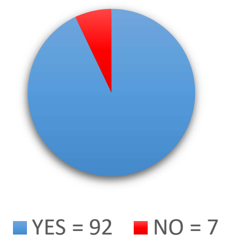

Figure 11: Pursuant to the MSA. N = 99.

"This Statement has been prepared by the Rio Tinto Group to meet the requirements of the Australian Modern Slavery Act 2018 (Cth) (Australian MSA) and the United Kingdom's Modern Slavery Act 2015 (UK MSA)." In this case, RIO TINTO left no doubt about the legislation with which the company intended to comply.

2. MSA requirements summary

Figure 12: FTSE 100, sector-specific legal compliance is a boxplot[66] that shows the breakdown of the compliance score for this dimension according to the principal MSCI industry sectors for the FTSE 100. The sector with the highest average compliance score is the utilities sector, followed by information technology, financials, healthcare, energy, consumer staples, communication services, and the industrials sector. In turn, the worst mean performance was exhibited by real estate sector, followed by the materials sector.

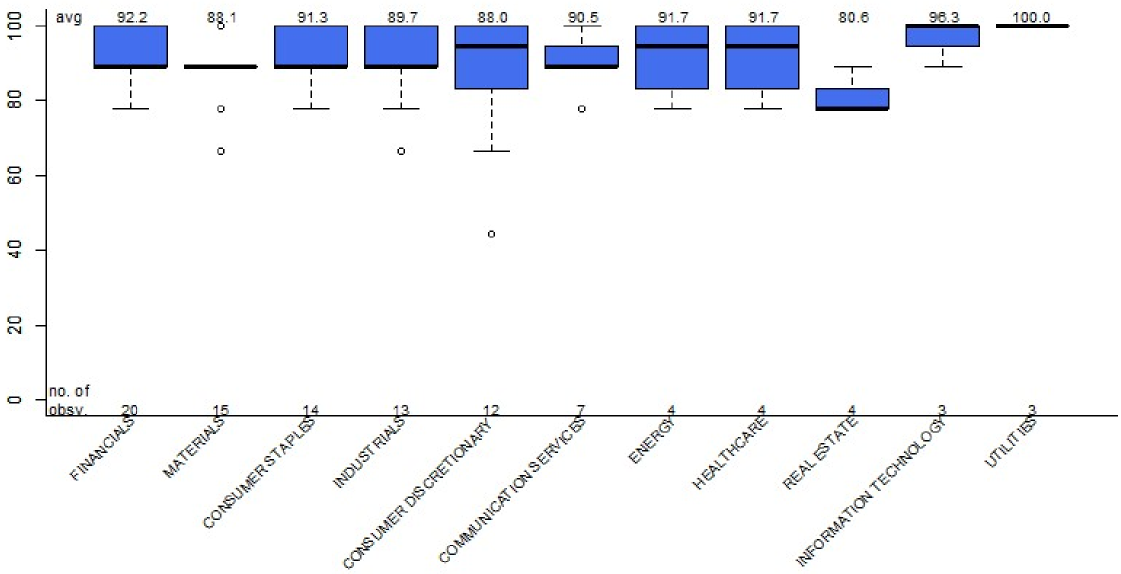

Figure 12: FTSE 100, sector-specific legal compliance. N = 99.

Figure 13: FTSE 100, MSA requirements score distribution depicts the distribution of legal compliance scores in the form of a Kernel density graph. The X axis measures the compliance score, the Y axis represents the number of companies, the mean and the median are

[66] A boxplot is a chart showing the median compliance score as a line, the mean compliance score as a number at the top, the range of compliance scores within the 25th and 75th percentiles (interquartile range) as a box, the 0th and 100th percentile excluding outliers as whiskers, outliers as individual dots, and the number of observations as a number at the bottom of the chart.

represented as dotted lines. In sum, the average MSA compliance score among FTSE 100 companies was relatively high with 90.3%.

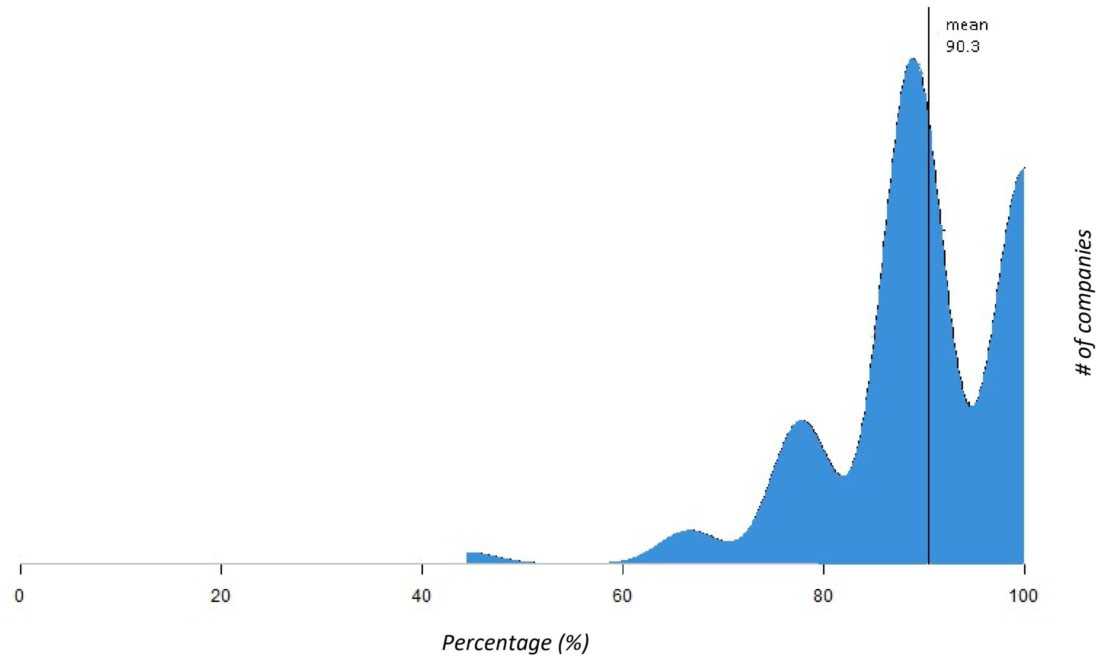

Figure 13: FTSE 100, MSA requirements score distribution. N = 99.

D. Disclosure conformance

1. Performance against indicators

The disclosure conformance dimension is composed of 14 indicators that concern paragraph five (5) of Section 54. Companies are expected to provide pertinent information regarding their business and supply chains, their approach to modern slavery (policies, training, effectiveness, etc.) and details on their risk assessment & management. More importantly, companies are required to report on the parts of their business and supply chains where MS-related issues may arise. This means that risk identification is built upon risk assessments and to the ends of further management activities. Companies that fail to comment on their specific MS risks yet proceed to provide a deep description of their risk assessment/management, will be awarded points for those indicators.

10. Did the organisation provide information about its: STRUCTURE?

The statement should discuss information pertaining to the organisation's structure in order to earn the point. A discussion of the corporate structure was considered sufficient to earn the point. Some organisations provide visual diagrams to enhance the reader's understanding of their structure. Governance structure alone does not suffice.

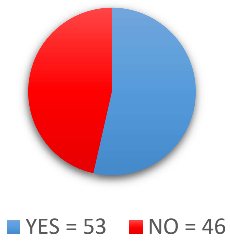

Figure 14: Information on STRUCTURE. N = 99.

PRUDENTIAL outlined its business anatomy detailing the countries and markets in which it currently operates: *"Prudential plc is listed on stock exchanges in London, Hong Kong, Singapore and New York. We have a significant pan-Asian operation, with our largest life and protection operations in Hong Kong, Singapore, Indonesia and Malaysia, as well as our joint venture in China. We also operate in Thailand, Vietnam, Taiwan, the Philippines, Cambodia, Laos and Myanmar and have a successful partnership in India."* The company also summarised some of the most significant events that modified its business structure: *"Since 2014 we have operations in Africa, now covering eight countries across the continent. In January 2021, the Board announced that it had decided to pursue the separation of Jackson, our US business, from the Group in the first half of 2021 through a demerger, whereby shares in Jackson would be distributed to Prudential shareholders."*

11. Did the organisation provide information about its: BUSINESS?

The organisation or group of organisations for which the statement was written constitutes its own business. Any business relationship outside of that legal unit would be considered the supply/service chain. Statement should discuss information pertaining to the organisation's own business activities in order to earn the point. Examples of pertinent "information" include: the type of business, industry, type of services rendered and/or goods produced.

Figure 15: Information on BUSINESS. N = 99.

MONDI managed to narrow down its business into simple facts and figures: "*Global leader in packaging and paper, with revenues of €6.66 billion in 2020, employing around 26,000 people across 100 production sites in more than 30 countries. Our key operations are* *located in Europe, North America and Africa. We manage 2.3 million hectares of forestry land in Russia and South Africa, where we source some of our wood requirements. We have group offices in London and Vienna".* Only then, proceeded to describe its business units in more broader terms: *"The Group is structured around four business units: – Corrugated Packaging producing Containerboard and Corrugated Solutions – Flexible Packaging producing Kraft Paper, Paper Bags and Consumer Flexibles – Engineered Materials producing Personal Care Components, Extrusion Solutions and Release Liner – Uncoated Fine Paper producing office paper and professional printing paper".*

12. Did the organisation provide information about its: SUPPLY/SERVICE CHAINS?

The MSA represents a legislative effort to increase supply chain transparency. Organisations earning these points provided information about several quantitative aspects of their supply / service chains, such as countries of origin, number of suppliers, types of goods/services procured, etc. Providing information in only one quantitative category. For example, the number of suppliers, is alone insufficient to earn the points. If the company does not have traditional supply chains, the type of goods and services it procures directly for its operations should be explained.

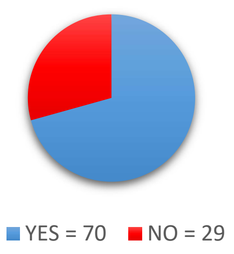

Figure 16: Information on SUPPLY/SERVICE CHAINS. N = 99.

Many companies presented detailed descriptions of their supply chains, such as BHP GROUP: *"Our global supply network encompasses direct suppliers in more than 61 countries. Our operations are supported by raw materials, direct materials (used in our production cycles, such as trucks and explosives) and indirect materials (including technology hardware and consumables, such as tools, personal protective equipment, office supplies and skilled labour and services). We made payments to more than 9,000 suppliers in FY2021, with 77 per cent of our spend going towards payment for services. The largest spend categories were engineering and construction, maintenance services, and goods for maintenance, repair and operations."*

13. Did the organisation have a distinct ANTI-SLAVERY policy for their business? Or did the organisation incorporate ANTI-SLAVERY-specific principles into their existing policies (e.g. in supplier code of conduct)?

The policy needs to specify in what manner the organisation engages the issue of slavery and human trafficking. At least summary information should be provided; the statement needs to explicitly tie the organisation's policy to anti-slavery and anti-human trafficking to receive these points. This can be a separate stand-alone policy, or it can be integrated into the organisation's existing policies.

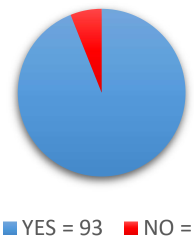

Figure 17: Information on AS policy. N = 99.

Some organisations explained how their code of conduct, human rights policy and standard to engage with suppliers are interrelated and altogether function as their anti-slavery scheme, such as DIAGEO. On the other hand, SEVERN TRENT informed in their "Escalation and Remediation policy" having incorporated anti-slavery responding procedures into their policy portfolio: *"In 2019/20 we developed our Escalation and Remediation policy which clearly sets out our response to any instance of modern slavery. This policy is victim-centred and flexible, to allow a bespoke response for individual cases. This year we have focused efforts on communicating this through our internal channels and also across our supply chain."*

14. Did the organisation provide information about its due diligence processes in relation to Modern Slavery in its: BUSINESS?

Due diligence with respect to an organisation's own operations is a process undertaken to consider modern slavery implications before a business decision is made, e.g. before taking on a new client. Importantly, due diligence is distinct from other indicators. For instance, risk assessment alone, or training of employees alone, is not tantamount to due diligence.

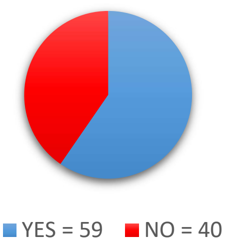

Figure 18: Due diligence in BUSINESS. N = 99.

Information provided by BAE SYSTEMS in relation to its preliminary contracting procedures fits well the definition of due diligence in business presented above: *"Due to the nature of* *the industry we work in and the customers we support, all potential employees and contingent workers go through a pre-employment vetting process. Subject to local laws in each jurisdiction, individuals are verified for identity, employment and academic history, nationality and right to work status and criminal record checks. Where we work with third party recruitment service providers, they are appointed and managed via our supplier due diligence process and Supplier Principles. The risk of modern slavery is not confined to our supply chains, so we also scrutinise our own hiring practices. We undertake a verification of current employees' addresses and bank accounts. When hiring a new employee, we always check identification documents and references."*

15. Did the organisation provide information about its due diligence processes in relation to Modern Slavery in its: SUPPLY/SERVICE CHAINS?

Due diligence with respect to an organisation's supply/service chain is a process undertaken to consider modern slavery implications before a procurement-related decision is made, e.g. before renewing a contract with a supplier. As stated above, risk assessment alone does not comprise due diligence, neither is solely the training of suppliers/providers. Audits, especially supplier on boarding audits, can be a form of due diligence if they are designed to be sensitive to slavery and human trafficking. The deployment of a supplier compliance questionnaire (MSA or other) is considered part of a due diligence process.

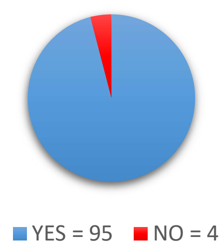

Figure 19: Due diligence in SUPPLY/SERVICE CHAINS. N = 99.

ANTOFAGASTA: *"All potential new suppliers are submitted to the Group´s due diligence process and are required to comply with all applicable laws and regulations regarding modern slavery, describing the main actions taken to ensure there are no instances of modern slavery in their organisation and also providing copies of the procedures that they have in place for the prevention of modern slavery. Contracts with new suppliers also include specific clauses requiring them to comply with the Group's Compliance Model. Additionally, general managers or legal representatives of the companies must declare that there is no modern slavery in their company; this declaration is periodically audited. The Group performed 5,963 due diligence checks in 2020."*

16. Did the organisation provide information about the parts of its BUSINESS where there is a risk of Modern Slavery taking place?

Organisations that earn this point describe where there is a risk of modern slavery in their own operations. For example, an organisation might identify its overseas manufacturing facilities as presenting a modern slavery risk. Simply stating there is a low risk of modern slavery in the organisation due to the nature of its operations is insufficient. Organisations that make use of indexes such as international modern slavery rankings by country when providing pertinent business information will also earn this point.

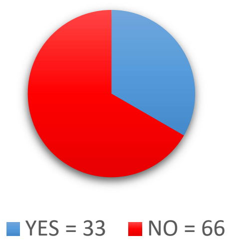

Figure 20: Parts of BUSINESS where there is risk of MS. N = 99.

> INTERTEK exemplified cases directly tied to modern slavery risks affecting its business activities. As follows: *"We have a number of seasonal workers in higher-risk countries, including a number of migrant workers in Qatar, and we are aware that such workers are at increased risk of abuses (such as excessive working hours and withholding of salaries) with reduced access to legal protections. We believe that our on-boarding, training, monitoring and reporting processes adequately mitigate the increased risk to these workers. We also deploy inspectors to ports and terminals around the world to attend the discharge of cargo vessels. Weather conditions and delays in berthing can mean that our inspectors are required to spend hours waiting for a vessel to arrive in order to perform their duties. There can be pressure placed on inspectors not to take rest times so that discharge can proceed as quickly as possible and demurrage fees can be avoided. We are aware that this can lead to a risk that working time restrictions can be breached."*

17. Did the organisation provide information about the parts of its SUPPLY/SERVICE CHAINS where there is a risk of Modern Slavery taking place?

Organisations that earn this point describe where, in their supply/service chains, there is a risk of modern slavery. For example, an organisation might identify the procurement of certain types of goods as presenting a modern slavery risk. Specifying the at-risk countries, sector(s), or raw material(s) would be pertinent here. Simply stating there is a low risk of modern slavery in the organisation due to the nature of its supply/service chains is insufficient. Organisations that make use of indexes such as international modern slavery rankings by country when providing pertinent supply chain information, will also earn this point.

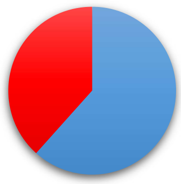

Figure 21: Parts of SUPPLY/SERVICE CHAINS where there is risk of MS. N = 99.

> The LONDON STOCK EXCHANGE GROUP detailed the modern slavery risks present at each level of its supply and service chain: "*Having a smaller supplier base allows us to have better control, visibility and governance over the suppliers. We found that the risk assessment confirmed our view that we have an inherently low risk supply chain: 1. We only have 5 suppliers in slavery risk Tier 1: two fully managed offices (in higher risk countries). A local IT hardware provider in Hong Kong, part of a global group of companies used to supply print hardware and services across the Group. A catering company located in India and an organiser of international conventions located in Russia. 4 of these have already committed to the Supplier Code of Conduct. 2. Our Tier 2 is made up of 31 suppliers in high risk countries but not high risk spend categories, including a number of other stock exchanges around the world with whom we have market data agreements. We consider the likelihood of slavery occurring in these companies to be low given the high education and skills requirements for their employees. 3. Our Tier 3 (Low Risk) includes just under 500 of our Facilities Management, Technology OEMs and resellers, and important services providers. They have low country risk but are in higher risk spend categories. Many of high spend suppliers in Tier 3 were large UK or global companies who publish robust Modern Slavery Statements. This is a strong indicator of low slavery risk deeper in the supply chain. Approximately 75% of our Tier 3 suppliers (by spend) have agreed to our Supplier Code of Conduct 4. Most of our suppliers are in Tier 4 (Very Low slavery risk). They make up over 95% of our suppliers by spend and nearly 80% by number of suppliers. The majority are in either the UK, US, Italy or France – low risk countries from a slavery perspective – and approximately 72% of our Tier 4 suppliers (by spend) have agreed to our Supplier Code of Conduct.*"

18. Did the organisation describe the steps it has taken to ASSESS the risk of Modern Slavery in its BUSINESS?

Risk assessment is the identification of defined risks in the organisation that commonly involves an estimation of the likelihood of such risks, as well as the possible scope and impact of such risks. The question an organisation should readily be able to answer is: how is the organisation taking steps to discover risks or potential risks? To qualify, a 'description' must include areas of detail such as factors taken into account, process, sources referenced, etc. Stating something to the effect of: "Due to the nature of our business we think there is a low risk" does not address steps or methods to assess the risk.

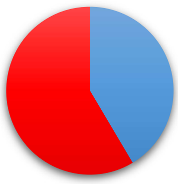

Figure 22: ASSESS risk in BUSINESS. N = 99.

> SMITHS (DS)'s criteria to assess risk falls under the scope of the present indicator: *"As we outlined in our previous statements, we developed and used a method to assess modern slavery risks in our own operations by taking the Global Slavery Index (Walk Free Foundation) to identify inherent vulnerabilities at country level, and then our individual site's risk scores from Supplier Ethical Data Exchange ("Sedex") and their answers to the 12 questions in the Self-Assessment Questionnaire ("SAQ") which relate to the ILO definition of modern slavery. During 2020, a new and improved SAQ was circulated to each eligible site which they have been working to complete. Whilst we are in the process of gathering updated information from the new SAQ, we have also utilised our annual enterprise risk assessment process this year to capture the views of a sample of divisional leaders and managers, from all geographies, on a range of business risks including a selection related to people, safety and labour risks."*

19. Did the organisation describe the steps it has taken to MANAGE the risk of Modern Slavery in its BUSINESS?

Risk management is more than just writing a policy or conducting a risk assessment. It involves proactively addressing the risk and existence of modern slavery and human trafficking in the organisation's own operations. Risk Management must be sharp, but also dynamic, and as stated above, enables organisations to remediate any issues that have been discovered. To qualify, a 'description' must include areas of detail such as factors taken into account, process, sources referenced, etc. Due diligence and/or employee training, alone, is not tantamount to risk management.

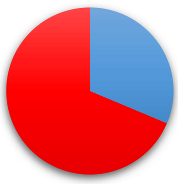

Figure 23: MANAGE risk in BUSINESS. N = 99.

> The fundamental aspect that differentiates business risk management from other related forms of internal diligence, is that the first is comes as the consequence for a previously

conducted risk assessment, once potential risks are spotted. Organisations are expected to explain how their risk assessments connect to those subsequent management actions. In their statement, MORRISONS outlined some of the most salient initiatives in relation to risk management within its own business: *"In addition, we manage our exposure by only using a limited number of approved labour providers, working closely with them to ensure a consistent approach to risk identification, investigation and incident management. Our providers have extensive experience of managing modern slavery investigations and provide vital support to our site teams and external authorities when addressing potential issues. We are updating our supply agreements with these providers in 2021, to include specific requirements on intelligence sharing and incident management protocols. To provide additional oversight, we continue to conduct regular audits on our labour providers using the Complyer tool developed by the Association of Labour Providers. (…) Core activity in 2020 included the planning and delivery of our online anti-slavery day event, the roll out of an expanded training offer, enhanced victim support resources and the development of Modern Slavery Partnership and Prevention Plans (PPPs) for implementation in 2021. These plans have been developed to enable the business to enhance our partnership and prevention approaches and further our commitment to tackling modern slavery and labour exploitation in our manufacturing and logistics operations. The site process takes into account learning outcomes from Operation Fort and will be undertaken twice a year across the estate. It was developed in conjunction with People Managers and with consultation from the GLAA and Stronger Together."*

20. Did the organisation describe steps it has taken to ASSESS the risk of Modern Slavery in its SUPPLY/SERVICE CHAINS?

Risk assessment is the identification of defined risks in the organisation's supply/service chains that commonly involves an estimation of the likelihood of such risks, as well as the possible scope and impact of such risks. The question an organisation should readily be able to answer is: how is the organisation taking steps to discover risks or potential risks? To qualify, a description must include areas of detail such as factors taken into account, process, sources referenced, etc. Simply stating: "Due to the nature of our supply chain we think there is a low risk" does not get at steps or methods to assess the risk.

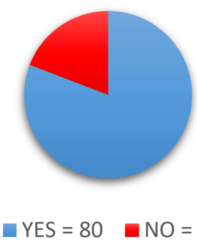

Figure 24: ASSESS risk in SUPPLY/SERVICE CHAINS. N = 99.

NATIONAL GRID declared having conducted specifically targeted modern slavery assessments through its supplier base. It also claimed having developed an assessment tool that included a number of relevant human rights considerations: *"We carried out a risk assessment of our top 250 suppliers (based on spend) and we used this to do more detailed risk assessments and action planning with those companies who were potentially high risk. We have shared the approach that we took to do this with our supplier community on our supplier webpage providing transparency and also an opportunity for them to utilise the tool further down their own supply chains. Since the initial modern slavery risk assessment, which was conducted at a point in time, we have developed a sustainability assessment tool using the risk assessment criteria developed, to embed human rights considerations around decent working practices into our strategic sourcing process alongside other sustainability criteria. In the UK, the tool maps to the relevant Achilles Utilities Vendor Database (UVDB) questions and requires a positive response against the key questions identified. The majority of the questions are mandatory at the pre-qualification stage of our sourcing process. In the US, questions are integrated into the sourcing process and evaluated in the contract award."*

21. Did the organisation describe steps it has taken to MANAGE the risk of Modern Slavery in its SUPPLY/SERVICE CHAINS?

Risk management is more than just writing a policy or conducting a risk assessment. It involves proactively addressing the risk and existence of modern slavery and human trafficking in the organisation's supply/service chains. Risk management must be sharp, but also dynamic, and as stated above, and enables organisations to remediate issues that have been discovered. To qualify, a 'description' must include areas of detail such as factors taken into account, process, sources referenced, etc. Due diligence alone is not tantamount to risk management.

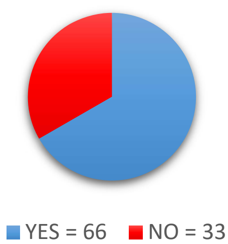

Figure 25: MANAGE risk in SUPPLY/SERVICE CHAINS. N = 99.

Sharing a responsibility to watch for modern slavery risks, but holding an advantageous position in comparison to their more vulnerable market partners, FTSE 100 constituents have the opportunity to use that upper hand to create business environments where effective risk management becomes more likely. It is therefore vital for organisations to keep channels of communication always open between them and their suppliers' wide open. LLOYDS BANKING appointed a risk management body that directly engages with key agents, both public and private, to prevent modern slavery, and described its main areas of focus: *"The Group takes a proactive role in identifying potential MSHT perpetrators and the Group Fraud and Financial Crime Prevention's Financial Intelligence Unit (GFIU) has made human trafficking and modern slavery a primary area of focus. (…) Whilst intelligence*

> *available on MSHT is limited, GFIU regularly engages with intelligence providers such as law enforcement, charities and other organisations working to counter MSHT. We have developed specific typologies to identify and target financial indicators associated with sexual and labour exploitation and organised immigration crime and continue to innovate these in line with intelligence on the evolving nature of modern slavery. A sustained area of focus for the Group is on tackling the rise of child victims of modern slavery associated with County Lines drug trafficking operations in the UK. This often involves the intimidation, financial exploitation and endangerment of young and vulnerable people in smaller towns and rural areas. We work with the National County Lines Co-ordination Centre to support Group colleagues in spotting behavioural and transactional indicators and to understand how these are evolving as County Lines dealers adapt to the coronavirus pandemic."*

22. Did the organisation provide information about its effectiveness in eliminating Modern Slavery from its business or supply chains, measured against such performance indicators as it considered appropriate?

Selected KPIs must be plausibly quantifiable and measurable, and the measured activity or outcome must be of a recurring nature. Both process and outcome KPIs are of relevance here. It is preferred that organisations clearly identify their Key Performance Indicators, but the organisation need not necessarily use that term to earn the point provided they evaluate their effectiveness based on quantifiable metrics. KPIs that the organisation plans to implement in the future do not receive points.

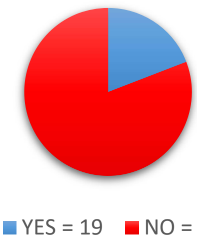

Figure 26: Effectiveness in eliminating MS. N = 99.

> TESCO demonstrated the degree to which the aggregation of all the steps taken by the organisation were successful in producing its desired results. The metrics and KPI´s presented by the company compared measures against outcomes, evidencing progress where it was notable.

23. Did the organisation have a distinct MS training programme for their business? Or has the organisation incorporated anti- slavery specific training into their existing training programme?

Training one's staff on slavery and human trafficking starts with sensitising them to the organisation's own policy and code of conduct. Introducing employees to the organisation's relevant policies, systems, and procedures is the next step. Stating something to the effect that "We have made all employees aware of our policy" would not suffice, as handing your employee a policy statement is not necessarily training on specific action they should or should not take. Similarly, stating something to the effect that "We train all employees on our code of conduct which includes human rights" is not specific to MS.

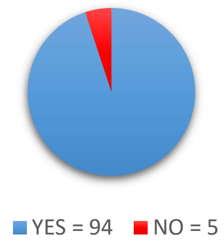

Figure 27: Anti-modern slavery training programme. N = 99.

ASSOCIATED BRITISH FOODS successfully enumerated the modern slavery specific training prescribed on the parts of its business it considered most important to deliver to: *"Last year, we developed a new online training module designed to raise awareness of modern slavery. The course seeks to educate our people about modern slavery and forced labour, providing real-life examples and highlighting the importance of managing known risks. The course also outlines how those operating in our supply chain can help to address the risk of modern slavery and human trafficking. This course was made available to all our businesses and to date, it has been completed by 972 employees. Where risks of modern slavery are high, we ask our suppliers to conduct their own modern slavery training. For instance, some of the agencies that provide us with temporary labour have conducted internal training at our request. In addition to this centralised training, a number of our businesses have created tailored training to raise awareness with different stakeholder groups. AB Agri trained its transport managers, commercial teams and delivery drivers (who visit more than 1,000 farms across the UK every year) to recognise the signs of modern slavery and forced labour. Westmill provided modern slavery training to 91% of those employees whose role involves recruitment or procurement. (…) This year, JDR completed its face to face supplier training on modern slavery, which focused on traders for its Turkish commodities."*

2. Disclosure conformance summary

The sector-specific disclosure conformance scores (**Figure 28**: FTSE 100, sector-specific disclosure conformance scores) showed once again relatively higher performance on the side of the consumer staples and utilities sectors, as well as the energy and materials industry. The communication services sector, in turn, improved its performance under this dimension and also performed similarly well. The worst disclosure conformance score was obtained by the information technology sector. Relatively inferior scores were received by the real estate, healthcare, industrials and financial sectors.

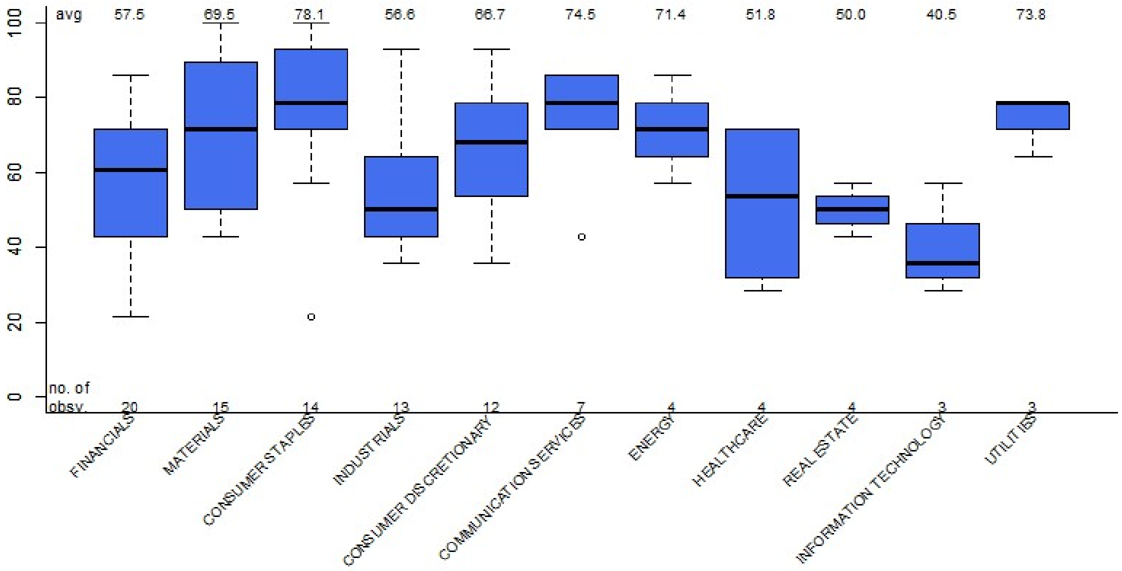

Figure 28: FTSE 100, sector-specific disclosure conformance scores. N = 99.

The Kernel density estimation (**Figure 29**: FTSE 100, disclosure conformance score distribution) shows mean conformance scores of 64.4%.

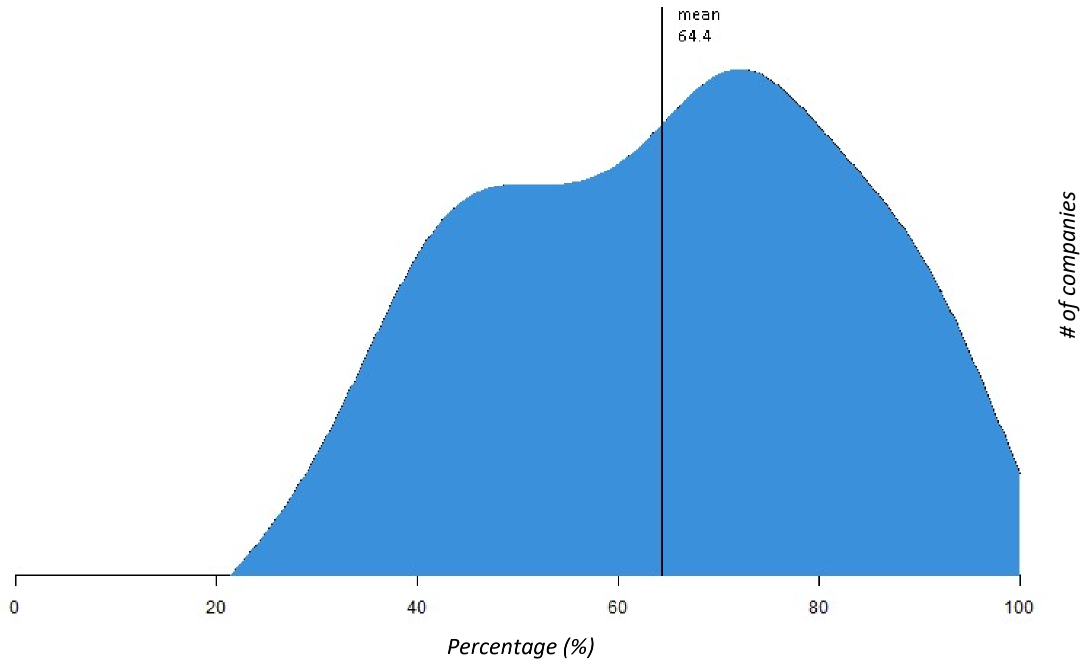

Figure 29: FTSE 100, disclosure conformance score distribution. N = 99.

E. "Find It"

1. Performance against indicators

The "*Find It*" section is composed of 22 indicators convened under the premise that modern slavery risks are indeed real and therefore in the need of identification. Organisations that earn these points provide an account of various good practice measures: business and supply chain mapping, industry collaboration, audit practices and grievance mechanisms. It also enquires about details on the workforce involved in value chains, as well as other relevant information regarding the conduct of risk assessments.

24. Has the company mapped the extent of its operations and supply chains (including and beyond the first tier)?

A visual map or diagram helps the stakeholder conceptualise the scope of the organisation's operations and understand those operations vis-à-vis other relevant information, e.g. country of origin or industry-specific risk(s). Organisations that earn these points provide a comprehensive accounting of their supply/service chains beyond their direct tier one suppliers and trace their supply/service chain to its termination. Organisations that map their business operations only, are not awarded this point.

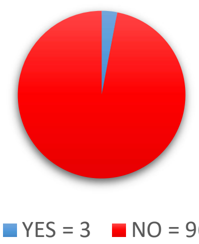

Figure 30: Mapped operations & supply chain. N = 99.

RECKITT's statement included two separate sections with visual charts containing information on both its Global footprint as its supply chain network. In relation to its own operations, the company provided a map indicating the location of their facilities, factories and principal offices. A flow diagram displaying their product value chain was also presented.

Did the company disclose the countries of its:

25. Tier 1 suppliers?

26. Tier 2 and/or 3 suppliers?

To earn these points, organisations must list the countries where their tier 1, 2 and/or 3 suppliers are located. Wider geographical references, such as regions or continents with higher supplier spending alone, are considered insufficient.

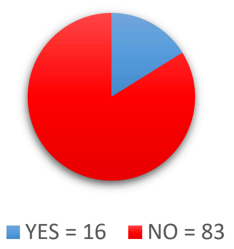

Figure 31: Tier 1 country of origin. N = 99.

Figure 32: Tier 2/3 country of origin. N = 99.

The case of JD SPORTS AND FASHION was singular. The organisation declared having completed the complete mapping of their supply chain down to their 4th tier manufacturing base on private label across the globe. Rather than presenting the data directly on the statement, the company opted to provide a link to an external, interactive website where the user can navigate through the company´s supply chain structure.

27. Did the company identify the main categories of products/services/parts/raw materials that end up in its products, and classify them by sourcing country?

Companies that provide the reader with a categorisation of key supplies, services and inputs that constitutes its production/value chain – classifying them by country/region of origin – are awarded this point. Wider geographical references, such as regions or continents with higher supplier spending alone, are considered insufficient.

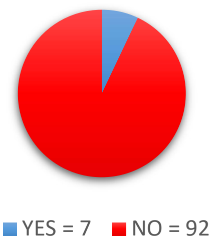

Figure 33: Product categorisation by sourcing country. N = 99.

ANGLO AMERICAN mapped a variety of minerals sourced by the company at country level. Consistent with that approach, SAINSBURYS categorised a variety of key raw materials and products sourced for their business.

28. Did the company provide information on the workforce in both its operations and supply chain?

Pertinent descriptions of an organisation's workforce include: number of employees, distribution, organisational and hierarchical structure, and details on supplier workforce. A point is not awarded in the case the statement provided no information related to the company's supply chain workforce.

Figure 34: Information on the workforce. N = 99.

As a provider of information-based analytics, RELIX's response fits the criteria outlined for the preceding indicator: *"We employ more than 33,000 people in more than 40 countries worldwide. 70% of our employees are based in North America and Europe. The Philippines is our third largest geography where 12% of our employees are located. We have more than 900 contingent workers providing support such as editorial, technical, project management, and administrative services."*

29. Did the company report on how migrant workers are recruited?

This point is awarded to organisations that claim to be taking specific precautions to address the risk of modern slavery inherent in the migrant workforce recruitment processes. This can be accomplished by: describing how provision action is undertaken, reporting having developed/included migrant worker related policies, or providing an example of case management related to migrant workforce recruitment procedures.

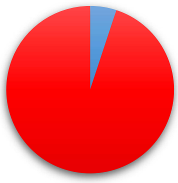

Figure 35: Information on migrant workforce recruitment. N = 99.

BURBERRY informed the implementation of a distinct migrant workforce recruitment policy for its business, which included considerations on recruitment fees and document retention: *"This policy is specifically intended to protect workers who may be vulnerable to exploitation in the course of international migration. The policy contains requirements including, but not limited to, the prohibition of withholding passports and similar documents and the levying of recruitment fees. During FY 2020/21 we updated and re communicated this policy to suppliers to provide more detailed guidance on implementation of the policy and meeting the standards defined within it."*

30. Did the organisation provide a definition for modern slavery in accordance with the Modern Slavery Act?

A definition for the term helps the reader understand an organisation´s approach to modern slavery. Article 12 of Section 54 of the MSA uses a definition for modern slavery that encompasses: slavery, servitude and forced or compulsory labour, human trafficking, sexual exploitation and child labour; all conducts that constitute offence under section 1, 2 or 4 of the Act, and under other relevant criminal justice acts for Scotland and Northern Ireland.

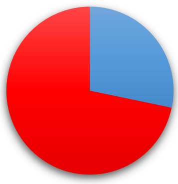

Figure 36: Definition for MS in accordance to the MSA. N = 99.

Among many others, 3I explicitly tied its understanding of modern slavery to the definitions contained in the MSA. As follows: *"Our understanding of slavery and human trafficking is based on the definitions set out in the MSA and is guided by the UN Universal Declaration of Human Rights and the conventions of the International Labour Organisation (ILO) particularly relating to forced or compulsory labour. We recognise that forced labour as a form of slavery includes debt bondage and the restriction of a person's freedom of* *movement whether that be physical, non-physical or, for example, by the withholding of a worker's identity papers*."

31. Has the company utilised the 11 ILO indicators on forced labour to conduct pertinent anti-slavery assessments?

As outlined by the ILO in its 2013 publication "Special Action Programme to Combat Forced Labour", eleven indicators represent the most common signs or "clues" that point to the possible existence of a forced labour case. The indicators are: abuse of vulnerability, deception, restriction of movement, isolation, physical and sexual violence, intimidation and threats, retention of identity documents, withholding of wages, debt bondage, abusive working and living conditions, and excessive overtime. Points are awarded only if organisations report having utilised these indicators to conduct risk assessments.

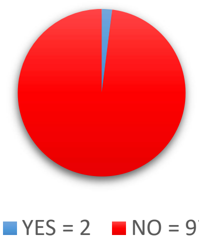

Figure 37: Reference to the ILO indicators to conduct assessments. N = 99.

BRITISH AMERICAN TOBACCO declared having utilised the criteria outlined by the ILO when conducting supply chain risk assessments: *"Our product materials suppliers operate in the manufacturing sector, which the ILO estimates accounts for 15% of forced labour and 11.9% of global child labour, with the majority of cases documented in lower-income countries. The key forced labour risks identified by the ILO relate to excessive working hours and production targets, payment of high recruitment fees, illegal retention of passports and, in some cases, illegal imprisonment and beatings of workers."*

32. Did the company provide details of how the risk assessment of its operations and supply chain was carried out, including the indicators, resources, and tools that were used?

Valid KPIs for risk assessment detail disclosure could include: % of operations assessed for risk, % of operations in at-risk countries assessed, frequency of risk assessment, details on the methodological tools employed, specialists consulted, etc. Audit practices are different from risk assessments, where the first may be triggered after conducting risk assessments and encountering the need to carry out further diligence, assessments are part of the organisation´s customary risk monitoring processes. A KPI that addresses the trigger for a risk assessment is not in-scope of this indicator.

In the context of the MSA, organisations are expected to go beyond allegations that only assert the conduct of risk assessments. These steps are usually supported by a variety of tools that facilitate hazard identification, the recording of the findings, and the reviewing of results.

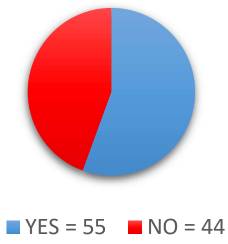

Figure 38: Risk assessment details disclosure. N = 99.

RELX provided a detailed example for such process for its own operations: *"We use a country risk ranking tool to determine risk in our supply chain. The tool, developed by Carnstone, incorporates ten indicators including data from the ITUC Global Rights Index, the U.S. State Department Trafficking in Persons report, the Human Development Index, the Freedom in the World Civil Rights survey, and UNICEF's % of children aged 5-14 years engaged in child labour data, to determine the risk level of each country. We focus on suppliers primarily located in high and medium risk countries, as designated by the tool. We monitor our supply chain by using our own commercial tools such as LexisNexis Entity Insight, Bridger Insight® XG and Lexis Diligence. LexisNexis Entity Insight provides access to comprehensive global news content and company and market intelligence, alerting colleagues to potential supply chain disruptions and supplier risks. Bridger Insight® XG allows us to monitor our supply chain for global sanctions."*

33. Did the company disclose its most salient modern slavery risks?

This indicator asks whether the organisation has identified and described the types of modern slavery risks, such as risk of child labour, sexual exploitation, excessive working hours, and other pertinent issues that may arise in their business/supply chains, given the nature of their operations. This is a step beyond identifying which parts of the organisation/supply chains implicate modern slavery risk.

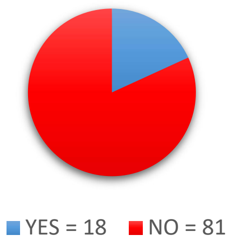

Figure 39: Most salient MS risks disclosure. N = 99.

OCADO began exposing how there are certain sectors that are inherently risky due to the nature of its business, and then proceeded to connect those dimensions to the salient risks that are most likely to emerge: *"We recognise that Modern Slavery poses a potential risk to several key sectors that are vital to how we operate as a business. These sectors have been identified by both government and third-party reports for having an increased inherent risk of forced labour and human trafficking. Construction: Conditions can be demanding and dangerous, with high levels of industrial accidents. Individuals potentially working without genuine qualification certificates, relevant training and/or previous experience. Electronic manufacturing: Factory conditions can include excessive working hours and production targets, and conflict minerals (tantalum, tungsten, cassiterite, and gold) that are produced in conflict zones found in lower tiers of the supply chain. Warehouse & Distribution: Employment can be casual, with workers on temporary and zero-hour contracts. Agencies and individuals are known to have arranged employment and transportation to the UK, sometimes in exchange for a work finding fee. Inherent issues for workers: language barriers for migrant workers, forced to meet targets by being refused breaks and being forced to do overtime, being underpaid or having their wages withheld and accommodation and transport to and from work being provided by potential exploiters."*

34. Did the company seek input from an expert stakeholder(s) when developing and/or undertaking internal or external assessments, and has an expert been identified in the statement?

For the purposes of this report, "expert stakeholders" are defined as: third parties that could be influenced by an organisation´s operation (trade unions, local NGOs, civil society associations, etc.) who have a higher level of interest, knowledge and engagement. At least summary information about the details that involve such collaboration should be provided in order to earn this point. Language indicating intention such as "We seek to enhance our business perspective by interacting with key stakeholders" without mentioning defined courses of action taken, or actors involved, does not suffice.

Figure 40: Input from expert stakeholders. N = 99.

As outlined previously, risk assessments encompass a variety of multi-layered activities at various levels of engagement. Including stakeholder input into risk assessments methods can be especially enriching. This is helpful for companies willing to demonstrate proactive interaction within its business environment in concrete terms. Examples of stakeholder consultation and cooperative action were provided by STANDARD CHATERED: *"Our key partners in 2020 included the Mekong Club, International Centre for Missing and Exploited Children (ICMEC) and Stop the Traffik. The focus of our engagement with NGOs and other civil society stakeholders on MSHT has been to inform our financial crime fighting work; we also seek opportunities to inform our wider programme on MSHT. We are proud to work alongside several leading NGOs that help strengthen our understanding of the financial flows associated with MSHT, for example any geographic or sector specific characteristics. In turn, we encourage them to consider financial indicators in their analysis and reports. Our work in 2020 included: Working with the Mekong Club to develop their Banking Baseline Assessment Questionnaire. The Questionnaire assists other banks to understand where they are in the process of developing / enhancing their anti-slavery strategy. Working with the International Centre for Missing and Exploited Children (ICMEC) to develop a toolkit for banks to assist them to develop their systems, controls and best practices to combat the online sexual exploitation of children, a project expected to complete in 2021. Leading an initiative in coordination with the Stand Together Against Trafficking (STAT) to develop new methods of knowledge exchange, with a focus on understanding typologies of forced labour in the fishing industry. Participating in the Traffik Analysis Hub, an initiative led by Stop the Traffik, which shares and develops modern slavery and human trafficking typologies."*

35. Has the company participated in multi-stakeholder collaborations or industry initiatives related to human rights or modern slavery?

Industry initiatives calls for planned coordinated action between a group of business actors and a variety of key stakeholders in an effort to address the risks of modern slavery in global markets. Organisations that report having joined industry efforts and/or other related collaborative partnerships earn this point. At least summary information about the specific actions that involve such collaboration should be provided. Language indicating intention such as "We seek to enhance our business perspective by interacting with our industry peers" without mentioning defined courses of action taken, or actors involved, does not suffice.

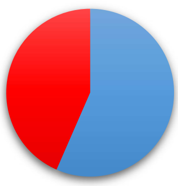

Figure 41: Multi-stakeholder collaboration. N = 99.

Along many others, GLAXOSMITHKLINE described the industry collaborations in which the company took part in, displaying enterprising behaviour and focusing on the areas the company found as presenting higher modern slavery risks: *"GSK invests in industry and cross-industry collaboration to seek continuous improvements in our approach to* *identifying and addressing modern slavery risks. We currently participate in the following forums: the Pharmaceutical Supply Chain Initiative's Human Rights and Labour Sub-Committee, the UN Global Compact Network UK Modern Slavery Working Group, the Business for Social Responsibility Human Rights Working Group, and Action for Sustainable Derivatives. In 2020, through our participation in the Pharmaceutical Supply Chain Initiative, we contributed to a number of projects to build members' and suppliers' capability to address modern slavery risks, including: A webinar on how to map human rights risks in commodity supply chains, supplier conference sessions in India and China on human rights and modern slavery with speakers from the ILO, ethical Trading Initiative and Business for Social Responsibility, engagement with civil society stakeholders in Brazil to better understand the forced labour risks and responsible sourcing programmes associated with carnaúba wax and convening a roundtable with industry stakeholders to discuss the findings, and a responsible sourcing project that examined the human rights and environmental risks associated with 13 raw materials used in the pharmaceutical industry and a webinar to present the results."*

36. Has the company appointed a supply chain auditor?

Audits can be conducted by the organisation itself or a qualified 3rd party. Audits must include a methodical examination and review of the organisation's operations regarding its supply chain. The designated auditor is not required to conduct evaluations throughout their entire supply chain. However, points are only awarded when organisations explicitly manifest having designated a professional auditor to conduct in-depth supplier assessments.

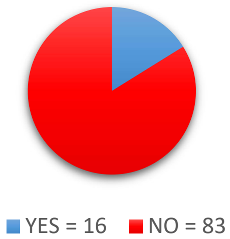

Figure 42: Supply chain auditor. N = 99.

On average, less than 1 in 10 of the companies under scope clearly stated the designation of an expert agent in charge of conducting audits throughout their supply chains. From this universe, both BUNZL: *"We have an assurance and quality control team based in Shanghai which performs regular audits of our direct suppliers in Asia 2, to ensure that they meet our standards in relation to human rights and conditions of work."* And INTERNATIONAL AIRLINES GROUP: *"IAG GBS carries out in-depth supplier audits as part of the Group's commitment to sustainability; these audits are based on potential geographical and procurement category risk. They are performed by independent inspectors with CSR expertise using the SEDEX Members Ethical Trade Audit (SMETA) methodology"* are salient examples.

37. Did the company disclose which suppliers were prioritised for audit purposes?

Organisations that are awarded this point provide details on supply chain audits that were believed by the company to be the most urgent to conduct. Audit recurrence in certain higher-risk supply chain sectors is in also in scope for this indicator. Merely outlining that high-risk suppliers/providers are audited more frequently is considered insufficient.

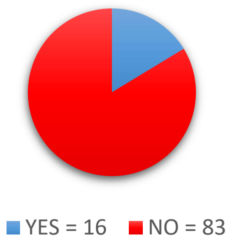

Figure 43: Suppliers prioritised for audit purposes. N = 99.

When outlining its audit procedures, BHP GROUP informed that: *"15 suppliers with a total of 35 sites (e.g. manufacturing facilities) across 12 countries were selected for SMETA. The suppliers selected were from the following high-risk taxonomies: wear consumables and conveyor belting and parts (e.g. industrial machinery), bulk materials (e.g. explosives) and tyres, wheels and rims. Due to COVID-19 restrictions, only eight of the audits were able to be completed; the remainder have been postponed and will be scheduled for FY2022."* Moreover, *"15 suppliers with a total of 35 sites (e.g. manufacturing facilities) across 12 countries were selected for SMETA. The suppliers selected were from the following high-risk taxonomies: wear consumables and conveyor belting and parts (e.g. industrial machinery), bulk materials (e.g. explosives) and tyres, wheels and rims. Due to COVID-19 restrictions, only eight of the audits were able to be completed; the remainder have been postponed and will be scheduled for FY2022."*

38. Has the company disclosed the findings of their audit practices?

To earn this point, organisations provide a fitting summary of the audit findings. Risks classification and overall distribution, nature of the non-compliances, evaluation of audits performance on a defined period, are all in-scope for this indicator. Disclosure of data that isn't related to audit practices, such as speak up or grievance reports, will be awarded no points.

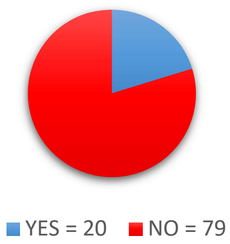

Figure 44: Audit findings disclosure. N = 99.

> In practice, transparency manifests itself as the inclination to trust the submitter, which occurs as a result of direct disclosure of relevant data. At the ending of their statement, UNILEVER attached an appendix for the findings and outcomes of their audit practices. Also included were the nature and business areas of non-conformities found, their locations, and further salient impact data.

39. Did the audit practices include non-scheduled unannounced visits?

Unannounced audit visits are conducted without prior notice to the designated vendor and are performed in addition to regular audits, where special diligence is required to ensure the fidelity of auditing practices. Points are only awarded to organisations that explicitly manifest having implemented this practice.

Figure 45: Unannounced visits. N = 99.

> After the conduction of mandatory risk assessments, MORRISONS declared having performed an unannounced spot check following the appearances of red flags on one of their suppliers: *"In collaboration with other UK supermarket partners, we commissioned independent, unannounced audits to take place concurrently with support from the GLAA and local authorities."*

40. Did the audit practices include off-site interviews with workers?

In the cases where special diligence is required to ensure the fidelity of auditing practices, off-site interviews with workers may be required. Points are only awarded to organisations that explicitly manifest having implemented such practice.

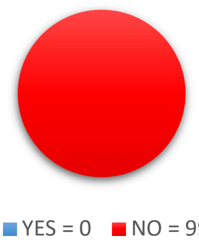

Figure 46: Off-site interviews. N = 99.

Off-site interviews require that possible victims or actors exposed to risk are interviewed outside the premises of the concerning business. Following that criterion, we found that there were no cases of the undertaking of such measures in the statements of the FTSE 100.

41. Did audit practices include visits to associated production facilities?

Having factory and production facilities on-site visits rather than digitally conducted audits, is the practice in scope for this indicator. Points are only awarded to organisations that explicitly manifest having implemented such action.

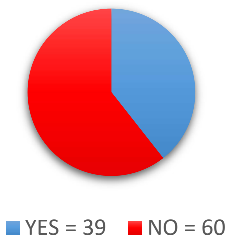

Figure 47: Visits to facilities. N = 99.

From all indicators that take audit practices into consideration, "site visits" was the one that achieved the most compliance. LEGAL & GENERAL, for example, asserted that visitations to construction suppliers were conducted by a specialised expert: *"As part of our due diligence we undertook a series of construction site audits and assessments. The audits were completed by Achilles, an accomplished construction audit company and were carried out at several of our Investment Management sites throughout the UK. The audits were primarily focused on identifying Modern Slavery but they also examined working hours, wages and right to work in the UK. The audits consisted of high numbers of worker interviews by specialist auditors, allowing for broad worker testimony".*

42. Did audit practices include visits to related worker housing?

To earn this point, organisations must explicitly manifest having conducted visits to workers' accommodation facilities or having included them into their existing audit practices.

Figure 48: Visits to worker housing. N = 99.

LEGAL & GENERAL manifested that worker housing visits came to pass as a part of their auditing activities: *"Additionally, we undertook site surveillance assessments at a number of our operation homes sites. The assessments consisted of a system review and on-site observations, completed by an external Modern Slavery consultant."*

43. Did audit practices include monitoring beyond tier 1?

Companies that are awarded this point manifest having conducted assessments (e.g. risk related questionnaires) further below their tier 1 suppliers as a part of their audit practices.

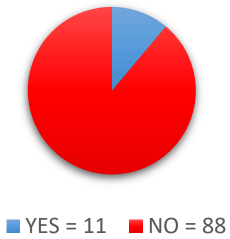

Figure 49: Monitoring beyond tier 1. N = 99.

FRESNILLO stated that, in the course of sub-contracting practices, their supplies carried out additional auditing to prevent risks from escalating: *"We monitor the sub-contracting practices of our contractors to prevent cascading human rights risks. Our Internal Audit team verifies that sub-contracting is properly justified according to our policies and employee remuneration aligns with the labour market conditions. Direct interviews with contractors' employees are carried out to verify that and they are properly enrolled in the IMSS."*

44. Did the company ensure there is a grievance mechanism (its own, third party or shared) available to all workers in its operations and the supply chain to raise human rights-related concerns (including labour conditions) without retaliation?

The existence of a whistle-blower mechanism or ethics hotline within the organisation's own business earns this point. A worker-level grievance mechanism allows workers to report issues with an independent body within the organisation or a 3rd party and be ensured whistle-blower protections. Simply stating something to the effect that: "We protect whistle-blowers," without describing the existing of a functioning ethics hotline or similar, does not receive this point.

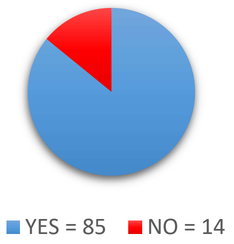

Figure 50: Grievance mechanism available to all workers. N = 99.

A vast majority of the FTSE 100 constituents declared having grievance mechanisms in place, both for suppliers and employees within their business. HALMA was one of these cases: *"The Group has a whistleblowing policy and an established third-party whistleblowing service, accessible both online and by telephone, which allows employees in any of our businesses to raise concerns in confidence, anonymously (where permitted by law) and independent of their company. Our third-party whistleblowing facility is not limited to employees and can be used by anyone, including our customers and suppliers. In order to ensure that the mechanism remains accessible and trusted by our employees, the whistleblowing policy explains how the process works, how anonymity will be preserved, and an assurance that a whistle-blower will not be treated negatively for raising an issue in good faith. Halma's Board (and Audit Committee where concerns relate to potential financial misconduct or fraud) reviews the nature of reports made through the whistleblowing channel in order to ensure that it remains an effective mechanism for raising concerns, that such reports are properly investigated under the direction of the Company Secretary and that there are no recurring trends that would suggest underlying cultural or ethical issues in the Group."*

45. Has the company demonstrated the use of its grievance mechanism?

In order to earn this point, the statement must clearly spell out how whistle-blowing reports are handled by the company, meaning which steps are taken to address such reporting, and the results accomplished. Demonstration of use would e.g. involve metadata, e.g. X number of complaints were received, Y number of complaints were in-scope, and Z number of complaints were dealt with to the satisfaction of the victim. Merely stating something to the effect that "We treat all concerns with seriousness, to this end, we designated a committee in charge of responding to claims of misconduct" would not receive this point.

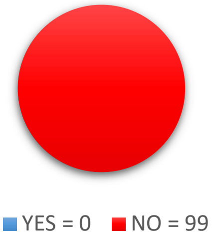

Figure 51: Grievance mechanism: demonstration of use. N = 99.

While no companies earned this point, two cases are worth pointing out: IMPERIAL BRANDS included a link to their publicly available grievance service which provided details on how reports are addressed by the company: the protection granted to whistle-blowers, instructions on how to file a complaint, and further assurance. And so did MONDI: "*Speak Out is a Mondi initiative supported by the reporting platform Speak Up®, which is managed by People Intouch, an independent third party and leader in confidential misconduct reporting. The overall process is coordinated by Mondi's Internal Audit. Once you have left your message, People Intouch will transcribe it and then erase the 'spoken' version. In this way, no one at Mondi will hear your voice. The transcribed message is then sent to Mondi's Response Team, typically within one working day. A Response Team, consisting of independent Mondi senior managers, will review the message and follow up within a week. Check the answer by using the phone number/web link and inserting Mondi's unique access code. If no answer is available after a week, try in a few days, or leave a new message in the same case. Speak Out is confidential. We want you to feel confident about using Speak Out. You are not required to identify yourself in any Speak Out message. You can remain anonymous if you wish to do so. Likewise, if you submitted supporting documents and would like to remain anonymous, please make sure that your contact details are not mentioned in the attachments or in its properties*." However, neither of these examples provided the specificity and metadata the reader would need to understand what outcomes were achieved from the grievance mechanism under the reporting year and thus neither were awarded a point.

2. "Find It" section summary

The industry sector-specific breakdown of "*Find It*" scores (**Figure 52**) shows, for the third time, a higher relative performance on the part of the consumer staples and communication services sectors. However, the general performance under this dimension was markedly lower than what was the case for the legal compliance and disclosure conformance scores, with even the top-performing industry sectors receiving less than 50% of the points on average. The worst performing sectors, in relative terms, comprised once again the information technology, real estate, and healthcare sectors.

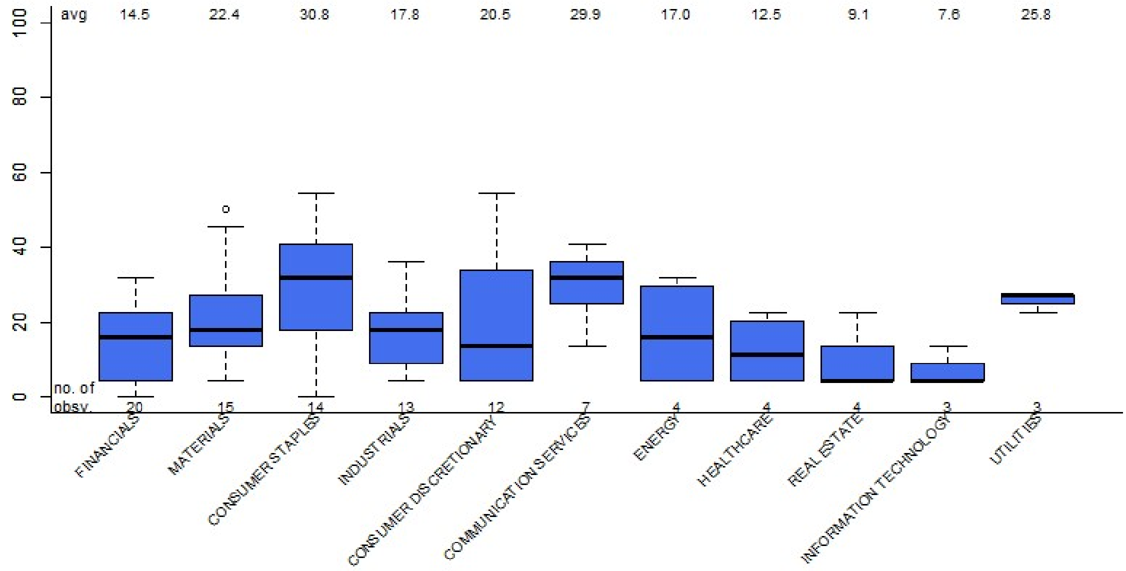

Figure 52: FTSE 100, sector specific "Find It" scores. N = 99.

Under the "Find It" dimension, the distribution of scores (**Figure 53**) shows that a substantial fraction of companies did not receive any points at all, and that the average score was 20.2%.

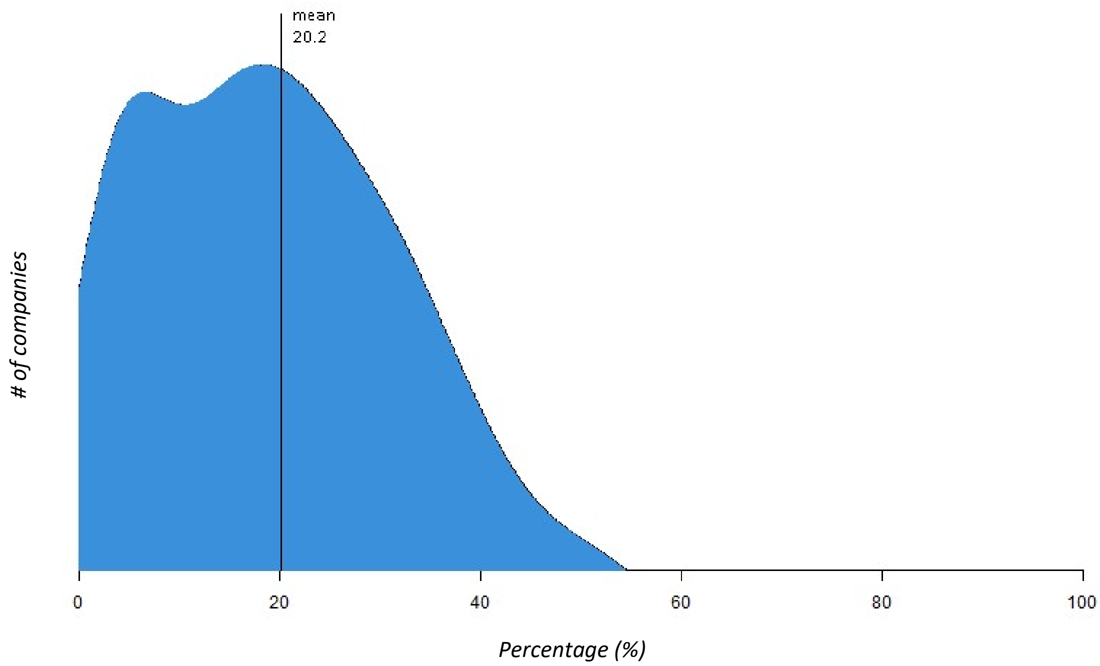

Figure 53: FTSE 100, "Find It" score distribution. N = 99.

F. "Fix It"

1. Performance against indicators

The "*Fix It*" dimension aims at the reporting of remediation activities once modern slavery is found within an organisation's supply and/or service chains. Companies that declare having a zero-tolerance approach to modern slavery are not only expected to react vigorously in the event of a human rights violation, but to disclose at least relevant metadata on the matter However, a modern slavery statement is not meant to be a police report but instead a document on business transparency. The reader would be ready to trust a statement´s assertions in the case the data were presented in an indisputable manner. Thus, organisations awarded these points provide sufficient evidence that violations were being properly managed and resolved, including details on the redress provided to those affected.

46. Has the company disclosed finding modern slavery in their supply chain this year?

As stated above, the Modern Slavery Act is a legislative effort to increase transparency in businesses and their supply and service chains. Consequently, modern slavery disclosure is only considered valid when the language used by the organisation to discuss the issue is undisputable and clear to the reader. Merely outlining that human rights concerns were reported and eventually addressed is insufficient. However, referencing any of the 11 ILO indicators of forced labour in appropriate context would count as disclosing finding modern slavery.

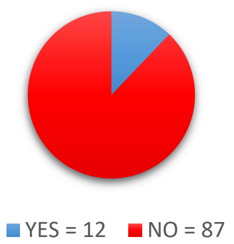

Figure 54: Disclosed finding modern slavery. N = 99.

> Formally confirming modern slavery related issues to coercive manipulation of employees, child labour and the absence of minimum standard policy frameworks, DIAGEO categorised the violations found within its supply chains, as follows: *"Our direct supplier audits identified 21 non compliances under the category of 'freely chosen employment, a specific concern within the context of modern slavery. 17 of these issues relate to the lack of a formal policy at the supplier's facility; 2 relate to workers subject to disciplinary hearings for refusing to work overtime; 1 relating to wage deductions for staying in employment; and 1 relating to excessive probation periods. (…) We recognise the risk of child labour and through our supplier audits, 66 issues of non-compliance were raised under*

> *the category of children and young workers. 56 issues relate to the lack of a formal policy at the supplier's facility in relation to child labour or not having records in place to verify workers' age; 9 relate to no child labour remediation programme; and 1 relates to a violation of the minimum age of employment."*

47. Has the company utilised the UN Guiding Principles on Business and Human Rights to establish its position regarding violations found?

If modern slavery were to be found within an organisation's business or/and supply chains, it is expected that companies make a statement in relation to their position regarding those non compliances. The referred instrument consists of 31 principles, which implement the United Nations' "Protect, Respect and Remedy" framework on the issue of human rights and transnational corporations and other business enterprises. Points are only awarded to organisations that explicitly tied these principles to the modern slavery cases identified in their statement.

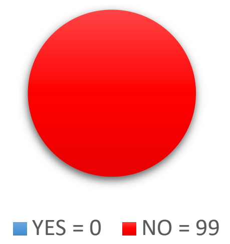

Figure 55: Position in conformance with UNGP framework. N = 99.

None of the organisations that reported finding modern slavery elaborated in this respect.

48. Did the company disclose the steps taken to end and mitigate the violations found during their reporting year?

For this indicator, steps to mitigate on-going modern slavery-related issues should be discussed in depth in order to earn points. Pertinent information about the specific course of action taken by the company to end ongoing violations should be provided. Vague, unclear language such as: "We required our supplier to review their existing policies yet continue to remain vigilant" without mentioning defined courses of action taken, will not award points.

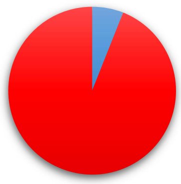

Figure 56: Steps taken to mitigate ongoing violations. N = 99.

> In their performance reporting, MORRISONS outlined how the company dealt with incidences of modern slavery within its business operations: *"In all cases, we worked closely with both the GLAA and police to support subsequent investigations and establish any links with other permanent colleagues and agency provided workers. Both sites conducted full post-incident reviews to identify learnings that could be shared across our other operations and refresher training was undertaken in conjunction with enhanced questionnaires and welfare conversations. In one case, the Police attended our site and removed the colleague to a place of safety whilst a wider investigation was undertaken in conjunction with the GLAA. The victim chose not to enter the National Referral Mechanism (NRM) and was supported by our labour provider to relocate and take up a position at another site."*

49. Has the company reported outcomes of the remedy process for the victims?

After mitigation activities, this indicator requires organisations to report on the aftermath of remediation. Providing extensive detail on the results of such processes is a necessary condition to earn this point, whether they had either positive or negative results for the victims.

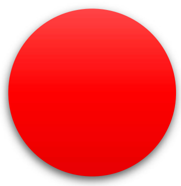

Figure 57: Outcomes of the remedy process. N = 99.

There were no cases of statements that discussed mending strategies in depth. What is more, the lack of evidence to support claims of reparation activities, resounded loud among organisations that alleged having issued strategic responses to those modern slavery violations encountered during their reporting year.

50. Has the company provided evidence that remedies are satisfactory to the victims or groups representing the victims?

Organisations that provide enough evidence (with the use of record reviews, employee interviews, spot checks, etc.) that mending of violations (e.g. damage reparation) is satisfactory to the victims, earn this point.

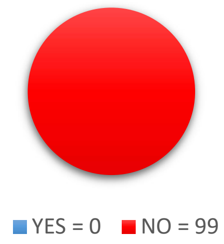

Figure 58: Evidence that remedy is satisfactory. N = 99.

None of the appointed tools or processes to evaluate the delivery of successful redress were mentioned by any of the organisations that declared finding modern slavery within their business and / or supply chains.

51. Where provision of remedy has not been possible, did the company demonstrate how it tried to use and increase its leverage with other responsible parties to enable remedy to take place?

This indicator asks if the company accounts for having attempted to engage with other responsible third parties to enable remediation, given the case provision of reparation were found to be impossible to achieve by company means alone. Sufficient evidence is expected to be provided in order to get this point.

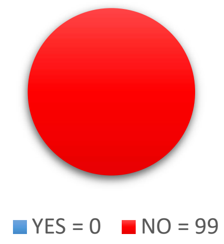

Figure 59: No provision of remedy: further action. N = 99.

The type of third-party collaboration this indicator points at was also left unmentioned by organisations that reported finding modern slavery.

2. “Fix It” section summary

The sector-specific breakdown of “*Fix It*” scores (**Figure 60**) paints a landscape that is quite different from the other dimensions, with a generalised performance nearing 0 points for *all* sectors. The one notable exception was given by the consumer staples sector, which once again performed better than the rest. Although the average sector performance was low, positive outliers were observed in the communication services and consumer discretionary sectors.

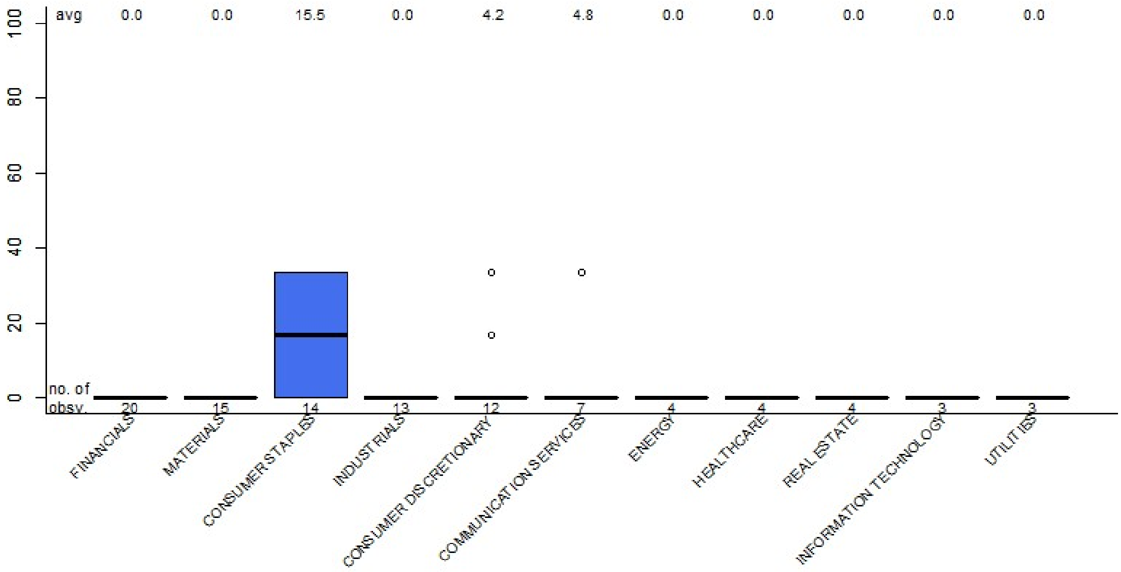

Figure 60: FTSE 100, sector specific “Fix It” scores. N = 99.

The performance under the “*Fix It*” dimension was overall very low, in which the bulk of companies show little or no action with respect toward mitigation and remedy (see **Figure 61**). The mean score was only 3%.

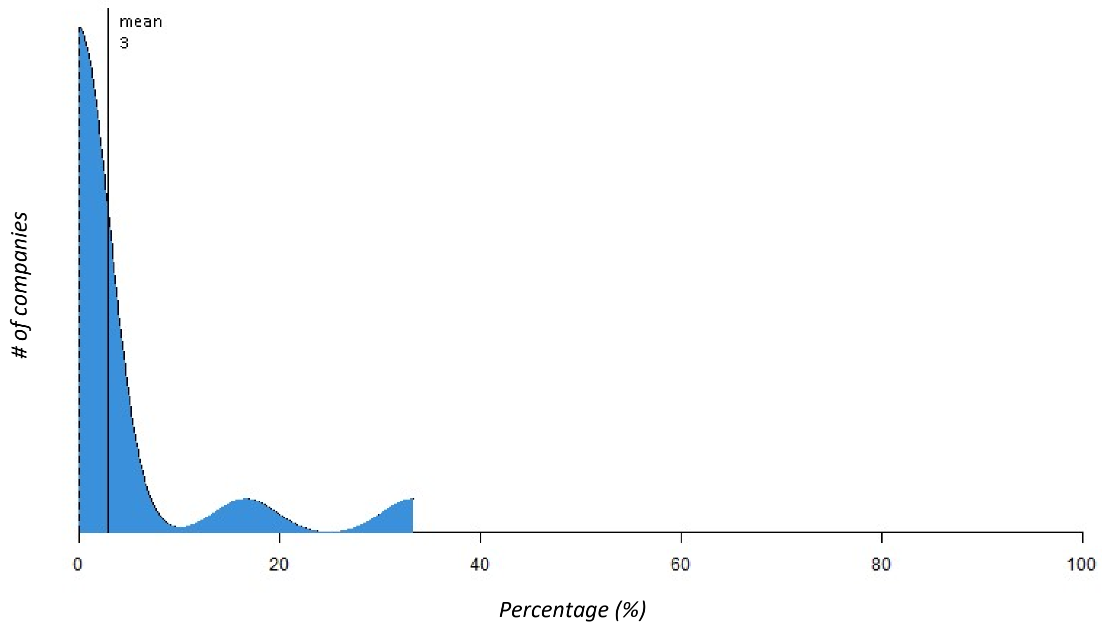

Figure 61: FTSE 100, "Fix It" score distribution. N = 99.

G. "Prevent It"

1. Performance against indicators

Eradicating modern slavery requires more than dealing with human rights violations with diligence and responsibility. It is essential that collective efforts become cumulative learning to impede modern slavery risks from escalating. The nine indicators that make up the prevention section ask about the provisions an organisation has taken to stop risks from turning into something far more severe. This includes corrective actions processes, management accountability, and a number of well-versed policies that demonstrate a company´s commitment to preventive action.

52. Has the company disclosed a corrective action process for its suppliers and potential actions taken in case of non-compliance, such as stop work notices, warning letters, supplementary training, and policy revision?

All actions taken to eliminate the causes of human rights non-conformities reported by the organisation are in scope for this indicator. Vague, unclear language such as: "Where a breach to our policies is found, we conduct contract reviews" without mentioning defined courses of action taken, will not be awarded points.

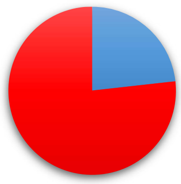

Figure 62: Corrective action process for suppliers. N = 99.

Corrective actions implemented by BHP GROUP to ensure contractors meet minimum AS/AHT policy requirements rather than directly excluding them from their supplier base are tantamount of the escalation protocols described above: "*In FY2021, all such suppliers registered in the GCMS were sent the RFI questionnaire to commence the extended due diligence process. If suppliers have not responded to the RFI request after three attempts, we trigger escalation protocols that can ultimately result in the supplier being blocked until they respond and complete the due diligence. No suppliers had been blocked due to non-responses as at 30 June 2021. Detailed due diligence has been completed on 41 per cent of these suppliers. While no significant human rights breaches have been identified, 85 suppliers require a development plan to close identified gaps. Key themes of supplier gaps include a lack of policy or clear processes related to forced, compulsory and migrant labour, freedom of association, accommodation facilities, and wages and working conditions. In FY2021, 13 suppliers completed the remedies required under their development plans. Progress through the ESCT program is managed through a newly created dashboard in FY2021.*"

53. Was exit from a supplier relationship only considered in either: the most egregious cases where engagement would not have an impact; or after strong and persistent engagement, training, and steps to improve outcomes for workers?

Disclosure of information that demonstrates continuous, proactive engagement with suppliers that have displayed past misconduct, is required to earn this point.

Figure 63: Severing relationships with suppliers. N = 99.

RENTOKIL INITIAL provided examples of supplier clients located in high-risk jurisdictions that had further action plans in place to counter human rights violations and follow up monitoring: *"Following the two areas of non-compliance in Malaysia and China that were uncovered in 2019 during audits and subsequently resolved, as reported in last year's statement, there were some minor concerns of excessive overtime above the government recommended working hours per week. This happens predominantly for the lower wage workers who use overtime pay to supplement their wages, and could have been exacerbated during the pandemic. The following actions were taken to reduce the risk: 1. Worker interviews to check that overtime is voluntary not forced; 2. Supplier management to confirm that high levels of overtime is due to temporary workload fluctuations and not the norm; 3. Minimum of one rest day per working week reinforced; and 4. Monitoring in subsequent audits, when they recommence. These findings and the actions taken to resolve them are shared with other suppliers in the region during audits, in order to improve their own audit protocol by including checks into similar issues"*.

54. Has the company integrated the "employer pays principle" into its recruitment practices?

For this point, the organisation must manifest that it discourages the practice of worker recruitment fees in its supply/service chain. Points can also be awarded if organisations provide examples of how in its supply/service chains the "employer pays" principle was respected.

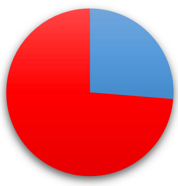

Figure 64: "Employer pays" principle. N = 99.

In business practice, the adoption of this principle helps demarcate the responsibilities of an accountable employer. For the FTSE 100, around a quarter of the consulted constituents declared having incorporated this standard. In the case of RECKITT, the company outlined how, in collaboration with an unspecified market partner, it proceeded to reimburse workers close to a million dollars in concept of recruitment fees: *"In 2018, we found critical issues for migrant workers at a supplier in Malaysia. They included passport retention, poor accommodation and discriminatory and unethical recruitment practices that saw workers charged recruitment fees, often leaving them in debt. We've been working with another multinational company that uses the same supplier so we can tackle these issues and improve conditions. In 2019, we piloted a scalable, five-step approach to end the practice of charging recruitment fees, which is endemic. It's based on developing responsible recruitment practices that employers can use in the future and paying back recruitment fees to existing workers. In 2020, in partnership with an expert third party and a peer company we negotiated collective repayment of around $800,000 of recruitment fees to*

> *workers beginning in February 2021. We're now looking to use the same approach with other suppliers in Malaysia and the Middle East."*

55. Has the company developed policies for planning and demand forecasting processes with suppliers?

Demand planning and forecasting is a supply chain management process used to estimate and/or predict the demand for supplier products and services. It facilitates successful deliveries without placing unnecessary burdens on suppliers. FTSE 100 constituents are large market agents with an advantage over most of their smaller business partners. Therefore, their role as responsible customers is to avoid transferring work overload to their suppliers that could aggravate potential risks of modern slavery in their own operations. To earn this point, organisations must explicitly manifest having deployed planning and/or demand forecasting processes.

Figure 65: Policies for planning and demand forecasting. N = 99.

> BARRAT DEVELOPMENTS and MONDI were the sole companies that made claims in this respect. As follows: *"We are committed to ensuring our business policies, procedures, requests and contracts do not place unnecessary demands on our suppliers, which may lead them to violate their obligations. This could include late payment, low payment, and high pressure delivery demands."* and *"We managed supply risk by providing 3-months rolling forecasts to key suppliers in order to secure our supply chain".*

56. Has the company developed policies for prompt payment?

Prompt payment is considered good practice in commercial discipline, for it binds organisations to agree to fair and reasonable payment terms with their suppliers, ensuring payment within agreed terms. To earn this point, organisations must explicitly manifest having developed or added policy considerations to address this matter.

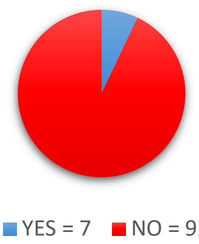

Figure 66: Policies for prompt payment. N = 99.

> SEGRO informed the inclusion of a prompt payment code for supplier contracts into their existing set of policies: "*Supporting our supply chains is important to SEGRO and we are a signatory to the PPC, which sets standards for payment practices, including the requirement for companies to pay 95 per cent of invoices within 60 days, which we complied with during the Financial Year. In 2020, our average payment time was 16 days. We hope that by working with our suppliers and paying them promptly, we will help reduce the risk of potential unethical working practices, including modern slavery occurring.*"

57. Has the company developed policies to incentivise good labour practices?

The ILO Governing Body has identified eight "fundamental" Conventions, covering subjects that are considered to be fundamental principles and rights at work: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation. This indicator requires organisations to explicitly manifest having developed or added policy considerations to encourage suppliers to ensure the conditions and promote the practices as per the eight ILO conventions. Language merely stating that the company abides by the ILO conventions does not earn the point.

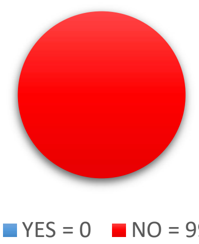

Figure 67: Policies to incentivise good labour practices. N = 99.

A vast majority of organisations were sufficiently clear about their own standards and the expectations they placed on suppliers. A smaller number of organisations were able to demonstrate how they used their position of advantage to nudge suppliers into the betterment of their labour practices. However, this indicator expected turn those persuasion strategies into policy programmes. There was no example for that kind of measure in the statements of the FTSE 100.

58. Has the company developed policies to ensure organised timelines, in an effort to avoid late changes to orders?

To earn this point, organisations must explicitly manifest having included policy considerations to ensure well-oiled time schedules that prevent the placement of last-minute changes to orders, therefore affecting a supplier's efficiency and ability to respond to the demand. Late changes to orders increase the contractors' exposure to modern slavery-related risks to worker exploitation, such as excessive overtime.

Figure 68: Policies to avoid late changes to orders. N = 99.

> MONDI outlined the works of their procurement team in charge of raw material supplier orders, asserting that all of them were completed successfully without deference or post-cancellations: *"Our global network of procurement teams maintained close and effective communication with suppliers to manage and mitigate the risk to our business, as well as lending our support to suppliers if needed. We did not withhold or delay payments to suppliers for orders already in production, and did not make late cancellations of orders."*

59. Has the company appointed a board member or board committee tasked with oversight of its modern slavery policies?

This indicator specifically asks whether the board of members has direct oversight over the company´s existing anti-slavery policies. No points are awarded in the case the statement fails to clearly appoint such matter, or in the case the statement states that the board has no such responsibility.

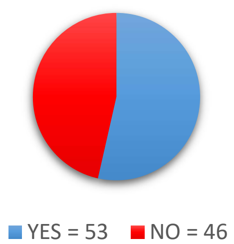

Figure 69: Oversight of MS policies. N = 99.

The COMPASS GROUP case is an example of pertinent language that leaves no doubt about the responsibility of the board in relation to accountability for modern slavery related issues: *"Oversight of the risk of modern slavery sits with the Compass Group PLC Board. Further oversight and guidance are provided by our Board Committees: the Corporate Responsibility (CR) Committee and the Audit Committee, the latter of which is responsible for overseeing the effectiveness of the system of internal controls."*

60. Did the company have a committee, team, programme or officer responsible for the implementation of its modern slavery policies and responding to violations?

The board can also task an expert committee with responsibility for the execution of anti-slavery measures. No points are awarded in the case language in the statement were too vague, and failed to make clear that such working group responds particularly to modern slavery concerns.

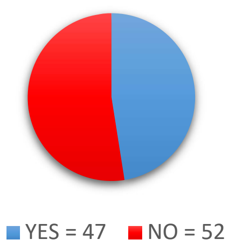

Figure 70: Responsibility over AS policy implementation. N = 99.

SCHRODERS indicated the start-up of a specialised team in charge of the implementation of their AS strategy, and the responsibilities and tasks assigned to the referred committee: *"In 2020 we set up a cross-functional human rights working group including representatives from our CR, Human Resources (HR), Compliance, Legal, Procurement, Workplace Services and Investment teams. This working group recommends, implements and reviews the Group's human rights-related commitments, policies, management system and controls, grievance and remediation mechanisms."*

2. "Prevent It" section summary

The sector-specific breakdown (**Figure 71**) shows distinctly superior performance on the side of the communication services, with the consumer staples, utilities and energy sectors also partially ahead of the pack. In contrast, the worst "Prevent It" performance was given by the information technology sector, followed by the healthcare sector.

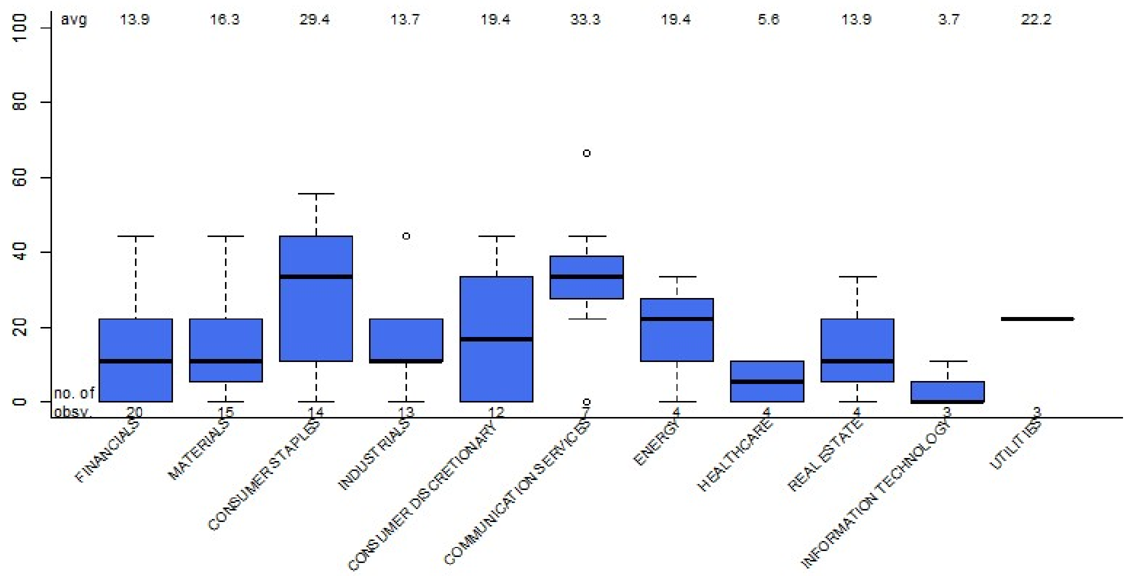

Figure 71: FTSE 100, sector-specific "Prevent It" scores. N = 99.

The distribution of "*Prevent It*" scores (**Figure 72**) shows that the performance was also rather low; the average being 18.3%.

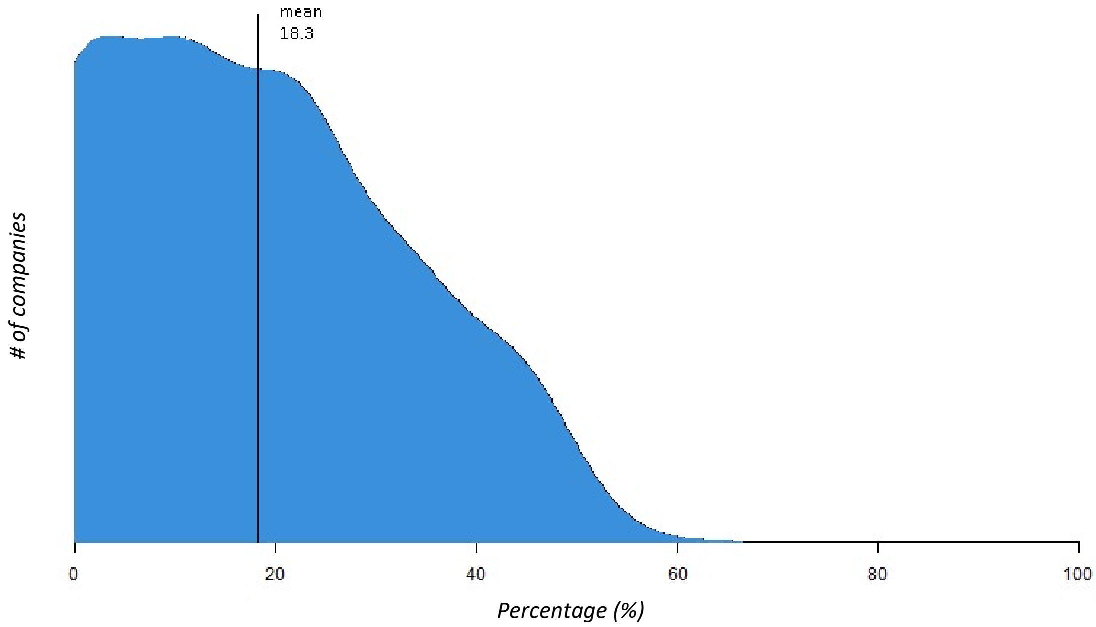

Figure 72: FTSE 100, "Prevent It" score distribution. N = 99.

H. Aggregate scores

Figure 73 plots the sector-specific breakdown of scores in the form of a boxplot, but taking the sum of all dimensions as the variable instead of each particular dimension. Overall, the best-performing sector, in relative terms, was consumer staples, which displayed both the highest mean and median score. It was followed by communication services, utilities, energy and consumer discretionary. In contrast, the worst-performing sector was the information technology sector, with the real estate sector second from last.

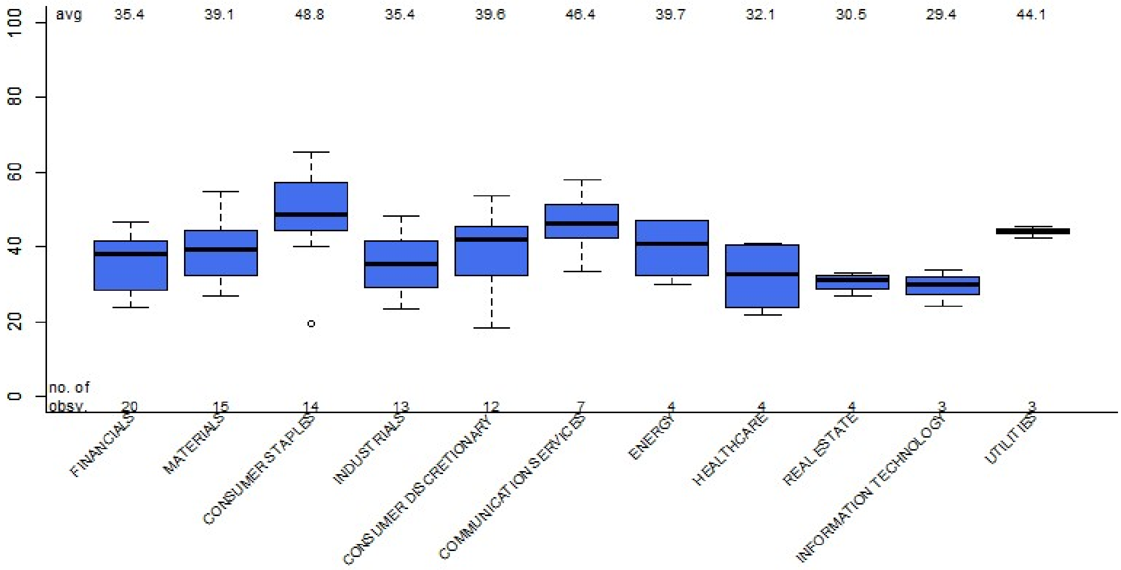

Figure 73: FTSE 100, combined compliance, conformance and Fix It/Find It/Prevent It scores, sector specific. N = 99.

The overall performance of the full FTSE 100 cohort was low relative to the bar set by this study: the average was only 39.1% (see **Figure 74**).

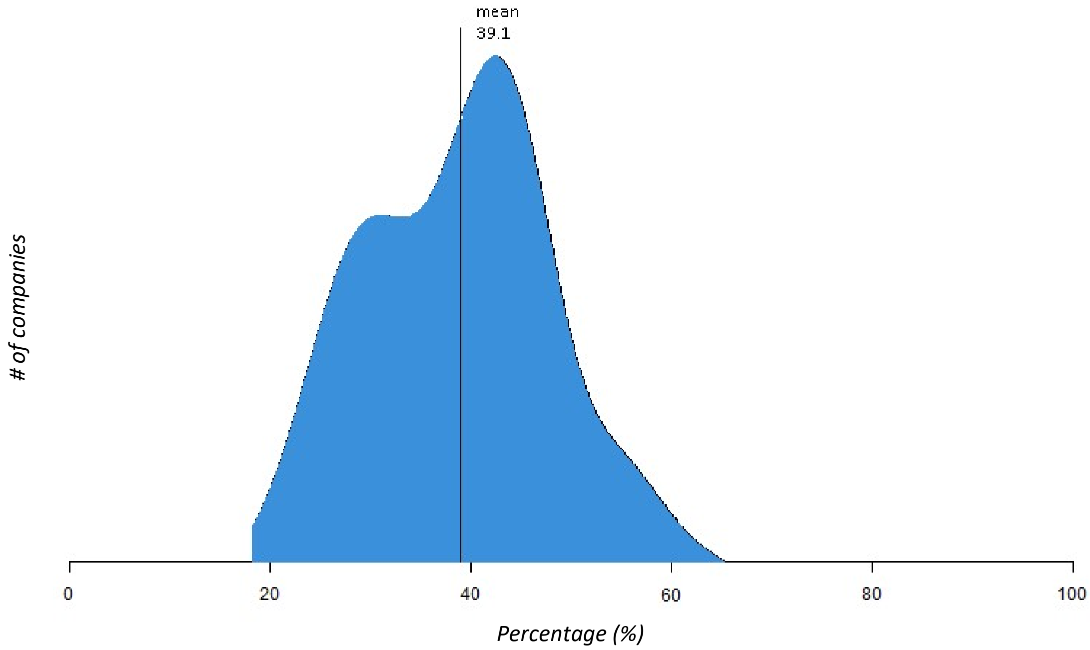

Figure 74: FTSE 100, combined compliance, conformance, and Fix It/Find It/Prevent It score distribution. N = 99.

IV. Discussion

A. Performance by dimension

This study was motivated by the understanding that the Modern Slavery Act establishes a minimum bar of requisites that increase transparency in relation to modern slavery, and thus facilitate a public conversation in this regard. The ultimate goal being, moreover, to encourage companies to actively combat modern slavery, and to do so successfully.

With this in mind, the indicators utilised in this research reflect both the letter and the spirit of the Act: the compliance indicators collect information on how FTSE 100 companies meet the most basic mandatory requirements of the law, disclosure conformance indicators go further to capture what companies “should” do according to the Home Office’s guidance in terms of being transparent about their actions, and the CCLA-initiated *Find It*, *Fix It, Prevent It* indicators observe the extent to which the ultimate objectives of the Act are being met.

We found that 99 out of 100 companies had a modern slavery statement, and that the average compliance score was 90.3%. Nonetheless, considering that the MSA requirements dimension comprises the most elementary requirements of the Act which are a prerequisite to anything else, the expected compliance score should be 100%. However, just over one third of companies under study met this bar.

Performance scores dropped further for the dimension of disclosure conformance, which captures how companies reveal their policies and actions in relation to modern slavery. This may indicate that a substantial number of FTSE 100 companies are treating their modern slavery statement as a tick-the-box reporting exercise, which strongly contradicts the spirit of the Act.

Scores were even lower for the CCLA’s *Find It*, *Fix It, Prevent It* indicators. For four of the sixty indicators, zero points were awarded, all of which were located under the “Fix It” section. Of these four indicators, three (49-51) were related to the remedy process: reporting outcomes of the remedy process, providing evidence of the satisfactory nature of the remedies, and attempts to increase leverage with other responsible parties to enable the remedies to take place.

B. Interpretation of gaps

In line with nudge theory, starting with the California Transparency in Supply Chains Act, modern slavery legislation has thus far required transparency through corporate reporting on relevant practices, allowing public opinion and the enhanced symmetry of information to influence the cost-benefit analysis of companies in relation to their risk, but leaving the ultimate question of what practices to undertake to the companies themselves. This approach is also taken due to the fact that businesses, supply chains and the economy at large are extremely complex, and attempts to manage their many facets through legislation may have unforeseen or even adverse effects.

Yet the MSA presents companies with more than a blank sheet of paper to fill out: the Act envisions practices as "building blocks": reporting to encourage assessment, risk assessment to find modern slavery, empirical findings to guide preventive and corrective action. Each dimension covered in this report could be seen as more difficult to carry out than the previous one. It is easier to release a statement than it is to actually be transparent. And it is easier to establish policies and processes than it is to remediate and prevent actual cases of modern slavery.

The danger, however, is the very legislative intent of enhanced transparency would be perverted through "disclosure" that represents façade of action, under the guise of inaction. While many companies under study did not "whitewash" in this manner, they visibly struggled with the dilemma between being transparent yet not potentially exposing themselves to further liability.

Yet by highlighting the positive examples of corporate performance in combatting modern slavery, this report is testament to the fact that in specific instances, companies themselves are showing that it can be done.

C. Industry sectors

This study also observed that not all industry sectors were created equal. The sector-specific breakdown of the FTSE 100 companies according to the MSCI industry classification for each dimension of our research showed that some sectors systematically stood out as better relative to others. Most notably, this was the case for the utilities and the consumer staples sectors. The healthcare, energy and consumer discretionary sectors also displayed higher-than-average performance. In contrast, the real estate, information technology, and healthcare tended to perform relatively worse than the other sectors.

D. Good practice

Worth considering are also the statement characteristics that all best performers have in common:

- Individual sections discussing business affairs and supply chain matters separately
- Business mapping and employment of audit practices
- Global anti-slavery strategy unified in a single document

The true challenge that organisations face when constructing a modern slavery statement is how to present information that is complex and encompasses a variety of factors in relatively simple terms. To this end, the text of the law delineated a line separating organisation from their supply chains and made use of two straightforward terms: "assess" and "manage". The four-tailed question constructed from these elements – *What are the actions the company has undertaken to assess and manage the risk of modern slavery in their business and supply chains?* – cannot be answered without sufficient clarity about the context in which an organisation's risk assessments and management are carried out. Best performers understood this, and usually their statements had separate sections that discussed these issues independently. Such formatting further prevents the reader from getting lost in the narrative. The robustness of a statement, however, does not rely in presentation of data alone.

Significantly affecting the final score of the FTSE reports was the quality of the information. In several cases, the discussion was purely hypothetical and in others the lack of adequate data to support, for example, the implementation of an action plan to counter an emerging risk, turned an assertion into an unverifiable claim. To illustrate, consider the example on the integration of international principles into MONDI's modern slavery assessment strategy:

> *"To assess and understand the risks of modern slavery and human trafficking in our own operations, we have relied on the UNGP to inform our approach. Specifically, in 2020 we integrated the UNGP into our updated Operating Standards and supporting Practice Note, to be able to identify the Group's most salient human rights issues in our operations, including potential risks of modern slavery and human trafficking."*

However, as outlined in previous paragraphs, proactive results are obtained only after the implementation of planned, targeted action. Effects will be slim, however, where the sole action is revising procedures, or remodelling certain operational standards. The efficacy of measures will remain uncertain and theoretical if no specific modern slavery risk assessments take place. Consider, for example, the following verbatim:

> *"To date, none of our operations or significant investment agreements and contracts have been formally subject to human rights reviews or impact assessments. However, many existing assessment and procedures are already in place, typically involving health and safety issues, labour law compliance, community impact assessment and environmental due diligence. These existing procedures have strong links to human rights issues and contribute to our understanding of risk."*

E. Transparency: disclosure detail and mapping

As with the MSA requirements framework, the disclosure conformance section did not require organisations to demonstrate the truth of their declarations. Points were awarded to companies that were clear enough about the pathway of their Anti-Slavery strategy and the architecture of their business activities. But this report has also focused on the areas where organisations do not have an obligation to go further and sustain their statements, considering that there is there is where the tick-in-the-box exercise finds an end. Many companies were exposed by the *Find It, Fix It, Prevent It* indicators that delved into the content of assessment and risk management activities. Indeed, companies that opted not to include this information were apparently unable to adequately respond to documented modern slavery-risks.

The mapping of business ventures (e.g. by classifying workers exposure to risk geographically), and the employment of audit practices were two key elements present in higher-ranked statement. The first one involves an act of transparency in and of itself, as it demonstrates that organisations do not shy away from confronting modern slavery realities they face. In this respect, it should be noted that in reality, risk management only takes place on the grounds that risks were properly identified in the first place. When outlined, these steps were supported by professional audits. Relying on experts to monitor and assess hazards within their own operations and supply chains is now standard practice among companies the size of a FTSE 100 constituent. It is remarkable, therefore, when the disclosure of audit-related data does not reflect such.

As the law has been in force for seven years now, companies have had ample time to consider how to comprehensively present their purposes, approach, actions and results, just as they do when preparing their annual report.

The research thus far conducted, the law guidance issued by the UK government, and the public response to the MSA all seem to point to the same finding: we still have a long way to go. Fortunately, the best-performing cases are living proof that the companies who managed to be transparent did not sacrifice other interests or compromise themselves in any way.

F. De-risking, KPI, establishing actual circumstances

During the course of this study, we observed that organisations generally avail themselves of widely recognised indexes and methods to establish their AS strategy and describe their risk status. For example, when outlining these procedures, PRUDENTIAL stated that:

> *"Countries on the Walk Free Foundation Index ranked as highest risk and graded 1 to 30 for exposure to Modern Slavery abuse: No spend activity whatsoever in relation to the Group's UK activities during 2020, consistent with 2019."*

Yet where organisations avoid value chains originating from high-risk areas, they are engaging in a practice known as *de-risking*. In this regard, it is relevant to point out that a consistent anti-modern slavery approach should not only identify where risks may emerge, but more importantly address those existing issues head-on.

The MSA gives companies the freedom to use the KPIs of their choice and hopes that transparency ("sunlight") will motivate firms to take concrete steps. In other words, this framework gives companies that rather remain cautious about the information they disclose an opportunity to speak in their own terms. Yet an alarming number of FTSE 100 constituents err or the side of silence.

Furthermore apparent was the dearth of companies describing concrete circumstances. The description of exposure to specific risks is key to the measurement of impact, and thus to meaningfully rate the effectiveness of the policies in place. In general, we observed that the more vague the content of a statement, the weaker the KPIs the company used to rate its effectiveness.

V. Acknowledgements

The study was designed by Dr. Chris N. Bayer and Tomás Becerra. The data collection was performed by Tomás Becerra. Tomás Becerra and Juan Ignacio Ibañez performed the data analysis. Francisco Rua prepared the graphs and the study's scorecards. Tomás Becerra and Dr. Chris N. Bayer authored this report.

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VI. Appendixes

Appendix A: Indicators

MSA core requirements

1. Did the organisation include a link to the slavery and human trafficking statement on website's homepage?
2. Was the statement signed by director (corporations), designated member (LLP), or partner (partnerships)?
3. Was the statement approved by the board of directors or equivalent management body [except LLPs]?

Did the organisation provide an explanation of the steps that the organisation has or has not taken to ensure slavery and human trafficking is not taking place in any part of its:

4. BUSINESS?
5. SUPPLY CHAINS?
6. Did the statement include a defined fiscal year period, which the contents of the statement were meant to cover?
7. Did the statement comply with the annual publication requirement of the MSA?
8. Did the statement identify which individual companies are covered under the statement?
9. Did the statement make clear it is pursuant to the MSA?

Disclosure conformance

10. Did the organisation provide information about its: STRUCTURE?
11. Did the organisation provide information about its: BUSINESS?
12. Did the organisation provide information about its: SUPPLY/SERVICE CHAINS?
13. Did the organisation have a distinct ANTI-SLAVERY policy for their business? Or has the organisation incorporated ANTI-SLAVERY-specific principles into their existing policies (e.g. in supplier code of conduct)?
14. Did the organisation provide information about its due diligence processes in relation to Modern Slavery in its: BUSINESS?
15. Did the organisation provide information about its due diligence processes in relation to Modern Slavery in its: SUPPLY/SERVICE CHAINS?
16. Did the organisation provide information about the parts of its BUSINESS where there is a risk of Modern Slavery taking place?
17. Did the organisation provide information about the parts of its SUPPLY/SERVICE CHAINS where there is a risk of Modern Slavery taking place?
18. Did the organisation describe steps it has taken to ASSESS the risk of Modern Slavery in its BUSINESS?
19. Did the organisation describe steps it has taken to MANAGE the risk of Modern Slavery in its BUSINESS?
20. Did the organisation describe steps it has taken to ASSESS the risk of Modern Slavery in its SUPPLY/SERVICE CHAINS?
21. Did the organisation describe steps it has taken to MANAGE the risk of Modern Slavery in its SUPPLY/SERVICE CHAINS?
22. Did the organisation provide information about its effectiveness in eliminating Modern Slavery from its business or supply chains, measured against such performance indicators as it considers appropriate?
23. Did the organisation have a distinct MS training programme for their business? Or has the organisation incorporated anti- slavery specific training into their existing training programme?

Find It

24. Has the company mapped the extent of its operations and supply chains (including and beyond the first tier)?
25. Did the company disclose the countries of its Tier 1 suppliers?
26. Did the company disclose the countries of its Tier 2 and/or 3 suppliers?
27. Has the company identified the main categories of products/services/parts/raw materials that end up in its products, and classify them by sourcing country?
28. Did the company provide information on the workforce in both its operations and supply chain?
29. Did the company report on how migrant workers are recruited?
30. Did the organisation provide a definition for modern slavery in accordance with the Modern Slavery Act?
31. Has the company utilised the 11 ILO indicators on forced labour to conduct pertinent anti-slavery assessments?
32. Did the company provide details of how the risk assessment of its operations and supply chain was carried out, including the indicators, resources, and tools that were used?
33. Did the company disclose its most salient modern slavery risks?
34. Did the company seek input from an expert stakeholder(s) when developing and/or undertaking internal or external assessments, and has an expert been identified in the statement?
35. Did the company participate in multi stakeholder collaborations or industry initiatives related to human rights or modern slavery?
36. Has the company appointed a supply chain auditor?
37. Did the company disclose which suppliers were prioritised for audit purposes?
38. Has the company disclosed the findings of their audit practices?
39. Did the audit practices include non-scheduled unannounced visits?
40. Did the audit practices include off-site interviews with workers?
41. Did audit practices include visits to associated production facilities?
42. Did audit practices include visits to related worker housing?
43. Did audit practices include monitoring beyond tier 1?
44. Did the company ensure there is a grievance mechanism (its own, third party or shared) available to all workers in its operations and the supply chain to raise human rights-related concerns (including labour conditions) without retaliation?
45. Did the company demonstrate the use of its grievance mechanism?

Fix It

46. Has the company disclosed finding modern slavery in their supply chain this year?
47. Has the company utilised the UN Guiding Principles on Business and Human Rights to establish its position regarding violations found?
48. Where violations were found, has the company disclosed the steps taken to end and mitigate ongoing risks?
49. Has the company reported outcomes of the remedy process for the victims?
50. Did the company provide evidence that remedies were satisfactory to the victims or groups representing the victims?
51. Where provision of remedy has not been possible, did the company demonstrate how it has tried to use and increase its leverage with other responsible parties to enable remedy to take place?

Prevent It

52. Has the company disclosed a corrective action process for its suppliers and potential actions taken in case of non-compliance, such as stop work notices, warning letters, supplementary training, and policy revision?
53. Was exit from a supplier relationship only considered in either: the most egregious cases where engagement would not have an impact; or after strong and persistent engagement, training, and steps to improve outcomes for workers?
54. Has the company integrated the “employer pays principle” into its recruitment practices?
55. Has the company developed policies for planning and demand forecasting processes with suppliers?
56. Has the company developed policies for prompt payment?
57. Has the company developed policies to incentivise good labour practices?
58. Has the company developed policies to ensure organised timelines, in an effort to avoid late changes to orders?
59. Was there a board member or board committee tasked with oversight of its modern slavery policies?
60. Did the company have a committee, team, program or officer responsible for the implementation of its modern slavery policies and responding to violations?

Appendix B: FTSE 100 companies, 2021

1. 3I GROUP PLC
2. ABRDN PLC
3. ADMIRAL GROUP PLC
4. ANGLO AMERICAN PLC
5. ANTOFAGASTA PLC
6. ASHTEAD GROUP PLC
7. ASSOCIATED BRITISH FOODS PLC
8. ASTRAZENECA PLC
9. AUTO TRADER GROUP PLC
10. AVAST PLC
11. AVEVA GROUP PLC
12. AVIVA PLC
13. B&M EUROPEAN VALUE RETAIL S.A
14. BAE SYSTEMS PLC
15. BARCLAYS PLC
16. BARRATT DEVELOPMENTS PLC
17. BERKELEY GROUP HOLDINGS (THE) PLC
18. BHP GROUP PLC
19. BP PLC
20. BRITISH AMERICAN TOBACCO PLC
21. BRITISH LAND CO PLC
22. BT GROUP PLC
23. BUNZL PLC

51. JOHNSON MATTHEY PLC
52. KINGFISHER PLC
53. LAND SECURITIES GROUP PLC
54. LEGAL & GENERAL GROUP PLC
55. LLOYDS BANKING GROUP
56. LONDON STOCK EXCHANGE GROUP PLC
57. M&G PLC
58. MEGGITT PLC
59. MELROSE INDUSTRIES PLC
60. MONDI PLC
61. MORRISON (WM) SUPERMARKETS PLC
62. NATIONAL GRID PLC
63. NATWEST GROUP PLC
64. NEXT PLC
65. OCADO GROUP PLC
66. PEARSON PLC
67. PERSHING SQUARE
68. PERSIMMON PLC
69. PHOENIX GROUP HOLDINGS PLC
70. POLYMETAL INTERNATIONAL PLC
71. PRUDENTIAL PLC
72. RECKITT BENCKISER GROUP PLC
73. RELX PLC

24. BURBERRY GROUP PLC
25. COCA-COLA HBC AG
26. COMPASS GROUP PLC
27. CRH PLC
28. CRODA INTERNATIONAL PLC
29. DCC PLC
30. DIAGEO PLC
31. ENTAIN PLC
32. EVRAZ PLC
33. EXPERIAN PLC
34. FERGUSON PLC
35. FLUTTER ENTERTAINMENT PLC
36. FRESNILLO PLC
37. GLAXOSMITHKLINE PLC
38. GLENCORE PLC
39. HALMA PLC
40. HARGREAVES LANSDOWN PLC
41. HIKMA PHARMACEUTICALS PLC
42. HSBC HLDGS PLC
43. IMPERIAL BRANDS PLC
44. INFORMA PLC
45. INTERCONTINENTAL HOTELS GROUP PLC
46. INTERMEDIATE CAPITAL GROUP PLC
47. INTERTEK GROUP PLC
48. INTL CONSOLIDATED AIRLINES GROUP SA
49. ITV PLC
50. JD SPORTS FASHION PLC

74. RENTOKIL INITIAL PLC
75. RIGHTMOVE PLC
76. RIO TINTO PLC
77. ROLLS-ROYCE HOLDINGS PLC
78. ROYAL DUTCH SHELL PLC
79. ROYAL MAIL PLC
80. SAGE GROUP PLC
81. SAINSBURY(J) PLC
82. SCHRODERS PLC
83. SCOTTISH MORTGAGE INV TST PLC
84. SEGRO PLC
85. SEVERN TRENT PLC
86. SMITH & NEPHEW PLC
87. SMITH (DS) PLC
88. SMITHS GROUP PLC
89. SMURFIT KAPPA GROUP PLC
90. SPIRAX-SARCO ENGINEERING PLC
91. SSE PLC
92. ST.JAMES'S PLACE PLC
93. STANDARD CHARTERED PLC
94. TAYLOR WIMPEY PLC
95. TESCO PLC
96. UNILEVER PLC
97. UNITED UTILITIES GROUP PLC
98. VODAFONE GROUP PLC
99. WHITBREAD PLC
100. WPP PLC