



**BEYOND COMPLIANCE:
THE MODERN SLAVERY ACT
RESEARCH PROJECT**

WikiRate and the Walk Free Foundation



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Documenting the impact of new legislative acts is an indispensable tool for improving the effectiveness of this legislation and advancing business practice. This is why the Walk Free Foundation and WikiRate partnered in 2016 to assess the modern slavery statements produced as a result of the 2015 UK Modern Slavery Act. With the publication of the project's initial findings, we hope to move beyond compliance, providing an analysis of the content of the statements being produced, as well as drawing attention to both promising, and less promising, business practice. In doing so, we can both unlock the content of these statements and provide others with the metrics we have developed to assess business activities to combat modern slavery.



COVER: STRONG WOMEN

"There were no facilities at the kiln, so we used to go out to the field, and from there we were picked up. We were taken and locked in a small room, they removed all our clothes and unspeakable things happened. They demanded sexual favours whenever they felt like it. Our young girls were also vulnerable to this. It was a 24/7 fear for us that they would come and pick us out and do what they pleased with us. Now we are in control. We finally have safety and security, not only for ourselves - but for all our children." Varanasi, India.

Photo credit: Grace Forrest

LEFT: Farmer working on harvested grains from above. According to the Global Estimates of Modern Slavery, forced labour of agriculture workers made up 11 percent of the 16 million people in forced labour in 2016.

Photo credit: MediaProduction [iStock]

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WHAT IS THE UK MODERN SLAVERY ACT?

The Modern Slavery Act became law in the UK on 26th March 2015. Under Section 54 of the legislation, a commercial organisation that has an annual turnover of over £36 million and with operations in the UK has to publish a slavery and human trafficking statement each year. The statement should set out the steps the company has taken to ensure there is no slavery or trafficking in its supply chains and its own business, or state that it has taken no such steps.

The legislation does not prescribe what these statements should include, but provides suggestions that the statement describe relevant policies, due diligence processes, risk assessment and risk management mechanisms, training programmes, and the means by which the company measure the effectiveness of these approaches. Guidance issued by the Home Office provides additional support for companies.

HOW IT WORKS

Using the [Home Office guidance](#), the Walk Free Foundation and WikiRate developed a set of metrics through which non-expert researchers could assess not only whether the statements meet the legal requirements of the Act, but also if they detail policies and actions that go 'beyond compliance' that enable businesses to better respond to modern slavery. The project currently includes [15 metrics](#), including whether the statement is approved by the board and appears on the company home page, as well as the existence of risk assessment methods, whistleblowing mechanisms, and training programmes, among others. After some initial testing and refining in collaboration with the University of Columbia, the project employed a citizen science approach to review and assess over 400 statements. These statements were chosen because they were produced by businesses headquartered in 12 of the world's leading economies, which are priority countries for the Walk Free Foundation and the 2018 [Global Slavery Index](#).¹ The University of Nottingham, University of Western Australia, ESCP Europe Business School, Columbia University, and Johns Hopkins University all participated in the project. Special thanks goes out these participating professors and students; your engagement and contributions were essential to this study.

Using WikiRate's export functionality, the collected data-set was downloaded into a csv file and then analysed in Excel to establish disclosure patterns. In addition to legal compliance with the Act, the analysis focuses on establishing the apparent effectiveness of some of the due diligence mechanisms that companies have put in place. The analysis and its methodology are available online for your review: https://wikirate.org/Page_000057912.



WHO ARE WIKIRATE AND WALK FREE FOUNDATION?

[WikiRate](#) has developed an open access research platform that allows anyone to systematically gather and report publicly available information on corporate Environmental, Social and Governance (ESG) practices. By making corporate responsibility data accessible, comparable and free for all, the organisation aims to provide society with the tools it needs to encourage companies to respond to social and environmental challenges.

[The Walk Free Foundation](#) is a global organisation with a mission to end modern slavery in our generation by mobilising a global activist movement, generating the highest quality research, enlisting business, and raising unprecedented levels of capital to drive change in those countries and industries bearing the greatest responsibility for modern slavery today.

WHAT DID WE FIND?

Key findings

Out of 418 companies analysed by the project:

- 1. 26%** of the statements were **legally compliant**.² Those that were not compliant failed to provide a homepage link (30%), explicit board approval (45%), and/or a signature from a senior member of the organisation (42%).
- 2.** 90% of the statements disclose modern slavery policies,³ but only 24% have policies that explicitly apply beyond their tier 1 operations.
- 3. 66%** claim to have one or more **risk assessment** methods⁴ in place, but only 34% actually specify where the risk occurs (for example, in a specific geographic region, industry, resource, or type of workforce) in their statement.
- 4. 54%** outline a **whistleblowing mechanism** in their statement, most commonly whistleblower protection (34%) and/or a hotline (22%) for their direct employees.⁵ However, those who also made their hotline available to workers in their supply chain (11%) were shown to be twice as likely to identify incidents in their supply chains.⁶
- 5. 46% do not disclose any remediation** methods at all.⁷ The most common remediation method is to cancel contracts (27%) when identifying and dealing with incidents of modern slavery in one's supply chain, however, cancelling contracts rarely goes hand-in-hand with providing remediation (1%) for those who experienced exploitation.
- 6. 45% do not provide training** on modern slavery⁸ to their direct or supply chain employees.



MAN CARRYING

A worker at a charcoal producing farm on the edge of the Amazon rainforest.

Photo credit: Eduardo Martino

FIGURE 1:
An analysis of the 418 Modern Slavery Act statements against key metrics from the UK Modern Slavery Act project

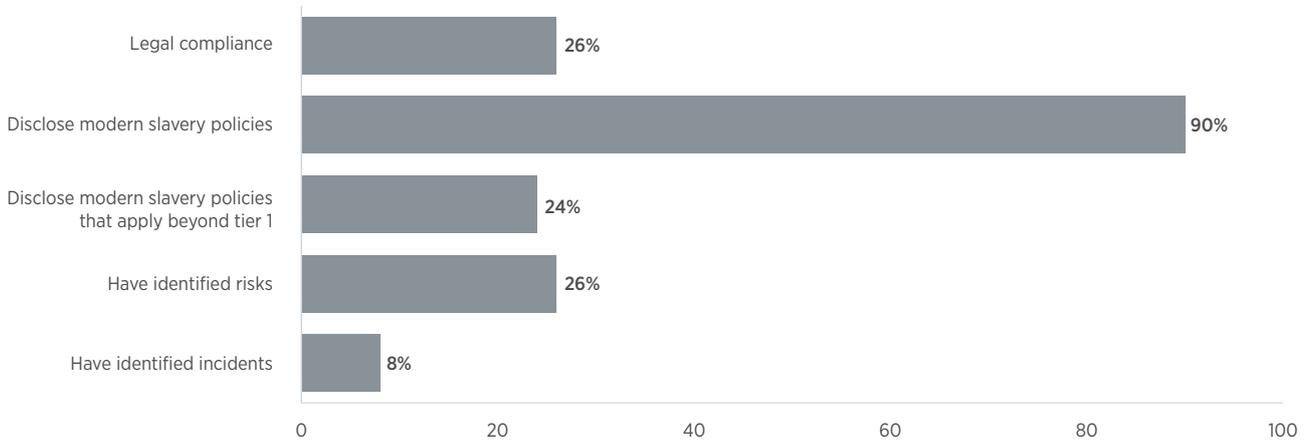
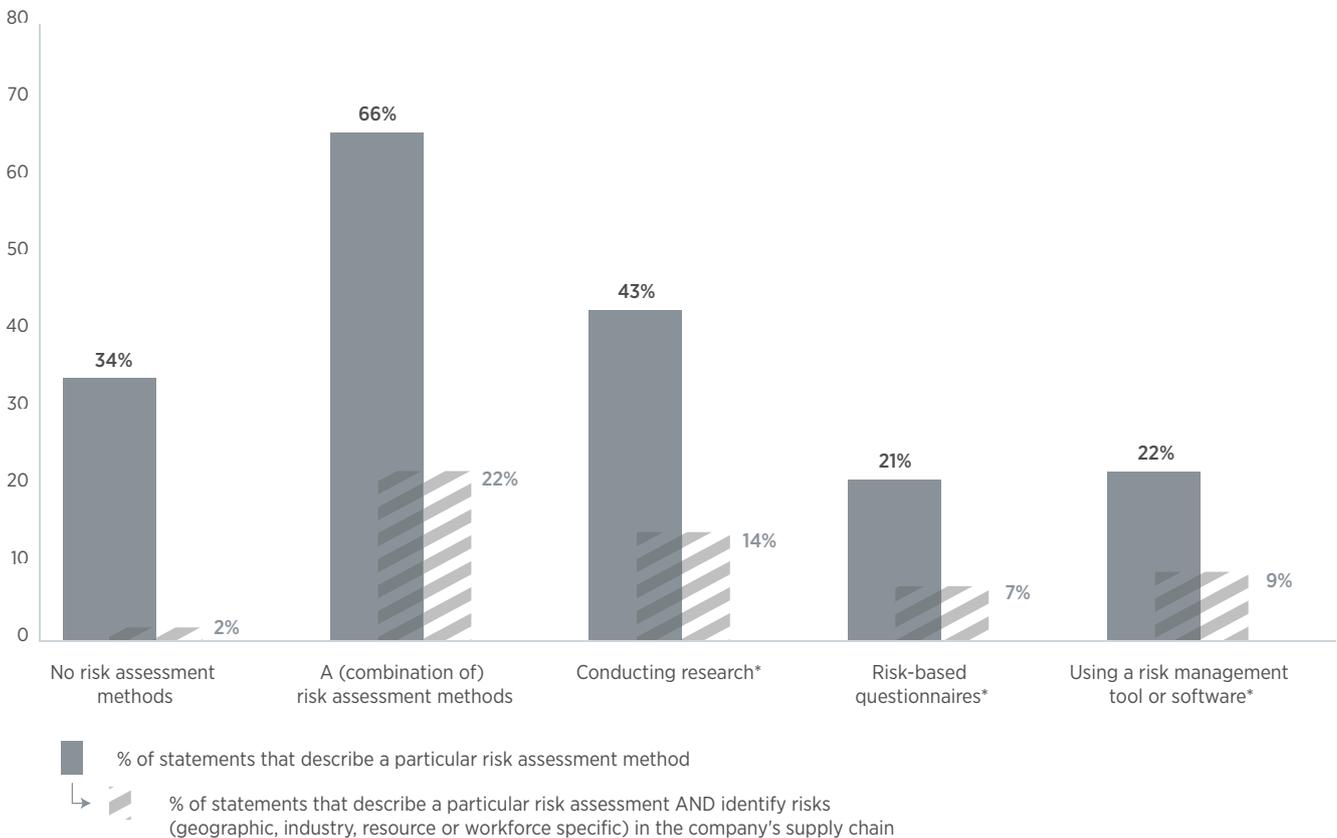


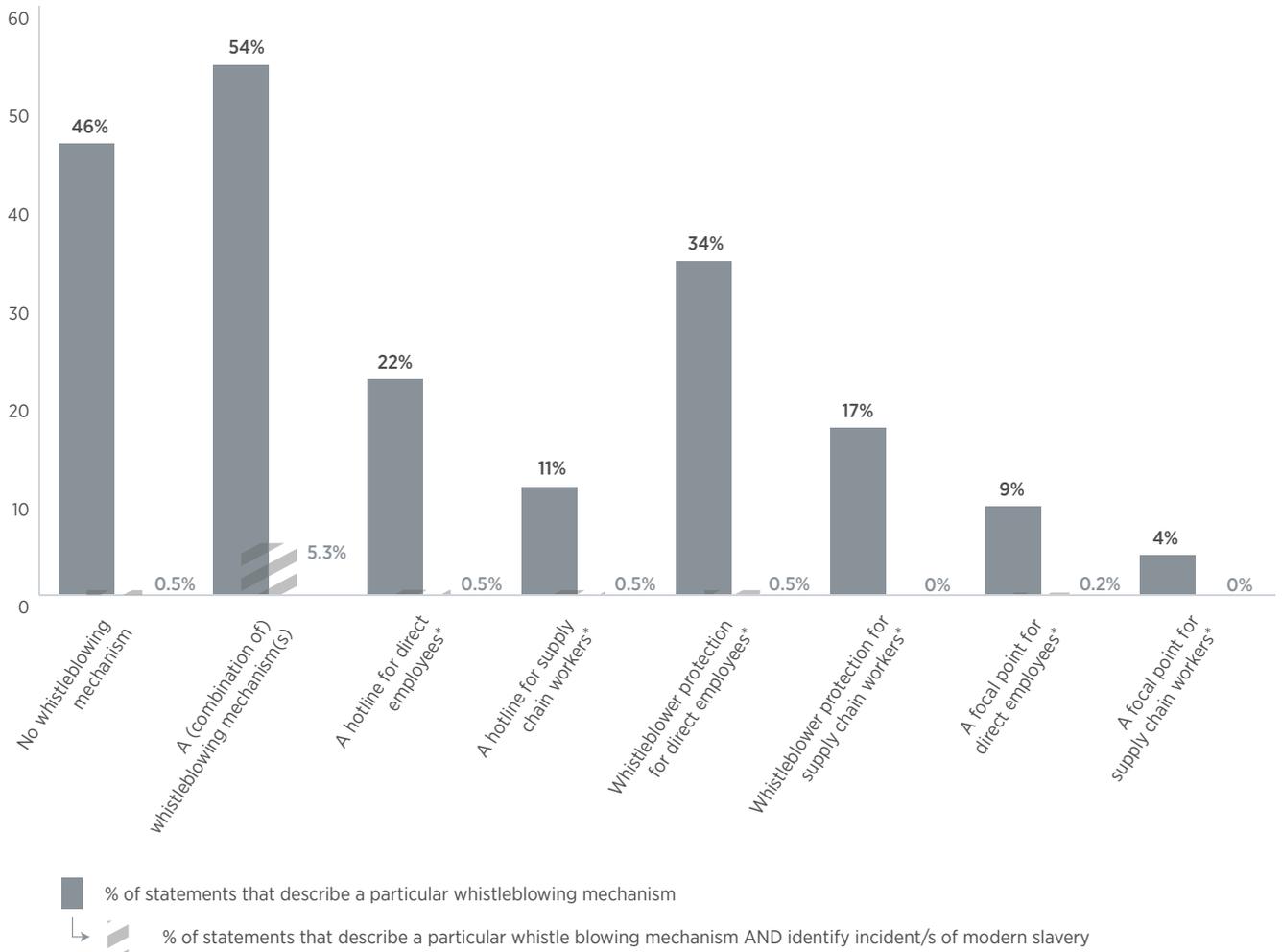
FIGURE 2:
% of companies that identify a particular method of risk assessment in their statement, and % of companies that identify a risk assessment method AND identify specific modern slavery risks (be it geographic, industry, resource or workforce)



*Those conducting the assessment could select more than one form of risk assessment, therefore these categories are not mutually exclusive

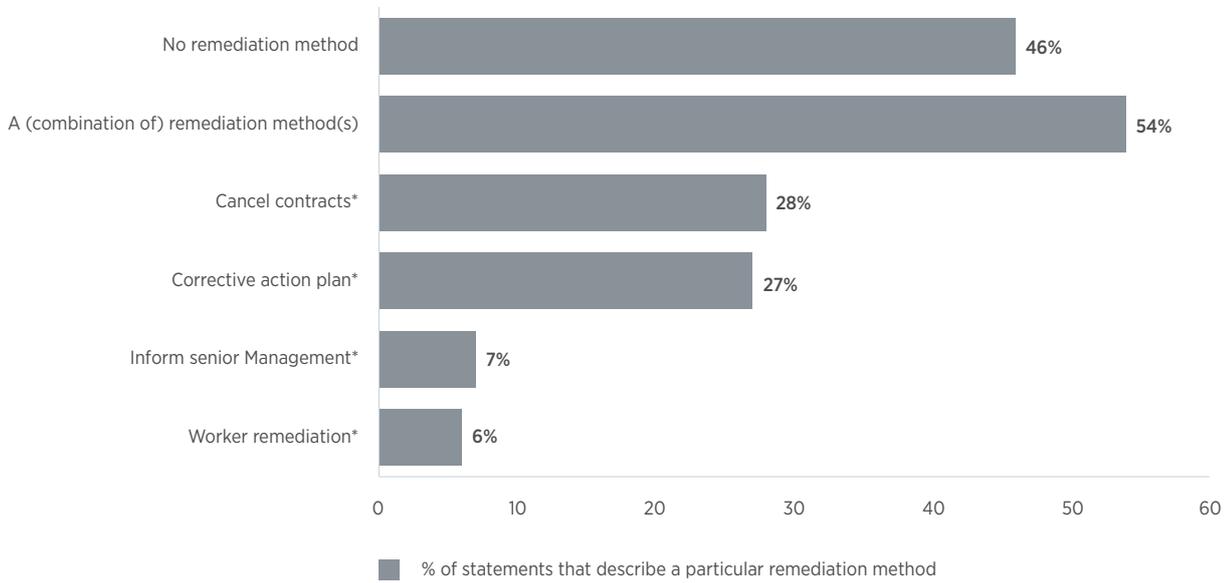
FIGURE 3:

% of companies that identify whistleblowing mechanisms in their statement, and % of companies that identify a whistleblowing mechanism AND incidents of modern slavery in their supply chains



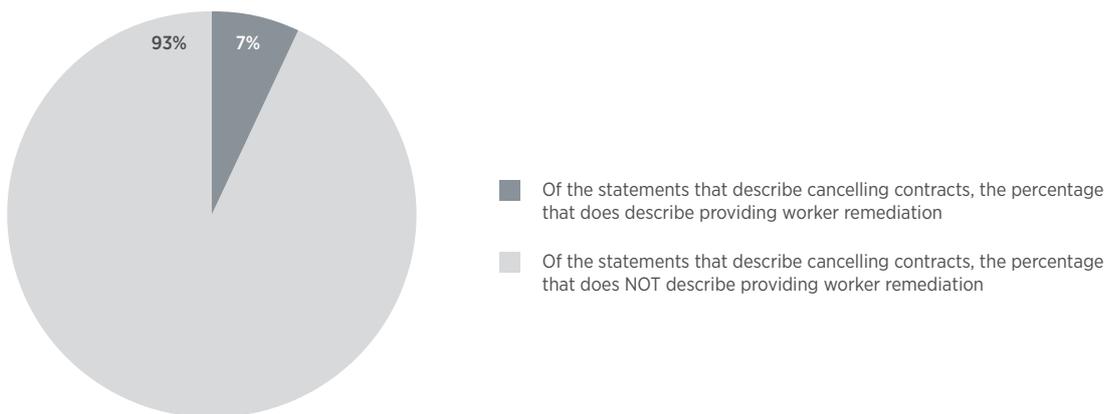
*Those conducting the assessment could select more than one form of risk assessment, therefore these categories are not mutually exclusive

FIGURE 4:
% of companies that identified remediation methods in their statement



*Those conducting the assessment could select more than one form of risk assessment, therefore these categories are not mutually exclusive

FIGURE 5:
% of those companies that cancel contracts that do and do not also provide worker remediation



LIMITATIONS:

- » The 418 statements assessed in this study were not randomly sampled. The 2018 Global Slavery Index focused on 12 of the largest global economies. Therefore, companies were purposively selected based on their geographic location (being from one of these 12 economies) as well as the level of detail of their statement. Relatively comprehensive statements were selected to ensure that students would have a substantial assignment to complete. It is therefore likely that using a random or census sample would lead to lower levels of compliance with the legislation or fewer disclosures of activities taken beyond compliance.
- » These data have been collected through a collaborative research process with non-expert researchers. The data have been peer-reviewed and spot checked to ensure a 70% level of data accuracy. However, due to the complexity of the statements' contents and occasional need for subjective interpretation there may be discrepancies between the data and its cited source. Upon review of the data and finding such discrepancies, we invite you to make corrections directly on the WikiRate platform. In case of any questions or difficulties please reach out to the WikiRate team.
- » As the aim of the modern slavery act research project is to assess the content of modern slavery act statement, it does not consider other company disclosures that may cover the assessed topics.
- » This study is an assessment of disclosure and not necessarily an analysis of company's practices and due diligence. Although the metrics were based upon the Home Office modern slavery guidance and were designed to target due diligence practices and policies, they are limited to the information that companies share in their modern slavery statements. It is therefore not possible to provide comment on actions that companies are taking beyond their statement, nor verify the information contained within it.

GETTING INVOLVED

The UK Modern Slavery Act research project is an ongoing effort that will assess modern slavery statements year-on-year. If you have any feedback on the research and analysis or would like to participate in the assessment of the statements, do get in touch. We very much welcome collaboration and participation. You can read more about the project and WikiRate's Legislative Frameworks research programme [here](#), or simply get in touch via info@wikirate.org.



Borana boy helps father to mine salt, El Sod, Ethiopia. The salt is removed by hand in extreme temperatures.

Photo credit: vlad_karavaev [iStock]



ENDNOTES

- 1 The 12 global economies featured in the 2018 Global Slavery Index were the United States, China, Japan, Germany, United Kingdom, France, India, Italy, Brazil, Russia, Canada, and Australia.
- 2 Legally compliant means that the statement is signed by a Director or similar senior authority based on the type of organisation, that the statement appears on the company's homepage on their website, and that the statement was approved by the Board.
- 3 These policies were defined broadly and included requiring contractors to comply with international and/or local laws, prohibiting the use of forced labour, requiring contracts to include clauses prohibiting use of forced labour. For full list, see: https://wikirate.org/Walk_Free_Foundation+MSA_policy_revised
- 4 Such as requiring all new suppliers to complete risk-based questionnaires or the use of risk assessment data or software. See: https://wikirate.org/Walk_Free_Foundation+MSA_risk_assessment
- 5 Can also include the provision of a focal point for employees or workers in supply chains. See: https://wikirate.org/Walk_Free_Foundation+MSA_whistleblowing_mechanism_revised
- 6 4% of those who made hotline available to those in their supply chain, as opposed to 2% where the hotline was only available to direct workers.
- 7 Remediation includes: direct remediation for the affected workers (including back payment of wages, support to prosecute or pursue a civil claim); informing senior management of instances of modern slavery; taking steps to support or work with the supplier through corrective action plans; or cancelling the contracts of suppliers. See: https://wikirate.org/Walk_Free_Foundation+MSA_incidents_remediation_revised
- 8 Training was defined broadly to cover any specific courses on modern slavery, or modern slavery embedded in a wider training programme on human rights. See: https://wikirate.org/Walk_Free_Foundation+MSA_training_revised

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