

LINKING TO THE
MODERN SLAVERY STATEMENT REGISTRY

An exploratory study of corporate
behaviour

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FOREWORD

Dame Sara Thornton – Independent Anti-Slavery Commissioner

Transparency in supply chains is a central plank of the government’s modern slavery strategy. Under section 54 of the Modern Slavery Act, businesses with a turnover of £36 million or more are required to publish an annual statement, setting out the steps that they are taking to address modern slavery risk in their operations and supply chains. A unique aspect of the act is that non-government entities – such as investors, consumers, academics and charities - are encouraged to participate in this exercise, reading statements and holding businesses to account.

By law, statements should be written annually, signed off by a company director and accessible from a prominent link on a company homepage. But many statements fail to meet these basic requirements. The Business and Human Rights Resource Centre’s analysis¹ of company reporting in 2021 estimated that 40% of in-scope businesses had not been compliant in the six years since the act had been introduced.

In its response² to the *Transparency in Supply Chains* consultation, the government committed to strengthening the Modern Slavery Act to increase compliance and build a centralised on-line registry of statements. The Modern Slavery Statement Registry launched in March 2021. Reporting into it will become mandatory under the proposed legislation. However, with the encouragement of the Home Office, thousands of companies have voluntarily signed up and provided links.

The registry should become an essential resource for reading and monitoring modern slavery statements at scale. However, the manner in which businesses report to it will be critical to its usefulness and success.

In September 2021 I asked the IASC team to investigate how companies were linking to the registry. They initially analysed 150 company registrations and found:

- Only 45% took users directly to the page of the company’s modern slavery statement which is an important requirement for automated data analysis;
- 12% took enquirers to policy or compliance-related sections of the website;
- 31% of links went directly to the company homepage;
- 7% of links were broken;
- 5% of companies claimed not to have websites, (roughly 3% were claiming this inaccurately).

The team then analysed a separate sample of 33 companies that claimed not to have a website. Such businesses do not have to publish online, but are legally required to submit a statement in writing to anyone who requests it, within 30 days of receiving the request.

¹ [UK Modern Slavery Act: Missed opportunities and urgent lessons - Business & Human Rights Resource Centre \(business-humanrights.org\)](https://www.business-humanrights.org/en/uk-modern-slavery-act-missed-opportunities-and-urgent-lessons)

² [Transparency in supply chains - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/transparency-in-supply-chains)

My team found:

- 24 or 73% of companies in the sample claimed not to have websites but in fact did so;
- Out of the group of 24 that had websites, 12 companies had published a modern slavery statement. The other half had no visible statement.

As this is an exploratory sample, we cannot know how representative it is of the registry as a whole. At the end of this report, I make a number of recommendations including:

- A large randomised study is conducted to assess the extent of non-compliance;
- Government hones its guidance and requirements, setting out in detail how organisations should report to the registry to better facilitate analysis;
- Investors and procurement professionals take a more active role in holding businesses to account.

Introduction

Section 54 of the UK Modern Slavery Act 2015 requires businesses with a turnover of £36 million or more to publish an annual statement setting out the steps that they are taking to address modern slavery risk in their operations and supply chains. This transparency in supply chains legislation is often described as ground-breaking because it places emphasis on non-governmental bodies such as investors, analysts, academics, consumers, procurement professionals and NGOs, to scrutinise modern slavery statements and hold businesses to account.

The original legislation made no provision for an official repository of statements. This was seen as problematic and a disincentive for the estimated 16,000 to 17,000 businesses believed to be in scope of the act. After lengthy consultation, the UK government launched the modern slavery statement registry in March 2021. The Home Office has since written to thousands of in-scope companies encouraging them to register and link their statements to the online site.

There has been a significant response. A search of the database in January 2022 reveals more than 10,600 results for statements published in 2020, and more than 12,400 results for statements published in 2021. This is impressive, given that filing to the registry is not yet a legal requirement.

But are companies interacting with the registry correctly, and in a way that will enable scrutiny at scale? The Independent Anti-Slavery Commissioner's team decided to find out. We studied a total of 176 registrations. The findings were analysed to understand the current effectiveness of this online resource and the implications for business and the public sector.

Requirements under Section 54

For any entity that is in scope of Section 54, current legislation requires that its statement is

- Published within six months of its financial year end
- Updated annually
- Approved by the board (or equivalent management body)
- Signed off by a named director, or designated member, stating job title
- Accessible from a prominent link on the company's homepage

If a company does not have a website, it must provide a copy of the statement in writing within 30 days of receiving the request, to anyone who asks for it.

The Home Office's statutory guidance recommends that the statement covers six areas from the perspective of modern slavery: the organisation's structure, policies, due diligence processes, risk assessment and management, measures of effectiveness and staff training. As part of best practice, the date on which the board or members approved the statement should also be included.

The modern slavery statement registry

In response to the transparency in supply chains consultation³, government committed to developing a registry which launched on 11 March 2021. It also announced new legislation to strengthen the act. Measures included creating a single reporting deadline of 30 September, mandating the publishing of statements on the government-run reporting service, mandating the

³ [Transparency in supply chains - GOV.UK \(www.gov.uk\)](https://www.gov.uk/transparency-in-supply-chains)

areas that should be covered and extending the legislation to public sector bodies. Fines for noncompliance are also under consideration.

Until the new legislation passes through parliament – and no timetable has yet been set for its introduction - submitting to the registry will remain a voluntary activity. However, businesses are being strongly encouraged to file before being legally mandated to do so. The registry is also allowing businesses that are out of scope of the legal requirements (for example, SMEs with turnover below £36 million or public sector entities) to register and submit statements if desired.

On launching the registry, the government said:

“The registry will enhance transparency and accessibility, by bringing modern slavery statements together in one place and will make it easier to find and compare them.

“It will allow users such as consumers, investors and civil society, to search for statements and scrutinise the action organisations are taking to identify and address modern slavery risks in their operations and supply chains.”⁴

IASC research on the registry

Methodology

On 23 September 2021, the IASC office selected a sample of 150 entries for statements published in 2021, checking whether and how each statement had linked to the registry. Results were coded and categorised.

Within the initial 150 businesses analysed, seven claimed not to have a website, and therefore did not need to publish a statement. Simple online searches revealed that four out of the seven did, in fact, have fully functioning websites.

Following these findings, the IASC team decided to create an additional study. A further 26 companies claiming not to have websites were identified. Added to the original seven, this created a separate dataset of 33 companies for analysis.

Findings

A: Link goes straight to modern slavery statement

The government is encouraging companies to upload links to their most recent statements. However, out of the 150 links for 2021 checked in this study, only 68 (or 45%) took users directly to the page of the company’s modern slavery statement.

⁴ [Government launches modern slavery statement registry - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/government-launches-modern-slavery-statement-registry)

Even within the links that worked, 11 statements were either undated, or dated to the previous year of 2020. One carried the date 2016/17.

B: Link goes to compliance or policy pages

A total of 18 (12%) of the 150 links took enquirers to related sections of the website, where policy, legal compliance, or sustainability type documents were often listed or grouped. This required at least one additional click, sometimes more, to arrive at the statement.

C: Link connects only to company homepage

A total of 46 (31%) of the 150 links in this study connected with the company landing page. Even then, it was not always easy to locate statements, which are legally required to be “on a prominent place” on the homepage.

Our research found that 39 links went to homepages where statement links could not be found. In these examples, more than one extra click was necessary before they could be located. In other cases, statements were more difficult to find or simply didn't exist. Seven links out of the 46 required a more in-depth manual search, and even then, only three statements were found.

D: Link is broken

A total of 10 (7%) of the 150 links provided were broken and took enquirers to an error page or 'page not found' message. In one example, a large construction business fell into this category. On searching the website, the contractor did have an in-date statement, but it was not linked to the homepage. In another case, a car dealership had provided an incorrect or outdated website address.

E: link combines statements for different jurisdictions

One UK-based company, which is part of a global food production business, produced a statement that jointly covered the Californian Transparency in Supply Chains legislation and the UK Modern Slavery Act. Producing combined statements is likely to become a growing phenomenon as transparency legislation expands globally.

F: Company claims not to have a website

Seven companies (5%) in the sample of 150 claimed not to have websites. Simple online searches revealed that four had fully functioning websites. As a result, a second dataset was created to further explore this phenomenon.

Second dataset: companies claiming not to have websites

When IASC took a snapshot of the registry last September, 380 organisations out of more than 10,000 that had submitted information for year 2021 claimed not to have a website.

Under legislation, companies that do not have a website are legally required to submit a statement in writing to anyone who requests it, within 30 days of receiving the request.

The IASC office analysed 33 companies in this category and found:

- Nine out of 33 organisations (27%) claiming that they did not have a website were being accurate.
- 24 organisations (73%) did in fact have websites. Out of this group, 12 companies had published a modern slavery statement. The other half had no visible statement.

It's possible that some of the above findings could be down to administrative error or misunderstanding, particularly in the first year of this process. However, the findings suggest that some companies may want to remain hidden from in-depth scrutiny.

Here are some examples. Some baffling, others more concerning.

1. A designer and manufacturer of consumer products headquartered in the UK, but with offices and showrooms in the UK, China and India. This business self-proclaims itself as the leading provider of such products in this country. Its vision is to be the number one provider globally. This company is heavily reliant on the internet for sales and contacts, and uses many forms of social media to interact with customers. However, the website contains no modern slavery statement. The registry reveals that the company's statement is to be provided by the parent company, also based in the UK. But because the parent company does not have a website, no URL link is provided.
2. It's a similar story for a provider of upmarket kitchens. This business has a slick, fully functioning website promoting its showrooms and use of virtual reality, but no modern slavery statement. On the registry, the parent company is said to be providing the statement. However, this is available by written request only, as the parent company also has no website.
3. A well-established and widely recognisable property information search company claims not to have a website, even though its business is internet based. According to the registry, interested parties must email a contact to receive the company statement. Contradicting the registry data, online searches reveals that the company has in fact published a short modern slavery statement. Nevertheless, a thorough search of the website is necessary, as the statement is difficult to locate.
4. A large manufacturer of building materials, with several factories in the UK and an international parent company claims not to have a website, even though it has a substantial online presence that lists many standards and quality assurance documents. On the registry, enquiries are directed to an HR department using a company email address that is identical to the website address.
5. A major supplier and importer of flowers with locations in several other countries claims not to have a website, and therefore provides no link to its statement. However, a detailed modern slavery statement has been published on its homepage.

Conclusion

Why is this important?

If a company has published a modern slavery statement in good faith, many may question why it needs to be prominently visible from the homepage and directly linked to the government registry.

There are both human and technical reasons for these precise requirements. At human scale, visibility and ease of access will be essential for encouraging scrutiny of statements, whether by professional researchers or curious consumers. Broken links or buried statements slow enquiry and create barriers.

However, if the registry is to fulfil its potential, it needs to be possible for statements to be downloaded automatically; this would facilitate data science approaches for analysis of large numbers of statements at a time.

The aims of such work would be, for example, to make it easier to track company progress year on year, compare sectors or company types, and identify major trends. SMEs and business to business companies, which tend to be invisible to public scrutiny, could be easily included in the data pool. Companies only paying lip service to the legislation could be flagged for detailed examination.

To achieve greater transparency and create an excellent resource for investors, analysts and researchers, consistent linking direct to modern slavery statements is therefore essential.

Admittedly, the registry does contain an optional section of questions and text boxes that each organisation is invited to fill out, in addition to providing a link to its statement. The questions ask, for example, what modern slavery risks, or ILO indicators of forced labour the organisation has identified and how it monitors working conditions in its operations and supply chains. If answering these questions becomes mandatory under the new legislation, this section will become a useful and easily searchable resource. But the answers are likely to be less detailed and should still be compared with the modern slavery statements to ensure consistency.

Registry progress to date

The modern slavery registry has been running for less than a year. Most companies will have only interacted with it once, and some of the issues identified may be teething problems. Administrators may not understand the significance of providing direct links and may be linking from policy pages in good faith.

However, as the registry enters its next reporting cycle, inaccuracies, whether by accident or design, need to be called out and corrected. And loopholes – if they do indeed exist – should be closed. A major manufacturer that has its own website should not be able to hide behind a small parent company that does not.

These are small technical issues that can and should be resolved through a mixture of education, persuasion and enforcement. Once this is achieved, the foundations will be set for much deeper and broader enquiry into UK business' modern slavery response.

Over the longer term, there should also be wider discussion on how to create statements that can be more easily mined for data. For example, a statement where all the essential information is contained on a single page is preferable to one that contains many sub-links to other documents. Documents in plain text formats would also aid analysis. Additional guidance should be developed around best practice in writing and designing statements.

The exploratory work described in this paper has assessed a relatively small number of links. We recommend that further in-depth research is carried out on a large scale to understand how organisations are responding to the requirements.

IASC recommendations

To government

- New legislation should expressly require that companies upload direct live links of their most recent modern slavery statement to the registry.
- The proposed hierarchy of fines should be introduced and should tackle areas such as wilful misrepresentation.
- Once reporting on the registry becomes mandatory, government should publish an annual list naming companies that are flouting requirements, similar to the BEIS list of companies underpaying the national minimum wage.
- If a parent company is listed as the provider of modern slavery statements for a group, but does not have its own website, it should be required to publish its statement on the websites of all companies within the group that are within scope of the legislation.
- Companies that inaccurately claim not to have websites should be immediately challenged to produce a modern slavery statement within 30 days. This work could be carried out by academics, NGOs or financial institutions as well as government bodies.
- Companies that genuinely do not have websites should have the option of uploading plain text versions of their full statements to the registry.
- Plain text versions of statements should be encouraged, because they are easier to analyse.

To the public sector

- A concerted push is necessary to educate organisations on the necessity and benefits of compliance and to maintain momentum of connecting to the registry.
- Companies that are blatantly ignoring legal requirements of section 54 should not be allowed to bid for public procurement contracts.

To the financial sector

- Investors, financial analysts and lenders should keep up the pressure on businesses to comply precisely with the modern slavery legislation, with the long term goal of building a usable data set for the financial sector.

To NGOs, analysts and academics

- Additional in-depth research is required on a larger sample of organisations, to understand how the registry is being used and to assess the levels of transparency that it provides.

