



Developing anti-slavery guidance for SMEs

August 2021 preliminary survey findings, by Dr Akilah Jardine

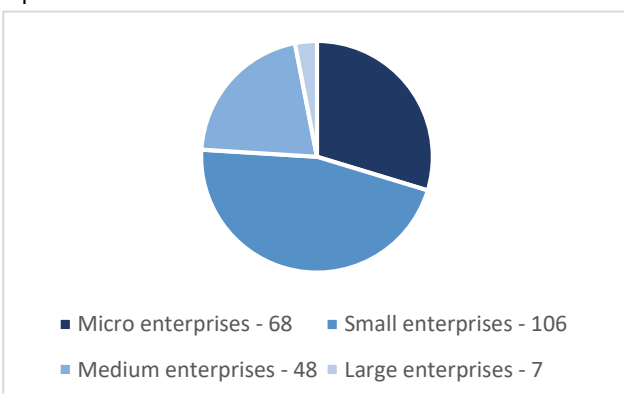
Rights Lab researchers, in collaboration with CHAS, the specialist accreditation scheme that helps businesses achieve compliance, mitigate supply chain risks and support efficient supply chain management, are conducting research on small and medium-sized enterprises (SMEs) and modern slavery. The aim of the research is two-fold. First, it aims to understand SMEs' knowledge and awareness of modern slavery and gather insights about the priorities of business leaders and potential barriers to addressing risks within their business, supply chain and communities. Second, the project aims to develop resources to help CHAS members effectively address modern slavery.

This briefing provides a high-level summary of preliminary findings. The aim of this briefing is to inform CHAS members about the project and create momentum for when the support resources are launched for members. It is also useful for those working in the anti-slavery field, as it demonstrates how businesses respond to this issue.

Survey respondents

A survey was designed to gain information about CHAS members' companies and industries, awareness of modern slavery, their current behaviours related to modern slavery, and their current attitudes towards tackling this issue. **229 businesses responded to the survey. 169 respondents operate in the construction sector.**

CHAS has over 30,000 members, a large number who operate in construction and associated industries.



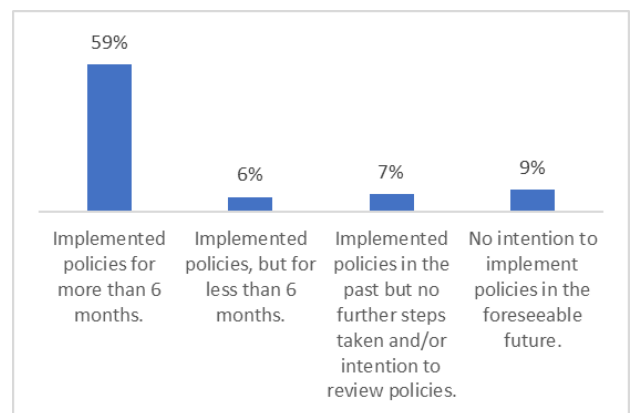
Key research findings

Commitment to tackling slavery

Tackling modern slavery requires organisational commitment to take appropriate action to address risks. **67% of respondents expressed that their company has committed to tackling this issue.**

Modern slavery policies

A modern slavery policy is a statement or document that demonstrates an organisation's commitment to addressing modern slavery and to ensure that appropriate and coordinated action is taken throughout the business.



Modern slavery due diligence

Modern slavery due diligence is an ongoing process of identifying and addressing modern slavery risks within an organisation and its supply chains. **39% of respondents stated that their company has been carrying out due diligence actions related to modern slavery for more than six months. 17% stated that their organisation has no intention to carry out due diligence in the foreseeable future.**

Key performance indicators

Key performance indicators (KPIs) are quantifiable measurements used to measure the effectiveness of an organisation's anti-slavery action. This could include, for example, the number of audits conducted, the number of modern slavery training sessions given to employees, and the number of suppliers (of materials, labour and/or services) engaged. **50% of respondents stated that they had no intention to measure KPIs related to modern slavery in the foreseeable future.**

Drivers of anti-slavery action

There are several factors driving business action to tackle modern slavery. This includes legislative and regulatory, operational and commercial, and reputational drivers. **66% of participants stated that they do not feel pressure from the government and large businesses to address the issue of modern slavery. 67% stated they do not feel pressure from consumers and other civil society actors to address modern slavery.**



Why is this important?

SMEs represent 99% of businesses in the UK with a combined turnover of £2 trillion. Their prevalence in the economy places them in a unique and critical position to respond to modern slavery. However, current drivers for business action against modern slavery tend to focus on larger organisations. Section 54 of the UK's Modern Slavery Act 2015 (MSA), for example, only requires companies with an annual turnover of £36 million or more to report on the steps taken to address modern slavery in their operations. The government states that organisations falling below this threshold may choose to voluntarily produce a statement. At present, it is estimated that 17,000 businesses are captured by the legislation. Only ten respondents to our survey have an annual turnover of £36 million or more, which means that **the majority of respondents do not have a legal responsibility to comply with section 54.**

Preliminary findings from our survey demonstrate that many respondents believe their organisation has made a commitment to tackle modern slavery and implement modern slavery policies. However, many fall short of taking any further actions. Modern slavery policies are, in themselves, insufficient to address this issue. Many respondents have not taken necessary measures to address this issue, such as conducting due diligence and adopting KPIs to measure the effectiveness of any actions taken. Extant research has criticised businesses for adopting a tick box approach to tackling modern slavery. Our survey findings demonstrate this may be the case for CHAS members surveyed.

The government expects that larger companies, legally required to comply with the MSA, will cascade responsibility down their supply chain in their commercial and operational activities and contractual relationships with businesses. However, most participants demonstrate that **current drivers of anti-slavery action are not a significant driver for them.**

Modern slavery has been found in businesses of all shapes and sizes, however, the onus for tackling this issue falls on a minority of businesses. Since the government introduced the MSA, many modern slavery statements continue to be broad, with no substantial insights on the actions companies are taking to combat slavery. As companies with the benefits of a greater turnover and incentive of legislation are showing little effort to mitigate modern slavery risks, it raises questions on how useful the legislation is in engaging smaller businesses without the resources or the same incentives.

The government has expressed a commitment to ensuring that 33% spend of its own supply chain is contracted with SMEs by 2022, and has recognised the importance of both private and public sector bodies in engaging smaller businesses to tackle modern slavery. However, to engage SMEs, there is a need for further research on the barriers and challenges faced by them in engaging with the anti-

slavery agenda, as well as opportunities for engagement and the specific support they need.

Research overview

Large companies are increasingly required to demonstrate their commitment to human rights obligations in response to legislation such as the MSA. However, tactics to include SMEs in anti-slavery efforts have been inadequate, as existing tools, justifications and resources often focus on larger businesses. Larger companies are likely to have the resources to respond to modern slavery, unlike smaller businesses who typically adopt a survivalist strategy prioritising growth and economic responsibilities. CHAS and the Rights Lab are designing **behavioural change resources for SME leaders**. It will provide **appropriate guidance for thousands of CHAS members**, many of which are SMEs in the construction sector—an area recognised for high-risk of labour exploitation.

The research draws on behavioural change models to understand how SME leaders can be encouraged and motivated to engage in this issue. It recognises the need to move leaders through a process of awareness-building towards practical and achievable actions. Behavioural change will allow the team to target different levels of engagement depending on an SME's understanding of modern slavery and what actions, if any, have been taken to address this issue.

This project is timely, as while the UK government has implemented measures to improve corporate responses to modern slavery, they have neglected the companies that form the majority of the economy. Research shows that many businesses are failing to comply with the legislation or to provide detailed insight into steps taken to address modern slavery.

Next steps

Interviews are underway with SME leaders operating in the construction sector, to gather deeper insights on their knowledge and awareness of modern slavery, their priorities and existing barriers and opportunities to engaging in anti-slavery efforts. Following the interviews, we will co-design resources with CHAS and seek feedback from select business leaders via focus groups.

The Rights Lab research team includes Dr Akilah Jardine, Research Fellow in Anti-Slavery Business and Communities; Dr Alison Gardner, Rights Lab Associate Director; Weixiang Wang, doctoral student in the School of Politics and International Relations; and Charlotte Gray, Rights Lab Research Fellow in Modern Slavery and Labour Exploitation.

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