

Developed by



Advancing modern slavery reporting to meet stakeholder expectations



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About this project

This toolkit is the result of a project facilitated by GRI and the Responsible Labor Initiative (RLI), an initiative of the Responsible Business Alliance. It provides guidance primarily for downstream companies¹ on reporting on due diligence and supportive measures related to modern slavery across the value chain, at any level of reporting experience. The information in the toolkit derives from multiple sources, including internationally-recognized frameworks, regulatory requirements, and GRI-RLI’s Task Force with 14 organizations representing a range of industries (including automotive, consumer goods electronics, and retail), and stakeholders including civil society organizations and socially responsible investors.

The vision of this project is to highlight the benefits and uses of corporate reporting on the topic of Modern Slavery, identify common challenges and stimulate discussion on approaches to addressing them. GRI and RBA/RLI jointly identify best practice in reporting if an organization has met the information needs of its stakeholders. Accordingly, the project looked into common expectations of various stakeholder groups.

This toolkit is intended to encourage increased reporting on modern slavery and improved reporting practice through examples of current reporting practice, together with examples of currently available tools and guidance.² This can help reporting companies better meet the expectations of their stakeholders who use reports as a key source of information.

The toolkit is not intended as additional prescriptive standards beyond existing expectations expressed in the current legislative landscape and the GRI Standards. It is not designed to be exhaustive given the further maturing landscape of reporting expectations and practice around this topic.

Rather, the toolkit presents stakeholder expectations and direct experiences and learning from the corporate sector, a flexible, practical approach to reporting and focusing their narratives on the topic in a more targeted, efficient manner to meet stakeholder expectations. Report preparers are encouraged to select the contents that are relevant to their companies’ specific circumstances.

In line with the missions of the GRI and RBA/RLI, this toolkit will remain free and publicly available.

More information on the development of this resource can be found [here](#).

1 Downstream companies are generally defined as those that produce finished products and/or sell finished products to other businesses, governments or private consumers, while ‘upstream’ entities are those that extract, process and refine raw materials needed to create the products. Source: ec.europa.eu/trade/policy/in-focus/conflict-minerals-regulation/regulation-explained/

2 Inclusion of examples from reporting organizations does not imply endorsement – these examples are included as a means of illustrating current reporting practice and as a source of inspiration.

Disclaimer

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As part of GRI's and RBA/RLI's commitment to using a multi-stakeholder approach, GRI and RBA/RLI consulted with a variety of stakeholders throughout this project who have expertise and/or interest in the area of modern slavery and public reporting. The stakeholders are from a variety of constituencies including investment institutions, civil society organizations, government departments, and international multilateral organizations. Any expectations shared with us by stakeholders during this advisory consultation process should be viewed as external viewpoints and are incorporated in the toolkit on an aggregated basis.

GRI and RBA/RLI would like to thank the Department of Foreign Affairs and Trade (DFAT) of the Australian Government and the Swedish International Development Cooperation Agency (Sida) of the Government of Sweden, for co-funding this project.

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1. List of acronyms and abbreviations

CLMRS	Child Labour Monitoring and Remediation System
FLA	Fair Labor Association
GAAP	Generally Accepted Accounting Principles
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
KPIs	key performance indicators
M&S	Marks & Spencer Group plc
RBA	Responsible Business Alliance
RBC	OECD Due Diligence Guidance for Responsible Business Conduct
RLI	Responsible Labor Initiative
SDGs	Sustainable Development Goals
UDHR	Universal Declaration of Human Rights

2. How to navigate this resource

Structure of the toolkit

This toolkit supports companies in their journeys of reporting on modern slavery. It includes relevant information for company reporters with different drivers to disclose information related to modern slavery.

Background information on reporting on modern slavery can be found in the following chapters:

- [Why report on modern slavery?](#)
- [Materiality principle: Support for the identification, if, and why modern slavery is a material topic for an organization, and reporting on it](#)

Information on compliance with the legal requirements for reporting can be found under [governmental expectations or requirements for reporting related to modern slavery](#).

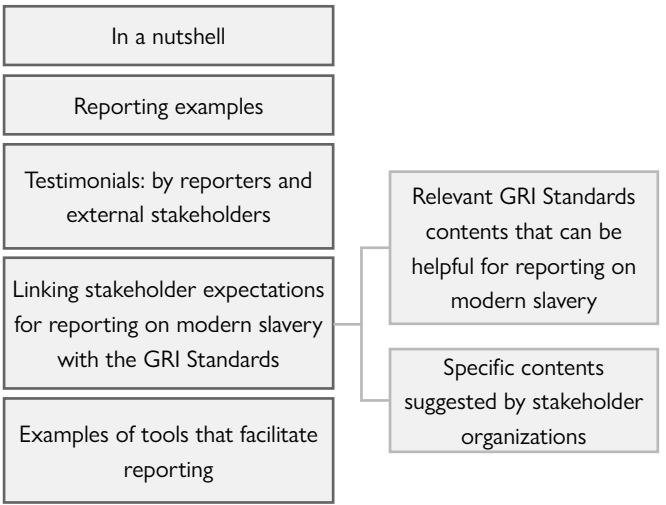
More information on reporting beyond the legal requirements, and how reporters can meet stakeholder expectations by integrating reporting on modern slavery in their overall sustainability reporting is available on different chapters:

- How the organization assessed if modern slavery is a material topic (chapter [Materiality principle: Support for the identification, if, and why modern slavery is a material topic for an organization, and reporting on it](#))
- Due diligence (chapter [Support for reporting on management approach: due diligence and supportive measures](#))
- Evaluation of effectiveness of actions (chapter [Support for reporting on evaluation and of effectiveness of actions](#))

3 [Benchmarking criteria](#) of Business & Human Rights Resource Centre. FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action. 2018.

Structure of the chapters

Chapter 5-7 of the toolkit are structured in a similar way and provides key elements to support the reporting journey.



Each chapter includes information about stakeholder expectations for reporting on modern slavery, linkages to the GRI Standards disclosures, reporting examples, testimonials of reporters and lists of tools that facilitate reporting.

Stakeholder expectations and the use of the GRI Standards

Each table illustrating the linkage of stakeholder expectations for reporting on modern slavery with the GRI Standards includes:

- Specific content suggested by stakeholder organizations: Based on the criteria that Business & Human Rights Resource Centre uses to evaluate and benchmark the modern slavery reporting of FTSE 100 companies.³ The criteria also reflect the expectations of key stakeholder organizations including KnowTheChain, the Corporate Human Rights Benchmark, the Workforce Disclosure Initiative, the UK Home Office and the Core Coalition.
- References to the relevant GRI Standards are provided to illustrate the linkages that can be helpful for reporting on modern slavery. This is particularly interesting for companies that already develop, or are planning to write, their sustainability report in accordance with the GRI Standards.

3. Why report on modern slavery?

In a nutshell:

- Modern slavery is among the most urgent human rights risks across corporate value chains, harming workers and potentially leading to reputational, legal and financial risks for companies.
- Businesses are facing increasing pressure from governments, civil society, media and investors to address the issue and promote transparency.
- Beyond the legal requirements and expectations from stakeholders, there is a business case for reporting on modern slavery.

Developments in international regulation increasingly highlight the role that companies are expected to play in eradicating modern slavery. In 2014, governments across the globe committed to a new ILO Protocol to the Forced Labor Convention of 1930 (ILO Protocol),⁴ which requires them to prevent and eliminate forced labor, provide victims with protection and access to appropriate and effective remedies, and sanction perpetrators. A supplement to the ILO Protocol recommends states to require companies to address forced labor risks in direct operations, or in indirect operations involving business relationship, such as suppliers. Similarly, the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy from 2017 calls for policies and plans of action to prevent and eliminate forced and child labor at companies.⁵

International frameworks such as the United Nations Guiding Principles on Business and Human Rights are used by stakeholder organizations to hold businesses accountable for respecting human rights, including the duty to address and be transparent about the risks and instances of modern slavery in supply chains and business operations.⁶ Moreover, guidance documents such as the

4 http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_246549/lang-en/index.htm

5 https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---multi/documents/publication/wcms_094386.pdf

6 https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

7 <http://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>

8 In line with the due diligence process outlined in this document The Responsible Labor Initiative offers a [Practical Guide](#) to Implementing responsible business conduct due diligence in supply chains which demonstrates how RBA tools, best practices, initiatives and services can help companies operationalize and live into international supply chain due diligence expectations.

9 It should be noted that companies can have a competitive advantage by reporting on modern slavery in the markets where reporting on modern slavery is not mandatory. In countries where reporting on modern slavery is mandatory, the competitive advantage in comparison to peers is based on the quality of the reporting.

OECD Due Diligence Guidance for Responsible Business Conduct provide practical guidance for companies in implementing human rights due diligence.^{7, 8}

Together with increased modern slavery legislation, regulation, and guiding frameworks, businesses are now under increased scrutiny from governments, civil society, investors and customers, and are expected to commit to taking action on modern slavery based on due diligence. Communicating to stakeholders through reporting on human rights impacts, including modern slavery, can play a significant role in contributing to addressing risks, stimulating competitive advantage⁹ and ensuring a company's long-term financial stability.

“Ensuring people are treated with respect and dignity is part of ST’s core values, guiding our behavior in all our business activities. Including forced labor and human rights as topics in our sustainability report allows us to communicate on our progress and share our methodologies and programs for addressing these issues; using the GRI Standards as a framework for reporting allows us to present this information in a structured format to our various stakeholders.”

STMicroelectronics

“NXP is a large global company who is taking action, going above and beyond the current legal requirements, to ensure our business becomes free of human rights issues associated with modern slavery and human trafficking.

Reporting on this topic has added positive value in the sense that we are able to disclose a wide array of due diligence processes, risk assessment procedures and actions in our supply chain.

Our commitment to transparency and to speak openly of the fight against modern day slavery and human trafficking is appreciated by all our stakeholders.”

NXP Semiconductors

What is modern slavery and how prevalent is it in the private sector?

The exploitation of workers in global value chains is a pressing human rights issue that continues to occur to a large extent in the private sector. Some of the worst forms of exploitation are collectively described under the umbrella term “modern slavery”. Modern slavery is a significant cause for concern: in 2016, an estimated 40.3 million people across 167 countries worked under such conditions.¹⁰

Modern slavery, as an umbrella term, scopes several human rights issues including forced labor, bonded labor, worst forms of child labor, human trafficking and slavery-like practices. The term of modern slavery is not defined in law, but it focuses attention on commonalities across these legal concepts and generally refers to situations of exploitation that a person cannot refuse or leave because of threats, violence, coercion, deception, or abuse of power.¹¹ Many civil society organizations use the term to refer to a range of labor issues and various forms of exploitation (Figure 2).

Despite the different interpretations about the scope of the term, as well as different cultural sensitivity to this term across the globe, the concept has gained international attention due to the introduction of the 2015 UK Modern Slavery Act and 2018 Australian Modern Slavery Act, and is now familiar to various stakeholders. Examples of practices that can create situations that constitute modern slavery include charging recruitment fees or other costs, withholding wages, or retaining passports or personal identification documents.¹² For the purpose of this document, GRI and RLI refer to modern slavery in the broadest sense, however, focusing the attention on the characteristics that are most relevant for businesses, particularly forced labor exploitation as outlined above and in Figure 2.

The relationship between the impact of modern slavery and business activities is especially clear in the case of forced labor. The International Labour Organization (ILO) Convention on Forced Labour, 1930 (No.29), defines forced or compulsory labor as

“all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.”

The ILO and Walk Free, an Australian human rights organization, estimate that 24.9 million people were victims of forced labor in 2016, of which 16 million (64 %) were in the private economy.¹³ About half of these men and women are in some form of debt bondage. This is when debt is used as an instrument to force people to work. Similarly, most victims of forced labor suffer from various forms of coercion from employers or recruiters as a means of preventing them from leaving their situation – for example through wages being withheld, or threatening non-payment of due wages.¹⁴ People working under these conditions are often vulnerable, due to factors such as having a migrant background or working in the informal economy. Modern slavery in the private sector generates an estimated US\$150 billion annually in illegal profits, and over one-third of that money is specifically tied to forced labor exploitation.¹⁵ These figures help reveal the magnitude of modern slavery globally and help explain why the issue has become a key concern for policymakers, civil society, businesses and other stakeholders around the world in recent years.

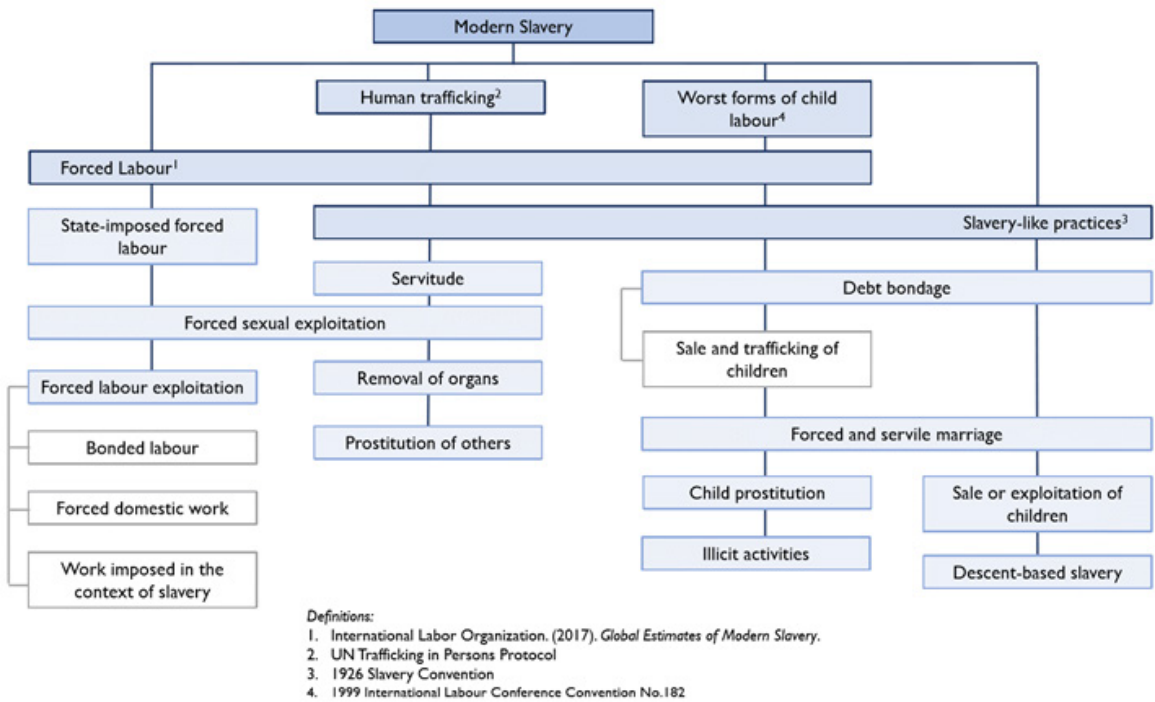


Figure 2 Overlap of definitions between legal concepts covered under modern slavery

10 <https://www.globallslaveryindex.org/2018/findings/global-findings/>
 11 <https://www.globallslaveryindex.org/2018/findings/global-findings/>
 12 https://www.ilo.org/empent/areas/business-helpdesk/faqs/WCMS_DOC_ENT_HLP_FL_FAQ_EN/lang--en/index.htm

13 https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_575479.pdf
 14 https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_575479.pdf
 15 https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_243391.pdf

Why is modern slavery a pressing issue in corporate sustainability reporting?

“Since business supply chains operating in Asia are at a high risk for the occurrence of modern slavery and other human rights issues, our organization has already taken due diligence measures to mitigate such risks, in addition to taking part in a number of initiatives that address these problems. However, we were not previously communicating our efforts publicly; we understand and appreciate that participating in this initiative will enable us to share our progress with our key stakeholders in a structured manner. We also hope that, by doing so, it will encourage other companies in the region to begin reporting on forced labor and other human rights issues.”

MGF Sourcing

Businesses, particularly in markets where no prominent regulation on modern slavery exists, are often unaware that it could or does occur in their operations or their supply chains. Therefore, businesses are unaware of the important potential they have to contribute towards eliminating the issue.

Modern slavery is pervasive in corporate supply chains in all regions of the world. According to the U.S. Department of Labor, 148 commodities and goods that are produced in or imported to the U.S., ranging from timber to electronics to flowers, are made using forced labor or child labor.¹⁶

There are several major reasons why organizations should consider paying more attention to modern slavery due diligence and disclose their efforts:

➤ Increasing pressure from society globally

In terms of global sustainability agendas, modern slavery has been included in the 2015 Sustainable Development Goals (SDGs). Target 8.7 aims to

“Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of

child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms”.

Media focus on human rights issues in the supply chain more generally has been on the increase. For example, the media response that followed the 2013 collapse of the Rana Plaza factory in Bangladesh, where 1134 workers lost their lives and 2500 were injured, helped catalyze a global movement. Different actors pledged to work together to improve working conditions and supply chain transparency, and the event heightened consumer awareness around human rights and labor conditions in the supply chains of multinationals. Some global value chains, such as the Thai seafood industry,¹⁷ cocoa farming,¹⁸ and the global palm oil industry have received increased media attention specifically for incidences of modern slavery being discovered in the supply chains of well-known brands.¹⁹ Moreover, various initiatives, such as KnowTheChain and the CORE Coalition are closely following corporate reporting on modern slavery and express their expectations regarding reporting practice around this topic.

➤ Increasing number of legislative initiatives

Continued focus on modern slavery has prompted governments worldwide to address the issue. For example, in 2017, the governments of Australia, Canada, New Zealand, United Kingdom and the United States, among others, launched and endorsed a “Call to Action to End Forced Labour, Modern Slavery and Human Trafficking,” which includes their commitment to taking steps to eliminate slavery from their economies and encourage the private sector to prevent and address human trafficking in its supply chains and had by June 2019 been endorsed by around 90 governments.²⁰

Several governments have also started to draft legislation requiring companies to perform due diligence and report about their progress in addressing impacts. According to The Global Slavery Index, 36 countries were taking steps to address forced labor in business or public supply chains in 2018, whereas only four did so in 2016.²¹ A prominent example of legislative initiative is the UK Modern Slavery Act, which requires companies to report

on the measures they take to prevent slavery, servitude, forced or compulsory labor and human trafficking in their supply chains. Enacted in 2015, it followed the California Transparency in Supply Chains Act, which came into effect in 2012. The Australian Modern Slavery Act, which introduced reporting requirements for entities based or operating in Australia, was passed in 2018.

[More information about legal requirements for reporting on modern slavery](#)

➤ Business case for greater transparency

Beyond growing awareness and ethical considerations, one of the reasons for greater transparency on modern slavery is related to business risks. Reporting on how an organization addresses modern slavery risks informs stakeholders’ assessments of the organization’s risk management. The CORE Coalition notes that the discovery of modern slavery can pose a reputational risk and affect share price. Further, there is risk of legal action that could lead to large compensation awards to victims.²² Moreover, the association with controversies related to forced labor can damage a company’s reputation and significantly decrease the trust of consumers, business partners and other stakeholders; efforts to restore trust can be costly.²³

Investor relations can benefit from transparency as well. Because of the potential associated consequences, investors want to learn what actions companies are undertaking to identify and manage risks related to modern slavery in their operations and supply chain entities. Companies that are transparent about human rights issues, including modern slavery, are regarded as more likely to demonstrate better management practices in general: as pointed out by Ausbil Investment Management Limited, if a business model relies on slavery, current earnings are unlikely to be sustainable.²⁴

“Reporting on modern slavery is increasingly important to the investment community, especially given the wider global regulatory focus around this issue. Investors expect companies to go above and beyond legal requirements in their reporting, with transparency around this issue being key to understanding the extent to which a company is managing human rights risks in its operations and supply chains and providing remedy where necessary.”

Hermes Equity Ownership Services of Hermes Investment

Other advantages of greater transparency on social impacts can include: identifying strengths and weaknesses, highlighting opportunities for improvement of management systems, increasing employee motivation, building trust with stakeholders, and increasing competitive advantage.²⁵ However, companies only have a competitive advantage by reporting on modern slavery in the markets where reporting on modern slavery is not mandatory. In countries where reporting on modern slavery is mandatory, competitive advantage relies on the quality of the reporting.

Despite the emergence of regulation and legislative initiatives around the topic, increased media attention, and the work of some pioneering companies, the business sector’s efforts towards tackling modern slavery and reporting on the topic are still considered emerging practice. Overall, few companies effectively deal with the challenges around adverse impacts and compliance risks based on their complex supply chains.²⁶ Nevertheless, more and more companies are taking steps towards greater transparency regarding their supply chains, for example by publicly listing or mapping their suppliers.

For the apparel industry, according to the Fashion Transparency Index in 2018, 37% of apparel brands and retailers published a list of their tier 1 suppliers, up from 12.5% in 2016.²⁷ There is an example of an online clothing retailer’s multi-tier supply mapping on suppliers’ acceptance of a subcontracting policy that prohibits practices of child and forced labor specifically in the chapter on the [Materiality principle](#).

¹⁶ <https://www.dol.gov/sites/dolgov/files/ILAB/ListofGoods.pdf>

¹⁷ <https://www.theguardian.com/global-development/2014/jun/10/thailand-seafood-industry-state-sanctioned-slavery>

¹⁸ <https://www.independent.co.uk/news/world/americas/nestle-is-being-sued-for-allegedly-using-child-slaves-on-cocoa-farms-a6806646.html>

¹⁹ <https://www.amnesty.org/en/latest/news/2016/11/palm-oil-global-brands-profit-from-child-and-forced-labour>

²⁰ <https://delta87.org/call-to-action/>

²¹ <https://www.globallslaveryindex.org/2018/findings/global-findings/>

²² https://corporate-responsibility.org/wp-content/uploads/2017/06/Core_InvestorBriefingFINAL-1.pdf

²³ <https://www.ausbil.com.au/research-insights/research/modern-slavery-an-investment-and-social-risk>

²⁴ <https://www.ausbil.com.au/research-insights/research/modern-slavery-an-investment-and-social-risk>

²⁵ <https://www.globalreporting.org/resourcelibrary/Small%20Business%20Big%20Impact%20Booklet%20Online.pdf>

²⁶ <https://innovation-forum.co.uk/analysis.php?s=litigation-risk-focuses-minds-on-modern-slavery>

²⁷ https://issuu.com/fashionrevolution/docs/fr_fashiontransparencyindex2018?e=25766662/60458846

4. Governmental expectations or requirements for reporting related to modern slavery

In a nutshell:

- The landscape of governmental expectations and requirements for reporting related to modern slavery is widening.
- Requirements of key legal initiatives overlap in some cases. However, specific nuances should be carefully considered.
- The GRI Standards offer companies a framework that can be used to integrate reporting on modern slavery taking into account governmental expectations, into the company’s sustainability reporting.

The following section includes an overview of the main regulations, in addition to a more detailed breakdown of reporting requirements specifically for the California Transparency in Supply Chains Act, UK Modern Slavery Act and Australian Modern Slavery Act. For the benefit of GRI reporters, a table that shows the link of these regulations with the GRI Standards has been included in [Appendix A](#).

Continued focus on modern slavery has prompted several governments worldwide to introduce legislative initiatives focusing on regulating reporting on modern slavery. These new legal requirements mean that, for certain companies, reporting on modern slavery now goes beyond reputational and moral effort, to become a legal obligation. Issues with access to markets and importation processes may arise in addition to non-compliance risks if companies do not properly disclose their efforts.

Key legislation in this regard includes the UK Modern Slavery Act (enacted 2015), California Transparency in Supply Chains Act (2010), Australian Modern Slavery Act (2018), and the New South Wales Modern Slavery Act (2018).

While such laws require companies to specifically include modern slavery in their reporting, other reporting requirements can be found in wider global legislation such as the EU Non-Financial Directive, which requires companies to publish reports on their policies in relation to topics including social responsibility, treatment of employees and respect for human rights. Another example of this is the French Corporate Duty of Vigilance law (2017), which requires companies to report on, but also implement measures that identify and mitigate human rights risks, and prevent serious violations of human rights in the business operations and supply chain.

Reporting in compliance with the California Transparency in Supply Chains Act

Effective since:	2012
Purpose:	Give consumers information regarding companies' efforts to eradicate slavery and human trafficking from their supply chains; educate consumers; improve the lives of victims
Definition of Modern Slavery:	Slavery and human trafficking
Applies to:	
Type of organization:	Retail seller or manufacturer on California tax return
Reporting threshold:	\$100 million (annual gross receipts)
Place of operation:	California
Covered business activities:	Retail seller or manufacturer on California tax return
Location of supply chains:	Global
Definition of minimum requirements for reporting:	"To what extent, if any"
Reporting period:	Not specified
Due date:	Not specified

What must be disclosed (at a minimum)?

To what extent, if any, the retail seller or manufacturer:

- Engages in verification of product supply chains to evaluate and address risks of human trafficking and slavery. Specify if it was not conducted by a third party.
- Conducts audits of suppliers to evaluate supplier compliance with company standards for trafficking and slavery in supply chains. Specify if it was not an independent, unannounced audit.
- Requires direct suppliers to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business.
- Maintains internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking.
- Provides company employees and management, who have direct responsibility for supply chain management, training on human trafficking and slavery, particularly with respect to mitigating risks within the supply chains of products.

Further explanation and support materials on the California Transparency in Supply Chains Act can be found here:

- [The California Transparency in Supply Chains Act](#)
- [The California Transparency in Supply Chains Act: A Resource Guide \(2015\)](#)
- [State of California Department of Justice: Frequently Asked Questions](#)

The following page contains an example of extracts of reporting on some of the contents mentioned above. Inclusion of an example from reporting organizations does not imply endorsement – these examples are included as a means of illustrating current reporting practice and as a source of inspiration.

REPORTING EXAMPLE

Patagonia, Inc. is an American clothing company that markets and sells sustainable outdoor clothing. The organization addresses the requirements of the California Act by focusing on the five topic areas for reporting specified in the legislation: Verification, Supplier Audits, Certification, Internal Accountability, and Training. In addressing these points, Patagonia reports that they also meet the 2015 UK Modern Slavery Act’s ‘Guidance’ points about what should be included in a compliant statement. The excerpt is a partial extract of the company’s response to the first required reporting topic of the California Act, with additional information provided by numerous links, showcasing a method of reporting that meets the requirements of the legislation but also allows stakeholders to read further in depth if they wish to.

Focusing on the five topic areas covered in the California Transparency Act, our statement discloses how we monitor our supply chain for child labor and all forms of forced labor, including slavery and human trafficking. The statement also serves to fulfill the disclosure requirements of the UK Modern Slavery Act.

1. Verification

Requirement: “[D]isclose to what extent, if any, [the company]...[e]ngages in verification of product supply chains to evaluate and address risks of human trafficking and slavery. The disclosure shall specify if the verification was not conducted by a third party.”

a. Verification Protocols

Patagonia is committed to fair labor practices within our supply chain. We are a founding and fully accredited member of the Fair Labor Association (FLA). The purpose of this multistakeholder organization is to improve working conditions in factories worldwide. The NGO’s code of conduct, which Patagonia has adopted in full and supplemented with additional standards, requires suppliers to prohibit any forms of forced labor, human trafficking, or child labor in the supply chain. Additionally, our Code has detailed benchmark standards that align with each code element.

We have written policies and procedures outlining how we identify, evaluate, address and remediate human trafficking and child labor. As an accredited member of the FLA, these policies and procedures also comply with the FLA’s Principles of Fair Labor and Responsible Sourcing.

To maximize coverage of our supply chain and to ensure checks-and-balances, we engage with third-party monitors and employ a team of full-time Field Managers based throughout Asia to audit our factories for human trafficking and slavery. These skilled and experienced monitors identify abuses using a multi-pronged approach, including interviews with workers and management, observational tours of the factory, documentation review and geographic and industry risk assessments.

Source: [Patagonia California Transparency in Supply Chains Act \(SB 657\) and UK Modern Slavery Act Disclosure Statement 2018, pg. 4](#)

Reporting in compliance with the UK Modern Slavery Act

Effective since:	2015
Purpose:	To prevent modern slavery in organizations and their supply chains, increase transparency by ensuring the public, consumers, employees and investors know what steps an organization is taking to tackle modern slavery
Definition of Modern Slavery:	Slavery, servitude and forced or compulsory labor; and human trafficking
Applies to:	Type of organization: Commercial organization that supplies goods or services, including a trade or profession
	Reporting threshold: £36 million (annual turnover)
	Place of operation: United Kingdom (including part of a business)
Covered business activities:	Any part of own business and any part of supply chains
Location of supply chains:	Global
Definition of minimum requirements for reporting:	“steps taken to ensure that slavery and human trafficking is not taking place, if any”
Reporting period:	Financial year
Due date:	Recommended within 6 months after fiscal year end

What is suggested to disclose?

The statement may include information about:

- Information about organization’s structure, its business and its supply chains.
- The parts of its business and supply chains where there is a risk of slavery and human trafficking taking place.
- Policies in relation to slavery and human trafficking.
- Due diligence processes in relation to slavery and human trafficking in its business and supply chains.
- The steps it has taken to assess and manage that risk.
- The training about slavery and human trafficking available to its staff.
- 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.

Further explanation and support materials on the UK Modern Slavery Act can be found here:

- [UK Modern Slavery Act 2015](#)
- [UK Modern Slavery Act 2015: Explanatory Notes](#)
- [UK Home Office 2019 Guidance on publishing a modern slavery statement](#)

The following page contains an example of extracts of reporting on some of the contents mentioned above. Inclusion of an example from reporting organizations does not imply endorsement – these examples are included as a means of illustrating current reporting practice and as a source of inspiration.

REPORTING EXAMPLE

Marks & Spencer Group plc (also known as M&S and MS) is a major British multinational retailer listed on the London Stock Exchange, specializing in the selling of clothing, home and luxury food products. The organization’s Modern Slavery Statement has been consistently highly rated by Development International and the Business & Human Rights Resource Centre^{28, 29} for incorporating good practice reporting elements such as disclosing identified risks in the supply chain, as well as disclosing specific identified incidents and case studies. The below visual is a short extract taken from the most recent statement and illustrates an overview of the company’s governance structure and overall strategy for addressing this issue.



Source: Marks & Spencer Modern Slavery Statement 2017/18, pg. 3

“Reporting on modern slavery has significantly increased the profile of the issue across our business. It has involved the engagement and collaboration of a range of internal stakeholders, and facilitated a more consistent approach to identifying, managing and tracking potential risks across various functions.”
Barclays

28 <https://www.developmentinternational.org/link-spring-2019-ftse-100-league>
29 <https://www.business-humanrights.org/sites/default/files/FTSE%20100%20Briefing%202018.pdf>

Reporting in compliance with the Australian Modern Slavery Act

Effective since:	2019
Purpose:	To increase business awareness of modern slavery, reduce modern slavery risks in Australian goods and services, and drive a business 'race to the top' to improve workplace standards and practices
Definition of Modern Slavery:	All modern slavery practices criminalized under Commonwealth law, including slavery, trafficking in persons, servitude, forced labor and forced marriage; and the worst forms of child labor
Applies to:	Type of organization: Entities based or operating in Australia; and Commonwealth corporations and Commonwealth companies
Reporting threshold:	AUD\$100 million (annual consolidated revenue)
Place of operation:	Australia, including external territories
Covered business activities:	Operations and supply chains
Location of supply chains:	Not specified
Reporting period:	Financial year
Due date:	Within 6 months from the end of the reporting year

What is required to disclose?

A modern slavery statement must, in relation to each reporting entity covered by the statement:

- Describe the structure, operations and supply chains of the reporting entity.
- Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls.
- Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks,

30 According to the OECD Due Diligence Guidance for Responsible Business Conduct, “the provision of a remedy is not a component of due diligence but a separate, critical process that due diligence should enable and support”
31 Further background information can be found here: [Background information on Australian Modern Slavery Bill 2018](#)

including due diligence and remediation³⁰ processes (example: actions taken by an entity may include the development of policies and processes to address modern slavery risks, and providing training for staff about modern slavery).

- Describe how the reporting entity assesses the effectiveness of such actions.
- Describe the process of consultation with:
 - (i) any entities that the reporting entity owns or controls;
 - (ii) in the case of a reporting entity covered by a statement under section 14—the entity giving the statement.
- Include any other information that the reporting entity, or the entity giving the statement, considers relevant.

Further explanation and support materials on the Australian Modern Slavery Act can be found here:

- [Australian Modern Slavery Act 2018 and Draft Guidance for reporting entities](#)³¹

- Other reporting requirements
- [New South Wales Modern Slavery Act \(AU\)](#)
 - [Devoir de Vigilance \(FR\)](#)
 - [Non-Financial Reporting Directive \(EU\)](#)

- List of examples of regulations that are not specific for reporting but express expectations in managing topics related to modern slavery
- [Child Labour Due Diligence \(NL\)](#)
 - [Countering America's Adversaries Through Sanctions Act \(U.S.\)](#)
 - [U.S. Tariff Act - Section 307 of the Tariff Act of 1930 \(19 U.S.C. § 1307\)](#)

Assistance for GRI reporters
[Appendix A](#): Mapping links between regulatory requirements and GRI Standards

5. Materiality principle: Support for the identification, if, and why modern slavery is a material topic for an organization, and reporting on the identification process

In a nutshell:

- Identifying modern slavery as a material topic is the starting point for greater transparency.
- GRI Standards provide the framework to be transparent about the identification of modern slavery as a material topic and address respective stakeholder expectations.
- Modern slavery can be related to significant and complex social, economic and environmental impacts, that can be actual or potential, direct or indirect, short-term or long-term, intended or unintended, positive or negative.

Stakeholders are interested in the information about a company’s sustainability activities that matters to them, and companies are interested in focusing their efforts on reporting information that matches those needs. The Materiality principle established in the GRI Sustainability Reporting Standards (GRI Standards) can help companies select which topics are material, and should be reported.³² In current reporting practice, reporters also use terms like ‘forced labor’, ‘human trafficking’, ‘bonded labor’, and ‘worst forms of child labor as the material topics that they identify and report on related to modern slavery.

This chapter explains how the GRI Materiality principle can be applied for the topic of modern slavery, explores which types of sustainability impacts are associated with modern slavery and how stakeholder decisions can be influenced by a company’s approach to modern slavery, as well as how the GRI Standards can help meet stakeholder interest regarding how an organization identified modern slavery as a material topic.

The Standards offer a framework for how organizations can identify material topics, which can be useful in the process of identifying whether modern slavery is a material topic for an organization.³³ The GRI Standards reflect stakeholder expectations to include material topics as follows: “the report shall cover topics that:

- reflect the reporting organization’s significant economic, environmental, and social impacts; or
- substantively influence the assessments and decisions of stakeholders.”³⁴

Modern slavery can be a material topic even when based on only one of these dimensions (Figure 3). When discussing sustainability impacts related to modern slavery, it is important to highlight the definition of ‘impact’ in this context. In the GRI Standards, impact is defined as the effect an organization has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development.³⁵ Impact can be positive, negative, actual, potential, direct, indirect, short-term, long-term, intended, or unintended.

Figure 3 Materiality Matrix: A matrix with the two dimensions of materiality can be used to illustrate whether modern slavery is a material topic, by plotting it among other sustainability topics, according to influence on stakeholders’ decisions and significance of impacts on the economy, environment, and society.



With this perspective, it becomes clear that GRI’s Materiality principle reflects the interests of a wide range of stakeholders (“employees, shareholders, suppliers, vulnerable groups, local communities, and NGOs or other civil society organizations, among others”³⁶), and is wider than the definition of materiality used across various financial accounting standards (including, for example, the International Financial Reporting Standards (IFRS) and Generally Accepted Accounting Principles (GAAP)), which focus on stakeholders with financial interests as the primary target group.³⁷

For more information on Materiality in the GRI Standards see page 10 of [GRI 101: Foundation 2016](#)

Which types of sustainability impacts are associated with modern slavery?

When a topic has significant impacts, this means the topic is material and a company should report on it. Accordingly, stakeholders are interested in learning about the potential and actual impacts related to modern slavery.

An analysis by the Business & Human Rights Resource Centre³⁸ shows that while more and more companies report that they have identified the risk of modern slavery occurring in operations and supply chains, few disclose those risks in detail. Further, too many companies fail to acknowledge that these risks might exist at all. If a company does not disclose the impacts or risks, stakeholders may get the impression that a company is unaware of them.

“When a company does not know its own supply chain or does not understand the risks of slavery, it begs the question: what else should we worry about?”
Ausbil Investment Management Limited, 2018³⁹

Although modern slavery is often primarily linked to social impacts, it is important to view it as a complex topic with possible links to sustainability impacts across a variety of areas.

➤ **Social impacts:** Multilateral institutions such as the UN agree that modern slavery is a violation of basic human rights. The 1948 Universal Declaration of Human Rights (UDHR) categorically states that every individual has a right to not be held in slavery or forced servitude in “all its forms”,⁴⁰ including human trafficking, forced labor, child labor etc.; all of these are human rights issues. Because many of the UDHR’s provisions are considered binding as customary international law,⁴¹ if instances of modern slavery occur, these can arguably be seen as violations of such agreements. According to the ILO,⁴² most victims of forced labor are exploited by private agents, such as recruitment agencies. Therefore, business should be aware of the important potential they have to contribute towards eliminating modern slavery and contributing to the remediation of already existing negative impacts. Women and girls are disproportionately affected by modern slavery, accounting for over 70% of the overall total; they represent 99% of victims of forced labor in the commercial sex industry and 58% in other sectors.⁴³

➤ **Economic impacts:** It has been argued that, beyond their morality, contemporary slavery practices can be objectively harmful to total economic output and social development.⁴⁴ Although business activity that includes modern slavery practices generates profits,⁴⁵ academic research argues that individuals affected by modern slavery practices can contribute to economic stagnation because, from the perspective of market forces, slave labor has a tendency to negatively affect the wages of free labor in a given area, in effect decreasing the aggregate disposable income of those

32 [GRI 101: Foundation 2016](#); [GRI 102: General Disclosures 2016](#)
33 [GRI 101: Foundation 2016](#)
34 [GRI 101: Foundation 2016](#)
35 [GRI 101: Foundation 2016](#)

36 [GRI 101: Foundation 2016](#) 1.1 Stakeholder Inclusiveness, pg. 8
37 “Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity” See <https://www.ifrs.org/news-and-events/2018/10/iasb-clarifies-its-definition-of-material/>
38 <https://www.business-humanrights.org/sites/default/files/FTSE%20100%20Briefing%202018.pdf>
39 <https://www.ausbil.com.au/Ausbil/media/Documents/Research%20and%20Insights/The-Modern-Slavery-in-Supply-Chains-%E2%80%93-93-Investment-Implications-LV.pdf>
40 <https://www.un.org/en/universal-declaration-human-rights/>
41 Hannum H. The UDHR in national and international law. 1998.
42 https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_101171.pdf
43 Datta MN, Bales K. Slavery is bad for business: analyzing the impact of slavery on national economies. 2012
44 Datta MN, Bales K. Slavery is bad for business: analyzing the impact of slavery on national economies. 2012
45 https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_243391.pdf

not subjected to modern slavery. In this context, individuals affected by modern slavery are unable to participate in their local economy; they have little or no purchasing power, generally subsist on bare necessities or whatever is provided by the exploitative employer. Therefore, modern slavery can also be seen as an extreme form of economic inequality, with enslaved individuals having extremely limited means to contribute to the local economy and promote economic development.⁴⁶ Moreover, modern slavery can be related to other crimes. Where it exists, companies are at risk of being implicated in bribery, money laundering, fraud, and other offences.⁴⁷

➤ **Other impacts:** Under certain circumstances, the presence of modern slavery in certain operations may point to business practices being carried out in a way that has other adverse sustainability impacts, such as environmental impacts. One example is environmental degradation, including the pollution and destruction of forests, rivers and other natural habitats as a result of civil conflict in the Democratic Republic of the Congo – where armed groups have enslaved thousands of local people to mine metal ores that can make their way into global supply chains for electronic devices.⁴⁸

Organizations may be unaware of modern slavery in their operations and supply chains, yet barely any industry is untouched.⁴⁹ Therefore, when reporting on modern slavery it is especially important to keep in mind that impacts refer not only to the actual, but also the potential impacts, which reflect the risk on the society, the economy and the environment.

Impact and risk assessments, which are explored in the chapter “Support for reporting on management approach: Due diligence and supportive measures” inform this step of assessing the significance of the impacts in the application of the Materiality principle.

How are stakeholder decisions influenced by a company’s approach to modern slavery?

Organizations might have various questions related to identifying the influence of their approach to modern slavery on stakeholder assessment and decisions. How much are stakeholder decisions influenced by an organization’s approach to modern slavery? Who are the key stakeholders an organization would like to address? Who can provide the information an organization needs to answer these questions?

The process of answering these types of questions as part of applying the Materiality principle contains multiple steps and involves internal and external stakeholders. Stakeholder engagement is crucial to this part of the reporting process. It should be considered an ongoing activity that helps to ensure that the content of the report is appropriate and meaningful for the relevant stakeholders of the organization.

Essentially, the aim of engaging with key stakeholder groups when applying the Materiality principle is to learn what matters to them.

Since modern slavery is a material topic if it strongly influences stakeholders’ decisions and assessments, regulators’ expectations and expectations of key stakeholder groups are important input factors that need to be assessed.

It is important to understand which groups of stakeholders are affected or can affect the organization’s objectives and policies related to modern slavery. For example, the RLI suggests organizations consider groups including:



- Workers as rights holders
- Local communities
- Suppliers and other business partners
- Civil society organizations
- Local government and international governmental organizations
- Institutional and socially responsible investors
- Academia
- Other stakeholders based on the organization’s operating context

In addition, the ILO points out that engagement with workers’ organizations and multi-stakeholder initiatives can be beneficial as an opportunity to share good practice, learn from others about what works and what doesn’t, collaborate on collective training and capacity building, and finding solutions to tackling the issue.⁵⁰

Below are extracts of reporting on some of the contents mentioned above. Inclusion of an example from reporting organizations does not imply endorsement – these examples are included as a means of illustrating current reporting practice and as a source of inspiration.

REPORTING EXAMPLE ON DISCLOSING DETAILS OF ENGAGEMENT WITH SPECIFIC STAKEHOLDER GROUPS

Marks & Spencer Group plc (also known as M&S) is a major British multinational retailer headquartered in London. It is listed on the London Stock Exchange and is a constituent of the FTSE 100 Index. It specializes in clothing, home products and luxury food products, and currently has 979 stores across the UK. Its Modern Slavery statement lists the various partnerships and stakeholder groups they engaged with on the topic of modern slavery, and includes detailed information on how each partnership or initiative helps tackle the issue.

PARTNERSHIP	HOW IT HELPS OUR PROGRESS ON MODERN SLAVERY
 Institute for Human Rights and Business Leadership Group for Responsible Recruitment focusing on the Employer Pays Principle	<p>Our membership of the IHRB LCRR enables us to:</p> <ul style="list-style-type: none">- Create demand - Continuing efforts to raise the profile of the responsible recruitment agenda as a key way of tackling modern slavery. Advocating for the employer pays principle with peer and competitor companies. Working with suppliers either directly or through organisations like Issara to raise awareness and build capacity.- Increase supply of ethically sourced labour by mapping and better understanding recruitment processes into M&S supply chains and looking for places for interventions.- Advocate for improved protection for migrant workers. Working with IHRB leadership group M&S are supporting advocacy with governments either directly or through other IHRB collaborations with other organisations such as CCF, BRC (New policy on no fees) to maximise value. The issue of Responsible Recruitment is now firmly on government agendas through engagement with the UK Govt., the US State Dept. and also through intergovernmental processes such as the Bali Process and Colombo Process. We also hope to see the recruitment agenda to inform some of the G20 intergovernmental discussions under the coming presidency of Argentina. Through the advocacy there is now an increase in transparency reporting requirements in many countries and ensuring responsible recruitment is a clear tangible action for companies wishing to prevent forced labour and trafficking in their supply chains. <p>In 2017/18 M&S supported the Leadership group focus on Thailand and Malaysia and M&S made the keynote speech at the inaugural Annual Forum for Responsible Recruitment in Berlin 2017.</p>
 Ethical Trading Initiative	<p>Our membership with the ETI enables us to work collaboratively with Companies, Trade Unions and civil society on difficult human rights issues including modern slavery that cannot be solved by individual companies working alone by:</p> <ul style="list-style-type: none">- Forming alliances for joint action in key sourcing countries- Raising awareness and advocacy with Governments and international labour agencies to influence policy and legislation.- Access to practical information and tools. <p>In 2017/18 we were part of ETI Italian Tomatoes, Turkey platform Syrian refugees and recruitment fees, TMNS Tamil Nadu multi stakeholder initiative. We are member of ETI modern slavery working group and were part of the delegation that met Sir David Metcalf and Sarah Newton on further strengthening legislation. Our North and South China M&S social compliance team attended ETI modern slavery training and UK team attended the launch of two new ETI Base Code guides: Modern Slavery and Child Labour.</p>

Source: [Marks & Spencer Modern Slavery Statement 2017/18, pg. 8](#)

46 Datta MN, Bales K. Slavery is bad for business: analyzing the impact of slavery on national economies. 2012.
47 <https://www.enodorigths.com/assets/pdf/modern-slavery-governance-guide.pdf>
48 Bales K. Connecting Slavery and Environmental Destruction. In: Global Slavery Index 2016
49 <https://www.loening-berlin.de/wp-content/uploads/2018/10/2018-10-04-Knowledge-Paper-6-Modern-Slavery.pdf>

50 https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_101171.pdf



Why would stakeholders want to learn about how an organization identified modern slavery as a material topic?

Identifying modern slavery as a material topic and understanding the related impacts can be seen as the starting point for taking action on modern slavery. Therefore, stakeholders are interested in seeing information on this identification process.

The following page contains extracts of reporting on some of the contents mentioned above. Inclusion of an example from reporting organizations does not imply endorsement – these examples are included as a means of illustrating current reporting practice and as a source of inspiration.

REPORTING EXAMPLE ON STAKEHOLDER INVOLVEMENT FOR IDENTIFYING MODERN SLAVERY AS A MATERIAL TOPIC

Natura is a Brazilian manufacturer and marketer of beauty products, household, and personal care, skin care, solar filters, cosmetics, perfume and hair care products the company that sells products through representatives and in more than 3,200 stores in 70 countries across the world.

Modern slavery has been included under the broader material topic of ‘valuing social biodiversity’ – GRI indicators to disclose on this broad topic include those related to child and forced/compulsory labor, showing that the company considers these as individual material issues to be addressed/ reported on under the broader umbrella of ‘valuing social biodiversity’. Supplier communities and human rights in them are assessed as part of this wider material topic.

Natura identifies six key overarching topics as material, supported by an extensive stakeholder consultation process – “The perceptions of Natura’s priority stakeholder groups (employees – including leaders –, Natura consultants, customers and suppliers – including communities) were taken into account, as well as the opinions of some shareholders and representatives of local communities. A total of more than 4,200 online questionnaires were answered, complemented by 40 personal and telephone interviews and a discussion panel with 18 participants drawn from different groups.”

Forced or compulsory labor is part of what Natura includes under the overarching material topic “Valuing social biodiversity”. (Annotation added by GRI)

Materiality – GRI 102-43; 102-44; 102-46; 102-47; 103-1				
Topic	Description	Where it occurs GRI 103-1	Related aspects and indicators	Correlation with the SDGs
Water	Relative reduction in water consumption and pollution throughout the value chain and the neutralization of water impact.	„Water sources and environment „Supplier communities „Operational units „Society in general „Consumers (use and post-consumer disposal)	„Water „Effluents and waste GRI 303-1, 303-2, 303-3, 306-1 and 306-5	SDG 6. Clean water and sanitation
Valuing social biodiversity	Promoting sustainable businesses by using products and services primarily from the Pan-Amazon region.	„Product conception „Supplier communities „Procurement policies „Consumers „Pan-Amazon region	„Economic performance „Indirect economic impacts; „Biodiversity „Local communities „Child labour „Forced or compulsory labour „Supplier assessment for human rights „Grievance and complaint mechanisms related to human rights „Products and services GRI 201-1, 201-2, 203-1, 203-2, 304-1, 304-2, 413-1, 408-1, 409-1, 414-1 and 103-2	SDG 15. Life on land

Relevant GRI disclosures related to Modern Slavery issues are used to disclose identified material topics

>>> Our material topics <<< GRI 102-40; 102-42

As part of the dialogue with the Natura relationship network, we consult the main stakeholder groups to define the company's critical topics. In the most recent process, conducted in 2014, six topics were defined: water, education for the development of Natura employees and consultants, climate change, waste, transparency and product origin and valuing social biodiversity. The process of defining materiality took into account the company's Sustainability Vision, including company strategy up to the year 2050 and the ambitions to be fulfilled by 2020. The process was based on the identification of more than 20 pre-selected sustainability topics drawn from the Vision and from

industry documents. These were presented in a series of consultations undertaken in Brazil and in the International Operations.

The perceptions of Natura's priority stakeholder groups (employees – including leaders –, Natura consultants, customers and suppliers – including communities) were taken into account, as well as the opinions of some shareholders and representatives of local communities. A total of more than 4,200 online questionnaires were answered, complemented by 40 personal and telephone interviews and a discussion panel with 18 participants drawn from different groups.

Source: [Natura & Co 2017 Annual Report, pg. 62-63](#)

Stakeholder organizations are aware that businesses with global operations may unknowingly be involved in modern slavery.⁵¹ Acknowledging the impacts in a report can be the first step to build trust between business and stakeholders.

How can the GRI Standards help reporting on modern slavery if it has been identified as a material topic?

GRI disclosures related to the management approach and relevant topic-specific disclosures can be used as a starting point for structured and comparable reporting. Relevant GRI Standards disclosures that can be used to report if and how modern slavery has been identified as a material topic include:

Reporting if, and why modern slavery is a material topic for an organization, and reporting on the identification process	
GRI Standards Disclosures / in accordance option	
GRI 102-40	List of stakeholder groups / <i>Core and Comprehensive</i>
GRI 102-42	Identifying and selecting stakeholders / <i>Core and Comprehensive</i>
GRI 102-43	Approach to stakeholder engagement / <i>Core and Comprehensive</i>
GRI 102-44	Key topics and concerns raised / <i>Core and Comprehensive</i>
GRI 102-46	Defining report content and topic Boundaries / <i>Core and Comprehensive</i>
GRI 102-47	List of material topics / <i>Core and Comprehensive</i>

The relevant GRI content that can be used for reporting on the different aspects of addressing modern slavery are included in the following chapters. Reporting should also include sufficient contextual information, as outlined below.

Stakeholder expectations regarding reporting on general and contextual information

Legal requirements for reporting on modern slavery require providing general and contextual information to better understand and interpret more specific content reported on modern slavery. Moreover, according to the Business & Human Rights Resource Centre,⁵² disclosing this information should allow report users to identify red flags and potential risks based on the activities, location and workforce of the reporting company and its subsidiaries, business partners, clients and suppliers.⁵³

More information on different legal requirements⁵⁴ to report general and contextual information such as business structure, operations and supply chains can be found in [Appendix A](#), which also maps respective links to the GRI Standards.

Often, stakeholder expectations for reporting content go beyond the legal requirements. Table I provides an overview of the GRI Standards disclosures that can be used as the basis to report on this information. It also shows which stakeholder expectations related to specific information can be easily integrated when reporting against these GRI disclosures. In the list of GRI disclosures it is indicated if they are required only for the Comprehensive, or also for the Core option to report in accordance with the GRI Standards. The specific stakeholder expectations are based on the criteria that Business & Human Rights Resource Centre uses to evaluate and benchmark the modern slavery reporting of the FTSE 100 companies, which also summarizes expectations of other stakeholder organizations.⁵⁵

Table 1. Linking specific stakeholder expectations relating to general and contextual information (regarding business structure, operations and supply chains) with the GRI Standards.

Reporting general and contextual information regarding business structure, operations and supply chains		
GRI Standards disclosures/ in accordance option(s)	Related specific contents suggested by stakeholder organizations*	For GRI reporters: Flagging specific content suggested by stakeholder organizations that is not included or specified at the same level of detail in the GRI disclosures, but can be easily integrated in reporting against them
GRI 102-2 Activities, brands, products, and services / <i>Core and Comprehensive</i> GRI 102-6 Markets served / <i>Core and Comprehensive</i>	The company reports on main products and services and customers served. Provides main categories of products/ services/parts/raw materials that company procures and classification by sourcing country	
GRI 102-4 Location of operations / <i>Core and Comprehensive</i>	The company reports on locations of operations and subsidiaries (by country). Describes structure: parent company and subsidiaries	The company discloses locations of subsidiaries
GRI 102-8 Information on employees and other workers / <i>Core and Comprehensive</i> GRI 102-9 Supply chain / <i>Core and Comprehensive</i>	The company reports on workforce composition (e.g. number of direct employees, number of workers represented by trade union or other worker organization, contractors, agency, outsourced, temporary, seasonal, etc.)	
GRI 102-9 Supply chain / <i>Core and Comprehensive</i> GRI 102-10 Significant changes to the organization and its supply chain / <i>Core and Comprehensive</i>	The company discloses names and locations of tier 1 suppliers	The company discloses names of tier 1 suppliers
GRI 102-49 Changes in reporting / <i>Core</i>	The company discloses whether suppliers change on a seasonal basis**	

51 <https://www.loening-berlin.de/wp-content/uploads/2018/10/2018-10-04-Knowledge-Paper-6-Modern-Slavery.pdf>
52 <https://www.business-humanrights.org/sites/default/files/FTSE%20100%20Briefing%202018.pdf>
53 <https://static1.squarespace.com/static/53038dd2e4b0f8636b5fa8c3/t/5b687d6e70a6ad18271b4482/1533574513261/Modern+Slavery+Governance+Guide+FINAL.pdf>
54 Overall requirements and recommendations as outlined in UK Modern Slavery Act, California Transparency in Supply Chains Act and Australian Modern Slavery Act
55 [Benchmarking criteria of Business & Human Rights Resource Centre. FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action. 2018.](#) (benchmarking criteria reflects expectations on companies for reporting on modern slavery and summarizes expectations of other stakeholder organizations: KnowTheChain, Corporate Human Rights Benchmark, the Workforce Disclosure Initiative, UK Home Office and CORE Coalition)

*Source: [Benchmarking criteria of Business & Human Rights Resource Centre. FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action. 2018.](#) (benchmarking criteria reflects expectations on companies for reporting on modern slavery and summarizes expectations of other stakeholder organizations: KnowTheChain, Corporate Human Rights Benchmark, the Workforce Disclosure Initiative, UK Home Office and CORE Coalition)
** Business & Human Rights Resource Centre considers this criterion to be aspirational, it is not used for scoring

6. Support for reporting on management approach: Due diligence and supportive measures

In a nutshell:

- Disclosing the approach of managing modern slavery as a material topic communicates an organization's commitment and systematic due diligence efforts to identify, prevent, and mitigate, as well as how it investigates and remediates cases of modern slavery.
- Once modern slavery has been identified as a material topic, the GRI Standards provide a framework for reporting on the respective management approach.
- For reporting on management approach, the current expectations of key stakeholders such as governments and benchmarking initiatives include companies disclosing information that highlights policies and standards established to tackle modern slavery, related training, risks, and specific actions taken.

Once modern slavery has been identified by a company as a material topic, report users will likely be interested to learn about how much a company has advanced its efforts to tackle modern slavery in their operations and supply chain, including processes that the company has developed to manage the issue. Overall, acknowledging the issue and explaining where the company is in its work towards the elimination of modern slavery contributes to fostering trust from stakeholders and helps to better communicate a company's commitments and efforts.

"Being transparent about our due diligence policies across our supplier networks has been an essential part of communicating how we are mitigating and addressing modern slavery risks to our stakeholders."

Mary Wroten, Director, Global Sustainability, Ford

When reporting on modern slavery due diligence, companies should provide accurate descriptions of

the process to address specific risks⁵⁶ and disclose which stakeholders were consulted and why.⁵⁷ It is also expected that assessments and requirements are cascaded down beyond tier one of the supply chain.⁵⁸

As pointed out in the OECD Due Diligence Guidance for Responsible Business Conduct (RBC), practical action to communicate how impacts are addressed can include the following:

*"Publicly report relevant information on due diligence processes, with due regard for commercial confidentiality and other competitive or security concerns, e.g. through the enterprise's annual, sustainability or corporate responsibility reports or other appropriate forms of disclosure. Include RBC policies, information on measures taken to embed RBC into policies and management systems, the enterprise's identified areas of significant risks, the significant adverse impacts or risks identified, prioritized and assessed, as well as the prioritisation criteria, the actions taken to prevent or mitigate those risks, including where possible estimated timelines and benchmarks for improvement and their outcomes, measures to track implementation and results and the enterprise's provision of or co-operation in any remediation."*⁵⁹

The GRI Standards reflect these stakeholder expectations by offering general disclosures, generic disclosures related to management approach as well as topic-specific disclosures that can be used as a starting point for structured and comparable reporting.

The following sections explore reporting on different components of due diligence and supportive measures. Participants of the GRI-RLI Task Force on reporting on modern slavery emphasized that while there is increasing interest by stakeholders, measuring and reporting on effectiveness remains particularly challenging. Therefore, reporting on the effectiveness of actions is discussed in a separate [chapter](#) later in this publication.

Reporting on policies related to modern slavery

Stakeholders have specific expectations regarding policies related to the topic of modern slavery, therefore reporting on these policies is an important part of stakeholder management.

One of the ILO's 10 Principles for Business Leaders to Combat Forced Labour and Trafficking states that

*"businesses should have a clear and transparent policy, setting out the measures taken to prevent forced labor and trafficking, and clarify that the policy applies to all enterprises involved in a company's product and supply chains".*⁶⁰

The UK civil society coalition CORE Coalition recommends to include specific measures to prevent and address modern slavery in all relevant policies, including policies that concern business relationships, recruitment, procurement policies, whistle-blowing procedures, migrant labor, child labor, child protection, gender policies, supplier and employee codes of conducts, policies concerning remedy and compensation for labor rights abuses, policies relating to staff training and increasing awareness of modern slavery.⁶¹

Establishing a modern slavery policy can further help to develop zero-tolerance standards across the business and supply chains and reflects senior management buy-in and oversight.⁶² Further, organizations like RLI see reporting on those policies as good practice, and an indication of a company's commitment to secure decent conditions in business operations and supply chains.

Overall, report users might be interested to learn:

- Who is responsible for the company's modern slavery strategy, policy development, implementation and enforcement
- Whether the company consulted with expert stakeholders in reviewing or developing policy
- What are the relevant internal policies in place and how they relate to modern slavery

- What are the relevant policies for suppliers and business partners
- What are the internationally recognised human rights standards that the company references in the policies
- Are the policies publicly available and disseminated
- What are the mechanisms used to monitor compliance with policies and standards and the process in case of non-compliance
- Whether the company prohibits the imposition of any financial burdens on workers in its own operations, suppliers, and recruitment agencies

More information on different legal requirements⁶³ to report on policies can be found in [Appendix A](#), which also maps links to the GRI Standards.

Stakeholder expectations for reporting contents often go beyond the legal requirements and are more specific, as seen in Table 2 on the following page. This table provides an overview of the GRI Standards disclosures that can be used as the basis to report this information, and which related stakeholder expectations for specific information can be easily integrated when reporting against these GRI disclosures. In the list of GRI disclosures it is indicated if they are required only for the Comprehensive, or also for the Core option to report in accordance with the GRI Standards. The specific stakeholder expectations are based on the criteria that Business & Human Rights Resource Centre uses to evaluate and benchmark the modern slavery reporting of the FTSE 100 companies, which also summarizes expectations of other stakeholder organizations.⁶⁴

⁶⁰ https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_101171.pdf

⁶¹ https://corporate-responsibility.org/wp-content/uploads/2017/06/Core_RecommendedcontentFINAL-1.pdf

⁶² https://ergonassociates.net/wp-content/uploads/2018/10/Ergon_Modern_Slavery_Progress_2018_resource.pdf?x74739

⁶³ Overall requirements and recommendations as outlined in UK Modern Slavery Act, California Transparency in Supply Chains Act and Australian Modern Slavery Act

⁶⁴ [Benchmarking criteria of Business & Human Rights Resource Centre. FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action. 2018.](#) (benchmarking criteria reflects expectations on companies for reporting on modern slavery and summarizes expectations of other stakeholder organizations: KnowTheChain, Corporate Human Rights Benchmark, the Workforce Disclosure Initiative, UK Home Office and CORE Coalition)

Table 2. Linking specific stakeholder expectations relating to reporting on policies with GRI Standards.

Reporting on policies relevant for the topic of modern slavery		
GRI Standards or disclosures / in accordance option(s)	Specific contents suggested by stakeholder organizations*	For GRI reporters: Flagging specific content suggested by stakeholder organizations that is not included or specified at the same level of detail in the GRI disclosures, but can be easily integrated in reporting against them
GRI 102-20 Executive-level responsibility for economic, environmental, and social topics / <i>Comprehensive</i>	The company discloses leadership responsible for human rights strategy, including modern slavery	The company specifies who is responsible for human rights strategy, including modern slavery – for example disclosing whether any executive and/or non-Executive directors have responsibility for the company’s workforce. The company gives information for the direct operations and supply chain The company discloses how it reviews decision-making, responsibility and accountability systems at senior levels
GRI 102-26 Role of highest governance body in setting purpose, values, and strategy / <i>Comprehensive</i>	The company discloses the leadership, committees, departments or officers responsible for policy development, implementation and enforcement related to human rights and/or modern slavery	The company specifies who is responsible for policies related to modern slavery The company discloses how it reviews decision-making, responsibility and accountability systems at senior levels
GRI 103 Management approach (2016) / <i>Core and Comprehensive</i>		
GRI 102-21 Consulting stakeholders on economic, environmental, and social topics / <i>Comprehensive</i>	The company discloses that it has consulted with expert stakeholders (e.g. internal departments, NGOs, trade unions, international organisations) in developing or reviewing its human rights policies, which include modern slavery	The company indicates whether stakeholders were consulted in developing or reviewing human rights and modern slavery policies
	The company discloses its relevant internal policies and how they relate to modern slavery	

* Source: Benchmarking criteria of [Business & Human Rights Resource Centre](#), [FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action](#), 2018. (benchmarking criteria reflects expectations on companies for reporting on modern slavery and summarizes expectations of other stakeholder organizations: KnowTheChain, Corporate Human Rights Benchmark, the Workforce Disclosure Initiative, UK Home Office and CORE Coalition)

GRI 103 Management approach (2016) / <i>Core and Comprehensive</i>	The company discloses its relevant policies for suppliers and business partners, including investee clients or projects and how they relate to modern slavery	The company reports how it ensures that all overtime is voluntary and paid at the correct rate for workers in its critical supply chain
	The company references internationally recognised human rights standards, core ILO labor rights or the UN Guiding Principles on Business and Human Rights in its relevant internal and external policies, or aligns them with such standards	
	The company indicates that it makes policies publicly available & disseminates to all workers, business partners and other parties	
	The company provides details of any mechanisms used to monitor compliance with policies and standards	The company indicates how it establishes benchmarks and rules for monitoring improvements or termination with suppliers
GRI 414-2 Negative social impacts in the supply chain and actions taken	The company provides details of processes undertaken when there is a finding of non-compliance	
GRI 103 Management approach (2016) / <i>Core and Comprehensive</i>	The company indicates that it prohibits the imposition of any financial burdens (e.g. withholding wages or imposing recruitment fees or other expenses) on workers in its own operations, suppliers, and recruitment agencies	
	The company discloses that it has aligned the development of its human rights strategy with the UN Guiding Principles on Business & Human Rights*	
	The company discloses that it has processes in place to map and review its existing policies to identify whether there is sufficient coverage (or gaps) of risks related to modern slavery**	

** Business & Human Rights Resource Centre considers this criterion to be aspirational, it is not used for scoring

Reporting on embedding policy commitments: reporting on training

In addition to establishing policies, companies should provide training to relevant personnel including management, and provide or encourage training and capacity-building among suppliers. This helps to facilitate the implementation of policies and procedures. One of the ILO's 10 Principles for Business Leaders to Combat Forced Labour and Trafficking states that businesses should “train human resource, compliance officers, and auditors in means to identify forced labor in practice, and seek appropriate remedies”.⁶⁵ Reporting allows companies to communicate these efforts to their stakeholders.

Overall, report users might be interested to learn:

- Whether the company provides training on company policies and standards related to modern slavery to relevant employees
- Whether the company provides bespoke training for target audiences related to modern slavery risks they are likely to encounter
- Whether the company provides training and capacity-building to suppliers and encourages them to provide training to their employees and suppliers
- What the company's training plans are
- The format of such trainings
- Whether training is developed and delivered in partnership with experts
- How often the training is provided
- Whether the company evaluates the effectiveness of training provided to employees

More information on different legal requirements⁶⁶ to report on training relevant for the topic of modern slavery can be found in [Appendix A](#), which also maps links to GRI Standards.

Stakeholder expectations for reporting contents often go beyond the legal requirements and are more specific, as can be seen on Table 3 on the next page. The table provides an overview of the GRI Standards disclosures that can be used as the basis to report on this information, and which related stakeholder expectations for specific information can be easily integrated when reporting against GRI disclosures. In the list of GRI disclosures it is indicated if they are required only for the Comprehensive, or also for the Core option to report in accordance with the GRI Standards. The specific stakeholder expectations are based on the criteria that Business & Human Rights Resource Centre uses to evaluate and benchmark the modern slavery reporting of the FTSE 100 companies, which also summarizes expectations of other stakeholder organizations.⁶⁷

Table 3. Linking specific stakeholder expectations relating to training with GRI Standards.

Reporting on training relevant to the topic of modern slavery		
GRI Standards or disclosures / in accordance option	Specific contents suggested by stakeholder organizations*	For GRI reporters: Flagging specific content suggested by stakeholder organizations that is not included or specified at the same level of detail in the GRI disclosures, but can be easily integrated in reporting against them
GRI 412-2 Employee training on human rights policies and procedures / <i>Core and Comprehensive</i>	The company discloses that it provides training on company policies and standards related to modern slavery risks to relevant personnel including leadership (e.g. human resources, legal, compliance, sourcing, recruitment, purchasing)	The company specifies whether training includes training related to modern slavery
GRI 412-2 Employee training on human rights policies and procedures / <i>Core and Comprehensive</i>	The company indicates whether it provides bespoke training for target audiences related to modern slavery risks they are likely to encounter	The company indicates whether training includes bespoke content for target audiences related to modern slavery
	The company discloses that it provides training and capacity building to suppliers on risks, policies, and standards related to modern slavery and human trafficking	The company discloses that it encourages its suppliers to provide training to its employees and suppliers on modern slavery
	The company discloses that it encourages its suppliers to provide training to their employees and suppliers on modern slavery	The company discloses training plans for the future, including who will receive training on modern slavery (e.g. to certain group of employees, suppliers, certain regions)
	The company discloses training plans for the future, including who will receive training on modern slavery (e.g. to certain group of employees, suppliers, certain regions)	The company specifies whether it provides training and capacity building to suppliers as a measure taken to contribute to the abolition of child labor
GRI 412-2 Employee training on human rights policies and procedures / <i>Core and Comprehensive</i>	The company describes the format in which the training is provided (e.g. in-person instruction, video, pamphlet)	The company discloses the format in which the training is provided
GRI 412-2 Employee training on human rights policies and procedures / <i>Core and Comprehensive</i>	The company mentions it develops or delivers training in partnership with internal or external experts (experts are identified in statement)	The company discloses whether the training was developed and delivered in partnership with experts
GRI 412-2 Employee training on human rights policies and procedures / <i>Core and Comprehensive</i>	The company discloses how often it provides modern slavery training (e.g. quarterly, annually, refreshers courses)	The company specifies how often the training is provided
GRI 103 Management approach (2016) / <i>Core and Comprehensive</i>	The company indicates that it evaluates the effectiveness of training provided to employees (did recipients understand the purpose of the training such as how to identify modern slavery risks)	The company reports whether recipients understood the purpose of the training such as how to identify modern slavery risks

65 https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_101171.pdf

66 Overall requirements and recommendations as outlined in UK Modern Slavery Act, California Transparency in Supply Chains Act and Australian Modern Slavery Act

67 [Benchmarking criteria of Business & Human Rights Resource Centre. FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action. 2018.](#) (benchmarking criteria reflects expectations on companies for reporting on modern slavery and summarizes expectations of other stakeholder organizations: KnowTheChain, Corporate Human Rights Benchmark, the Workforce Disclosure Initiative, UK Home Office and CORE Coalition)

* Source: Benchmarking criteria of Business & [Human Rights Resource Centre. FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action. 2018.](#) (benchmarking criteria reflects expectations on companies for reporting on modern slavery and summarizes expectations of other stakeholder organizations: KnowTheChain, Corporate Human Rights Benchmark, the Workforce Disclosure Initiative, UK Home Office and CORE Coalition)



Reporting on risk assessment (actual and potential impacts)

Many companies operate within complex global supply chains and in some cases are not aware of the potential impacts they have. Assessing potential impacts such as modern slavery risks (through for example, tools, indicators, or supply chain mapping) informs an organization about the potential negative impacts that a company might contribute to directly and indirectly through its supply chains. It forms the basis for any decisions the organization wants to take to address these risks in line with its corporate values, and provides input for understanding the implications and the scale that the occurrence of modern slavery can have for the business, such as reputational risks.

Mapping the supply chain starting with tier one suppliers and going as far up as possible to identify the areas of concern is a starting point for recognizing possible impacts.⁶⁸ Later on, risks should be prioritized and key risk areas in the supply chain identified.⁶⁹

“Clear recognition of what the risks to people are” is one of the core aspects of transparency and meaningful reporting according to the UN Working Group on the issue of human rights and transnational corporations and other business enterprises, 2018.⁷⁰

According to Ergon Associates,⁷¹ reporting on risk assessments and outcomes should be at the heart of modern slavery statements; risk assessment should help identify any actual or potential human rights impacts.⁷²

Overall, report users might have the following specific questions:

- Whether the company has undertaken modern slavery risk assessment in its own business and supply chains
- How the risk assessment was carried out

- Whether the company mapped out its supply chains and areas of high risk
- Who the company consulted when developing and performing risk assessment
- The specific risks that the company has identified
- The priority areas for action based on risks identified in assessments
- The standards, methodologies or risk assessment templates used

“Currently, there is a lack of clarity around how companies assess the risk of modern slavery in their supply chains. By leveraging existing industry-standard risk assessment tools, companies can more efficiently leverage their resources, and be transparent about their approaches to identifying and mitigating risk. In turn, this makes benchmarking across companies easier, and helps key stakeholders understand and better evaluate how companies manage risk in their supply chains.”

Assent Compliance

More information on different legal requirements⁷³ to report on risk assessment can be found in [Appendix A](#), which also maps respective links to the GRI Standards.

Stakeholder expectations for reporting contents often go beyond the legal requirements and are more specific, as seen in Table 4 on the next page. This table provides an overview of the GRI Standards or Disclosures that can be used as the basis to report this information, and which related stakeholder expectations for specific information can be easily integrated when reporting against these GRI disclosures. In the list of GRI disclosures it is indicated if they are required only for the Comprehensive, or also for the Core option to report in accordance with the GRI Standards. The specific stakeholder expectations are based on the criteria that Business & Human Rights Resource Centre uses to evaluate and benchmark the modern slavery reporting of the FTSE 100 companies, which also summarizes expectations of other stakeholder organizations.⁷⁴

⁶⁸ <https://www.responsibleinvestment.org/wp-content/uploads/2018/08/HRVWG-Investor-Tool-Kit.pdf>

⁶⁹ Bales K., *Connecting Slavery and Environmental Destruction*. In: *Global Slavery Index 2016*

⁷⁰ UN Working Group on the issue of human rights and transnational corporations and other business enterprise. The Report of the Working Group on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises. Vol A/73/163.; 2018.

⁷¹ https://ergonassociates.net/wp-content/uploads/2018/10/Ergon_Modern_Slavery_Progress_2018_resource.pdf?x74739

⁷² <https://www.loening-berlin.de/wp-content/uploads/2018/10/2018-10-04-Knowledge-Paper-6-Modern-Slavery.pdf>

⁷³ Overall requirements and recommendations as outlined in UK Modern Slavery Act, California Transparency in Supply Chains Act and Australian Modern Slavery Act

⁷⁴ *Benchmarking criteria of Business & Human Rights Resource Centre, FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action. 2018.* (benchmarking criteria reflects expectations on companies for reporting on modern slavery and summarizes expectations of other stakeholder organizations: KnowTheChain, Corporate Human Rights Benchmark, the Workforce Disclosure Initiative, UK Home Office and CORE Coalition)

Table 4. Linking specific stakeholder expectations relating to reporting on risk assessment with GRI Standards

Reporting on risk assessment		
GRI Standards or disclosures / in accordance option	Specific contents suggested by stakeholder organizations*	For GRI reporters: Flagging specific content suggested by stakeholder organizations that is not included or specified at the same level of detail in the GRI disclosures, but can be easily integrated in reporting against them
GRI 102-46 Defining report content and topic Boundaries / <i>Core and Comprehensive</i>	The company reports that it has undertaken a risk assessment, which includes modern slavery risks, in its own business	The company indicates whether it has undertaken risk assessment of own business, which includes modern slavery risks
GRI 103 Management approach (2016) / <i>Core and Comprehensive</i> GRI 412-1 Operations that have been subject to human rights reviews or impact assessments / <i>Core and Comprehensive</i>	The company provides details of how the risk assessment of its operations was carried out, including what indicators, resources, tools were used	The company discloses information about which indicators, resources and tools were used to perform risk assessment of their operations
GRI 102-9 Supply chain / <i>Core and Comprehensive</i> GRI 102-10 Significant changes to the organizations and its supply chain / <i>Core and Comprehensive</i> GRI 408-1 Operations and suppliers at significant risk for incidents of child labor / <i>Core and Comprehensive</i> GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor / <i>Core and Comprehensive</i>	The company discloses it has mapped its supply chain or business relationships and identifies areas of high risk	The company ensures that all overtime is voluntary and paid at the correct rate for workers in its critical supply chain
GRI 103 Management approach (2016) / <i>Core and Comprehensive</i> GRI 102-46 Defining report content and topic Boundaries / <i>Core and Comprehensive</i>	The company reports that it has undertaken a risk assessment that includes modern slavery in its supply chain or other business relationships (including clients)	The company indicates whether it has undertaken risk assessment, of supply chain which includes modern slavery risks
GRI 103 Management approach (2016) / <i>Core and Comprehensive</i>	The company provides details of how the risk assessment of its supply chain was carried out including which indicators, resources, tools were used	The company discloses information about which indicators, resources and tools were used to perform risk assessment of company's operations

* Source: Benchmarking criteria of [Business & Human Rights Resource Centre. FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action. 2018.](#) (benchmarking criteria reflects expectations on companies for reporting on modern slavery and summarizes expectations of other stakeholder organizations: KnowTheChain, Corporate Human Rights Benchmark, the Workforce Disclosure Initiative, UK Home Office and CORE Coalition)

GRI 102-29 Identifying and managing economic, environmental, and social impacts / <i>Comprehensive</i>	The company reports that it has consulted with potentially affected rights holders when developing or carrying out a risk assessment The company discloses that it incorporates in its risk assessment a specific focus on vulnerable groups such as women, children and migrants**	The company indicates whether rights holders were consulted when developing and carrying out a risk assessment The company indicates whether a specific focus on vulnerable groups such as women, children and migrants were incorporated in its risk assessment
GRI 102-29 Identifying and managing economic, environmental, and social impacts / <i>Comprehensive</i>	The company reports that it sought input from an expert stakeholder(s) (e.g. internal departments, local NGOs, trade unions) when developing and/or undertaking internal or external assessments (expert has been identified in statement)	The company indicates whether expert stakeholders were consulted when developing and/or undertaking assessments
GRI 102-15 Key impacts, risks, and opportunities / <i>Comprehensive</i> GRI 408-1 Operations and suppliers at significant risk for incidents of child labor / <i>Core and Comprehensive</i> GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor / <i>Core and Comprehensive</i>	The company discloses the modern slavery risks it has identified in its own business, including workforce at risk	The company discloses the significant risks related to the worst forms of child labor and forced labor
GRI 102-15 Key impacts, risks, and opportunities / <i>Comprehensive</i> GRI 408-1 Operations and suppliers at significant risk for incidents of child labor / <i>Core and Comprehensive</i> GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor / <i>Core and Comprehensive</i> GRI 414-2 Negative social impacts in the supply chain and actions taken / <i>Core and Comprehensive</i>	The company discloses the modern slavery risks it has identified in its supply chain (e.g. high-risk sourcing countries/commodities/raw materials/sectors/workforce)	The company discloses the significant risks related to the worst forms of child labor and forced labor The company discloses that it ensures employment and/or recruitment agencies used in its supply chain are monitored to assess and address risks of forced labor and human trafficking, and provides details of how it supports ethical recruitment in its supply chain
GRI 102-15 Key impacts, risks, and opportunities / <i>Comprehensive</i>	The company discloses priority areas for action in its operations and supply chains based on risks identified in assessments	

** Business & Human Rights Resource Centre considers this criterion to be aspirational, it is not used for scoring

The following are examples of extracts of reporting on some of the contents mentioned above. Inclusion of examples from reporting organizations does not imply endorsement – these examples are included as a means of illustrating current reporting practice and as a source of inspiration.

REPORTING EXAMPLE ON MAPPING DIFFERENT TIERS OF THE SUPPLY CHAIN

Modern slavery impacts are also relevant in terms of being identified outside the main business operations, that is to say, throughout the supply chain. This is linked to one of the main challenges that companies face, which is mapping and reporting on complex and interlinked global supply chains beyond their immediate Tier 1 suppliers. ASOS, a UK-based multi-platform clothing retailer has attempted to tackle this challenge by presenting its supply chain with separate defined tiers, and disclosing the mapping status of each tier with clear targets for completion. In this case, the data (status of mapping) is based on the number of suppliers who have accepted the company’s subcontracting policy, requiring them to have full oversight and visibility of their own supply chains, in addition to keeping detailed records to ensure that all products are manufactured in accordance with the Supplier Ethical Code, which specifically prohibits child and forced labor.

TERM	DEFINITION	EXAMPLE	STATUS
Tier 1	Main production sites	Factory which cuts, sews, finishes ASOS Brands product and ships to ASOS	Fully mapped
Tier 2	Process integral to production	Provider of one or more processes e.g. stitching, cutting, packing, quality control, warehouses	90% mapped* – completion 2017/18
Tier 3	Enhancements to Product	Provider of one or more processes e.g. printing, dyeing, laundry, embroidery	90% mapped* – completion 2017/18
Tier 4	Fabric and components	Fabric mills, tanneries, hardware and trims	Partially mapped - completion 2018/19
Tier 5	Raw materials	Textile fibres, natural and manmade materials	Key commodities mapped 2020

Table 1: Tier structure of ASOS Brands supplier factories
* This data is based on the number of suppliers who have accepted our subcontracting policy, requiring them to disclose their lower tier factories if applicable.

Source: [ASOS Modern Slavery Statement September 2016 - March 2018, pg. 2](#)

Seagate remains vigilant to the risk of child labor and forced labor within our supply chain. The highest risk of forced labor in our supply chain is where foreign labor is utilized; suppliers in Malaysia, Thailand and Singapore pose the highest risk. This is why, in addition to carrying out risk assessments and audits, our training on forced labor has been focused on suppliers in these countries over the years.”

Seagate

REPORTING EXAMPLE ON PROGRESS AND RISK ASSESSMENT

Bettys & Taylors Group is a family-owned business based in the United Kingdom; business operations include cafés and bakeries, an online retail business, a cookery school, and manufacturing businesses for tea and coffee. A table from the company’s 2017 Modern Slavery Statement provides an overview of business activities, risk ratings for each activity overall, measures taken to mitigate risk, along with progress and impacts made in the reporting year. The final column discloses any remaining significant risks or gaps on effectiveness and impacts.

Business activity	Source countries	Inherent risk	Mitigating factors	Progress in 2017	Significant residual risks and gaps
Sourcing: Black and speciality tea	% by volume: <50% Kenya <20% Rwanda <20% India <10% Malawi <5% Tanzania <5% Ethiopia <0.5% Indonesia <0.5% Zimbabwe <0.5% Sri Lanka <0.5% China <0.5% Uganda	High	100% third party certification; Ethical Tea Partnership membership and board representation; direct relationship model and high frequency of supplier visits provide relatively high levels of transparency.	<ul style="list-style-type: none">Our Modern Slavery Policy has been shared with our suppliers and to date all suppliers, with the exception of those in Indonesia, have formally signed up to it.C. £1m annual value chain investment, targeting improvements to social and environmental conditions in sourcing origins.	We recognise we need to understand more about wages and employment conditions in the Kenyan tea smallholder sector. We'll continue to work to encourage Indonesian suppliers to formally sign up to our policy.
Sourcing: Green Coffee	% by volume: <30% Brazil <20% Nicaragua <20% Colombia <10% Rwanda <10% Uganda <5% Ethiopia <5% Mexico <5% Indonesia <5% El Salvador <5% Kenya <2% India <2% Honduras <2% Peru	High	100% third party certification; direct relationship model and high frequency of supplier visits provide relatively high levels of transparency.	<ul style="list-style-type: none">India: continued investment in UNICEF gender empowerment programme; Plantation Community Empowerment Programme prototypes established at 4 tea estates; ongoing review of living and working conditions leading to the consolidation of supply base.Malawi: ongoing commitment to achieve a Living Wage for tea workers by 2020.Nicaragua: improved living and working conditions for migrant labour on coffee farms.	

Source: [Bettys & Taylors Group Modern Slavery Statement 2017, pg. 7](#)



More perspectives on room for improvement regarding current reporting practice, and reporting examples can be found below and in [Appendix B](#):

- [KnowTheChain. Information and Communications Technology Benchmark Findings Report \(2018\)](#)
- [KnowTheChain. Food & Beverage Benchmark Findings Report \(2018\)](#)
- [KnowTheChain. Apparel & Footwear Benchmark Findings Report \(2018\)](#)
- [KnowTheChain. Three Sectors, Three Years Later: Progress and Gaps in the Fight Against Forced Labor \(2019\)](#)
- [Business & Human Rights Resource Centre. FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action \(2018\)](#)
- [Ergon. Modern slavery reporting: Is there evidence of progress? \(2018\)](#)

Reporting on actions taken to prevent and mitigate risks

“Investors should signal to investee companies that comprehensive human rights risk due diligence and management of human rights-related impacts, notably in relation to modern slavery, are evidence of strong corporate governance and management.”

Business & Human Rights Resource Centre⁷⁵

Although stakeholder groups do not expect modern slavery to be immediately solved by a company, it is expected that action to address modern slavery is taken based on the findings of the risk assessment process.⁷⁶ The Shift Project states that, good practice in reporting on taking actions on human rights issues entails more than just stating that actions were taken, it also means explaining why and how it was done, as well as disclosing plans for further progress.⁷⁷

Businesses have great potential to advance their contribution towards eliminating modern slavery and can even increase this capability by collaborating with business partners and stakeholders. Building relationships with stakeholders and integrating their insights is one of the core principles of good practice when building a modern slavery due diligence process.⁷⁸

Overall, report users might be interested to learn:

- Whether the company assesses modern slavery risks before entering into contracts with suppliers
- Whether the company includes relevant provisions in suppliers’ contracts and works with them to improve their labor rights practices
- Whether the company requires the suppliers to cascade modern slavery standards down their own supply chains
- Whether the company monitors its suppliers and the results of the monitoring process
- Whether the company actively participates in multi-stakeholder collaborations or industry initiatives

- Whether the company engages directly with workers in the supply chain
- Whether the company and its suppliers ensure that there are grievance mechanisms in place
- The specific actions that company will take in the upcoming financial year to address modern slavery issues and whether progress was made on commitments made in the previous year’s statement
- The company’s corrective action plans and how the company has verified that they have been implemented and/or remedy has been provided

More information on different legal requirements⁷⁹ to report on risk assessment can be found in [Appendix A](#), which also maps respective links to GRI Standards.

Stakeholder expectations for reporting contents often go beyond the legal requirements and are more specific, as seen in Table 5 on the next page. This table provides an overview of the GRI Standards or Disclosures that can be used as the basis to report this information, and which related stakeholder expectations for specific information can be easily integrated when reporting against these disclosures. In the list of GRI Standards or disclosures it is indicated if they are required only for the Comprehensive, or also for the Core option to report in accordance with the GRI Standards. The specific stakeholder expectations are based on the criteria that Business & Human Rights Resource Centre uses to evaluate and benchmark the modern slavery reporting of the FTSE 100 companies, which also summarizes expectations of other stakeholder organizations.⁸⁰

⁷⁵ <https://www.business-humanrights.org/sites/default/files/FTSE%20100%20Briefing%202018.pdf>

⁷⁶ <https://www.gov.uk/government/publications/transparency-in-supply-chains-a-practical-guide>

⁷⁷ https://www.shiftproject.org/media/resources/docs/Shift_MaturityofHumanRightsReporting_May2017.pdf

⁷⁸ <https://www.ethicaltrade.org/resources/base-code-guidance-modern-slavery>

⁷⁹ Overall requirements and recommendations as outlined in UK Modern Slavery Act, California Transparency in Supply Chains Act and Australian Modern Slavery Act

⁸⁰ [Benchmarking criteria](#) of Business & Human Rights Resource Centre. FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action. 2018. Benchmarking criteria reflects expectations on companies for reporting on modern slavery and summarizes expectations of other stakeholder organizations: KnowTheChain, Corporate Human Rights Benchmark, the Workforce Disclosure Initiative, UK Home Office and CORE Coalition.

Table 5. Linking specific stakeholder expectations relating to actions taken to prevent and mitigate risks with GRI Standards.

Reporting on actions taken to prevent and mitigate risks		
Relevant GRI Standards or Disclosures / in accordance option	Specific contents suggested by stakeholder organizations*	For GRI reporters: Flagging specific content suggested by stakeholder organizations that is not included or specified at the same level of detail in the GRI disclosures, but can be easily integrated in reporting against them
GRI 103 Management approach (2016) / <i>Core and Comprehensive</i>	The company states that it assesses forced labor/modern slavery risks before entering into contracts with suppliers (e.g. charging recruitment fees or other costs, withholding of wages, retention of passports/personal identification)	The company discloses how it establishes benchmarks and rules for monitoring improvements or termination with suppliers The company indicates how it reviews information sources and systems – ensure evidence is credible, verifiable and relevant
	The company discloses that it includes provisions related to modern slavery risk factors in supplier contracts	The company specifies whether it includes provisions related to modern slavery in supplier contracts The company ensures employment and/or recruitment agencies used in its supply chain are monitored to assess and address risks of forced labor and human trafficking, and provides details of how it supports ethical recruitment in its supply chain
	The company discloses it works with suppliers to improve their labor rights practices (e.g. freedom of association and collective bargaining, freedom of movement, living wage)	The company specifies whether it works with suppliers to improve their labor rights practices
	The company discloses that it requires first tier suppliers to cascade the company’s human rights and modern slavery standards down their own supply chains	The company specifies whether it requires first tier suppliers to cascade modern slavery standards down their own supply chains
GRI 414-2 Negative social impacts in the supply and actions taken / <i>Core and Comprehensive</i> GRI 414-1 New suppliers that were screened using social criteria / <i>Core and Comprehensive</i>	The company discloses that it monitors suppliers on modern slavery and other labor rights issues and discloses results of those monitoring processes (e.g. audits, site visits)	The company ensures employment and/or recruitment agencies used in its supply chain are monitored to assess and address risks of forced labor and human trafficking, and provides details of how it supports ethical recruitment in its supply chain
GRI 102-12 External Initiatives / <i>Core and Comprehensive</i> GRI 102-13 Membership of associations / <i>Core and Comprehensive</i>	The company reports on participation in multi-stakeholder collaborations or industry initiatives related to human rights or modern slavery, and provides details of participation (more than passive membership)	
GRI 414-2 Negative social impacts in the supply and actions taken / <i>Core and Comprehensive</i>	The company discloses that it engages directly with workers in the supply chain, such as interviewing workers as part of monitoring processes or site visits	The company specifies whether it engages directly with workers in the supply chain as part of assessment
GRI 103 Management approach (2016) / <i>Core and Comprehensive</i>	The company reports that it ensures there is a grievance mechanism(s) (its own, third party or shared) available to all workers to raise human rights related complaints/concerns (including labor conditions) without retaliation	The company provides the number of whistleblowing incidents in the reporting period.

* Source: Benchmarking criteria of [Business & Human Rights Resource Centre](#). [FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action](#). 2018. Benchmarking criteria reflects expectations on companies for reporting on modern slavery and summarizes expectations of other stakeholder organizations: KnowTheChain, Corporate Human Rights Benchmark, the Workforce Disclosure Initiative, UK Home Office and CORE Coalition.

GRI 103 Management approach (2016) / <i>Core and Comprehensive</i>	The company indicates that it expects its suppliers to establish a mechanism(s) for workers to raise complaints/concerns, including about human rights issues, and discloses that it communicates this expectation to its suppliers	The company specifies that it expects its suppliers to establish a mechanism(s) for workers to raise complaints/ concerns and communicates this expectation to its suppliers
GRI 414-2 Negative social impacts in the supply chain and actions taken / <i>Core and Comprehensive</i>	The company includes the specific actions that it will take in the upcoming financial year to address modern slavery and human trafficking issues, and progress made on actions committed to in previous year’s statement	The company discloses specific actions planned for the upcoming reporting year
GRI 103 Management approach (2016) / <i>Core and Comprehensive</i> GRI 414-2 Negative social impacts in the supply and actions taken / <i>Core and Comprehensive</i> GRI 103 Management approach (2016) / <i>Core and Comprehensive</i>	The company mentions its corrective action plans and explains how it verifies that they have been implemented and/or remedy has been provided, such as record review, employee interviews, spot-checks or other means	The company discloses how it reviews information sources and systems – ensuring evidence is credible, verifiable and relevant
GRI 103 Management approach (2016) / <i>Core and Comprehensive</i>	The company states that it prioritises suppliers that demonstrate respect for human rights, including modern slavery, in its selection process*	The company specifies whether the company prioritises suppliers that demonstrate respect for human rights
GRI 103 Management approach (2016) / <i>Core and Comprehensive</i>	The company indicates that it provides incentives to its suppliers that respect human rights (e.g. price premiums, repeat business, increased orders or longer-term contracts with good performers)*	The company specifies whether it provides incentives to its suppliers that respect human rights
GRI 103 Management approach (2016) / <i>Core and Comprehensive</i>	The company describes how potential or actual users of the grievance mechanism(s) engaged on the development of the mechanism*	The company describes how potential or actual users of the grievance mechanism(s) engaged on the development of the mechanism
GRI 103 Management approach (2016) / <i>Core and Comprehensive</i>	The company discloses internal procedures to ensure responsible purchasing practices (e.g. adequate procurement pricing, prompt payment and good planning, avoid short-term contracts, excessive downward pressure on pricing, and sudden changes of workload)*	The company discloses that it ensures that all overtime is voluntary and paid at the correct rate for workers in its critical supply chain
GRI 103 Management approach (2016) / <i>Core and Comprehensive</i> GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk / <i>Core and Comprehensive</i>	The company discloses that it works with local or global trade unions to support freedom of association in its supply chain*	
GRI 103 Management approach (2016) / <i>Core and Comprehensive</i>	The company discloses that it engages with expert stakeholders (e.g. local NGOs, trade unions, consultants, government) to understand the local context where it has operations and supply chains (e.g. existence and enforcement of national labor and human rights laws, incidence of corruption, protection of civil space)*	
GRI 103 Management approach (2016) / <i>Core and Comprehensive</i>	The company discloses that it pays its employees living wage and expects its suppliers to pay living wage**	

** Business & Human Rights Resource Centre considers this criterion to be aspirational, it is not used for scoring



The following is an example of extracts of reporting on some of the contents mentioned above. Inclusion of an example from reporting organizations does not imply endorsement – these examples are included as a means of illustrating current reporting practice and as a source of inspiration.

REPORTING EXAMPLE ON WORKING WITH SUPPLIERS TO IMPLEMENT DUE DILIGENCE MEASURES

Nestlé, a multinational food and beverage company, produces a separate report disclosing its efforts to tackle child labor as a specific issue in its cocoa supply chains. The report contains contextual information about the company's supply chain in West Africa, details of various local initiatives and partnerships, in addition to measures taken as part of these initiatives, and disclosed some results and impacts.

“We are firmly opposed to all forms of child exploitation and are committed to preventing and eliminating child labour wherever it occurs in our supply chain. Following the limited impact of previous measures to address child labour in cocoa, in 2011 we partnered with the Fair Labor Association (FLA) to look into the issue. One of the recommendations in the FLA's comprehensive report was to set up a Child Labour Monitoring and Remediation System (CLMRS).”

“The main success of the programme to date has been to work with over 48,000 farmers and their children to identify which of them are at risk and to put in place measures to improve their situations.”

Source: [Nestlé Cocoa Plan – Tackling Child Labour 2017 Report, pg.7 and pg.53](#)

7. Support for reporting on evaluation and effectiveness of action

In a nutshell:

- Key stakeholders expect companies to report on the evaluation and the effectiveness of actions taken to tackle modern slavery.
- The GRI Standards support reporting on the effectiveness of these actions by providing the framework for holistic reporting on evaluation of management approach of modern slavery as a material topic.
- Disclosing the effectiveness of the efforts to tackle modern slavery reflects companies' advancements and approaches to tracking progress of the company's contribution to eliminate modern slavery.

There has been growing interest and increased expectations around reporting on the effectiveness of activities related to addressing modern slavery, yet many modern slavery statements do not include discussion of this aspect.⁸¹ Reporting on the evaluation of effectiveness of actions taken to tackle modern slavery provides report users with information about a company's approach to tracking progress and actual advancement.

Opportunities and challenges

As pointed out in the Base Code Guidance for modern slavery,⁸² stating intentions to take actions or listing actions may not suffice – businesses are expected to demonstrate measurable and verifiable results of actions taken to mitigate or reduce risk. A first step towards meeting these expectations is to begin tracking effectiveness by developing relevant key performance indicators (KPIs) or applying other methods that attempt to measure impact.

Measuring effectiveness and reporting on it also helps reporters to evaluate how effective their actions have been and adjust the management approach accordingly over time.

Reporters and report users agree that reporting on the effectiveness of actions is one of the most challenging areas in disclosing information about company's efforts to eradicate modern slavery. Participants of the GRI-RLI Task Force on reporting on modern slavery emphasized that it is challenging to define quantitative and comparable representations, keeping in mind that relevant KPIs may differ from company to company, and that the systems in which companies operate are dynamic. Therefore, it is useful to provide qualitative information alongside quantitative indicators to provide contextual evidence.

"Context is vital to HPE's reporting strategy. Data should be presented meaningfully and with reference to efforts to identify and address root causes."

HPE

In addition, participants in the GRI-RLI Task Force pointed out that when defining KPIs, companies should be careful not to mix 'output' (see chapter "[Reporting on actions taken to prevent and mitigate risks](#)") with 'outcome'. Report users are interested to learn about the outcome in terms of the impact of the actions taken on people. Providing information about the company's long-term vision, including concrete goals and demonstrated progress over time indicates commitment for continuous improvement. Moreover, undergoing a third-party review process and including testimonials about the outcome can increase the credibility of the reported information.

Stakeholder expectations

Overall, report users might be interested to learn:

- The KPIs or other methods that companies use to measure the effectiveness of efforts to address modern slavery, and the rationale for them
- Whether the company developed KPIs or other metrics in collaborations with expert stakeholders
- Whether the company reviews progress against KPIs
- The results of these KPIs or other practices

- How business decisions are informed by these results
- The results of corrective action plans for risks of modern slavery identified in the risk assessment, audits or in some other manner
- The grievances or allegations related to modern slavery or labor rights received or identified, if any
- The results of actions plans implemented to resolve the complaints, or potential outcomes in case of no grievances or allegations
- Whether the company has evaluated existing KPIs used for different purposes to determine if the values of these KPIs indicate that business and supply chain are vulnerable to modern slavery

Beyond the suggested contents seen above, one of the recommendations the organization KnowTheChain provides to report preparers is to focus on contextual levers for lasting change. Examples of information that stakeholders would be interested in seeing reported as context include:

- Purchasing practices: whether KPIs of procurement staff and/or senior management are linked to supply chain labour conditions; the extent to which human rights performance of suppliers is linked to sourcing decisions – length of relationships or percentage of contracts awarded to suppliers with highest social performance).
- Recruitment: percentage of suppliers using ethical recruitment agencies.⁸³
- Labor practices and decent work: percentage of unionization by sourcing country; reporting on usage and effectiveness of grievance mechanisms (including number and types of grievances received by suppliers' workers; evaluating effectiveness of grievance mechanisms by applying criteria of UN Guiding Principles on Business and Human Rights⁸⁴); evidence of the positive impact of worker engagement (such as increase in worker understanding of their rights and ability to negotiate with management; improvements based on worker feedback or worker-management dialogue).

"KnowTheChain believes that reporting on the effectiveness of human rights policies and practices is crucial. Not least as human rights due diligence is an area that is hard to assess on a purely quantitative basis, reporting on effectiveness is key to help stakeholders understand that a company is moving beyond good intentions and is taking meaningful steps towards eradicating modern slavery."

KnowTheChain

Stakeholders acknowledge that in some cases it can take longer to identify and measure the effectiveness of actions. Nevertheless, companies should also consider reporting on milestones and interim results.⁸⁵

More information on different legal requirements⁸⁶ to report on evaluation and effectiveness of actions can be found in [Appendix A](#), which also maps links to the GRI Standards.

Stakeholder expectations for reporting contents often go beyond the legal requirements and are more specific, as seen on Table 6 on the next page. The table provides an overview of the GRI Standards disclosures that can be used as the basis to report this information, and the related stakeholder expectations for specific information that can be easily integrated when reporting against these GRI disclosures. In the list of GRI disclosures it is indicated if they are required only for the Comprehensive, or also for the Core option to report in accordance with the GRI Standards. The specific stakeholder expectations are based on the criteria that Business & Human Rights Resource Centre uses to evaluate and benchmark the modern slavery reporting of the FTSE 100 companies, which also summarizes expectations of other stakeholder organizations.⁸⁷

81 https://ergonassociates.net/wp-content/uploads/2018/10/Ergon_Modern_Slavery_Progress_2018_resource.pdf?x74739

82 <https://www.ethicaltrade.org/resources/base-code-guidance-modern-slavery>

83 <https://www.sedexglobal.com/responsible-recruitment-human-rights-whats-solution/>

84 https://www.ohchr.org/documents/publications/GuidingprinciplesBusinesshr_eN.pdf

85 <https://www.ethicaltrade.org/resources/base-code-guidance-modern-slavery>

86 Overall requirements and recommendations as outlined in UK Modern Slavery Act, California Transparency in Supply Chains Act and Australian Modern Slavery Act

87 Benchmarking criteria of Business & Human Rights Resource Centre. FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action. 2018. (benchmarking criteria reflects expectations on companies for reporting on modern slavery and summarizes expectations of other stakeholder organizations: KnowTheChain, Corporate Human Rights Benchmark, the Workforce Disclosure Initiative, UK Home Office and CORE Coalition)

Table 6. Linking specific stakeholder expectations relating to evaluation and effectiveness of actions with GRI Standards.

Reporting on evaluation and effectiveness of actions*		
GRI Standards or Disclosures / in accordance option	Specific contents suggested by stakeholder organizations**	For GRI reporters: Flagging specific content suggested by stakeholder organizations that is not included or specified at the same level of detail in the GRI disclosures, but can be easily integrated in reporting against them
GRI 103 Management approach (2016) / Core and Comprehensive	The company discloses any key performance indicators or other methods used to measure the effectiveness of efforts to address modern slavery risks, with rationale for each KPI (relationship to modern slavery must be explicit)	The company indicates that it reviews information sources and systems – ensuring evidence is credible, verifiable and relevant
	The company discloses the results of the KPIs or other practices it has in place	
	The company describes if and how business decisions are informed by the results of such methods	
	The company discloses that it reviews progress against KPIs & revises if necessary	
	The company discloses that it developed KPIs or other metrics in collaboration with expert stakeholders (e.g. internal departments, NGOs, consultants)	
	The company discloses the results of corrective actions plans for risks of modern slavery identified in the risk assessment, audits or in some other manner	
	The company discloses the grievances/allegations related to modern slavery or labour rights received/identified, if any, and the results of action plans implemented to resolve those complaints or potential outcomes in case of no grievance/allegations	
	The company discloses it has evaluated existing KPIs used for different purposes to determine whether the values of these KPIs indicate any areas of the business and supply chain that are vulnerable to modern slavery	
GRI 103 Management approach (2016) / Core and Comprehensive	The company indicates that it evaluates the effectiveness of training provided to employees (did recipients understand the purpose of the training such as how to identify modern slavery risks)	The company reports whether recipients understood the purpose of the training such as how to identify modern slavery risks

* Overall requirements and recommendations as outlined in UK Modern Slavery Act, California Transparency in Supply Chains Act and Australian Modern Slavery Act

** Source: Benchmarking criteria of [Business & Human Rights Resource Centre. FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action. 2018.](#) (benchmarking criteria reflects expectations on companies for reporting on modern slavery and summarizes expectations of other stakeholder organizations: KnowTheChain, Corporate Human Rights Benchmark, the Workforce Disclosure Initiative, UK Home Office and CORE Coalition)

Current practice: Evaluation and effectiveness of actions

While reporting on effectiveness of actions remains a challenging topic, some companies have demonstrated early efforts to measure and report impact where they have leverage and visibility. Reporting on conducted modern slavery or related human rights training for suppliers and employees is a commonly observed practice when disclosing impacts.

The following are examples of extracts of reporting on some of the contents mentioned above. Inclusion of examples from reporting organizations does not imply endorsement – these examples are included as a means of illustrating current reporting practice and as a source of inspiration.

REPORTING EXAMPLE ON IMPACT OF TRAININGS

The Co-op is a British consumer co-operative with a diverse set of retail businesses in its portfolio, with grocery retailers making up a significant portion. The extract below demonstrates the company reporting on its involvement with CSO Stronger Together, and the modern slavery training sessions offered to employees as a result of this initiative. Also, the company attempts to measure impact by reporting on participants' feedback and understanding of such trainings.

Box 5

Supplier capacity building on modern slavery

Modern slavery is a complex issue which can be hidden in plain sight, which is why we continue to put a lot of effort into raising awareness and understanding of the issue among our suppliers.

- The Co-op is a founder sponsor of UK stakeholder alliance [Stronger Together](#), and all our suppliers are entitled to one free place on Stronger Together training sessions. 100% of key Co-op brand suppliers with sites in the UK (729 delegates from 252 sites) have attended a training session since 2013.
- An impact assessment of the Stronger Together programme carried out in 2017 told us that 96% of respondents agreed Stronger Together had increased their knowledge and understanding of modern slavery¹⁵.
- We hosted five Stronger Together training events at our Manchester Support Centre in 2017, including a one-day course for GSNFR suppliers. Approximately 20 of our high-risk GSNFR suppliers - including from facilities management companies, labour providers

and insurance service providers - took part alongside key colleagues from Procurement and higher-risk business areas.

- Modern slavery is regularly discussed at our regional supplier forums; in 2017 we were supported by experts from Anti-Slavery West Midlands, the [GLAA](#) and Stronger Together. Training on responsible recruitment and the elimination of recruitment fees was also integrated into our Food Strategic Forum and annual Ethical Trade Conference.
- In 2017 colleagues from our Food Ethical Trade team also supported Stronger Together training in Spain, and the launch of Stronger Together in South Africa.

Source: [The Co-op Modern Slavery and Human Trafficking Statement 2017, page 11](#)

The remedial practice of repaying exploitative recruitment fees⁸⁸ – those that may be imposed on low-skilled laborers by recruitment agencies in global supply chains⁸⁹ – is being increasingly reported among companies as a demonstrable outcome of policies addressing modern slavery practices.

REPORTING EXAMPLE ON DISCLOSING REIMBURSEMENT FIGURES

Apple Inc., an American technology multinational, has disclosed the total amount of recruitment fees paid by foreign contract workers that were reimbursed for the previous year in each annual modern slavery statement since the company introduced the policy of prohibiting such fees. (Key points highlighted)

To eradicate bonded labor, in October 2014, we informed our suppliers that, starting in 2015, they could no longer charge any recruitment fees to foreign contract workers employed within Apple's supply chain. Prior to 2015, Apple required suppliers to reimburse foreign contract workers for any recruitment fees exceeding one month of the worker's anticipated net wage, irrespective of the length of the foreign worker's contract. We check that these requirements are met by using a robust auditing process that includes interviews with foreign contract workers conducted in their native languages; interviews with labor agents; and a complete check of corresponding documents. Since our program began in 2008, reimbursements to more than 35,000 foreign contract workers totaled US\$30 million. In 2017, reimbursements of more than US\$1.9 million were provided to more than 1,500 foreign contract workers.


Source: [Apple Statement on Efforts to Combat Human Trafficking, 2017, pg. 3](#)

88 On understanding the term remediation in the Guiding Principles, see e.g., <https://www.shiftproject.org/resources/publications/remediation-grievance-mechanisms-corporate-responsibility-respect-human-rights/>. According to the OECD Due Diligence Guidance for Responsible Business Conduct, "the provision of a remedy is not a component of due diligence but a separate, critical process that due diligence should enable and support".

89 <https://migrationdataportal.org/themes/migrant-recruitment-costs>

REPORTING EXAMPLE ON DIRECT IMPACT INITIATIVES

The Co-op, in addition to reporting on their efforts to tackle modern slavery in different publications and using a variety of KPIs to highlight progress made in addressing modern slavery, also highlights its involvement with numerous 'on-the-ground' initiatives, demonstrating engagement with this topic that goes beyond reporting on due diligence.



In 2016 we formed a partnership with the charity City Hearts to develop our 'Bright Future' programme.

City Hearts is a charity that provides support to victims of human trafficking in the UK. It operates a number of safe houses for victims and is part of the National Referral Mechanism (NRM) - working closely with the Salvation Army. The NRM, managed by the Home Office, is the government framework which identifies and supports potential victims of modern slavery and provides them with appropriate support during a six week time frame. City Hearts continues to work with individuals who have been confirmed as victims after this six-week period, offering practical support to help individuals and their families rebuild their lives.

Bright Future is providing a pathway to paid employment for victims of modern slavery. In 2017 our goal is to offer 30 people who've been rescued from conditions of slavery in the UK, the opportunity of paid work experience and, if suitable, a guaranteed job. By April 2017, we are delighted to say that four people had already completed the Bright Future Programme, all finding permanent employment as a result - three with the Co-op. Another six people joined the programme in April - the start of a brighter future.

We're proud of our colleagues who are helping victims of modern slavery to become survivors and potential new colleagues.

Source: [The Co-op Tackling Modern Slavery Report, pg. 5](#)

More reporting examples and perspectives on room for improvement for current reporting practices can be found:

- [KnowTheChain. Information and Communications Technology Benchmark Findings Report \(2018\)](#)
- [KnowTheChain. Food & Beverage Benchmark Findings Report \(2018\)](#)
- [KnowTheChain. Apparel & Footwear Benchmark Findings Report \(2018\)](#)
- [Business & Human Rights Resource Centre. FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action \(2018\)](#)
- [Ergon. Modern slavery reporting: Is there evidence of progress? \(2018\)](#)



Observations and recommendations

Reporting on the effectiveness of actions taken to prevent modern slavery is clearly a challenge for many companies as highlighted by participants in the GRI-RLI corporate Task Force on reporting on modern slavery, but this reporting area also presents opportunities for innovation and leadership. While companies are already currently reporting on actions taken such as number of trainings given and total monetary disbursements given during remediation processes,⁹⁰ few are reporting on the observable impacts of such measures. Also, when reporting quantitative information, such as monetary disbursements, reporters should provide enough contextual information to allow report users to better understand the impact of these actions. Reporting in detail on any initiatives or partnerships with CSOs to address modern slavery is not widespread, yet it presents an opportunity for companies to demonstrate their commitment and successful on-the-ground efforts to address modern slavery.

⁹⁰ Remediation processes in the context of modern slavery should result in a situation where any slavery-like practices are ended, with any negative impact experienced by the victims reversed or minimized as far as possible. Source: <https://ergonassociates.net/wp-content/uploads/2018/12/Managing-Risks-Associated-with-Modern-Slavery.pdf?x74739>

8. Concluding remarks

- The trend towards increasing regulation on reporting on modern slavery is expected to continue, and organizations benefit from preparation.
- Despite gaps in reporting on modern slavery, there is noticeable progress and willingness to improve transparency. This reporting resource was developed in collaboration with participants of the GRI-RLI corporate Task Force on reporting on modern slavery and in consultation with report users. It aims to provide non-prescriptive support for reporters in understanding a wider perspective from a range of stakeholder expectations and highlight practical examples and experiences of other reporters in addressing these expectations.
- The toolkit aims to support companies to start reporting on modern slavery and support experienced companies to advance their reporting. Identifying and meeting stakeholder expectations can be challenging.⁹¹ Therefore, every report preparer should use the information provided in this toolkit taking into consideration its current level of maturity for addressing and reporting on modern slavery. This toolkit emphasizes continuous improvement of reporting practice and acknowledges that reporting on modern slavery in an ongoing iterative reporting journey.
- Reporting on modern slavery should reflect the reporter's approach to addressing the topic. To give report users the full picture, reporters should consider reporting on the key phases of the management process: identification of the issue, risk assessment, defining goals, planning and establishing due diligence structures, measuring effectiveness, and potential remediation. This toolkit promotes holistic reporting by aligning the expectations of stakeholder organizations on reporting on modern slavery with the GRI Standards.
- Reporting on modern slavery requires allocating resources. However, investing in transparency contributes to better management of the efforts to eradicate modern slavery and helps to ensure progress during every reporting cycle. This toolkit promotes more efficient reporting on modern slavery by linking specific stakeholder expectations and regulation for reporting on modern slavery with the GRI Standards.
- The participants of the GRI-RLI Task Force on reporting on modern slavery emphasized the importance of collective action in eradicating modern slavery. One platform for such collective action is the Responsible Labor Initiative (RLI), launched by the Responsible Business Alliance (RBA), which aims to accelerate change by harmonizing due diligence across multiple industries that share recruitment supply chains.
- Further work is needed in the field of reporting on modern slavery. Some examples of the topics that could be explored in response to the reporting challenges companies are facing include: more uniform methodology for reporting on risks, reporting on instances of forced labor, defining key performance indicators for reporting on the effectiveness of actions and of remediation efforts.
- The outcomes of this work will be shared with the GSSB, the Global Sustainability Standards Board, for their consideration during future updates to the Standards.

Collaboration between all relevant stakeholders, including companies, civil society and government, is crucial to addressing the complex challenges of modern slavery. Bringing together different views, expertise and resources is needed to develop common goals and solutions in an effective way."
Löning (Consultancy), 2018⁹²

⁹¹ Some of the key challenges that Task Force participants expressed include finding the right level of the detail of reporting, reporting on progress and related setting of goals and targets, reporting on due diligence and remedial systems in place, reporting against different legislative requirements.

⁹² <https://www.loening-berlin.de/wp-content/uploads/2018/10/2018-10-04-Knowledge-Paper-6-Modern-Slavery.pdf>

Appendix A: Mapping links between regulatory requirements and GRI Standards

	Reporting on issue identification / Materiality principle		Reporting on management approach				Reporting on effectiveness of actions
	Report on business structure, operations and supply chains	Report on modern slavery risk assessment	Report on policies relevant to modern slavery	Report on training	Report on actions and overall due diligence processes	Report on due diligence performance	Report on effectiveness of actions
UK Modern slavery Act recommends to:	Report on company's "structure, its business and its supply chains"	Report on "parts of its business and supply chains where there is a risk of slavery and human trafficking" Report on the "steps it has taken to assess [...] that risk"	Report on "policies in relation to slavery and human trafficking"	Report on the "training about slavery and human trafficking available to its staff"	Report on "due diligence processes in relation to slavery and human trafficking in its business and supply chains"	Report on the "steps it has taken to [...] manage that risk"	Report on "effectiveness in ensuring that slavery and human trafficking is not taking place in its business and supply chains, measured against such performance indicators as it considers appropriate"
California Transparency in Supply Chains Act requires to:		Report to what extent, if any the organization engages in "verification of product supply chains to evaluate [...] risks of human trafficking and slavery"	Report to what extent, if any the organization "maintains internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking"	Report to what extent, if any the organization "provides company employees and management, who have direct responsibility for supply chain management, training on human rights and slavery, particularly with respect to mitigating risks within the supply chains of products"	Report to what extent, if any the organization "conducts audits of suppliers to evaluate supplier compliance with company standards" Report to what extent, if any the organization "requires direct suppliers to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking"	Report to what extent, if any the organization engages in "verification of product supply chains to [...] address risks of human trafficking and slavery"	
Australian Modern Slavery Act requires to:	Describe the "structure, operations and supply chains"	Report on "risks of modern slavery practices in the operations and supply chains" Report on "actions taken [...], to assess [...] those risks"	Report on "actions taken by the reporting entity [...], to assess and address those risks, including due diligence and remediation processes" (actions taken by an entity may include the development of policies)		Report on "actions taken [...], to [...] address those risks, including due diligence"	Report on "actions taken [...], to [...] address those risks, including due diligence and remediation processes"	Describe "how the reporting entity assesses the effectiveness of such actions"
Relevant GRI Disclosures							
	GRI 102-2 Activities, brands, products, and services / <i>Core and Comprehensive</i> GRI 102-4 Location of operations / <i>Core and Comprehensive</i> GRI 102-6 Markets served / <i>Core and Comprehensive</i> GRI 102-8 Information on employees and other workers / <i>Core and Comprehensive</i> GRI 102-9 Supply chain / <i>Core and Comprehensive</i> GRI 102-10 Significant changes to the organization and its supply chain / <i>Core and Comprehensive</i>	GRI 102-9 Supply chain / <i>Core and Comprehensive</i> GRI 102-10 Significant changes to the organizations and its supply chain / <i>Core and Comprehensive</i> GRI 102-15 Key impacts, risks, and opportunities / <i>Comprehensive</i> GRI 102-29 Identifying and managing economic, environmental, and social impacts / <i>Comprehensive</i> GRI 102-46 Defining report content and topic Boundaries / <i>Core and Comprehensive</i> GRI 103 Management approach (2016) / <i>Core and Comprehensive</i> GRI 408-1 Operations and suppliers at significant risk for incidents of child labor / <i>Core and Comprehensive</i> GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor / <i>Core and Comprehensive</i> GRI 412-1 Operations that have been subject to human rights reviews or impact assessments / <i>Core and Comprehensive</i> GRI 414-1 New suppliers that were screened using social criteria / <i>Core and Comprehensive</i> GRI 414-2 Negative social impacts in the supply chain and actions taken / <i>Core and Comprehensive</i>	GRI 102-20 Executive-level responsibility for economic, environmental, and social topics / <i>Comprehensive</i> GRI 102-21 Consulting stakeholders on economic, environmental, and social topics / <i>Comprehensive</i> GRI 102-26 Role of highest governance body in setting purpose, values, and strategy / <i>Comprehensive</i> GRI 103 Management approach (2016) / <i>Core and Comprehensive</i>	GRI 408-1 Operations and suppliers at significant risk for incidents of child labor / <i>Core and Comprehensive</i> GRI 412-2 Employee training on human rights policies and procedures / <i>Core and Comprehensive</i>	GRI 102-12 External Initiatives / <i>Core and Comprehensive</i> GRI 102-13 Membership of associations / <i>Core and Comprehensive</i> GRI 103 Management approach (2016) / <i>Core and Comprehensive</i> GRI 414-2 Negative social impacts in the supply and actions taken / <i>Core and Comprehensive</i>	GRI 103 Management approach (2016) / <i>Core and Comprehensive</i> GRI 414-2 Negative social impacts in the supply chain and actions taken / <i>Core and Comprehensive</i>	GRI 103 Management approach (2016) / <i>Core and Comprehensive</i>

Appendix B I: List of tools

Resource	Theme	Why report on modern slavery?	Governmental expectations on requirements for reporting related to modern slavery	Facilitates applying and reporting on Materiality principle	Helps to involve stakeholders and reporting on stakeholder engagement	Help creating due diligence systems and develop policies	Support reporting on due diligence and policies	Support reporting on progress of implementing due diligence mechanisms	Support reporting on evaluation of effectiveness of actions
Assent Compliance (2019). Human Trafficking & Slavery Scoping Guide			+						
Assent Compliance (2019). Human Trafficking, Slavery & Your Supply Chain			+			+			
Assent Compliance. Human Rights Module					+	+	+	+	+
Business & Human Rights Resource Centre (2017). Modern Slavery Reporting: Cases of Leading Practice		+			+			+	
California Department of Justice (2015). The California Transparency in Supply Chains Act – A Resource Guide			+						
CORE Coalition (2016) Beyond Compliance: Effective Reporting under the Modern Slavery Act		+		+		+	+	+	+
CORE Coalition. Mini Briefings on Modern Slavery Reporting			+	+	+	+	+	+	
Danish Institute for Human Rights (2016). Human Rights Impact Assessment Guidance and Toolbox					+			+	+
Danish Institute for Human Rights – The Human Rights and Business Country Guide				+					
electronic Labor Rights Template (2016)							+	+	+
Enodo rights, Liberty Global Liberty Asia (2018). Modern Slavery Governance: Basics for Boards.						+	+		
Ergon Associates (2018) Modern slavery reporting: Is there evidence of progress?		+					+	+	+
Ethical Trading Initiative (2017). Towards greater transparency: the business case.		+							
Ethical Trading Initiative and Ergon Associates (2018). Managing Risks Associated with Modern Slavery: A Good Practise Note for the Private Sector		+		+			+	+	+
Ethical Trading Initiative (2018) Modern Slavery Statements: A Framework for Evaluation					+		+	+	
GRI 103: Management Approach 2016							+	+	
GRI 400: Social Standards 2016							+	+	
Global Slavery Index (2018)				+					
International Labour Organization (2015). A Handbook for Employers & Business: Combating Forced Labour.		+				+			
Marks & Spencer (2016) Modern Slavery Toolkit for Suppliers and Partners		+				+	+		
OECD (2018). Due Diligence Guidance for Responsible Business Conduct						+			
Responsible Business Alliance (2018) Practical Guide to Implementing Responsible Business Conduct Due Diligence in Supply Chains						+	+	+	
Responsible Sourcing Tool						+			
Shift Project (2017). Human Rights Reporting: Are Companies Telling Investors What They Need to Know?		+					+		
Stronger Together – Tackling modern slavery in global supply chains: A toolkit for business			+	+	+	+	+		
Sedex (2017) Guidance on Operational Practice & Indicators of Forced Labour				+	+	+			
Slavery & Trafficking Risk Template							+	+	
UK Government (2015). Transparency in Supply Chains etc. A practical guide			+				+		
UK Home Office (2017). A Typology of Modern Slavery Offences in the UK				+					
UN (2011) Guiding Principles on Business and Human Rights		+				+			
UNICEF & Global Child Forum. Children’s Rights and Business Atlas				+					
US Department of Labor (2018). List of Goods Produced by Child and Forced Labor				+					
US Department of Labor – ILAB Comply Chain		+					+		
US Department of State (2018) Trafficking in Persons Report			+			+			
Verité. Fair Hiring Toolkit					+	+			
Verité (2018). Forced Labor Commodity Atlas				+					

Additional resources:

- › [Business & Human Rights Resource Centre – Legal Case Map](#)
- › [British Standards Institution Human Trafficking and Supply Chain Slavery Patterns Index](#)
- › [Dun and Bradstreet – Human Trafficking Risk Index](#)
- › [European Bank for Reconstruction and Development – Employee grievance mechanism guidance note](#)
- › [Ethical Trade Initiative – Human Rights Due Diligence Framework](#)
- › [Gangmasters & Labor Abuse Authority - Labour Exploitation: Spotting the signs](#)
- › [GoodWord Solutions – Laborlink](#)
- › [Institute for Human Rights and Business – Responsible Recruitment: Remediating Worker-Paid Recruitment Fees](#)
- › [International Finance Corporation's Guidance Notes: Performance Standards on Environmental and Social Sustainability](#)
- › [Issara Institute – Inclusive Labour Monitoring](#)
- › [International Trade Union Confederation and Business & Human Rights Resource Centre – Modern Slavery in Company Operations and Supply Chains: Mandatory transparency, mandatory due diligence and public procurement due diligence](#)
- › [Modern Slavery Registry](#)
- › [OECD – Promoting Sustainable Global Supply Chains: International Standards, Due Diligence and Grievance Mechanisms](#)
- › [OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector](#)
- › [OECD Guidelines for Multinational Enterprises](#)
- › [Patagonia Migrant Worker Labor Standards](#)
- › [Provenance – Blockchain Supply Chain Mapping Tool](#)
- › [Sedex – Sedex Members Ethical Trade Audit](#)
- › [Slavery Footprint](#)
- › [Sourcemap – Supply Chain Mapping Tool](#)
- › [The Mekong Club – Modern Slavery Typologies for Financial Services Providers](#)
- › [The Mekong Club – Modern Slavery: An Introduction Resource Guide](#)
- › [The Mekong Club – Using Blockchain to Combat Modern Slavery](#)
- › [The Mekong Club Remediation Toolkit](#)
- › [UK Government – Modern slavery training: resource page](#)
- › [UK Home Office – Modern Slavery Awareness & Victim Identification Guidance](#)
- › [Ulula -Software Tool](#)
- › [UN Global Compact – Business: It's Time to ACT. Decent Work, Modern Slavery and Child Labour](#)
- › [US Department of State - Country Reports on Human Rights Practices](#)
- › [US Department of Labor - Sweat & Toil: Child Labor, Forced Labor, and Human Trafficking Around the World: App](#)
- › [Verité – Strengthening Protections Against Trafficking in Persons in Federal and Corporate Supply Chains](#)
- › [VinciWorks - Modern Slavery Practical Steps for Procurement Online Tool](#)



Appendix B II: List of tools

Why report on modern slavery?

Related resources for additional reading on the value of reporting on modern slavery:

Resource	Type of resource	How is this resource helpful?
Business & Human Rights Resource Centre (2017). Modern Slavery Reporting: Cases of Leading Practice	Publication	Provides useful good practice examples of meaningful transparency through corporate reporting on anti-slavery action.
Ethical Trading Initiative (2017). Towards greater transparency: the business case	Publication	Provides arguments for business case of greater transparency
Ethical Trading Initiative and Ergon Associates (2018). Managing Risks Associated with Modern Slavery: A Good Practise Note for the Private Sector	Publication	Provides a thorough overview of the business case for reporting on modern slavery from an investor, reputational and compliance perspective.

Governmental expectations on requirements for reporting related to modern slavery

Resource	Type of resource	How is this resource helpful?
California Department of Justice (2015). The California Transparency in Supply Chains Act – A Resource Guide	Publication	Offers companies recommendations about model disclosures and best practices for developing such disclosures. In each disclosure category, the Guide discusses how a company can provide disclosures that comply with the law, as well as enhance consumers' understanding of its anti-trafficking and anti-slavery efforts.
UK Government (2015). Transparency in Supply Chains etc. A practical guide	Publication	Guidance document that seeks to address the role of businesses in preventing modern slavery from occurring in their supply chains and organisations by outlining compliance requirements with the 2015 UK Modern Slavery Act.
Assent Compliance (2019). Human Trafficking & Slavery Scoping Guide	Publication	Guidance document that helps companies to understand which forced labor and human trafficking regulations they are in scope of with the use of visuals.
Assent Compliance (2019). Human Trafficking, Slavery & Your Supply Chain	eBook	Guidance document giving detailed information about all the major global human trafficking and forced labor-related legislation, including recommendations for due diligence.

Materiality principle: Support for the identification, if, and why modern slavery is a material topic for an organization, and reporting on it

Examples of tools that facilitate applying and reporting on Materiality principle

The following tools can provide valuable input and guidance for the identification of modern slavery as a material topic, reporting on it and the related impacts of this topic:

Resource	Type of resource	How is this resource helpful?
Danish Institute for Human Rights – The Human Rights and Business Country Guide	Website	Contains information on the development of individual countries' National Action Plans (NAPs), policy documents outlining priorities and actions to support the implementation of international, regional, or national obligations and commitments regarding a given policy area or topic. Many of the topics fall under the spectrum of business and human rights, and the NAPs are an important tool to promote the implementation of the UNGPs.
The Global Slavery Index (2018)	Online Tool	Provides individual country rankings of the number of people in modern slavery, as well as a global analysis of the actions governments are taking, and the factors that make groups especially vulnerable to modern slavery practices.
UK Home Office (2017). A Typology of Modern Slavery Offences in the UK	Publication	A typology of modern slavery offences to improve understanding of the different ways that modern slavery manifests can manifest itself (with a focus on the UK), ultimately aiming to inform tailored policy and operational responses.
UNICEF & Global Child Forum. Children's Rights and Business Atlas	Website	Helps businesses and industries assess and better understand the potential and actual impacts on the lives of children across operations and supply chains.
US Department of Labor (2018). List of Goods Produced by Child and Forced Labor	Publication	Provides vital information for both governments and businesses to have increased visibility across specific industries where child labor and forced labor are occurring, equipping readers with information to help them determine material issues, target appropriate policy responses or direct resources as part of due-diligence or risk-management efforts.
Verité (2018). Forced Labor Commodity Atlas	Online Map	Provides detailed information about specific commodities and their relationship to forced labor and other forms of exploitation at the base of global supply chains.

Examples of tools that help to involve stakeholders and reporting on stakeholder engagement

The following tools can provide valuable input and guidance for the reporting modern slavery as a material topic:

Resource	Type of resource	How is this resource helpful?
Business & Human Rights Resource Centre (2017). Modern Slavery Reporting: Cases of Leading Practice	Publication	Provides good practice reporting examples of companies are increasingly engaging directly with their stakeholders, including the businesses that supply them with goods, services, and workers.
Ethical Trading Initiative (2018) Modern Slavery Statements: A Framework for Evaluation	Publication	Framework for producing a modern slavery statement that includes guidance on consultation with key stakeholders as a crucial step.
The Danish Institute for Human Rights (2016). Human Rights Impact Assessment Guidance and Toolbox	Publication	The Guidance and Toolbox is divided into five phases with stakeholder engagement situated as a crosscutting component.
Verité. Fair Hiring Toolkit	Online Resource	The Toolkit contains an overview of how organisations can engage other stakeholders, and why. Case studies that illustrate good practice examples of joint engagement are also provided, as well as a summary of key multi-brand and multi-stakeholder initiatives addressing labor rights abuse in global supply chains.
Assent Compliance. Human Rights Module	Software	Enables companies to automate supply chain communication and training, data collection, validation and management, ensuring demonstrable and auditable proof of due diligence. Leverages the STRT standard template, or any other supplier survey.

Support for reporting on management approach: policies and due diligence

Examples of tools that help creating due diligence systems and develop policies

The following tools can provide valuable input and guidance for creating due diligence systems and developing policies to tackle modern slavery:

Resource	Type of resource	How is this resource helpful?
Responsible Business Alliance (2018) Practical Guide to Implementing Responsible Business Conduct Due Diligence in Supply Chains	Publication	Provides an overview of the major standards on responsible business conduct and demonstrates how RBA tools, best practices, initiatives and services can help companies operationalize and live into international supply chain due diligence expectations.
Marks & Spencer (2016) Modern Slavery Toolkit for Suppliers and Partners	Online Toolkit	While originally intended to support M&S suppliers and partners specifically, the toolkit serves as a useful reference for any business looking to implement step-by-step due diligence measures to tackle modern slavery in their supply chains.
OECD (2018). Due Diligence Guidance for Responsible Business Conduct	Publication	Provides practical support to enterprises on the implementation of the OECD Guidelines by providing clear explanations of its due diligence recommendations and associated provisions, in order to aid enterprises avoid/address adverse impacts related to a number of issues including human rights in business operations and supply chains.
Responsible Sourcing Tool	Online Toolkit	Provides an introduction to worker protection policies in the context of country and commodity-specific risk mapping and analysis.
Stronger Together (2018). Tackling modern slavery in supply chains: A toolkit for business	Online Toolkit	Drawing on the UN Guiding Principles' approach, this Stronger Together toolkit outlines six practical steps for businesses to take when tackling forced labour, human trafficking and modern slavery in their supply chains.
Sedex (2017). Guidance on Operational Practice & Indicators of Forced Labour	Publication	Provides guidance on possible indicators of forced labor, and proposes steps for protecting possible victims, capturing and documenting evidence, as well as key steps to be taken by auditors when forced labor is suspected or found.
Verité (2018). Fair Hiring Toolkit	Online Resource	The Toolkit contains various frameworks of actions for modern slavery related due diligence regarding different actors along supply chains including brands, suppliers, auditors etc.
Assent Compliance. Human Rights Module	Software	Enables companies to automate supply chain communication and engagement, data collection, validation and management, ensuring demonstrable and auditable proof of due diligence.

Examples of tools that support reporting on due diligence and policies

The following tools can provide valuable input and guidance for reporting on due diligence and policies:

Resource	Type of resource	How is this resource helpful?
Slavery & Trafficking Risk Template	Online Tool	Facilitates human trafficking and modern slavery related data collection and analysis, helping companies and their supply chains work together to engage in more ethical operations. The data collected gives companies visibility into their supply chain operations and helps them prioritize due diligence and risk mitigation actions.
electronic Labor Rights Template (2016)	Toolkit	Facilitates collection, analysis, communication, and reporting of the relevant modern slavery due diligence systems through the supply chains in accordance with regulatory and company-specific requirements.
ETI (2018). Modern Slavery Statements: A Framework for Evaluation	Publication	Includes suggestions for businesses on what they should include in their reporting regarding due diligence processes in relation to slavery and human trafficking in business and supply chains
GRI 103: Management Approach (2016)	Reporting Standard	Includes general requirements and disclosures for reporting the management approach for an organisation's material topics.
GRI 400: Social Standards (2016)	Reporting Standard	Includes topic-specific Standards used to report information on an organization's material impacts related to social topics.
Shift Project. Dos and Don'ts when reporting on Human Rights	Online resource	Offers basic guidance for what should and should not be included when reporting on human rights due diligence systems.
Assent Compliance. Human Rights Module	Software	Enables companies to automate supply chain communication and training, data collection, validation and management, ensuring demonstrable and auditable proof of due diligence. Tracks compliance and facilitates the assessment and mitigation of modern slavery risks within supply chains.

Examples of tools that support reporting on progress towards implementing due diligence mechanisms

The following tools can provide valuable input and guidance for reporting on progress of implementing due diligence mechanisms:

Resource	Type of resource	How is this resource helpful?
Assent Compliance. Human Rights Module	Software	Tracks compliance and facilitates the assessment and mitigation of modern slavery risks within supply chains. Data collected is used to help companies prepare their disclosures and reporting under all major modern slavery regulations. Leverages the STRT standard template, or any other supplier survey.
Slavery & Trafficking Risk Template	Online Tool	Facilitates human trafficking and modern slavery related data collection and analysis, helping companies and their supply chains work together to engage in more ethical operations. The data collected gives companies visibility into their supply chain operations and helps them prioritize due diligence and risk mitigation actions
electronic Labor Rights Template (2016)	Toolkit	Facilitates collection, analysis, communication, and reporting of the relevant modern slavery due diligence systems through the supply chains in accordance with regulatory and company-specific requirements.
GRI 103: Management Approach (2016)	Reporting Standard	Includes general requirements and disclosures for reporting the management approach for an organisation's material topics.
GRI 400: Social Standards (2016)	Reporting Standard	Includes topic-specific Standards used to report information on an organization's material impacts related to social topics.
The Danish Institute for Human Rights (2016). Human Rights Impact Assessment Guidance and Toolbox	Publication	The Guidance and Toolbox is divided into five phases: planning and scoping; data collection and baseline development; analysing impacts; impact mitigation and management; and reporting and evaluation.

Support for reporting on evaluation of effectiveness of actions

Examples of tools that support reporting on evaluation of effectiveness of actions

The following tools can provide valuable input and guidance for reporting on effectiveness of actions

Resource	Type of resource	How is this resource helpful?
Assent Compliance. Human Rights Module	Software	Enables companies to automate supply chain communication, data collection, validation and management, ensuring demonstrable and auditable proof of due diligence.
electronic Labor Rights Template (2016)	Toolkit	Facilitates collection, analysis, communication, and reporting of the relevant modern slavery due diligence systems through the supply chains in accordance with regulatory and company-specific requirements.
Ethical Trading Initiative (2018) Modern Slavery Statements: A Framework for Evaluation	Publication	Offers guidance that ensures that slavery and human trafficking is not taking place in business or supply chains, measured against appropriate KPIs.
Ethical Trading Initiative and Ergon Associates (2018). Managing Risks Associated with Modern Slavery: A Good Practise Note for the Private Sector	Publication	Provides example KPIs
The Danish Institute for Human Rights (2016). Human Rights Impact Assessment Guidance and Toolbox	Publication	The Guidance and Toolbox is divided into five phases with stakeholder engagement situated as a crosscutting component. For each phase explanatory guidance is provided as well as corresponding practitioner supplements that include templates, checklists and other practical tools for conducting Human Rights Impact Assessment.

Appendix C | Practical support by RLI

The Responsible Business Alliance (RBA)

Founded in 2004 by a group of leading electronics companies, the Responsible Business Alliance (RBA), formerly the Electronic Industry Citizenship Coalition (EICC), is a nonprofit organization bringing together electronics, retail, auto and toy companies committed to supporting the rights and well-being of workers and communities worldwide affected by the global supply chain. RBA full and regular members commit and are held accountable to a common Code of Conduct and utilize a range of RBA training and assessment tools to support continuous improvement in the social, environmental and ethical responsibility of their supply chains.

In addition to setting and holding members accountable to core standards and providing training and assessment tools, the RBA regularly engages in dialogue and collaborations with workers, governments, civil society, investors and academia to gather the necessary range of perspectives and expertise to support and drive its members toward achieving the RBA mission and values of a responsible global supply chain. In October 2017 the EICC became the RBA to reflect its expanded reach and influence.

Today the RBA is comprised of more than 150 companies with combined annual revenue of over \$5 trillion, directly employing more than 6 million people. In addition to RBA members, thousands of companies that are Tier 1 suppliers to those members are required to implement the [RBA Code of Conduct](#). More than 3.5 million people from over 120 countries contribute to the manufacture of RBA members’ products. Click here for a [full list of RBA members](#).

The Responsible Labor Initiative (RLI)

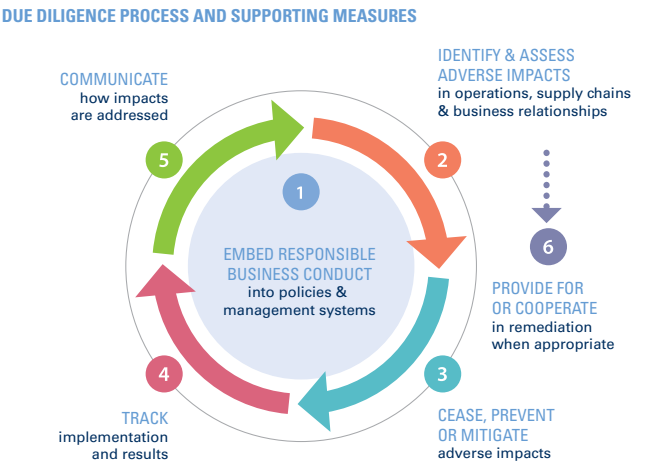
The Responsible Business Alliance (RBA) has been at the forefront of addressing forced labor through the application of advanced due diligence standards, tools and programs in the global supply chains of its members. However, in order to accelerate change, this due diligence must be harmonized across multiple industries that share recruitment supply chains to drive labor market transformation through collective action.

To catalyze this, the RBA launched the Responsible Labor Initiative (RLI), a multi-industry, multi-stakeholder initiative focused on ensuring that the rights of workers vulnerable to forced labor in global supply chains are consistently respected and promoted. The Initiative is open to any company that supports the mission and vision of the RLI and whose primary objective in joining the initiative is the implementation of forced labor due diligence in their supply chain.

Best Practice: A Practical Guide to Implementing Responsible Business Conduct Due Diligence in Supply Chains

As companies move to conduct more structured and deeper due diligence on salient human rights in their supply chains, it is important to align to internationally recognized best practices. In 2018, the OECD released its Due Diligence Guidance for Responsible Business Conduct, outlining the key steps and guidance related to this broad area of responsibility. In order to assist companies to implement this guidance for responsible supply chain management, the RBA released a partner publication, “A Practical Guide to Implementing Responsible Business Conduct Due Diligence in Supply Chains”. This publication guides companies through the six key core processes outlined in the figure below, including the importance of transparently communicating due diligence policies process and activities outlined in this document. In addition, the Practical Guide includes specific sections for material topics such as forced labor due diligence.

<http://www.responsiblebusiness.org/publications/rba-practical-guide-2018/>



Source: OECD (2018)

Appendix C II Practical support by GRI

About GRI

GRI helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social well-being. This enables real action to create social, environmental and economic benefits for everyone. The GRI Sustainability Reporting Standards are developed with true multi-stakeholder contributions and rooted in the public interest.

The GRI Sustainability Reporting Standards

The GRI Sustainability Reporting Standards (GRI Standards) are the first and most widely adopted global standards for sustainability reporting. Since GRI's inception in 1997, we have transformed it from a niche practice to one now adopted by a growing majority of organizations. In fact, 93% of the world's largest 250 corporations report on their sustainability performance.⁹³

The practice of disclosing sustainability information inspires accountability, helps identify and manage risks, and enables organizations to seize new opportunities. Reporting with the GRI Standards supports companies, public and private, large and small, protect the environment and improve society, while at the same time thriving economically by improving governance and

stakeholder relations, enhancing reputations and building trust. The GRI Standards feature a modular, interrelated structure, and are made available as a free public good.

Support for companies

The GRI Community offers organizations the opportunity to join a collaborative, global multi-stakeholder network that works together to reach our common goal of a sustainable global economy through greater transparency.

The GRI Support Suite offers tools and services to guide and equip those responsible for developing their organization's sustainability report at every stage of the process.



93 KPMG Survey of Corporate Responsibility Reporting 2017

Appendix D: Test Questions – Materiality

The test questions can help an organization assess whether it has applied GRI's Reporting Principles; the extract below specifically outlines test questions for **Materiality** ([GRI 101: Foundation 2016](#)), which is one of the Reporting Principles for defining report content. While these questions are useful for reporting organizations in determining their material topics, they are not disclosures that are required to be reported.

In defining material topics, the reporting organization has considered the following factors:

- Reasonably estimable economic, environmental, and/or social impacts (such as climate change, HIV-AIDS, or poverty) identified through sound investigation by people with recognized expertise, or by expert bodies with recognized credentials;
- The interests and expectations of stakeholders specifically invested in the organization, such as employees and shareholders;
- Broader economic, social, and/or environmental interests and topics raised by stakeholders such as workers who are not employees, suppliers, local communities, vulnerable groups, and civil society;
- The main topics and future challenges for a sector, as identified by peers and competitors;
- Laws, regulations, international agreements, or voluntary agreements of strategic significance to the organization and its stakeholders;
- Key organizational values, policies, strategies, operational management systems, goals, and targets;
- The core competencies of the organization and the manner in which they can contribute to sustainable development;⁹⁴

94 [GRI 101: Foundation 2016](#)

Acknowledgments

This publication is the result of a collective effort. GRI and RLI would like to thank the numerous organizations that contributed to the corporate engagement phase of the project and the wide array of expert stakeholders from a variety of constituencies including investment institutions, industry organizations, civil society organizations (CSOs) and governmental departments, who participated in scoping interviews, participated as guest speakers in the Task Force lab meetings, or offered guidance and input throughout the project.

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Seagate Technology
STMicroelectronics
Target
Walmart

Special thanks to HPE, for supporting RLI and GRI on this project

Stakeholder and other topic experts

Australian Department of Home Affairs
Business & Human Rights Resource Centre
Danish Institute for Human Rights
Ethical Trading Initiative
Freelance Topic Experts
Intel
KnowTheChain
Global Fund to End Modern Slavery
Principles for Responsible Investment
The Responsible Business Alliance
The Mekong Club
United Kingdom Home Office
University of Nottingham Rights Lab
Walk Free

GRI would like to thank the Governments of Australia and Sweden for their financial support to this publication.



This publication has been funded by the Australian Government through the Department of Foreign Affairs and Trade. The views expressed in this publication are the author's alone and are not necessarily the views of the Australian Government.



This material has been funded by the Government of Sweden. Responsibility for the content lies entirely with the creator. The Government of Sweden does not necessarily share the expressed views and interpretations.

Development of this resource

The GRI and RLI-led project began in January 2018 and was carried out across three phases. The first phase included extensive baseline research on the current reporting landscape, as well as an internal review of sustainability reports from 50 companies reporting on this topic across multiple industries and regions. In addition, GRI and RLI engaged and interviewed key stakeholders and experts from a variety of constituencies including government, civil society, industry associations, and investors to gain a spectrum of perspectives on corporate reporting on this issue. Phase 2 of this project focused on corporate engagement, with 15 organizations representing eight industry branches (electronics, retail, energy, automotive, consulting, law, apparel and finance) and headquartered in seven countries taking part in a corporate Task Force on Reporting on Modern Slavery. GRI and RLI jointly hosted three Labs as part of this Task Force, the second of which was held in person, with the remaining two hosted online. The aim of these Labs was for Task Force members to discuss research findings from Phase 1, develop a common understanding of how existing tools and frameworks serve companies, identify valuable reporting examples, and discuss how identified gaps can be addressed with additional reporting resources on Modern Slavery. These Labs took place between September 2018 and January 2019.

The focus of the discussions of the Task Force was:

- Understanding ways to harmonize reporting on modern slavery across the global legislative landscape, stakeholder expectations and the GRI Standards
- Reporting on modern slavery as a material topic and reporting on stakeholder engagement
- Reporting on management approaches/due diligence measures and performance around this topic

The final phase of this project culminated in the production of this reporting toolkit by collating the inputs from Phases 1 and 2.

Notes on methodology

How were the expectations of stakeholder organizations compiled?

The expectations of stakeholder organizations for reporting are indicated through:

- Guiding questions and as possible reporting contents in tables that also illustrate the linkage with relevant GRI disclosures. The suggested contents to be reported are based on the compiled indicators used in the Business & Human Rights Resource Centre publication FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action and has been reviewed by multiple stakeholder organizations;
- Additional recommendations for specific contents.

How were the reporting tools selected?

The lists of the tools were compiled based on the recommendations collected during the GRI-RLI corporate Task Force on reporting on modern slavery discussions.

