Find it, Fix it, Prevent it

Modern slavery report 2024

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> 'It ought to concern every person, because it is a debasement of our common humanity. It ought to concern every community, because it tears at our social fabric. It ought to concern every business, because it distorts markets. It ought to concern every nation, because it endangers public health and fuels violence and organized crime. I'm talking about the injustice, the outrage, of human trafficking, which must be called by its true name modern slavery'.

President Barack Obama, September 2012
Remarks by the President to the Clinton Global Initiative,
Sheraton New York Hotel

Find it, Fix it, Prevent it was created, convened and resourced by CCLA and overseen by an Advisory Committee that brings together investors, academics and non-governmental organisations to share knowledge, set targets and monitor the progress of the initiative.

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Church Investors Group
Church of England National Investing Bodies
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First Estates Commissioner
Church Commissioners

Peter Hugh Smith
Chief Executive
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Director of Research
Nottingham Rights Lab

Foreword

The most recent Global Estimates of Modern Slavery, published by Walk Free in September 2022, the International Labor Organisation and the International Organization for Migration (IOM) reported the number of people trapped in modern slavery was growing and had reached 50 million worldwide.[1]

While governments bear significant responsibility to address these grievous crimes and abuses of human rights, there is an important role for business and investors to address this grievous crime.

While the outlook remains deeply concerning, it is good to reflect on the changing policy environment, where there are more positive signs.

In Europe and the US we are seeing new regulations on business to address human rights risks including forced labour and modern slavery and in parts of Asia, for example in Japan and Singapore, there has been firmer guidance on business to address these issues.

Perhaps the most significant of which is the European mandatory due diligence directive. In May 2024, the European Parliament gave its final approval to the Corporate Sustainability Due Diligence Directive. This is a significant milestone in the shift from voluntary standards to mandated legal expectations on business around responsible conduct, applying the UN Guiding Principles on Business and Human Rights. It will not only apply to businesses based in the European Union, but also many businesses that trade in Europe.

This came on the heels of the European Forced Labour ban passed in April, which prohibits products made using forced labour from being sold in, or exported from, the European Union market.

In the past two years we have also seen the US demonstrating its willingness to use the Uyghur Forced Labour Prevention Act and the Tariff Act to withhold goods at the border based on a 'rebuttable assumption' they have been made with forced labour.

The landscape is changing. This is an increasingly material topic for investors and companies, so we expect to see much more focus on this in the future.

I am proud of the work CCLA and members of the Find it, Fix it, Prevent it coalition are doing to address modern slavery in business supply chains. In particular, I would highlight the Modern Slavery UK Benchmark which was published in November 2023. I was encouraged to hear that some of the companies we invest in CCLA that were ranked Tier 4 last year have told our team that the benchmark spurred discussions at senior levels and multiple companies, no doubt with one eye on the European legislation, have invested new resources into their approach to modern slavery and human rights in general.

We are about to start the benchmarking work again for 2024 and I look forward to seeing how companies have evolved their response.

Peter Hugh Smith
Chief Executive, CCLA

Reflections on developing a benchmark

Listening to the harrowing stories of survivors of forced labour in the UK and globally over recent years has been a powerful motivation for me to focus on how to prevent the exploitation in the first place.

Our economic and financial systems can appear to tolerate abuse and so it is vital that businesses do everything they can to prevent abuse in their own organisations and their value chains. As investors we have influence over the businesses in which we invest on behalf of our clients and across the wider system.

However, assessing the performance of a business in addressing modern slavery is not a matter of a simple rating based on controversies in the media. In 2023 CCLA formed a small team to produce our first-ever modern slavery benchmark. We assessed the largest 100 UK companies by market capitalisation on their approach to modern slavery based upon their public disclosures.

The framework assessed company compliance with the law, conformance with Home Office guidance and the degree to which companies disclosed finding, fixing and preventing modern slavery. This approach is closely aligned to the UN Guiding Principles on Business and Human Rights, which has now been enshrined in the EU Corporate Sustainability Due Diligence Directive and is therefore moving from soft to hard law for many companies operating or trading with the European Union.

The assessment places companies in one of five tiers and we have encouraged all companies to improve their efforts and disclosures. We are repeating the process this year and hope to see improvements in assessments and progress through the tiers.

While it was good to see that all companies assessed had policies in place, action to identify and address modern slavery was less mature, and we were particularly struck by the lack of remedy for those impacted.

We were, however, encouraged by the response of companies from a wide variety of sectors including consumer goods, travel, retail, mining, technology and finance which acknowledged the value of the benchmark and engaged thoughtfully with us and other investors.

The CCLA Modern Slavery UK Benchmark has enabled investors to have constructive engagement with companies. In turn, there is evidence that companies are taking more steps to identify, mitigate and prevent forced labour. It is this kind of responsible business conduct which will prevent vulnerable workers from egregious exploitation and abuse.

Dame Sara Thornton
Consultant – Modern Slavery for CCLA

Introduction

According to a 2022 report by the International Labour Organization (ILO), Walk Free and International Organisation for Migration (IOM) there are 50 million people around the world trapped in modern slavery. Of these, 28 million were in forced labour and 22 million were in forced marriage. Women, children and migrants are disproportionately more vulnerable to being trapped.

Modern slavery is an umbrella term encompassing slavery, servitude, human trafficking, and forced or compulsory labour. Victims are controlled by debt bondage, threats, violence, deception and coercion.

The UN 2030 Agenda for Sustainable Development, Sustainable Development Goal 8.7, calls for the eradication of modern slavery and human trafficking, yet according to the ILO's latest data the number of people trapped in modern slavery has grown over the last five years, as Covid-19, conflict and climate change have disrupted labour markets.

Ten million more people were in modern slavery in 2021 compared to 2016 global estimates. Of those trapped in forced labour, 63% are in the private sector, which means that the business sector is exposed to modern slavery risk. The UK alone imports an estimated US$18 billion worth of goods that present a high slavery risk.

CCLA believes modern slavery exists in the supply chains of almost every business. Yet this pernicious practice is hidden and difficult to tackle.

We have been working in this area since 2012, but in 2019 we launched **Find it, Fix it, Prevent it** – a collaborative investor engagement programme with the aim of using our leverage as investors to help companies **find, fix,** and **prevent** modern slavery in their supply chains.

The initiative was launched at the London Stock Exchange in November 2019. Since then, the initiative has grown in both scope and depth. There are currently 65 investors in Find it, Fix it, Prevent it, with a collective asset under management and advisory of £15 trillion.

The programme has three complementary workstreams:

1. **Corporate engagement** – aiding companies in developing and implementing better processes for finding, fixing and preventing modern slavery
2. **Public policy** – promoting a meaningful regulatory environment through work with the government, policy-makers and regulators
3. **Developing better modern slavery data** – working with data providers, NGOs, and academia to identify and develop better data.

This report provides a summary of the progress of these three workstreams over the period 2023–2024.

Find it, Fix it, Prevent it investor statement

The prohibition of slavery is one of the world's most widely asserted norms. Regulation outlawing forced labour, human trafficking and slavery is to be found in international human rights law and in the legislation of many sovereign states (including through the UK Modern Slavery Act 2015). Furthermore, eradicating modern slavery is one of the UN Sustainable Development Goals. However, the prohibition of slavery is also one of the world's most weakly enforced norms.[2]

In 2022, over 50 million people were estimated to exist in a state of modern slavery.[3] Furthermore the number of people trapped in modern slavery grew between 2016 and 2022 as Covid-19, conflict and climate change have disrupted labour markets.

Modern slavery is also an issue for business and the economy. For instance, in 2021, the UK alone was estimated to be importing over US$26.1 billion worth of goods every year that are very likely to have incorporated slave labour in their production,[4] and research conducted in 2018 with leading UK retail brands found that 77% of companies, when interviewed anonymously, thought it likely that modern slavery occurred in their supply chains.[5] Evidence collected by charities and academics would suggest that this is likely to be even more widespread and poses a significant challenge to the reputations of the businesses in whom we invest.

We, the undersigned investors (see page 20), therefore believe that given the truly systemic nature of human trafficking and modern slavery there are few, if any, businesses that can claim with any degree of certainty to operate slavery-free supply chains.

We recognise and welcome the steps that many UK businesses and the UK government, through the establishment of the Modern Slavery Act, have taken on this important issue in recent years. We are, however, concerned that only a small number of companies have to date disclosed finding instances of modern slavery within their supply chain. This makes it challenging for us, as investors, to assess the efficacy of corporate actions to identify, and then support the provision of remedy to, victims of modern slavery. For this reason, we are supportive of the Find it, Fix it, Prevent it investor initiative in its dialogue with companies, policy makers, and data providers.

As part of this support, we call upon UK companies to:

- increase their efforts to identify human trafficking, forced labour, and modern slavery in their supply chains
- review, assess and disclose the effectiveness of their attempts to address these issues
- support the provision of remedy to victims of modern slavery within their supply chain.

We believe that the continued presence of modern slavery in the world is abhorrent and that companies demonstrating a real commitment to eradicating modern slavery from their supply chains will demonstrate resilience and long-term sustainability to the market.

Corporate engagement

Context

The Find it, Fix it, Prevent it corporate engagement workstream aims to incentivise business to move beyond promoting better policies and processes. Put simply, it is convened with the promise of making the corporate response to modern slavery more effective.

We want companies to:

1. **Find it** – proactively search their supply chain for modern slavery, on the assumption that it exists
2. **Fix it** – work towards and report on remedy for those affected
3. **Prevent it** – take meaningful steps to ensure that the situation does not continue.

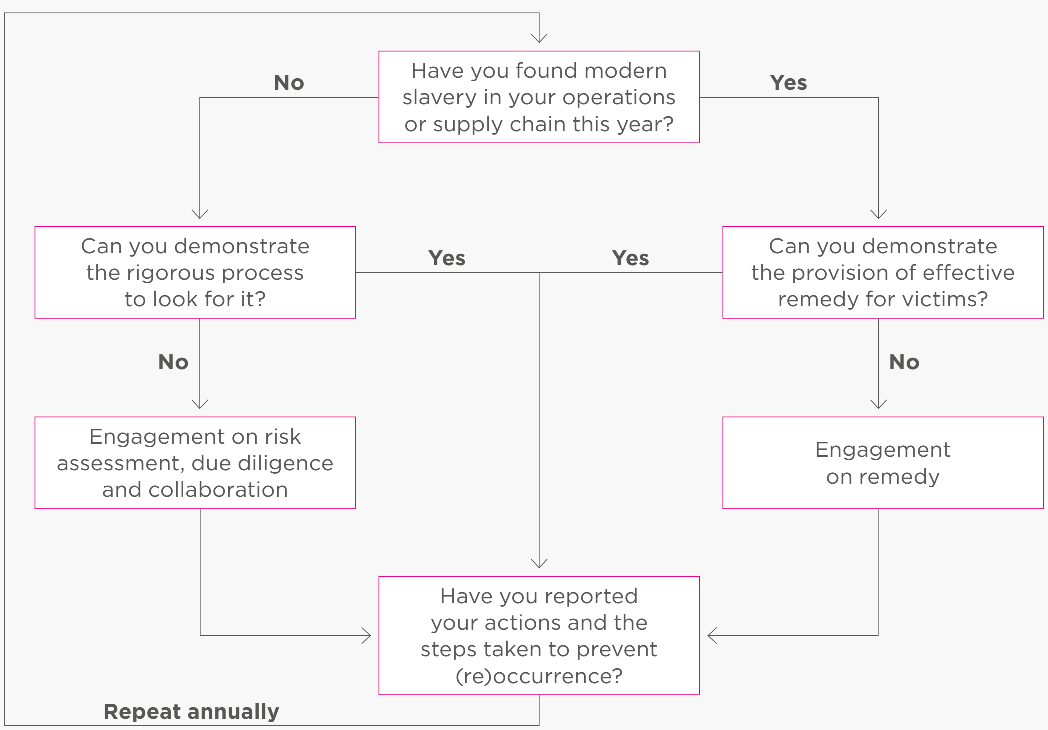
Our engagements with companies are based on an engagement framework that was developed in 2020 (see Figure 1). Starting by asking whether companies have found modern slavery in the past year supports a focus on the outcomes of a company's modern slavery work

Progress

Construction

Construction was chosen in 2022 as the primary sector for engagement for phase 2 of the programme following engagement with hospitality firms in phase 1. In 2023–24 members of Find it, Fix it, Prevent it continued their engagement on construction sector companies.

FIGURE 1: FIND IT, FIX IT, PREVENT IT ENGAGEMENT FRAMEWORK



CASE STUDY: BALFOUR BEATTY

The UK construction sector employed 2.12 million people as of the fourth quarter of 2023[6] and according to Unseen's 2023 Helpline Annual Assessment, construction is the third most reported industry for cases of labour exploitation.[7] The reasons for this are many and varied including the long and often complex supply chains, and the dynamic nature of construction projects requiring workers to join and exit a project throughout its lifecycle.

Balfour Beatty spends around two thirds of its UK revenues in procuring goods and services from our supply chain partners. Making sure that we are spending this money wisely, and in a way which leaves a positive legacy, is something which we take very seriously. This is why we developed and implemented a new supply chain modern slavery audit programme. This gave us better visibility and understanding of the maturity of our supply chain in identifying and managing the risk of modern slavery in their own business and in their supply chain. We've taken a collaborative approach to embed a culture of discovery and continual improvement where suppliers feel better supported to take responsibility and action for their own improvement. Our approach empowers our supply chain to find it, fix it and prevent it, improving awareness, knowledge and standards across the built environment.

To find out more about our approach, please read our modern slavery statement online at **www.balfourbeatty.com/media/wdjbe0em/modern-slavery-statement-2024.pdf**

Construction is regarded as a high-risk for modern slavery for a number of reasons:

- it requires a pool of relatively low-wage labour, a high-proportion of whom are migrant workers
- sub-contracting and long-labour supply chains are the norm
- many different workers are on and off site during a project lifecycle.

Furthermore, there are low levels of awareness, particularly at site level.

It is not only the labour supply that is problematic. Many of the raw and composite materials such as rubber, steel, glass, bricks, electronics, timber can be sourced from countries with low levels of labour market enforcement and are therefore at high-risk of including 'embodied slavery'.[8]

Over 2023–24, members of the engagement working group have engaged with construction companies on a one-to-one basis with mixed results. It is clear that among the construction companies selected for engagement there is a variety of different business models – from primary contractors to housebuilders and suppliers of raw materials. Some of these companies demonstrate a high commitment to tackling the issue, whilst others were lagging.

A list of companies and the lead engagers can be found in Figure 2 on the next page.

▲ **Construction sector roundtable on modern slavery, April 2024**

▲ **Construction sector roundtable on modern slavery, April 2024**

In response, we decided to catalyse a sector wide discussion on the risk of modern slavery in the sector. In April 2024, CCLA partnered with the LGT Wealth Management, the Cabinet Office and the Supply Chain Sustainability School to convene investors with senior leaders from the construction sector.

Our guest speakers included Andrew Wallis, Founder Unseen; Philip Cain, Director of Operation GLAA; Jane Bristow, Cabinet Office; Sharon Prince, Design for Freedom; Emma-Jane Allen, Supply Chain Sustainability School; Maddie Fitton, Sodexo and Iffy, a survivor leader of modern slavery. Delegates included 60 senior managers from the world of investment and construction.

CCLA presented our aggregate analysis of 31 construction companies' modern slavery scorecards. These scorecards assessed companies' statements on the degree to which they were disclosing finding, fixing and preventing modern slavery, using the same methodology as used in the CCLA benchmark. 'Fix it'

FIGURE 2: COMPANIES UNDER ENGAGEMENT AND LEAD INVESTORS

	Companies	Lead engagers*
Construction	Balfour Beatty	Evelyn Partners
	Barratt Developments	Columbia Threadneedle
	Bellway	–
	Berkeley Group Holdings	Edentree
	Countryside Partnerships	Abrdn
	Crest Nicholson Holdings	Border to Coast
	Genuit Group	CCLA
	Ibstock	–
	Marshalls	AVIVA
	Morgan Sindall Group	–
	Persimmon	Evelyn Partners
	Redrow	Church Commissioners
	RHI Magnesita N.V.	Fidelity International
	Taylor Wimpey	Pension Protection Fund
	Tyman	–
	Vistry Group	Fidelity International & Abrdn
	Volution Group	LGPS Central

*Some companies are currently without a lead engager due to a) lead investor divestment or b) currently seeking a volunteer.

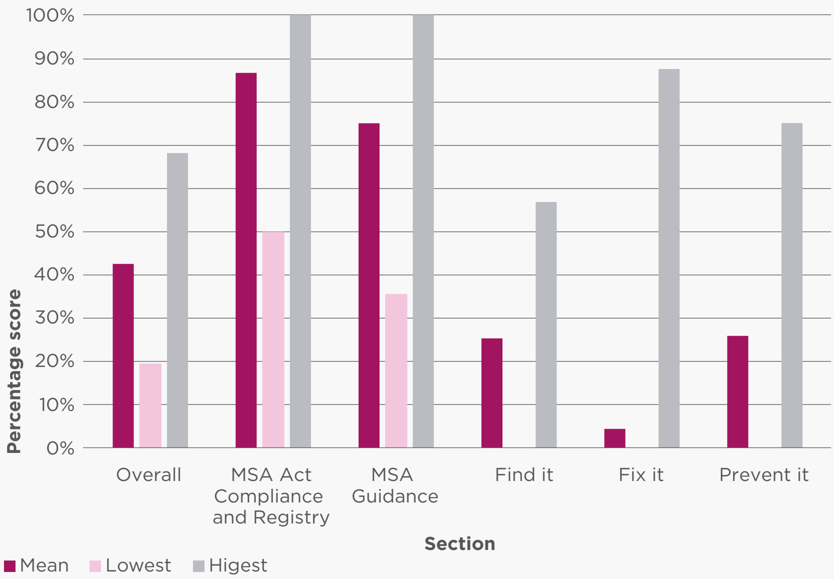
was the lowest scoring category on all three measures, followed by 'Find it' and 'Prevent it'. Disclosures are still primarily on policies and procedures, with relatively little detail on active due diligence.

Most companies placed in Tiers 3 and 4, with only two companies in Tier 2. This distribution is more heavily weighted to the lower end than that for the 2023 UK Modern Slavery Benchmark. The scorecards demonstrated that in general construction sector companies need to do a lot more to tackle the risks of modern slavery in the sector. Furthermore, they need to disclose more details on their activities and efforts to provide remedy.

During the conversations at the roundtable, the risks were acknowledged and a number of senior leaders from the sector acknowledged the sector needed to do more. One concrete suggestion was the creation for regulators, civil society and the industry to come together to create a modern slavery intelligence network, to share intelligence on risk factors and to coordinate responses. We have been following industry conversations on this topic since the roundtable and we understand that several large construction companies have indicated they are willing to support the development of a such a network.

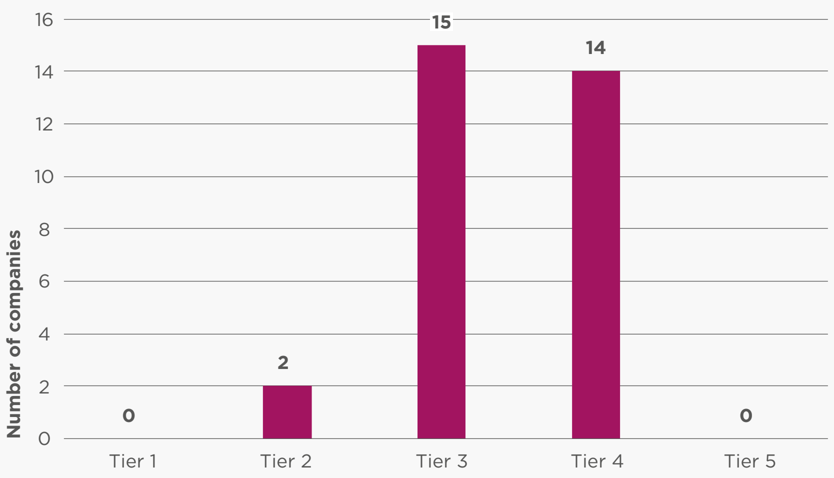
We also attended the Business Services Association Modern Slavery Council to follow up with the construction industry. We were encouraged to hear the very positive impact the roundtable had on senior leaders – the powerful presentation by a survivor leader was highlighted. The Business Services Association's Modern Slavery Council recently published a toolkit to provide businesses and voluntary, community and social enterprise organisations within the service and infrastructure projects sector with a best practice guide on how to address the risks of modern slavery in their own structures and their supply chains.[9]

CONSTRUCTION COMPANIES' SCORES



Source: CCLA, as at 31 March 2024.

CONSTRUCTION SECTOR COMPANIES PERFORMANCE TIER DISTRIBUTION



Source: CCLA, as at 31 March 2024.

Seasonal agriculture

In December 2022, CCLA spearheaded a call by investors to help protect migrant seasonal workers in the UK.

Brexit and the war in Ukraine had resulted in a shortage of migrant workers for the UK agricultural sector. The investor group was concerned that migrant workers in the UK, recruited and employed through the government's Seasonal Workers' scheme, are being obliged to pay excessive fees to agents and middlemen, in addition to other fees and travel and visa costs in order to fill crucial but temporary roles in support of the UK's food sector.

Despite the UK government's commitments to tackling modern slavery and the International Labour Organization stating that no recruitment fees or related costs should be charged to, or otherwise borne by, workers or jobseekers, there are allegations that workers have had to take out loans at high interest rates or sign over assets and property to cover the costs. This leaves the workers at high risk of debt bondage, one of the key indicators of forced labour.

In 2023 and 2024 we continued our work on seasonal agriculture primarily through public policy engagement. However, we have also engaged with supermarkets, UK government appointed Seasonal Workers' scheme operators and farmers. Most notably in May 2024 a group of investors went on a field trip to farms in Sussex. We met with scheme operators, members of the Seasonal Worker Scheme Taskforce and supermarket retailers. We also heard directly from a worker from Indonesia who had been exploited as a consequence of the scheme. This was an important opportunity to learn about the issues from a range of different perspectives throughout the value chain and to express support for an Employer Pays Principle cost modelling and pilot.

We are looking forward to continued engagement on this topic with all stakeholders and are looking forward to the cost-modelling being published.

▼ Seasonal field trip discussion, May 2024

▲ Investors field trip at a farm in Sussex, May 2024

Summary

Corporate engagement and active ownership is at the core of driving change. Through the corporate engagement workstream we have seen businesses enhance their due diligence processes; identify modern slavery cases as well as risks of modern slavery; begin the difficult and challenging work of remediation and providing remedy for workers; as well as starting to put in processes to stop these challenges occurring. While there are achievements to celebrate, we are aware that more needs to be done to ensure that all the companies we invest in are taking robust action to eliminate modern slavery.

Plan for next year

Over the coming year, we will continue to engage with companies in the construction sectors as well as supermarkets linked to seasonal agriculture. We are also considering which sectors to engage next.

> 'We all have a part to play but as consumers and investors, our actions and choices play a crucial role in fostering a fair and ethical marketplace.
>
> We need to consider labour laws and how we treat our workers as part of the Just Transition. It's often unclear what steps we can take, but as shareholders, we can challenge companies like supermarkets on their efforts to ensure ethical labour practices for the food on their shelves.'
>
> Bev Shah, City Hive

Public policy

A key part of Find it, Fix it, Prevent it is our work with government, policy makers and regulators to promote a meaningful regulatory environment. We have continued to contribute to the policy debates about the need to improve the legislation on transparency in supply chains.[10] It was disappointing the parliamentary time was never found to legislate on supply chains, promised in the Queen's Speech in 2022. As members of the Home Office Prevention and Enforcement Forum, we have also advocated the need to update the statutory guidance on transparency in supply chains and were pleased that this work has now been commissioned.

The government's response to the consultation on transparency in supply chains accepted the need to tighten up the legislation. In particular, the commitment to introduce mandatory topics, an annual reporting deadline, and fines for non-compliance would be helpful to investors. While some argue that such incremental change is no longer appropriate and would prefer human rights due diligence to be mandated by law, we have argued consistently for improvements to existing legislation as a necessary first step. In 2024 we have submitted written evidence and given oral evidence making this point to the Home Affairs Committee on Human Trafficking and the House of Lords review of the Modern Slavery Act.

We also use these policy platforms to argue for the need for financial institutions to be explicitly required to report on their investing and lending portfolios. We believe that reporting would both provide transparency and incentives for investor engagement with investee companies. Following overall poor performance of financial services in the CCLA Modern Slavery Benchmark we met with the Investment Association to explore what could be done to raise standards and performance. We will continue to argue for greater due diligence downstream by financial services on a voluntary basis and presented our views to the Thun Group of banks – an informal network of banks working on business and human rights topics – in March and to the All Party Parliamentary Group in November.

Dame Sara Thornton and Dr James Corah provide evidence to the Policy Liaison group on ESG

Over the past few years, we have followed the debates in the European Union on mandating human rights due diligence. After several setbacks the European Parliament formally adopted the Corporate Sustainability Due Diligence Directive in May 2024. The directive introduced legal obligations on large companies trading in Europe in respect of the adverse impacts of their activities on human rights and environmental protection. Dame Sara Thornton and Dr Martin Buttle both gave evidence to the House of Lords review of the Modern Slavery Act on the need for the UK to adopt similar legislation. This would provide consistency of standards for businesses and would reduce the risk of goods made with forced labour being dumped in the UK.

Following the publication of an investor statement on the UK agricultural supply chain in December 2022, we have continued to raise the issue of migrant workers potentially exposed to forced labour on UK farms. The statement was supported by ten investors with £800 billion in assets under management (as at December 2022) and called for the implementation of the Employer Pays Principle, the repayment of recruitment related costs and encouraged the government to reform the UK Seasonal Workers' scheme in line with international commitments.

We arranged a briefing for investors by the Seasonal Worker Scheme Taskforce and contributed to the government's Independent Review into labour shortages in the food supply chain. The review which was published in June 2023 set out key recommendations for government, industry and other key stakeholders. We gathered a coalition of 14 investors and wrote to the Secretary of State for Environment, Food and Rural Affairs urging Defra to implement the recommendations. In March we met with the Minister of State for Food, Farming and Fisheries and had a constructive conversation about the need to reform to build the long-term value of the food sector in the UK. As a consequence of the meeting, we wrote to the Minister of State for Legal Migration and the Border to make similar points about the need for reform. We were pleased to see that the government response to the Independent Review confirmed the Seasonal Workers' scheme for a further five years which will enable better planning and more certain employment. Importantly, the government also committed to working with the Seasonal Worker Scheme Taskforce investigate the use of the Employer Pays Principle for the seasonal workers' route.

▲ **Dr Martin Buttle giving evidence to House of Lords enquiry**

Plan for next year

We anticipate continuing to push on our public policy engagement themes including the need for the UK to develop mandatory human and environmental due diligence legislation in line with the EU. We look forward to engaging with the new labour government on these issues.

Developing better modern slavery data

Context

Measuring and monitoring the prevalence of modern slavery over time is important for several reasons:

- For policymakers – to assess the effectiveness of legislation and regulation
- For businesses – to prevent modern slavery from occurring in their supply chains
- For charities and local authorities – to bring to light the resources that may be required to support the victims
- For investors – to enable an accurate assessment of modern slavery risks in investment portfolios.

There is no definitive source of data, nor a suitable method available, to quantify or qualify the problem with any accuracy. A lack of readily available data is hindering the potential for investors to act.

A key issue is that without clear legislation there is a disincentive for companies to report transparently on modern slavery risks in the supply chain.

In the data workstream, Find it, Fix it, Prevent it works to identify and promote better data on modern slavery with which investors can analyse companies. This covers better data on the saliency of human rights risks as well as promoting better data on corporate risk management processes.

We understand that there are currently many disincentives for companies to disclose their work in finding, fixing and preventing modern slavery in their operations and supply chains, including litigation risk and risks of triggering ESG controversy processes. Nevertheless, we believe that without better corporate disclosure we will fail to make meaningful progress on tackling the issue.

Progress

In 2023, CCLA launched its benchmark on the top 100 UK listed companies based on the Find it, Fix it, Prevent it framework. The benchmark assesses the modern slavery statements and other disclosures of top UK publicly listed companies. It considers compliance with the legislation, but also evaluates the extent to which companies have complied with government guidance and the degree to which they have disclosed finding, fixing and preventing modern slavery.

In the foreword to the report, the former Prime Minister Theresa May stated:

> 'This is a great example of investors taking the lead and using modern slavery statements as a catalyst for improvement and I welcome it.'

CCLA believes the benchmark has been a great success. We have seen a number of large publicly listed companies from a wide variety of sectors, including National Grid, Reckitt, RELX, Rio Tinto and Tesco, publicly acknowledge the benchmark in their 2023/24 modern slavery statements. We have also used it in public policy consultations. We are pleased that other members of Find it, Fix it, Prevent it are using the benchmark in their engagements with companies.

At the time of writing, we are preparing to undertake our 2024 modern slavery benchmark assessment and are looking forward to analysing what changes have occurred since the first benchmark was published.

Opinion forming and thought leadership

In addition to other activities, Find it, Fix it, Prevent it has sought to provide thought leadership opportunities for investors and wider partners. Find it, Fix it, Prevent it has become a unique and influential coalition of investors engaging companies on tangible modern slavery issues as well as influencing the wider public policy environment.

There have been opportunities in 2023/2024 to leverage the influence of the network and explore topics of relevance to the fight against modern slavery.

Engagement with Investors Against Slavery and Trafficking Asia Pacific (IAST APAC)

The Investors Against Slavery and Trafficking Asia Pacific (IAST APAC) initiative is an investor-led, multistakeholder project and a sister initiative of Find it, Fix it, Prevent it. It was established in 2020 to engage with companies in the Asia-Pacific region to promote effective action in finding, fixing and preventing modern slavery in operations and supply chains. It currently has 49 members with AU$12 trillion in Assets Under Management (AUM).[11]

Throughout 2023/2024 we have regularly met with First Sentier Investors who are leads for this initiative to compare notes and share ideas. In April, we joined an engagement Masterclass organised by IAST-APAC to discuss some of the successful engagements that have happened through FFP.

KNOWLEDGE PARTNERSHIP WITH FINANCE AGAINST SLAVERY AND TRAFFICKING

In 2024 we continued to partner with Finance Against Slavery and Trafficking as a knowledge partner.

CCLA hosted four knowledge events in partnership with Finance Against Slavery and Trafficking (FAST) between May 2023 and June 2024 for Find It, Fix It, Prevent It (FFP) members. FAST is a multi-stakeholder initiative focused on mobilizing the finance sector to take meaningful and sustained action to address modern slavery. FAST, United Nations University Centre for Policy Research's (UNU-PR) signature anti-modern slavery initiative from 2019 to July 2024, transitioned to the United Nations Development Programme (UNDP) in August 2024.

These events enhanced members' capabilities in identifying and mitigating modern slavery risks across high-risk sectors like construction. They also focused on effective, intentional risk assessment strategies and emerging good practices to address social risks; meaningful and ethical engagement with affected communities, including survivor leaders, to improve due diligence processes; and leveraging technology and worker-driven models to foster transparency in supply chains.

A notable collaboration emerged with the UK Modern Slavery and Human Rights Policy and Evidence Centre (PEC), CCLA and FAST, culminating in a brief on integrating artificial intelligence (AI) to bolster supply chain visibility. This was a result of an insightful roundtable held in May 2023 at CCLA with 30 stakeholders from the business, investment, academic, and civil society communities. This publication underscores AI's potential to aid investors in navigating complex modern slavery challenges while emphasizing the importance of addressing ethical and legal considerations crucial for safeguarding vulnerable populations.

Through these initiatives, FAST and CCLA have catalysed uptake of actionable insights, frameworks, and connections with civil society that can equip investors with the knowledge and tools needed to address modern slavery effectively. This collaborative effort exemplifies a commitment to sustainable finance and underscores our shared mission to drive meaningful change in the fight against modern slavery worldwide.

Care sector

In recent years social care has faced severe labour shortages amidst stories of poor pay and conditions. In February 2022 care workers were put on the skilled worker shortage occupations list. As a result, Britain's health and care sector is increasingly reliant on overseas staff, with more than 120,000 visas issued in 2022. Furthermore, the sector has since become a desirable route to permanent residency in the UK. As a result, there are concerns that workers on these visa schemes face exploitative labour conditions including modern slavery and debt bondage and may have been victims of fraud.

Indeed, Unseen recorded a 606% increase in the number of modern slavery care sector cases from 2021 to 2022. 712 potential victims of modern slavery were indicated in the care sector in 2022, comprising 18% of all potential victims indicated through the Helpline.[12]

In February 2024, Find it, Fix it, Prevent it collaborated with Friends Provident Foundation, PIRC and Dr Caroline Emberson from Nottingham Rights Lab to organise a webinar on the topic of modern slavery in the care sector. We heard from the National Crime Agency, the Gangmasters' and Labour Abuse Authority and the Care Quality Commission about the extent of the problem. Through the webinar we discussed a number of challenges for traditional investor engagement in the sector including the diffuse ownership and the lack of large publicly listed companies operating in the sector and the extent of private equity. The webinar was an important opportunity for investors to explore the issue but also the routes to influencing better practice in the sector.

Subsequent to the webinar, Friends Provident Foundation has funded Nottingham Rights Lab to undertake a research study mapping the extent of the issue as well as exploring the connections between care and the investment sector.

Plan for next year

Following a strategic review of the priorities for Find it, Fix it, Prevent it during April and May 2024, we expect 'opinion leading and thought leadership' to become a more formal element in the programme. Members requested insights and thoughts on a range of topics and ideas on how to engage on modern slavery issues across different asset classes. We hope that going forward we can address some of these needs.

What being a member means

Find it, Fix it, Prevent it aims to facilitate discussion and the exchange of public information. Find it, Fix it, Prevent it is not a forum for joint or collective decision-making or action with respect to acquiring, holding, disposing of and/or exercising or refraining from exercising the voting rights attached to securities. Members will not exchange or disclose non-public, competitively sensitive or confidential information, including with other members or participants in engagements, Find it, Fix it, Prevent it itself, and stakeholder networks. The exchange or disclosure of information in the context of collaboration or discussion can give the impression of the existence of a potentially unlawful agreement. It is therefore important to avoid exchanging information which might result in, or appear to result in, a breach of UK law and in particular UK competition law.

It is the intention that Find it, Fix it, Prevent it will operate at all times in accordance with UK law and regulations and in particular UK competition law and rules regarding acting in concert. Members are aware that any discussions, engagement or networking between them may be subject to competition law and the rules regarding acting in concert and should not engage in discussions or actions that contravene either in any way. Members must avoid coordination of strategic behaviour between competitors that impacts or is likely to impact competition or may result in a breach of competition law.

Members are responsible for their own or their clients' investment and voting decisions and must always act completely independently to set their own strategies, policies and practices based on their own or their clients' best interests. The use of particular engagement tools and tactics, including the scope of participation in Find it, Fix it, Prevent it engagements, is at the sole discretion of each member.

Members may not claim to represent other members, participants in discussions or stakeholder networks, nor should members make statements referencing or purporting to be on behalf of other parties without their express consent. Any decision to take action with respect to acquiring, holding, disposing and/or voting or refraining from voting of securities shall be at a member's sole discretion and made on their own behalf or that of their clients and not on behalf of Find it, Fix it, Prevent it, its stakeholder networks or their other members.

Find it, Fix it, Prevent it and its stakeholder networks do not act or speak on behalf of each other or Find it, Fix it, Prevent it members. They also do not seek directly or indirectly, either on their own or another's behalf, the power to act as proxy for a security holder and do not furnish or otherwise request, or act on behalf of a person who furnishes or requests, a form of revocation, abstention, consent or authorisation.

Find it, Fix it, Prevent it does not provide investment or voting recommendations, and members should not make investment or voting decisions based on the investment or voting behaviour of other members.

List of Find it, Fix it, Prevent it members

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Aikya
Alliance Bernstein
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AON
Artemis Investment Management
AustralianSuper
Aviva
Barrow Cadbury Trust
Border to Coast
Boston Common Asset Management
Brunel Pension Partnership
Castlefield Investment Partners LLP
CCLA Investment Management
Central Finance Board of the Methodist Church
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Epworth Investment Management
Evelyn Partners
Federated Hermes Limited
Fidelity International
Friends Provident
GAM Investments
Interfaith Center on Corporate Responsibility
Jesuits in Britain
KLP Kapitalforvaltning AS
Lazard Asset Management
LGT
Lindsell Train
Local Authority Pension Fund Forum
Local Government Pension Scheme Central
M&G
Medical Missionary Sisters
Mercy Investment Services
OVF (The Norwegian Church Endowment)
Panahpur
Pension Protection Fund
Quilter Cheviot
Railpen
Rathbones
Sarasin & Partners
Schroders
SHARE Canada
Sjunde AP-fonden (AP7)
The Archbishops' Council
The Church of Scotland Investors Trust
The Diocese of Hallam
The Diocese of Westminster
The Episcopal Church (DFMS)
The Plater Trust
The Polden-Puckham Charitable Foundation
The Representative Church Body of the Church in Wales
The Representative Church Body of the Church of Ireland
The Salvation Army UK Territory
The United Reformed Church Ministers' Pension Trust
The United Reformed Church Trust
The William Leech Foundation Limited

*On behalf of its stewardship clients.

Endnotes

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TO FIND OUT MORE

Go to:

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