**Public Consultation**

Compliance, Conformance and Good Practice under the U.K. MSA

*proposing 70 indicators – January 2020*

[](https://www.developmentinternational.org)

**To keep or to expand (the instrument)?**

The October 2018 publication [*GLOBAL GOVERNANCE – Compliance and Conformance with U.K. MSA and Good Practice in Human Rights: FTSE 100 and Real Estate 100*](https://docs.wixstatic.com/ugd/f0f801_e4fe7195ed6447a29ce587d243f9f693.pdf) honed in on the Financial Times Stock Exchange (FTSE 100) and Real Estate (RE) 100, assessing each organisation’s legal compliance, disclosure conformance and reported anti-slavery/anti-human trafficking (AS/AHT) good practice pursuant to Section 54 of the U.K. MSA. An evaluation instrument featuring 47 indicators was applied. The same evaluation framework was again applied in the spring of 2019 to evaluate the same two cohorts.

In the course of implementing the instrument, we determined that additional indicators in the good practice section might be recommended (highlighted in yellow in Appendix A), providing inter alia for a more robust role for third party implementation and verification of relevant programs. This would bring the total indicator count to 70.

We would appreciate your thoughts. In case of feedback, please use the “comment” column in Appendix A to provide your input, and email this file back to Dr. Chris Bayer at *cbayer@tulane.edu*.

# Appendix A: Expanded Evaluation Instrument

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **rubric** | **indicator** | | | **answer** | **indicator type** | **indicator weight** | **indicator #** | **comment** |
| **legal compliance** | Included a link to the slavery and human trafficking statement on website’s homepage? | | | yes / no | compl. | 4 | 1 |  |
| Signed by director (corp), designated member (LLP), or partner (partnerships) | | | yes / no | compl. | 2 | 2 |  |
| Approved by the **board of directors** or equivalent management body [except LLPs] | | | yes / no | compl. | 4 | 3 |  |
| Explanation of steps organisation **has** or **has not** taken to ensure slavery and human trafficking is not taking place: | | a) in any of its supply chains | yes / no | compl. | 1 | 4 |  |
| b) in any part of its own business | yes / no | compl. | 1 | 5 |  |
| Does the statement: | | include a defined **fiscal year period**, which the contents of the statement are meant to cover? | yes / no | compl. | 4 | 6 |  |
| comply with the annual publication requirement of the MSA? | yes / no | compl. | 3 | 7 |  |
| identify which **individual company(ies)** is/are covered under the statement? | yes / no | compl. | 4 | 8 |  |
| make clear it is pursuant to the MSA? | yes / no | compl. | 2 | 9 |  |
| **Diprodisclosure conformance, AS/AHT good practice** | basics | (a) information the organisation's **structure,** its **business** and its **supply chains**; | Does the organisation provide information about its: **STRUCTURE** | yes / no | conf. | 1 | 10 |  |
| Does the organisation provide information about its: **BUSINESS** | yes / no | conf. | 1 | 11 |  |
| Does the organisation provide information about its:  (1) **supply/service chains**  OR  (2) **goods / services it procures directly for its operations** (e.g. equipment, vehicles, etc.) | yes / no | conf. | 2 | 12 |  |
| **Supply/ service chains mapped** down to level of raw materials or sub-contracting -- and provided examples in statement? | yes / no | good practice | 2 | 13 |  |
| Included **visual diagram** (e.g. charts/ maps) of **supply/ service chain**  OR **business activities**? | yes / no | good practice | 3 | 14 |  |
| policy | (b) information about its **policies** in relation to slavery and human trafficking; | 1. Does the organisation have a **distinct AS policy for their business**? *or*  2. Has the organisation **incorporated AS-specific principles** into their **existing policies**? (e.g. in supplier code of conduct) | yes / no | conf. | 3 | 15 |  |
| Policy implementation, in particular by incorporating **AS-relevant policies into supplier/ service provider contract clauses**? | yes / no | good practice | 3 | 16 |  |
| Policy enforcement, including consequences for non-performance including suspension or termination of offending suppliers / providers? | yes / no | good practice | 2 | 17 |  |
| Does the organisation require enforcement of "**employer pays**" principle? | yes / no | good practice | 1 | 18 |  |
| Is the organisation a **living wage signatory**? | yes / no | good practice |  | 19 |  |
| Does the organisation’s policy support **freedom of association and collective bargaining rights** in its value chains? | yes / no | good practice |  | 20 |  |
| due diligence | (c) information about its **due diligence processes** in relation to slavery and human trafficking in its business and supply chains: | Does the organisation provide information about its **due diligence processes** in relation to Modern Slavery in its: **BUSINESS** | yes / no | conf. | 2 | 21 |  |
| Does the organisation provide information about its **due diligence processes** in relation to Modern Slavery in its: **SUPPLY/SERVICE CHAINS** (including clients, procurement) | yes / no | conf. | 2 | 22 |  |
| **Due diligence standard** referenced? | yes / no | good practice | 1 | 23 |  |
| **Prospective business activities** (e.g. hiring employees) evaluated based on AS criteria? | yes / no | good practice | 2 | 24 |  |
| **Prospective suppliers/ providers** evaluated/ screened based on AS criteria? | yes / no | good practice | 2 | 25 |  |
| modern slavery risk: parts, assessment, and management | (d) Information about the **parts** of its **business** and **supply chains** where there is a **risk** of **slavery and human trafficking** taking place, and the **steps** it has taken to **assess and manage that risk;** | Does the organisation provide information about the **parts** of its ***BUSINESS*** where there is a risk of Modern Slavery taking place? | yes / no | conf. | 1 | 26 |  |
| Does the organisation provide information about the **parts** of its ***SUPPLY/SERVICE CHAINS*** (e.g. procurement) where there is a risk of Modern Slavery taking place? | yes / no | conf. | 1 | 27 |  |
| **Modern Slavery risks** in business described? | yes / no | good practice | 2 | 28 |  |
| **Modern Slavery risks** in supply/ service chains described? | yes / no | good practice | 2 | 29 |  |
| Does the organisation describe **steps it has taken to ASSESS the risk of Modern Slavery** in its **BUSINESS?** | yes / no | conf. | 1 | 30 |  |
| Does the organisation describe **steps it has taken to MANAGE the risk of Modern Slavery** in its **BUSINESS?** | yes / no | conf. | 1 | 31 |  |
| Does the organisation describe **steps it has taken to *ASSESS* the risk of Modern Slavery** in its ***SUPPLY/ SERVICE CHAINS*** (e.g. procurement)? | yes / no | conf. | 1 | 32 |  |
| Does the organisation describe **steps it has taken to *MANAGE* the risk of Modern Slavery** in its ***SUPPLY/ SERVICE CHAINS*** (e.g. procurement)? | yes / no | conf. | 1 | 33 |  |
| **Metrics (KPIs)** for **business** risk assessment discussed? (e.g. frequency of risk assessment, % assessed) | yes / no | good practice | 2 | 34 |  |
| **Metrics (KPIs)** for **supplier/provider** risk assessment discussed? (e.g. frequency of risk assessment, % of suppliers assessed) | yes / no | good practice | 2 | 35 |  |
| Did the organisation specify that its risk assessment covered **at least 80% of its total spend** in its value chains? | yes / no | good practice |  | 36 |  |
| Did the organisation participate in pre-competitive, **collective working groups** on relevant issues (e.g. audit non-conformances, wages and working hours, joint remediation, worker voice, forced labour, etc.)? | yes / no | good practice |  | 37 |  |
| Has the organisation taken measures to support freedom of association and collective bargaining rights in its value chains? | yes / no | good practice |  | 38 |  |
|  | The organisation offers **savings and loan facilities** to workers in the supply chain to earn extra income through dividends and profit-sharing. | yes / no | good practice |  | 39 |  |
| audits | **Audits** of its own **business activities** performed? | yes / no | good practice | 2 | 40 |  |
| Were the audits of its own business activities performed by a **third party**? | yes / no | good practice |  | 41 |  |
| **Metrics (KPIs)** for **business** audits discussed? (e.g. frequency of audits) | yes / no | good practice | 2 | 42 |  |
| Were **audits of** **suppliers/ providers** performed? | yes / no | good practice | 2 | 43 |  |
| Did the audits check whether workers are properly **paid for all labour hours**? | yes / no | good practice |  | 44 |  |
| Did the audits check whether all **labour is voluntary**? | yes / no | good practice |  | 45 |  |
| Did the audits check whether producers comply with all **employment age laws** and standards? | yes / no | good practice |  | 46 |  |
| Did the audits check whether **working hours are not excessive** and are consistent with local laws and standards? | yes / no | good practice |  | 47 |  |
| Did the audits check whether **production conditions meet health and safety standards**? | yes / no | good practice |  | 48 |  |
| Were audits also **unannounced?** | yes / no | good practice |  | 49 |  |
| Were the audits of suppliers/ providers performed by a **third party**? | yes / no | good practice |  | 50 |  |
| **Metrics (KPIs)** for **supplier/ provider** audits discussed? (e.g. frequency of audits) | yes / no | good practice | 2 | 51 |  |
| Company **publicly reports** the findings of its supplier/provider **audits** on its website, including the nature of non-conformances. | yes / no | good practice |  | 52 |  |
| **Site visits** and/or **spot checks** at **supplier/ provider sites** further down the supply/ service chains? | yes / no | good practice | 1 | 53 |  |
| grievance mechanism / ethics hotline | Does the organisation maintain a **whistleblower mechanism** or ethics hotline **within its own business**? | yes / no | good practice | 2 | 54 |  |
| Existence of **third party-managed whistleblowing mechanism**? | yes / no | good practice |  | 55 |  |
| Does the organisation maintain a **worker-level** incident detection and reporting system or **whistleblower** **mechanism for its supply/service chains** (e.g. operational- level)? | yes / no | good practice | 3 | 56 |  |
|  | Is there a **third party managed worker-level grievance or whistleblower mechanism** for its **supply/service chains**? | yes / no | good practice |  | 57 |  |
|  | Were **modern slavery-relevant cases (incidents) reported** through the third party managed worker-level grievance or whistleblower mechanism? | yes / no | good practice |  | 58 |  |
|  | Did the company have a “**non-retaliation**” policy in place to protect whistleblowers? | yes / no | good practice |  | 59 |  |
| effectiveness | (e) Information about its **effectiveness** in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against **performance indicators** | Does the organisation provide information about **its effectiveness** in eliminating Modern Slavery from its business or supply chains, measured against such **performance indicators** as it considers appropriate? | yes / no | conf. | 5 | 60 |  |
| **Year-over-year improvement** / **change** measured based on the selected KPIs? | yes / no | good practice | 3 | 61 |  |
| Remediation of **specific incidents** / **cases** discussed? | yes / no | good practice | 3 | 62 |  |
| Were **Corrective Action Plans** (CAPs) relating to labour practices instituted and monitored? | yes / no | good practice |  | 63 |  |
| Does the organisation provide **wage data** at root of supply chains and compare it to living wage estimates? | yes / no | good practice |  | 64 |  |
| Did the organisation measure/report on the payment of **living wages** at the base of its supply chains? | yes / no | good practice |  | 65 |  |
| Does the organisation use a **standard minute costing system** with its suppliers (which creates transparency in the company's product cost for materials, labour and overhead)? | yes / no | good practice |  | 66 |  |
| training | (f) Information about the **training** about slavery and human trafficking available to its staff. | 1. Does the organisation have a **distinct MS training programme for their business**? *OR*  2. Has the organisation **incorporated MS-specific training into their existing training programme**? | yes / no | conf. | 3 | 67 |  |
| **Appropriate training** delivered to the relevant parties **within the company** (e.g. procurement, management, legal, etc.)? | yes / no | good practice | 2 | 68 |  |
| Company also offered **training** to high-spend or high-risk tier 1 **suppliers / providers?** | yes / no | good practice | 3 | 69 |  |
| AS / AHT training done by 3rd party? | yes / no | good practice | 1 | 70 |  |