

## **‘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). Further, 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<sup>1</sup>.

In 2019, over 40 million people exist in a state of modern slavery. Modern slavery is also an issue for business and the economy. For instance, the United Kingdom, alone, imports over \$18 billion dollars’ worth of goods every year that are very likely to have incorporated slave labour in their production<sup>2</sup> and research conducted with leading UK retail brands found that 77% of companies, when interviewed anonymously, thought it likely that modern slavery occurred in their supply chains<sup>3</sup>. Evidence, collected by charities and academics, would suggest that this is likely to be far more widespread and poses a significant challenge to the reputations of the businesses in whom we invest.

We, the undersigned investors, 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 over the past few 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-listed 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.

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<sup>1</sup> The Liechtenstein Initiative, Finance Against Slavery and Trafficking (2019)

<sup>2</sup> Global Slavery Index (2018)

<sup>3</sup> Ethical Trading Initiative and Ashridge Hult Business School (2016)