The United Kingdom Modern Slavery Act: Are we making progress? A look at organizational commitment to eradicating modern slavery*

Heather Carle[a] and Linda Brewer[b]

Abstract

This study examines the effect of regulatory outreach actions on modern slavery statements by the United Kingdom. More than 30,000 policy entries in the United Kingdom Modern Slavery Compliance Registry from 2020 to 2022 were reviewed using analysis of variance and multiple regression to determine predictors of policy statement robustness. The results reveal that policies have become more robust following regulatory efforts. Private conglomerate groups, which can include multinational corporations, are the largest publishers to the registry. However, the role of the chief executive officer as the authority approving the statements has diminished in impact, while company turnover has emerged as a more reliable predictor of impact. Furthermore, the presence of International Labour Organization indicators in the policy statement shows that concern for child-related issues can vary depending on the geographical focus of risk, but that it does not predict a focus on women. The steady improvement in the robustness of modern slavery policies signals some progress following regulator outreach.

Keywords: forced labour, modern slavery, regulation, sustainable development goals, UK

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a Corresponding author. Bryan School of Business and Economics, University of North Carolina at Greensboro, Greensboro, North Carolina, United States (hdread@uncg.edu).

b Bryan School of Business and Economics, University of North Carolina at Greensboro, Greensboro, North Carolina, United States.

1. Introduction

The International Labour Organization (ILO) estimated that 27.6 million people were living in modern slavery in 2021, despite criminalization of the practice under international law and universal condemnation of it as unethical (Crane, 2013). There is no formal legal definition of modern slavery, but the term generally refers to "situations of exploitation that a person cannot refuse or leave" (ILO et al., 2022, p. 2). This encompasses various exploitative practices such as forced labour, debt bondage, chattel slavery, serfdom, trafficking of children and adults, forced marriage, child soldiers, and domestic servitude (Oxfam and Kalayaan, 2008). The 2012 Bellagio-Harvard Guidelines on the Legal Parameters of Slavery extended the definition of slavery in Article 1(1) of the 1926 Slavery Convention: "the status or condition of a person over whom any or all the powers attaching to the right of ownership are exercised." The guidelines further elaborate this definition by considering the exercise of powers attaching to the right of ownership as "constituting control over a person in such a way as to significantly deprive that person of his or her individual liberty, with the intent of exploitation through the use, management, profit, transfer, or disposal of that person. Usually, this exercise will be supported by and obtained through means such as violent force, deception and/or coercion" (Mende, 2019, p. 232). The global community, under the umbrella of the United Nations Sustainable Development Goals (SDGs), has committed to eradicate modern slavery by 2025 for children and by 2030 universally. The pledge includes taking "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" (SDG Target 8.7).

Despite these pledges and public focus, multinational corporations (MNCs) still report limited understanding of modern slavery and their role in its eradication (Robb and Michailova, 2023). This understanding differs significantly based on the firm's context such as the jurisdiction, the industry and the complexity of a company's supply chain (Robb and Michailova, 2023).

Within management research, discussions about modern slavery are often found in the context of the supply chain, where slavery is used to underprice labour through illegitimate means (Crane, 2013). In 2015, the United Kingdom took the lead in fighting modern slavery by introducing the United Kingdom Modern Slavery Act, the first law of its kind (Flynn and Walker, 2020). A key provision of the law is the Transparency in Supply Chain (TISC) clause, designed to expose supply chain practices to public scrutiny and thereby pressure firms to take proactive measures against modern slavery risks (Birkey et al., 2018). This provision is the only part of the law to address private companies (Cousins et al., 2020). Specifically, the law requires that all businesses that do business in the United Kingdom that have a total annual turnover of £36 million or more prepare and make public a statement outlining the measures they have taken to ensure that slavery and human trafficking are not occurring within their supply chain (Flynn and Walker, 2020). The statement must describe "the steps the organization has taken during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains, and in any part of its own business" (United Kingdom Modern Slavery Act, Part 6.4). Notably, while the act requires organizations to publish a statement with the steps, if any, they have taken to prevent modern slavery within their business, it does not require organizations to enact an anti-modern slavery strategy.

In December 2017, the National Audit Office issued a report critically assessing the response of the United Kingdom to modern slavery, specifically criticizing it for lack of accountability, insufficient oversight and scarce prosecutions (Mantouvalou, 2018). Despite these criticisms, the TISC clause promulgated by the United Kingdom in the act provides an excellent framework for studying modern slavery reporting in the organizational context. As Pinnington et al. (2023) point out, the United Kingdom has established a unique combination of mandatory annual reporting, comprehensive reporting guidance, inclusivity of all businesses (including non-governmental organizations, as well as business-to-business, business-to-consumer and business-to-government entities), and several years of compulsory reporting, enabling firms to develop best practices through multiple reporting cycles.

Prior research by Flynn and Walker (2020) reviewed modern slavery statements of United Kingdom firms in 2016, one year after the implementation of the 2015 act. Their model focused on coercive, mimetic and normative influences and provided strong evidence that institutional theory accounts for organizational responses to TISC. However, their study did not attempt to assess the *level of commitment* or utilize TISC statements to predict which actions are most likely in specific types of firms (i.e. firm size, CEO's role). We introduce upper echelons theory to further understand organizational commitment to eliminating modern slavery. Specifically, we examine how the CEO's direct involvement influences organizational commitment to achieving SDG 8 targets and the robustness of the firms' policy statements. We determine robustness based on the comprehensiveness of the modern slavery policy, specifically the number of suggested and optional policy areas addressed in the registry submission.

Our research examines over 30,000 statements submitted to the United Kingdom Modern Slavery Compliance Registry from 2020 through 2022 to determine the progress that organizations based in the country are making in improving policies aimed at eradicating modern slavery and achieving the SDG targets related to forced labour. In addition, we investigate the role of the CEO as the approving authority. We seek to answer the following question: what effect have regulatory actions had on compliance with policy development and robustness, particularly with a focus on vulnerable populations? The remainder of the paper proceeds as follows.

The next section reviews the literature on modern slavery in the context of strategic management and institutional theory and develops our hypotheses. Then, we describe our methods and explain our data sources and analytical details. Finally, we discuss our findings and their implications.

2. Background and hypothesis development

Unlike the slave trade of the past, modern slavery is less about owning people and more about using individuals as tools for generating profit. It is estimated that slavery generates $150 billion in profits annually (Themis International Services, 2021). In the United Kingdom alone, an estimated 136,000 individuals are living in conditions of modern slavery (Themis International Services, 2021).

Studies on supply chain management have closely examined the subject of modern slavery, yet this lens has focused on deficiencies in labour markets and is constrained by its reliance on measurable and observable data about transparent supply chain actions. Consequently, it may overlook unseen or unreported factors (Caruana et al., 2021; Crane, 2013; Geng et al., 2022). Strategic management theory can provide more potential forms of explaining management behaviour and the potential influence of the top management team on developing policies (Caruana et al., 2021).

The strategic management literature has examined modern slavery through the lens of institutional theory. It posits that the behaviour and development of an organization are significantly influenced by the norms, values and rules of the environment in which it operates (DiMaggio and Powell, 1983; Scott, 2001). This process is characterized by three primary mechanisms: coercive (regulatory), mimetic (cultural-cognitive and isomorphic) and normative pressures (DiMaggio and Powell, 1983; Scott, 2001). These pressures influence firms to focus on CSR initiatives and signal their work through their policies (Flynn and Walker, 2020). Economic-based arguments framed in institutional theory focus on formal control systems and coercive pressures, which arise from legal and regulatory requirements as varied as punitive sanctions and use of force, or positive incentives. The Modern Slavery Act, which mandates companies to publish an annual statement detailing their efforts to combat modern slavery in their supply chains, is an illustration of coercive influences by government regulators.

Organizational isomorphism, or similarity of behaviour, also facilitates regulatory endorsements of the firm and its legitimacy (Deephouse, 1996). Mimetic pressures result from market ambiguity and environmental uncertainties, leading organizations to mimic the practices of successful or legitimate firms in the field (Deephouse, 1996). Normative pressures are associated with societal expectations and cultural norms, which could drive companies to take voluntary actions to combat modern slavery beyond merely obeying the law.

Prior research has used the institutional theory framework to examine regulatory effects related to modern slavery (Birkey et al., 2018; Flynn and Walker, 2020; Islam and Van Staden, 2021; Stevenson and Cole, 2018). In their review of modern slavery disclosure statements, Flynn and Walker (2020) discovered that of firms listed on the Financial Times Stock Exchange, the top 100 are more likely to make changes in most aspects of structure, policy and practice than the next 250 firms in response to these pressures. They also found correlations between adherence to international human rights accords and the presence of human rights policies. Furthermore, participation in a multi-stakeholder initiative is associated with the establishment of a modern slavery working or steering group. Flynn and Walker (2020) suggest that structural, policy and practice responses contained in these statements signal compliance with these institutional pressures. Previous research has also confirmed that firm size, high supply chain risk and prior reporting are correlated with disclosure statements (Birkey et al., 2018).

Despite the various institutional pressures, there is evidence to suggest that organizations may not always respond effectively to regulatory action. This was highlighted in 2022 when the Financial Reporting Council reported that one in ten United Kingdom organizations failed to comply with the Modern Slavery Act's requirement to publish an annual slavery statement.[1] Furthermore, one in three organizations that did publish a statement provided one of poor quality, suggesting potential gaps in effectively translating coercive and mimetic pressures into meaningful organizational actions. This could be mitigated by more active intervention from the regulatory bodies. An increased level of compliance activity from regulators may serve to amplify the coercive pressures on organizations, thereby improving compliance rates with the Modern Slavery Act and improving robustness of policies to combat modern slavery.

> ***Hypothesis 1 – Active outreach by the regulator will result in greater submission compliance and more robust policies.***

Although institutional theory provides a framework for understanding how firms adapt to gain legitimacy, it overlooks the significance of individual agency in shaping action. Therefore, intra-organizational dynamics deserve consideration (Greenwood and Hinings, 1996). We propose that upper-echelon theory, a relatively unexplored factor in this context, is crucial for understanding how institutional pressures shape modern slavery disclosure statements. Upper-echelon theory posits that the personalities, values and experiences of executives play a pivotal role in shaping

[1] Alice Lepeuple, "New anti-modern slavery bill unlikely to accomplish goals", WilmerHale W.I.R.E. (White Collar, Investigations and Regulatory Enforcement) UK, 10 June 2022, www.wilmerhale.com/en/insights/blogs/WilmerHale-W-I-R-E-UK/20220610-new-anti-modern-slavery-bill-unlikely-to-accomplish-goals.

their interpretation of situations, subsequently influencing their decisions (Hambrick, 2007; Hambrick and Mason, 1984). It is often the top management team and other members of the dominant coalition who have the most power and influence over an organization's decisions (Cyert and March, 1963).

The CEO in particular may provide guidance that improves sense-making and decision-making processes, aligning them with the empathy and emotions connected to social causes (König et al., 2018). Bendoly et al. (2021) suggest that leadership involvement in sustainability initiatives may stem from competency in stewardship. Furthermore, Everaert et al. (2019) demonstrated that a CEO's ethical ideology influences their stakeholder-centered logic, which could restrict disclosure related to corporate social responsibility (CSR) activities. When a CEO's managerial discretion is high, their values can greatly influence CSR disclosures (Everaert et al., 2019).

The Modern Slavery Act provides a unique perspective for examining leader accountability in policy decisions. Under the law, these statements must be approved by the board of directors and signed by at least one director. In June 2021, an amendment to the law was proposed that includes criminal penalties for individual signatories who approved false or incomplete information, and for those continuing to source from supplies lacking transparency. These potential penalties include up to two years of prison time and up to £20 million in fines.[2] The personal signature requirement presents a unique opportunity to investigate the role of CEOs in modern slavery statements. Considering the threat of personal criminal and financial liability, CEOs who are willing to be personally accountable for the firm's account will have greater confidence in the accuracy of their policy statements and the firm's ability to adhere to proposed commitments. As such, these CEOs could be more inclined to ensure rigorous internal practices and supply chain transparency.

> ***Hypothesis 2 – Firms with CEO accountability for the modern slavery statement will exhibit a more comprehensive modern slavery policy.***

Birkey et al. (2018) found that while numerous stakeholder groups desire enhanced transparency to ensure an ethical supply chain, many investors are wary of potential costs. These conflicting pressures have curtailed transparency in modern slavery statements, resulting in disclosures that are more "symbolic than substantive" (p. 24). Birkey et al. (2018) proposed that managerial apprehension about the disclosure of substantial risks may alarm investors. They found that

[2] Kwame Taylor, "Strengthening corporate accountability through the Modern Slavery Act", 1 September 2021, https://sancroft.com/2021/09/01/strengthening-corporate-accountability-through-the-modern-slavery-act; Shoosmiths, "Corporate liability is on the horizon for breach of the Modern Slavery Act", www.shoosmiths.com (accessed 31 January 2023).

investor reactions to legislative events requiring supply chain transparency have been negative, particularly for firms facing significant threats to their legitimacy from social and political exposure. However, this analysis focused largely on public companies.

More recent analysis indicates a possible shift in attitudes toward risk disclosure. A qualitative analysis of modern slavery statements of several United Kingdom hotel companies revealed significant efforts to increase awareness of training programs and due diligence processes (Jones and Comfort, 2021). In examining more than eight public events leading up to the adoption of the Modern Slavery Act, Cousins et al. (2020) found no evidence of significant abnormal impacts on stock prices. Furthermore, they found that the TISC provisions of the Modern Slavery Act may provide a competitive advantage to firms that have a demonstrated track record of addressing slavery risk, as those firms with a history of recent social incidents had more incidents of negative stock price reactions. Favourable reaction to good track records of compliance with the act may be an incentive for firms to comply with disclosure and reporting requirements (Cousins et al., 2020). Disclosures may lead to additional costs that could present a large burden for firms with lower turnover. Disclosure costs could take the form of proprietary costs, political costs and direct costs associated with drafting the compliance statements themselves (Cousins et al., 2020).

At present, most firms submitting statements to the registry are private companies. This situation provides an opportunity to examine whether drivers of behaviour that are not influenced by investor market demands and regulatory cost exposure also result in the same level of risk aversion and less comprehensive policies. Furthermore, the role of company size, determined by turnover, in shaping compliance behaviours could also be critical. Firms with larger turnover might have more resources at their disposal to absorb increased costs (Dias et al., 2017), allowing them to invest more in compliance efforts and to develop more robust policies to combat modern slavery.

> ***Hypothesis 3 – Firms with larger turnover will have more robust levels of modern slavery policy compliance.***

In addition to the role of the CEO, the robustness of the organization's response to modern slavery issues may serve as an indicator of whether more comprehensive policies are addressing the complex issues associated with the supply chain and modern slavery. The United Kingdom Modern Slavery Compliance Registry, for example, encourages organizations to submit additional areas of identified risk, including affected groups and whether their statements have taken the extra step to identify and address indicators of forced labour. Deeply ingrained issues involving migrant workers characterize the labour force in several industries. The 2000 United Nations Convention Against Transnational Organized Crime's

Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, was a significant policy change that recognized the movement or trafficking of individuals as inherently connected to the modern conceptualization of slavery (Broad and Turnbull, 2019). Subsequent policies, such as the Asylum and Immigration Act of 2004 and the Council of Europe Convention on Action against Trafficking in Human Beings of 2008, have focused on issues of trafficking and forced labour, showing a heightened awareness of these issues in the legal and institutional environments. A 2017 report by the United Kingdom Home Office indicates a progressive increase in cases of modern slavery in the country since 2009; 2016 data shows more than 3,800 victims, of which one third were children (Cooper et al., 2017). Only 25 per cent of the reported cases came from nationals – however, of that group, the majority were children (75 per cent) – and 75 per cent of the total cases were reported from countries outside the European Economic Area, with the most common form of exploitation of adults being exploitive labour (Cooper et al., 2017).

"Slavery – antebellum and modern – was and is still driven by demand for cheap [labour] in supply chains, where a constant search for progressively lower costs and new sources of revenue has all too often led to forced [labour], debt bondage, unethical [labour] brokering, and other forms of [labour] exploitation," according to Baderschneider and Friedman (2021, p. 102). Global consumer demand and market competition have intricately woven dependencies in global supply chains and sources of labour from those who can be exploited. Therefore, issues of forced and slave labour within the United Kingdom extend far beyond the country's borders. For example, over 80 per cent of cotton in United Kingdom originates in the Xinjiang region of China, a region fraught with allegations of human rights abuses of the Uyghur Muslim population.[3] Even looking domestically, "...the [United Kingdom] is primarily a destination country for victims of human trafficking," according to Cooper et al. (2017, p.12), with recruitment occurring outside of the United Kingdom and victims who are looking for job opportunities. In this context, the geographical location of risk becomes crucial in shaping an organization's modern slavery policies and responses.

Against this backdrop, the Government of the United Kingdom attempted additional coercive actions and announced new financial penalties in 2021 for organizations found to be in violation of the Modern Slavery Act and complicit in perpetuating abuses within their supply chains.[4] Despite the country's exit from the European Union, it is still part of the broader context of trans-European trade focused on addressing human rights issues in industries such as forestry, ecosystem risk commodities

[3] Thomas Reuters Foundation, "Uyghur group sues UK government over 'slave labour' cotton", 28 October 2022, www.eco-business.com.

[4] United Kingdom Government, "UK government announces business measures of Xinjian human rights abuses", Press release, 12 January 2021, www.gov.uk/government/news.

and garments, and in mandating due diligence (European Parliament, 2021). The European Union has also proposed a ban on importing any products made with forced labour.[5]

These regulatory actions signal that United Kingdom organizations must take actions and demonstrate transparency in how they are designing policies and implementing procedures to address labour conditions. SDG Target 8.7 sets an ambitious goal of eradicating forced child labour by 2025 and in other vulnerable populations by 2030, while SDG 8.8 aims to protect the labour rights of migrants and women. However, supply chains are complex, with risks of forced labour being present many tiers down or distanced by third-party contractors (Baderschneider and Friedman, 2021).

The United Kingdom Modern Slavery Compliance Registry also allows organizations to indicate whether their policy aligns with ILO statements, identify risk locations – countries within the firm's supply chain where human rights are limited or where the firm has other indications that a threat of modern slavery exists – and specify which vulnerable populations are at risk. This creates a unique opportunity to examine the relationship between the organization's commitment to ILO standards and the vulnerable groups that their supply chains affect.

> ***Hypothesis 4a - The presence of ILO statements in a firm's policies will predict its focus on risks to women and children as vulnerable populations.***

An organization's response to regulation can vary by the countries in which they do business and those countries' differences from their home environment. The literature has provided mixed evidence as to whether a host country regulatory environment that differs drastically from the home environment creates more uncertainty and, therefore, less foreign investment in those locations (Dias et al., 2017). Formal governmental regulatory actions, and especially imperfections in regulatory processes, can be a larger source of hazards for multinational organizations than societal and cultural factors changing their levels of foreign direct investment (Slangen and Beugelsdijk, 2010). But the organization's focus of attention on policy matters can also vary by the prevalence of public scrutiny and media coverage in the country in which they are doing business (Geng et al., 2022). As such, the locations in which the firm focuses on labour standards may influence their orientation to these vulnerable groups, where some may be of more concern in the host country.

> ***Hypothesis 4b – Risk location will moderate the relationship between ILO statements and focus on vulnerable populations.***

[5] Philip Blenkinsop, "EU proposes banning products made with forced labor", 14 September 2022, www.reuters.com.

3. Method

3.1 Data sample

The Government of the United Kingdom's Modern Slavery Compliance Registry publicly lists modern slavery statements that have been voluntarily submitted for regulatory monitoring. Although submissions are optional, the law mandates every company to publicly publish a modern slavery statement on its website. Organizations typically report for a 12-month period from April to March, with a deadline of September 30 to publish their statements.[6]

Our study analyzes the policy statements submitted from United Kingdom companies for the years from 2020 through 2022. As reported by Cordery, a United Kingdom law firm, the Government requested 15,824 organizations to submit their modern slavery statements to the registry in 2021. This figure stands against the backdrop of more than 4 million companies registered.[7] This governmental request seems to have catalysed a notable surge in registered statements. Interestingly, the number of submitted statements declined considerably after this legislative push, an observation that aligns with the propositions of institutional theory on regulatory forces.

Over the three years, 30,849 observations were recorded, representing a mix of submissions from individual firms as well as conglomerate groups (here referred to as group submissions) (table 1). Conglomerate submissions, denoting each submission from subordinate firms within the group, were logged individually, marking whether the observations belonged to a group. We accessed the data in January 2023 and categorized the data on the basis of features of the statement, as well as by additional explanatory text. In the collected data set, the registry submissions for 2021 statements (n = 14,989, 48.6 per cent) significantly outnumbered the submissions for 2020 (n = 8,260, 26.8 per cent) and 2022 (n = 7600, 24.6 per cent). Private companies submitted the majority of statements, with public companies representing only a minor share (1.38 per cent). However, conglomerate groups were the most frequent submitters, accounting for 83 per cent of total submissions on behalf of their subsidiaries.

Every statement included information regarding the person who approved it, with 13,588 (44 per cent) being signed by the company's CEO. Each statement also contained data on the firm's level of turnover. Of these, 5.9 per cent reported a

[6] Kwame Taylor, "Strengthening corporate accountability through the Modern Slavery Act", 1 September 2021, https://sancroft.com/2021/09/01/strengthening-corporate-accountability-through-the-modern-slavery-act.

[7] Cordery, "15,824 Organizations in the UK sent Modern Slavery Compliance Registry Letter", 28 April 2021, www.corderycompliance.com.

turnover under £36 million, 14.7 per cent a turnover of £36–60 million, 14.5 per cent a turnover of £60–100 million, 31.4 per cent a turnover of £100–500 million, and the remaining 33.5 per cent a turnover exceeding £500 million.

Table 1. Sample population summary

					Mean (standard deviation)	Mean (standard deviation)
Statement year	**N**	**Percentage of total N**	**Group submission**	**Public company**	**Recommended policy**	**Additional policies**
2020	8 260	26.8%	6 912	68	5.504 (0.807)	1.280 (1.942)
2021	14 989	48.6%	12 350	205	5.533 (0.807)	1.384 (2.009)
2022	7 600	24.6%	6 353	155	5.662 (0.690)	1.439 (2.055)
Total	**30 849**		**25 615**	**428**		

Source: Authors' calculations based on data submissions to the United Kingdom Modern Slavery Registry for 2020, 2021 and 2022 as of January 2023.

3.2 Data transformation and variables

The registry's data files are mainly composed of text data. To facilitate analysis, these textual data were converted into numeric form using a series of data transformations performed in RStudio.

These files contain information spanning the six policy areas recommended by the registry guidance documentation: (1) organizational structure, (2) policies,[8] (3) risk assessment, (4) due diligence, (5) training and (6) goals. Upon making a submission to the registry, organizations can indicate their alignment with these six recommended areas by selecting "Yes" or "No" on the submission portal. For example, if a firm has implemented a risk assessment policy that lacks a due diligence policy, it would indicate Yes for risk assessment and No for due diligence (table 2).

[8] This includes a series of provisions related to a firm's domestic and international supply chains, as well as its own operations, including freedom of workers to terminate employment; freedom of movement; freedom of association; prohibition of any threat of violence, harassment or intimidation; prohibition of the use of worker-paid recruitment fees; prohibition of compulsory overtime; prohibition of child labour; prohibition of discrimination; prohibition of confiscation of workers' original identification documents; provision of access to remedy; compensation and justice for victims of slavery; and other provisions which may indicate any additional policy areas covered.

Table 2. Variables used

Variable name	Measurement and description
Additional policies	Numeric. This is a calculated field from our analysis, totaling the number of policies outside of those recommended by the United Kingdom Government that are included in the organization's response. The formula is as follows: Additional policies = (Additional) Policies + (Additional) Training + Working conditions engagement + Social audits + Grievance procedures
(Additional) Policies*	Binary: 1 if additional policy items are present, 0 if not. This item is included in the Additional policies calculated score.
(Additional) Training*	Binary: 1 if additional training items are present, 0 if not. This item is included in the Additional policies calculated score.
Approving person	Binary: 1 if CEO is listed as the person approving the statement, 0 otherwise.
Children	Numerical (0, 1, 2 or 3). Counts how many times "Children" appears in the three risk groups. The groups available for organizations to select were Children, Migrants, Women, Refugees and other vulnerable populations.
Grievance mechanisms	Binary: 1 if grievance mechanisms are present, 0 if not. This item is included in the Additional policies calculated score.
Group submission	Binary: 1 if the statement is a group submission, 0 if not.
ILO indicators in statement	Binary: 1 if ILO indicators are present in the statement, 0 if not.
Migrants	Numerical (0, 1, 2 or 3). Counts how many times "Migrants" appears in the three risk groups. The groups available for organizations to select were Children, Migrants, Women, Refugees and Other vulnerable populations.
Other vulnerable groups	Numerical (0, 1, 2 or 3). Counts how many times "Other vulnerable groups" appears in the three risk groups. The groups available for organizations to select were Children, Migrants, Women, Refugees and Other vulnerable populations.
Recommended policy	"Numeric. This is a calculated field from our analysis totaling the number of policies recommended by the United Kingdom Government that are included in the organization's response. The formula is as follows: Recommended policies = Statement includes org structure + Statement includes policies + Statement includes risk assessment + Statement includes due diligence + Statement includes training + Statement includes goals
Refugees	Numerical (0, 1, 2 or 3). Counts how many times "Refugees" appears in the three risk groups. The groups available for organizations to select were Children, Migrants, Women, Refugees and Other vulnerable populations.
Risk location	Categorical: 1 for China, and 2 for the United Kingdom, 0 for other locations.
Sector type	Binary: 1 if the sector type is public, 0 if not.
Social audits	Binary: 1 if social audits are present, 0 if not. This item is included in the Additional policies calculated score.
Statement includes due diligence	Binary: 1 if the statement includes due diligence, 0 if not. This item is included in the Recommended policies calculated score.

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Table 2. Variables used

Variable name	Measurement and description
Statement includes goals	Binary: 1 if the statement includes goals, 0 if not. This item included in the Recommended policies calculated score.
Statement includes org structure	Binary: 1 if the statement includes organizational structure, 0 if not. This item is included in the Recommended policies calculated score.
Statement includes policies	Binary: 1 if the statement includes policies, 0 if not. This item is included in the Recommended policies calculated score.
Statement includes risks assessment	Binary: 1 if the statement includes risks assessment, 0 if not. This item is included in the Recommended policies calculated score.
Statement includes training	Binary: 1 if the statement includes training, 0 if not. This item is included in the Recommended policies calculated score.
Statement year	Continuous: The year the policy statement was made. Statement years in this data set were 2020, 2021 and 2022.
Turnover	Categorical: 1 = <£36 million; 2 = £36–60 million; 3 = £60–100 million; 4 = £100–500 millon; 5 = >£500 million.
Women	Numerical (0, 1, 2 or 3). Counts how many times "Women" appears in the three risk groups. The groups available for organizations to select were Children, Migrants, Women, Refugees and Other vulnerable populations.
Working conditions engagement	Binary: 1 if there is engagement with working conditions, 0 if not. This item is included in the Additional policies calculated score.
Years producing statements	Ordered categorical variable: 0 for first-time producing statement 1 for one to five years, and 2 for more than five years.

Source: Authors' compilation of variables used from the United Kingdom Modern Slavery Registry and calculated measures.
* The registry provided an extra category titled "Policies (optional)" and "Training (optional)" in additional to several other variables that are included in the computation of the "Additional policies" variable. This study labels "Policies (optional)" as "(Additional) Policies" and "Training (optional)" as "(Additional) Training".

Moreover, firms can use multiple-selection fields to showcase further details about their operational areas. For this study, we focused on fields that provide specific information about (1) the level of training offered throughout the organization, from frontline to executive-level staff, and extending into the supply chain; (2) additional policies related to worker freedoms; (3) types of organizations the firm collaborates with to monitor working conditions, ranging from trade unions to law enforcement; (4) kinds of audits which are conducted either within or outside the organization; and (5) grievance mechanisms in place and which groups the firm identifies as being most at risk for forced labour.

Later sections of the registry allow organizations to indicate whether the statement refers to any ILO indicators of forced labour, areas of risk and impacts on vulnerable populations. Control variables used in the analysis include the statement year (2020, 2021, 2022), whether the statement was submitted on behalf of a conglomerate group and the number of years that the organization has been producing statements.

Several data transformations were conducted to convert text data into numeric data to facilitate our analysis. First, the "Approving person" field was searched for evidence of the CEO serving as the signatory to the statement. Terms such as "CEO", "Chief executive" or "Chief executive officer" were converted to a binary variable of 1; all other entries were marked as 0. A similar procedure was implemented to determine whether the firm's statement addressed any of the six core areas: organizational structure, policies, risk assessment, due diligence, training and goals. Organizations can also indicate their alignment with these six recommended areas.

The registry also provides several optional areas for inclusion. For example, a firm can specify whether it had instituted additional policies related to worker freedoms, ranging from the freedom to terminate employment and freedom of movement to prohibitions against violence, harassment, intimidation, worker-paid recruitment fees, compulsory overtime, child labour, discrimination and confiscation of workers' original identification documents. Moreover, firms can state whether they provide access to remedy, compensation and justice for victims of modern slavery. The presence of any of these variables was designated as a 1 for that field. Additional fields were allotted for levels of training in the organization, monitoring of working conditions, social audits and grievance procedures. Once again, the presence of any entry in each of these fields was denoted as a 1, while the absence of an entry was marked as 0. Although fields related to ILO indicators are recorded, the registry combines them with risk areas and vulnerable populations; however, only 1,776 entries (5.8 per cent of the sample) contained data in these fields. Consequently, ILO indicators were not incorporated in our overall policy analysis but were analyzed separately in relation to vulnerable populations.

3.3 Analysis

All of the recommended policy areas correlated positively and significantly with one another, as did the additional policy areas. However, when combined, several of the additional policy areas correlate negatively with the recommended areas, particularly organizational structure and risk assessments. The presence of these negative correlations suggests that computing a single combined policy-level score for all areas would not be feasible.

As a result, policy-related variables were segregated into two distinct policy-level rating scores. One score included the measures recommended by the Government, while the other comprised the additional policy areas. The scores were computed as follows:

Recommended policies = *Statement includes org structure + Statement includes policies + Statement includes risk assessment + Statement includes due diligence + Statement includes training + Statement includes goals*

Additional policies = (Additional) Policies + (Additional) Training + Working conditions engagement + Social audits + Grievance mechanisms

As expected, most respondents included information in their statements pertaining to the main areas of organizational structure. However, fewer incorporated details about the optional areas of additional policies (table 3). These areas also exhibited a higher standard deviation than the recommended areas, indicating more variation across the statements.

The registry opened for submissions in March 2021,[9] allowing organizations to submit their policy statements for both 2020 and 2021 immediately. Furthermore, the Government engaged in dedicated outreach to more than 15,000 firms. The overall data set shows that 2021 submissions comprise nearly half of all entries (n = 14,989, 48.6 per cent). To the best of our knowledge, the Government did not conduct additional outreach efforts of the same magnitude in 2022, which witnessed a lower submission rate than in 2020 and nearly half that of 2021. A one-way analysis of variance (ANOVA) was performed to test our hypothesis that regulatory action would prompt more firms to comply with submission and adopt more robust policies by examining the impact of the year (2021 was the year of regulator intervention). The results indicate a significant difference in the level of Recommended policy by statement year (table 4). In addition, when testing control variables, the number of years that the organization has been producing statements was positively and statistically significant in predicting the level of Recommended policy.

Hypothesis 1 anticipated that regulatory intervention would lead to more robust policies. Figure 1 displays a plot of the relationship between the level of recommended and additional policy by statement year. It is important to remember that organizations can comply with the submission requirements by also stating that they do not have policies in place. The 2020 data reveal an interesting dynamic, in that more statements included at least one of the additional policy areas. However, the slope of the linear relationship between having recommended policies and having additional policies is steeper in 2021 and 2022, demonstrating greater polarization in the sample after regulatory action. Firms either had entries with minimal content in both policy areas, or they had high recommended policy scores (including all six

9 Government of the United Kingdom, “Government launches modern slavery statement registry,” 11 March, 2021, www.gov.uk/government/news.

Table 3. Correlation of reported policy areas

Means, standard deviations, and correlations with confidence intervals

Variable	Mean	Standard deviation	1	2	3	4	5	6	7	8	9	10
1. Statement includes org structure	0.99	0.08										
2. Statement includes policies	0.99	0.08	0.25**									
3. Statement includes risk assessment	0.96	0.21	0.16**	0.15**								
4. Statement includes due diligence	0.98	0.15	0.13**	0.19**	0.52**							
5. Statement includes training	0.93	0.25	0.09**	0.14**	0.22**	0.25**						
6. Statement includes goals	0.71	0.46	0.10**	0.10**	0.24**	0.22**	0.29**					
7. Training	0.29	0.45	0.01*	0.03**	0.00	0.01	0.13**	0.09**				
8. Policies	0.30	0.46	0.00	0.03**	-0.01*	0.03**	0.02**	0.07**	0.83**			
9. Working conditions engagement	0.30	0.46	0.01*	0.02**	0.00	0.02**	0.03**	0.08**	0.85**	0.90**		
10. Social audits	0.16	0.36	0.00	0.02**	0.03**	0.05**	0.06**	0.14**	0.61**	0.62**	0.65**	
11. Grievance mechanisms	0.32	0.47	0.01	0.03**	-0.03**	0.00	0.02**	0.07**	0.85**	0.89**	0.89**	0.61**

Source: Authors' estimations.

Note: N = 30,849. Values in square brackets indicate the 95 per cent confidence interval for each correlation. The confidence interval is a plausible range of population correlations that could have caused the sample correlation (Cumming, 2014). * $p < 0.05$, ** $p < 0.01$. Variables 1 through 6 are the recommended policy areas that the registry encourages organizations to include. Variables 7 through 11 are the additional policy areas that organizations may report on in their registry filing.

Table 4. ANOVA comparing statement year

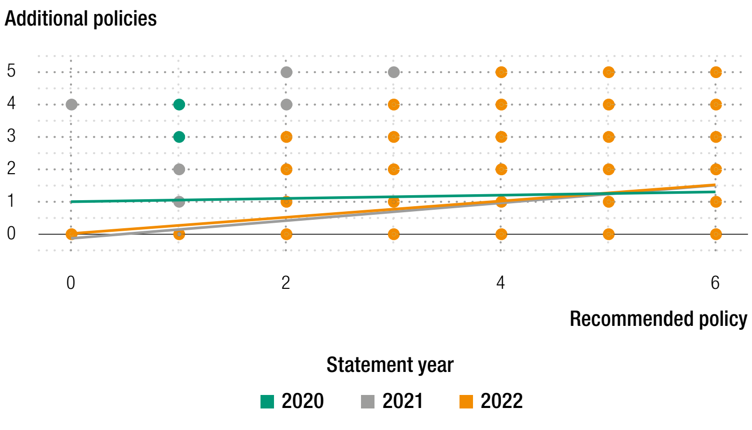
Fixed-effects ANOVA results using Recommended policy as the criterion

Predictor	Sum of squares	*df*	Mean square	*F*	*p*	*partial* η^2	*partial* η^2 95% CI [LL, UL]
Statement year	97.46	1	97.46	160.1	0	0.01	[0.00, 0.01]
Error	18 777.98	30 847	0.61				[NA, NA]

Source: Authors' estimations.
Note: N = 30,849. *LL* and *UL* represent the lower limit and upper limit of the partial η^2 confidence interval, respectively.

areas), or they also addressed more than one additional policy area. Both the ANOVA results, which indicated a significant difference between statement year (see table 4), and the differences in slope lend support for hypothesis 1, as overall robustness of policies increased after the regulatory outreach. While one might argue that other factors such as the COVID-19 pandemic had an impact during this time frame, the virus was mentioned only 421 times in 2021 and 73 times in 2022 in relation to the organization's risk mitigation strategies. In addition, Ukraine was mentioned merely 15 times as a location of risk in the 2022 data set.

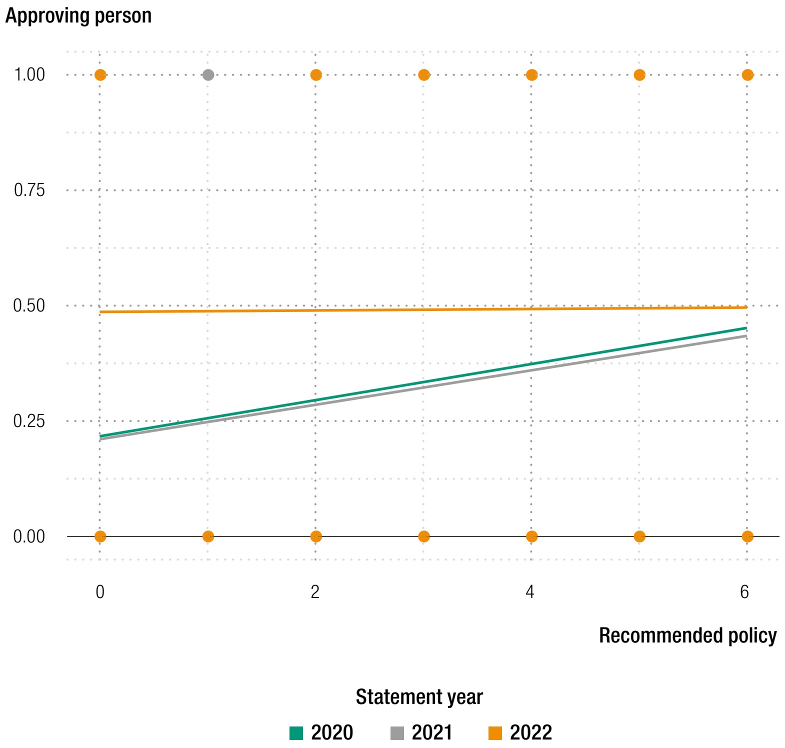
Figure 1. Relationship of policy levels by Statement year



Source: Authors' estimations.
Note: N = 30,849. The policy areas recommended by the Government include Org structure + Policies + Risk assessment + Due diligence + Training + Goals. The Additional policies recommended indicate whether the firm has Additional policies + Additional training + Working conditions engagement + Social audits + Grievance procedures. Per our analysis procedures these were computed as composite scores.

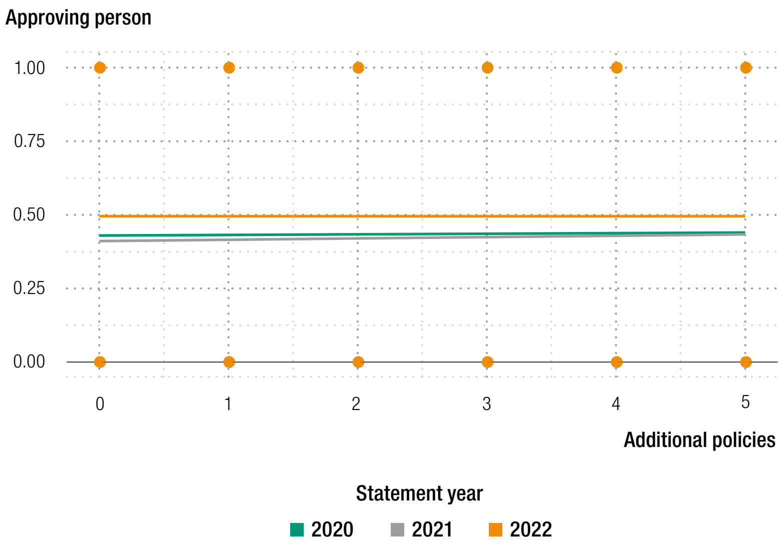
Variations are evident in the data set regarding the prevalence of the CEO as the approving authority. Figure 2 depicts the relationship between the CEO as the approving person and the recommended policy areas, while figure 3 shows the same relationship but with additional policy areas. These figures reveal that the 2020 and 2021 statements follow similar patterns of relationships between policy areas and the CEO as the approving person, whereas the pattern in 2022 looks noticeably different. In 2020 and 2021, there is a positive relationship between the CEO's role and the development of more robust policy decisions. By 2022, the CEO's role seems to have diminished across the data set, accounting for roughly half of the data and distributed evenly across all policy levels.

Figure 2. Relationship between Recommended policy and Approving person by Statement year



Source: Authors' estimations.
Note: N = 30,849. Approving person indicates whether the CEO was the signatory on the policy statement. Per our coding procedures, a text analysis of the name and title field was done to translate the submission into a dummy variable (1 = CEO, 0 = Another person).

Figure 3. Relationship between Recommended policy and Approving person by Statement year



Source: Authors' estimations.
Note: N = 30,849. Approving person indicates whether the CEO was the signatory on the policy statement. Per our coding procedures, a text analysis of the name and title field was done to translate the submission into a dummy variable (1 = CEO, 0 = Another person).

As indicated in table 3, the individual items measuring recommended and additional policy areas are highly correlated with one another and, in some cases, have opposing relationships, such as the negative relationship between organizational structure and social audits, and between risk assessments and grievance mechanisms. This makes it problematic to include the combination of both recommended and additional policy factors in a central analysis to determine whether the CEO, as the approving person, was predictive. Nevertheless, we also checked the variance inflation factor associated with a potential predictive model combining all the factors and found high multicollinearity. Consequently, to examine the CEO's role in the robustness of the policy, we restricted our regression model solely to the recommended policy components. A variance inflation factor scores for the individual recommended policy items, examined separately, were within the expected range of < 2. In addition, owing to the previous presence of multicollinearity across the broader data test, we tested the model focused on the recommended policy areas for Gauss-Markov conditions to confirm the reliability of the data (Kalnins, 2022). We used White's test, which looks to confirm the presence of heteroskedasticity and has been shown to work well in large samples (Jeong and Lee, 1999). Our analysis did not reveal the presence of heteroskedasticity (7.783, p = 0.254).

Upon closely examining the individual components of the composite score, the CEO as the approving person was found to significantly predict the presence of the recommended areas of the modern slavery statement. The most significant relationships were with inclusion of risk assessments, training and goals (table 5). However, the low R^2 value indicates that this explains only a small part of the policy variance (table 5). This finding provides partial support for hypothesis 2.

Table 5. Relationship between CEO as approving person and policy area

Fixed-effects ANOVA results using Recommended policy as the criterion

Predictor	*B*	*b* 95% CI [LL, UL]	*beta*	*beta* 95% CI [LL, UL]	*sr²*	*sr²* 95% CI [LL, UL]	*r*
(Intercept)	**0.27****	**[0.18, 0.36]**					
Statement includes org structure	0.05	[-0.02, 0.12]	0.01	[-0.00, 0.02]	0.00	[-0.00, 0.00]	0.02**
Statement includes policies	0.00	[-0.07, 0.08]	0.00	[-0.01, 0.01]	0.00	[-0.00, 0.00]	0.01*
Statement includes risks assessment	0.09**	[0.06, 0.12]	0.04	[0.02, 0.05]	0.00	[0.00, 0.00]	0.04**
Statement includes due dilligence	-0.03	[-0.07, 0.02]	-0.01	[-0.02, 0.00]	0.00	[-0.00, 0.00]	0.02**
Statement includes training	0.04**	[0.02, 0.07]	0.02	[0.01, 0.03]	0.00	[-0.00, 0.00]	0.04**
Statement includes goals	0.03**	[0.01, 0.04]	0.02	[0.01, 0.04]	0.00	[0.00, 0.00]	0.04**
					Fit:	$R^2 = 0.003^{**}$	95% CI [0.00, 0.00]

Source: Authors' estimations.
Note: N = 30,849. A significant *b*-weight indicates the beta-weight and semi-partial correlation are also significant; *b* represents unstandardized regression weights; *beta* indicates the standardized regression weights; sr^2 represents the semi-partial correlation squared; *r* represents the zero-order correlation; *LL* and *UL* indicate the lower and upper limits of a confidence interval, respectively. * p < 0.05, ** p < 0.01.

With the advent of additional requirements to submit statements to the registry, as a mandate, we expected that larger firms (as measured by turnover) would possess a more robust policy containing more of the recommended areas, given both the increased risk of maintaining the legitimacy of operations and ability to afford additional costs associated with taking remediating or monitoring actions. Using multiple hierarchical linear regression, turnover was found to be a better predictor of the recommended policy level than CEO's role (table 6). Group submission was negatively related to overall policy robustness (see table 6). In contrast, turnover specifically predicted all individual components of the recommended policies, except organizational structure (table 7).

Table 6. Effects of key variables on Recommended policy

Regression results using Recommended policy as the criterion

		b		*beta*		*sr²*	
		95% CI		**95% CI**		**95% CI**	
Predictor	*b*	**[LL, UL]**	*beta*	**[LL, UL]**	sr^2	**[LL, UL]**	*r*
(Intercept)	5.20**	[5.17, 5.24]					
Turnover	0.06**	[0.05, 0.07]	0.10	[0.09, 0.11]	0.01	[0.01, 0.01]	0.11**
Approving person	0.05**	[0.03, 0.07]	0.03	[0.02, 0.04]	0.00	[0.00, 0.00]	0.05**
Group submission	-0.05**	[-0.08, -0.03]	-0.03	[-0.04, -0.01]	0.00	[0.00, 0.00]	0.01
Years producing statements	0.13**	[0.11, 0.15]	0.08	[0.07, 0.09]	0.01	[0.00, 0.01]	0.10**
					Fit:	$R^2 = 0.020$**	95% CI [0.02, 0.02]

Source: Authors' estimations.
Note: N = 30,849. A significant *b*-weight indicates the beta-weight and semi-partial correlation are also significant; *b* represents unstandardized regression weights; ***beta*** indicates the standardized regression weights; sr^2 represents the semi-partial correlation squared; *r* represents the zero-order correlation; *LL* and *UL* indicate the lower and upper limits of a confidence interval, respectively. ** p < 0.01.

Table 7. Regression of Turnover on Recommended policy areas

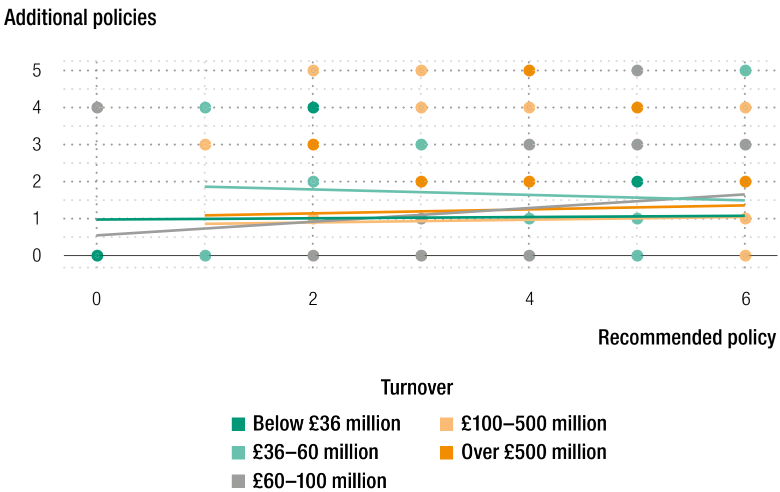
Regression results using Turnover as the criterion

		b		*beta*		*sr^2*	
		95% CI		**95% CI**		**95% CI**	
Predictor	*b*	**[LL, UL]**	*Beta*	**[LL, UL]**	*sr^2*	**[LL, UL]**	*r*
(Intercept)	**2.66****	**[2.44, 2.88]**					
Statement includes org structure	0.13	[-0.04, 0.30]	0.01	[-0.00, 0.02]	0.00	[-0.00, 0.00]	0.03**
Statement includes policies	0.38**	[0.19, 0.56]	0.02	[0.01, 0.03]	0.00	[-0.00, 0.00]	0.04**
Statement includes risks assessment	0.38**	[0.30, 0.46]	0.06	[0.05, 0.08]	0.00	[0.00, 0.00]	0.08**
Statement includes due diligence	-0.20**	[-0.31, -0.09]	-0.02	[-0.04, -0.01]	0.00	[-0.00, 0.00]	0.04**
Statement includes training	0.32**	[0.26, 0.38]	0.07	[0.05, 0.08]	0.00	[0.00, 0.01]	0.09**
Statement includes goals	0.13**	[0.10, 0.16]	0.05	[0.04, 0.06]	0.00	[0.00, 0.00]	0.08**
					Fit:	$R^2 = 0.015$**	95% CI [0.01, 0.02]

Source: Authors' estimations.
Note: N = 30,849. A significant *b*-weight indicates the beta-weight and semi-partial correlation are also significant; *b* represents unstandardized regression weights; *beta* indicates the standardized regression weights; sr^2 represents the semi-partial correlation squared; *r* represents the zero-order correlation; *LL* and *UL* indicate the lower and upper limits of a confidence interval, respectively. ** $p < 0.01$.

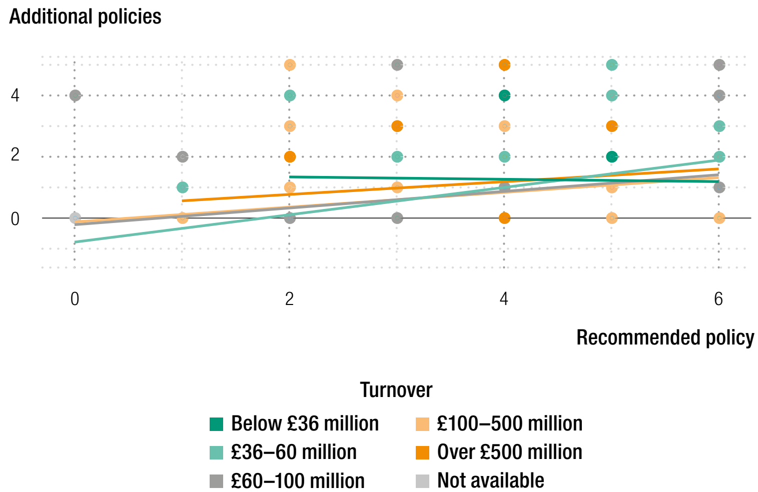
Figures 4–6 illustrate the changes in both recommended and additional policy levels among firms of differing turnover. In 2020, the relationship is more pronounced in mid-range firms with turnover in the range of £60–100 million, while in 2021 firms with turnover in the range of £36–60 million experienced the sharpest increase in policy level. Between 2021 and 2022, there is a stronger relationship for higher-turnover firms, those with £100 million or more. As a result, hypothesis 3, which proposed that larger firms will have more robust modern slavery policy, is partially supported.

Figure 4. Turnover, 2020



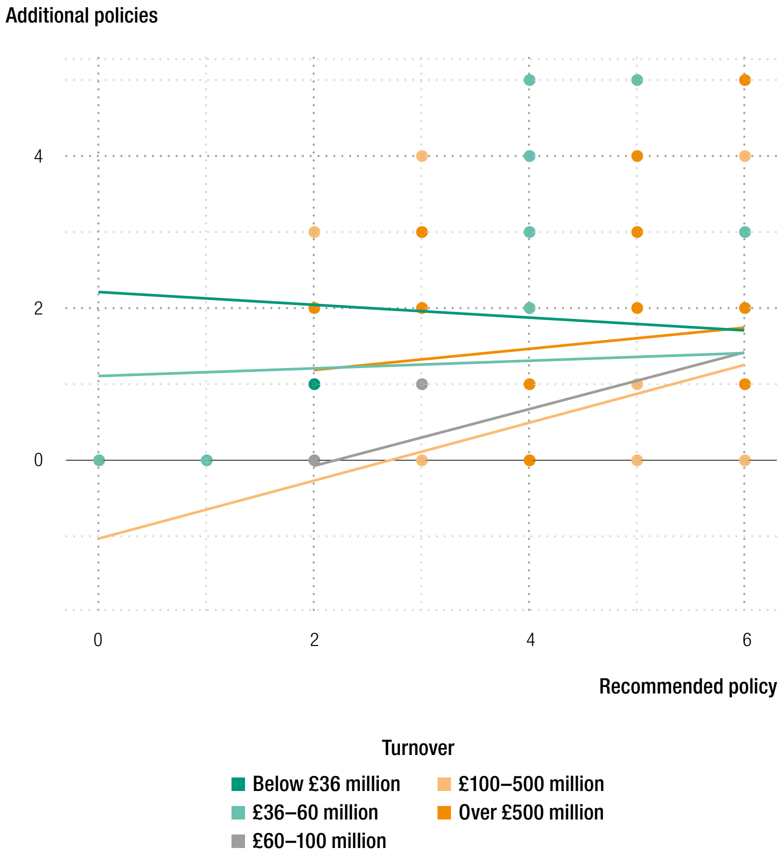
Source: Authors' estimations.
Note: N = 30,849.

Figure 5. Turnover, 2021



Source: Authors' estimations.
Note: N = 30,849.

Figure 6. Turnover, 2022



Source: Authors' estimations.
Note: N = 30,849.

The broader commitments of firms to eradicate forced labour align with the additional areas indicated in the registry statements. A significantly smaller percentage of the overall sample included references to the ILO indicators of forced labour, as well as information on the locations of risk in their supply chains, and the specific vulnerable populations at risk. The registry allows firms to identify up to three risk areas and locations where the firm can report concerns related to women, migrants, children and refugees. Similar to earlier coding procedures, a text analysis was performed to compute a summary variable of mentions for each vulnerable population category. A text string mapping was done to translate each text entry into a binary variable (1 if present, 0 if not present) to count each time women, children, migrants, refugees or other vulnerable populations were reported as a focus. These were then totaled into a composite score per population group.

The registry data permit multiple countries to be mentioned in each of the three risk locations that could be reported, thus offering three fields that might mention countries of focus and complicating empirical analysis. To establish a coding procedure, the 2022 data set was reviewed for the first reported risk location. This field contained 2,290 discrete mentions of countries, which were then manually assessed. Most organizations mentioned the United Kingdom (n = 427, 18.65 per cent) and China (n = 217, 9.48 per cent), with no other country being mentioned more than 5 per cent of the time,[10] and the majority representing 2 per cent or less.

We used this distribution to determine a strategy to approach our geographic analysis across the entire registry data set, limiting the coding procedure to focus on the United Kingdom and China. The final result was coding the location fields as dummy variables for the United Kingdom (2), China (1) or Other (0). This ordering method also ensures that a positive relationship would be oriented towards the home country (the United Kingdom) rather than the external environment. This orientation logically orders the coded variables in alignment with the policy issues facing United Kingdom organizations at home, in China and elsewhere. Incomplete entries were excluded, leaving only 1,699 firms in our sample. The distribution of location was consistent in the data across all reported locations, with the majority focusing on the United Kingdom, then China, then other.

For simplicity of analysis, we used the first risk location measure in our regression model to test the relationship between ILO statements in the policy and focus on specific vulnerable groups. The results of our multiple regression analysis indicate that the presence of ILO statements predicts a focus on all of the vulnerable groups, except for women (table 8). When policies contain ILO statements, there is less emphasis on unspecified vulnerable groups, or the “Other” category. This indicates a more targeted focus on the specific vulnerable groups that are mentioned in the policies, except women. Refugees had the strongest positive relationship with ILO statements. As such, hypothesis 4a, which posited that the presence of ILO statements in a firm’s policy would predict a focus on specific vulnerable groups, receives partial support from our analysis. Hypothesis 4b, which suggests that geographic risk location would influence a firm’s policy focus on specific vulnerable groups is confirmed.

[10] In 2022, Ukraine was mentioned only 15 times in 2,290 entries that discussed risk locations.

Table 8. Moderation effect of risk location on ILO indicators among vulnerable groups

Regression results using ILO indicators in statement as the criterion

Predictor	*B*	*b* 95% CI [LL, UL]	*sr²*	*sr²* 95% CI [LL, UL]
(Intercept)	0.38**	[0.32, 0.45]		
Women	-0.04	[-0.10, 0.01]	0.00	[-0.00, 0.00]
Children	0.23**	[0.15, 0.31]	0.02	[0.00, 0.03]
Migrants	0.07**	[0.03, 0.10]	0.01	[-0.00, 0.02]
Refugees	0.39**	[0.13, 0.65]	0.00	[-0.00, 0.01]
Other vulnerable groups	-0.14**	[-0.19, -0.09]	0.01	[0.00, 0.03]
Risk location	-0.03	[-0.08, 0.01]	0.00	[-0.00, 0.00]
Women*Risk location	0.05	[-0.01, 0.11]	0.00	[-0.00, 0.00]
Children*Risk location	-0.19**	[-0.27, -0.12]	0.01	[0.00, 0.03]
Migrants*Risk location	0.01	[-0.01, 0.04]	0.00	[-0.00, 0.00]
Refugees*Risk location	-0.44	[-0.92, 0.03]	0.00	[-0.00, 0.01]
Other vulnerable groups*Risk location	0.07**	[0.04, 0.10]	0.01	[0.00, 0.02]
		Fit:	$R^2 = 0.082$**	95% CI [0.05, 0.10]

Source: Authors' estimations.

Note: The number of respondents that included information about ILO indicators, as well as risk location and vulnerable population data was significantly less, N = 1,699. A significant *b*-weight indicates the semi-partial correlation is also significant; *b* represents unstandardized regression weights; sr^2 represents the semi-partial correlation squared; *LL* and *UL* indicate the lower and upper limits of a confidence interval, respectively. ** $p < 0.01$.

Our findings show a significant moderation effect in the relationship among ILO policy statements and a focus on children in "Other" vulnerable groups. Given the location-variable coding of positive values inclining toward the home market of the United Kingdom, the negative moderation relationship between risk location and children would indicate that a focus on children happens when the organization's focus is away from the United Kingdom market, whereas the positive relationship with the "Other" vulnerable group category would indicate that such a focus is more significant in the market. Given that women, migrants, and refugees are treated as separate groups, firms see “Other” groups besides these classifications as vulnerable when considering the United Kingdom labour market. These findings highlight the complexity and specificity of relationships between policy focus, geographical risk and the attention to vulnerable populations in the context of modern slavery prevention.

4. Discussion

Our findings suggest that the Government’s active intervention had an impact on both the number and the robustness of policies submitted to the registry. However, these effects varied by revenue turnover and over time. Even though the regulator’s outreach did not yield a higher number of registry submissions in 2022, it is important to note that the reporting window for the previous calendar year extends well into 2023, potentially allowing for increases in these numbers.

Interesting changes were evident through the ANOVA model, which clearly demonstrated differences by statement year, showing that statements in 2021 and 2020 addressed more policy areas. However, the total number of submissions was less in 2022, a year in which less regulatory outreach was done. These changes occurred against the backdrop of proposed modifications to the Modern Slavery law. On 10 May 2022, a new Modern Slavery Bill was introduced in the Queen’s speech. It proposed sterner penalties for non-compliance, including potential criminal charges for the approving authority.[11] Considering these proposed changes, firms might delay future submissions to the registry until the final updates are enacted, as registry submissions currently remain voluntary.

Statement robustness was also influenced by turnover. For instance, mid-tier firms outpaced larger firms in the breadth of policy areas addressed in their initial policies, published after being prompted by the regulator in 2020, but by 2022 larger-turnover firms (indicated as level 5) and lowest-turnover firms (level 1) appeared very similar (figures 4–6). This trend deviates from research on public firms, which often show managerial hesitancy to disclose risks owing to fear of investor reaction (Birkey et al., 2018). Our study of primarily private firms indicates that over this period of active regulator outreach, policy robustness that discloses risks increased. Explanations may be found in organizations realizing the positive benefits of having strong statements (Cousins et al., 2020) or mimetic

[11] Alice Lepeuple, “New anti-modern slavery bill unlikely to accomplish goals”, WilmerHale W.I.R.E. (White Collar, Investigations and Regulatory Enforcement) UK, 10 June 2022, www.wilmerhale.com/en/insights/blogs/WilmerHale-W-I-R-E-UK/20220610-new-anti-modern-slavery-bill-unlikely-to-accomplish-goals.

forces where larger-turnover firms emulated smaller firms when they were able to compare policy commitments, echoing the implication of institutional theory. Moreover, in the first two years of statements, having the CEO as signatory more strongly predicted policy levels. This observation aligns with the principle of upper-echelons theory, which underscores the influence of top executives on organizational outcomes. The predictive relationship of the CEO to more robust policies diminished in 2022. However, this also indicates the presence of mimetic forces occurring, as organizations were able to see that other CEOs were committing to more robust policies. In 2022, the CEO as the approving authority now appears in about half of the population of submissions.

Our study also revealed intriguing findings related to the geographic focus of organizations' labour policies and their attention to vulnerable populations (table 8). Although we found no significant relationship between the presence of ILO standards and a focus on women, ILO labour policy statements did significantly predict a focus on children, influenced by location. Specifically, the focus on children was more pronounced outside the home market. These findings provide evidence of the impact that public outreach efforts have had on highlighting the issues of child and forced labour in the supply chains of MNCs. Moreover, the presence of ILO labour policy statements was also predictive of a focus on other vulnerable populations, though this relationship was also affected by location. The effect of location, however, was less pronounced for the United Kingdom and China markets, compared with other locations. This suggests a modest but measurable shift in focus towards the United Kingdom market when considering attention to these other vulnerable populations. These findings provide strong evidence of the impact that public outreach has had on highlighting the issues of child and forced labour in the supply chains of MNCs.

While regulatory actions appear to have had an effect, the lack of significant advancement in additional, optional policy areas and the decrease in statement submissions for 2022 indicate that regulatory outreach needs to be either consistent or mandatory to sustain improvements. However, there is still significant work to be done in enhancing policy robustness, with few firms including the optional, additional policy areas such as working condition engagements, social audits and grievance procedures, and very few incorporating ILO standards.

Despite these challenges, the strong association between ILO policy statements and firm focus on children as a vulnerable population is promising and could be indicative of progress towards the United Nations' 2025 goals on child labour. However, the lack of association between women and ILO standards remains a concern, given the global issue of sex trafficking, which transcends geographic boundaries as a by-product of digitalization that allows for exploitation over the Internet.

5. Conclusion and policy recommendations

This study examined statements submitted to the United Kingdom Modern Slavery Compliance Registry from 2020 to 2022, evaluating the impact of regulatory outreach on firm policies towards eradicating forced labour. We observed an increase in policy robustness over time, with significant correlation between statement year and policy strength. The most significant gain was recorded in 2021, after regulator outreach regarding the registry; a decline in submissions occurred in 2022, suggesting that regular or mandatory outreach may enhance compliance.

While the first two years of registry statements suggest an influence by the CEO in predicting policy robustness, the effect declined in 2022, with revenue turnover emerging as a better predictor. The study is largely representative of private firms. Contradicting previous studies focused on public firms, it indicates that private firms do not shy away from disclosing supply chain risks.

A notable observation was the minimal inclusion of ILO forced labour indicators in firm statements, indicating that more regulator outreach about these policy areas is required. The inclusion of ILO statements predicts the organization’s focus on labour risks for all vulnerable groups, except for women. Given global threats from human trafficking, firms’ lack of focus on women is concerning and difficult to disentangle from other political and legislative issues. A requirement to include ILO labour standards as part of modern slavery policies and specific requirements regarding vulnerable populations could serve to direct organizational focus in these areas.

In addition, we found that location played a role in influencing the focus of United Kingdom firms on labour risks for vulnerable groups, specifically children and a general classification of "Other" vulnerable groups, as opposed to women, refugees or migrants specifically. Multinational corporations face regulators with different priorities and social pressures in each country where they do business, resulting in difficulty satisfying policy requirements across a global supply chain. To focus on the achievement of SDG 8.7 and specifically address the end of child labour by 2025, regulators might focus their outreach on children as a vulnerable population in order to see policy improvements across more organizations.

This study focused specifically on United Kingdom firms that have voluntarily submitted modern slavery statements to an online government registry. Although this public data enables online searches and data extraction of statement components, it has inherent limitations, including multiple-selection textual data combined into single cells, requiring data transformation expertise for analysis, and self-reported data without third-party validation. The time limit of only three years of data presents a challenge to assessing impacts of regulator action; these have been addressed by the methods, measurements and data analysis techniques employed in this study.

Our sample predominately consisted of United Kingdom conglomerate groups that were private firms, adding to the literature through its unique and detailed review of largely private conglomerate companies, contrasting with prior research which has focused primarily on publicly traded firms. Reviewing this analysis again when statement submission is mandatory and includes more public companies will help to isolate and confirm critical differences.

Future research could build on a longer time frame, qualitatively examining registry submissions and assessing the influence of future regulator mandates. Whereas previous studies have qualitatively reviewed modern slavery statements (Birkey et al., 2018; Flynn and Walker, 2020; Jones and Comfort, 2021), none utilized the registry's structured categories (recommended and additional policies, ILO indicators, risk locations and focus on vulnerable groups) to provide a specific and repeatable common structure. A persistent challenge will be harmonizing this data with international data, given varying regulatory requirements and subsequent difficulties in unifying content analysis across data sets. The United Kingdom registry represents an initial online data framework, paving the way for future analysis in this field.

In conclusion, our findings suggest incremental progress in organizational modern slavery policies in response to regulator outreach for compliance with policy submissions to a common registry, but also emphasize the need for more work. Policy robustness could be maintained and enhanced with mandatory regulatory intervention, especially with respect to ILO indicators of forced labour and vulnerable groups. These results highlight the dynamic nature of interactions between regulatory action, executive decision-making and policy development regarding the societal imperative to eradicate forced labour. Moreover, our study highlights that further improvement in regulator actions is necessary.

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