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The 2019 Global Governance FTSE 100 Index reveals year-on-year improvements in modern slavery statements by 87% of FTSE 100 companies who have reported this year

As the Home Office prepares to audit in scope¹ UK companies' modern slavery statements, 87% of the 24 FTSE 100 companies who have reported in 2019 have demonstrated year-on-year improvements while three of the FTSE 100 have yet to ever report. But more work is needed by the UK's largest publicly listed companies as the average score achieved is less than 48%, finds the 2019 Global Governance FTSE 100 Index.

The second annual iteration of the Index benchmarks and ranks Britain's 100 largest PLCs' compliance and conformance with the 2015 UK Modern Slavery Act (MSA) and good practice in human rights. For the second year running Marks & Spencer Group PLC headed the table. The Index is compiled from analysis undertaken of the latest statements the organisations have filed pursuant to the UK MSA (2015) Transparency in Supply Chains (TISC), Section 54 requirements.

The *Global Governance FTSE 100 Index* Top 10 companies (April 2019) are:

- 1= MARKS & SPENCER GROUP PLC
- 2= TESCO PLC
- 3= BRITISH AMERICAN TOBACCO PLC
- 3= WM MORRISON SUPERMARKETS PLC
- 5= DIAGEO PLC
- 6= BT GROUP PLC
- 6= UNILEVER PLC
- 8= RENTOKIL INITIAL PLC
- 8= OCADO GROUP PLC
- 10= PEARSON PLC

Ocado Group PLC demonstrated the equal highest year-on-year improvement of 26 percentage points, catapulting the grocery delivery company into the *Global Governance FTSE 100 Index* top 10 for the first time. Building materials company CRH PLC also improved 26 percentage points, jumping 57 places in the league table. Ferguson PLC, a distributor of plumbing and heating products, improved 22 percentage points year-on-year.

In the 2019 benchmark, of the 24 PLCs who have thus far published a statement, the average combined score is 48%. Last year their average combined score was 46.8%. The "combined score" groups into one metric (1) legal compliance, (2) legal conformance, and (3) good practice pursuant to the MSA.

¹ <https://www.gov.uk/government/news/home-office-tells-business-open-up-on-modern-slavery-or-face-further-action>



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Almost all (97) organisations in the FTSE 100 who were assessed in the 2018 benchmark have published at least one statement detailing their actions and intent to be compliant with the UK MSA (2015).

The *2019 Global Governance FTSE 100 Index*, with analysis undertaken by Development International, is published [online](#) and is publicly available. Summary 'Scorecards' and the marked-up modern slavery statements for each of the individual PLCs analysed are also publicly available as an open data resource. Each Scorecard details how the organisation has reported its actions across 47 indicators.

The *Global Governance FTSE 100 Index* and the companion, stand-alone *Global Governance Real Estate 100 (RE 100) Index* (London's largest commercial landlords by square foot) are published annually. They are facilitated by Sustain Worldwide and commissioned by the Global Governance Research Fund (GGRF). Early contributors to the GGRF notably include **BRE** and Marshalls.

Dr Shamir Ghumra, BREEAM Director at **BRE**, which has developed the Ethical Labour Sourcing Standard (ELS) BES 6002 that supports companies to understand the profile of their social/ethical governance, including their human rights challenges, says: *"The 2019 FTSE 100 Index reveals how the nation's largest listed companies are beginning to raise their reported performance level year-on-year.*

"Whilst on an individual company basis that's to be welcomed, the marginal average improvement of just over 1% of those captured in the 2019 and 2018 benchmarks demonstrates a seismic shift in corporate culture is still to happen. There needs to be a rapid acceleration if we are to reverse the numbers of men, women and children who are caught in modern slavery in the UK and internationally."

Modern slavery is an 'umbrella' term for labour exploitation, forced labour, child labour and human trafficking. In 2018, 6,993 potential victims were submitted to the UK National Referral Mechanism; a 36% increase on the 2017 total of 5,142 referrals. The UK Government has estimated that there are between 10,000-13,000 people held in modern slavery in Britain today. The Global Slavery Index has estimated there are 45.8 million people across 167 countries in modern day slavery.

The FTSE 100's combined market capitalisation is £1.9 trillion (September 2018), employing 6.8 million people worldwide. They own circa 30,000 subsidiaries worldwide, and more than 70% of revenues are derived from international markets. While most of the companies on the *Global Governance FTSE 100 Index* are largely compliant with the modern slavery disclosure requirements of the law, only two of the 24 companies who have filed statements thus far in 2019 are 100% legally compliant.

Another matter is the spirit of the MSA statements, proxied through the application of industry good practice in anti-slavery supply chain measures. Fully 62% of the FTSE 100 who have published an MSA statement in 2019, and who were therefore analysed, do not enforce the 'employer pays' principle. Civil society holds this principle as fundamental to mitigate modern day slavery.

Over time, as evidenced in the published *Global Governance FTSE 100 Indexes*, and the *Global Governance RE 100 Indexes* and in the companies' published Scorecards, it is expected that organisations' percentage scores will continue to improve year-on-year as their understanding, maturity and ability to manage their human rights challenges are met, and subsequently reported.



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For press information or additional comment, please contact **Sp!der** on Tel: **020 7403 6900** or email: bre@wearespider.com

Notes to editors

BRE is a world leading building science centre. Our clients use our sustainability, safety and security services, the BRE Academy and our Innovation Centres, to deliver on their social, environmental and economic goals. We are committed to developing knowledge on every aspect of the built environment and we set the standards for the way buildings, homes and communities are made to keep people safe, protect the environment, make buildings affordable and to create places where people want to live, work and play. www.bregroup.com

Our standards include the Ethical Labour Sourcing Standard (ELS) BES 6002 that supports companies to understand the profile of their social/ethical governance, including their human rights challenges. The ELS provides a framework for verifying ethical labour sourcing, and a route for companies working across all sectors and geographies to verify their systems and processes, including the reporting requirements of the Modern Slavery Act 2015, Section 54 Transparency in Supply Chains (TISC). www.elsonline.co.uk

Sustain Worldwide is a strategic communications business that works with purpose-driven clients and partners to deliver stakeholder engagement through Press/PR, social media and aligned activities and events. It has a particular interest, knowledge and expertise in responsible and ethical sourcing in global supply chains and their inter-relationship with human rights and modern slavery impacts. The Global Governance FTSE 100 and Real Estate 100 League Tables are facilitated by Sustain Worldwide, and commissioned through the Global Governance Research Fund. www.SustainWorldwide.com

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