Modern Slavery in Supply Chains: A Secondary Data Analysis of Detection, Remediation, and Disclosure

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Abstract

Purpose: To examine how organisations report on the detection and remediation of modern slavery in their operations and supply chains; and to understand their approaches to disclosing information in response to modern slavery legislation.

Methodology: An analysis of secondary data based on the statements released in response to the 2015 UK Modern Slavery Act by 101 firms in the clothing and textiles sector.

Findings: Many firms use the same practices to detect and remediate modern slavery as for other social issues. But the hidden, criminal nature of modern slavery and the involvement of third party labour agencies mean practices need to either be tailored or other more innovative approaches developed, including in collaboration with traditional and non-traditional actors. Although five broad types of disclosure are identified, there is substantial heterogeneity in the statements. It is posited however that firms will converge on a more homogenous set of responses over time.

Research limitations: The study is limited to one industry, responses to UK legislation, and the information disclosed by focal firms only. Future research could expand the focus to include other industries, country contexts, and stakeholders.

Practical implications: Managers must consider how their own firm's behaviour contributes to the modern slavery threat, regulate both their stock and non-stock supply chains, and ensure modern slavery is elevated from the procurement function to the boardroom. In making disclosures, managers may trade-off the potential competitive gains of transparency against the threat of information leakage and reputational risk should their statements be falsified. They should also consider what signals their statements send back up the chain to (sub-)suppliers. Findings also have potential policy implications.

Originality: The study expands our understanding of: (i) modern slavery from a supply chain perspective, e.g. identifying the importance of standard setting and risk avoidance; and, (ii) supply chain information disclosure in response to legislative demands. This is the first academic paper to examine the statements produced by organisations in response to the UK Modern Slavery Act.

Keywords: Modern slavery; supply chain information disclosure; transparency; social sustainability; secondary data.

Paper Type: Research Paper.

1. Introduction

Modern slavery, including human trafficking, servitude, and forced labour, is a major contemporary, global problem. Although the criminal, underground nature of modern slavery makes it difficult to accurately estimate the extent of its activity around the world, tens of millions of people are thought to be affected (Bales et al., 2009; International Labour Organisation, 2017). As a result, it is attracting significant attention from governments, non-governmental organisations (NGOs), the media, and other stakeholders. Barrientos et al. (2013) argued forms of modern slavery are particularly acute in developing countries; but it is not confined to such nations – for example, there have been several recent high-profile instances of forced labour in the UK (BBC, 2016; The Guardian, 2017). As focal corporations are being increasingly held responsible for the sustainability of their suppliers (Koplin et al., 2007) and sub-suppliers (Choi and Linton, 2011; Hartmann and Moeller, 2014), the discovery of modern slavery in a supply chain represents a major reputational risk to brand value. However, to date, there has been limited management research into modern slavery (Cooke, 2003; Crane, 2013). Definitions of modern slavery in the management literature are largely focused on the use of forced labour, excluding human trafficking and servitude, which are seen as being outside the scope of management research. Crane (2013) explained modern slavery, in a management context, is about under-pricing a key resource (i.e. labour) through illegitimate means while Gold et al. (2015, p. 487) later defined it as: "the exploitation of a person who is deprived of individual liberty anywhere along the supply chain from raw material extraction to the final customer for service provision or production". Modern slavery has been largely neglected by Supply Chain Management (SCM) scholars (Gold et al., 2015; New, 2015) even though they should be well-placed to contribute towards tackling the threat. In this paper, we seek to provide an SCM contribution by examining how organisations appear to be detecting and remediating modern slavery in their supply chains; and how they are disclosing or reporting this information in their statements in response to legislative requirements. In doing so, we seek to enhance understanding in the literature concerning how organisations can detect, remediate and avoid modern slavery in their operations and supply chains, including at the sub-supplier level; and we provide the basis for a theoretical contribution on supply chain information disclosure strategies in response to legislative demands.

Several countries around the world have introduced new legislation that coerces organisations into increasing the transparency of their supply chains, which should encourage the diffusion of sustainable practices up the chain (e.g. Seuring and Müller, 2008; Egels-Zandén et al., 2015). This includes the National Pact for the Eradication of Slave Labour (2005) – a voluntary initiative in Brazil; the California Transparency in Supply Chains Act (State of California, 2010); the UK Modern Slavery Act (UK Government, 2015); the French Duty of Vigilance Law (ETI, 2017); and the Due Diligence on Child Labour Act in The Netherlands (Enact, 2017). The focus of this paper is on firm responses to the UK's 2015 Modern Slavery Act. Part 6, Section 54 requires commercial

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organisations that supply goods or services with a turnover greater than or equal to an amount prescribed by regulations made by the Secretary of State – currently set at £36 million – to prepare an annual slavery and human trafficking statement. Although the legislation may appear at first to be only relevant to a small number of large organisations operating in the UK, this number increases exponentially when the global partners and small and medium sized enterprises supplying into these organisations are considered. This statement should outline the steps taken to ensure slavery is not occurring in any part of the business and, importantly, supply chain. It should be published, e.g. on the organisation's website, and approved by the governance structure of the organisation. There are no fixed requirements for what must be included, but it has been suggested it might include details of the organisation structure, business, and supply chain; organisational policies on slavery and human trafficking; due diligence processes; an acknowledgement of the parts of the supply chain that are vulnerable and the steps taken to assess and manage risk; an assessment of the effectiveness of actions taken; and, details of the training offered on modern slavery and human trafficking.

The introduction of legislation like the UK Modern Slavery Act, which places significant emphasis on the responsibilities of large organisations to protect vulnerable workers, contributes towards the politicisation of corporations (e.g. Matten and Crane, 2005; Scherer and Palazzo, 2007; 2011). Authors such as Barrientos (2008; 2013) and New (2015) may claim this is appropriate given that the purchasing behaviour of firms, which might demand short lead times and low prices, contributes to the pressures on suppliers to subcontract, cut corners, and reduce costs thereby giving rise to forms of modern slavery. But equally Scherer and Palazzo (2011, citing Steinmann, 2007) questioned where, once organisations take on a wider role in society, their responsibility should end. The authors cautioned whether an overstretched Corporate Social Responsibility (CSR) engagement might endanger the profitability of an organisation and risk its very existence. They highlighted the need for more research into the most suitable practices for managing social and environmental issues along the supply chain.

Although there is a growing body of literature on the practices organisations might adopt to detect and remediate social problems (e.g. Gimenez and Tachizawa, 2012; Klassen and Vereecke, 2012; Zorzini et al., 2015), this literature does not pay specific attention to modern slavery. It has been argued that modern slavery is different from other social issues and therefore warrants specific attention (e.g. New, 2015). Although other social issues might also lead to criminal prosecutions, including where negligence is involved, modern slavery always involves some actor(s) knowingly and deliberately breaking the law; and it has been linked to criminal gangs and other forms of human exploitation. Hence, it has been suggested that the inevitably hidden and criminal nature of modern slavery, and the potentially severe repercussions for those involved if it is uncovered, make the sorts of detection and remediation practices proposed in the wider literature for other offences that are often 'softer' or less concealed ineffective or inappropriate (e.g. Barrientos, 2008; Gold et al., 2015; New, 2015). For example, announced audits would fail to uncover criminal activity, put auditors at risk, and

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may overlook the role of third-party employment agencies outside the firm that are often involved in the supply of forced labour. Criminal activity involving bribery or corruption may also be deliberate, but it can be a faceless crime of individually unidentifiable victims whereas modern slavery is not. Meanwhile, any response to discovering modern slavery other than reporting it to the authorities could be interpreted as complicity in criminal activity (New, 2015). Moreover, UK legislation extends to the practices of the entire supply chain yet little is known about how firms can reach out to sub-suppliers (Grimm et al., 2016). Thus, modern slavery represents a major challenge to supply chain practitioners that needs to be studied in its own right, i.e. separately from other social issues. Thus, there have been calls for more SCM research into modern slavery (e.g. Gold et al., 2015; New, 2015).

Modern slavery legislation also speaks to the literature on supply chain information disclosure. Marshall et al. (2016) highlighted the challenges of meeting the pressures to disclose supply chain information and claimed many organisations lack a disclosure strategy. Meanwhile, Hahn and Kühnen (2013) found that few studies have examined sustainability reporting (or disclosure) in response to regulation, with the majority of work being on environmental concerns. Although the UK Modern Slavery Act is mandatory, there is a great deal of scope for this to be operationalised in different ways. All organisations affected should now have released their first statement, yet it remains unclear how this has been approached. To the best of our knowledge, no studies have thus far made use of this new source of secondary data.

Utilising a database of these statements and focusing on the clothing and textiles sector, we ask the following research questions:

How are organisations approaching the disclosure of information about modern slavery
in response to legislative demands?
What do their public statements report about how they are detecting and remediating
modern slavery in their operations and supply chains?

Next, Section 2 reviews relevant literature on detection, remediation, and information disclosure. Section 3 then outlines the secondary data method followed before Section 4 presents the findings. Section 5 provides a discussion followed by conclusions in Section 6, including implications for future research and practice.

2. Literature Review

Modern slavery has received limited attention in the business and management literature (Cooke, 2003; Crane, 2013). In fact, Cooke (2003) argued slavery in general has been of denied relevance to management studies. In the SCM literature, the key contributions have been from Gold et al. (2015) and New (2015). Gold et al. (2015) showed how modern slavery links to SCM, presented a conceptual model of the challenges it presents to SCM, and outlined future research opportunities. New (2015) highlighted the importance of tackling modern slavery, how it differs from other CSR-related issues,

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and suggested buyer firms are partly responsible for its presence in modern society. The two papers represent a call to arms for SCM researchers to contribute to addressing the problem of modern slavery. Our paper seeks to build on the important contributions made by these authors. It examines how firms are disclosing the detection and remediation of modern slavery to stakeholders in their public statements.

2.1 Detection

The literature on sustainable SCM refers to a range of practices for detecting social issues, as described in review papers by Gimenez and Tachizawa (2012), Beske and Seuring (2014), and Zorzini et al. (2015). The most commonly employed practices are audits against codes of conduct (e.g. Mamic, 2004) and third-party certifications (e.g. Hutchins and Sutherland, 2008). For example, firms may undertake supplier audits, either announced or unannounced, assessing them against defined standards (e.g. Emmelhainz and Adams, 1999; Andersen and Skjoett-Larsen, 2009). This has given rise to a huge industry of sustainability auditors and consultants. Huq et al. (2014) however referred to some of the problems with this approach, including corrupt inspectors, misleading documents (e.g. altered timesheets), and mock compliance whereby suppliers appear to be doing the right things but for audit day only. Operationalising standards is also difficult for suppliers as expectations can vary across buyers meaning their codes conflict (Gugler and Shi, 2009; Huq et al., 2014). Further, where standards are successfully implemented, it might be argued a 'compliance-only' culture is created that does little to incentivise suppliers to exceed minimum requirements.

Modern slavery legislation requires firms to go beyond tier one to enable complete end-to-end transparency. Yet few SCM studies extend passed the first tier. An exception is Grimm et al. (2016) who examined sub-suppliers upstream of tier one and their compliance with corporate sustainability standards. They suggested the use of supply chain mapping as a way of beginning to identify and understand the structure of the whole end-to-end supply chain, followed by auditing. But extending audits to sub-suppliers has major resource implications and may not be a sufficiently scalable solution without the support of other stakeholders (Gold et al., 2015). These other stakeholders however may not have the same incentives – their turnover or location may mean they are not legally required to report on modern slavery.

The literature specifically on modern slavery has acknowledged that detecting it is very challenging. Gold et al. (2015) noted that the global, highly outsourced and interconnected nature of many supply chains makes transparency difficult and hides problems such as modern slavery. Meanwhile, New (2015) acknowledged that detecting modern slavery may be more difficult than some other social issues because it operates invisibly and involves active deceit. Thus, the relevance of many general practices has been questioned. It is likely that supplier self-assessment questionnaires, for example, would be futile when dealing with criminality while standard audits are unlikely to be effective and would put auditors in jeopardy. Further, Barrientos (2008; 2013) argued

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that codes of labour practice fail to reach the most vulnerable workers, particularly those employed by labour contractors and do not tackle issues like freedom to join a trade union. Similarly, Crane (2013) stressed the importance of extending monitoring activity to contract labour agencies, which often supply forced labour yet operate outside the scope of a typical audit. Moreover, even when modern slavery is detected, it has been claimed national labour legislation often does not help immigrants and subcontracted workers (Barrientos, 2013).

Gold et al. (2015) called for targeted supplier audits focused on modern slavery indicators. Thus, much of the modern slavery literature seeks to understand the cues that might suggest modern slavery is a significant risk. Crane (2013) presented a theory of modern slavery that identified the conditions enabling modern slavery, including the industry (e.g. labour intensity), socio-economic (e.g. unemployment), geographical (e.g. geographical isolation), cultural (e.g. entrenched inequalities), and regulatory context (e.g. strength of governance). New (2015) later referred to indicators of forced labour in supply chains, including the threat of physical harm; restriction of movement, including debt bondage, withholding wages, retaining passports; and the threat of denunciation to the authorities. But identifying these cues is not straightforward. Meanwhile, Gold et al. (2015) explained that organisations might conduct country risk assessments to identify the most at-risk regions before paying particular attention to suppliers in these regions or avoiding these regions altogether. The latter would minimise risk to the buyer but would disadvantage high-performing factories simply because they are located in the wrong country.

2.2 Remediation

A range of actions have been outlined for responding to social issues in supply chains (e.g. Pagell and Wu, 2009; Gimenez and Tachizawa, 2012; Stiller and Gold, 2014). They include suspending or terminating a relationship; but these are typically not the first responses by a buying firm, especially if the supplier provides a critical resource and there are few alternative providers. Awaysheh and Klassen (2010), for example, claimed dependence will affect how firms address social issues. More commonly, buyers will look to develop the supplier (e.g. Blome et al., 2014; Sancha et al., 2015), putting a remediation plan in place to improve performance. This may involve special measures until standards have improved, e.g. more regular audits or co-locating staff inside the factory, and training. Training can create greater awareness of the need to improve, and of how better pay and working conditions could actually improve productivity. Training may also enhance innovation capabilities, which enable a supplier to be more productive and not need to cut costs, e.g. through cheap or even child labour. Buyers may also reward the most compliant factories with larger contracts or better prices (e.g. Pagell and Wu, 2009; Stiller and Gold, 2014). As an example, Porteous et al. (2015) examined the impact of penalties and incentives on the number of supplier social and environmental violations. It was found that increased business and training incentives are associated with fewer supplier violations and lower operating costs for the buyer. There is also an emphasis in the literature

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on collaboration and trust (e.g. Gimenez and Tachizawa, 2012) so suppliers can be open with a buyer about social issues, allowing improvements to be made together. But trust and a culture of openness may be difficult to develop around modern slavery.

As with the literature on detection, much of the focus of remediation is on the first tier. Remediation at sub-tiers is difficult due to the lack of a direct contractual relationship, few opportunities to exert pressure, and a lack of transparency (Choi and Linton, 2011; Grimm et al., 2014; Wilhelm et al., 2016b). Yet Wilhelm et al. (2016a) referred to the potential double-agency role of first-tier suppliers that can implement the buyers' standards internally and pass improvements up the chain. Similarly, Grimm et al. (2016) drew attention to the role of the first tier supplier as a mediator and the importance of the focal firm's channel power for diffusing compliance upstream. Grimm et al. (2016) also acknowledged that if tier one will not take on a mediating role, the focal firm would have to circumvent them. In addition, Wilhelm et al. (2016b) referred to coordinating 'closed triads' where the buyer directly manages tier two (citing Mena et al., 2013), potentially in combination with a third party, e.g. an NGO. This however has major resource implications and only extends the reach to tier two, unless tier two suppliers are also incentivised to act as mediators to tier three, and so on. But typically the further upstream a firm is positioned, the less capacity and capability they have to take on such a role. Wilhelm et al. (2016b) also found that supply chain complexity, the sustainability management capabilities of first tier suppliers, and the type of sustainability (environmental *vs.* social) affect when and how firms extend sustainability strategies to sub-suppliers. Finally, Grimm et al. (2014) highlighted how sub-supplier management can involve collaboration, including on training, workshops, and corrective action plans. The authors identified fourteen critical success factors for sub-supplier management in four categories: focal firm, relationship, supply chain partner, and context related factors. None of this work however considered modern slavery in particular.

Some of the literature specifically on modern slavery has proposed remediation approaches. For example, Gold et al. (2015) referred to adopting a multi-stakeholder perspective, developing a community-centred approach, and capacity building via supplier development. Others however have argued remediation is not suitable at all for modern slavery. For example, New (2015) suggested that a gradual approach to improving practices would make the buyer complicit in any illegal activity until it is eradicated. Thus, terminating the supply contract and reporting the supplier to the authorities is arguably the only responsible form of action. Firms can however change their own purchasing practices so they do not contribute to the problem. Barrientos (2008) claimed the underlying purchasing practices of buyers are a cause of poor labour conditions, while Barrientos (2013) highlighted the importance of buyers being held accountable for their role in modern slavery. More recently, New (2015) argued modern slavery is not an exogenous problem to buyer organisations. By driving down prices, buyers force suppliers into cutting their costs, e.g. through cheap labour; and by demanding short lead times, buyers force suppliers into taking on short-term workers via unregulated

third parties or into subcontracting to unaudited factories. To avoid contributing to the phenomenon, sustainability needs to be integrated into the goals, practices, and cognitions of day-to-day SCM within buyer firms such that it is part-and-parcel of everyone's job from top management down (Pagell and Wu, 2009). Sustainability must be so integrated that it becomes a fully embedded part of SCM (Pagell and Shevchenko, 2014).

2.3 Supply Chain Information Disclosure

Information disclosure has received significant attention in other fields, especially the accounting literature, as an extension of annual financial reporting (e.g. Gray et al., 1995; Matthews, 1997; Schaltegger and Burritt, 2010). Hahn and Kühnen (2013) charted the history of reporting by organisations from purely financial information to extensions that include environmental and finally, social considerations. The authors concluded that few studies have examined sustainability reporting (or disclosure) in response to regulation, and these studies have been mainly in the context of environmental disclosure. A number of content analyses have been conducted on the annual CSR reports of organisations. For example, Sweeney and Coughlan (2008) examined 28 reports identifying differences in reporting across industries. This suggests firms report in a manner that meets stakeholder expectations indicating CSR reporting may be another form of marketing communication. Wanderley et al. (2008) assessed the online CSR information disclosure of 127 corporations in emerging economies highlighting how country of origin and industry sector affect reporting. Tate et al. (2010) investigated 100 CSR reports finding that report content is affected by industry sector, firm size, and geographical location. Finally, Kozlowski et al. (2015) examined CSR reporting in the apparel industry based on 14 CSR reports, highlighting the wide range of indicators used by organisations, suggesting a lack of standardisation. To the best of our knowledge, there are no such studies specifically on modern slavery statements.

In the remainder of this brief review, we focus on supply chain information disclosure, which generally refers to the primary communication of information downstream with the market and external stakeholders as opposed to supply chain information sharing, which generally refers to the up and downstream sharing of information between parties within the supply chain. The latter has been well explored to enable, for example, collaborative planning and forecasting and address the bullwhip effect, improving inventory management and order fulfilment (e.g. Lee et al., 1997; Cachon and Fisher, 2000; Zhou and Benton, 2007). Few contributions to date have been made to the former (e.g. Doorey, 2011; Mol, 2015). Mol (2015) questioned the value of pushing for greater transparency by asking whether the transparency of environmental performance has really improved standards. Doorey (2011) earlier examined the decisions taken by Nike and Levi Strauss to release their global supplier lists thereby acting as industry leaders in supply chain transparency and putting pressure on competitors to follow. Rival firms however, argued that disclosing supplier lists risks a leakage of proprietary information and is impractical due to the size, complexity, and ever-changing nature of the

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supply base. Pre-empting subsequent legislation, Doorey (2011) called for mandatory supplier factory disclosures to create a level playing field and wrote about the benefits that might come from laws that require supply chain information disclosure, such as incentivising firms to pay closer attention to supplier factories, including working conditions.

A key recent paper is that by Marshall et al. (2016) who explained that pressure to disclose may come from regulatory reform, as is the case with modern slavery, or major critical events, such as the Rana Plaza disaster in Bangladesh (e.g. Huq et al., 2014). Marshall et al. (2016) identified the types of information firms might disclose, including supply chain membership, provenance, environmental information, and social information – including labour policies (e.g. working hours and wages), human rights (e.g. child labour), and social impact (e.g. local community impact). They did not however refer specifically to the sourcing of labour from third parties or intermediaries. The authors claimed many organisations lack a supply chain information disclosure strategy and identified four broad approaches based on how much a firm wants to disclose and how good a grasp it has of its supply chain. Indeed, it could be a major reputational risk to make bold statements about the supply chain that turn out to be false. The strategies range from withholding (i.e. non-disclosure) to transparency (i.e. openness) and also include reporting in a manner that conceals information or distracts attention from particular issues. The authors stressed the importance of aligning supply chain information disclosure with the overall company strategy. This however is a rare insight and there is a need for more studies, including in response to legislation, that examine what strategies are actually adopted by firms in practice.

2.4 Assessment of the Literature

The literature offers various general practices for detecting social issues, but many of these have been questioned in the context of modern slavery. The challenge of detecting a phenomenon that operates outside the law has been highlighted, while achieving transparency beyond tier one is a major concern to many organisations. It therefore needs to be established how organisations are detecting modern slavery in their supply chains, including at sub-suppliers. Similarly, there are significant question marks surrounding how firms might respond to modern slavery both ethically and legally or how they may exert their influence on upstream partners. There is limited research into the remediation of social issues or how organisations can diffuse sustainable practices into their suppliers in general, let alone into how they can deal with the challenges brought about by modern slavery. It has been shown that modern slavery is a particular form of social issue that warrants further study in its own right.

Meanwhile, there have been calls for more studies on how firms respond to legislative demands to disclose information. Modern slavery legislation can be seen as an attempt to overcome the information asymmetry along the supply chain and between the market and supply chain whereby firms otherwise know more than their partners and customers about how and where products and services are created and the conditions under which they are produced. It puts pressure on

organisations to take control of their supply chains, to drive improvements and increase standards. But modern slavery is a complex issue for firms to report on; and, although the legislation in the UK is mandatory, there is a great deal of freedom for firms in terms of what they choose to say. Thus, there remains a great deal of uncertainty surrounding modern slavery information disclosure. Which stakeholders will pay attention? How will statement content affect performance? How will rival firms respond? Will market positioning be enhanced or diminished by full disclosure? And so on. In fact, New (2015) compared the responses of Krispy Kreme Doughnuts Inc. and Dunkin' Donuts to the California Transparency in Supply Chains Act. The two rival organisations made very different statements but there was no obvious, immediate effect on performance, market share, etc. Finally, it has been claimed many firms lack a supply chain information disclosure strategy and it remains unclear what characterises the approaches they are adopting in response to this legislation.

3. Research Method

3.1 Research Design

Our research is qualitative and exploratory in nature, suiting the nascent state of theory surrounding modern slavery (Edmondson and McManus, 2007). It is based on an analysis of secondary data – modern slavery statements produced by organisations in response to the 2015 UK Modern Slavery Act. This data source is both timely and appropriate. First, it is timely as all organisations affected by the legislation should now have released at least their first statement, making it ripe for analysis; there have been no prior analyses of these statements; and operations and SCM researchers have been encouraged to make greater use of archival and secondary data (e.g. Calantone and Vickery, 2010). Second, it is appropriate because, as with the study of other illegal activity in supply chains such as product counterfeiting (e.g. Stevenson and Busby, 2015), primary sources of data would be extremely difficult to obtain. It would be near impossible to study those involved in modern slavery at first-hand while buyers would most likely refer to the contents of their statements due to the sensitivity of the issue.

3.2 Data Collection

The literature on CSR reporting suggests there may be differences between industries in how firms approach disclosure (e.g. Sweeney and Coughlan, 2008; Tate et al., 2010). Therefore, CSR reporting studies often focus on a single industry (e.g. Kozlowski et al., 2015). Similarly, we have limited our focus to a single industry, allowing us to go deep into detection, remediation, and disclosure in one sector. Our focus is on the clothing and textiles sector – an industry with highly globalised supply chains, a high degree of labour intensity (Bruce et al., 2004; Christopher et al., 2004), and one that has experienced major social sustainability problems in recent years. Moreover, it was identified by Gold et al. (2015) as an industry where modern slavery is likely to be a significant problem. The authors

suggested modern slavery is rife where simple, non-technological, traditional work is involved, including textiles and leather working.

Our data has been taken from an online database where it is encouraged all statements released by firms affected by the legislation are stored (Modern Slavery Registry, 2017). The stability of the database was checked by extracting the data twice, with a one-month interval between extractions. As of the 12th October 2017, the database contained 3,082 statements from 26 industry categories. All statements from the "retailing" and "consumer durables and apparel" categories were retrieved and manually checked to obtain a dataset of 101 statements from the clothing and textiles sector. Retailing returned 54 relevant statements; and consumer durables and apparel returned 47 relevant statements. The size of the dataset is larger than that used in several recent studies on CSR reporting (e.g. Sweeney and Coughlan, 2008; Kozlowski et al., 2015). Most organisations in the dataset are owned in the UK (82), followed by the US (8), Denmark (3), Germany (3), France (1), Japan (1), Italy (1), Spain (1), and Sweden (1). We retrieved the most recent statement released by each firm; for most, this was their first statement. A list of the firms, with hyperlinks to their statements, is provided in Appendix 1.

3.3 Data Analysis

Analysis has followed a two stage process. First, all statements were read by one researcher, with key data extracted and recorded in a spreadsheet then later reduced. This included basic, descriptive information on the company, products, supply chain, etc.; and data on what the statements disclosed about how the companies were approaching detection and remediation. The practices identified from the literature were used as a starting point and supplemented where necessary when practices described differed substantially from those in the literature. The practices were organised into a category system constructed from a reading of the data by the process of 'constant comparison' (Glaser and Strauss, 1967) that also considered whether practices were being employed within the focal firm, at tier one, or at a sub-supplier level. A second researcher read a sample of 58 statements to validate the spreadsheet. This sample included all of the companies later referred to as examples in Table I. Where there were differences of opinion, these were discussed and an agreement reached. As the detection and remediation actions are documented in the statements explicitly, reconciliation between the two researchers occurred in the development of the final categories of practices at each supply chain level. This process developed a good understanding of each practice and facilitated statement comparison. Our main interest was in the range of practices employed and the use of novel approaches rather than on the ranking or frequency of each practice. This is consistent with the notion that the data is there to stimulate qualitative insight rather than measure the frequency of specific variables (van Maanen, 1983). A point of saturation was reached before arriving at the last statement whereby no new practices were being identified in the data.

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Second, the statements were re-evaluated in an attempt to identify different approaches adopted to disclose information. This involved considering, e.g. the length, style, and depth of the statements, whether they were signed by the board of directors, whether they openly revealed instances of modern slavery, etc. This was a less mechanical process that was open to our inferences and interpretation of how firms have approached disclosure. Nonetheless, we argue it provides an insight into how firms within a single industry have responded to this new legislation; and it forms the basis for the future development of theory around supply chain information disclosure.

4. Findings

This section provides an overview of the findings, with the full range of practices identified in Table I. Although the literature emphasises the role of detection and remediation practices, as described in sections 4.1 and 4.2 below, a third category aimed at setting new standards and avoiding risks emerged from the data, as described in Section 4.3. Finally, Section 4.4 considers what the statements imply about how firms are approaching disclosure.

[Take in Table I]

4.1 Detection

The most widespread detection practice reported in the statements is a supplier audit against a code of conduct, either directly or via a third party. In some instances, it is not clear whether or how this practice has been adapted to incorporate modern slavery concerns. But firms such as Marks & Spencer Group Plc have acknowledged: "the limitation[s] of mainstream ethical audits to identify Modern Slavery issues […] to have effective Modern Slavery due diligence, we need to undertake a range of other methodologies, as appropriate for the nature of the supply chain." Firms have augmented codes and tailored audit procedures, e.g. to include on and off-site worker interviews, to demand the presence of any third party labour agents, and to include forensic analysis of documents on age, identity, right to work, payment of recruitment fees, etc. Of course, these records can be fabricated, but firms start to build up a triangulated picture using multiple sources of evidence. Yet this is a very resource-intensive approach, which may rely on maintaining a local presence in key sourcing regions and having teams of auditors. It is therefore difficult to extend to all supply chain actors. Thus, many firms have used risk assessments, e.g. informed by the global slavery index or other tools, to prioritise their detection efforts and have the maximum impact. This might include identifying high risk regions, such as where government action is weak, and the types of work where migrant, child or refugee labour are common. ASOS, for example, refer to focusing on migrant labour in Mauritius, refugee labour in Turkey, child labour in India, and agency workers in the UK. Firms have also chosen to prioritise the supply chains of stock items that reach the end customer, often with an emphasis on high-risk non-EU suppliers. The legislation however relates to all aspects of a firm's

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operations and supply chains while modern slavery can occur in developed countries within the EU. The statement by New Look Retail Group Ltd acknowledged: "Historically, we had focussed more on our products for resale supply chain, and not conducted a comprehensive review of the risks associated with services and goods not for resale". There are however exceptions; for example, ASOS have paid particular attention to the UK and both ASOS and Burberry Group Plc to non-stock items, including logistics, catering, cleaning, and IT.

One way of overcoming a lack of firm resources is through collaboration. Firms refer to sharing information with other stakeholders, including competitors, NGOs, trade unions, and governments. In some cases, collaborative audits have taken place when two or more buyers source from the same factory (e.g. Coast Fashions Ltd). Information sharing is also facilitated by the Supplier Ethical Data Exchange (SEDEX) platform for depositing audit reports, putting greater pressure on suppliers to comply. Another common practice is to rely on whistle blowing, enabled by awareness campaigns, accessible lines of communication, and creating the right, inclusive and non-discriminatory working environment in which personnel feel able to come forward. This can be a useful strategy for extending the reach of detection activity, but its integrity relies on managers taking reports seriously and acting on them quickly, while the value of this practice could be questioned in the context of the most remote and extreme modern slavery conditions. Similarly, the value of several other evident practices for detecting hidden, criminal activity could be questioned, e.g. supplier self-assessment questionnaires. Meanwhile, when firms refer to their own operations, detection is generally focused on reviewing existing recruitment policies and working conditions. Training emphasises how to identify modern slavery indicators in suppliers and what to do if it is suspected.

Detection efforts at the sub-supplier level are limited, even for many large firms. Patagonia is a rare exception where subcontractors are audited directly, incorporating the "entire employment life cycle in our supply chain partners including: pre-hiring interactions, labor contracts, wages and fees, retention of passports, living and working conditions, grievance procedures, and repatriation." Generally, the emphasis is on incentivising tier one to manage their sub-suppliers. Key approaches include self-reporting by suppliers of new subcontractors and labour agents and further whistle blowing by tier one or sub-supplier employees. In some cases, contracts with suppliers stipulate they must take responsibility for ensuring their own suppliers are compliant with a buyer's code of conduct. Supply chain mapping and publishing supplier lists are also employed to improve sub-tier transparency. But the complexity of many supply chains means these practices rarely extend beyond tier one. The challenge of mapping the supply chain and influencing sub-suppliers is acknowledged by Marks & Spencer Group Plc: "As we have gone further down within our supply chain, we have also encountered challenges. This has included the time it takes to map supply chains several tiers down, and reluctance from entities further down the chain to undertake additional due diligence at the request of a customer several steps removed". Finally, detection practices are being continuously

monitored by firms according to metrics such as the number of audits conducted, whistle blowing reports, and non-compliances.

4.2 Remediation

The data contains a limited number of fairly standard remediation practices, mainly aimed at first tier suppliers. The most common response to supplier non-compliance is to put a remediation plan in place – a series of corrective actions over a reasonable timeframe supported by the buyer and overseen by regular follow-up audits. Statements refer to judging non-compliance on a case-by-case basis and warn contracts may be terminated for severe violations, but there is far greater emphasis on developing good, trusting relationships and on the detrimental impact of exiting the sourcing arrangement on workers. For example, the statement from Pentland Brands Ltd includes: "We try to avoid terminating relationships with suppliers, because that offers no benefit for the workforce. We would only exit a relationship if a factory refused to improve". Supply may however be suspended until non-compliance has been addressed. Remediation performance is tracked over time, including the number of violations resolved, supplier ratings, etc.

There is very little reference in any of the statements to reporting violations to the authorities. For this to happen regularly, authorities would have to take action and prosecute offenders. Yet the statement by the House of Fraser includes: "There are many constraints on our ability to improve working conditions, particularly where local governments do not enforce the law." A limited number of firms have engaged with governments at a higher level. For example, the statement by ASOS includes: "ASOS will monitor supplier factories closely and enforce our policy on recruitment processes, but we […] need to work collaboratively with others, including governments and local actors, to find a sustainable solution". They refer, for example, to meeting with the British High Commissioner in Mauritius to discuss migrant labour issues.

Few firms acknowledge how their own buying behaviour might contribute to modern slavery. The focus of internal remediation training tends to be on how firms can support suppliers in taking corrective action. There are exceptions however, where firms have acknowledged their role and trained procurement personnel accordingly. For example, the Harvey Nichols Group Plc statement includes: "we employ best practice measures. This prevents putting undue pressures on our Associates which could increase the risk of forced labour. Such measures include: paying market prices; not withholding undisputed payments; and avoiding applying unnecessary pressure for the early delivery of products". As with detection, there is limited emphasis on sub-suppliers. For many firms, the emphasis is again on incentivising tier one to govern and support sub-suppliers, including encouraging suppliers to pass on training to sub-tiers, although tier one can be circumvented using online platforms.

Finally, many statements emphasise collaboration, perceiving modern slavery as an industry-wide or societal problem to resolve. This includes forming coalitions and working groups with other

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retailers that a firm would normally compete against. The statement by NEXT Plc explains: "it is important and valuable for NEXT to work with others to develop solutions for some of the more complex and systemic problems". Often these groups are brought together and facilitated by NGOs and human rights experts that provide an independent, expert voice. ASOS's statement, for example, refers to using an NGO as a "critical friend". This allows actors to share knowledge, resources, and best practice; and, together, they can have a bigger impact on major underlying causes of modern slavery. Firms have worked together on community-based projects, e.g. supporting vulnerable groups in South India or Syrian refugees in Turkey and improving regulation around homeworking. The statement by FatFace Ltd includes: "Our membership of the Ethical Trading Initiative provides FatFace with an important collaborative platform that enables the sharing and dissemination of information relating to human rights abuses amongst industry peers and provides leading insight into how best to address these challenges. FatFace's involvement in […] addressing the issue of Syrian refugee exploitation in the informal Turkish garment industry is an example of such collaboration."

4.3 Standard Setting and Risk Avoidance

There is a greater emphasis in the statements on setting new standards and avoiding risk than on remediation. Internally, firms have emphasised the importance of creating the right culture that takes modern slavery seriously. This includes a clear organisational structure and the professionalisation of human rights within the firm, with clear roles, responsibilities, and reporting structures to the boardroom level (e.g. Selfridges & Co. Ltd). Further, firms such as Nike (UK) Ltd have highlighted the importance of sustainability in general, putting it on a similar footing to other supplier selection criterion: "Our Manufacturing Index (MI), introduced in 2012, scores factories on sustainability – including labor practices – on a par with traditional metrics of cost, quality and on-time delivery. " The dissemination of augmented ethical policies and training in these policies further sets expectations and raises awareness of modern slavery concerns. This includes internally, at tier one, and sub-suppliers. Contracts with suppliers have also been tightened to refer directly to modern slavery and the potential consequences of non-compliance. This is a rather defensive practice that arguably attempts to decouple the firm from blame. It means firms can point to policies and procedures that were in place – but not followed by a rogue actor – if modern slavery is uncovered.

Other practices employed are more focused on avoiding risk altogether; for example, banning the use of cotton from Uzbekistan as part of the Better Cotton Initiative (BCI), avoiding the use of non-permanent migrant and seasonal labour, limiting or avoiding the use of third party labour agencies, and reducing the size of the supply base. A stricter gatekeeper approach has also been adopted, setting the bar higher for new suppliers entering the supply base; for example, undertaking detailed background checks on potential suppliers (including previous convictions and historical audit reports) and conducting stricter audits, ensuring complete compliance and requiring suppliers to be SEDEX members before any orders are placed.

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4.4 Supply Chain Information Disclosure

There is huge diversity across the statements considered in this work. At a basic level, they range from very short, single paragraphs through to exhaustive, 26-page documents. The majority are plain, text-heavy documents but there are a minority of more colourful and graphical statements including pictures of products, logos, or workers. The majority have been approved by the company's board of directors (91%), but fewer include the chairman's signature (62%). This could be interpreted as a lack of genuine commitment within some firms towards modern slavery or a lack of confidence in the content of the statements.

While there is indeed huge heterogeneity, the statements can be broken down into those that simply comply with the legislation and those that are more transparent. At a more detailed level, five broad categories can be identified:

1. "Compliance only" statements, where firms make short, often defensive statements that do little other than meet the requirements of the legislation, point to policies or indicate a firm is committed to (not knowingly) allowing modern slavery to take place within its operations or supply chains.

2. "Structured compliance" statements, where firms go further and seek to broadly adhere to the six (optional) guidance areas outlined by the UK government.

3. "Transparent, soft remediation" statements, where firms open up more and emphasise a particular commitment to working with suppliers to address modern slavery concerns.

4. "Transparent, hard remediation" statements, where firms put a stronger emphasis on zero tolerance and relationships being terminated should serious modern slavery violations be uncovered.

5. "Ethical leader" statements, where firms provide genuine leadership in the presentation of modern slavery statements and towards supply chain transparency.

As an example of the final category, some firms have even released complete supplier lists (e.g. Adidas (UK) Ltd, Pentland Brands Ltd, and Nike (UK) Ltd). These firms clearly do not consider that this approach could lead to a loss of proprietary information or they expect the benefits of transparency to outweigh any risks. Similarly, some firms have admitted to specific instances of modern slavery or child labour in their supply chains. This appears to position them as very honest and transparent organisations although it generally only occurs when instances were already in the public domain (e.g. the statement by ASOS refers to child labour in sub-suppliers).

Many of the statements make reference to firms working with third parties, including auditors, NGOs, trade unions, and human rights groups, or reference the ETI, UN, ILO or similar when describing their codes of conduct. These tactics could be interpreted as a signal to customers that firms can be trusted and have external legitimacy. Meanwhile, a number of statements refer to an involvement in historical initiatives (e.g. Adidas (UK) Ltd, ASOS, Burberry Group Plc), which appears to be an attempt to signal genuine commitment to addressing modern slavery rather than it

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being a knee-jerk response to new legislation. Other firms, however, lag behind and have thus far done very little to address modern slavery. The statements produced by some of these firms refer to future plans only or describe in detail how the firm has addressed other social or environmental concerns whilst saying nothing about modern slavery.

A small number of statements provide a joint response to the 2015 UK Modern Slavery Act and the 2010 California Transparency in Supply Chains Act (e.g. Burberry Group Plc, Gap Inc., and Patagonia) even though the latter only relates to the direct supply chain of the end product. This demonstrates the complex nature of legislation that international firms must handle. Other firms have produced separate, short UK-specific and California-specific statements then referred through to other shared parts of their website for more information. Both of these approaches attempt to avoid duplication and potential inconsistencies across multiple statements.

Finally, although the primary audience for the statements is downstream stakeholders, also internal, parallel, and upstream actors may read them, as illustrated in Figure 1. Thus, they are an opportunity, for example, to inform suppliers and sub-suppliers indirectly, that a firm takes modern slavery seriously and will not tolerate it in their supply chain. In other words, the statement itself could be seen as a form of standard setting and risk avoidance. But this message can become lost if the statement is inconsistent. For example, some statements refer to termination and a zero tolerance approach but later refer to judging each case on its own merits. Meanwhile, some statements tell the reader in great deal how firms go about detecting modern slavery. This arguably gives would-be criminal supply chain elements inside knowledge on how to evade detection.

[Take in Figure 1]

5. Discussion

5.1 Detection, Remediation, Standard Setting and Risk Avoidance

Many of the practices reportedly employed in the context of modern slavery have been used to detect and respond to other social issues in supply chains. This is despite it being argued in the literature that modern slavery is somewhat different – a hidden, criminal activity that extends beyond the boundaries of the factory, e.g. to include third party labour agencies. Thus the effectiveness of many identified practices, whether they are augmented or not, for genuinely uncovering modern slavery might be questioned, while the many responses other than reporting activity to the authorities could be criticised (e.g. New, 2015).

Statements referred to auditing suppliers against codes of conduct even though these are typically insufficient for identifying the signals of forced labour and other forms of modern slavery (e.g. Barrientos, 2008; 2013). There is evidence of more specific, targeted audits, as suggested by Gold et al. (2015), but the practicality of these is questioned given their resource intensity and the complexity of supply chains. For practices to be scalable there is a need for firms to collaborate with other

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organisations or mobilise workers to raise concerns (i.e. whistleblowing). Pagell and Wu (2009) for example, explained that managers of sustainable supply chains will collaborate with non-traditional members, including NGOs, regulators, competitors, and members of the community. Some firms have conducted joint audits via horizontal collaboration. Such practices help to deal with the uncertainty that firms face in response to the new legislation; allow them to share intelligence; or overcome a lack of resources to respond independently. Collaborating on a joint audit also allows the costs to be shared and gives the buyers greater power and leverage with the supplier. Few researchers have studied horizontal collaboration in the context of sustainable SCM, especially on social issues like modern slavery (Chen et al., 2017). There is also evidence of firms collaborating with NGOs that provide expertise, impartiality, and legitimacy. Involving NGOs also arguably helps to manage one of the key stakeholders and audiences of a firm's modern slavery statement; and they link firms together, facilitating horizontal relationships. There is limited prior sustainability research that incorporates the role of NGOs, with most contributions being in the context of environmental sustainability (e.g. Albino et al., 2012; McDonald and Young, 2012).

There is also evidence of firms employing supplier development and remedial practices that are familiar from the wider literature on social sustainability (e.g. Blome et al., 2014; Sancha et al., 2015). In fact, many of these practices, such as training to develop supplier capabilities, are also arguably familiar from the quality management revolution of the 1980s and 1990s (e.g. Ahire, 1995; Krause et al., 1998). Yet social issues – and modern slavery in particular – are a very different issue. The focus here is not on products. There is a concern with the movement of people, how they arrived at a place of work, how they are paid, etc. There is a greater intangible element, which can be more difficult to evaluate; and there is an even greater incentive for the (sub-)supplier to hide violations. Thus, the ramifications if discovered should be severe given the deliberate and criminal nature of activity.

Training can involve learning how risk assessments are undertaken to identify likely modern slavery hot spots, as suggested by Gold et al. (2015), and about mapping (e.g. Grimm et al., 2016) to improve understanding and transparency of the end-to-end supply chain. The latter can enable firms to go beyond tier one; however, as with the literature, most statements focused on the immediate supply chain relationships of the focal firm and its product supply chain. There is limited evidence of other sub-supplier engagement practices, but recruiting tier one to act as a mediator appears to be more common than firms circumventing tier one (Grimm et al., 2016; Wilhelm et al., 2016a; 2016b). Although statements referred to training both suppliers and internal staff, they largely fell short of conceding the buyer's purchasing practices contribute to the proliferation of modern slavery. Yet Barrientos (2008) and New (2015) argued firms need to look at their own purchasing practices and part in modern slavery. Further, as illustrated in Figure 2, standard setting and risk avoidance have been identified as important complementary activities to the detection and remediation activity contained in the conceptual model provided by Gold et al. (2015). These activities should be underpinned by performance monitoring systems that review progression towards organisational

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objectives concerning modern slavery. This might include, for example, monitoring the number of whistleblowing reports, non-compliances, personnel trained (in detection, remediation, etc.), audits and remediation plans completed, and so on. Overall, the statements add greater granularity to the range of practices for tackling modern slavery that are available in the extant literature.

[Take in Figure 2]

5.2 Supply Chain Information Disclosure (and Government Legislation)

The statements demonstrate a huge diversity of responses to the legislation – even within one industry that is generally accepted as being quite commercially-aware and market-oriented. They range from those focused on compliance only, through to very transparent, expansive statements. Firms at the "compliance only" extreme (around 35%) may not necessarily have something to hide but lag behind in their approach to modern slavery, e.g. due to a lack of internal resources or capabilities. They do little more than comply with the legislation, while the remainder have attempted to at least cover the six areas outlined by the UK government. Firms at the "ethical leader" extreme (around 5%) are further ahead in their modern slavery journey and appear to use the statement as an opportunity to compete on being ethical. Only 62% of the statements have been formally signed by the board of directors despite this being a requirement of the legislation. This draws into question whether the legislation has elevated modern slavery from the procurement department to the boardroom; whether a firm's disclosure strategy is being aligned with its overall corporate strategy (Marshall et al., 2016); and whether sustainability has been successfully fully embedded into some organisations (Pagell and Wu, 2009; Pagell and Shevchenko, 2014). Meanwhile, firms that refer to future plans or achievements relating to other social or even environmental issues could be perceived as employing a distraction tactic, which is one of the disclosure strategies identified in Marshall et al. (2016).

The heterogeneity of responses is arguably understandable given the newness of the legislation. It will be interesting to observe how responses evolve over time, e.g. whether firms seek to gain new competitive advantage through the transparency of their statements or aim to protect their existing competitive advantage through non-disclosure of certain information. Doorey (2011) noted the concerns some firms have with regard to proprietary information leakage. Yet in arguing that it is difficult for rival firms to adopt a different stance once one firm starts to disclose, both Doorey (2011) and Marshall et al. (2016) implied there is a strong mimetic element to disclosure. Unless it follows the leaders in transparency, a firm risks appearing to have something to hide. Few firms have released supplier lists to date, but they include Adidas (UK) Ltd, a rival to Nike (UK) Ltd, which appears to add some weight to the argument made by these authors. Meanwhile, the influence of governments, customers, NGOs, and training means there are also potential coercive and normative pressures at play. Thus, in line with arguments from the institutional theory literature (e.g. DiMaggio and Powell, 1983), it seems reasonable to expect there to be greater homogeneity across statements over time as it

becomes clearer what is considered a legitimate response, as it becomes clearer how the market is reacting, and as more organisations develop both their capabilities and disclosure strategies.

In a broader sense, this paper provides a contribution on how modern slavery in the supply chain is reported following the introduction of new legislation. There are arguably similarities here with other interventions by UK governments where people are concerned, such as in healthcare where regular information disclosure on waiting times in accident and emergency departments is required. But such information is much more standardised, e.g. around key metrics, and the UK government's relationship with hospitals is quite different to its relationship with private sector organisations. Our paper also speaks to the literature on corporate citizenship and political CSR, which is concerned with the political duties and actions of corporations (Whelan, 2012) that step in where there is a lack of global regulation or where the local institutional environment is relatively weak (e.g. Matten and Crane, 2005). The politicisation of the corporation or the engagement of organisations with political processes (Scherer and Palazzo, 2011) involves a shift in their role from purely economic actors towards the role of governments as political actors. Similarly, Scherer and Palazzo (2007) referred to the phenomenon of organisations in the current global environment filling the regulatory vacuum in global governance. Of course, in the context of modern slavery, legislation is arguably thrusting focal organisations into the governance vacuum that exists between countries in complex, global supply chains whether they like it or not; and modern slavery also occurs in traditionally strong institutional environments.

Although organisations are being politicised, they cannot be expected to govern the entire supply chain when they may contribute to the problem themselves (Barrientos, 2008; New, 2015) – other actors must also play a part in holding firms accountable. Thus, as argued by Hussain and Moriarty (2016), focal firms cannot be viewed as supervising authorities but as functionaries within the supply chain that must be decoupled from any policymaking role. The authors argued that if organisations are to take on a greater political role in society they should be subject to some form of democratic accountability, e.g. with CEOs being publicly elected (and removed). Meanwhile, there is a question mark over how firms can take on a broader politically-charged role whilst continuing to operate effectively and efficiently (Scherer and Palazzo, 2011). This appears to be a stretch for all except the mega-corporations. The legislation applies to all firms with a turnover of at least £36 million, but this still leaves a huge range of organisational resource budgets. Thus, governments must also play their role in supporting organisations, especially in high-cost economies (Spring et al., 2017), and by taking swift and decisive action when modern slavery is discovered. A partnership model therefore needs to emerge whereby organisations play a role but are supported by governments, industry watchdogs, and other traditional and non-traditional actors.

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6. Conclusions

Modern slavery is an important, contemporary phenomenon affecting supply chains around the world. To date however the topic has received only limited attention from SCM researchers. Although there is a growing body of literature on the practices organisations might adopt to detect and remediate social problems in supply chains, this literature does not pay specific attention to modern slavery. Meanwhile, there has been limited research on supply chain information disclosure, especially in response to legislative demands, with the literature highlighting that organisations often lack a disclosure strategy. The aim of this paper was to provide an SCM contribution by examining how organisations appear to be detecting and remediating modern slavery in their supply chains; and how they are disclosing or reporting this information in their statements in response to legislative requirements. This is a timely focus – to the best of our knowledge, this is the first academic paper to examine the statements produced by organisations in response to the UK Modern Slavery Act.

We have asked two related research questions. First, how are organisations approaching the disclosure of information about modern slavery in response to legislative demands? And second, what do their public statements report about how they are detecting and remediating modern slavery in their operations and supply chains? We have found, for example, that:

1. Although five broad categories of modern slavery statements have been identified in the data, there have been many different individual responses to disclosure demands in the initial aftermath of the legislation. While some firms disclose very little, others are more expansive, appearing to use the statement as an opportunity to compete on being ethical. It is suggested however that, over time, a more homogenous set of responses will emerge as firms converge on what are considered to be legitimate and conventional forms of disclosure. This will be informed by the actions of competitors and the reactions of key stakeholders, including NGOs, the media, and market. This can form the basis of theory development on supply chain information disclosure, while the findings also add support to arguments made by Doorey (2011) and Marshall et al. (2016).

2. Modern slavery is somewhat distinct from other social issues in supply chains, arguably requiring a different approach to dealing with the threat. Similar to bribery or corruption practices, its hidden, criminal dimension; its involvement of third party labour agencies; and the legislative requirement to provide end-to-end transparency make many standard practices insufficient or inappropriate. A broad range of practices have been identified that expand the literature, as summarised in Table I, and that managers can appropriately select from to aid them in improving the transparency of their operations and supply chains. They add greater breadth and depth to the detection and remediation practices identified in earlier studies (e.g. Gold et al., 2015); and they have been organised into a taxonomy according to their relevance to the firm, supplier, and sub-supplier levels. Importantly, relatively little is known in the extant literature about how firms can

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reach out to sub-suppliers (e.g. Grimm et al., 2016). Further, a need to put greater emphasis on setting standards and proactive risk avoidance has been highlighted, as illustrated in Figure 2.

6.1 Practical Implications

There is no silver bullet for eradicating modern slavery and the problem is not going to be addressed quickly. A multiplicity of practices exists for this continuous and shifting threat. Managers need to appreciate the practices they employ to detect and remediate other social issues may not apply to modern slavery. Thus they may need to tailor these solutions to the phenomenon, e.g. via specific training and targeted audits. But they must also evaluate the resource implications of such approaches and therefore consider how they can work with other traditional and non-traditional actors or incentivise trusted tier one suppliers to act as intermediaries and manage sub-suppliers. Managers must also understand that modern slavery is not a purely exogenous phenomenon. They need to consider how their own organisation contributes to the threat, changing their internal culture where appropriate whilst regulating both the stock and non-stock supply chains. Modern slavery should not be a problem confined to the procurement function – along with other aspects of sustainability it must be fully embedded and elevated to the boardroom level. Further, in making public statements, a manager needs to decide what information they intend to disclose about their supply chains, how they wish to disclose this, and how their approach aligns with the overall corporate strategy. From a cynical perspective, they need to trade off the potential reputation and competitive gains from being more transparent than the competition, against the reputational risk should their statement be falsified or against the potential loss of competitive advantage from information leakage. Although the primary audiences for the statements are downstream customers and other external stakeholders, managers should also consider what their statements reveal to upstream suppliers and sub-suppliers. Thus they may wish to put greater emphasis on the consequences of non-compliance and less on how they detect modern slavery.

The findings may also be of interest to policymakers in the UK or other countries planning to introduce similar legislation. The legislation is forcing many focal firms to take more interest in their (sub-)suppliers and that accountability thrusts them into a more politicised role, so they too need both regulating and support from both governments and other actors. It is important that governments send the right signals when modern slavery is uncovered, dealing swiftly and decisively with the guilty parties and providing other forms of support to organisations where possible, especially in high-cost economies. Although UK government guidelines on what firms could include in their statements have been reasonably successful, not enough have been signed by the governance structures of organisations, thus this aspect of the legislation may need to be strengthened to support supply chain practitioners. Finally, it was observed that several international firms published joint statements in response to the 2010 California Transparency and 2015 UK Modern Slavery acts despite their

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differing requirements. This might be an argument for the need to develop a global standard in terms of which firms need to report and what they need to disclose.

6.2 Limitations and Future Research Directions

There are four main limitations to our study. First, the focus has been on responses to the UK Modern Slavery Act only. Future research could explore how organisations have responded to other similar legislation around the globe. Second, the focus has been on the apparel and textiles industry only. Thus, future research could extend the work to a comparative analysis with other industries. Third, we have focused on the statements released by organisations, thereby only discovering what the organisations wished to tell us about their supply chains. Thus future research could consider the views of other actors in the network to develop a more complete picture. Innovative, engaged research methodologies could also be applied to develop a more complete picture. And fourth, we have focused on one response per firm only. It would be interesting to track how a firm's modern slavery statement evolves over time; and, when more data becomes available, to examine through an event study how the timing and content of supply chain information disclosure affects firm performance.

More generally, there is huge potential for further research around the topic of modern slavery; and for such work to be informed by theory. By working with other firms in the supply chain or other non-traditional actors in the network, firms may develop new, shared capabilities. In responding to legislation, firms need to decide what information to disclose to the market and what information to keep concealed. While firm responses to the legislation are currently very heterogeneous, these may converge over time on a narrower legitimised range of responses influenced by competitors, NGOs, the media, customers, etc. A plethora of candidate theories exist to aid our understanding in this area, including the relational lens, the resource based view, stakeholder theory, and institutional theory.

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Table I: Detection, Remediation, Standard Setting & Risk Avoidance Practices at the Firm, Tier One, and Sub-Supplier Levels

	Supply Chain Level	Practice	Example Firm(s)
Detection	Firm Level	Assessment of firm level recruitment processes, compliance with employment law, payroll systems, use of temporary and seasonal staff, etc. for all aspects of the business	Express Gifts Ltd; Mothercare Group Plc
		Creating the right inclusive, open culture within the firm, including around diversity, modern slavery, etc.	Harrods Ltd
		Whistle blowing hotline within the firm, with protection and anonymity for whistle blowers, and follow-up detection activities in immediate response to whistle blowing	Agent Provocateur Ltd; Cath Kidston Ltd
		Internal employee satisfaction and wellbeing surveys to gauge conditions	Puma SE
		Training staff, including in purchasing, design, merchandising, and human resources, in key risk indicators and what to do if a worker suspects modern slavery in the supply chain	Adidas (UK) Ltd; Arcadia Group Ltd; Coach Inc.; Selfridges & Co. Ltd
	Tier One	Auditing suppliers against codes of conduct augmented to include modern slavery and conducting targeted audits, including with the support of audit checklists and manuals, by the firm and third parties – both semi-announced and unannounced	Marks & Spencer Group Plc; Mulberry Group Plc; Newell Brands Inc.
		Detailed document analysis in suppliers, including worker identification cards, right to work, age, payment of recruitment fees, with the presence of any labour agents	Burberry Group Plc; Coast Fashions Ltd; Pentland Brands Ltd
		Conducting combined audits of suppliers with other buyers, e.g. to increase leverage, share resources, and reduce audit fatigue for the supplier	Coast Fashions Ltd
		Focusing on stock suppliers of merchandise and materials *and* non-stock suppliers, e.g. cleaning, catering, IT, logistics, security, construction of stores, etc.	ASOS; Burberry Group Plc; New Look Retail Group Ltd
		Maintaining a presence close to key supply bases to improve local knowledge and make regular supplier visits	Bestseller A/S
		Supplier self-assessment questionnaires	Acushnet Group; All Saints Retail Ltd; House of Fraser
		Anonymous worker surveys and both on- and off-site interviews with workers and managers	Airwair International Ltd; Burberry Group Plc
		Whistle blowing for tier one, including anonymous hotlines, mobile apps available in the local language, awareness campaigns/posters, etc.; and follow-up detection activities in immediate response to whistle blowing	Cath Kidston Ltd; FatFace Ltd; Nike (UK) Ltd
		Close attention to suppliers in high risk categories, e.g. according to country, type of work, strength of local government, etc., including more regular audits or an emphasis on particular issues, such as Syrian refugees in Turkish factories	Adidas (UK) Ltd; Beeswift Ltd; FatFace Ltd; H&M Group Plc; Pentland Brands Ltd
		Collaborations and coalitions to share information, e.g. with trade unions, NGOs, competitors, research institutes, governments, etc.	ASOS; NEXT Plc; Pentland Brands Ltd
		Monitoring key performance indicators around detection, e.g. the number of reports from whistle blowers, number of non-compliances, number of audits conducted, number of staff trained in detection, supplier ratings/scorecards, Higg index, percentage of supply chain mapped, etc.	H&M Group; Levi Strauss & Co.; White Stuff Ltd

	Sub-Supplier Level(s)	Whistle blowing available to sub-suppliers with follow-up detection activities in immediate response to whistle blowing	Adidas (UK) Ltd; Agent Provocateur Ltd
		Third party labour agency self-assessment questionnaires and assessments	Ted Baker Plc
		Suppliers to report new subcontracting arrangements (with subsequent auditing)	Arcadia Group Ltd; Mulberry Group Plc
		Incentivising tier one suppliers to detect modern slavery concerns at sub-suppliers	Puma SE
		Circumventing tier one and extending audits to sub-suppliers, including the use of third party auditors	Airwair International Ltd; Fit Flop Ltd; Patagonia
		Mapping the supply chain (tier one and beyond)	Debenhams Plc; Marks & Spencer Group Ltd; New Look Retail Group Ltd
		Disclosing supplier lists and encouraging full disclosure of supplier lists by tier one	Adidas (UK) Ltd; Pentland Brands Ltd; Nike (UK) Ltd
Remediation	Firm Level	Training for staff in how to remediate modern slavery and support suppliers in remediation	Alfred Dunhill Ltd; Monsoon Accessorize Ltd
		Training for relevant staff, e.g. in procurement, in how their behaviour might contribute to modern slavery in the supply chain	ASOS; Bestseller A/S; Harvey Nichols Group Limited
		Monitoring key performance indicators around remediation, e.g. the number of employees and suppliers trained, number of remediation plans completed, etc.	White Stuff Ltd
	Tier One	Training suppliers in how to remediate modern slavery concerns, including conference and workshops	Debenhams Plc; FatFace Ltd
		Developing trusting, open relationships with suppliers with an open dialogue on remediation	Charles Tyrwhitt Ltd; Fred Perry Ltd
		Developing action plans to address non-complaint supplier behaviour, potentially with an immediate focus on the most significant violations, and with clear timeframes and follow-up audits by the buyer or a third party	Arcadia Group Ltd; House of Fraser Plc; Pentland Brands Ltd
		Suspension of supply arrangements until modern slavery concerns have been addressed	Thomas Pink Ltd
		Reflecting supplier audit performance in future order volumes and contracts	Nike (UK) Ltd
		Termination of supply arrangements, either immediately or if the remediation plan is not met on time	Alfred Dunhill Ltd; Burberry Group Plc
		Collaborating with other buyers, NGOs, trade unions, etc. to ensure remediation efforts take place (includes, e.g. The Bangladesh Accord)	ASOS; Inditex SA; Marks & Spencer Group Plc; Matalan Retail Plc; NEXT Plc
		Reporting criminal activity to the relevant authorities	ASOS
		Publishing audit reports (and follow-up reports) online so they are available to other (potential) customers, e.g. via SEDEX, thereby incentivising suppliers to improve	FatFace Ltd; Jigsaw; Matalan retail Group Ltd; Selfridges & Co. Ltd
	Sub-Supplier Level(s)	Training sub-suppliers in how to remediate modern slavery concerns	Burberry Group Plc
		Incentivising tier one suppliers to govern sub-suppliers and support them in remediation efforts	Bestseller A/S; Puma SE
		Community-based approaches, e.g. with home workers or to address the underlying causes of modern slavery,	All Saints Retail Ltd; Arcadia Group

		including in collaboration with other stakeholders	Ltd; H&M Group; Primark Stores Ltd
Standard Setting and Risk Avoidance	Firm Level	Augmentation of existing internal ethical policies to incorporate modern slavery concerns, with widespread dissemination within the firm	Burberry Group Plc; H&M Group
		Creating a governance and organisational reporting structure around modern slavery, e.g. clear roles and responsibilities, regular board level reports, advisory boards that include external stakeholders, etc.	Arcadia Group Ltd; Debenhams Plc; Selfridges & Co Ltd
		Training on policies and procedures for new and existing staff at all levels, in person or via online training tools	Arcadia Group Ltd; H&M Group
		Attending cross-industry seminars and workshops to network and improve knowledge on modern slavery	Airwair International Ltd; ASOS
		Limiting the use of third party labour agencies for internal needs, e.g. to trusted, audited and registered providers, using permanent staff wherever possible	Bellfield Furnishings Ltd; Dunelm Group Plc; Mothercare Group Ltd
	Tier One	Augmentation of existing supplier policies to incorporate modern slavery concerns and make reference to the management of sub-suppliers, with widespread dissemination (including in the local language)	Bestseller A/S; Coast Fashions Ltd; Dunelm Group Plc
		Strengthening of supply contracts (and penalties) around modern slavery concerns, including on worker rights, recruitment, etc.	BVG Group Ltd; Harrods Ltd; Harvey Nichols Group Ltd; Matalan Retail Ltd
		Training and workshops for suppliers on modern slavery to raise awareness, e.g. on the dangers of illicit subcontracting, in person or via online training tools	Bonmarche Holdings Plc; Gap Inc.
		Pre-employment training for supplier workers so they know their rights	ASOS
		Surveys of suppliers to gauge their level of awareness around modern slavery	Bonmarche Holdings Plc; Debenhams Plc
		Desk-based audits and risk assessments before sourcing from new suppliers, including prior audit reports, certifications, news reports on prior violations, etc.	Kustom Kit; Marks & Spencer Group Plc
		Risk assessments before sourcing from new regions, including informed by the Global Slavery Index and the Maplecroft risk tool	FatFace Ltd; Gap Inc.; Puma SE; Seasalt Ltd
		Strict policies for new suppliers, with no orders until complete compliance assured, potentially including new suppliers having to become members of SEDEX	Gap Inc.; Jigsaw; Meltemi Ltd; T.M. Lewin & Sons Ltd; Seasalt Ltd
		Reducing the size of the tier one supply base, e.g. to longer term, trusted suppliers	ASOS; Nike (UK) Ltd
		Limiting (to trusted) or prohibiting the use of third party labour agencies by suppliers	Gap Inc.; Marks & Spencer Group Plc
	Sub-Supplier Level(s)	Suppliers certifying that they will only source from sub-suppliers that also follow agreed ethical policies including on modern slavery concerns	Coach Inc.
		Prohibiting the use of unauthorised subcontracting or home working	Arcadia Group Ltd; Primark Stores Ltd
		Prohibiting the use of high-risk sources of supply, e.g. cotton from Uzbekistan as part of the Better Cotton Initiative	Coast Fashions Ltd; Gap Inc.; H&M Group
		Training and workshops for sub-suppliers on modern slavery, in person or via the use of online tools	Radley & Co. Ltd
		Train-the-trainer programmes to enable tier one to disseminate training to sub-suppliers	Coats Group Plc

Figure 1: Primary and Secondary Audiences for Supply Chain Information Disclosure Concerning Modern Slavery
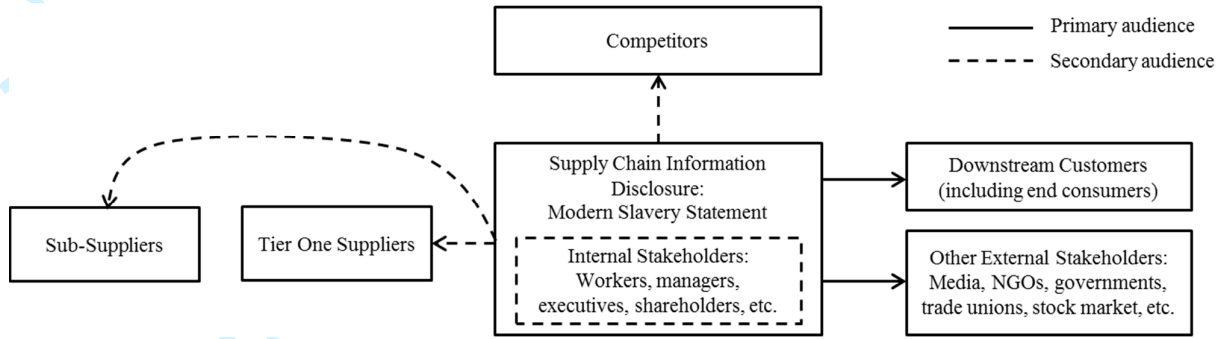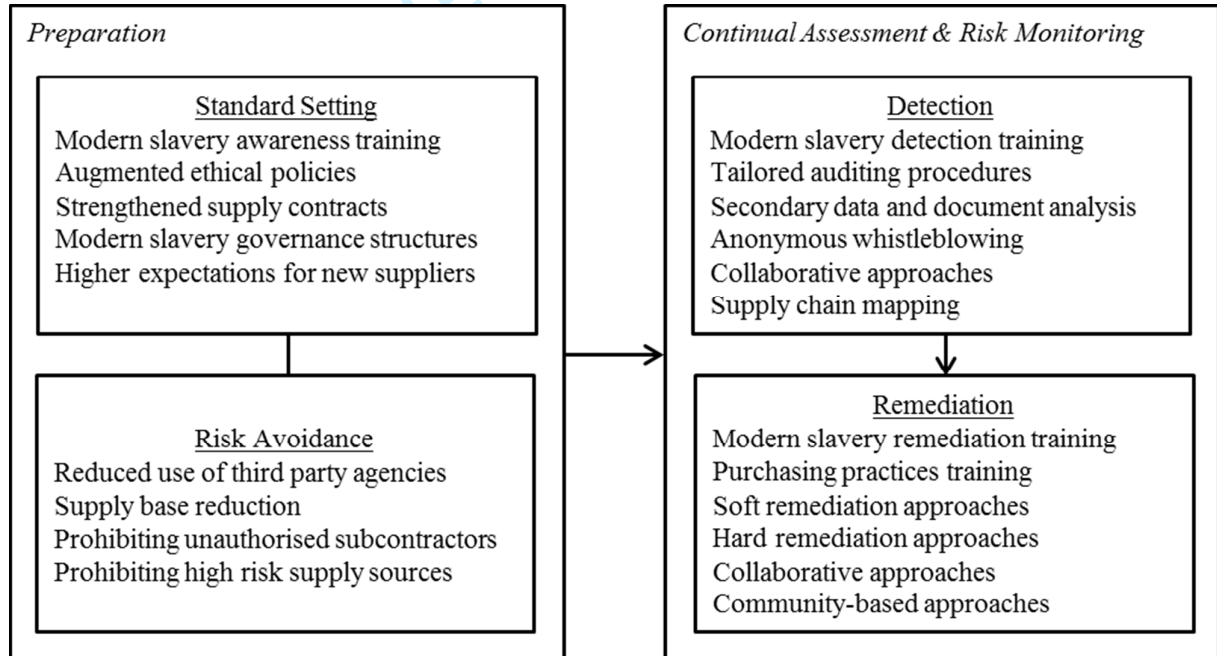

Figure 2: Examples of Standard Setting, Risk Avoidance, Detection, and Remediation Practices in the Context of Modern Slavery

Appendix 1: Companies in the Database (incl. Sector, Country of Origin, and Statement Release Date)
All Statements Last Accessed on 30th October 2017

Company	Sector	Country of Origin	Statement Date
Acushnet Group	Consumer Durables & Apparel	United States	17/11/2016
adidas (UK) Limited	Consumer Durables & Apparel	United Kingdom	19/07/2017
Agent Provocateur Ltd	Retailing	United Kingdom	03/08/2017
Airwair International Ltd (Dr Martens)	Consumer Durables & Apparel	United Kingdom	11/09/2016
Alfred Dunhill Limited	Consumer Durables & Apparel	United Kingdom	08/03/2017
All Saints Retail Limited	Retailing	United Kingdom	11/08/2017
Arcadia Group Ltd	Retailing	United Kingdom	02/03/2017
Asos	Retailing	United Kingdom	06/02/2017
Baird Group Ltd (The)	Retailing	United Kingdom	02/05/2017
Beeswift Ltd	Retailing	United Kingdom	17/08/2016
Belfield Furnishings Ltd	Consumer Durables & Apparel	United Kingdom	04/01/2017
BESTSELLER A/S	Consumer Durables & Apparel	Denmark	11/01/2017
Bonmarché Holdings plc	Retailing	United Kingdom	09/10/2017
Bridge of Weir Leather Company	Consumer Durables & Apparel	United Kingdom	17/08/2016
Burberry Group plc	Consumer Durables & Apparel	United Kingdom	02/09/2016
BVG Group Limited	Retailing	United Kingdom	21/11/2016
Camira Fabrics Limited	Consumer Durables & Apparel	United Kingdom	17/08/2016
Cath Kidston Ltd	Retailing	United Kingdom	08/03/2017
Charles Tyrwhitt Limited	Consumer Durables & Apparel	United Kingdom	10/02/2017
Coach, Inc.	Consumer Durables & Apparel	United States	02/02/2017
Coast Fashions LImited	Consumer Durables & Apparel	United Kingdom	30/08/2017
Coats Group plc	Consumer Durables & Apparel	United Kingdom	03/02/2017
Damartex (UK) Limited	Retailing	United Kingdom	18/08/2017
David's Bridal UK Limited	Retailing	United Kingdom	25/08/2016
Debenhams Retail plc	Retailing	United Kingdom	22/11/2016
Dunelm Group plc	Retailing	United Kingdom	05/09/2017
egetÃ¦pper a/s	Consumer Durables & Apparel	Denmark	22/08/2016
E.Russum & Sons Ltd	Retailing	United Kingdom	18/07/2017
Express Gifts Limited	Retailing	United Kingdom	05/09/2017
FatFace Ltd	Retailing	United Kingdom	30/08/2016
Findel Plc	Retailing	United Kingdom	03/05/2017
FitFlop Limited	Consumer Durables & Apparel	United Kingdom	14/09/2017
Footasylum Ltd	Retailing	United Kingdom	04/11/2016
Fred Perry Ltd	Consumer Durables & Apparel	United Kingdom	18/10/2016
Gap Inc	Retailing	United States	19/07/2017
Globus (Shetland) Ltd	Retailing	United Kingdom	17/08/2016
Hackett Limited	Consumer Durables & Apparel	United Kingdom	15/03/2017
Harrods Limited	Retailing	United Kingdom	28/07/2017
Harvey Nichols Group Ltd	Retailing	United Kingdom	06/07/2017
H&M Group	Retailing	Sweden	24/05/2017
Hillarys Group Ltd (The)	Consumer Durables & Apparel	United Kingdom	22/08/2016
House of Fraser	Retailing	United Kingdom	15/03/2017
HUGO BOSS AG	Consumer Durables & Apparel	Germany	17/05/2017
IC Group A/S	Consumer Durables & Apparel	Denmark	29/06/2017
Inditex S.A.	Retailing	Spain	19/07/2017
Jigsaw	Retailing	United Kingdom	22/08/2016
Kering	Consumer Durables & Apparel	France	05/01/2017
Kurt Geiger Ltd	Retailing	United Kingdom	02/06/2017
Kustom Kit	Retailing	United Kingdom	14/12/2016
Levi Strauss & Co.	Consumer Durables & Apparel	United States	23/05/2017
Marks & Spencer Group plc	Retailing	United Kingdom	08/06/2017
Matalan Retail Limited	Retailing	United Kingdom	29/08/2017
Meltemi Ltd	Consumer Durables & Apparel	United Kingdom	12/01/2017

Michael Kors (UK) Ltd	Consumer Durables & Apparel	United Kingdom	02/11/2016
Mirza UK Ltd	Consumer Durables & Apparel	United Kingdom	07/02/2017
Missguided Limited	Retailing	United Kingdom	02/05/2017
Mizuno Corporation	Consumer Durables & Apparel	Japan	02/05/2017
Monsoon Accessorize Ltd	Retailing	United Kingdom	15/03/2017
Moss Bros Group plc	Retailing	United Kingdom	12/08/2017
Mothercare Group plc	Retailing	United Kingdom	23/08/2016
Mulberry Group Plc	Consumer Durables & Apparel	United Kingdom	02/02/2017
N Brown Group PLC	Retailing	United Kingdom	02/05/2017
Newell Brands Inc	Consumer Durables & Apparel	United States	03/05/2017
New Look Retail Group Limited	Retailing	United Kingdom	02/05/2017
NEXT plc	Retailing	United Kingdom	11/08/2017
NIKE (UK) Limited	Retailing	United Kingdom	10/08/2017
Oasis Fashions Limited	Consumer Durables & Apparel	United Kingdom	04/09/2017
Original Factory Shop (The)	Retailing	United Kingdom	09/10/2017
Patagonia	Consumer Durables & Apparel	United States	14/08/2017
Paul Smith Ltd	Retailing	United Kingdom	12/12/2016
Pavers Ltd	Retailing	United Kingdom	11/08/2017
Pentland Brands Ltd	Consumer Durables & Apparel	United Kingdom	03/07/2017
Perry Ellis Europe Limited	Consumer Durables & Apparel	United Kingdom	02/05/2017
Phase Eight (Fashion & Designs) Limited	Consumer Durables & Apparel	United Kingdom	15/03/2017
Primark Stores Ltd	Retailing	United Kingdom	15/05/2017
Puma SE	Consumer Durables & Apparel	Germany	19/07/2017
Quantum Clothing Group LtdÂ	Consumer Durables & Apparel	United Kingdom	02/05/2017
Radley + Co Ltd	Consumer Durables & Apparel	United Kingdom	15/03/2017
Rapha Racing Ltd	Consumer Durables & Apparel	United Kingdom	11/08/2017
Regatta Ltd (t/a Regatta Great Outdoors)	Consumer Durables & Apparel	United Kingdom	10/07/2017
Ruia Group Ltd.	Consumer Durables & Apparel	United Kingdom	16/05/2017
Sabre Retail Fashion Limited t/a Mint VelvetÂ	Retailing	United Kingdom	02/05/2017
Scottish Leather Group Limited	Consumer Durables & Apparel	United Kingdom	23/08/2016
Seasalt Limited	Consumer Durables & Apparel	United Kingdom	23/08/2016
Selfridges & Co Ltd	Retailing	United Kingdom	07/12/2016
Shop Direct Group Ltd	Retailing	United Kingdom	03/01/2017
Sports Direct International plc	Retailing	United Kingdom	10/03/2017
SuperGroup plc	Retailing	United Kingdom	07/09/2016
Ted Baker PlcÂ	Consumer Durables & Apparel	United Kingdom	25/03/2017
Theo Paphitis Retail GroupÂ	Retailing	United Kingdom	03/08/2017
Thomas Pink Ltd	Consumer Durables & Apparel	United Kingdom	17/07/2017
T.M.Lewin & Sons Limited	Retailing	United Kingdom	09/10/2017
Urban Outfitters, Inc	Retailing	United States	06/03/2017
VF Corporation	Consumer Durables & Apparel	United States	02/05/2017
Victoria Plc	Consumer Durables & Apparel	United Kingdom	07/07/2017
Vivienne Westwood Group	Retailing	United Kingdom	14/09/2017
Welspun Home Textiles UK Ltd.	Consumer Durables & Apparel	United Kingdom	05/09/2016
Whistles Limited	Consumer Durables & Apparel	United Kingdom	15/03/2017
White Stuff Ltd	Retailing	United Kingdom	09/11/2016
YOOX NET-A-PORTER GROUP	Retailing	Italy	03/05/2017
Zalando SE	Retailing	Germany	28/03/2017