RATHBONES

Stewardship insights

Votes Against Slavery 2020-2025: Six Years, Six Lessons

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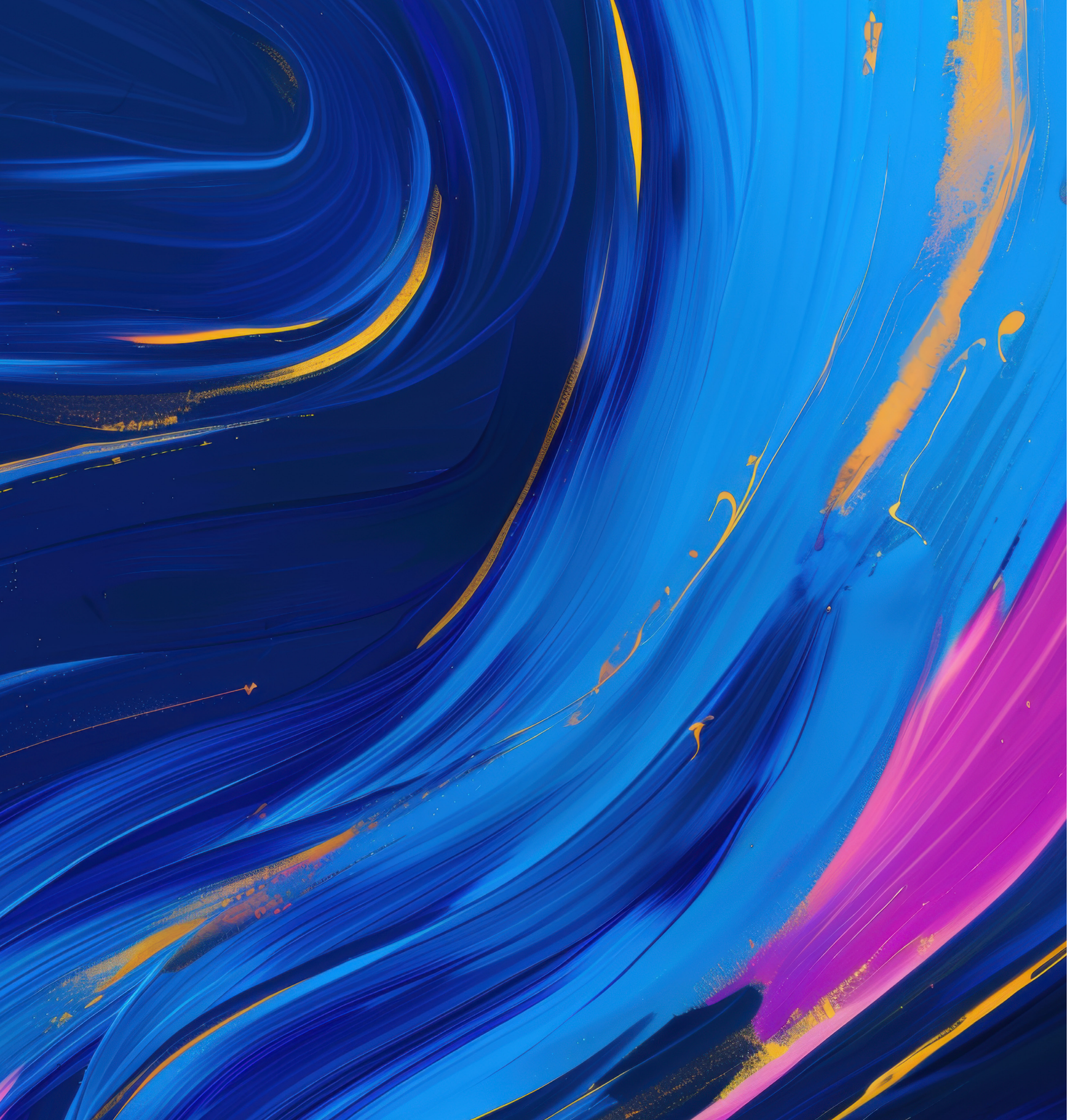

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Executive summary

Modern slavery is an egregious economic crime, and a profound violation of human rights that undermines the rule of law and the integrity of our economy.[1] There is huge potential for companies' actions to reduce modern slavery, and investor engagement can and has encouraged this.

However, over a decade on from the 2015 UK Modern Slavery Act (MSA) coming in, the scale of the problem is continuing to grow.[2] The MSA was world leading at the time it was introduced, requiring companies to publish a modern slavery statement. However, the lack of enforcement has contributed to a system of 'tokenistic compliance' rather than one driving real change.[3]

Rathbones launched Votes Against Slavery (VAS) in 2020 to raise awareness among UK-listed companies of investor expectations to meet the requirements of Section 54 (s54) and therefore address the systemic risks of modern slavery within their supply chains. Over the past six years, the initiative has grown to include 168 investors representing £1.7 trillion in assets under management, with scope expanding from the FTSE 350 to AIM-listed companies too.

This report is a call to action. It collates the data and engagement insights from six years of VAS, presenting six key lessons to encourage a 'step change' in ambition towards Human Rights Due Diligence legislation and help shape future policy response.

[1] Decade of Dignity: A Strategic Vision for Eradicating Modern Slavery in the UK, p11
[2] New Report: Anticipating Exploitation: A Futures Analysis | Independent Anti-Slavery Commissioner
[3] Decade of Dignity: A Strategic Vision for Eradicating Modern Slavery in the UK, p11

The lessons

We have summarised our findings from the past six years of Votes Against Slavery (VAS) into six lessons.

1. Non-compliance with the law is a systemic issue

VAS has identified 194 instances of non-compliance with the Section 54 (s54) reporting requirements across 160 FTSE 350 companies over six years, suggesting that failures are widespread and not isolated. Systemic non-compliance indicates weak risk oversight, which points to a regulatory system that is not effectively tackling modern slavery.

2. Most common failure is a lack of Board oversight

Issues regarding Board approval were the most common reason for non-compliance, indicating a lack of top-down oversight on modern slavery reporting.

3. Engagement is effective in the short term

Compliance rates consistently exceed 90% by year-end following investor engagement, demonstrating the effectiveness of investor pressure and the threat of voting against management. However, this does not always resolve underlying knowledge gaps or drive long-term change which is needed for sustained behavioural change at companies.

4. Stagnant reporting is a problem

Many companies recycle statements verbatim year on year, with no evidence of progress, KPIs, or meaningful updates, despite guidance that statements should evolve and improve over time. Static reporting demonstrates that compliance does not equate to quality of reporting.

5. Misunderstandings of the reporting requirements persist

Fundamental aspects of the requirements are misunderstood, including homepage accessibility and reporting period coverage, which reduces the effectiveness and accessibility of disclosures. Persistent misunderstandings undermine the effectiveness of the regulation.

6. Guidance is weak for investment companies and financials

Ambiguity in how the Act applies to investment companies has led to inconsistent reporting and reluctance to produce statements, despite their role in addressing systemic risks. Unclear guidance limits the effectiveness of investor engagement and weakens accountability for these companies.

Key takeaway: there is a need for Human Rights Due Diligence (HRRD) legislation

VAS has proven effective at driving short-term improvements in compliance with s54 reporting requirements. However, these improvements do not consistently translate into deeper understanding or sustained action to tackle modern slavery risks.

The evidence from six years of VAS demonstrates that investor engagement alone cannot deliver systemic change. We argue that mandatory Human Rights Due Diligence is needed to strengthen accountability, improve corporate practice, and more effectively address modern slavery risks in supply chains.

01

Introduction: the need for this report

Modern slavery is an egregious economic crime, and a profound violation of human rights that undermines the rule of law and the integrity of our economy.[4] There is huge potential for companies' actions to reduce modern slavery, and investor engagement can and has encouraged this.

However, over a decade on from the UK Modern Slavery Act coming in, the scale of the problem is continuing to grow.[5] Identifying lessons from actions taken by investors over previous years to address this human rights risk moving forwards.

This report is a call to action.

Modern slavery is an umbrella term encompassing, but not limited to: slavery, servitude, forced or compulsory labour and human trafficking. It is when someone loses their freedom and is exploited for personal or commercial gain.[6] About 50 million people were trapped in modern slavery in 2021[7], according to the United Nations' International Labour Organisation. That includes 28 million people in forced labour, and 22 million in forced marriage.

Modern slavery is also a major source of system level risk; forced labour is estimated to generate US$236 billion profit annually.[8] These numbers are only rising, and the risk to society and to our investments from this crime has never been greater.

The introduction of the UK Modern Slavery Act in 2015 was a landmark piece of legislation, with the transparency in supply chains provision (TISC) covered under Section 54 (s54) of the Act, which was considered world leading at the time. It created a duty for companies to set out the steps they have taken to ensure modern slavery is not lurking in their businesses and wider supply chains. Intended to provide transparency, companies with a minimum turnover of £36 million that supply goods or services in the UK are required to publish a modern slavery statement.

UK Investors are encouraged by the 2026 Stewardship Code to engage on systemic issues across a wide range of market participants. Modern slavery represents a classic stewardship issue - where moral imperative intersects with financial materiality. Investor initiatives such as Votes Against Slavery (VAS) are an attempt to reconcile values with the reality that many organisations continue to behave in a way that challenges those values.

Since its launch in 2020, each year of VAS has been tackled independently, and separate reports have been published (see here). This report collates data and engagement examples from across the six years of VAS, pulling out six key lessons that can be learnt from the initiative.

The lessons

1. Non-compliance with the law is a systemic issue
2. Most common failure is a lack of Board oversight
3. Engagement is effective in the short term
4. Stagnant reporting is a problem
5. Misunderstandings of the reporting requirements persist
6. Guidance is weak for investment companies and financials

[4]Decade of Dignity: A Strategic Vision for Eradicating Modern Slavery in the UK, p11
[5]New Report: Anticipating Exploitation: A Futures Analysis | Independent Anti-Slavery Commissioner
[6]What is modern slavery? | Anti-Slavery International
[7]50 million people in modern slavery: UN report | United Nations
[8]Profits and poverty: The economics of forced labour | International Labour Organization

It is our hope that these lessons will play a role in shaping policy considerations currently being considered by the UK Government and inspire a 'step change' in ambition towards Human Rights Due Diligence legislation.

A brief history of Votes Against Slavery (VAS) and its purpose

In 2014, Rathbones were leaders in pushing for the inclusion of Transparency in Supply Chains reporting (TISC) in the Modern Slavery Act, which became Section 54 (s54). This was intended to accelerate not just company disclosure on modern slavery risks, but improvements in company performance. Over subsequent years, while some companies engaged fully with the agenda and made progress, some had yet to meet even the basic reporting guidelines. There was a clear gap in accountability.

Rathbones identified that investor pressure would be needed to plug the gap. Votes Against Slavery (VAS) was set up to coordinate the response of the investment community to provide the necessary accountability for compliance with the Act. Although the Act granted enforcement powers to drive compliance, by 2019 (and still today) they had not been used. Over time, the compounding effect of this has contributed to a system of 'tokenistic compliance' rather than one driving real change.[9]

The concept for VAS was trialled in 2019 when Rathbones Group engaged with five FTSE100 companies identified in a report by the Business & Human Rights Resource Centre as non-compliant with the s54 requirements. Rathbones engaged with the five companies to discover the reasons behind their non-compliance. Within 48 hours, all five companies had made changes to their statements and became fully compliant.

Given the success of the trial, Rathbones chose to broaden the scope of coverage to the entirety of the FTSE 350, in partnership with the Business and Human Rights resource centre. We felt that the initiative would have more impact if done collaboratively, so investors from the United Nations Principles of Responsible Investment Collaboration Platform were invited to join.

Votes Against Slavery (VAS) launched in 2020 with the support of 20 investors. It focused on raising awareness among UK-listed companies of investor expectations to meet the requirements of s54 and therefore address the systemic risks of modern slavery within their supply chains.

We were clear from the start that, if the goal is reducing modern slavery in the UK and its companies' supply chains, then ultimately there was only so far VAS could go without stronger government policy. Nonetheless, there needed to be a market signal that all companies, big or small, should all be at the starting line in the race to eradicate slavery from their supply chains, hence VAS.

With each iteration of VAS, we have grown the number of investor supporters. The combined assets under management (AUM) has stabilised at just over £1.7trillion. The scope of VAS has also increased from initially the FTSE 350 to including AIM-listed companies in 2024. In 2022, the campaign won 'Stewardship Initiative of the Year' in the annual UN Principles for Responsible Investment (PRI) awards, and in 2024, 'ESG Engagement Initiative of the Year EMEA' at the Environmental Finance Awards.

After six years running VAS, we reflect on the significant change needed in corporate consideration of social risks, and present key insights in this report to help shape future policy response.

[9]Decade of Dignity: A Strategic Vision for Eradicating Modern Slavery in the UK, p11

Rathbones and our track record of engaging with the UK Government on modern slavery policy

2012
Rathbones wrote to Government ministers supporting a transparency of UK supply chains Bill. As the policy landscape shifted, Rathbones wrote a follow up letter to the Prime Minister in November 2012.

2014
As part of our wider efforts to engage with business and policy makers to encourage more responsible business practice, we co-ordinated an investor coalition with £940bn in assets under management that supported the inclusion of Transparency in Supply Chains reporting in the Modern Slavery Act.

2019
Rathbones and CCLA, another investment manager, gave a response to the Home Office Transparency in Supply Chains Consultation that was supported by investors with £2.4tn in assets under management.

2023
Rathbones and CCLA launched a collaborative engagement calling for a set of principles to be included in a new Modern Slavery Bill. This gained support from 17 investors with £1.7tn in assets under management.

2024
Rathbones and CCLA made a joint submission to the House of Lords consultation on the impact of the Modern Slavery Act. Alongside CCLA, Rathbones will continue its policy engagement with the Home Office, with the aim of strengthening the quality of s54 of the Act. Our contribution to this submission led to Votes Against Slavery being quoted in the Home Office's 2025 Transparency in Supply Chains Statutory Guidance. This explains how businesses should comply with the letter and spirit of s54.

February 2025
Alongside CCLA and Walk Free, the international human rights group, Rathbones made a submission to the Joint Committee on Human Rights call's for evidence into forced labour in UK supply chains. This referred to Votes Against Slavery and CCLA's 'Find it, Fix it, Prevent it' initiative, a collaborative investor engagement programme with the aim of helping companies identify, eradicate and prevent modern slavery in their supply chains.

December 2025
Alongside CCLA, Rathbones wrote to key government ministers urging the UK Government to introduce mandatory Human Rights Due Diligence (HRDD) legislation. Our letter represented the investor voice as part of a coordinated effort including the Independent Anti-Slavery Commissioner, NGOs, and businesses. The letter was supported by 25 investors with a collective asset under management and advisory of £1.45 trillion.

April 2026
Following a warm response from Peter Kyle, Secretary of State for Business and Trade, Rathbones and CCLA wrote a second investor letter to The Prime Minister and the Chancellor of the Exchequer emphasising the economic arguments for introducing mandatory Human Rights Due Diligence (HRDD) legislation. This letter secured support from 32 other investors representing a combined £1.6 trillion in assets under management and advisory.

1. Research and targeting

Each year, VAS reviews all FTSE 350 and Aim-listed companies for compliance with Section 54 of the Modern Slavery Act.

2. Engagement

Non-compliant companies receive engagement letters and are given the opportunity to improve before the AGM season.

3. Voting

If companies remain non-compliant, coalition members may vote against management at the AGM.

4. Follow-up

VAS aims to organise meetings with target companies to discuss their modern slavery statements and strategies, keeping the issue on the Board's agenda.

5. Policy advocacy

The coalition regularly engages with the UK Government and policymakers to strengthen legislation and guidance on modern slavery.

The VAS process

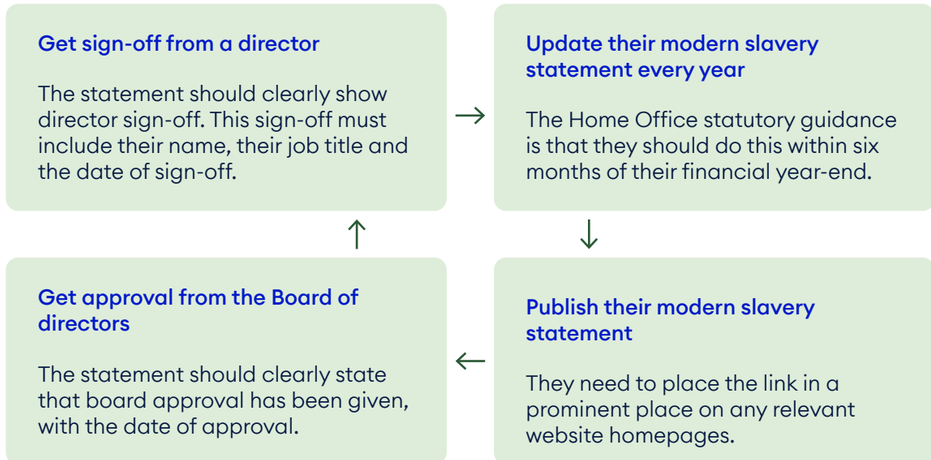
VAS has now been running for six years, with the seventh iteration underway in 2026 at the time of writing this report. The process begins by identifying the target list. Through December and January, Rathbones conducts an analyst-lead review of all modern slavery reports published by the target companies (FTSE 350 and AIM-listed companies over £36 million turnover). The analysis goes through several rounds of checking to ensure accuracy.

Then, a personalised letter signed by members of the coalition is sent to all target companies in Q1 of the respective year and ahead of the AGM season making clear what they need to do to attain compliance with the Act. This allows companies an opportunity to respond and make changes to their modern slavery statements. We forewarn that members of the coalition will give consideration to voting against management if a company is still non-compliant by the time of its AGM.

We track the progress of each non-compliant company and will re-engage several times if necessary to ensure the appropriate changes have been made to their reporting. We also attempt to meet with target companies to discuss their policies where this is valuable for knowledge or relationship building. Finally, in December of each year, we share final outcomes with the coalition and assess the effectiveness of the approach. Engagement continues the following year with companies that remain non-compliant.

What are the 2015 Modern Slavery Act Section 54 reporting requirements?

The Act creates an obligation for qualifying companies in the UK to prepare an annual human trafficking and modern slavery statement and lists the key requirements of such a statement. Companies that meet the reporting threshold of the Act must demonstrate that they have met the following minimum legal requirements. **These are not high hurdles to clear, and yet each year many companies fall short.**



AGM voting; the underused superpower

The theory of change underpinning stewardship is the view that investors are important influencers of company decision making, and that well-constructed engagement will lead to improvement in company practice on issues such as modern slavery.[10] Investors have a unique role to play in stakeholder capitalism, and use of their powers cannot be replaced by other parties.

When practically considering what this means, we point to the latest version of the Home Office guidance which recognises that *'stakeholders such as consumers, investors and NGOs may choose to engage and/or apply pressure where they believe a business has not taken sufficient steps.'* [11] The VAS coalition is specifically mentioned in the guidance as an example of investors choosing to prioritise an effective corporate response to modern slavery.

Whilst much focus for investors had been on single-issue Environmental, Social and Governance (ESG) resolutions, we theorised that investors wield greater power than they realise when engaging on standard Annual General Meeting (AGM) outcomes. We could have taken the approach of co-filing specific and tailored resolutions at the target companies, but at a cost of significant time and effort. Instead, we continue to make creative use of our existing powers, which in turn highlights that ESG risks are not 'special interests' for special resolutions but are instead fundamental to the licence to operate and the financial success of the company.

VAS calls on members to use their strongest power of censure – voting against the annual report and accounts, an aspect of stewardship which is under-used. The annual report and accounts is a routine item at a company's AGM and one that usually gains close to majority support, hence notable opposition to this item affords better visibility to this issue and the work of the coalition. Any issues around transparency and reporting warrant attention to this item. To a degree, the quality of company reporting on traditional financial and broader ESG matters is determined by investor demand. That's why the investor group continues to focus on opposing the approval of the annual report and accounts to express our concern.[12]

Given that compliance is a clear legal obligation, Rathbones Group has taken a more advanced position than that taken by members of the coalition. We commit to vote against all incumbent directors on the Board if a company remains non-compliant by the time of its AGM and has not committed to make any changes. We have however maintained our more lenient stance for AIM companies, in line with that taken by other members of the coalition, committing to vote against the approval of the annual report and accounts if companies remain non-compliant by the time of their AGM.

[10] Key Debates in Sustainable Investment | Rory Sullivan, Richard Perkins
[11] Transparency In Supply Chains: A Practical Guide | Home Office p65
[12] NB whilst the group comes to joint views on targets for engagement, there is no coordinated voting activity. Each member determines the final call on a vote with complete freedom.

02

Six Years, Six Lessons

Lesson 1. Non-compliance with the law is a systemic issue

Despite the Act being over a decade old, in each year of VAS, a significant number of companies failed to meet the reporting requirements.

VAS has identified 194 instances of non-compliance amongst the FTSE 350 over the six years from 2020 to 2025.

Figure 1: Number of FTSE 350 companies with at least one instance of non-compliance

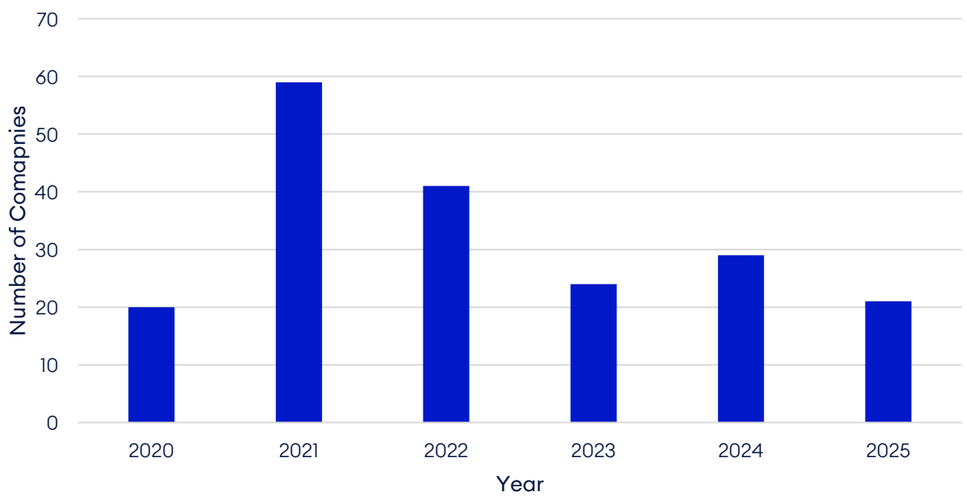


Figure 1 shows the number of FTSE 350 companies identified by VAS analysis as being non-compliant with the reporting requirements. 2021 saw the largest number of companies identified, and the mean number of non-compliances identified across this period is 32. We attribute the spike in 2021 to the effects of furlough arrangements in corporate reporting during the global pandemic. Overall, whilst there has been a slight improvement in compliance rate during this period, there continues to be a concerningly significant number of instances of non-compliance.

There is some ambiguity over how non-compliance is measured, as compliance is not always black and white. Examples that were particularly unclear have been excluded for the purpose of this analysis. Additionally, instances of non-compliance identified by analysis where companies then clarified that they are out of scope are not included. However, even taking this into account, we found 194 clear and obvious examples of companies failing to meet the letter of the law.

These instances relate to 160 different FTSE 350 companies, which is a significant proportion of the companies in scope of the VAS analysis. **194 instances of non-compliance across 160 FTSE 350 companies in 6 years, spanning a range of sizes and sectors, indicates that non-compliance is a systemic issue.**

The lack of government enforcement of the Section 54 reporting requirements has meant that there are 'no meaningful consequences for non-compliance'.[13] This challenges the effectiveness of the Act which calls on companies to take the appropriate measures to reduce modern slavery in their operations and supply chains. It is unclear who is intended to police compliance if not for investors.

Lesson 2. Most common failure is a lack of Board accountability

Digging deeper into the data shared in Lesson 1, the causes of non-compliance span the breadth of the requirements, pointing to an alarming trend of widespread misunderstanding of the requirements. However, it has been issues concerning Board-level approval that are the most common non-compliance.

Figure 2: Count of non-compliances by theme

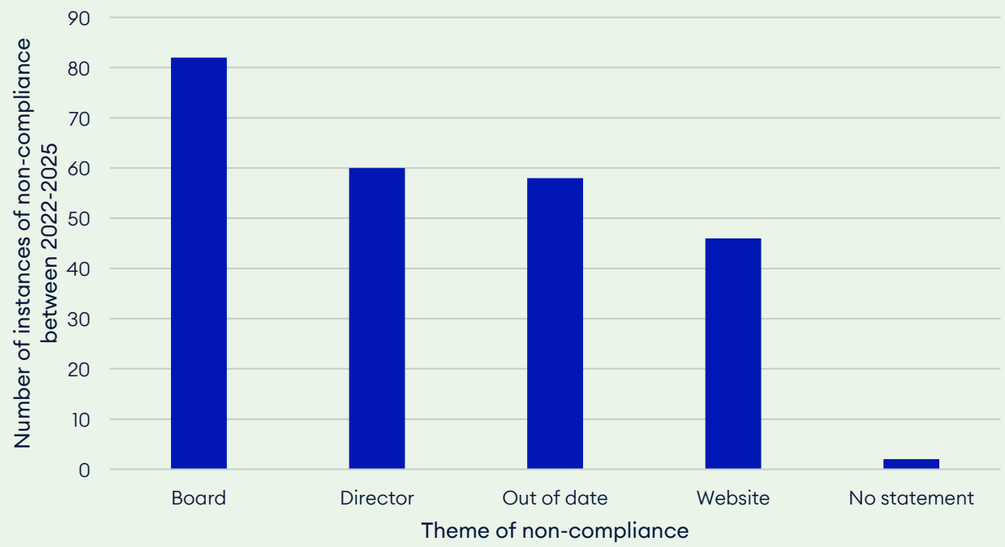


Figure 2 shows each individual instance of non-compliance. One company could be represented in more than one category in a single year if their statement was non-compliant in multiple ways. Please see the explanation box on the next page for more information on the categories used in this figure.

[13] Decade of Dignity: A Strategic Vision for Eradicating Modern Slavery in the UK, p11

Explanation of themes of non-compliance

Board approval = Includes instances of no Board approval, or instances of no explicit Board approval (where Board approval is phrased in a way that is unclear, or it is unclear that approval was given for the latest version of the statement ie. by including a date of approval)

Director sign off = Includes instances of no director sign off, or instances of no explicit director sign off (where sign off is phrased in a way that is unclear, or it is unclear that sign off was given for the latest version of the statement ie. by including a date)

Out of date = Instances where the most recent statement has not been published within six months of the company's latest financial year end and has therefore not been updated on an annual basis, or instances where the statement is not dated and it is therefore not clear that it has been updated on an annual basis within six months of the company's financial year end

Website = The statement has not been uploaded to a prominent position on the homepage of the UK website

No statement = The company has not published a modern slavery statement or provided an explanation as to why

Figure 2 shows instances of non-compliances organised by theme. Our analysis found that issues concerning Board level approval of the annual modern slavery statement were the most common reason for non-compliance among FTSE 350 companies between 2020-2025, with 82 instances discovered. Statements missing clear director sign-off was the second highest contributor to non-compliance.

While any form of non-compliance is a concern, a failure to demonstrate that Board approval and director sign-off have been provided indicates a lack of top-down oversight on modern slavery reporting.

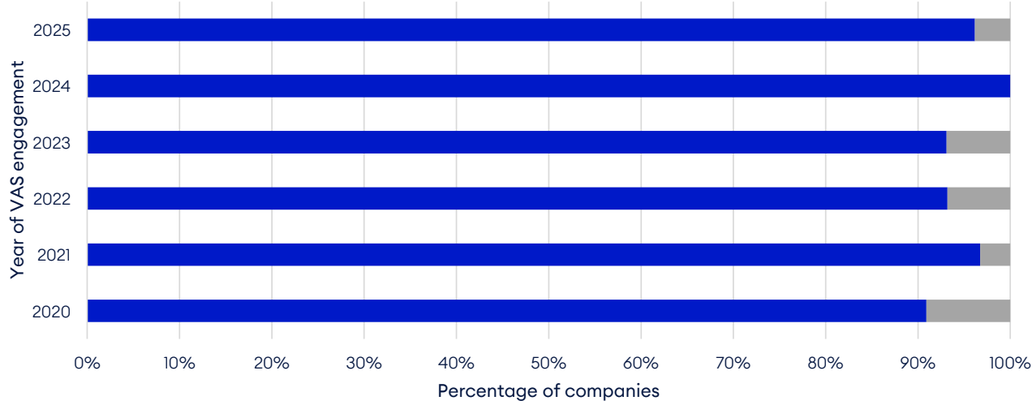
Board level oversight is a key aspect of what the 2015 Modern Slavery Act sought to bring in and was a world-leading element of the legislation. Bringing conversations about modern slavery policies to the Board room is key for ensuring that a company has in place robust risk management and oversight of human rights issues. The data gathered over the past six years of VAS differentiates between Board approval being missing entirely, or Board approval being 'unclear' (see 'Explanation of themes' box). Our findings from this research show that just under half (35) of Board approval related non-compliances shown in Figure 2 were instances of modern slavery statements missing Board approval entirely, which indicates a fundamental lack of understanding of this requirement.

Lesson 3. Engagement is effective in the short term

The engagement undertaken by VAS was remarkably effective in every year of the project, at least in delivering short term, compliance related changes.

By the end of each year, following investor engagement through VAS with the non-compliant companies, compliance rates exceeded 90%. Across all years, most companies remaining non-compliant in December were in the process of updating

Figure 3: Percentage of companies engaged with each year that became compliant with the reporting regulations by the end of the year



■ companies that made changes within the year*

■ companies that did not respond or were not compliant by the end of the year

*This includes companies that confirmed they are not in scope of the Act and do not need to produce a statement, and committed to making this clearer in future reporting.

their statements. This demonstrates the effectiveness of VAS in bringing about short-term changes in reporting and compliance at a company level.

Primarily we believe it is the threat of the vote against management that leads to the speed of change, as well as the size and hands on approach of the coalition and the robust process undertaken by the team.

However, whilst Figure 3 speaks to the effectiveness of VAS in improving compliance in the short-term, it does not necessarily always resolve the issue of knowledge gaps at companies, nor does it act as sound evidence for improvement in corporate action to tackle modern slavery in supply chains.

Running the race versus starting the race: engagement needed on both ends

When it comes to corporate responses to human rights risks in supply chains, we perceive that corporate actors are at differing stages of maturity in their responses. Hence investor engagement needs multiple strands and targets – some focused on improving practice and performance (running the race) and some focused on baseline compliance and policy setting (getting companies to the start line). Given that the MSA was a broad, sector wide legislative response, VAS set out to target the latter – ensuring that all companies in scope knew their baseline expectations of investors and regulators with regard to reporting. We are grateful for the work of CCLA and others in addressing core issues of performance and practice, through projects including Find It, Fix it, Prevent it.

Repeat offenders

While the majority of companies did not reoffend in subsequent years following VAS engagement, pointing to an improved understanding of compliance, there were instances where in following years various forms of non-compliances were once again identified in the company's statement.

Of the 160 FTSE 350 companies with explicit instances of non-compliance identified by VAS between 2020 and 2025, 129 companies were engaged with only once by VAS. This suggests that VAS leads to greater company awareness and understanding of the reporting requirements with a lasting effect.

However, 31 FTSE 350 companies have been identified as 'repeat offenders' during this period, meaning they continue to have issues even after VAS engagement on on their statements in previous years.

These 'repeat offenders' demonstrate that non-compliance is more extensive than mistakes slipping through approvals processes – these companies are routinely failing to grasp the importance of s54 reporting requirements.

Repeated instances of non-compliance also implies the company does not take the regulation's disclosure requirements seriously. This is significant as if investor engagement isn't leading to change, and government is not doing anything, these companies could continue to be non-compliant in perpetuity.

In the majority of cases, repeat instances of non-compliance were for different issues, as per the themes outlined in Lesson 2. However, there were 11 instances of companies being non-compliant for the same issue across multiple years, often despite resolving the issue the first time. This speaks to a deeper issue of companies misunderstanding the regulation and failing to make adequate changes to prevent reoffending. In such instances, we theorise that it is likely companies have not ensured effective knowledge handover in the instance of responsibility for reporting changing, or more concerningly there is a persistent lack of willingness to comply unless pressured to.

Case study: Repeat offender across several years

One such example of a repeat offender is Company Z. We engaged with this company in 2021, 2024 and 2025.

In 2021, Board approval on the modern slavery statement was not clear. The company confirmed that the Board had approved the statement, and the company updated their statement to make this wording clearer. In 2024, the statement linked on the website homepage was out of date. The company did not sort this within the year and remained non-compliant. In 2025, the incorrect statement was still linked. This issue, across both years, occurred because the company had a separate modern slavery policy and modern slavery statement. Rather than updating both, only the policy was updated.

Companies can disclose information related to their modern slavery policies in several places, but this should not be in place of a modern slavery statement. Not annually updating the modern slavery statement means that, for example, investors cannot clarify that the Board and a director have had annual oversight. This shows how companies continue to misunderstand the modern slavery reporting requirements, despite repeated engagement through VAS.

Case study: Repeat offender for the same issue

An example of a repeat offender for the same issue is Company Y. In 2020, the statement was not dated so we could not determine that it had been updated annually, and the statement was not signed by a director. We engaged with the company on these issues, and they published a new statement, however it was still not clearly dated and not signed by a director. The company responded to further engagement by clarifying that it was signed by the Board, but we explained the need for Director sign off too and a compliant statement was sent through before the end of the year. In 2021, the company's updated statement was not on the homepage which was quickly resolved, however, we then found that the statement was once again not signed off by a director and the Board approval was not dated so we could not confirm that the new statement had been approved. After subsequent engagement, the company made the relevant changes and became fully compliant.

This example highlights the need for repeated engagement with some companies in separate years on the same issue which demonstrates a lack of understanding of the fundamental aspects of the s54 reporting requirements.

AIM-ing for success

Given their influence in both UK and global supply chains, in 2024, VAS expanded to include AIM companies in its scope of coverage.

Despite being subject to the same Section 54 (s54) reporting requirements as FTSE 350 companies, many AIM companies have a limited understanding of their responsibilities. AIM companies have complex growing supply chains, and education on the risks of modern slavery is vital. Creating thorough policies that help more easily identify and prevent instances of modern slavery at this key stage in a business' development, especially when it has ambitions to continue growing, is important for preventing instances of modern slavery occurring.

In both 2024 and 2025, VAS analysis identified a large number of non-compliant AIM companies. The response rate to VAS letters was decent, as was the compliance rate at the end of the year. However, a key takeaway from the AIM engagements is that the disclosure is poor regarding whether the Act applies to certain companies. We expect companies to 'comply or explain' and found that it was often not clearly disclosed where a company deemed itself to not be in scope of the reporting requirements. Improving this disclosure has therefore been a key theme of VAS AIM engagements.

In Q1 2024, the VAS coalition wrote to 126 companies, with the following outcomes at the end of the year:

- 115 of 126 companies responded
- 81 made changes and became compliant.
- 20 companies required further engagement/monitoring
- 8 clarified they did not fall under the threshold of the Act or fell under a different jurisdiction's reporting requirements
- 6 delisted, or had its shares suspended from trading or cancelled
- 11 did not respond

In Q1 2025, the VAS coalition wrote to 60 companies, with the following outcomes at the end of the year:

- 54 of 60 companies responded
- 42 made changes and became compliant
- 5 required further engagement/monitoring
- 8 clarified they did not fall under the threshold of the Act or fell under a different jurisdiction's reporting requirements
- 5 delisted, or had its shares suspended from trading or cancelled
- 6 did not respond

We have found that many AIM-listed companies have never been engaged with on modern slavery despite being in scope of the Act. Knowledge of modern slavery, the Modern Slavery Act (MSA), and the s54 reporting requirements, is weaker than amongst FTSE 350 companies, and as a result, far more handholding is needed through the engagement process. Often these companies have very small sustainability teams or use a broker/third party who also show clear knowledge gaps. We frequently see instances of AIM companies not understanding that reporting is an annual exercise.

The size of the AIM company matters too. For the larger AIM companies, many are close to or aspiring to be FTSE 350 companies in future. This brings increased regulatory requirements and investor scrutiny, across the spectrum of sustainability issues. Awareness of the Act and responsiveness to VAS has tended to be stronger at this end of AIM. However, engagement with AIM companies at the lower end of the market cap however has often proved trickier. Most members of the coalition have lower exposure to these companies making companies less inclined to respond and to remain non-compliant. Overall, we are concerned about the lack of accountability on AIM companies to comply with the current regulation.

In summary, VAS has proven highly effective at driving short-term improvements in compliance with Section 54 reporting requirements across the FTSE 350. It is difficult to measure the actual outcomes and impacts that result from engagement strategies, which is a key challenge stewardship initiatives face (and the sustainable investment industry more broadly).[14] However, our data can demonstrate success in addressing immediate disclosure gaps.

Nonetheless, fixing the basic reporting requirements short term does not consistently translate into deeper understanding or sustained improvements in companies' approach to modern slavery risks. Instances of repeat non-compliance – sometimes on the same issues - highlight persistent knowledge gaps, weak internal processes, and a lack of prioritisation. VAS engagement can only be partially effective at influencing long-term behavioural change.

In the absence of stronger regulatory enforcement, some companies will likely continue to fall short of the requirements. Accountability from government is needed in a successor UK Government compliance programme.

For more information and case studies of the engagements that have taken place as a result of VAS each year, please see the annual reports available at: Responsible investment | Rathbones

Case study: VAS engagement can result in valuable improvements in tackling modern slavery among AIM companies

In 2024, we met the General Counsel (the chief lawyer) of an AIM listed company to discuss the company's approach to tackling slavery within its supply chain. We recommended various steps to reduce the risk of modern slavery, such as better auditing of its suppliers and more in-depth training for staff and senior management. In January 2025, the General Counsel asked if we could connect them with a training provider that gave modern slavery training. We introduced them to a human rights NGO, which agreed to produce tailor-made training.

[14] Key Debates in Sustainable Investment | Rory Sullivan, Richard Perkins

Lesson 4. Stagnant reporting is a problem

VAS was created with the intention of focusing broadly on compliance with the Act, rather than critiquing the content of a company's statement. Over the last few years, the coalition has evolved to keep a closer eye on the actions companies are taking and the clear shortfalls in reporting. It has become clear through our analysis that reporting is stagnant in many instances.

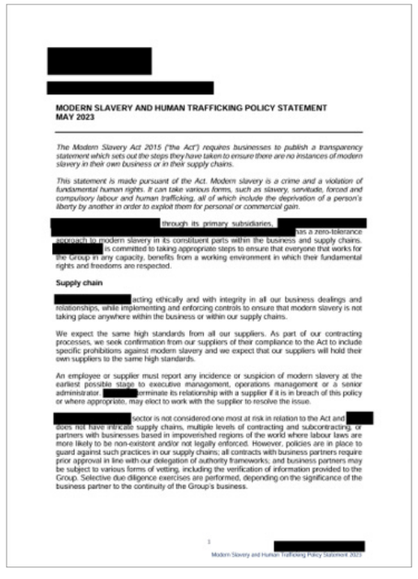
By this, we mean examples of companies recycling statements verbatim year on year - for instance, only dates are edited. In such statements where companies are reusing the exact same wording, there is no evidence of progress being made each year, no cases found and disclosed, and no annual KPIs included. Given that modern slavery is a systemic and ever evolving crime[15], we expect all statements to be updated and to clearly explain what new actions have been taken to tackle this issue.

This speaks to a wider issue of stagnant reporting quality[16], even amongst those companies that are 'compliant' with s54.

The Home Office released Guidance for Businesses which states *'we expect organisations to build on their statements year-on-year and for the statements to evolve and improve over time (p65).'* In reality, this is often not happening, which speaks to a gap in the s54 regulation and questions its effectiveness beyond setting a baseline expectation.

If statements are copies of the previous year, ultimately this begs the questions of how effective is this form of reporting and how can investors rely on this accurately? When considered alongside lack of Board approval being a major factor in falling short of the requirements, as discussed in Lesson 2, it appears that many companies lack an adequate feedback loop that addresses the root causes of human rights breaches within a business. Ultimately, Boards are not under pressure to change their statements either from regulators or investors.

Figure 4a: Screenshots of Company X's modern slavery statement in 2023



[redacted]

MODERN SLAVERY AND HUMAN TRAFFICKING POLICY STATEMENT MAY 2023

The Modern Slavery Act 2015 ("the Act") requires businesses to publish a transparency statement which sets out the steps they have taken to ensure there are no instances of modern slavery in their own business or in their supply chains.

This statement is made pursuant of the Act. Modern slavery is a crime and a violation of fundamental human rights. It can take various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which include the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

[redacted] through its primary subsidiaries, [redacted] has a zero-tolerance approach to modern slavery in its constituent parts within the business and supply chains. [redacted] is committed to taking appropriate steps to ensure that everyone that works for the Group in any capacity, benefits from a working environment in which their fundamental rights and freedoms are respected.

Supply chain

[redacted] acting ethically and with integrity in all our business dealings and relationships, while implementing and enforcing controls to ensure that modern slavery is not taking place anywhere within the business or within our supply chains.

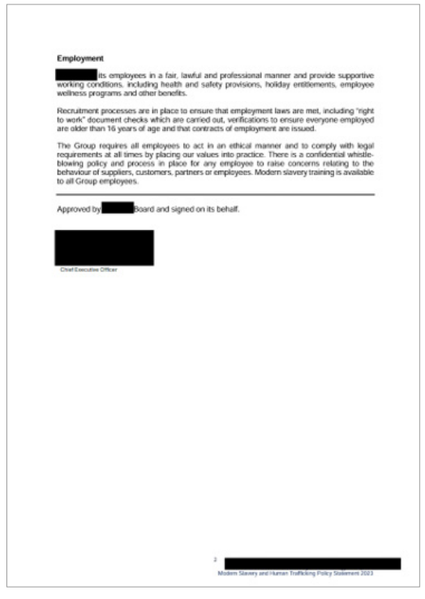
We expect the same high standards from all our suppliers. As part of our contracting processes, we seek confirmation from our suppliers of their compliance to the Act to include specific prohibitions against modern slavery and we expect that our suppliers will hold their own suppliers to the same high standards.

An employee or supplier must report any incidence or suspicion of modern slavery at the earliest possible stage to executive management, operations management or a senior administrator. [redacted] terminate its relationship with a supplier if it is in breach of this policy or where appropriate, may elect to work with the supplier to resolve the issue.

[redacted] sector is not considered one most at risk in relation to the Act and [redacted] does not have intricate supply chains, multiple levels of contracting and subcontracting, or partners with businesses based in impoverished regions of the world where labour laws are more likely to be non-existent and/or not legally enforced. However, policies are in place to guard against such practices in our supply chains; all contracts with business partners require prior approval in line with our delegation of authority frameworks; and business partners may be subject to various forms of vetting, including the verification of information provided to the Group. Selective due diligence exercises are performed, depending on the significance of the business partner to the continuity of the Group's business.

[redacted]

Modern Slavery and Human Trafficking Policy Statement 2023



Employment

[redacted] its employees in a fair, lawful and professional manner and provide supportive working conditions, including health and safety provisions, holiday entitlements, employee wellness programs and other benefits.

Recruitment processes are in place to ensure that employment laws are met, including "right to work" document checks which are carried out, verifications to ensure everyone employed are older than 16 years of age and that contracts of employment are issued.

The Group requires all employees to act in an ethical manner and to comply with legal requirements at all times by placing our values into practice. There is a confidential whistle-blowing policy and process in place for any employee to raise concerns relating to the behaviour of suppliers, customers, partners or employees. Modern slavery training is available to all Group employees.

Approved by [redacted] Board and signed on its behalf.

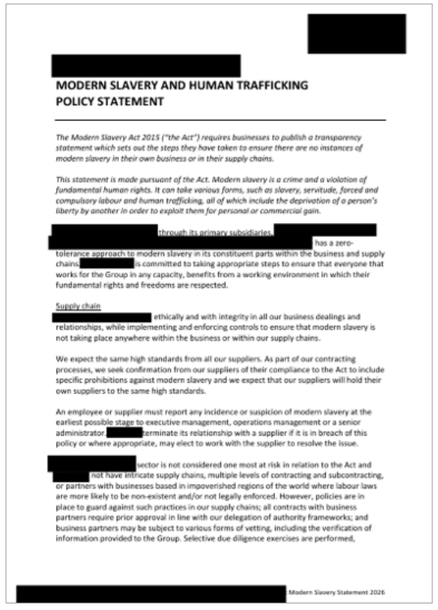
[redacted]

Chief Executive Officer

[redacted]

Modern Slavery and Human Trafficking Policy Statement 2023

Figure 4b: Screenshots of Company X's modern slavery statement in 2026



[redacted]

MODERN SLAVERY AND HUMAN TRAFFICKING POLICY STATEMENT

The Modern Slavery Act 2015 ("the Act") requires businesses to publish a transparency statement which sets out the steps they have taken to ensure there are no instances of modern slavery in their own business or in their supply chains.

This statement is made pursuant of the Act. Modern slavery is a crime and a violation of fundamental human rights. It can take various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which include the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

[redacted] through its primary subsidiaries, [redacted] has a zero-tolerance approach to modern slavery in its constituent parts within the business and supply chains. [redacted] is committed to taking appropriate steps to ensure that everyone that works for the Group in any capacity, benefits from a working environment in which their fundamental rights and freedoms are respected.

Supply chain

[redacted] ethically and with integrity in all our business dealings and relationships, while implementing and enforcing controls to ensure that modern slavery is not taking place anywhere within the business or within our supply chains.

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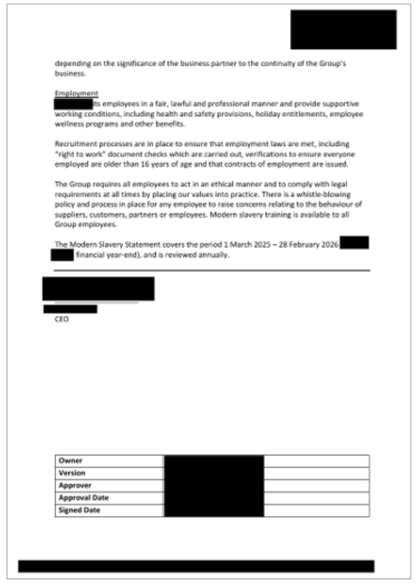
An employee or supplier must report any incidence or suspicion of modern slavery at the earliest possible stage to executive management, operations management or a senior administrator [redacted] terminate its relationship with a supplier if it is in breach of this policy or where appropriate, may elect to work with the supplier to resolve the issue.

[redacted] sector is not considered one most at risk in relation to the Act and [redacted] not have intricate supply chains, multiple levels of contracting and subcontracting, or partners with businesses based in impoverished regions of the world where labour laws are more likely to be non-existent and/or not legally enforced. However, policies are in place to guard against such practices in our supply chains; all contracts with business partners require prior approval in line with our delegation of authority frameworks; and business partners may be subject to various forms of vetting, including the verification of information provided to the Group. Selective due diligence exercises are performed,

[redacted] Modern Slavery Statement 2026



depending on the significance of the business partner to the continuity of the Group's business.

Employment

[redacted] its employees in a fair, lawful and professional manner and provide supportive working conditions, including health and safety provisions, holiday entitlements, employee wellness programs and other benefits.

Recruitment processes are in place to ensure that employment laws are met, including "right to work" document checks which are carried out, verifications to ensure everyone employed are older than 16 years of age and that contracts of employment are issued.

The Group requires all employees to act in an ethical manner and to comply with legal requirements at all times by placing our values into practice. There is a whistle-blowing policy and process in place for any employee to raise concerns relating to the behaviour of suppliers, customers, partners or employees. Modern slavery training is available to all Group employees.

The Modern Slavery Statement covers the period 1 March 2025 – 28 February 2026 [redacted] financial year-end), and is reviewed annually.

[redacted]

CEO

Owner	[redacted]
Version	
Approver	
Approval Date	
Signed Date	

[redacted]

These screenshots show clearly how the content has not changed in Company X's reporting between 2023 and 2026. The only revisions, besides formatting, are to the disclosure of the approvals process and clarity over the period the report covers. These changes were made as a result of VAS engagement with the company. This demonstrates how regulatory change is needed to deliver a step change not only in reporting, but practice and performance.

Whilst it would be interesting to dig deeper and assess the quality of reporting of a company over time, there are significant challenges that prevent this research being conducted fairly. A company's past statements may not be accessible via their website. This is especially the case where the only point of access to a company's modern slavery statement is via a direct link to the document on the homepage, which is then updated with each version of the statement. It is not a requirement for companies to make past versions of their statement available on their website. However, the guidance does state that organisations should *'look to keep historic statements from previous years available online (p67)'.* Some companies proactively make these accessible, but the majority do not.

[15] New Report: Anticipating Exploitation: A Futures Analysis | Independent Anti-Slavery Commissioner
[16] Slavery and human trafficking in supply chains: guidance for businesses - GOV.UK, pg 65

Figure 5: A screenshot from Company W's website showing how past statements are available

Figure 5 is an example of best practice. Company W has made all their historic statements available on the website, so it is possible to assess how reporting has evolved over time. However, this is not usually the case.

In 2020, the UK Government introduced the Modern Slavery Registry (see Figure 6). This is intended to be a digital store where summaries of past versions of company modern slavery statements are available, including links to past statements if they still exist. Essentially this creates a one stop shop to enable investors to compare and contrast a company's approach to tackling slavery within its business and supply chains. However, use of it has been sporadic given uploading a statement to the registry is voluntary (see Figure 7). VAS encourages companies to upload their modern slavery statements to the registry but does not enforce it.

Figure 6: A screenshot of the UK Modern Slavery registry webpage

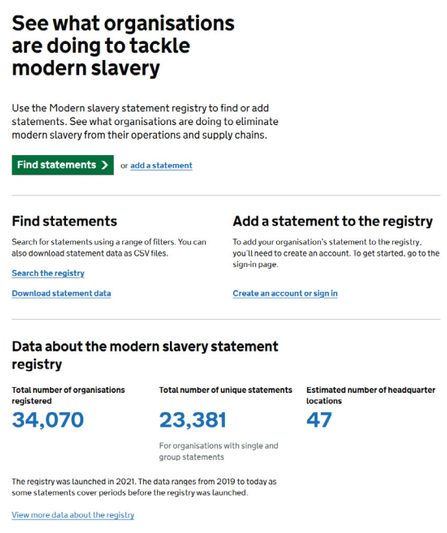
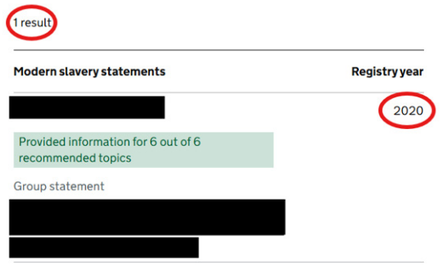
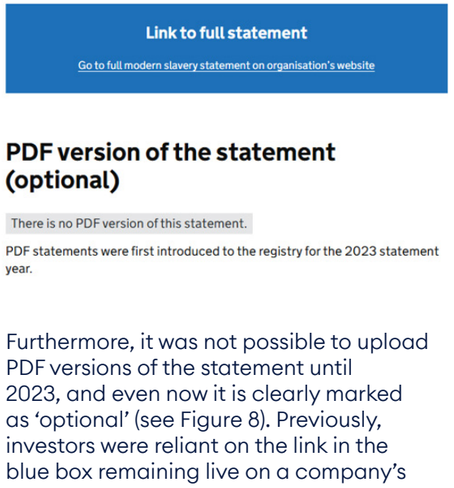


Figure 7: A screenshot showing registry results for a company that has been in the FTSE 350 for the duration of VAS but only has one entry on the registry from 2020



The registry was introduced in 2021, so Figure 7 indicates that this company uploaded the link to it's statement once, for its 2020 statement, and did not bother in subsequent years. This same company publishes all its modern slavery statements on the website dating back to 2015, when the Act first came in, so the company does understand the benefits of making past reports available – they just do not upload the statements to the registry.

Figure 8: Accessing a company's statement via the registry



Furthermore, it was not possible to upload PDF versions of the statement until 2023, and even now it is clearly marked as 'optional' (see Figure 8). Previously, investors were reliant on the link in the blue box remaining live on a company's website when accessing past registry entries. If the link (blue box in Figure 8) was no longer live on a company's website, it was not possible to use the registry as a store of past statements Even now with the PDF option, the registry is inconsistently used. As investors, to assess the quality of reporting over time, access to these past document versions is crucial. Being able to analyse the strength of the developments of a company's reporting over time was intended to be a key facet of the 2015 Modern Slavery Act, but in practice has been difficult for investors to do.

Lesson 5. Misunderstandings of the reporting requirements persist

Over the last six years, it has become clear that fundamental aspects of the reporting requirements as drafted in the legislation are misunderstood, particularly across AIM listed companies. Two main sources of confusion are as follows:

Inclusion on websites and homepage location

VAS research regularly finds statements posted in different sections of the website, such as 'About Us' or in the legal section. The statement being accessible on the homepage of the website is a key requirement, and each year VAS has targeted companies to resolve this. The lack of consistency in location harms both the readers of a statement and ultimately, the company. Firstly, consumer visibility is critical for raising public awareness and enabling policies to translate into meaningful action[17], for example through the use of whistle blowing mechanisms. Secondly, it is a reason why other instances of non-compliance with the reporting requirements are high, as fewer readers of the statement means less attention on the content.

But more widely, the lack of consistency regarding location of disclosure speaks to uncertainty over who statements are for. Modern Slavery Statements were

[17] New Report: Anticipating Exploitation: A Futures Analysis | Independent Anti-Slavery Commissioner

intended to be consumer-friendly, providing information on the actions a business is taking to tackle modern slavery in its operations and supply chains. As per the guidance, the statement should be *'easily accessible by anyone who wants to see it – the public, consumers, employees, NGOs, government bodies or investors (p66)'*. But are these stakeholders actually reading these statements if they are difficult to find in the first place?

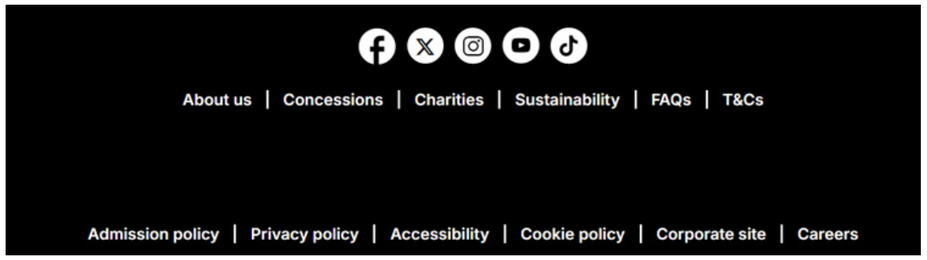
We have noted a lack of consistency in applying the following phrase from the guidance:

'For organisations where there is more than one website, we recommend placing the statement on the most appropriate website relating to the organisation's business in the UK. Where there is more than one relevant website, we recommend placing a copy of the statement or a link to the statement on each relevant website (p67).'

Despite this clear Home Office guidance requiring statements to be available across all 'relevant websites', regularly we encounter modern slavery statements

Figure 9A: Corporate website with a clear link to the modern slavery statement (circled in red)

Figure 9B: Consumer facing UK website homepage for the same company with no link to the modern slavery statement



being published on corporate websites but not on companies' consumer facing websites. We also find out of date statements on consumer facing websites but not on the corporate website.

These two screenshots are from the same company, Company V. Figure 9A shows the corporate website homepage, where a link to the modern slavery statement is clearly visible, and Figure 9B shows the consumer facing UK website homepage where the modern slavery statement is not linked (nor is it elsewhere on the webpage).

Where statements are only available on corporate websites, and not consumer-facing ones, they are effectively inaccessible to a key audience. This reflects a broader misunderstanding of the intended audience for these disclosures, and suggests the Act is not achieving one of its original objectives – to be accessible to consumers. If there is ambiguity around who the statement is for, its impact is inevitably diminished.

Reporting period covered by the statement

The guidance states that organisations should publish their statement *'at most within six months of the organisation's financial year end (p67)'* Essentially, the statement should be a review of the actions taken by a firm in the previous year. This enables the inclusion of KPIs, case studies, reflections of effectiveness, and places for improvements in the policies. It provides investors with a point of comparison and a method to hold companies to account if they have failed to fulfill their processes and aims.

In 2026 VAS has specifically targeted 'forward looking' statements – where a statement is covering the present or future period. This means that statements have often received Board approval and director sign off before end of the 12-month period. Whilst in some ways useful, it is not the purpose of the statement under s54. There could be examples of modern slavery occurring later in the financial year for instance through the on-boarding of a new supplier, but if the statement has already been produced, then these would not be incorporated.

Two FTSE 350 companies and 15 AIM companies have statements that have been identified by VAS 2026 analysis as 'forward looking'. This is the first year we have engaged on this as a specific issue. Forward looking statements are another example of poor understanding of the regulation preventing companies operating high-quality processes that feed materially into the annual disclosure.

Persistent misunderstandings, like the two outlined in this section regarding websites and reporting periods, undermine the effectiveness of the regulation.

Lesson 6. Guidance is weak for investment companies and financials

Investment companies and the financial sector ultimately have responsibility for their value chains, and this complicates the application of the s54 reporting requirements. As a FTSE 350 business ourselves, we have to practice what we preach and are therefore acutely aware of the complexities of applying the Modern Slavery Act reporting requirements to our own business.

The UK government website states that *'organisations are responsible for determining whether the legislation applies to them.'*[18] However, given the systemic risk of modern slavery, we have taken the stance that all companies – even FTSE listed investment companies with no meaningful 'supply chain' as compared to other big brand names - should strive to produce a modern slavery statement. We believe that whilst the guidance for investment companies is ambiguous when it comes to producing a statement and the content that should be included, there are significant benefits to keeping them in scope of VAS.

We have often met a general reluctance by investment companies to produce a modern slavery statement, or a conviction that the threshold of the Act does not apply to them. Despite this, our engagement with several investment trusts have yielded positive results, either through investment companies voluntarily creating a statement, or showing a willingness to add content to their statement, occasionally meeting with us to discuss the issue further. Investment companies still have a role as overseers of their investments on behalf of

Case study: Investment trusts can, and do, produce statements

Through constructive dialogue over several years with a Guernsey domiciled investment company, in 2026 we have heard that the Board has agreed to produce a modern slavery statement. We had flagged to the company in the past that there are funds that do publicly disclose their modern slavery policies in a form that is compliant with the reporting requirements. The agreement to adopt a statement was likely a combination of recognition by the Board that slavery could pose a risk to the trust, and regular VAS engagement.

[18] Publish an annual modern slavery statement - GOV.UK

their underlying beneficiaries, and retain influence with corporate actors. Systemic risks like modern slavery will only be addressed if all parts of the system send the same signals.

While progress has been considerably slower than our engagements with normal operating companies, there have been positive examples of investment companies willing to become sector leaders by producing a robust, clear statement.

In summary, enhanced guidance on the approach investment companies and financials should take to identify slavery risks would be hugely beneficial to improving reporting.

Ensuring financial companies are encouraged to report on their modern slavery policies will remain an area of focus for VAS, and our future policy work.

Case study: Engaging with investment trusts

Since 2022, we have engaged with a FTSE 350 investment trust, helping the company improve the quality of its reporting. We have repeatedly commended the company for producing a statement, and have engaged constructively to ensure that it meets the s54 requirements. For example, in 2024 our letter led to the Board reconfirming their commitment to meeting best practice in this respect, and the statement was subsequently updated to resolve the issues VAS had highlighted including clarifying Board approval and director sign off. In 2026, we engaged with the company as their statement was no longer in a visible place on the company's website, but they resolved this quickly and became compliant. This example shows that investment trusts can demonstrate good practice regarding modern slavery reporting, but the lack of clear guidance is a barrier.

03

Conclusion: looking to the future with these lessons in mind

This report is a call to action. It collates the data and engagement insights from six years of VAS, presenting six key lessons to encourage a 'step change' in ambition towards Human Rights Due Diligence (HRDD) legislation and help shape future policy response.

A brief recap of the lessons:

1. Non-compliance with the law is a systemic issue

VAS has identified 194 instances of non-compliance with the s54 reporting requirements across 160 FTSE 350 companies over six years, suggesting that failures are widespread and not isolated. Systemic non-compliance indicates weak risk oversight, which points to a regulatory system that is not effectively tackling modern slavery.

2. Most common failure is a lack of Board oversight

Issues regarding Board approval were the most common reason for non-compliance, indicating a lack of top-down oversight on modern slavery reporting.

3. Engagement is effective in the short term

Compliance rates consistently exceed 90% by year-end following investor engagement, demonstrating the effectiveness of investor pressure and the threat of voting against management. However, this does not always resolve underlying knowledge gaps or drive long-term change which is needed for sustained behavioural change at companies.

4. Stagnant reporting is a problem

Many companies recycle statements verbatim year on year, with no evidence of progress, KPIs, or meaningful updates, despite guidance that statements should evolve and improve over time. Static reporting demonstrates that compliance does not equate to quality of reporting.

5. Misunderstandings of the reporting requirements persist

Fundamental aspects of the requirements are misunderstood, including homepage accessibility and reporting period coverage, which reduces the effectiveness and accessibility of disclosures. Persistent misunderstandings undermine the effectiveness of the regulation.

6. Guidance is weak for investment companies and financials

Ambiguity in how the Act applies to investment companies has led to inconsistent reporting and reluctance to produce statements, despite their role in addressing systemic risks. Unclear guidance limits the effectiveness of investor engagement and weakens accountability for these companies.

Key takeaway: there is a need for Human Rights Due Diligence (HRRD) legislation

Existing evidence shows that human rights risks are financially material to both businesses and investors, and that action on human rights creates long term business competitiveness and value creation.

The UK 2015 Modern Slavery Act (MSA) was world-leading and has brought about great change in how companies view their responsibility to act on modern slavery in their supply chains. For investors, Section 54 reporting requirements of the Act bring some consistency of reporting. Furthermore, the framework of the Act and the accompanying guidance for businesses provides a basis for

engagement with companies on such an important topic.

However, the Act is now outdated and no longer fit for purpose. Investor action requires effective and stable policy[19], and a revamp of the Modern Slavery Act is long overdue. The lack of government enforcement of the s54 reporting requirements has meant that 'there are no meaningful consequences for non-compliance, superficial reporting, or a complete failure to engage'.[20] While VAS attempts to fill this vital gap, significant legislative change is needed.

We argue that there is a need for mandatory Human Rights Due Diligence that goes beyond just modern slavery and incorporates other human rights violations. We call for new legislation that is interoperable with other reporting regimes, notably the EU's Corporate Sustainability Due Diligence Directive (CSDDD).

While the MSA was world-leading when it came in, the past decade has seen significant developments in the human rights regulatory landscape. The moment before us offers a chance to integrate modern slavery into broader reporting requirements, provide clarity over expectations on companies, and improve policies to ultimately tackle modern slavery more effectively.

It is our view that the most important takeaway from six years of VAS is that a comprehensive and proportionate HRDD system would be better suited to ensuring steps are taken by companies to identify this egregious crime in their operations and supply chains.

In December 2025, alongside CCLA, Rathbones wrote to key government ministers urging the UK Government to introduce mandatory Human Rights Due Diligence (HRDD) legislation. Our letter represented the investor voice as part of a coordinated effort including the Independent Anti-Slavery Commissioner, NGOs, and businesses. The letter was supported by 25 investors with a collective asset under management and advisory of £1.45 trillion. Then in April 2026, following a warm response from Peter Kyle, Secretary of State for Business and Trade, Rathbones and CCLA wrote a second investor letter to The Prime Minister and the Chancellor of the Exchequer emphasising the economic arguments for introducing mandatory HRDD legislation. This letter secured support from 32 other investors representing a combined £1.6 trillion in assets under management and advisory. We intend to continue advocating for HRDD in the coming months, and the evidence presented in this report is part of it.

Concluding remarks

Fundamentally, VAS is about reducing the prevalence of the abhorrent crime that is modern slavery in UK businesses and supply chains. Rathbones has witnessed first-hand how collaborative engagements can enact change at the company level, as evidenced in this report.

However, investors should not be solely responsible for compliance with the Act. It is important to reflect critically on the limitations of what investment organisations can do to affect substantive change.[21]

What we can do is share the findings from our engagements over the past six years. In summary, we have found that the shortfalls in the Act, and a lack of understanding of the reporting requirements, have resulted in patchy compliance. This is particularly apparent among financial companies and AIM listed companies.

We hope the lessons in this report can inform future policy work and raise awareness of the importance of businesses in tackling modern slavery in the UK. Rathbones will continue to use our position as an institutional investor to drive change for the benefit of the economy and the people within it.

[19] What-Can-Investors-Do-About-Climate-Change_final.pdf
[20] Decade of Dignity: A Strategic Vision for Eradicating Modern Slavery in the UK, p11
[21] Key Debates in Sustainable Investment | Rory Sullivan, Richard Perkins

04

Let's talk

All our relationships start with a conversation about how we can support you. There is no obligation and we would be delighted to outline what could be achieved if you were to become a client.

Speak with one of our investment professionals by phone, online, or in person at a location that suits you.

Call
0330 390 9191

Visit
www.rathbones.com

LinkedIn
Rathbones Group Plc

Contact us at
www.rathbones.com/contact-rathbones

05

Glossary of terms

AIM
The AIM (Alternative Investment Market) is the London Stock Exchange's international market for smaller sized companies. Businesses range from venture capital-backed start-ups to mature organisations looking to expand. Since 2024, Votes Against Slavery has assessed AIM-listed companies against modern slavery reporting requirements.

Annual General Meeting (AGM)
A formal meeting of a company's shareholders, typically held once a year, at which shareholders vote on important matters such as director elections, remuneration policies, share issuance authorities, and other resolutions. For Votes Against Slavery, the AGM provides investors with an opportunity to hold boards accountable by voting against directors or other resolutions where concerns remain about modern slavery reporting or risk management.

Assets under Management (AUM)
The sum of the market value for all the investments managed on behalf of clients.

Engagement
A way to use our voice with companies, industry bodies and policymakers to address ESG issues of concern, improve ESG practices and disclosure, and bring about positive change. It includes many approaches, such as meetings with senior management, public statements, collaboration with other investors and tabling or voting on resolutions at company annual general meetings.

ESG
A widely accepted shorthand term, in full environmental, social and governance, that refers to the three main categories of non-financial risk that must be managed by companies in client and fund portfolios. Originally an adjective but increasingly used as a noun too.

FTSE 350
An index comprising the largest 350 companies listed on the London Stock Exchange by market capitalisation. It combines the FTSE 100 and FTSE 250 indices and is commonly used as a benchmark for UK listed companies. Votes Against Slavery reviews FTSE 350 constituents for compliance with Modern Slavery Act reporting requirements.

Human Rights Due Diligence (HRDD)
An ongoing process through which companies identify, assess, prevent, mitigate, and account for actual and potential adverse impacts on human rights arising from their operations, products, services, and business relationships. Effective HRDD goes beyond disclosure and requires companies to actively manage human rights risks, including modern slavery risks, across their value chains.

KPIs
Measurable metrics used to assess performance against specific objectives or targets. In the context of a modern slavery statement, KPIs may be used to monitor areas such as supplier audits completed, worker grievance resolution rates, employee training coverage, identified cases of modern slavery, or progress against human rights commitments. Investors often assess company KPIs to determine whether policies are translating into meaningful outcomes and improved risk management.

Modern Slavery
Defined by the UK Government as the recruitment, movement, harbouring or receiving of children, women or men through the use of force, coercion, abuse of vulnerability, deception or other means for the purpose of exploitation. Modern slavery can occur in both direct operations and supply chains.

Modern Slavery Act 2015
A UK law designed to combat modern slavery, forced labour, human trafficking, and other forms of exploitation. Section 54 of the Act requires certain commercial organisations operating in the UK to publish an annual statement explaining the steps they have taken to identify and address modern slavery risks in their operations and supply chains.

Modern Slavery Statement
A public disclosure produced annually by organisations within scope of the Modern Slavery Act 2015. The statement should outline the organisation's approach to identifying, preventing, mitigating, and addressing modern slavery risks in its business operations and supply chains.

Proxy Voting
Voting on resolutions at company meetings by a party appointed by the underlying investor, such as an investment manager.

Section 54 (s54)
The UK Modern Slavery Act 2015 creates an obligation for qualifying companies in the UK to prepare an annual human trafficking and modern slavery statement and lists the key requirements of such a statement. Companies that meet the reporting threshold of the Act must demonstrate that they have met certain minimum legal requirements, laid out in Section 54.

Stewardship
Investors' use of their rights and influence to protect and enhance overall long-term value for clients, including the common economic, social, and environmental assets on which their interests depend.

Stewardship Code
A voluntary framework that sets principles for how asset owners, asset managers, and service providers should responsibly allocate, manage, and oversee capital to create long-term sustainable value in the UK. It is issued by the UK Financial Reporting Council (FRC).

Systemic Risk
A risk that is widespread across markets, sectors, or economies and cannot be diversified away through portfolio construction alone. Modern slavery can be considered a systemic risk because weaknesses in labour standards, human rights protections, and supply chain governance can affect large numbers of companies simultaneously, creating financial, operational, and reputational consequences for investors.

Transparency in Supply Chains (TISC)
The requirement under Section 54 (s54) of the Modern Slavery Act 2015 for qualifying organisations to disclose information about actions taken to prevent modern slavery within their operations and supply chains. TISC reporting aims to improve accountability and enable stakeholders, including investors, to assess how companies manage modern slavery risks.

Votes Against Slavery (VAS)
Votes Against Slavery (VAS): A collaborative investor initiative founded by Rathbones in 2020 to improve compliance with the UK Modern Slavery Act and encourage better management of modern slavery risks. Coalition members use engagement and voting rights to encourage companies to publish compliant modern slavery statements and strengthen their approach to human rights within supply chains.

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