

## Report on Supply Chain Compliance Volume 2, Number 5. March 21, 2019

### New tools for collecting data on modern slavery within global supply chains

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Modern slavery has moved to the forefront of issues companies must confront within their global supply chains. Major regulatory requirements emerging out of legislation passed in countries like the United States, the United Kingdom, France and Australia are just part of the equation. Companies are also hearing from clients, consumers and investors that modern slavery will not be tolerated in global supply chains. Despite these positive developments, modern slavery and human trafficking remain a pressing, global problem that ensnares millions of people each year.

“Globally, it is estimated that there are over 40 million men, women and children in situations in modern day slavery today, with about half in Asia alone,” said Matt Friedman, CEO of The Mekong Club. “While most people think that human trafficking focuses primarily on women and girls being forced into the sex industry, this represents only about 25 percent of the total cases. The remaining 75 percent fall under the heading ‘forced labor.’ Out of this figure, about 60 percent of the victims are associated with manufacturing supply chains, which begin with a grower or producer and end as a finished product purchased by consumers in the retail market.”

Companies need efficient tools and methodology to help map their supply chains and discover any incidents of modern slavery and forced labor. One such tool is the [Slavery and Trafficking Risk Template](#) (STRT), a standardized, open-source data collection template from the [Social Responsibility Alliance](#) (SRA) developed by a committee of human rights experts and academics.

“The STRT is a free, standardized template for collecting data from suppliers on indicators of modern slavery risk and compliance with relevant legislation,” said Sarah Carpenter, manager of business & human rights at Assent Compliance and co-chair of the STRT Development Committee. “It helps organizations to see which of their suppliers are at greatest risk of modern slavery and where action should be taken for improvement.”

### Efficient and easy

The need for an efficient, easy-to-use survey became apparent after one of Carpenter’s colleagues at Assent was asked by a client to find a good questionnaire to send to suppliers. Her colleague discovered the [Responsible Sourcing Tool](#), a repository of resources and knowledge about modern slavery in the supply chain. Although the tool had a survey of its own, Carpenter’s clients balked at using it due to the length and complexity of the questions. They needed something that would fit easily into an existing compliance program and also work with economies of scale—a one-size-fits-all approach that would do away with the many company-specific surveys that varied in efficacy and quality. A standard template would not only allow companies to reach out to many suppliers at once, but given the disclosure requirements baked into the regulatory framework, companies would have greater insight into what their competitors and peers were doing through public disclosure statements, which enables them to situate their own practices relative to the wider industry.

Carpenter and her colleagues looked to templates such as the Conflict Minerals Reporting Template (CMRT) for inspiration. The CMRT has become the gold standard for companies reporting on modern slavery and human rights within the conflict mineral supply chain, and the committee wanted to achieve the same result.

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The STRT was born out of this need: a 23-question survey that enables companies to quickly gather data from their suppliers, organize it, and gain visibility across their supply chain. The survey is an Excel spreadsheet that can be downloaded for free from the SRA.

## Refining and moving forward

The SRA learns from and collaborates closely with the United States Department of Labor. A [webinar](#) on SRA's website explains how the STRT works together with the department's [Comply Chain application](#) and also describes how the two entities work together to spread awareness, share knowledge, and work to eradicate modern slavery. The SRA also works with NGOs and private enterprise to continuously refine the letter through feedback, suggested changes, and annual updates.

Collaborations such as this one ensure the template remains relevant and reflective of current best practices. The STRT is updated annually and is currently on version 1.3. This most recent version includes questions related to the [Countering America's Adversaries Through Sanctions Act](#) (CAATSA)—a U.S. law that recently ensnared a cosmetics company for doing business with North Korea.

"Companies appreciate the commitment we as a committee have shown," Carpenter said. "We made sure that in this last update, we included CAATSA questions to reflect the changing regulatory landscape. The more we commit, the more the template starts differentiating itself."

As the STRT gathers support, the committee and the SRA pursue another dream: open-source templates for all industries plagued by human rights violations and abuses. The committee's vision is to help develop open-source data-exchange templates that promote responsible sourcing across many industries.

"We are helping to facilitate adoption of the STRT and producing scoring guides and additional resources to help people make meaning of the data they have been collecting from suppliers," Carpenter said. "The dream and vision is to release more data exchange tools, and we as a group are reflecting on how to achieve that goal."

## Takeaways

- Modern slavery has moved into the mainstream consciousness. Regulators take modern slavery seriously and want companies to take all reasonable care to eradicate it in their supply chains. Investors and especially consumers want companies to do everything in their power to address the issue.
- The Slavery and Trafficking Risk Template (STRT) is a powerful data exchange tool that can help companies work with suppliers and vendors to combat modern slavery in the supply chain.

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