

Institution: University of Nottingham		
Unit of Assessment: 17 - Business and Management Studies		
Title of case study: Reducing the Risk of Labour Exploitation in High-Risk UK Sectors		
Period when the underpinning research was undertaken: 2016-2020		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s): Thomas Chesney Alexander Trautrim	Role(s) (e.g. job title): Professor Associate Professor	Period(s) employed by submitting HEI: 2005 to date 2013 to date
Period when the claimed impact occurred: 2016-2020		
Is this case study continued from a case study submitted in 2014? N		
1. Summary of the impact <p>Research by Chesney and Trautrim reduced the risk of labour exploitation in two of the UK's most high-risk sectors: construction and hand car washes (HCWs). In the construction sector, the research helped thousands of businesses work more effectively against the risk of exploitation in their operations and supply chains. In the HCW sector, the research helped to achieve a new business licensing scheme, changes in practice by major companies, and the reporting of thousands of exploitation cases to law enforcement.</p>		
2. Underpinning research <p>Labour exploitation and modern slavery are risks in UK sectors that use large numbers of temporary, low-skilled or manual or migrant workers. Two of the highest-risk sectors are construction and HCWs. The underregulated and low-wage nature of these sectors required Chesney and Trautrim to apply a variety of methods (including action-research, agent-based modelling [ABM] and surveys) to reveal the risks associated with particular business models and to uncover the key trends that contribute to slavery and exploitation risk in the UK.</p> <p>Trautrim published a book about the principles and practices of sustainable logistics, including a chapter about sustainable purchasing and procurement that examined sector-wide responses to labour exploitation within the construction industry [1] - a sector with risks that include multi-layer subcontracting. The research used an interpretivist action-research approach that is rarely applied in supply chain management research. It found that 1. communities of sector-leader practitioners are effective antislavery mechanisms; 2. the implementation of antislavery measures is possible within existing processes, limiting perceived additional cost and reducing company-internal barriers; and 3. companies require cross-functional teams to address slavery in the supply chain. Trautrim built upon this research [1] with an article [2] about how the UK construction and facilities management sector is responding to the challenge of modern slavery through an intra-industry initiative. The article took an action-research approach, with Trautrim embedded in a multi-company initiative, and showed that leadership and supply chain education are key components for intra-industry initiatives. The article recommended for procurement action: mapping and risk assessing the supply chain; a pre-qualification exercise of supplier questionnaires checking for supplier capabilities and reasons for mandatory and discretionary exclusion; inclusion of antislavery measures in the contract; auditing of managerial systems and performance against supply chain transparency and control; and supplier development.</p> <p>Trautrim and Chesney also looked at a different high-risk sector, HCWs, and published an article using ABM to create a secondary account of a business in order to audit or verify the primary account [3]. Their model determined whether an HCW business was generating enough funds to pay the minimum wage. Using the example of HCWs, the article argued for using decision support systems to detect inconsistencies in financial accounting and proposed ABM as a versatile method for facilitating shadow accounting based on externally accessible information. Trautrim and Chesney further applied their ABM approach to demonstrate that network asymmetries have ample negative effects on the adoption of labour standards [6]. Trautrim then worked with an internal collaborator (Akilah Jardine) and the UK Independent Anti-Slavery Commissioner (IASC), to publish the major research report on labour exploitation in UK HCWs [4], which he then further developed as a peer-reviewed book chapter [5]. Their research analysed data from a range of sources (including surveys and interviews), demonstrated for the first time that workers in most UK HCWs are subject to exploitation, and recommended new regulation and enforcement mechanisms. Summarizing the importance of this research to his field, Trautrim's lead article for an <i>AIB Insights</i> special issue on modern</p>		

slavery explained that between 2015 and 2020, “modern slavery turned from a niche interest into a widely recognized topic that affects business practice and research.” He argued that effective responses to modern slavery require changing business practices, and that business scholars are well positioned to research the phenomenon of modern slavery [7].

3. References to the research

- Grant, D.B., Trautrim, A. and Wong, C.Y., 2017. *Sustainable Logistics and Supply Chain Management*. Kogan Page. [Available on request]
- Trautrim, A., Gold, S., Touboulic, A., Emberson, C. and Carter, H., 2020. “The UK Construction and Facilities Management Sector’s Response to the Modern Slavery Act: An Intra-Industry Initiative Against Modern Slavery.” *Business Strategy and Development*. DOI: 10.1002/bsd2.158. [G2]
- Chesney, T., Gold, S. and Trautrim, A., 2017. “Agent Based Modelling as a Decision Support System for Shadow Accounting.” *Decision Support Systems* 95: 110-116. DOI: 10.1016/j.dss.2017.01.004. [G1]
- Jardine, A., Trautrim, A. and Kenway, E., 2018. [Labour Exploitation in Hand Car Washes](#). IASC Report.
- Jardine, A., Trautrim, A. and Gardner, A., 2021. “Far from Clean: Labour Exploitation in the UK’s Hand Car Wash Sector.” *Base of the Pyramid Markets in Affluent Countries: Innovation and Challenges to Sustainability*. Routledge. [G4]. [Delayed output – pre-publication PDF available on request].
- Gold, S., Chesney, T., Gruchmann, T. and Trautrim, A., 2020. “Diffusion of Labor Standards Through Supplier-Subcontractor Networks: An Agent-Based Model.” *Journal of Industrial Ecology* 24.6: 1274-1286. DOI: 10.1111/jiec.13041. [G3]
- Trautrim, A., 2020. “Modern Slavery Responses Need International Business Scholarship.” *AIB Insights* 20.2: DOI: 10.46697/001c.13539.

Funding body	Investigator	Title	Dates	Amount
G1. British Academy	Trautrim	Understanding and Tackling Slave Labour in Contemporary Supply Chains	2016-18	GBP 9747
G2. ESRC	Trautrim	Updating Modern Slavery Guidelines for Procurement in UK Construction	2019-20	GBP 9994
G3. Academy of Medical Sciences	Trautrim	Gender-Specific Risks and Responses to Labour Exploitation	2019-20	GBP 24225
G4. ESRC	Trautrim	New Evidence About the Risk of Modern Slavery in Hand Car Washes	2019-20	GBP 9966

Approx. TOTAL: GBP53932

4. Details of the impact

Helping construction businesses to reduce the risks of labour exploitation

Trautrim co-produced the UK’s first modern slavery procurement guidance. To do so, he shared findings on labour exploitation in construction sector supply chains [1] and engaged in action-research [2] as an embedded member of a sector-wide initiative: a Special Interest Group (SIG) on Modern Slavery established in 2015 by the Supply Chain Sustainability School (SCSS), a membership organisation for UK construction companies. SCSS confirmed that Trautrim was “an active member amongst construction industry practitioners” in the SIG as it produced new procurement guidance [A]. He was “instrumental in keeping information practical but also challenging,” and his “extensive knowledge...made a valuable contribution...to co-create the School’s Procurement Guidance for the industry” [A]. The Procurement Guidance was released in 2016. It helps procurement professionals to identify slavery risk and it supports auditing and supply chain management. Hundreds of companies have downloaded it [A].

63% of SCSS member organisations surveyed had established or changed practices and policies as a result of the Guidance [A]. As SCSS confirmed, companies “used the guidance to inform their modern slavery policies and procedures, whilst others introduced slavery policies which they did not have” [A]. Businesses also used the Guidance for supplier engagement and assessment [A]. For example, one of the world’s largest energy companies, with an annual turnover of GBP14,500,000,000 and 6000 suppliers, integrated the Guidance in its pre-qualification questionnaire and supplier assessment, and used it to complete a risk assessment of its whole supply chain, identify issues, and make action plans part of supplier contracts [A].

The UK's largest water and wastewater company, with an annual spend of GBP1,100,000,000 on 2500 suppliers, used the Guidance to change how it assesses suppliers' levels of risk. It now conducts a risk assessment at a category strategy stage followed by an assessment of suppliers, then works with suppliers on specific improvement actions. It has applied this approach to more than 40 of its largest suppliers, representing over 60% of its spend [A].

Alongside the Guidance, Trautrim and the SCSS SIG produced training materials for procurement professionals on modern slavery and labour exploitation. Again, Trautrim provided SCSS with what it called "a coherent evidence base for understanding the risk...and approaches to protecting society's most vulnerable individuals" [A], based on the findings of his research [1-3]. Thousands of SCSS members improved their practice as a result: SCSS annual reports (2017-20) show that 68% of members had improved in the area of modern slavery knowledge and practice, and 85% of those attributed the change to the training materials [A]. By 2020, the SCSS had 37,856 individual members from over 13,500 companies [A].

Trautrim worked again with SCSS from 2018-2020 on its SIG for Labour Resource. He used his findings about sector risk [1,2], labour standards and subcontracting [6] to help develop the People Matter Charter, which aims to raise labour standards in construction [A]. The Charter has eight commitments for signatories, including that they will "evidence processes...to identify and report issues of labour exploitation" [A]. Upon signing, organisations pledge to implement the commitments in their workforce strategy and with supply chain partners, and to provide annual evidence of the Charter's impact on their supply chain. The Charter had 69 signatory organisations by November 2020, including major industry organisations Balfour Beatty and VINCI Construction [A]. The 2019 Modern Slavery Act (MSA) Statement for VINCI (annual turnover of GBP2,000,000,000 in the UK) reports integrating the Charter's commitments into its processes [A]. SCSS described Trautrim's "significant input" to the Charter's content and implementation and explained that for both the Guidance and the Charter, his research made the "business case for slavery-free supply chains," which enabled "businesses to mobilise" [A].

Helping law enforcement to reduce the risk of labour exploitation in the HCW sector

Focusing on HCWs as another high-risk sector for labour exploitation, Trautrim and Chesney shared the findings of their ABM research [3] with police forces and the national Gangmasters and Labour Abuse Authority (GLAA). Nottinghamshire Police said: "We are really excited...and [are] really stepping up a gear now to combat this horrific abuse" [B]. The GLAA said the research was "ground breaking" and "instrumental in informing our own work": "while working with Trautrim and informed by his team's research, the GLAA took a number of measures to address labour abuse, modern slavery, and other areas of non-compliance in car washes" [C]. The impact of these measures included the HCW sector becoming by 2019 "the second most common sector where we identified potential victims of modern slavery" [C].

One key area of collaboration with the GLAA for Trautrim was an application of the HCW research [3] to help the GLAA and the Church of England's Clewer Initiative create the Safe Car Wash App. The app enables the public to report signs of slavery at HCWs to the national Modern Slavery Helpline, which refers cases to the GLAA and law enforcement. The app was launched in 2018 with design input from Trautrim and Chesney based on their HCW research [3], and the endorsement of the National Crime Agency (NCA) and the National Police Chiefs Council. The NCA said the app would "help law enforcement identify those people who may be at risk, as well as those criminals who are exploiting the vulnerable," while the Archbishop of Canterbury said the app was a "chance to help tackle this scourge which is damaging so many people's lives" [D]. The UK Government welcomed the app, calling it a "vital" way to "crack down on those who seek to exploit vulnerable people," "invaluable to the National Crime Agency," and a tool "to better target resources for operational activity" [D]. The Anti-Slavery Commissioner said the app was "immeasurably improving the lives of victims of modern slavery" [D], and London's 10,000 black-cab drivers announced their support for the app, as it would "help the police to tackle the problem" [D]. Media stories with Trautrim and Jardine discussing the app had an audience reach of over 80,000,000 views across three months and drove downloads [D]. Within a month of its launch, the app had been downloaded 7000 times and had generated 1300 reports [D]. By the end of 2018, it had generated over 2000 reports, 900 of which indicated signs of slavery and directed users to call the Helpline [D].

Trautrim, Chesney and Jardine analysed the app's data during its first six months and

published the results, including geographical distribution and common risk factors, in their *Safe Car Wash App Report* in 2019. Its release accompanied a relaunch of the app, with improvements to data collection based on recommendations by Trautrim and Chesney [D]. As the Clewer Initiative, explained, it valued their inputs into the app's "design and subsequent update" [D]. The audience reach for media coverage of the *App Report* was over 30,000,000 [D]. The Clewer Initiative credited the report with generating "extensive press coverage... resulting in an additional 3000 downloads of the app and almost 1000 reports in less than a week" [D]. The Car Wash Association (CWA) expressed thanks for this "really excellent" report, highlighted several of its "many important points," and pointed to Nottingham City Council "outing" all non-compliant HCWs in the city...no doubt as a result of your report drawing attention to the [city's] higher intensity of reporting on the app!" [F].

The app's impact was evident when 25% of all labour abuses reported to the national Modern Slavery Helpline in 2018 were in relation to HCWs, an increase that the Helpline attributed to the media focus on HCWs [E]. The Helpline's Annual Assessment for 2018 showed that labour exploitation was the most common type of exploitation reported, the most prevalent sector was HCWs, and there were 46% more victims identified by the Helpline than in 2017 [E]. The Helpline received information about 362 cases of potential slavery in HCWs in 2018, identifying nearly 2000 potential victims [E]. In the month following the app's release, Helpline calls rose 25% to reach 605 (higher than any month previously) [E]. In that month, 11 cases of potential slavery in HCWs were opened and 69 potential slavery victims were identified as a result of app reports that reached the Helpline [D]. There was a similar increase in reporting of cases during the month after the *App Report* launch in 2019. The Helpline received the highest ever number of monthly contacts (871) and opened the highest ever number of slavery cases in a single month (218, with 749 potential victims) [E]. The most common proximity of Helpline caller to victim in the three months after the *App Report* launch was "observation of suspicious activity" (third-party tip-offs), which the Helpline said could result from awareness campaigns [E].

A year after the app's release, the Anti-Slavery Commissioner cited it to encourage "the greater use of technology" to tackle slavery [F], while the Director of Labour Market Enforcement called the app a "good example of innovation" and a "prototype on which to build and learn from experience" [F]. The Government said the app was supporting its work to improve evidence on slavery and exploitation in the sector and to encourage reporting so the police could focus resource, and the Parliamentary Under-Secretary of State for the Home Department told the House of Commons: "I have on my phone the app Safe Car Wash, and a very useful app it is too" [F]. Another MP described to the House of Commons the "amazing app on car washes" and its "paramount importance" in making people "aware of modern-day slavery" [F]. The app was downloaded over 20,000 times by 2020 [D], and the Clewer Initiative noted that the "success of the App has been such that we will be doing an update to it" [D].

Due to his research into high-risk sectors [1,3,7] and his work to develop the app, the Anti-Slavery Commissioner asked Trautrim to produce the first major research on labour exploitation and modern slavery in UK HCWs [4]. Published by the Commissioner's Office as a report in late 2018, then further developed as a book chapter [5], this research detailed widespread exploitation in the UK's estimated 20,000 HCWs. It recommended how to improve sector compliance, including stricter enforcement of regulations and multi-agency collaboration between law enforcement bodies. Like the app and the *App Report*, this research [4,5] improved the law enforcement response to HCWs. The CWA explained: "there has been a marked increase in the number, frequency and effectiveness of Police raids on non-compliant hand car washes...as a direct result of the authoritative quality of the [research]" [G]. For example, Greater Manchester Police (GMP) said the research [4,5] provided "much needed understanding for frontline professionals" and circulated the findings to its tactical advisors and the 10 local multi-agency teams that tackle organised crime, to inform their harm reduction visits [G]. The Police Service of Northern Ireland (PSNI) responded to the research [4,5] by expanding the list of multi-agency stakeholders to include Northern Ireland Water and the Northern Ireland Environmental Agency in antislavery HCW operations [G]. As PSNI explained, these other agencies can exercise civil powers that aid disruption and decrease exploitation. It pointed to concrete "positive outcomes in terms of disrupting potential criminal operations" through this work with other agencies, for example increasing its car wash operations from 7 to

14 and its engagement with victims of slavery and labour exploitation from 26 to 57 [G].

Helping government and businesses to achieve a new licensing scheme for HCWs

The research [4,5] also recommended HCW licensing. The GLAA confirmed that this research [4,5] “progressed understanding of the nature and scale of modern slavery” in HCWs and of the “importance of measures such as licensing” [C], while the Anti-Slavery Commissioner explained that the “app has resulted in a Parliamentary Committee inquiry now looking to regulate the industry to prevent forced and exploitative labour” [F]. The CWA used the research [4,5] in its campaign to reform non-compliance in the HCW sector, including in submissions to Parliamentary Select Committee inquiries, meetings with MPs, and letters to Secretaries of State [G]. Because of the research, the CWA approached the issue as one of a lack of enforcement [G]. Calling the research [4,5] a “really first class contribution [that] hit the mark,” the CWA said: “The research had a significant impact on the campaign... ensuring we had clear evidence that was not simply anecdotal and that could credibly be put in front of senior politicians...It informed our strategy, tactics, and the type of information that we were able to deploy....Much of the CWA’s argumentation can be attributed directly to the research” [G].

Trautrim and Jardine used their findings and recommendations [4,5] in written and oral evidence for the Environmental Audit Committee’s (EAC) 2018 inquiry into HCWs [H]. Their evidence recommended that the government register and license HCW operations to improve compliance. Additional written evidence from the Anti-Slavery Commissioner expressed “hope that you will consider in your recommendations” the research by Trautrim and Jardine [H]. The EAC’s final report quoted the researchers’ evidence about workers’ conditions, and the need for a system to register and licence HCWs [I]. The EAC report recommended a licensing scheme, noting that lack of enforcement of regulations had necessitated the Safe Car Wash App.

In its response to the EAC report, the Government endorsed voluntary licensing and recommended a new industry-led pilot: the Responsible Car Wash Scheme (RCWS) [I]. This recommendation stemmed from evidence given to the EAC, to which Trautrim’s research contributed [4,5], and also built on the GLAA’s work with supermarkets that used Trautrim’s and Chesney’s first HCW research [3]. As the GLAA explained, it was that paper from 2017 [3], using ABM to analyse HCWs, that “supported the GLAA’s early work in engaging the major supermarkets, in what led to the development of the RCWS” [C]. The GLAA used the analysis of overheads [3] “to show supermarkets that the economic model did not work...that either workers were not receiving the national minimum wage or volumes of transaction were being depressed” [C], then built on this work with major supermarkets by piloting the RCWS.

Recommended by the Government in its response to the EAC’s inquiry, the RCWS supports compliance and improves working conditions. To obtain “Responsible Car Wash” status and display the RCW logo, the operator agrees to adhere to the scheme’s Code of Practice and submit to an audit. The Code encompasses being able to demonstrate that work is voluntary with no forced labour. The RCWS was piloted in the Midlands in 2019 across 44 sites, nearly all in supermarket car parks, before a national roll-out. 25% of operators failed the pilot’s audit, and 14% are pending subject to investigation [J]. The impacts of the RCWS audit included a supermarket deciding to remove trolley washes from all sites, and a network operator replacing self-employed workers with directly employed staff [C]. Major supermarkets (Tesco, Asda, Sainsbury’s, Morrisons, and Waitrose) are signatories to the RCWS, making adherence to its code a requirement for service providers who wish to operate on their land [J]. In 2020 Tesco described the RCWS as how it improved standards for its sites’ 2200 car wash workers [J].

5. Sources to corroborate the impact

- A. Supply Chain Sustainability School materials.
- B. Comment by the Nottinghamshire Police.
- C. Testimonial from the Gangmasters and Labour Abuse Authority.
- D. Safe Car Wash App launch materials.
- E. Modern Slavery Helpline annual and quarterly reports.
- F. Responses to the Safe Car Wash and App Report.
- G. Responses to *Labour Exploitation in Hand Car Washes* report.
- H. Environmental Audit Committee Inquiry evidence.
- I. Environmental Audit Committee report and Government response.
- J. Responsible Car Wash Scheme materials.