The Business School for the World®

Working Paper

2025/01/STR
(Revised version of 2023/09/STR)

Activist Pressure and Compliance with Sustainability Disclosure Policy: Experimental Evidence from the U.K. Modern Slavery Act

Matthew Lee
Harvard Kennedy School, matthew_lee@hks.harvard.edu

Jasjit Singh
INSEAD, jasjit.singh@insead.edu

Devanshee Shukla
INSEAD, devanshee.shukla@insead.edu

December 20, 2024

Corporate sustainability disclosure regulations often rely on activist pressure to promote compliance, but the effectiveness of such pressure is unclear. We present results from a field experiment testing the effect of activist pressure from a leading human rights NGO on corporate compliance with the U.K. Modern Slavery Act 2015, which required firms to disclose their actions to address human rights issues. Contrary to expectations, firms sent a letter describing their legal sustainability disclosure obligations were less likely to subsequently comply. However, this negative effect was partially mitigated when the letter included an additional list of already compliant peer firms. The strongest mitigating effect was observed when listed peers were drawn from the same geographic location as the firm receiving the letter.

Key words: Sustainability Disclosure; Modern Slavery; Human Rights; ESG; Corporate Social Responsibility; Peer Effects; Behavioral Economics

Acknowledgements: We are grateful to Ziv Carmon, Stefan Dimitriadis, Sukti Ghosh, Hyunjin Kim and Anita McGahan for valuable suggestions. We also thank seminar participants at AOM 2023 Meetings, ARCS 2024 Conference, George Washington University, HBS Field Experiments Conference, Imperial College, INSEAD, LBS Ghoshal Conference, National University of Singapore, Rutgers University, SCANCOR seminar at Harvard University, SMS 2023 Meetings, University of Maryland, University of Michigan, and University of Minnesota for valuable suggestions. Finally, we acknowledge administrative support from Juan Cardenas and financial support from INSEAD.

1. INTRODUCTION

The increasing recognition of sustainability disclosure as a vital element of corporate governance (Chatterji & Toffel, 2010) has led to its regulation (Chalmers, Klinger-Vidra, van der Lugt, van de Wijs, & Baily, 2023). However, many regulations mandating corporate sustainability disclosure lack direct government oversight or enforcement (King & Pucker, 2021), instead relying on private activists to pressure firms into compliance (Chalmers et al., 2023). Such reliance on "private politics" (Baron, 2001; 2003; Reid & Toffel, 2009) is based on the premise that firms are likely to respond to activist demands due to the threat of reputational damage (Hiatt, Grandy, & Lee, 2015; King, 2008; Lyon & Maxwell, 2011; Odziemkowska, 2022a). It also has the attractive feature of allowing diverse activists to express stakeholder interests related to firms' social and environmental impact (Bridoux & Stoelhorst, 2014; Henisz, Dorobantu, & Nartey, 2014) while also offering greater flexibility and efficiency compared to governmental monitoring and enforcement (Ho, 2017).

A growing body of empirical research finds support for the influence of activist pressures on sustainability disclosure (Reid & Toffel, 2009; Marquis, Toffel, & Zhou, 2016). However, several factors make it difficult to reliably measure the effects of activism. First, activists strategically focus their pressure on individual firms, typically those that are highly visible or most likely to respond (King & McDonnell, 2013; Lenox & Eesley, 2009; McDonnell, King, & Soule 2015; McDonnell, Odziemkowska, & Pontikes, 2021), making it difficult to distinguish the causal effects of pressure from selection effects related to activists' targeting strategies. Second, while overt forms of activist pressure such as boycotts are measurable (e.g., King, 2008), private forms of activist pressure are more difficult to observe and study (Baron, 2012). Finally, consistent with the private politics approach, compliance with sustainability disclosure regulations is often not recorded in public records and can therefore be difficult to measure. Together, such challenges have prompted calls for novel empirical approaches studying corporate responses to activism, especially experimental methods that might "establish a better understanding of the causal mechanisms at play" (Davis, King, & Soule, 2022).

In line with this approach, we conducted a field experiment to assess the impact of activism on compliance with the U.K. Modern Slavery Act 2015 (hereafter, "MSA Act"), which mandates certain firms to publish a statement detailing their actions to prevent modern slavery and human trafficking in their supply chains. The 6,906 firms we examined had not published such a statement at the time of our experiment and were randomly assigned to one of several treatment conditions or a control group. In the treatment conditions, firms were mailed a letter by our research partner, a U.K.-based NGO focused on corporate human rights practices. In the first treatment, firms were mailed a "baseline" letter outlining requirements of the MSA Act and encouraging compliance. In four additional treatment conditions, firms were mailed this baseline letter *plus* lists of different types of peer firms that had already complied with the disclosure requirement, reflecting the institutional insight that firms frequently rely on peer information as a guide to their own social responsibility activities (Marquis & Tilcsik, 2016; Den Hond & De Bakker, 2007).

Contrary to our expectations, firms that were mailed only the baseline letter were *less* likely to comply with the MSA Act within nine months than those in the control group. This negative effect was partially, but not fully, mitigated in the four conditions in which the mailings also included a list of compliant peers. Among these peer information conditions, the strongest positive marginal effect was observed when peers were from already-compliant firms in the focal firm's geography, versus from alternative samples of already-compliant firms: an unfiltered list of all compliant firms, compliant firms in the focal firm's industry, and compliant firms in the focal firm's geography-industry combination. Additional analyses find that effects of activist pressure on a longer-term measure of compliance (three years post-intervention) were smaller in magnitude but follow the same general pattern.

Our field experiment contributes novel and counterintuitive evidence to the literatures on sustainability disclosure, private governance, and non-market strategy. It provides causal evidence that a common form of activist pressure—direct informational outreach—may be an unreliable means for enforcing disclosure and can even unintentionally suppress it. Consistent with institutional theory, our findings also suggest that activism is more effective when it includes information about compliant peers in the same industry or geographic field, with this influence varying depending on the types of peers involved (Marquis & Tilcsik, 2016). More broadly, our research underscores the limitations of relying on private politics to address societal challenges (Luo & Kaul 2019; Klein et al. 2010).

2. THEORETICAL BACKGROUND AND HYPOTHESES

2.1 Sustainability disclosure and responsiveness to activism

Information availability is integral to the functioning of markets, yet the regulation of sustainability disclosures remains nascent and unevenly enforced, in contrast to the rigorous enforcement of financial disclosures (Healy & Palepu, 2001). Consequently, firms often engage in selective disclosure that highlights favorable information while de-emphasizing or omitting details that might be viewed negatively (Delmas & Burbano, 2011; Fabrizio & Kim, 2019; Kim & Lyon, 2015; Lyon & Montgomery, 2015; Marquis, Toffel, & Zhou, 2016).

In the absence of robust public enforcement, private actors with an interest in disclosure are left to pressure firms into compliance through private channels. Shareholder activism, often motivated by the financial materiality of sustainability-related information (Cheng, Ioannou, & Serafeim, 2014; Hawn, Chatterji, & Mitchell, 2018), appears to be effective in eliciting disclosures. For instance, Reid & Toffel (2009) show that shareholder resolutions focused on environmental issues enhance firms' propensity to disclose information on carbon emissions. Flammer et al. (2021) show that firms are especially responsive to long-term shareholders and that such disclosures are positively received by financial markets. In each of these examples, activists possess power based on their ability to withdraw from market transactions if their demands are not met (Flammer, 2015).

Private pressures may also arise from non-market activists, such as social movements and NGOs (Tilly & Tarrow, 2015; Odziemkowska, 2022b), that represent broader public interests. The influence of these non-market activists is rooted in the threat that non-compliance with their demands could result in reputational damage (Baron, 2001; Bartley & Child, 2014) and related business risks (Godfrey et al., 2009; Koh, Qian, & Wang, 2014; Luo, Kaul, & Seo, 2018). Prior research provides some, albeit uneven, evidence of corporate responsiveness to such non-market activist pressures (Davis, King, & Soule, 2022). Eesley & Lenox (2006) find that firms are more likely to respond to activists that are relatively more powerful, possess greater social legitimacy, and focus on urgent issues. Other studies indicate that these effects may depend on additional variables including competitive pressures (Pacheco & Dean, 2015), the engagement of third parties such as the media (King, 2008) and the political identities of corporate insiders (Gupta & Briscoe, 2020). Additionally, research shows that activist pressure is associated with reductions in stock price (King & Soule, 2007; Bartley & Child, 2014) and the development of capabilities for responding to future such pressures (McDonnell & King, 2013; McDonnell, King, & Soule, 2015).

Based on these arguments, our baseline hypothesis is that non-market activist pressure will increase a firm's likelihood of complying with sustainability disclosure regulations.

Hypothesis H1. A firm receiving activist pressure to comply with a sustainability disclosure regulation is more likely to comply than a firm not receiving such pressure.

2.2 Responsiveness to information about compliant peers

The impact of behavioral norms on a firm's adoption of new practices has been extensively documented across various settings (for a review, see Naumovska, Gaba, & Greve, 2021). Non-market activists often leverage normative pressure by highlighting the compliance of peer firms. For example, the environmental activist organization Greenpeace pressures apparel companies to adopt emissions standards by showcasing firms that have already implemented them (Greenpeace e.V., 2021). Similarly, Rainforest Alliance promotes sustainability practices and certifications to agricultural companies by presenting case studies of early adopters like Nestlé (Rainforest Alliance, 2021). Another activist organization, the Fair Labor Association, also encourages adoption of its standards by highlighting companies that have already embraced them (Fair Labor Association, 2022).

Receiving information about compliant peers may influence a firm's own compliance through both normative and informational mechanisms. When disclosure regulations are complex, costly to interpret, or ambiguous, peer firms can act as role models, offering valuable information that aids the focal firm's compliance decisions. Empirical research supports the existence of peer effects, showing that corporate social responsibility practices adopted in response to exogenous shocks (i.e., "close call" shareholder resolutions) are followed by increased adoption of these practices by other firms (Cao, Liang, & Zhan, 2019). Multiple observational studies suggest that activist pressure may create spillover effects, influencing the behaviors of firms beyond the activists' immediate targets (Briscoe, Gupta, & Anner, 2015; Soule, Swaminathan, & Tihanyi, 2014). In the accounting literature, evidence of peer effects has been reported in voluntary disclosure of managerial forecasts (Seo, 2021).

Extending these arguments to the context of compliance with sustainability disclosure regulations, we hypothesize that activist pressure including information about compliant peer firms should lead to a higher likelihood of compliance.

Hypothesis H2. A firm receiving activist pressure is more likely to comply when that pressure identifies peer firms that are already compliant than when no such peer firms are identified.

Research on sustainability disclosure highlights the importance of referent firms within the same institutional field (Eesley & Lenox, 2006; Reid & Toffel, 2009; Marquis, Toffel, & Zhou, 2016), as these fields establish the behavioral standards by which a firm establishes its social legitimacy (Suchman, 1995). Consequently, firms are more likely to notice, compare themselves to, and view compliance as appropriate when compliant peers belong to the same field (Hoffman, 2001; Kim & Lyon, 2014).

Within management research, the most studied types of fields are based on industry and geography. Firms are often evaluated according to institutionalized industry standards and face pressures to adopt practices common among their industry peers (Deephouse, 1996; Raffaelli & Glynn, 2014). Similarly, firms within the same geographic community tend to converge in their practices (Davis & Greve, 1997; Audia et al., 2006; Marquis, Glynn, & Davis, 2007). Research has further shown that co-membership in multiple fields – such as industry *and* geography – might result in even stronger peer influence than similarity in just one dimension (Marquis & Tilcsik, 2016). Applying these insights to the context of activist pressure for compliance, we hypothesize that information about peer firms within the same geography and/or industry will have a greater impact on encouraging compliance than information about peers from different fields.

Hypothesis H3(i). A firm receiving activist pressure that identifies compliant peer firms is more likely to comply when the peer firms are similar to it in terms of ***geography*** *than when they are drawn at random from all compliant firms.*

Hypothesis H3(ii). A firm receiving activist pressure that identifies compliant peer firms is more likely to comply when the peer firms are similar to it in terms of ***industry*** *than when they are drawn at random from all compliant firms.*

Hypothesis H3(iii). A firm receiving activist pressure that identifies compliant peer firms is more likely to comply when the peer firms are similar to it in terms of ***both geography and industry*** *than when they are drawn at random from all compliant firms.*

3. EMPIRICAL CONTEXT: THE U.K. MODERN SLAVERY ACT 2015

The protection of human rights, including the prevention of "modern slavery," is among the most pressing humanitarian issues of our time, presenting a "grand challenge" for management and strategy (Crane, 2013; George et al., 2016).[1] In 2011, UN Secretary-General Ban Ki-Moon asserted that companies are responsible for "ensuring that their activities do not cause or contribute to contemporary forms of slavery in the workplace, and taking steps to stop it from happening in supply chains and elsewhere" (United Nations, 2011). The UN Sustainable Development Goals emphasize the necessity to "take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour" (UN General Assembly, 2015: Sec. 8.7). Issues pertaining to human rights and modern slavery have been incorporated in several voluntary standards, including the widely adopted Global Reporting Initiative.

Beyond voluntary standards, regulations increasingly mandate specific actions related to human rights (van der Lugt et al. 2020). The U.K. Modern Slavery Act 2015, enacted on March 26th 2015, was one of the first regulation requiring businesses to disclose information related to human rights, and was widely perceived as a landmark advance in the regulation of human rights practices in business (see Appendix Table A1).[2] Specifically, Section 54 (titled "Transparency in Supply Chains"; see Appendix Figure A1 for full text) mandates that firms meeting specific criteria "must prepare a slavery and human trafficking statement for each financial year of the organization" (hereafter "MSA statement") (U.K. Parliament 2015). The criteria for this requirement are that the firm: (1) has operations in the U.K., and (2) has annual operating revenue exceeding £36 million. Section 54 further specifies that if the firm has a website, "it must (a) publish the slavery and human trafficking statement on that website, and

[1] Summarizing its 2022 research report titled "Global Estimates of Modern Slavery", International Labor Organization (a UN agency) notes: "The latest Global Estimates indicate that 50 million people were living in modern slavery in 2021. Of these people, 28 million were in forced labour… Unfortunately, the number of people in modern slavery has risen significantly in the last five years" (https://www.ilo.org/publications/major-publications/global-estimates-modern-slavery-forced-labour-and-forced-marriage).

[2] The MSA Act defined general rules and requirements, followed by more specific guidelines released a few months later by the U.K. Home Office, which is responsible for implementation of the law. Thus, the details of the MSA Act span two documents: the MSA Act legislation itself (U.K. Parliament 2015) and accompanying regulatory guidance (U.K. Home Office 2015).

(b) include a link to the slavery and human trafficking statement in a prominent place on that website's homepage" (U.K. Parliament 2015).

While U.K. law allows for the technical possibility of government enforcement through judicial action,[3] the MSA Act does not prescribe such enforcement nor allocate resources for it. Moreover, U.K. government officials have indicated that they do not intend to take action against non-compliant firms, instead delegating monitoring and compliance to private activists. For example, during the debate on the proposed law, the Parliamentary Under-Secretary of State for the U.K. Home Department explained that "the Government believes *it is for civil society* to put pressure on businesses that are not doing enough to eliminate modern slavery from their supply chains." (U.K. Parliament, 2014; emphasis added). As a later study describes, "Section 54… relies exclusively on pressure from civil society for its effectiveness" (Hsin, New, Pietropaoli, & Smit, 2021: 24). The MSA thus provides an excellent context for testing how activism impacts compliance.

4. DATABASE CONSTRUCTION AND EXPERIMENT DESIGN

4.1 Initial identification of firms required to comply with the MSA Act

Due to the absence of a readily available database, we constructed a custom list of firms required to comply with the MSA Act. Using proprietary databases from Orbis and Capital IQ, we searched for U.K.-registered firms with annual operating revenues exceeding £36 million in at least one of the three fiscal years 2015, 2016 or 2017. To ensure access to relevant variables, we retained only firms that were identified in both databases. We then matched this list of firms and their accompanying financial data to administrative data published by Companies House, the official U.K. government registrar of firms, to identify each firm's two-digit Standard Industrial Classification (SIC) code and registered headquarters address.

[3] The MSA Act states that "the duties imposed by commercial organizations… are enforceable by the Secretary of State bringing civil proceedings in the High Court for an injunction" (U.K. Parliament 2015, Section 54(11); see Appendix Figure A1). We thank an anonymous reviewer for this helpful point.

Additionally, addresses were used to match each firm to U.K. administrative data on geographic "travel to work" (TTW) areas, a geographic unit defined by local economic connectedness.[4] These steps yielded an initial database of 13,755 firms.

4.2 Identification of final experimental sample of non-compliant firms

Our next step was to identify the subset of firms that had not yet complied at the time of our experiment. We screened these firms in collaboration with our research partner, the Business & Human Rights Resource Centre (BHRRC), a widely recognized human rights NGO that had launched a public compliance database called the "Modern Slavery Registry."[5] BHRRC constructed and maintained this registry through a two-pronged approach. First, it publicized the database and created a portal through which firms could submit their published MSA statements. Second, it developed a proprietary methodology to conduct regular internet searches for MSA statements, updating the registry as new statements were discovered.

We matched our initial database of 13,755 eligible firms with BHRRC's registry, working with a team of research assistants to further improve the coverage and quality of BHRRC's data. Of the 13,755 firms, 2,911 (21%) already complied with the MSA Act as of August 2018—the month preceding our field experiment—and were therefore dropped from our experimental sample. To ensure the feasibility of all our experimental conditions, we also excluded firms for which our database did not contain at least one already-compliant firm that matched both geographic location (TTW area) and industry (two-digit SIC code).[6] After these exclusions, our final experimental sample comprised 7,484 non-compliant firms.

---

[4] The U.K. government resources we relied on were the Office for National Statistics and the National Statistics Postcode Lookup (https://geoportal.statistics.gov.uk/datasets/fd4d376782994b1ca2316a2fd0649315/about). TTW areas are determined by the U.K. Office for National Statistics based on economic connectedness. TTWs are comparable to Metropolitan Statistical Areas (MSAs) or Core Based Statistical Areas (CBSAs) in the U.S.

[5] BHRRC describes itself as a "fair intermediary" that takes a collaborative approach to "build transparency, strengthen accountability, and empower human rights advocates." One process by which it engages with firms is through "approaches," or requests for corporate comment on accusations made by other civil society actors.

[6] These inclusion criteria ensured that for every firm in our sample, it would be possible to implement even our most restrictive experimental condition, i.e., a list of compliant peers matching on both location and industry.

4.3 Design of field experiment

Our intervention consisted of a mailing sent via the U.K.'s domestic postal service. We randomly divided the 7,484 non-compliant firms in our sample into six groups (see Appendix Table A2). Firms in group G1 ("Control") were not contacted. Firms in group G2 ("Letter without peers") were sent a one-page baseline letter containing information about the MSA Act and the firm's requirement to publish an MSA statement. Firms in groups G3a ("Letter with random peers"), G3b ("Letter with geography peers"), G3c ("Letter with industry peers") and G3d ("Letter with geography-industry peers") received the same letter as in G2, along with an additional page listing up to ten randomly-selected peer firms that were already compliant. Letters were printed on the official letterhead for BHRRC's Modern Slavery Registry, sealed in a plain envelope, and mailed to each firm's official address on Tuesday, September 11, 2018.[7] Figure 1 provides a detailed overview of the experimental design.

[Insert Figure 1 here]

For conditions G3a-G3d, a list of ten already-compliant peer firms was randomly selected from those that met the criteria for the assigned condition (Reingen 1982) and listed in random order; if ten or fewer already-compliant peers met the criteria, all were included.[8] Figure 2 shows an example mailing to a firm assigned to Condition G3a.

[Insert Figure 2 here]

---

[7] Our experiment did not undergo an IRB review as no individual-level data were collected, the letters were sent to each firm's official addresses without being addressed to a particular person, and non-compliance decisions could not be attributed to specific individuals. An IRB review is normally required when a study crosses a certain threshold of risk to the participants (https://cuhs.harvard.edu/do-you-need-irb-review-and-why). Our IRB administrator confirmed that our study did not meet that threshold: "As long as you will not interact with individuals at the company and/or obtain any private identifiable information about individuals at the company, this project would not meet the threshold for research with human subjects."

[8] Peers were drawn from all already-compliant peers for group G3a, those from the same TTW area for G3b, those from the same SIC code for G3c, and those from the same TTW area *and* the same SIC code for G3d. Nearly all lists containing fewer than 10 peers were associated with G3d, which had the most stringent inclusion criteria and an average of 6.1 listed peers. Lists mailed to firms in all other peer conditions (G3a-G3c) contained an average of at least 9.7 peers. To rule out the possibility that the number of listed peers drove our results, we conducted two additional variants of our analysis. The first of these controlled for the exact number of peers in the peer list; the second dropped observations corresponding to firms that received letters containing a list with fewer than ten peers. Results following these modifications remained qualitatively similar to our main analysis.

4.4 Measurement and analysis of post-intervention compliance

We developed two measures of post-intervention compliance. The first measure, *short-term compliance,* indicates publication of an MSA statement within nine months following our experimental intervention (i.e. by June 2019). The second, *longer-term compliance,* indicates publication of a statement within three fiscal years of the intervention (i.e., by the fiscal year ending in 2021). For both measures, the variable *MSA Statement* is set to 1 if a statement published during the relevant period was found and 0 otherwise.

To construct the short-term compliance measure, we began by matching the firms in our experimental sample with the June 2019 version of the BHRRC Modern Slavery Registry. Additionally, we became aware of a second directory of MSA statements compiled by Transparency in Supply Chains (TISC), a social enterprise with a mission of "ending corruption, supply chain labour abuses and modern slavery." Matching the TISC directory with our database revealed cases where TISC had identified statements not found in the BHRRC database, as well as cases where a focal firm was a subsidiary already covered by a statement published by a parent firm. We omitted the 578 firms that had been incorrectly classified as non-compliant and therefore been included in our experimental sample. This adjustment resulted in a final sample of 6,906 firms for analysis (see Figure 1).[9]

We constructed our measure of longer-term compliance by augmenting our database with more recent MSA statement data (purchased from TISC) from the fiscal years ending in 2019, 2020, and 2021. We matched these data with our experimental sample to identify firms that had published an MSA statement within three years of our intervention.

[9] Because our randomization was conducted independently of the TISC data, no statistical bias is introduced by analyzing the remaining dataset as if the 578 firms had not been included in the experimental sample from the start (see, e.g., Fergusson et al., 2002). We also verified that the number of removed firms was nearly balanced across conditions. As a final check, we observed no substantive changes to our findings when re-analyzing our data while retaining the 578 firms (with *MSA Statement* set to 1).

5. RESULTS

5.1. Summary statistics and balance check

Table 1 provides summary statistics for our sample. As expected from random assignment, mean values for the firm-level controls *firm revenue (ln thousand GBP)* and *firm revenue growth* (measured annually, in fractional terms) (Rowley, Shipilov, & Greve, 2017; Kim & Lyon, 2014) were similar across conditions. We also observed balance across conditions for *geography pre-treatment compliance rate* and *industry pre-treatment compliance rate*, which refer to the pre-experiment compliance rate among other firms in the focal firm's geography or sector. Furthermore, the distribution of firms across location types (London, second-tier cities, third-tier cities, and rural towns) and industries (financial, manufacturing, professional services, wholesale and retail, and others)[10] was balanced across conditions.

[Insert Table 1 here]

5.2 Univariate analysis of post-treatment compliance

We begin by comparing average compliance rates across the experimental conditions. Short-term compliance rates (nine months post-intervention) are shown in Figures 3a-3b and longer-term compliance rates (three years post-intervention) are depicted in Figures 3c-3d. We first evaluate short-term compliance before addressing longer-term compliance.

[Insert Figures 3a, 3b, 3c and 3d here]

Figure 3a reveals that, contrary to our hypothesis H1, average compliance was *lower* in the *Letter without peers* condition (G2) than in the *Control group* condition (G1). In other words, the baseline letter *reduced* subsequent compliance with the MSA disclosure requirement. This difference is both economically and statistically significant ($\mu_{G2} = 28.9\%$ vs. $\mu_{G1} = 38.6\%$; $p < 0.001$ in a two-sided t-test). Consistent with hypothesis H2, compliance was

[10] To more comprehensively check balance, we carried out pairwise t-tests comparing each of the 13 variables in Table 1 in each of the five treatment groups G2-G3d to the control group G1. Across these 65 t-tests (13 variables x 5 treatment conditions), the equality of means could not be rejected in 60 cases at p=0.05. These results are consistent with random assignment working as expected.

higher in the pooled peer list conditions (G3) compared to the *Letter without peers* condition (G2) (μ_{G3} = 33.4% vs. μ_{G2} = 28.9%; p = 0.004). Despite this marginal increase in compliance from including a peer list, compliance in the pooled peer list conditions remained lower than in the *Control group* (G1) condition (μ_{G3} = 33.4% vs. μ_{G1} = 38.6%; p < 0.001). Thus, including a list of compliant peers mitigated but did not fully eliminate the negative effect of the baseline letter.

Figure 3b disaggregates the peer list conditions in G3 to test hypotheses H3(i), H3(ii) and H3(iii). Compared to *Letter with random peers* (G3a), *Letter with geography peers* (G3b) elicited higher compliance (μ_{G3b} = 36.8% vs. μ_{G3a} = 31.6%, p = 0.007). Compliance for *Letter with geography-industry peers* (G3d) also exceeded *Letter with random peers* (G3a) (μ_{G3d}=34.1% vs. μ_{G3a}=31.6%; p = 0.196). *Letter with industry peers* (G3c) showed little difference relative to *Letter with random peers* (G3a) (μ_{G3c}=31.2% vs. μ_{G3a}=31.6%, p = 0.857). Compared to the control group (G1), however, all four peer list conditions (G3a-G3d) still showed lower compliance. Two-sided t-tests provide strong statistical support for these differences: G3a (*Letter with random peers* vs. *Control group*, p < 0.001), G3c (*Letter with industry peers* vs. *Control group*, p < 0.001), and G3d (*Letter with geography-industry peers* vs *Control group*), p = 0.023). Firms in G3b (*Letter with geography peers*) complied at a rate lower than, but not statistically dissimilar from, the *Control group* (p=0.382).

Figures 3c-3d present *longer-term* (three years post-intervention) compliance rates. Differences between conditions were qualitatively similar to those observed in analysis of short-term compliance, though the magnitudes of these differences were somewhat reduced. Notably, the *Letter without peers* condition (G2) continues to show a lower rate of compliance than the *Control group* condition (G1) (p = .027). Further, the *Control group* (G1) and *Letter with geography peers* (G3b) conditions continue to exhibit the highest compliance rates across all conditions.

5.3 Regression analysis of post-treatment compliance

Extending the univariate analyses, Table 2 presents regression estimates based on linear probability models predicting the binary outcome *MSA Statement*. The first four columns show the results for shorter-term compliance (nine months post-intervention), while the last four columns do so for longer-term compliance (three years post-intervention). Odd-numbered columns include control variables for firm characteristics, geography and industry. Even-numbered columns add geography and industry fixed effects; we refer to these most-specified models when reporting effect sizes.

[Insert Table 2 here]

The overall results from these regressions are consistent with the univariate analysis. Columns 1 and 2 include the indicator variables *Letter without peers* (G2) and *Letter with peers (pooled)* (G3), thereby estimating treatment effects for these conditions relative to the *Control group* condition (G1). The estimated treatment effect for *Letter without peers* is -9.7 percentage points (Wald test $p < 0.01$). This suggests a strong *negative* effect of the baseline letter on compliance and rejection of hypothesis H1. While the coefficient estimate for *Letter with peers (pooled)* also indicates a negative treatment effect of -5.2 percentage points, this is substantially more positive than the -9.7 percentage point effect for *Letter without peers* (Wald test $p < 0.01$). Consistent with hypothesis H2, including a list of compliant peers partially mitigated the negative effect of sending a letter on compliance.

As in the univariate analysis, a more detailed model suggests mixed results across hypotheses H3(i), H3(ii) and H3(iii). Columns 3 and 4 in Table 2 show negative coefficient estimates on all four sub-conditions, with the estimate for *Letter with geography peers* (G3b) being the smallest in magnitude and the only one statistically indistinguishable from zero at $p = 0.10$. This coefficient is significantly more positive than for the *Letter with random peers* condition G3a (Wald test $p < 0.01$), providing strong support for hypothesis H3(i). The coefficient on *Letter with industry peers* (G3c) shows no difference from the random peers condition G3a (Wald test p = 0.77), providing no support for H3(ii). Finally, the coefficient on *Letter with geography-industry peers* (G3d) is marginally more positive than for the random peers condition G3a (Wald test p = 0.17), providing weak support for H3(iii).

Regression analysis predicting longer-term (three years post-intervention) compliance is reported in Columns 5-8. Column 6 shows that the negative treatment effects for both the *Letters without peers* and *Letter with peers (pooled)* conditions persist for longer-term compliance, but are less negative than the short-term effects reported in Column 2: -3.9 vs. -9.7 percentage points for *Letters without peers* and -3.2 vs. -5.2 percentage points for *Letter with peers (pooled)*. Column 8 finds negative and significant treatment effects for the disaggregated peer conditions: *Letter with random peers*, *Letter with industry peers* and *Letter with geography-industry peers* ($p < 0.10$). Compared to their effects on short-term compliance (Column 4), these effects on longer-term compliance are diminished in magnitude for the *Letter with random peers* and *Letter with industry peers* conditions.

5.4 Heterogeneity in treatment effects across firms?

To explore potential heterogeneity in treatment effects, we analyze subsamples of firms above and below the median on two dimensions: *Firm revenues (ln thousand GBP)* and *Firm revenue growth*. For each subsample, we estimate our most specified model with geography and industry fixed effects (i.e., Table 2, Column 4). Results are shown in Table 3.

[Insert Table 3 here]

We begin with the analysis of short-term compliance. Columns 1-4 show that the *negative* treatment effect of the baseline letter remains consistent across all four subsamples ($p < 0.01$). The estimated effect is larger for large firms (10.8 percentage points) versus small firms (8.6 percentage points) and for low-growth firms (12.4 percentage points) versus high-growth firms (7.9 percentage points). This suggests that our results related to H1 are robust across subsamples.[11] Our primary conclusions related to hypotheses H2 and H3 also hold across all subsamples. In particular, among the treatment conditions, *Letter with geography peers* (G3b) continues to exhibit the highest compliance rate across all four subsamples.

Columns 5-8 of Table 3 present the estimates for longer-term compliance for the same four subsamples. Consistent with our full sample analysis (i.e., comparing Columns 4 vs. 8 in Table 3), these effects are directionally similar but generally weaker compared to those for short-term compliance (i.e., Columns 1-4). Due to the smaller sample sizes relative to our full-sample analysis, statistical significance is also markedly diminished. However, for large firms and low-growth firms, we still observe a significant negative treatment effect (at $p = 0.10$) in several conditions with letters, including the baseline letter (G2).

5.5 Content analysis of published MSA statements

To explore potential explanations for our observed treatment effects, we collected and analyzed the content of published MSA statements. Focusing on firms that became compliant according to our short-term measure (nine months post-intervention), we built a database by combining statements collected by our partner NGO with additional data from TISC. Our final database included 2,158 statements.

We visually coded the raw statement files to create two binary variables based on quality criteria mentioned in the MSA Act (Section 54, Part 6; see Appendix Figure A1): (i) inclusion of a signature from a corporate director or similar company official (*Statement signed*), and (ii) confirmation of support from the board of directors or a similar body (*Approved by board*). We also constructed a third variable (*Signed or approved*), set to one if at least one of these criteria was met. Each statement was independently coded by two research assistants, with any discrepancies manually reconciled.

---

[11] To further examine the statistical robustness of these differences, we estimated another model where firm revenue and growth were included as interaction terms. The analysis rejected the statistical equivalence of the effects for large vs. small firms ($p < 0.10$) but not for high-growth vs. low-growth firms.

Table 4 shows results of these analyses. Columns 1 through 3 show that firms receiving the baseline letter alone (G2) were more likely to include a director's signature than those in the control condition (G1), though this difference was not statistically significant (sample means: μ_{G2}=78.2% vs. μ_{G1}=72.3%, p = 0.075). The pooled peer conditions (G3) also showed a slight increase in director signatures compared to the control (μ_{G3}=73.8% vs. μ_{G1}=72.3%, p = 0.562), with minimal variation across the disaggregated peer conditions. Board approval was modestly higher for the condition receiving the baseline letter compared to the control (μ_{G2}=48.7% vs. μ_{G1}=45.7%, p = 0.423), and for the pooled peer conditions compared to the control (μ_{G3}=46.3% vs. μ_{G1}=45.7%, p = 0.826).

In addition to the visual coding required to identify signatures, we extracted the full text from the statements using automated text extraction tools, followed by manual review to remove non-statement text elements such as webpage headers. Statements that could not be extracted automatically were transcribed manually. Columns 4 through 9 in Table 4 summarize several quantitative indicators of the thoroughness and sophistication of the text: *Total words, Total unique words, Total sentences, Average word length, Average sentence length, Coherence,* and *Flesch-Kincaid grade*. Indicators of thoroughness are generally slightly higher for most, though not all, treatment groups compared to the control group, while measures of sophistication show no clear pattern. Published statements vary widely in both thoroughness and sophistication, and none of the observed differences across conditions are large enough to be statistically meaningful.

In summary, these content analyses indicate modest increases across treatment conditions in both quality variables (i.e., *Statement signed* and *Approved by board*) and in quantitative indicators of thoroughness. One plausible explanation for the negative effect of the baseline letter on compliance is that it was perceived as a signal of heightened scrutiny, leading firms to strategically withhold disclosure (Carlos & Lewis, 2018; Delmas and Montes-

Sancho, 2011; Kim & Lyon, 2015). We would expect firms with stronger human rights practices to be less prone to strategic withholding. Our finding that companies receiving letters were less likely to publish MSA statements, but published statements of higher average quality, is consistent with this explanation. However, as differences in quality measures were not statistically significant, we regard this as suggestive but not conclusive evidence of the underlying mechanism.

6. SUMMARY AND DISCUSSION

This paper presents results from a field experiment testing the impact of privately applied pressure from a human rights NGO on firms' compliance with a prominent sustainability disclosure law in the U.K. Surprisingly, we find that firms sent a letter identifying them as non-compliant and urging compliance were *less* likely to disclose information than those in the control group. Results from all but one of our additional treatment conditions indicate that including a list of compliant peer firms only partially mitigated this negative effect. The exception was the condition where the listed peers were drawn from the same geographic location, which elicited the highest compliance among all treatment conditions.

The observed *negative* effect of sending the letter on compliance (contradicting H1) is robust across conditions and subsamples. However, there might be limits to generalizability of our findings. Corporate response to activism likely depends on characteristics of the specific disclosure regulation, the identity of the activist, and the specific tactics used. One possible explanation for our unexpected result is that the baseline letter may have clarified the absence of government enforcement, reducing firms' perceived penalties for non-compliance. Other factors could be the identity and reputation of the specific activist involved (Minkoff, 1999; Den Hond & Bakker, 2007; Odziemkowska, 2022a) or the specific framing of the letter (Dutton & Jackson, 1987; Durand & Huysentruyt, 2022). While we our field experiment was unable to examine all possible contingencies due to resource and practical constraints, we designed it to be reasonably representative of the phenomenon it represents (List, 2006) by working with a mainstream activist and using a common pressure tactic. Further study will be required to evaluate the boundary conditions and contingencies of these findings, but at a minimum, our study raises important questions about the effectiveness of regulations that delegate disclosure enforcement to private politics.

Our peer information results reveal that including information about already-compliant peers increased compliance, supporting H2. This finding aligns with prior studies that have documented the effects of sharing peer information on socially beneficial *individual* behaviors such as energy conservation (Alcott, 2011) and voting (Nickerson, 2008). We extend this approach to the firm-level, providing experimental evidence of the causal effect of peer information on a socially beneficial *firm* behavior. These findings are relevant to a broad literature on the diffusion of organizational practices in which the existence of such causal peer effects is widely acknowledged but rarely tested directly (Naumovska et al., 2021). The positive peer effects activated by our intervention are in striking contrast to the negative baseline effect of activist pressure (i.e., the letter alone).

Our comparison across types of peer groups (related to H3) also yields intriguing insights. Information about compliant peers in the same geography had a stronger effect on compliance than information about peers in the same industry.[12] Interestingly, the most narrowly-defined peer group was not necessarily the most effective: letters listing peers drawn from the focal firm's geography *and* industry were *less* likely to elicit compliance than those containing peers matched on geography alone, which contrasts with prior research (Marquis & Tilcsik, 2016). Potential explanations include firms' existing awareness of the compliance status of peers in their geography-industry combination or that the SIC codes we used to

[12] These estimates are likely sensitive to the definition of geography and industry boundaries. The average number of firms per TTW area is smaller than the number per SIC code, as our data encompass more TTW areas (131) than two-digit SIC codes (78). TTW areas are more concentrated: the largest TTW area (London) contains 48% of all firms in our sample while the largest sector (SIC 70) contains only 15%.

identify industry peers do not accurately reflect firms' own cognitive categories (Porac & Thomas, 1990). Such possibilities present interesting directions for future study.

7. CONCLUSION

Our study underscores the limited capacity of private politics alone to enforce sustainability disclosures and similar corporate behaviors. While our findings suggest that private activists, particularly in civil society, may struggle to effectively enforce disclosures, they also show that the tactic of highlighting peer information can be effective in this context. It is important to note that the exact social welfare consequences of reduced sustainability disclosure are ambiguous: for instance, if certain disclosures are sloppy or misleading, reducing such disclosures might even be social welfare-enhancing. Ultimately, disclosure is beneficial only to the extent that it enables a more effective system of corporate governance. More research is therefore needed to determine when and how activism improves not just transparency but also overall corporate performance on sustainability. We hope our study motivates further research, including further field experiments, that illuminate how regulators, activists and firms can interact effectively to achieve accountability and progress.

REFERENCES

Allcott, H. (2011). Social norms and energy conservation. *Journal of Public Economics, 95*(9-10), 1082-1095.

Aragon-Correa, J.A., Marcus, A.A., & Vogel, D. (2020). The effects of mandatory and voluntary regulatory pressures on firms' environmental strategies: A review and recommendations for future research. *Academy of Management Annals* 14(1), 339-365.

Audia, P.G., Freeman, J.H., & Reynolds, P.D. (2006). Organizational foundings in community context: Instruments manufacturers and their interrelationship with other organizations. *Administrative Science Quarterly*, *51*(3), 381-419.

Bailey, M., Glaeser, S., Omartian, J.D., & Raghunandan, A. (2022). Misreporting of Mandatory ESG Disclosures: Evidence from Gender Pay Gap Information. Working paper available at: https://ssrn.com/abstract=4192257.

Baron, D.P. (2001). Private politics, corporate social responsibility, and integrated strategy. *Journal of Economics & Management Strategy*, *10*(1), 7-45.

Baron, D.P. (2003). Private politics. *Journal of Economics & Management Strategy*, *12*(1), 31-66.

Baron, D.P. (2012). The industrial organization of private politics. *Quarterly Journal of Political Science*, *7*(2), 135-174.

Bartley, T., & Child, C. (2014). Shaming the corporation: The social production of targets and the anti-sweatshop movement. *American Sociological Review*, *79*(4), 653–679.

Barzilay, R., & Lapata, M. (2008). Modeling local coherence: An entity-based approach. *Computational Linguistics, 34*(1), 1-34.

Briscoe, F., & Gupta, A. (2016). Social activism in and around organizations. *Academy of Management Annals, 10*(1), 671-727.

Briscoe, F., Gupta, A., & Anner, M.S. (2015). Social activism and practice diffusion: How activist tactics affect non-targeted organizations. *Administrative Science Quarterly*, *60*(2), 300-332.

Bridoux, F., & Stoelhorst, J.W. (2014). Microfoundations for stakeholder theory: Managing stakeholders with heterogeneous motives. *Strategic Management Journal, 35*(1), 107–125.

Cao, J., Liang, H., & Zhan, X. (2019). Peer effects of corporate social responsibility. *Management Science*, *65*(12), 5487-5503.

Carlos, W.C., & Lewis, B.W. (2018). Strategic silence: Withholding certification status as a hypocrisy avoidance tactic. *Administrative Science Quarterly 63*(1), 130-169.

Chalmers, A.W., Klinger-Vidra, R. Van der Lugt, C.T., Van de Wijs, P.P. & Bailey, T. (2023). *Carrots & Sticks: Beyond Disclosure in ESG and Sustainability Policy.* University of Edinburgh, King's College London, Global Reporting Initiative, University of Stellenbosch.

Chatterji, A.K., & Toffel, M.W. (2010). How firms respond to being rated. *Strategic Management Journal, 31*(9), 917-945.

Cheng B., Ioannou, I., & Serafeim, G. (2014). Corporate social responsibility and access to finance. *Strategic Management Journal*, *35*(1), 1-23.

Crane, A. (2013). Modern Slavery as a Management Practice: Exploring the Conditions and Capabilities for Human Exploitation. *Academy of Management Review*, *38*(1), 49-69.

Davis, G.F., & Greve, H.R. (1997). Corporate elite networks and governance changes in the 1980s. *American Journal of Sociology*, *103*(1), 1-37.

Davis, G.F., King, B.G., & Soule, S.A. (2022). Do social movements improve corporate behavior? A discussion and research agenda. *Rutgers Business Review*, *7*(2), 139-152.

Deephouse, D.L. (1996). Does isomorphism legitimate? *Academy of Management Journal*, *39*(4), 1024-1039.

Den Hond, F., & De Bakker, F.G. (2007). Ideologically motivated activism: How activist groups influence corporate social change activities. *Academy of Management Review*, *32*(3), 901-924.

Dellavigna, S., & Linos, E. (2022). RCTs to Scale: Comprehensive Evidence from Two Nudge Units. *Econometrica*, *90*(1), 81-116.

Delmas, M.A., & Aragon-Correa, J.A. (2016). Field experiments in corporate sustainability research: Testing strategies for behavior change in markets and organizations. *Organization & Environment*, *29*(4), 391-400.

Delmas, M.A., & Burbano, V.C. (2011). The Drivers of Greenwashing. *California Management Review*, *54*(1), 64-87.

Delmas, M.A., & Montes-Sancho, M.J. (2011). An institutional perspective on the diffusion of international management system standards: The case of the environmental management standard ISO 14001. *Business Ethics Quarterly, 21*(1), 103-132.

Delmas, M.A., & Toffel, M.W. (2008). Organizational responses to environmental demands: Opening the black box. *Strategic Management Journal, 29*(10), 1027-1055.

Doshi, A.R., Dowell G.W., & Toffel M.W. (2013). How firms respond to mandatory information disclosure. *Strategic Management Journal 34*(10),1209-1231.

Durand, R., Hawn, O., & Ioannou, I. (2019). Willing and able: A general model of organizational responses to normative pressures. *Academy of Management Review*, *44*(2), 299-320.

Durand, R., & Huysentruyt, M. (2022). Communication frames and beneficiary engagement in corporate social initiatives: Evidence from a randomized controlled trial in France. *Strategic Management Journal*, Forthcoming.

Dutton, J.E., & Jackson, S.E. (1987). Categorizing strategic issues: Links to organizational action. *Academy of Management Review*, *12*(1), 76-90.

Eesley, C., & Lenox, M. J. (2006). Firm responses to secondary stakeholder action. *Strategic Management Journal*, *27*(8), 765-781.

Fabrizio, K.R., & Kim, E.H. (2019). Reluctant disclosure and transparency: Evidence from environmental disclosures. *Organization Science*, *30*(6), 1207-1231.

Fair Labor Association. (2023). *Fair Labor Association 2022 Annual Report*.

Fergusson, D., Aaron, S.D., Guyatt, G., & Hèbert, P. (2002). Post-randomisation exclusions: The intention to treat principle and excluding patients from analysis. *British Medicine Journal 325*, 652-654.

Flammer, C. (2015). Does corporate social responsibility lead to superior financial performance? A regression discontinuity approach. *Management Science*, 61(11), 2549–2568.

Flammer, C., Toffel, M., & Visnawathan, K. (2021). Shareholder activism and firms' voluntary disclosure of climate change risks. *Strategic Management Journal*, *42*(10), 1850-1879.

George, G., Howard-Grenville, J., Joshi, A., & Tihanyi, L. (2016). Understanding and tackling societal grand challenges through management research. *Academy of Management Journal*, *59*(6), 1880-1895.

Godfrey, P.C., Merrill, C.B., & Hansen, J.M. (2009). The relationship between corporate social responsibility and shareholder value: An empirical test of the risk management hypothesis. *Strategic Management Journal, 30*(4), 425–445.

Greenpeace e.V. (2021). Self regulation: A fashion fairytale. Accessed at: https://www.greenpeace.de/sites/default/files/publications/20211122-greenpeace-detox-fashion-fairytale-engl-pt1.pdf.

Gupta, A., & Briscoe, F. (2020). Organizational political ideology and corporate openness to social activism. *Administrative Science Quarterly*, *65*(2), 524-563.

Hawn, O., Chatterji, A. K., & Mitchell, W. (2018). Do investors actually value sustainability? New evidence from investor reactions to the Dow Jones Sustainability Index (DJSI). *Strategic Management Journal*, *39*(4), 949-976.

Henisz, W.J., Dorobantu, S., & Nartey, L.J. (2014). Spinning gold: the financial returns to external stakeholder engagement. *Strategic Management Journal, 25*(12), 1727–1748.

Hiatt, S. R., Grandy, J. B., & Lee, B. H. (2015). Organizational responses to public and private politics: An analysis of climate change activists and US oil and gas firms. *Organization Science*, *26*(6), 1769-1786.

Ho, V. H., & Park, S. K. (2019). ESG disclosure in comparative perspective: optimizing private ordering in public reporting. *U. Pa. J. Int'l L.*, *41*, 249-328.

Hoffman, A. J. (2001). Linking organizational and field-level analyses: The diffusion of corporate environmental practice. *Organization & Environment*, *14*(2), 133-156.

Hsin, L., New, S.J., Pietropaoli, I. and Smit, L. (2021). *Accountability, Monitoring and the Effectiveness of Section 54 of the Modern Slavery Act: Evidence and Comparative Analysis.* London: Modern Slavery Policy and Evidence Centre.

Kim, E. H., & Lyon, T. P. (2015). Greenwash vs. brownwash: Exaggeration and undue modesty in corporate sustainability disclosure. *Organization Science*, *26*(3), 705-723.

King, A.A., & Lenox, M.J. (2002). Exploring the locus of profitable pollution reduction. *Management Science, 48*(2), 289-299.

King, B.G., McDonnell, M.-H. (2013). Good firms, good targets: The relationship between corporate social responsibility, reputation, and activist targeting. In K. Tsutsui and A. Lim (Eds.), *Corporate Social Responsibility in a Globalizing World: Toward Effective Global CSR Frameworks* (pp. 430-454). Cambridge, UK: Cambridge University Press.

King, A.A., & Pucker, K.P. (2021). Heroic Accounting. *Stanford Social Innovation Review*. Available at: https://doi.org/10.48558/Z07V-B179.

King, B.G. (2008). A Political Mediation Model of Corporate Response to Social Movement Activism. *Administrative Science Quarterly 53*(3), 395–421.

King, B.G., & Soule, S. A. (2007). Social movements as extra-institutional entrepreneurs: The effect of protests on stock price returns. *Administrative Science Quarterly*, *52*(3), 413– 442.

Kitzmueller, M., Shimshack, J. (2012). Economic perspectives on corporate social responsibility. *Journal of Economic Literature 50*(1), 51–84.

Klein, P.G., Mahoney, J.T., McGahan, A.M., & Pitelis, C.N. (2010). Toward a theory of public entrepreneurship. *European Management Review 7*(1), 1–15.

Lenox, M.J., & Eesley, C.E. (2009). Private environmental activism and the selection and response of firm targets. *Journal of Economics & Management Strategy*, *18*(1), 45-73.

List, John A. (2006). Field Experiments: A Bridge between Lab and Naturally Occurring Data. *Advances in Economic Analysis and Policy, 6*(2), Article 8.

Loh, L., Thomas, T., & Wang, Y. (2017). Sustainability reporting and firm value: Evidence from Singapore-listed companies. *Sustainability*, *9*(11), 2112.

Luo, J., & Kaul, A. Private action in public interest: The comparative governance of social issues. *Strategic Management Journal 40*(4), 476–502.

Luo, J., Kaul, A., & Seo, H. (2018). Winning us with trifles: Adverse selection in the use of philanthropy as insurance. *Strategic Management Journal, 39*(10), 2591-2617.

Lyon, T.P., & Montgomery, A.W. (2015). The means and end of greenwash. *Organization & Environment*, *28*(2), 223-249.

Marquis, C., Glynn, M. A., & Davis, G. F. (2007). Community isomorphism and corporate social action. *Academy of Management Review*, *32*(3), 925-945.

Marquis, C., & Tilcsik, A. (2016). Institutional equivalence: How industry and community peers influence corporate philanthropy. *Organization Science 27*(5), 1325-1341.

Marquis, C., Toffel, M. W., & Zhou, Y. (2016). Scrutiny, norms, and selective disclosure: A global study of greenwashing. *Organization Science*, *27*(2), 483-504.

McDonnell, M.-H., & King, B. (2013). Keeping up appearances: Reputational threat and impression management after social movement boycotts. *Administrative Science Quarterly*, *58*(3), 387-419.

McDonnell, M.-H., King, B. G., & Soule, S. A. (2015). A dynamic process model of private politics: Activist targeting and corporate receptivity to social challenges. *American Sociological Review*, *80*(3), 654-678.

McDonnell, M.-H., Odziemkowska, K., & Pontikes, E. (2021). Bad company: Shifts in social activists' tactics and resources after industry crises. *Organization Science*, *32*(4), 1033-1055.

Ministère des Affaires Etrangères. (2012). The French legislation on extra-financial reporting: Built on consensus. Office of the Ambassador at large for Corporate Social Responsibility. www.diplomatie.gouv.fr/IMG/pdf/Mandatory_reporting_built_on_consensus_in_France.pdf.

Minkoff, D.C. (1999). Bending with the wind: Strategic change and adaptation by women's and racial minority organizations. *American Journal of Sociology*, *104*(6), 1666–1703.

Naumovska, I., Gaba, V., & Greve, H. R. (2021). The diffusion of differences: A review and reorientation of 20 years of diffusion research. *Academy of Management Annals*, *15*(2), 377-405.

Nickerson, D.W. (2008). Is voting contagious? Evidence from two field experiments. *American*

Political Science Review, *102*(1), 49-57.

Odziemkowska, K. (2022a). Frenemies: Overcoming Audiences' Ideological Opposition to Firm–Activist Collaborations. *Administrative Science Quarterly*, *67*(2), 469-514.

Odziemkowska, K. (2022b). Firm-NGO collaborations for sustainability: a comparative research agenda. In George, G., Haas, M., Joshi, H., McGahan, A., & Tracey, P. (Eds.), *Handbook on the Business of Sustainability* (pp. 100-117). Northampton, MA: Edward Elgar.

Pacheco, D.F., & Dean, T.J. (2015). Firm responses to social movement pressures: A competitive dynamics perspective. *Strategic Management Journal, 36*(7), 1093-1104.

Porac, J. F., & Thomas, H. (1990). Taxonomic mental models in competitor definition. *Academy of Management Review*, *15*(2), 224-240.

Raffaelli, R., & Glynn, M. A. (2014). Turnkey or tailored? Relational pluralism, institutional complexity, and the organizational adoption of more or less customized practices. *Academy of Management Journal*, *57*(2), 541-562.

Rainforest Alliance. (2021). *Our work with Nestlé Cocoa*. Available at: https://www.rainforest-alliance.org/wp-content/uploads/2021/09/our-work-with-nestle-cocoa.pdf.

Reid, E.M., & Toffel, M.W. (2009). Responding to public and private politics: Corporate disclosure of climate change strategies. *Strategic Management Journal*, *30*(11), 1157-1178.

Reingen, P.H. (1982). Test of a list procedure for inducing compliance with a request to donate money. *Journal of Applied Psychology, 67*(1), 110–118.

Rowley, T.J., Shipilov, A.V., & Greve, H.R. (2017). Board reform versus profits: The impact of ratings on the adoption of governance practices. *Strategic Management Journal, 38*(4), 815-833.

Senn, J. (2018). 'Comply or explain' if you do not disclose environmental accounting information: Does new French regulation work? In Belal, A., Cooper, S. (Eds.), *Sustainability Accounting* (pp. 113-133). Bingley, U.K.: Emerald.

Seo, H. (2021). Peer effects in corporate disclosure decisions. *Journal of Accounting and Economics*, *71*(1), 101364.

Short, J.L., & Toffel, M.W. (2010). Making self-regulation more than merely symbolic: The critical role of the legal environment. *Administrative Science Quarterly, 55*(3), 361-396.

Soule, S.A., Swaminathan, A., & Tihanyi, L. (2014). The diffusion of foreign divestment from Burma. *Strategic Management Journal*, *35*(7), 1032-1052.

Strang, D., & Meyer, J.W. (1993). Institutional conditions for diffusion. *Theory and Society*, *22*(4), 487-511.

Suchman, M.C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, *20*(3), 571-610.

Tilly, C., & Tarrow, S. G. (2015). *Contentious politics*. Oxford University Press.

U.K. Home Office (2015). *Transparency in supply chains etc.: A practical guide*. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1040283/Transparency_in_Supply_Chains_A_Practical_Guide_2017_final.pdf.

U.K. Parliament. (2014). HC Deb 4 November 2014, vol 587, col 704.

U.K. Parliament. (2015). *Modern Slavery Act 2015*. (c.30). London: The Stationery Office.

United Nations. (2011). *Private sector, not just governments, has role in new strategies, measures needed to eradicate contemporary forms of slavery, says Secretary-General in message*. Available at: https://press.un.org/en/2011/sgsm13971.doc.htm.

UN General Assembly. (2015). *Transforming our world: the 2030 Agenda for Sustainable Development* [UN A/RES/70/1, 21 October 2015]. Available at: https://documents-dds-ny.un.org/doc/UNDOC/GEN/N15/291/89/PDF/N1529189.pdf.

Table 1. Variable means and their balance across the experimental conditions

Group of firms:	G1	G2	G3a	G3b	G3c	G3d	Full sample
Experimental condition:	No letter (control)	Letter without peers	Letter with random peers	Letter with geo peers	Letter with ind peers	Letter with geo-ind peers	All conditions
Firm revenues (ln thousand GBP)	4.38	4.42	4.39	4.46	4.44	4.44	4.42
	(1.26)	(1.29)	(1.29)	(1.31)	(1.29)	(1.25)	(1.28)
Firm revenue growth	0.156	0.163	0.138	0.130	0.142	0.134	0.144
	(0.730)	(0.679)	(0.622)	(0.637)	(0.627)	(0.631)	(0.655)
Geography pre-treatment compliance rate	0.217	0.216	0.216	0.216	0.215	0.216	0.216
	(0.035)	(0.032)	(0.034)	(0.033)	(0.031)	(0.032)	(0.033)
Industry pre-treatment compliance rate	0.206	0.208	0.211	0.208	0.204	0.206	0.207
	(0.057)	(0.055)	(0.056)	(0.054)	(0.055)	(0.053)	(0.055)
Type of geographic location:							
London (largest U.K. city)	0.461	0.496	0.460	0.506	0.487	0.490	0.483
	(0.499)	(0.500)	(0.499)	(0.500)	(0.500)	(0.500)	(0.500)
Second tier city (> 500k population)	0.160	0.142	0.160	0.133	0.156	0.170	0.154
	(0.367)	(0.350)	(0.366)	(0.340)	(0.363)	(0.376)	(0.361)
Third tier city (>100k but <500k population)	0.343	0.342	0.352	0.336	0.328	0.304	0.334
	(0.475)	(0.475)	(0.478)	(0.473)	(0.470)	(0.460)	(0.472)
Rural town (<100k population)	0.036	0.020	0.028	0.025	0.028	0.036	0.029
	(0.185)	(0.140)	(0.166)	(0.155)	(0.164)	(0.188)	(0.167)
Type of industry:							
Financial	0.145	0.143	0.140	0.146	0.150	0.144	0.145
	(0.352)	(0.351)	(0.347)	(0.354)	(0.358)	(0.351)	(0.352)
Manufacturing	0.094	0.080	0.076	0.088	0.087	0.077	0.084
	(0.293)	(0.271)	(0.265)	(0.283)	(0.282)	(0.267)	(0.277)
Professional services	0.302	0.298	0.314	0.288	0.277	0.310	0.298
	(0.460)	(0.458)	(0.464)	(0.453)	(0.448)	(0.463)	(0.458)
Wholesale and retail	0.180	0.198	0.199	0.206	0.216	0.204	0.201
	(0.385)	(0.398)	(0.400)	(0.405)	(0.412)	(0.403)	(0.400)
Other sectors	0.278	0.281	0.271	0.272	0.269	0.265	0.273
	(0.448)	(0.450)	(0.445)	(0.445)	(0.444)	(0.441)	(0.445)
Number of observations	1,154	1,144	1,159	1,140	1,157	1,152	6,906

Notes. Standard deviations in parentheses. The summary statistics are reported using the full sample of 6,906 firms employed in our final analysis, with the exception of the variable *firm revenue growth* that could not be calculated due to missing data for 151 (just over 2%) of the observations. Geographic locations were categorized based on the population of the corresponding TTW area in 2014 (https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/traveltoworkareaanalysisingreatbritain/2016). Industry categories were defined using each company's 2-digit SIC code: Financial (60-67), Manufacturing (20-39), Professional services (70-89), Wholesale and retail (50-59), and Others. For the balance check, we carried out pairwise t-tests for each of the 13 variables for each of the five treatment groups G2-G3d relative to the control group G1. In the 65 t-tests following this procedure (13 variables x 5 pairs of groups), the equality of means could not be rejected in 60 cases (p=0.05), indicating that the sample is balanced across conditions, consistent with random assignment.

Table 2. Regression analysis of post-intervention compliance rates (full sample)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Post-experiment window:	Nine months	Nine months	Nine months	Nine months	Three years	Three years	Three years	Three years
Dependent variable:	*MSA Statement*	*MSA Statement*	*MSA Statement*	*MSA Statement*	*MSA Statement*	*MSA Statement*	*MSA Statement*	*MSA Statement*
Sample:	All Firms	All Firms	All Firms	All Firms	All Firms	All Firms	All Firms	All Firms
Letter without peers	-0.100	-0.097	-0.100	-0.097	-0.047	-0.039	-0.047	-0.039
	(0.020)	(0.020)	(0.020)	(0.020)	(0.019)	(0.019)	(0.019)	(0.019)
Letter with peers (pooled)	-0.055	-0.052			-0.036	-0.032		
	(0.016)	(0.016)			(0.015)	(0.015)		
Letter with random peers			-0.076	-0.077			-0.052	-0.047
			(0.020)	(0.020)			(0.019)	(0.020)
Letter with geography peers			-0.021	-0.016			-0.003	0.003
			(0.020)	(0.021)			(0.019)	(0.019)
Letter with industry peers			-0.076	-0.071			-0.044	-0.041
			(0.020)	(0.020)			(0.019)	(0.019)
Letter with geography-industry peers			-0.047	-0.044			-0.045	-0.043
			(0.020)	(0.020)			(0.019)	(0.020)
Firm revenues (ln thousand GBP)	0.038	0.039	0.038	0.039	0.082	0.081	0.082	0.081
	(0.004)	(0.005)	(0.004)	(0.005)	(0.004)	(0.005)	(0.004)	(0.005)
Firm revenue growth	-0.000	0.003	0.000	0.003	0.003	0.010	0.004	0.010
	(0.008)	(0.009)	(0.008)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)
Geography pre-treatment compliance rate	0.506		0.507		0.386		0.389	
	(0.180)		(0.180)		(0.168)		(0.167)	
Industry pre-treatment compliance rate	0.355		0.355		0.467		0.468	
	(0.106)		(0.106)		(0.098)		(0.098)	
Constant	0.039	0.213	0.040	0.214	0.144	0.324	0.144	0.324
	(0.048)	(0.025)	(0.049)	(0.025)	(0.046)	(0.025)	(0.046)	(0.025)
Observations	6,755	6,740	6,755	6,740	6,755	6,740	6,755	6,740
R-squared	0.017	0.054	0.018	0.056	0.052	0.097	0.053	0.098
Geography FE	No	Yes	No	Yes	No	Yes	No	Yes
Industry FE	No	Yes	No	Yes	No	Yes	No	Yes

Notes. All models estimated as linear probability models using ordinary least squares. Robust standard errors in parentheses. About 2% of the observations were dropped due to missing values for the variable *firm revenue growth*. All results are robust to excluding that variable from all the models.

Table 3. Regression analysis of post-intervention compliance rates (split samples)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Post-experiment window:	Nine months	Nine months	Nine months	Nine months	Three years	Three years	Three years	Three years
Dependent variable:	*MSA Statement*	*MSA Statement*	*MSA Statement*	*MSA Statement*	*MSA Statement*	*MSA Statement*	*MSA Statement*	*MSA Statement*
Sample:	Large firms	Small firms	High-growth firms	Low-growth firms	Large firms	Small firms	High-growth firms	Low-growth firms
Letter without peers	-0.108	-0.086	-0.079	-0.124	-0.058	-0.031	-0.007	-0.089
	(0.029)	(0.028)	(0.029)	(0.028)	(0.026)	(0.029)	(0.028)	(0.028)
Letter with random peers	-0.091	-0.065	-0.076	-0.088	-0.061	-0.038	-0.043	-0.067
	(0.030)	(0.028)	(0.029)	(0.029)	(0.027)	(0.029)	(0.028)	(0.028)
Letter with geography peers	-0.016	-0.023	0.017	-0.057	-0.009	0.009	0.003	-0.003
	(0.030)	(0.029)	(0.030)	(0.028)	(0.025)	(0.031)	(0.028)	(0.028)
Letter with industry peers	-0.059	-0.083	-0.032	-0.122	-0.048	-0.043	-0.005	-0.089
	(0.030)	(0.028)	(0.029)	(0.028)	(0.026)	(0.030)	(0.028)	(0.028)
Letter with geography-industry peers	-0.038	-0.044	-0.034	-0.063	-0.037	-0.047	-0.031	-0.064
	(0.030)	(0.028)	(0.030)	(0.028)	(0.026)	(0.030)	(0.028)	(0.028)
Firm revenues (ln thousand GBP)	0.015	0.041	0.026	0.035	0.039	0.093	0.055	0.076
	(0.009)	(0.008)	(0.008)	(0.006)	(0.008)	(0.010)	(0.008)	(0.006)
Firm revenue growth	0.000	0.003	-0.014	0.120	-0.011	0.024	-0.026	0.208
	(0.013)	(0.012)	(0.010)	(0.039)	(0.013)	(0.015)	(0.011)	(0.043)
Constant	0.348	0.200	0.268	0.284	0.568	0.264	0.460	0.407
	(0.052)	(0.035)	(0.042)	(0.040)	(0.047)	(0.041)	(0.042)	(0.040)
Observations	3,370	3,341	3,351	3,356	3,370	3,341	3,351	3,356
R-squared	0.068	0.084	0.073	0.099	0.089	0.108	0.092	0.158
Geography FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

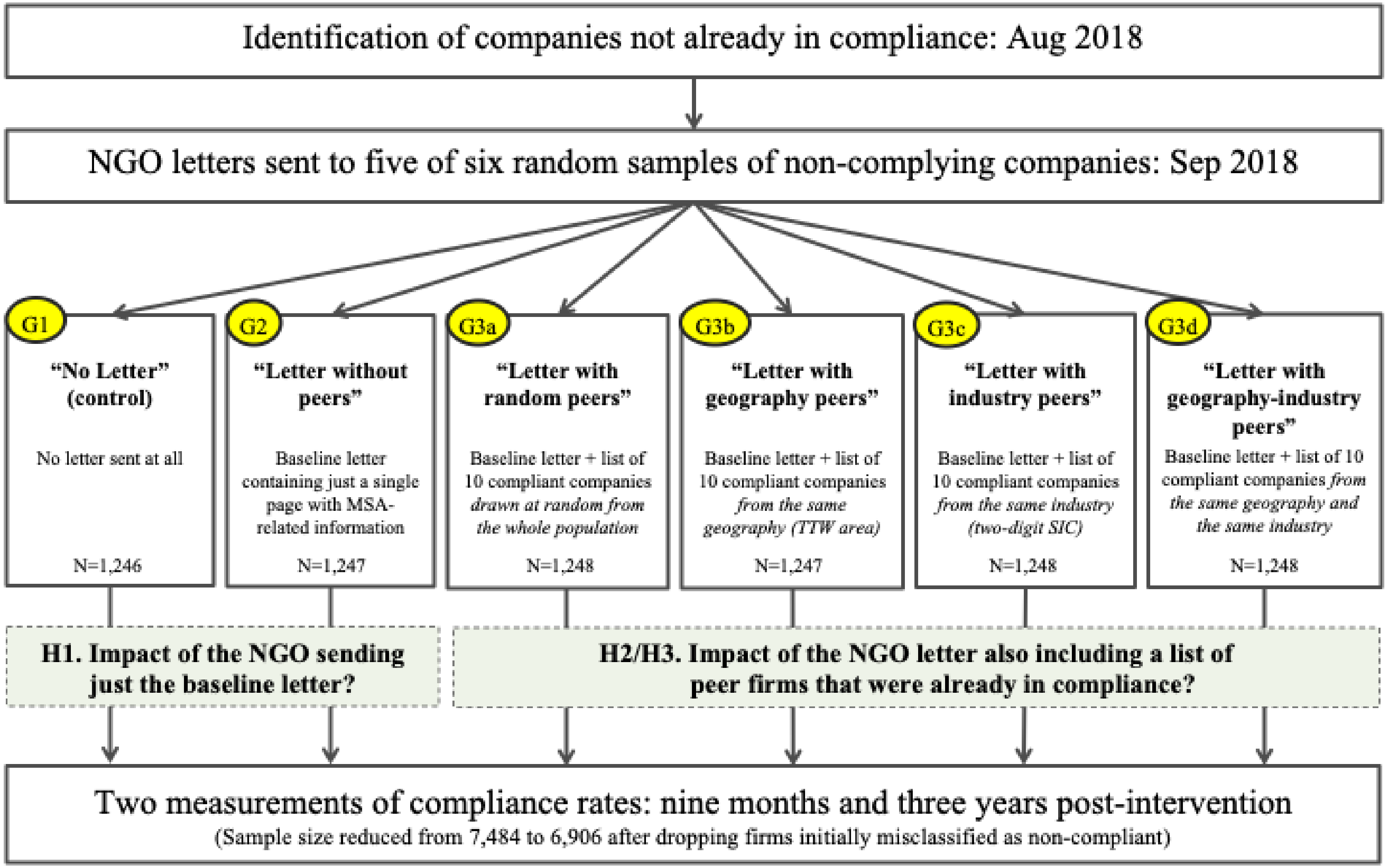
Notes. All models estimated as linear probability models using ordinary least squares. Robust standard errors in parentheses. About 2% of the observations were dropped due to missing values for the variable *firm revenue growth*. All results are robust to excluding that variable from all the models.

Table 4. Characteristics of statements published post-experiment

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Post-experiment window:	Nine months	Nine months	Nine months	Nine months	Nine months	Nine months	Nine months	Nine months	Nine months	Nine months
Variable:	*Statement signed*	*Approved by board*	*Signed or approved by board*	*Total Words*	*Total Unique Words*	*Total Sentences*	*Average Word Length*	*Average Sentence Length*	*Coherence*	*Flesch Kincaid Grade*
Control group	0.723	0.457	0.805	981.72	359.60	37.37	5.47	27.38	-0.708	14.81
	(0.448)	(0.498)	(0.397)	(830.30)	(200.88)	(31.67)	(1.26)	(6.89)	(0.158)	(3.06)
Letter without peers	0.782	0.487	0.834	1017.59	367.24	38.42	5.40	27.38	-0.706	14.85
	(0.413)	(0.501)	(0.372)	(913.83)	(217.46)	(34.77)	(0.94)	(7.28)	(0.170)	(3.53)
Letter with peers (pooled)	0.738	0.463	0.817	1005.96	365.60	38.28	5.45	27.46	-0.712	14.82
	(0.444)	(0.499)	(0.387)	(983.15)	(217.64)	(38.42)	(1.40)	(8.84)	(0.172)	(3.92)
Letter with random peers	0.738	0.461	0.810	940.75	346.50	36.29	5.40	27.08	-0.691	14.57
	(0.441)	(0.499)	(0.392)	(1118.40)	(220.13)	(42.97)	(0.39)	(8.55)	(0.178)	(2.57)
Letter with geography peers	0.735	0.445	0.814	1036.86	372.67	40.01	5.51	27.52	-0.718	15.09
	(0.442)	(0.498)	(0.389)	(1034.90)	(224.74)	(43.08)	(1.90)	(9.10)	(0.175)	(5.66)
Letter with industry peers	0.727	0.472	0.804	1068.99	381.30	39.34	5.49	28.27	-0.724	15.00
	(0.446)	(0.500)	(0.398)	(1011.09)	(229.50)	(36.97)	(1.94)	(9.87)	(0.164)	(3.74)
Letter with geography-industry peers	0.750	0.476	0.837	975.32	361.31	37.29	5.38	26.99	-0.717	14.61
	(0.434)	(0.500)	(0.370)	(732.66)	(194.52)	(28.83)	(0.41)	(7.74)	(0.168)	(2.63)
Full Sample	0.741	0.465	0.817	1003.07	364.71	38.13	5.44	27.43	-0.711	14.82
	(0.438)	(0.499)	(0.387)	(946.13)	(214.49)	(36.72)	(1.32)	(8.29)	(0.169)	(3.72)
Observations	2,158	2,158	2,158	2,158	2,158	2,158	2,158	2,158	2,158	2,158

Notes. Table shows mean values of each variable with standard deviation in parentheses. The sample is limited to statements published within nine months of experiment for which full statement text could be identified and extracted. Measurement of coherence follows Barzilay & Lapata (2008), who provide a method for assessing local coherence based on entity relatedness between adjacent sentences. Flesch Kincaid Grade is a compound measure encompassing complexity of word choice and length of sentences, calculated as 0.39 * (total words / total sentences) + 11.8 * (total syllables / total words) - 15.59.

Figure 1. Design and execution of the field experiment



Note: Sample sizes by condition after dropping firms initially misclassified as non-compliant are shown in Table 1.

Figure 2. Letter sent by the NGO to a firm in treatment group "Letter with random peers" (G3a)

Modern Slavery Registry

"K" LINE BULK SHIPPING (UK) LIMITED
200 ALDERSGATE STREET
LONDON
EC1A 4HD

September 1, 2018

To the directors and senior management of "K" LINE BULK SHIPPING (UK) LIMITED,

Greetings from the Modern Slavery Registry, a non-governmental initiative to track and communicate compliance with the U.K. Modern Slavery Act of 2015. Section 54 of this law requires companies with operations in the U.K. and annual turnover exceeding £36 million to publish a modern slavery statement declaring its initiatives to avoid and/or eliminate modern slavery, both directly in their operations and among suppliers. This statement must be approved by the board of directors, signed by a company director, and prominently linked to on the company's website homepage. **Our records suggest that "K" LINE BULK SHIPPING (UK) LIMITED is required to publish a statement but has not yet done so.**

Companies in all industries are exposed to the risk of modern slavery. Reports of modern slavery and human trafficking in the U.K. increased 35% in 2017, and 16 million people globally are subject to forced labour in the private sector, many in routine business services such as office cleaning, construction, warehousing, and security. Failing to publish a modern slavery statement can have serious negative reputational and financial consequences.

Further information regarding the content of a modern slavery statement and other resources are available at https://www.modernslaveryregistry.org/pages/reporting_guidance. When you have published your statement, **please send the website link to** [redacted] **at** [redacted]**@business-humanrights.org**. Alternatively, please notify us if you believe "K" LINE BULK SHIPPING (UK) LIMITED is not required to publish a modern slavery statement or has already complied with this requirement.

We will begin to publish a list of companies we believe to be non-compliant from **January 1, 2019.** If you require further information, please do not hesitate to contact us.

Kind regards,

[redacted]

[redacted] Executive Director
Business & Human Rights Resource Centre

www.modernslaveryregistry.org Powered by the Business & Human Rights Resource Centre

Modern Slavery Registry

Examples of Companies with Statements

Provided below, for your reference, are examples of companies that have already published modern slavery statements in compliance with the U.K. Modern Slavery Act of 2015.

Company Name	**Metro area**	**Industry**	**Link to Published Statement**
DWR CYMRU CYFYNGEDIG	Cardiff	Water collection, treatment and supply	http://www.dwrcymru.com/en/Reading_Room_Library/Company-Statements.aspx
RUSSELL INVESTMENTS LIMITED	London	Financial service activities, except insurance and pension funding	https://russellinvestments.com/-/media/files/emea/legal/the-uk-modern-slavery-act-2015.pdf
FISH BROTHERS (SWINDON) LIMITED	Swindon	Wholesale and retail trade and repair of motor vehicles and motorcycles	https://www.fish-bros.co.uk/anti-slavery-policy.aspx
AXA SERVICES LIMITED	London	Office administrative, office support and other business support activities	http://www.axa.co.uk/modern-slavery-act/
CHA TECHNOLOGIES GROUP PUBLIC LIMITED COMPANY	Manchester	Manufacture of textiles	http://www.chatechnologies.com/wp-content/uploads/2018/01/Modern_Slavery_Statement.pdf
FIRST CENTRAL INSURANCE MANAGEMENT LIMITED	Crawley	Activities auxiliary to financial services and insurance activities	https://content.1stcentralinsurance.com/documents/modernslaverystatement/modern%20slavery%20statement%20-%20april%202017.pdf
TRUST INNS LIMITED	Preston	Food and beverage service activities	https://www.trustinns.co.uk/pdf/Trust%20Inns%20Modern%20Slavery%20Statement.pdf
HEXADEX LIMITED	Lincoln	Activities of head offices; management consultancy activities	http://www.hexadex.com/modern-slavery-and-human-trafficking-statement/
SWEETT (UK) LIMITED	London	Architectural and engineering activities; technical testing and analysis	http://www.sweettgroup.com/wp-content/uploads/2016/07/Modern-Slavery-Statement.pdf
BRIGHTSTAR 20:20 UK LIMITED	Crewe	Telecommunications	https://s3.amazonaws.com/public-brightstar/uploads/2018/05/22142418/Modern_Slavery_Statement_Signed_6-27-2017.pdf

These companies' statements can be viewed by typing the links above. Alternatively, type the company name and "modern slavery statement" into a search engine.

www.modernslaveryregistry.org Powered by the Business & Human Rights Resource Centre

Figure 3a. Compliance rates nine months post-intervention: Pooled peer conditions (Groups G1, G2 and G3)

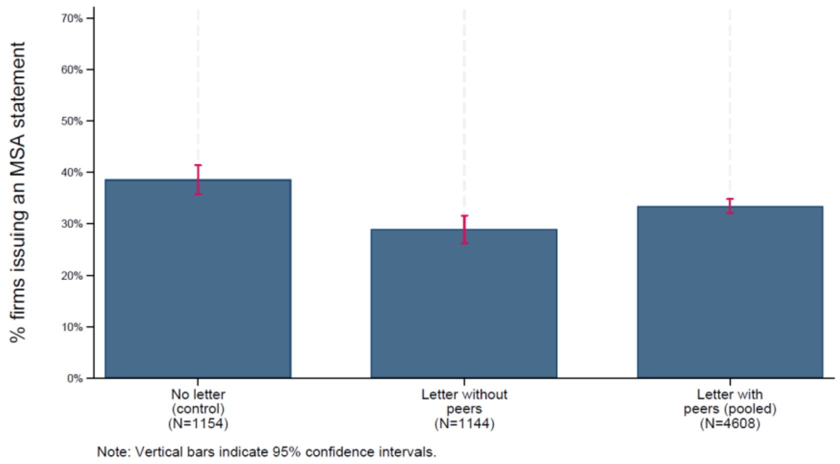


Figure 3c. Compliance rates three years post-intervention: Pooled peer conditions (Groups G1, G2 and G3)

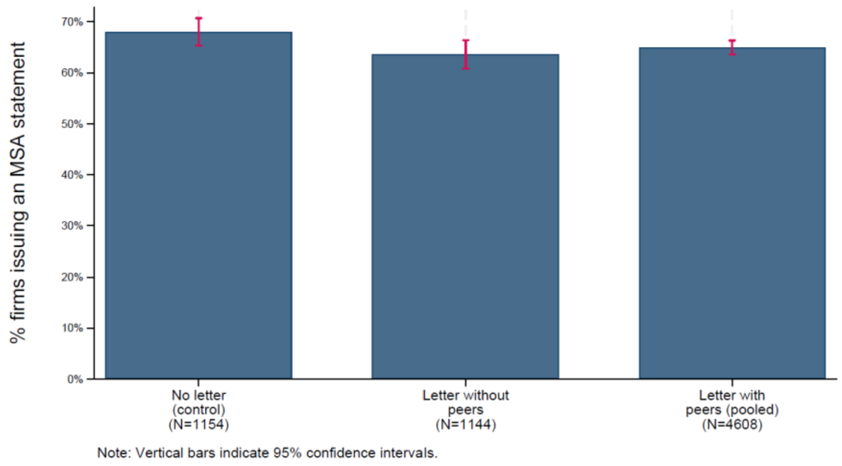


Figure 3b. Compliance rates nine months post-intervention: All conditions (Groups G1, G2, G3a-G3d)

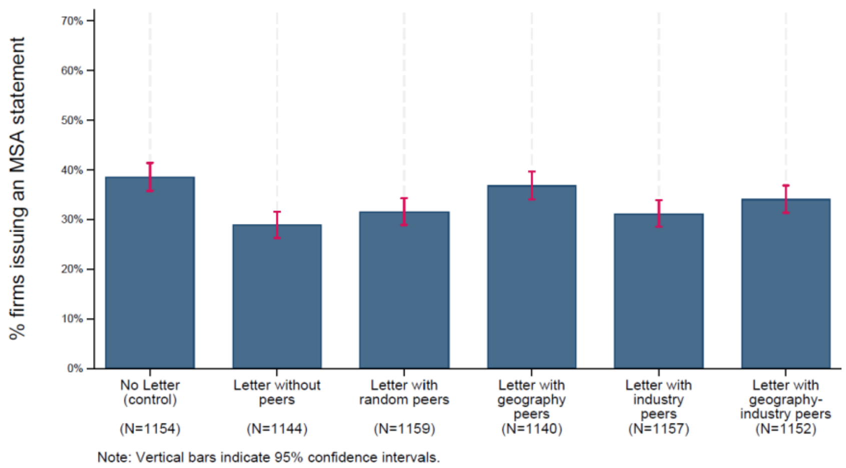
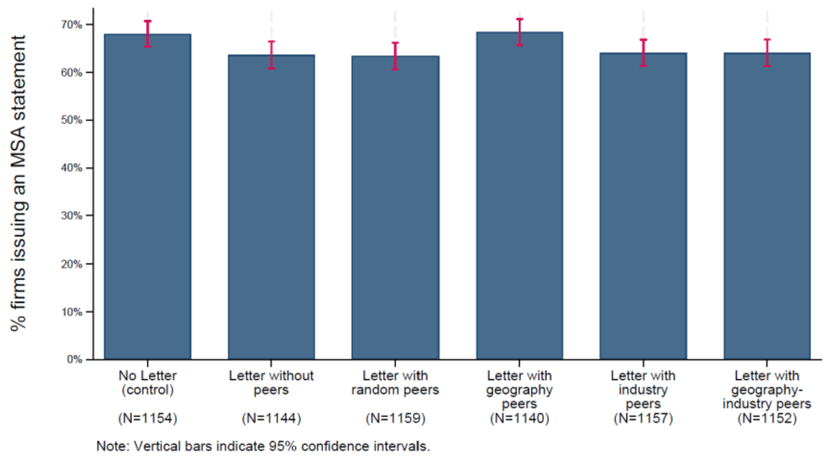


Figure 3d. Compliance rates three years post-intervention: All conditions (Groups G1, G2, G3a-G3d)



APPENDIX

Table A1: Stakeholder Perspectives on the UK Modern Slavery Act 2015

Theme	Stakeholder Type	Name & Role	Quote	Source
Legislative Impact	Politician	Theresa May (then Home Secretary)	"This landmark legislation sends the strongest possible signal to criminals that if you are involved in this vile trade you will be arrested, you will be prosecuted and you will be locked up."	Office, H. (2015, March 26). Historic law to end Modern Slavery passed. *GOV.UK*. https://www.gov.uk/government/news/historic-law-to-end-modern-slavery-passed
Legislative Impact	Civil Society	Andrew Wallis (CEO, Unseen)	"The Modern Slavery Act represents the first step in moving towards greater supply chain transparency and corporate accountability."	Greenhouse. (2021, October 15). *Greenhouse Pioneer: Andrew Wallis, OBE, CEO of Unseen - Greenhouse Communications*. Greenhouse Communications. https://greenhouse.agency/blog/greenhouse-pioneer-andrew-wallis-obe-ceo-unseen-slavery/
Legislative Impact	Business Leader	Paul Polman (then CEO, Unilever)	"The Modern Slavery Act is a game-changer that will push businesses to take responsibility for working conditions throughout their supply chains."	*Former Unilever CEO Paul Polman Explains How He's Building a Movement of CEOs to Change How the World Does Business — JUST Capital*. (n.d.). JUST Capital. https://justcapital.com/news/former-unilever-ceo-paul-polman-on-net-positive-and-building-a-coalition-of-ceos-to-change-business/
Business Response	Business Leader	Dave Lewis (then CEO, Tesco)	"We've strengthened our audit processes and increased supply chain visibility in response to the Act's requirements."	Goldfingle, G., & Creevy, J. (2023, December 13). *Tesco boss Lewis: "Culture, processes and proposition must change."* Retail Week. https://www.retail-week.com/tesco-boss-lewis-culture-processes-and-proposition-must-change/5064628.article
Business Response	Business Leader	Mike Barry (Marks and Spencer)	"That piece of legislation has driven us to look even further into our business. We have identified things we need to do even better. I am saying clearly, as a businessman, that piece of legislation has been helpful."	TEDx Talks. (2011, October 28). *TEDxWWF - Mike Barry: A Manifesto for a Sustainable Business Revolution* [Video]. YouTube.https://www.youtube.com/watch?v=xUDVDh8ktHw
Implementation Challenges	Business Leader	Steve Murrells (CEO, Co-operative Group)	"While the requirements are clear, implementing effective due diligence across complex global supply chains remains a significant challenge."	*How business must change its relationship to society: Steve Murrells, CEO of the Co-operative Group UK : Wellbeing Economy Alliance*. (n.d.). https://weall.org/how-business-must-change-its-relationship-to-society-steve-murrells-ceo-of-the-co-operative-group-uk
Implementation Challenges	Civil Society	Phil Bloomer (Executive Director, Business & Human Rights Resource Centre)	"The Act's reporting requirements lack teeth - there are no penalties for non-compliance and no central list of companies required to report."	Konsepto. (2022, October 5). *Guest writer Phil Bloomer: Corporate Accountability – the orphan child of human rights in business*. KIOS. https://kios.fi/en/2019/01/guest-writer-phil-bloomer-corporate-accountability-the-orphan-child-of-human-rights-in-business/
Implementation Challenges	Legal Expert	Jon Tan (ESG Partner at Linklaters)	"The compliance requirements under the MSA 2015 are relatively light. Those in scope are required to publish a slavery and human trafficking statement for each financial year... There are currently no penalties for non-compliance, relying largely on public censure for enforcement."	Marlow, J. T. R. B. J. (2023, September 28). *Unpacking the UK Modern Slavery Act 2015 eight years on*. Passle. https://sustainablefutures.linklaters.com/post/102iorb/unpacking-the-uk-modern-slavery-act-2015-eight-years-on
Future Improvements	Politician	Frank Field (MP)	"The Act needs strengthening through mandatory reporting requirements and stricter penalties for non-compliance."	Field, F., Baroness Elizabeth Butler-Sloss, & Miller, M. (2019). *Independent Review of the Modern Slavery Act 2015: Final Report* (Report CP 100; p. 7). Presented to Parliament by the Secretary of State for the Home Department by Command of Her Majesty. https://assets.publishing.service.gov.uk/media/5ce54299e5274a4427848ede/Independent_review_of_the_Modern_Slavery_Act_-_final_report__print_.pdf
Future Improvements	NGO Leader	Marilyn Croser (CORE Coalition)	The message to companies now is that they must go beyond compliance, do their due diligence, and take meaningful action to combat slavery in their supply chains."	*Combatting modern slavery - the next steps for the UK's Government and businesses*. (n.d.). https://www.penningtonslaw.com/news-publications/latest-news/2016/combatting-modern-slavery-the-next-steps-for-the-uks-government-and-businesses

Table A2. Summary of experimental conditions

<table>
<tr><th colspan="2">Condition</th><th>Treatment</th></tr>
<tr><td colspan="2">G1: “No letter” (control)</td><td>No letter (serves as the control group)</td></tr>
<tr><td colspan="2">G2: “Letter without peers”</td><td>Baseline letter (just a single page containing relevant information about the MSA Act)</td></tr>
<tr><td rowspan="4">G3: “Letter with peers (pooled)”</td><td>G3a: “Letter with random peers”</td><td>Baseline letter + an additional page with information on up to 10 already compliant firms randomly selected from across all geographic locations and industries</td></tr>
<tr><td>G3b: “Letter with geography peers”</td><td>Baseline letter + an additional page with information on up to 10 already compliant firms randomly selected from only those matching the given firm on geographic location (TTW code)</td></tr>
<tr><td>G3c: “Letter with industry peers”</td><td>Baseline letter + an additional page with information on up to 10 already compliant firms randomly selected from only those matching the given firm on industry (two-digit SIC code)</td></tr>
<tr><td>G3d: “Letter with geography-industry peers”</td><td>Baseline letter + an additional page with information on up to 10 already compliant firms randomly selected from only those matching the given firm on both geographic location (TTW code) and industry (two-digit SIC code)</td></tr>
</table>

Figure A1. Section 54 of the U.K. Modern Slavery Act 2015

54 Transparency in supply chains etc

(1) A commercial organisation within subsection (2) must prepare a slavery and human trafficking statement for each financial year of the organisation.

(2) A commercial organisation is within this subsection if it—

(a) supplies goods or services, and

(b) has a total turnover of not less than an amount prescribed by regulations made by the Secretary of State.

(3) For the purposes of subsection (2)(b), an organisation's total turnover is to be determined in accordance with regulations made by the Secretary of State.

(4) A slavery and human trafficking statement for a financial year is—

(a) a statement of the steps the organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place—

(i) in any of its supply chains, and

(ii) in any part of its own business, or

(b) a statement that the organisation has taken no such steps.

(5) An organisation's slavery and human trafficking statement may include information about—

(a) the organisation's structure, its business and its supply chains;

(b) its policies in relation to slavery and human trafficking;

(c) its due diligence processes in relation to slavery and human trafficking in its business and supply chains;

(d) the parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk;

(e) its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate;

(f) the training about slavery and human trafficking available to its staff.

(6) A slavery and human trafficking statement—

(a) if the organisation is a body corporate other than a limited liability partnership, must be approved by the board of directors (or equivalent management body) and signed by a director (or equivalent);

(b) if the organisation is a limited liability partnership, must be approved by the members and signed by a designated member;

(c) if the organisation is a limited partnership registered under the Limited Partnerships Act 1907, must be signed by a general partner;

(d) if the organisation is any other kind of partnership, must be signed by a partner.

(7) If the organisation has a website, it must—

(a) publish the slavery and human trafficking statement on that website, and

(b) include a link to the slavery and human trafficking statement in a prominent place on that website's homepage.

(8) If the organisation does not have a website, it must provide a copy of the slavery and human trafficking statement to anyone who makes a written request for one, and must do so before the end of the period of 30 days beginning with the day on which the request is received.

(9) The Secretary of State—

(a) may issue guidance about the duties imposed on commercial organisations by this section;

(b) must publish any such guidance in a way the Secretary of State considers appropriate.

(10) The guidance may in particular include further provision about the kind of information which may be included in a slavery and human trafficking statement.

(11) The duties imposed on commercial organisations by this section are enforceable by the Secretary of State bringing civil proceedings in the High Court for an injunction or, in Scotland, for specific performance of a statutory duty under section 45 of the Court of Session Act 1988.

(12) For the purposes of this section—

"commercial organisation" means—

(a) a body corporate (wherever incorporated) which carries on a business, or part of a business, in any part of the United Kingdom, or

(b) a partnership (wherever formed) which carries on a business, or part of a business, in any part of the United Kingdom,

and for this purpose "business" includes a trade or profession; "partnership" means—

(a) a partnership within the Partnership Act 1890,

(b) a limited partnership registered under the Limited Partnerships Act 1907, or

(c) a firm, or an entity of a similar character, formed under the law of a country outside the United Kingdom;

"slavery and human trafficking" means—

(a) conduct which constitutes an offence under any of the following—

(i) section 1, 2 or 4 of this Act,

(ii) section 1, 2 or 4 of the Human Trafficking and Exploitation (Criminal Justice and Support for Victims) Act (Northern Ireland) 2015 (c. 2 (N.I.)) (equivalent offences in Northern Ireland),

(iii) [section 1 or 4 of the Human Trafficking and Exploitation (Scotland) Act 2015 (asp 12) (equivalent offences in Scotland), or]

(b) conduct which would constitute an offence in a part of the United Kingdom under any of those provisions if the conduct took place in that part of the United Kingdom.