

MODERN SLAVERY ACT GUIDANCE NOTE

What do you need to know?

The Modern Slavery Act 2015 (“the Act”) includes a provision for large businesses to publicly state each year the action they have taken to ensure that their business and supply chains are slavery free.

The reporting requirement came into force on 29 October 2015 and applies to financial years ending on or after 31 March 2016.

Timing for publication of statement

There is no prescribed time limit in which to make the statement. The Home Office guidance provides that a commercial organisation:

- Is expected to publish its slavery and human trafficking statement as soon as reasonably practicable after the end the financial year;
- May decide to publish the statement alongside its annual or non-financial reports;
- Is encouraged to report within six months of the financial year end to which the statement relates.

“Our team has already advised a number of high profile organisations - don't hesitate to get in touch if you have any questions”

Commercial organisations

The Act requires commercial organisations who supply goods or services and have a minimum total turnover of £36 million per year to prepare a slavery and human trafficking statement for each financial year. It covers both UK and non-UK entities.

If the organisation is part of a group then there needs to be an analysis of each parent and subsidiary to see if they are required to publish a report. It is possible that parent companies based outside the UK, but with a subsidiary in the UK, may be caught by the reporting requirements unless the subsidiary is acting independently.

Where a parent and its subsidiaries are required to make a statement, the parent may produce one statement that its subsidiaries can use. The statement would need to cover the steps taken in the relevant financial year by the parent and each organisation using the statement.

Content of slavery and human trafficking statement

The Home Office guidance recommends that the statement should be:

- Written in simple language to ensure that it is easily accessible to everyone;
- Succinct but cover all the relevant points and link to relevant publications, documents or policies;
- In English, but may be provided in other languages that are relevant to the supply chain. It suggests that specifying the actions by specific country will help readers understand the context of the steps taken.

The slavery and human trafficking statement must include either a statement:

- Of the steps the organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains, and in any part of its own business; or
- That the organisation has taken no such steps.

The requirement to *“ensure that slavery and human trafficking is not taking part in any part of its supply chain”* does not mean that the organisation must guarantee that the entire supply chain is slavery free, but the organisation should set out in the statement all the actions it has taken to ensure its supply chain and its business is free from slavery.

There is no prescribed form or length requirements for the statement. The slavery and human trafficking statement may include information about:

- The organisation's structure, business and its supply chains;
- Its policies in relation to slavery and human trafficking;
- Its due diligence processes in relation to slavery and human trafficking in its business and supply chains;
- 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;
- Its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against performance indicators;
- The training about slavery and human trafficking available to its staff.

Approval of statement

The commercial organisation must approve the slavery and human trafficking statement. If the organisation is a company the board of directors must approve the statement and it must be signed by a director.

Publication of statement

If the organisation has a website, it must publish the statement on that website and include a link to the slavery and human trafficking statement in a prominent place on the homepage.

A prominent place may mean a modern slavery link that is directly visible on the home page or part of an obvious drop-down menu on the home page. The link should be clearly marked so that the contents are apparent.

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 within 30 days of the company receiving the request.

Enforcement of statement

The Secretary of State may enforce the duty to prepare a slavery and human trafficking statement in civil proceedings by way of injunction.

Aside from the statutory sanctions, one of the principal sanctions that may result if a business fails to comply with the Act, or reports that it has taken no steps to ensure that slavery is not taking place, is damage to the organisation's reputation and brand.

Next steps

Our employment team has already advised a number of high profile organisations on their modern slavery reporting obligations, so please contact Ian Machray on 0118 951 6225 or at ian.machray@fsp-law.com if you have any questions or need further advice.