

UK government response to Modern Slavery Act compliance consultation: threshold figure set but guidance content detail still to come

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Introduction

The UK government recently issued its response to its consultation on anti-slavery supply-chain compliance, which can be found [here](#).

Earlier this the year the UK introduced the Modern Slavery Act 2015 (“the Act”) to combat modern slavery and human trafficking. The Act includes transparency compliance requirements on businesses and their supply chains.

Compliance obligations

Essentially, businesses carrying out any part of their business in the UK above a certain turnover will have to publish an annual “slavery and human trafficking statement” that discloses the steps taken to ensure that the business and its supply-chains are slavery-free; alternatively the business may provide a statement that no such steps have been undertaken.

The statement must be published on the businesses’ website with a link to the statement in a prominent place on the homepage - if there is no website a copy of the statement must be provided to anyone within 30 days of their making a written request for it.

The statement must be meaningful and the Act sets out what the statement *may* include, as follows:

- The organisation’s structure, its business and its supply chains;
- The organisation’s policies in relation to slavery and human trafficking;
- The organisation’s due diligence processes in relation to slavery and human trafficking in its business and supply chains;
- The part of the organisation’s business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps the organisation has taken to assess and manage that risk;
- The organisation’s effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as the organisation considers appropriate; and,
- The training about slavery and human trafficking available to the organisation’s staff.

The government will issue statutory guidance on the content of the “slavery and human trafficking statement”.

Compliance enforcement for failing to comply would likely take the form of a High Court injunction requiring compliance - there are no financial or criminal enforcement sanctions, at least not for the moment.

Consultation and government response

The consultation concerned:

- The issue of what threshold turnover should be set - in response to the consultation replies the government will set this figure at *UK £36 million*. Some estimate that this means around just over 12,000 businesses will meet this threshold; and,
- The content of the statutory guidance - here some indications have been given by the government as to what it plans to include, although the detail still has to come, as follows: (i) a clear steer on when to publish the statement; (ii) advice on where the statement should be published; (iii) advice on how to identify slavery; (iv) good due diligence practice for businesses to consider (but not dictating the types of activities to be

undertaken as it will be for businesses to decide what is reasonable and proportionate); (v) identification and signposting of appropriate training opportunities to be undertaken to improve employee and supply chain training and awareness; and, (vi) other issues reflecting the replies to the consultation will be addressed with the goal of being clear and where possible tailored to the differing needs of different sectors.

Whatever the pros and cons of the threshold figure it is now set and the next steps are for the figure to be legislatively incorporated into the Act so that it can apply from this October. Likewise, the statutory guidance is expected to be issued around the same time which it is hoped will be sufficiently detailed and meaningful.

The government also recently issued an evaluation report of its modern slavery marketing campaign (“Slavery is closer than you think”) which was aimed at educating the public and victims about slavery in the UK and to encourage people to report their concerns. The report felt that the campaign played a significant and positive role in contributing to the government’s objective of ending slavery in the UK. The report can be found [here](#).

What compliance measures should you take now?

The following should be considered as business compliance priorities:

- Tasking internal senior responsibility for anti-slavery compliance;
- Checking anti-slavery clauses in contracts with suppliers;
- Undertaking a business and supply chain audit to determine slavery risk as regards locations and vendors;
- Developing a “slavery and human trafficking statement” and a communications strategy, and assigning sign-off responsibility for the statement;
- Undertaking training of both business personnel and supply chains;
- Incorporating anti-slavery compliance into other policies and procedures such as codes of conduct, procurement tenders etc; and,
- Setting up whistleblowing type mechanisms for raising and reporting slavery concerns.

Alert

We are advising businesses on how they can best comply with this new compliance challenge so please also don’t hesitate to contact us if you need help. We also took part in the UK government’s consultation exercise on the compliance obligations and made a short film at the time of the consultation, and, we have previously written about this issue [here](#) and [here](#).

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