

15,824 Organizations in the UK sent Modern Slavery Compliance Registry Letter

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Introduction

We have written before recently about the stepping up of activity in modern slavery compliance in the UK. More details have now emerged of an exercise that the Home Office completed last month to encourage organisations to file their modern slavery statements online.

What's this all about?

Under the UK Modern Slavery Act 2015 (the 2015 Act), compliance disclosure/transparency requirements mean that an organisation with an annual turnover of UK £36 million or more that sells goods or services in the UK is required to annually publish a slavery statement demonstrating what (if anything) they are doing to ensure that there is no slavery or human trafficking in the business or the supply-chain. This also applies to organisations based *outside* the UK selling goods and services *into* the UK.

As the UK's official accompanying guidance on the disclosure/transparency requirements states, organisations must "paint a detailed picture" of all the steps that they have taken. This compliance obligation has now been in force since 29 October 2015 and many organisations who fall under it have already published their statements for the last few years. The UK Government recently updated its online guidance about the disclosure/transparency requirements.

In 2020, the UK Government issued proposed changes to the compliance aspects of the UK's Modern Slavery Act 2015 (which we've written about here <https://www.corderycompliance.com/uk-govt-modern-slavery-consultation-conclusions/>).

UK register for annual modern slavery statements

The UK Government recently launched an official online modern slavery statement registry for those organisations who fall within the scope of the disclosure/transparency requirements (which we have written about here <https://www.corderycompliance.com/uk-modern-slavery-online-statement-registry/>). This registry can be used by an organization to file their annual slavery statement. For now, filing a statement with the registry is voluntary, but the UK Government plans to make this mandatory.

What was the recent letter campaign?

Around the time the UK Government launched the registry it also issued letters to organisations in the UK who the UK Government considered were obliged to issue a modern slavery statement. In the letter the UK Government "strongly encouraged" them to submit their recent statement to the registry by 9 April 2021. The status of this date was unclear and so at best the selection of this date seemed somewhat arbitrary. Nevertheless, as at 28 April, it appears that some 10,389 statements had been filed on the register (covering statements for 2020 and 2021 – see here <https://modern-slavery-statement-registry.service.gov.uk/viewing/search-results?Search=&>).

In order to understand how many organisations in the UK were sent this Government letter, Cordery made a Freedom of Information Request. In response, the UK Government (through the Home Office) stated that a total of 15,824 organisations in the UK had been sent the letter on 12 March 2021. The response also reiterated that the UK Government will in due course make registration with the register mandatory and that "[t]he registry will be a key tool for the Government to monitor and drive compliance with [the transparency requirements]".

Does this suggest targeting?

Yes. From the letters that we have seen, it would appear that the Home Office based its requests on information from the UK Companies Register, maintained by Companies House. According to Companies House, as at the end of last month, there were 4,716,126 companies on the register so it does seem clear that just a small number of organisations were selected for this exercise. Some companies will be under the modern slavery threshold but it still seems the case that there was some sort of targeting going on. It is not clear whether the selection was done on the basis of industry. If so, on the basis of the requests that we have seen, it may be that higher risk sectors such as brand, retail, fashion, energy and entertainment are being specifically targeted.

What are the takeaways?

The key takeaway is to follow developments to see when use of the registry will become mandatory – if UK Parliamentary time can be found to make this change (along with other possible changes to the transparency requirements) this might come about next year 2022. It may be that the Home Office is tracking responses from the 15,824 organisations, and those that had had the letter but not filed may want to be ready to do so as soon as the mandatory registration requirement comes in. The same 15,824 organisations may be informed about mandatory registration.

It is worth noting that modern slavery compliance is increasingly becoming a hot topic (for example see our article here <https://www.corderycompliance.com/new-supply-chain-laws-china/>), including in the field of litigation. As we have said in our earlier alerts, there is broad cross-party consensus for new legislation and whilst Parliamentary time is precious, particularly given concerns about China, these changes could be given more impetus.

Even though filing is not mandatory many organisations will still have the obligation to prepare a statement. Most will need to publish it. We know that pressure groups are asking to see statements too. The recent Parliamentary enquiry (see <https://bit.ly/parlchina>) also published some additional documents this week. One pressure group told the enquiry that it believed 40 per cent of eligible companies are not complying with the legislation at all. This is likely to lead to more pressure group activity too.

More information

The UK modern slavery statement registry can be found here: <https://modern-slavery-statement-registry.service.gov.uk/>.

See our film about spotting the signs of modern slavery here <https://www.corderycompliance.com/spotting-the-signs-of-modern-slavery/>.

For more information on Cordery's work on modern slavery and a short film explaining the law click here <https://www.corderycompliance.com/modernslavery/>. Cordery's Modern Slavery Action helps organisations meet their modern slavery reporting requirements for a fixed fee. There are more details here <https://www.corderycompliance.com/solutions/modern-slavery-action/>.

We report about modern slavery issues here <https://www.corderycompliance.com/category/modern-slavery/>. We report about compliance issues here <https://www.corderycompliance.com/news/>.

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