

UK Modern Slavery Update – Reforms Finally On The Way?

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Introduction

In this year's Queen's Speech it was announced that the UK government will be introducing a Modern Slavery Bill in this parliamentary session. This article briefly looks at this.

Background

Under the UK Modern Slavery Act 2015 (the 2015 Act), compliance disclosure and transparency requirements mean that an organization with an annual turnover of £36 million (approximately USD \$44 million and €42 million at today's rate) or more that sells goods or services in the UK is required to annually publish a slavery statement demonstrating what they are doing to ensure that there is no slavery or human trafficking in the business or the supply chain. This also applies to organizations based outside the UK selling goods or 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 organizations who fall under it have already previously published their statements in the last few years.

What's this all about?

The UK government says that the purpose of the Bill is to:

- "Strengthen the protection and support for victims of human trafficking and modern slavery and increase the accountability of companies and other organisations to drive out modern slavery from their supply chains."

According to the government, the main benefits of the Bill would be:

- "Reducing the prevalence of modern slavery in supply chains through increased transparency from businesses and public bodies, building on the strong foundations of our existing approach to increase the pressure on those that do not take action.
- Enshrining in domestic law the Government's international obligations to victims of modern slavery, especially regarding their rights to assistance and support, providing greater legal certainty for victims.
- Ensuring law enforcement agencies have stronger tools to prevent modern slavery occurring, protect victims of modern slavery and bring perpetrators to justice."

The government also says that the main elements of the Bill are as follows:

- "Strengthening the requirements on businesses with a turnover of £36 million or more to publish an annual modern slavery statement to set out steps taken to prevent modern slavery in their operations and supply chains.
- Mandating the reporting areas to be covered in modern slavery statements; requiring organisations to publish their statements on a government-run registry, extending these requirements to public bodies and introducing civil penalties for organisations that do not comply with the requirements.
- Strengthening the operation of Slavery and Trafficking Prevention Orders and Slavery and Trafficking Risk Orders, which place conditions on an individual, to prevent and disrupt modern slavery crimes and better protect victims. These will be backed up by criminal sanctions for any breaches."

As regards territorial extent and application the government finally says that:

- "The Bill will, in the main, extend and apply to England and Wales, with some provisions extending and

applying across the UK.”

What are the takeaways?

In terms of content, the compliance reforms are as expected – so far only the broad picture has been set out and the details remain to be revealed. The big question is: will the Bill give enforcement teeth to the compliance aspects, and if so, how?

The Bill can also be expected to get cross-party support. It may also be that Members of Parliament introduce amendments to the Bill – there have been previous attempts by MPs to introduce private parliamentary bills to amend the 2015 Act so we might see some elements of the past coming back into the Bill.

It will also be interesting to see if part of the “mandating the reporting areas” aspect also sees the introduction of new elements into the reporting areas – for example, in practice, whistleblowing is a key component to effectively tackling modern slavery so might we see whistleblowing procedures and processes made mandatory?

Compliance teams need to be on the constant lookout for and train staff to recognise the signs of forced labour or modern slavery, including:

- The vulnerability of some workers;
- Threats, coercion, deception and physical punishment carried out against workers;
- Working and living conditions;
- High recruitment fees;
- Withholding of wages;
- Salary deductions;
- Confiscation of documents;
- Absence of work permits;
- Absence of regular employment contracts; and,
- Limitations to freedom of movement.

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

Cordery’s Modern Slavery Action helps organizations meet their modern slavery reporting requirements for a fixed fee. There are more details here <https://www.corderycompliance.com/solutions/modern-slavery-action/>.

Resources

We write about modern slavery/ESG/supply chain due diligence and compliance issues here <https://www.corderycompliance.com/category/modern-slavery-supply-chain-management/>.

Recent modern slavery articles that we have written include about the following topics:

- The Financial Reporting Council/UK Anti-Slavery Commissioner/Lancaster University report to prompt boardrooms to do more to eradicate modern slavery here <https://www.corderycompliance.com/uk-modern-slavery-update/>;
- The proposed EU rules about Human Rights & Environmental Adverse Impacts Supply-Chain Due Diligence here <https://www.corderycompliance.com/eu-hr-eai-and-supply-chain-dd/>;
- Greenwashing here <https://www.corderycompliance.com/greenwashing-power-modernslavery-esg/>;
- The EU initiative to Ban Forced Labour Imports here <https://www.corderycompliance.com/eu-proposed-ban-forced-labour-products/>;
- The EU’s Forced Labour Guidance here <https://www.corderycompliance.com/eu-modern-slavery-guidance/>; and,
- Previous UK plans to overhaul the UK modern slavery compliance regime here <https://www.corderycompliance.com/uk-modern-slavery-compliance-rules-draft-amends/>.

The “Queen's Speech 2022: background briefing notes” can be found here <https://www.gov.uk/government/publications/queens-speech-2022-background-briefing-notes>

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