



Modern Slavery Act set to have big impact on UK business DX 168 London/Chancery Lane
www.bracherrawlins.co.uk

The Modern Slavery Act 2015 is a ground-breaking new law that will have a major impact on businesses in the UK.

The Act requires certain businesses to produce an annual Slavery and Human Trafficking Statement setting out what steps they have taken to ensure there is no modern slavery in their business and their supply chains. The Government believes that this transparency will make businesses more accountable to the public, consumers and their employees with the result that they will be forced to change unacceptable practices.

To whom does the Act apply?

The Act came into force in October 2015 and applies to commercial organisations (companies or partnerships) that:

1. are based inside or outside the UK and carry on business within it;
2. have a turnover of more than £36million worldwide (including subsidiaries); and
3. have a financial year ending on or after 31 March 2016. For businesses with a year end after that date they need not comply until next year.

How to comply with the Act?

The commercial organisation must publish an annual statement setting out in detail what steps it has taken over the past financial year to ensure that slavery and human trafficking is not taking place in its business and its supply chains, at any level. The statement must be published in a "prominent place" on the home page of its website.

There is no set form of statement but the Act suggests this should cover certain key points, including details of:

- the corporate structure of the organisation, details of how it operates and a map of its supply chains;
- the business's internal policies relating to slavery and human trafficking and its due diligence processes to prevent slavery and human trafficking in its supply chains;
- a risk assessment of the areas of the business and its supply chains where there may be a risk of slavery and human trafficking;
- the key performance indicators that it will use to benchmark its effectiveness at preventing slavery and human trafficking; and
- the training offered to staff about slavery and human trafficking.

The statement must be signed off by the board of directors before it is published.

How is the Act enforced?

The Secretary of State has power to apply to the court for an order requiring a statement to be published. It is believed this would create adverse publicity for the organisation concerned.

What steps should you take now?

Businesses should start by assessing their risk profile with regard to slavery and human trafficking and areas of the business that may be most susceptible to it.

Other practical steps could include:

- providing special training for staff who may be at risk of exposure to slavery and human trafficking and, if necessary, to suppliers as well;
- developing specific policies and procedures dealing with slavery and human trafficking and appointing a compliance officer responsible for enforcing the relevant policies;
- reviewing any related policies such as the policies on bribery and corruption and human rights;
- carrying out due diligence and risk assessments in relation to supply chains;
- introducing key performance indicators to measure the effect of action taken to eliminate slavery and human trafficking.

If you have queries with regard to the Modern Slavery Act 2015, please contact Matthew Cowan at matthew.cowan@bracherrawlins.co.uk or Victoria Willetts at victoria.willetts@bracherrawlins.co.uk.