

Updated Guidance for Businesses on Anti-Slavery Compliance as Reporting of Cases Rises by a Third

The National Crime Agency has revealed that in 2018 there was a 36% year on year increase in UK wide reporting of cases of alleged modern slavery.

Strikingly, the figures for Northern Ireland represented a 68% rise against the indicative figure for the region in 2017.

The most common form of exploitation recorded was labour exploitation. It is therefore not surprising that government policy on tackling the issue is focused on businesses and their supply chains. To this end, since 2015, businesses with an annual turnover in excess of £36m have had a statutory obligation to publish an annual statement outlining the steps they are taking (if any) to prevent modern slavery in their operations and supply chains.

It is clear that the Home Office have been actively monitoring compliance. In October 2018 it sent letters to more than 17,000 companies that it believes are required to publish an annual statement under the Modern Slavery Act 2015 (**MSA**). The letters require companies to publish up-to-date modern slavery statements before 31 March 2019 or face being “named and shamed” on a published list of non-compliant companies.

A statutory duty. Which businesses must comply?

Section 54 of the MSA came into force in October 2015, and requires any “commercial organisation” which:

- carries on all or part of its business in the UK;
- supplies goods or services; and
- has an annual turnover of over £36 million

to produce and publish an anti-slavery statement.

Such a statement must be published annually confirming the details of the steps taken by the commercial organisation to combat slavery and human trafficking in both its business and its supply chain; or explains that no such action was taken.

If the organisation uses a website, it must publish the report on that website and include a link to it in a prominent place on the website’s homepage.

To assist businesses, the Home Office updated its guidance last week on the form and substance of statement required.

In summary, the guidance recommends that:

1. **Annual Progress:** statements must describe the main actions the organisation has taken during the financial year to deal with modern slavery risks in its supply chains and its own business.
2. **Six Key Areas:** six key areas are covered off in a statement:
 - organisation structure and supply chains
 - policies in relation to slavery and human trafficking
 - due diligence processes
 - risk assessment and management
 - key performance indicators to measure effectiveness of steps being taken
 - training on modern slavery and trafficking

3. **Best Practice:** the detail and quality of information included under each of the six areas should improve in successive annual statements. It is recommended that the statement is used to show how an organisation is:
- acting transparently and disclosing information about any modern slavery risks identified and what actions have been taken in response to them;
 - targeting actions where they can have the most impact by prioritising risks; and
 - making year-on-year progress to address those risks and improve outcomes for workers in the organisation and supply chains.

Click [here](#) to view the updated guidance.

What happens next?

The UK government commissioned an independent review of the MSA in August 2018 which will report on the evidence they gather and submit recommendations to the Home Secretary in March 2019.

Amongst other things, the review will consider the effectiveness of the MSA in ensuring transparency in supply chains, and the review panel published an interim report earlier this year on that specific issue (click [here](#) for our summary of the interim report).

It now seems inevitable that there will soon be an increase in regulation, with stronger sanctions for non-compliance and greater obligations on businesses to mitigate the risks.

Further Information

If you believe your business may meet the criteria for publishing a statement, please contact Stuart Anderson to discuss the extent (if any) of your statutory obligations under the Modern Slavery Act 2015.