

Guide: Are you ready for the Modern Slavery Act 2015?

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What is Section 54?	+
Does S54 apply to my organisation?	+
No, my organisation does not fall within the above threshold	+
Yes, my organisation does fall within the above threshold - what does S54 require a relevant organisation to do?	+
When will an organisation need to comply?	+
How long after the financial year end should the statement be published?	+
What should the statement include?	+

Statement checklist

1. The statement should be written in simple language that is easily understood.
2. The statement should be accessible to readers – there is a balance to be struck between providing adequate details and including too much technical or legal information that could make it difficult to follow.
3. The statement should be true and reflect actual steps taken or begun - the statement should cover the full financial year in question but if an organisation has only recently undertaken activities it may choose to produce a statement that indicates certain activity undertaken covers only a particular part of that year.
4. The statement should be succinct but cover all relevant points – this can be done by linking to relevant documents or policies rather than copying large sections of them into the statement. Organisations can support narrative by providing relevant links to policies/documents that are publicly available and already published on their website. Information to disclose here could include:
 - 4.1. policies that deal with business relationships
 - 4.2. recruitment policy
 - 4.3. procurement policy
 - 4.4. employee code of conduct
 - 4.5. training policies relating to increasing awareness of modern slavery.
5. The statement should be reflective of an organisation's sector, the complexity of its structure and supply chains or countries its suppliers are working in – outlining actions by specific country might help readers to understand the context of any actions or steps

taken to minimise risks. Organisations should clearly state the sector(s) their business operates in and whether any of the work is seasonal.

Evolution of the statement

The government expects organisations to build on what they are doing year on year, so it will not be possible to simply 'recycle' this statement each financial year – first statements might reflect how an organisation is starting to act on the issue and outline planned future actions, whereas subsequent statements will build on this and show how compliance is evolving. Remember that this statement is not a guarantee that an organisation's entire supply chain is free from slavery – it should however capture all of the actions that have/are being taken in relation to any part of its supply chain.

Practical steps to take...

Please refer to the schedule for a checklist of practical steps that can be taken now to aid compliance with S54.

Sanctions for non-compliance

There is no initial fine. However, the Secretary of State may seek an injunction to compel the organisation to issue a statement - if this injunction is not complied with the organisation will be in contempt of a court order, which is punishable by an unlimited fine.

So, why should you take action?

The requirements of the MSA seek to create a 'race to the top' by encouraging organisations to be transparent about what they are doing and in the process drive up standards. Non-compliant organisations may expect pressure from wider society, shareholders and competitors to implement the MSA requirements – and risk negative publicity and an adverse impact on brand and share value for failing to comply, especially if they operate in a sector which is already in the spotlight for labour and supply chain issues. Your suppliers or customers may also scrutinise your actions more closely in light of their own obligations to comply.

The government has also indicated that it may name and shame organisations that do not comply in a timely manner.

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Our expertise

Modern Slavery Act