

Section 54 of the Modern Slavery Act 2015 (MSA) is expected to be implemented in October 2015 - this section aims to place greater accountability on businesses for the condition of their supply chains.

It will impact...

A commercial organisation which:

- supplies goods or services; and
- has a total turnover of £36m a year or more (this is global turnover and not just turnover in the UK).

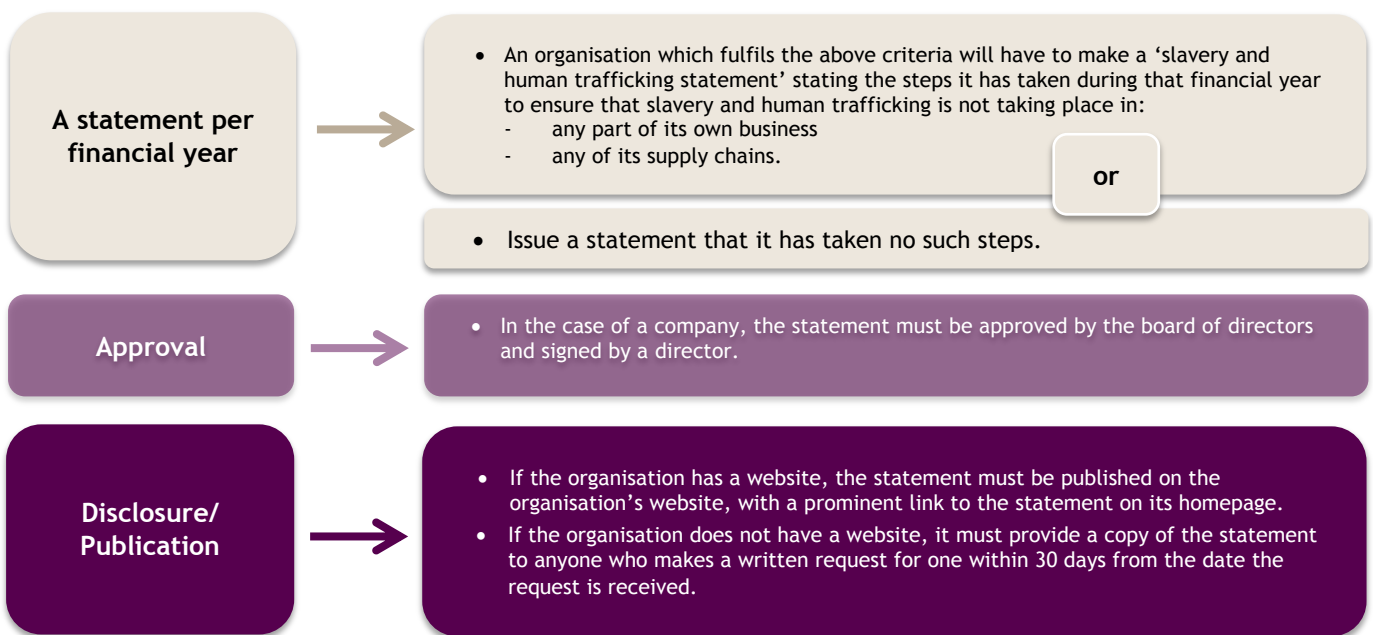
Commercial organisation

A body corporate or partnership, wherever incorporate or informed, which carries on a business, or part of a business, in any part of the UK.

Turnover

Total net turnover of the commercial organisation (including all of its subsidiaries).

Measures to be taken...



Contents of the statement...

There are currently no mandatory requirements as to the content or length of the statement. Guidance on what may be included is expected shortly. The information relating to an organisation that may be contained in a statement includes the following:

- its structure, business and supply chains
- the parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk
- its due diligence processes in relation to slavery and human trafficking in its business and supply chains
- its policies relating to slavery and human trafficking
- its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against appropriate key performance indicators
- the training about slavery and human trafficking available to its staff.

Sanctions for non-compliance...

There is no fine. However, the Secretary of State may seek an injunction in the English courts to compel the organisation to issue a statement. Additionally, the organisation may expect pressure from wider society, shareholders and competitors to implement the MSA transparency requirements - and risk negative publicity and an adverse impact on brand and share value for failing to comply, especially if it operates in a sector which is already in the spotlight for labour and supply chain issues.

For further information, such as advice on whether your company will need to prepare a slavery and human trafficking statement and/or what that statement should contain, please contact Dominique Tai.

talk to us...

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