

A new Modern Slavery Bill

26 May 2022

The Queen's Speech

The Queen's Speech on 10 May 2022 outlined the Government's legislative plans for this parliamentary session. These include the introduction of a Modern Slavery Bill with the purpose of:

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

Modern Slavery Bill

Details of the Modern Slavery Bill have not yet been published, but the announcement in the Queen's Speech is consistent with the Government's response to a consultation exercise on changes to the Modern Slavery Act 2015's transparency in supply chains provisions. In a foreword to the response the Home Secretary said:

"We will extend the reporting to public bodies to leverage public procurement and address risks in public sector supply chains. We will also mandate the specific topics statements must cover, set a single deadline for reporting and require organisations to publish directly to the new government reporting service, to empower investors, consumers and civil society to scrutinise the action taken across the private and public sector."

Enforcement

The consultation exercise highlighted the need for greater enforcement of the current modern slavery reporting requirements. The Government has stated that it will consider enforcement options in line with the development of the single enforcement body for employment rights now in development.

Financial Reporting Council

The announcement of the Modern Slavery Bill was made a month after the Financial Reporting Council published its report on how a sample of 100 companies listed on the London Stock Exchange's Main Market report on modern slavery, both in mandated modern slavery statements and in annual reports.

The Report states that 12% of the companies sampled failed to provide a modern slavery statement, while those that were provided were found to be unclear and fragmented. Less than half of companies' statements identified and discussed modern slavery issues in the context of their organisational structure, and few were proactive in their approach to modern slavery.

According to the Report modern slavery generates an estimated US\$150 billion annually and encompasses 40 million people in slavery globally. The UK is far from immune to modern slavery. In the year to September 2021, 9,158 modern slavery offences were recorded by the police. Many commentators believe that this statistic is a tiny fraction of the reality of the situation in this country.

Conclusion

Public sector and private sector organisations, particularly those who meet the £36 million threshold, are encouraged to review their approach to combating modern slavery in their organisation and its supply chains before the Modern Slavery Bill becomes law.

Understanding your organisation and its supply chains from a modern slavery perspective is almost invariably a complex and time-consuming exercise, as is ensuring that action is taken to protect the organisation from the supply chains of its suppliers. Time should not be lost to explore these matters - or to re-explore them.

How the Government will deal with enforcement remains to be seen but preparing for these new laws should be a priority for many organisations to protect victims of modern slavery, the reputation of the organisation and ensure legal compliance.

A mandatory requirement to publish modern slavery statements on the government registry should drive up both compliance and the quality of statements. A central, public repository makes it easy to check whether an organisation has published a statement, to review progress year on year and to compare its statements to those produced by different organisations in the same sector, including competitors.

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