

## Modern Slavery Act transparency statements

Issued 10/17

### Introduction

The Modern Slavery Act 2015 is aimed at protecting victims of slavery and human trafficking. The requirement for large organisations operating in the UK to produce an annual slavery and human trafficking statement, setting out how they are preventing slavery and human trafficking taking place within their business and in their supply chains, came into force on 29 October 2015.

The increased focus on supply chain transparency follows a number of allegations of multinational corporations purchasing products produced by forced labour, such as in April 2015 when migrant workers were reportedly being treated 'like slaves' in Spain when growing vegetables for sale in UK supermarkets.

### The requirement to produce a statement

All major companies and partnerships that supply goods or services in the UK (wherever they are incorporated) with an annual turnover of more than £36 million (including the turnover of any subsidiaries) are required to make an annual slavery and human trafficking statement.

Organisations with a financial year-end of 31 March 2016 were the first required to publish a statement for their 2015-2016 financial year, and organisations will be expected to publish the statement as soon as reasonably practicable after the end of each financial year ending on or after 31 March 2016. Government guidance recommends that this should be within six months of the organisation's financial year end, and the guidance is available here:  
<https://www.gov.uk/government/publications/transparency-in-supply-chains-a-practical-guide>.

### The content of the statement

The statement must contain the steps an organisation has taken during the financial year to prevent modern slavery within its own business and in any of its supply chains. The Act does not dictate in detail what a statement must include or how it should be structured, but it does provide a non-exhaustive list of information that may be included as follows:

- the organisation's structure, its business and its supply chains,
- its policies in relation to slavery and human trafficking,
- its due diligence\* processes in relation to slavery and human trafficking in its 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 effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate,
- the training and capacity building about slavery and human trafficking\*\* available to its staff.

\*Further information on due diligence and on assessing and managing the risk of slavery and human trafficking in the supply chain can be found in the government guidance.

\*\*An e-learning *Introduction to Human Trafficking Awareness* is available here:  
<http://www.salvationarmy.org.uk/toolkits/hta/>

If an organisation is not undertaking any steps to prevent modern slavery in its supply chains and in its own business, or is just beginning to take steps, it will still need to make a statement to that effect.

Some of the questions that an organisation might want to consider when drawing up a modern slavery policy could be:

- What minimum labour standards are expected of the organisation, its subsidiaries and suppliers, and how do these align to industry standards?\*\*\*
- Who in the organisation is responsible for a) ensuring efforts are made to investigate and remediate the risk of modern slavery in the organisation and/or supply chains, and b) ensuring that basic labour standards are met, and how are such leaders financially incentivised and resourced to do so?
- How does the organisation factor legal and fair full labour costs into production and sourcing costs to avoid the need for seemingly cheaper slave or bonded labour in operations or the supply chain?
- What is the organisation's policy where a supplier is found to have been involved in modern slavery?
- When entering into a contract with a new supplier or renewing contracts with existing suppliers what checks, assurances, investigations will the organisation conduct or accept?
- What support or guidance is available to business operations or suppliers willing to remedy any situations of slavery or forced labour that are found?
- What due diligence will the organisation commit to conducting regarding its supply chains?
- What is the organisation's policy to support whistle-blowing? What procedures are in place to facilitate reporting, including reporting by workers through helplines?
- What is the organisation's policy and approach to achieving a remedy for workers if and where cases of modern slavery and forced labour are found, and what measures are taken to protect them from further victimisation or vulnerability?

\*\*\*Industry-specific government factsheets on modern slavery are available here:  
<https://www.gov.uk/government/publications/modern-slavery-industry-factsheets>

### **Approval of the statement**

The Act requires the slavery and human trafficking statement to be approved and signed by a senior person within the organisation. For companies, the statement must be approved by the board of directors and signed by a director or equivalent. For limited liability partnerships, it must be approved by the members and signed by a designated member. For a limited partnership registered under the Limited Partnerships Act 1907, a general partner must sign it, and if the organisation is any other kind of partnership, a partner must sign it.

### **Publishing the statement**

The Act requires each organisation covered by the Act to publish a slavery and human trafficking statement on their website or provide a link in a prominent place on its homepage. A 'prominent place' may mean a modern slavery link that is directly visible on the home page, or part of an obvious drop-down menu on that page. The link should be clearly marked so that the contents are apparent, and the guidance recommends a link such as 'Modern Slavery Act Transparency Statement'. The purpose of this requirement is to increase transparency and it is vital that the statement can be easily accessible by anyone who wants to see it – the public, consumers, employees, non-government organisations, investors, etc. For organisations with no website, a copy of the statement must be provided to anyone who requests one in writing and the copy must be provided within 30 days of receipt of the request.

Although the guidance encourages clear, detailed and informative statements, legal compliance does not depend on how well the statement is written or presented, provided that it sets out the steps that have been taken so far, or that no steps have in fact been taken.

It is anticipated that the publication of slavery and human trafficking statements will be an important accountability tool, allowing purchasers in particular and society in general to monitor the steps that organisations are taking to eradicate slavery in their supply chains.

### **Failure to produce a statement**

If an organisation covered by the Act fails to produce a slavery and human trafficking statement for a particular financial year the Secretary of State may seek an injunction through the High Court (civil proceedings in Scotland) requiring the organisation to comply. If the organisation fails to comply with the injunction, they will be in contempt of a court order, which is punishable by an unlimited fine.

In addition, a failure to comply with the provisions of the Act, or a statement that an organisation has taken no steps, may cause reputational damage, and customers, investors, etc. may want to engage with and/or apply pressure to the organisation where they believe it has not taken sufficient steps.

### **Example statement**

Overleaf is an example statement for a small business that is not legally obliged to report on slavery and human trafficking. In this situation a business may still need to publish a statement to reassure its customers that it is committed to ensuring there is no modern slavery or human trafficking in any part of its business or in its own supply chains. The example shows the 'work in progress', and by next year's statement, some aspirational phrases such as 'we are putting' should have become 'we have put', etc.

Modern slavery statements need to be organisation-specific, and although there is no official website for collating modern slavery statements, copies of published statements can be found here: <http://www.modernslaveryregistry.org>.

# CUSHIONS INCORPORATED

1 Some Street, Nice Town TE571NG

## SLAVERY AND HUMAN TRAFFICKING STATEMENT

### Introduction

We are committed to eliminating acts of modern-day slavery and human trafficking within our business and from within our supply chains.

Our annual turnover is under £36 million and although we are not legally obliged to report on slavery and human trafficking, this statement is made in accordance with section 54(1) of the Modern Slavery Act 2015 and is our slavery and human trafficking statement for the financial year ending 31 March 2016.

### Organisational structure, business and supply chains

We are a manufacturer and supplier of cushions to the soft furnishings sector and are an independent company operating solely within the UK.

Our business comprises one manufacturing unit and associated head office support based at the above address.

Our supply chains are all UK wholesale or retail suppliers of soft furnishing fabrics and threads, filling materials, packaging materials, manufacturing machinery and office supplies. None of our materials or supplies are sourced directly from manufacturers.

### Policy on slavery and human trafficking

We are committed to ensuring that there is no modern slavery or human trafficking in any part of our business or in our supply chains. This policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere within our supply chains.

### Due diligence

We consider ourselves to be a 'low risk' business with regard to slavery and human trafficking. However, we foster a culture that encourages the identification and reporting of any such risks within our business. We recruit all our employees either directly or through recruitment agencies who are members of the Recruitment and Employment Confederation. We do not recruit from outside the UK or use agency workers.

### Assessing and managing risk

We have a whistleblowing policy in place and, as part of our efforts to identify and mitigate risks within our supply chain, we are introducing systems to identify, assess and monitor potential risk areas.

### Effectiveness in combating slavery and human trafficking

We have zero tolerance to slavery and human trafficking. To ensure that all those in our supply chains comply with our values we are putting in place a supply chain compliance programme that will require our suppliers to confirm that they have a slavery and human trafficking policy in place and that they require the same from their suppliers.

### Training

We are providing appropriate training to ensure that relevant employees understand the risks of modern slavery and human trafficking within our business and supply chains.

[SIGNATURE]

DIRECTOR

Date: