

The Modern Slavery Act 2015 aims to tackle modern slavery by encouraging organisations to address the issue by engaging better with their supply chains. The Act demands increased transparency in supply chains which will require all qualifying organisations to publically disclose whether modern slavery is taking place in their own supply chains and how they intend to tackle it. If done properly, this provides a real opportunity for organisations to enhance their social responsibility and develop a more reliable, transparent and responsive supply chain.

What is covered by the term Modern Slavery?

Modern Slavery refers to slavery, servitude and forced or compulsory labour, and human trafficking.

Who is required to comply?

Any organisation in any part of a group structure will be required to comply with the requirements if they:

- Have an annual turnover of £36m or more
- Carry on a business, or part of a business, in the UK

What do you need to do?

You must produce a statement which includes 'the steps the organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains, and in any part of its own business'.

What should the statement include?

The Act does not prescribe what the statement should entail or how it should be structured. Information that may be included:

- **Scope:** organisation's structure, its business and its supply chains;
- **Commitment:** the policies in place in relation to slavery and human trafficking;
- **Action:** its due diligence process in relation to slavery and human trafficking in its business and supply chains;
- **Mitigation:** the parts of the business and supply chains where there is risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk;
- **Monitoring:** its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or the supply chains, measured against such performance indicators as it considers appropriate;
- **Competency:** the training and capacity building about slavery and human trafficking available to its staff.

Who needs to approve the statement and where must it be published?

The statement must be approved by the board of directors and signed by a director. In the case of a limited liability partnership, it must be approved by the members and signed by a designated member.

The Act requires each qualifying organisation to publish a slavery and human trafficking statement on their website and include a link in a prominent place on the homepage.

When must you respond?

As a qualifying undertaking you are required to publish the statement up to six months after the end of your financial year. The requirement commenced on the 26th October 2015, however businesses with a financial year end date between 29th October 2015 and the 30th March 2016 will not be required to publish a statement for that financial year. The first businesses are expected to respond to this requirement are those with a financial year end date of the 31st March 2016. However, it is our recommendation to address this as soon as possible.

What happens if you don't comply?

- Risk of damaging the reputation of your organisation and brand
- Risk of damaging your investors' and other stakeholders' confidence
- Secretary of state may seek an injunction through the high court requiring you to comply. If you fail to respond, you will be in contempt of a court order which is punishable by an unlimited fine

What do you need to do now?

1. Establish whether your organisation must comply with the requirements
2. Appoint a team member to be responsible for ensuring compliance. You can also consider outsourcing additional support from us to walk you through the process
3. Assess your tier one suppliers to identify potential risks and opportunities for improvement
4. Produce a statement which details the steps you have taken to ensure that slavery and human trafficking are not taking place in your supply chains
5. Ensure that the statement is signed off by a director and published on the organisation's website

What can Carbon Smart do for you?

Risk identification – analysing your supply chain may sound like a daunting and onerous task. Carbon Smart has years of experience in analysing large data sets in a meaningful, practical way. Taking a risk-based approach, we will assess your tier one suppliers to identify potential risks and opportunities for improvement, helping you get straight to the point.

Supplier engagement – supplier engagement is vital in understanding the risks in your supply chain and building long-lasting relationships. Carbon Smart can help engage with your suppliers to establish their existing policies on modern slavery mitigation to establish any hotspots within your supply chain.

Policy development – whether you would like to embed your commitment statement to eradicating slavery and human trafficking in your existing company policies or whether you would like to develop a stand-alone policy, we can help. We can support you in developing a meaningful policy that also makes business sense.

Modern Slavery statement – We will help produce a statement of compliance that is right for your undertaking: a standalone document for compliance or a statement to use for further company and stakeholder engagement activities.

Contact us now

ben.murray@carbonsmart.co.uk | +44 (0) 207 048 0450 | www.carbonsmart.co.uk