

# Modern Slavery Act

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## Modern Slavery Act

### ***What is Modern Slavery?***

Slavery, servitude, forced labour and human trafficking, or 'Modern Slavery', is a growing global issue and exists in many industries in every region in the world. Writing in The Sunday Telegraph, the Home Secretary at the time Theresa May referred to Modern Slavery as "the great human rights issue of our time"<sup>1</sup> and vowed to make it her mission to help rid the world of this "barbaric evil". In the UK alone, there are estimated to be 13,000 potential victims of forced labour<sup>2</sup>, often said to be hiding in plain sight and working in everyday places such as nail bars, construction sites, catering industries and taxi companies. 5000 people, including over 2000 children, were referred to British Authorities as potential victims of slavery in the UK in 2017, a 35% increase on 2016. Advice from the National Crime Agency states this makes the UK the 3<sup>rd</sup> most common country of origin of identified victims of slavery.

### ***What is the Modern Slavery Act?***

In a bid to tackle this growing issue, Theresa May pioneered the Modern Slavery Act which received Royal Assent on 26<sup>th</sup> March 2015 and came into force the following October. The Act became the first of its kind in Europe and was established to eradicate the growing problem of slavery and human trafficking in modern day society. The Act consolidates slavery and trafficking offences and gives law enforcement agencies the powers they need to seek out those engaged in human trafficking and slavery, servitude and forced or compulsory labour, and bring them to justice.

One key component is contained in section 54 of the Act, which requires large employers to publish a modern slavery statement for each financial year ending on or after 31<sup>st</sup> March 2016. This requirement relates specifically to companies carrying out a business in the UK with an annual turnover of at least £36 million. The statement should be an overview of the steps the organisation has taken to ensure that slavery and human trafficking is not taking place in any part of its business or supply chain. A published statement is required even if no steps have been taken in relation to slavery and human trafficking.

### ***What impact has the Modern Slavery Act had so far?***

The Crown Prosecution Service published findings<sup>3</sup> in August showing that charges for modern slavery offences have risen by more than a quarter in the last year. From 2017 to 2018, 239 suspects were charged with modern slavery offenses, up by 27% from 2016. Of this number, 185 people were convicted, whilst there were only 63 convictions between 2015 and 2016.

Whilst being a positive step forward in many ways, this increase in prosecutions also poses an increased risk to businesses who are not currently carrying out proper due diligence on their suppliers. As well as the possibility of prosecution and a prison sentence, there has been several high-profile cases in the spotlight which show that there is also "significant potential for breaches of the Modern Slavery Act to have a devastating impact on a company's reputation, its directors, and company profits"<sup>4</sup>.

Despite this, there is evidence to suggest that since the legislation was introduced, there has been an increase in engagement and general awareness of modern slavery within UK businesses and supply chains. Most notably, this increase in engagement can be seen from company directors and board members, aligning with the initial objectives of the Act and the belief that "it is simply not acceptable for any organisation to say, in

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<sup>1</sup> <http://www.telegraph.co.uk/news/2016/07/30/we-will-lead-the-way-in-defeating-modern-slavery/>

<sup>2</sup>

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/383764/Modern\\_Slavery\\_Strategy\\_FINAL\\_DEC2015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/383764/Modern_Slavery_Strategy_FINAL_DEC2015.pdf)

<sup>3</sup> <https://www.cps.gov.uk/cps/news/modern-slavery-prosecutions-rise-report-shows>

<sup>4</sup> Founder and Managing Director of Igniyte, an online reputation management company

the twenty-first century, that they did not know”<sup>5</sup> about the issue. This is certainly a positive outcome considering the relatively short amount of time that the Act has been in force.

However, whilst there appears to have been a significant improvement in the awareness of slavery today, there is good reason to think that tighter controls are needed. A survey carried out by the Chartered Institute of Procurement and Supply in 2017 found that only 6% of managers in UK firms were confident that their supply chains are slavery-free. An area which is still developing to tackle this issue is the use of commercial solution providers to collect and maintain supplier information. The use of such third-party organisations can allow businesses to identify and monitor the risk of modern slavery in their operations and supply chains effectively. This in turn will help give businesses the ability to make informed decisions when sourcing credible suppliers.

### ***How is the supplier compliance industry contributing to the eradication of Modern Slavery?***

Having previously gone unexposed with no proper controls and measures in place, identifying and ultimately eradicating the existence of slavery and trafficking in any business or supply chain will be a challenge. The ‘underground’ nature of slavery today will require an in-depth understanding of the businesses that companies’ source goods and services from, to help keep supply chains slavery-free.

Recent evidence suggests that there is a risk of modern slavery in almost every industry worldwide. More so now than ever, companies trading in the UK are under pressure to ensure proper risk assessments are in place to pinpoint areas in a supply chain which may be concealing acts of slavery and human trafficking. Hellios’ supplier pre-qualification process can assist companies in making an informed decision when sourcing reputable suppliers, both 1<sup>st</sup> tier and beyond. This in turn could significantly reduce the chances of choosing a supplier who could pose a risk to a business or supply chain.

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Useful links & further reading:

<http://www.legislation.gov.uk/ukpga/2015/30/contents/enacted>

<http://www.telegraph.co.uk/sponsored/lifestyle/modern-slavery-britain/11196766/modern-day-slavery-britain-cases-on-rise.html>

<http://www.telegraph.co.uk/sponsored/lifestyle/modern-slavery-britain/11167505/child-slavery-britain-facts.html>

<https://www.cips.org/en-gb/supply-management/news/2017/may/co-ops-slavery-statement-sends-important-message-to-suppliers>

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<sup>5</sup> Theresa May, Home Secretary Foreward, ‘Transparency in Supply Chains etc. A practical guide’ -

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/471996/Transparency\\_in\\_Supply\\_Chains\\_etc\\_A\\_practical\\_guide\\_final.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/471996/Transparency_in_Supply_Chains_etc_A_practical_guide_final.pdf)

