

Law & Policy Group

GRIST

UK to strengthen modern slavery, supply chain reporting

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29 Sep 2020

Measures to strengthen the steps companies must take to combat modern slavery in their operations and supply chains feature in the UK government's response to a 2019 consultation on supply chain transparency featured in Section 54 of the Modern Slavery Act 2015. Published on 22 Sep 2020, the measures include mandatory reporting on modern slavery and human trafficking, the introduction of a single reporting date, and consideration of the options for strengthening enforcement for companies' noncompliance. No timeframe was announced for proposing the necessary legislative measures.

Background

The Modern Slavery Act 2015 requires certain companies to publish an annual statement detailing the steps they are taking to prevent modern slavery. The requirement to submit a statement currently applies to commercial organizations with a minimum annual turnover of £36 million — the turnover threshold remains unchanged. The 2019 consultation invited input on measures that included strengthening the transparency of supply chain reporting and expanding the requirement to report on modern slavery to the public sector.

Highlights

- Companies' annual modern slavery statements would have to report on six areas — the business's structure, supply chains, related policies and due diligence processes, risk assessment, effectiveness, and training. Companies would have to clearly state if they have not taken any steps to address these issues. Currently, reporting on these topics is optional.
- The range of topics to be addressed in the annual statements could be expanded to cover other topics flagged in the consultation replies.

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- A government registry of the statements will launch in early 2021, and companies will be invited to submit their annual statements to the register. Currently, companies are required to publish statements on their websites.
- Updated government guidance on increasing transparency in supply chains will be published later in 2020.
- Clearer reporting rules will increase the accountability of companies' boards or executives that sign off on the statements. Groups of companies would have to specify which entities their statement covers.
- A single deadline of 31 September would provide companies with a six-month period after the end of the reporting period (April to March) to prepare and submit their statements. Currently, companies can submit their statements to coordinate with their fiscal year.
- No changes to the current enforcement provisions were announced, but the government said it would further consider options in the context of the UK's decision to establish a single enforcement body.
- Public sector organizations with a minimum annual budget of £36 million would be required to submit a statement. The government will publish guidance to support covered public bodies.

Related resources

Non-Mercer resources

- [Modern slavery and supply chains government response](#) (UK government, 22 Sep 2020)
- [Modern Slavery Act 2015](#) (Government, 26 Mar 2015)

Mercer Law & Policy resources

- [UK tackles labour enforcement, family leave, flexible work](#) (25 Jul 2019)
- [UK consults on preventing supply-chain modern slavery](#) (30 Jul 2019)
- [Australia: Modern slavery statement deadlines extended](#) (8 Jun 2020)

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