

Nora Wolters, Consultant Published 27/02/2018



With the Modern Slavery Act coming into force in 2015, public scrutiny of the crimes of human trafficking and modern slavery has increased dramatically. Well-publicised cases in the United Kingdom illustrate – while specific numbers remain controversial – that more people are currently enslaved than at any time before in world history¹: a sad reaffirmation of this contemporary issue. Businesses, in the UK and

abroad, play a pivotal role in making modern slavery history.

Since the inception of the Act, the topic has been debated in Parliament, on newspaper headlines and through performance benchmarks by campaign organisations. Guidance for businesses to take action and comply with the reporting requirements is readily available and easy to find. However, while the Home Office estimates that between 12,000 and 17,000 companies fall under the reporting requirement of the Act as of early 2018, only around 4,000 businesses have published their statement as required².

Nevertheless, there is now a plethora of resources available to assist businesses, and a continuous call to action from civil society, politicians and business leaders. It is clear - there are no excuses for businesses not to join in the fight against modern slavery. We see five main reasons to reiterate this call to action:

1. It's the law.

Every organisation that supplies goods and services and has a turnover beyond £36million is required to outline their progress and efforts to tackle modern slavery in an annual Modern Slavery and Human Trafficking Statement. To be compliant with the law, a link to the statement must be included in a prominent place on the company website and signed by a Director after approval of the Board or equivalent.

In addition to these mandatory elements, the Act outlines several areas that companies should include in their statement to credibly outline their efforts to mitigate the risk of modern slavery. The areas include:

- the organisation's structure; policies and 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;
- the steps it has taken to assess and manage that risk;
- effectiveness in ensuring that slavery and human trafficking are not taking place in its business or supply chains;
- how this is measured and the training available to its staff.

¹ <https://www.freetheslaves.net/about-slavery/slavery-today/>

² <http://corporate-responsibility.org/mini-briefings-modern-slavery/>

Why there is no excuses for business not to act on modern slavery in 2018

These areas provide a starting point from which to consider how to take action to manage and mitigate the risk of modern slavery. Further, it is important to note that the requirement emphasises a process which is demonstrated over the course of a financial year and through continuous annual reporting. This means that even if a company is at the beginning of its journey, it is still possible – and essential – to produce a compliant and credible Modern Slavery Statement.

2. Resources are at your fingertips

The fight against modern slavery has always been one that is led passionately by civil society organisations. The inception of the Act has not only inspired this movement anew, but also catalysed industry action and essential multi-stakeholder initiatives.

As a starting point to learn more about the topic and what steps for businesses to take, the following are just three of a large and excellent growing body of good practice:

- The Business and Human Centre not only tracks statements through its Modern Slavery Registry but also offers a [comprehensive library of resources](#) – from reporting guidance to benchmark reports.

- The Independent Anti-Slavery Commissioner for the UK, Kevin Hyland, does fantastic work in raising awareness and engaging with civil society, politics and business; [the website of his office](#) also offers a comprehensive resources section with guidance and insights for businesses across various sectors.

- The Chartered Institute of Procurement & Supply (CIPS) covers all aspects of supply chain management, including guidance on modern slavery and reporting requirements. Together with the Walk Free Foundation and Verité, CIPS has released [a comprehensive guidance](#) which covers essential areas – from assessing risk to supplier engagement.

3. Good reporting provides a competitive advantage

Demonstrating a firm commitment to tackle the risk of modern slavery is first and foremost in line with what is expected from a responsible business. However, it is also clear that those companies that have provided best in class modern slavery reporting score consistently highly in benchmarking reports and sustainability ratings. With recent research by the Walk Free Foundation suggesting that 66% of consumers would be willing to switch products if they learnt their favourite product was made using modern slavery³, it can be concluded that industry leaders such as Marks & Spencer or SAB Miller have the potential to benefit from enhanced consumer trust through their continuous, and high quality, reporting efforts.

4. You can help break down silos across your business

³ <https://assets.globalslaveryindex.org/content/uploads/2016/08/30110224/Slavery-Alert-Consumer-Poll-United-Kingdom.pdf>

Why there is no excuses for business not to act on modern slavery in 2018

One of the core recommendations to initiate and implement action on modern slavery is the establishment of cross-functional teams including members from different divisions such as sustainability, compliance and procurement. Working together across functions is most beneficial in uniting individuals around the same causes, but also in facilitating the wider responsible sourcing agenda and embedding it into the business. Successfully making the

internal case for tackling the risk of modern slavery is a route into a broader examination of issues relating to social compliance and human rights. Working together with colleagues across divisions raises awareness of these issues and increases the potential for further action. In addition to improving communication horizontally, the requirement for the statement to be approved by the Board further underlines the need for senior management awareness and buy-in. Getting attention and buy-in from leadership can open up channels for further engagement, which can help in making the fight against forced labour a strategic priority.

5. A risk known is a risk managed

Before the Modern Slavery Act, 52% of UK supply managers said they wouldn't know what to do if they found modern slavery in their supply chains – after the Act this number has reduced to 17%⁴. This insight is testament to the power the Act has had on raising much needed awareness and knowledge about modern slavery.

With recent cases of labour exploitation found in the UK, we must also conclude that the likelihood of modern slavery occurring is a material risk in every supply chain. Tackling this risk through implementing the necessary due diligence processes is therefore not only a necessary step but helps to resolve and prevent potential issues. Further, these steps will enable businesses to become more resilient and raise awareness of the degree of risk exposure along their supply chain.

The above points make it clear – there is no reason for a business not to start or continue to engage in the fight against modern slavery in 2018. Eliminating this horrendous crime and enabling people to work with dignity can only be successful via a collaborative approach, involving civil society, public and private sectors. At the same time, taking action has advantages for all businesses and will create mature and resilient organizations, people and supply chains.

⁴ <https://www.cips.org/en-gb/news/news/one-in-three-businesses-are-flouting-modern-slavery-legislation--and-getting-away-with-it/>