

Businesses must act now to comply with new modern slavery legislation requirement

Leading independent Scottish law firm bto solicitors is urging businesses to comply with important slavery legislation as they approach the end of their financial year, or face an unlimited fine.

Businesses that supply goods and services and have an annual turnover of £36m or more (including turnover of any subsidiaries whether operating in the UK or abroad) will need to produce a Slavery and Human Trafficking Statement for each financial year to comply with the Transparency in Supply Chains provisions of the Modern Slavery Act 2015. Businesses that fall into this category with a financial year end of 31 March 2016 will be the first required to publish such a statement.



The Modern Slavery Act 2015, introduced in March 2015, is aimed at eradicating labour exploitation and covers slavery, servitude, forced or compulsory labour and human trafficking.

The Slavery and Human Trafficking Statement, which must be published on the organisation's website and be accessible via a prominent link on the homepage, should detail the steps the organisation has taken 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. If an organisation has taken no such steps, they must still publish a statement declaring this to be the case.

Claire Mills, associate at bto solicitors, said: "Whilst we would all hope that the organisations we work for and with are not committing any of these abhorrent crimes, the uncomfortable truth is that modern slavery is happening in the UK. In particular, labour exploitation in the construction sector was identified by the National Crime Agency as one of the highest areas reported by victims in 2013.

"It is intended that the requirement to produce a Slavery and Human Trafficking Statement will help drive up standards, and the risk of naming and shaming organisations who take no steps will encourage businesses to change their policies and practices.

"Whilst the legal requirement to produce a statement is fairly benign, if an organisation is exposed as not taking any steps to prevent slavery and human trafficking in its supply chains, reputational damage could be immeasurable. Failure to produce the statement in the first place could result in a court order, and eventually, an unlimited fine."