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Modern Slavery Act – Information Update

If your company conducts business in the UK and has global revenues of £36 million or more, then the UK's Modern Slavery Act 2015 requires you to publish a transparency statement which details the steps taken during the last financial year to ensure your business and supply chain are free from modern slavery and human trafficking.

As the requirement applies to financial years ending on or after March 31, 2016, many companies with December year-ends will shortly be publishing modern slavery transparency statements for the first time. With this in mind, law firm Cleary Gottlieb has recently published guidance for companies ([click here](#) to view). Points to consider include:

- If you are a non-UK incorporated company, a common-sense approach should be adopted to decide whether you are required to publish a transparency statement. You do not need a UK subsidiary or branch to come under the Act's scope – other UK business connections may be sufficient.
- Reporting obligations are likely to be applied on a group-wide basis for multi-national organizations, not solely for the UK part of the business.
- While the Act does not prescribe the precise content of a transparency statement, it requires details of "the steps the organization has taken during the financial year to ensure that slavery and human trafficking is not taking place (i) in any of its supply chains and (ii) in any parts of its own business." Any organization which has taken no such steps is required to produce a statement to that effect.
- The exact content and level of detail are likely to be determined by individual companies based on its risk profile (including (a) its sector, (b) the complexity of its structure and supply chains, and (c) the sectors and regions in which its suppliers operate).
- The statement must be approved by the board, signed by a director and published on the company's website with a prominent link to it on the home page. It must be published as soon as reasonably practicable after the financial year end (ideally within six months).
- It is interesting to note that the reporting obligation does not require organizations to take active measures to eliminate modern slavery. Cleary Gottlieb suggests, however, "it would be prudent to introduce measures to address any areas of risk pre-emptively" especially in situations where high risk factors may be present such as complex supply chains, operations in high risk regions or sectors and the use of outsourced or subcontracted labor (especially if combined with an absence of effective workers' representation).



The UK's Law Society has published a practice note which includes further guidance, examples of statements which have already been published and a template transparency statement (you can view it [here](#)). The [Business & Human Rights Resource Centre](#) also has examples and analysis of transparency statements as well as maintaining a registry of statements.

If you would like to discuss the Modern Slavery Act, please contact us at adr@citi.com.

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