



Transparency in Supply Chains

The Modern Slavery Act 2015



The Modern Slavery Act requires all businesses who trade in the UK and who have a **turnover of over £36m** to publish an **annual statement** setting out what they have done to ensure that modern **slavery and human trafficking** are not taking place in **their business or supply chains**.

It has been estimated that 35.8m men, women and children worldwide are trapped in slavery*.

The Global Slavery Index (produced by the Walk Free Foundation*) ranks countries based on the percentage of the population enslaved.

Top 5:

- Mauritania
- Uzbekistan
- Haiti
- Qatar
- India



Are any of your products manufactured in these territories?

There is no fine or penalty for non-compliance but the government can seek an injunction to require publication. Chief risks are **reputational**.

Companies must be prepared for scrutiny by customers, competitors, the media and other interested bodies.



Government figures estimated that over **12,000 UK companies** alone will be required to publish a supply chain transparency statement. As of **July 2016**, only around **340** had reported, including only about **8% of the FTSE 100**.

This jurisdiction is only the **2nd in the World** to require companies to report on transparency in their supply chains. The 1st was **California**, which has had an equivalent law in place since **2012**.



Practicalities – statements should be:

- Signed by a director
- Published on the company's website, with a link on its homepage



The law has been in force since **29 October 2015**. First companies who must comply are those with a financial year end on or before **31 March 2016**. Guidance suggests that statements should be published within **6 months** of year end.



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