

TIME IS RUNNING OUT FOR MODERN SLAVERY ACT SUPPLY CHAIN REPORTING



All large businesses in the UK must publish a statement annually on their websites setting out the steps they have taken to ensure that modern slavery and human trafficking are not taking place in their own business or in their supply chains. Government guidance advises that the statement should be published within 6 months of the end of the financial year. For the many businesses who have a 31 December year end, this deadline is fast approaching.

Our team has been talking to businesses individually and in seminars around the UK, particularly in the retail and consumer sector. A few themes are emerging:

- ▶ Businesses with manufacturing operations in high-risk territories (particularly the Far East), for example clothing brands and retailers, are making the most progress. Many have clearly allocated significant time and resource to improving governance of their supply chains and implementing new operating standards.
- ▶ Fear of attracting negative publicity is a driver of compliance, but there is also a strong feeling of simply wanting to do the right thing, particularly at board level. There is also an acknowledgement that consumers are increasingly taking into account ethical issues when making purchasing decisions.
- ▶ Many businesses are rightly keen to avoid being tripped up by the administrative requirements of publication, for example, the requirement for the statement to be approved by the board and signed by a director, and for the statement to be published on the business's homepage.

As we expected, scrutiny from the third sector has intensified. Some have produced reports comparing the quality of statements published by different businesses.*

Although there are many success stories, there are still many businesses who do not appear to have engaged with the requirement to publish a supply chain transparency statement. In some areas, there is still a lingering feeling of: surely this is not relevant to us? It is true that the risks are higher in some sectors than others. But even non-manufacturing businesses will rely on things like computer hardware and software, and services to maintain offices and branches such as cleaning and facilities management. These purchases also should be considered to be part of a business "supply chain".

Supply chain vigilance is about constant improvement. It is never too late to implement new processes to identify and tackle modern slavery risks. No business is expected to be perfect, especially in this first year of reporting. Certainly, small steps are better than no steps at all.

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*For example: the Modern Slavery Registry at <http://www.modernslaveryregistry.org/> and the Corporate Human Rights Benchmark <https://business-humanrights.org/en/corporate-human-rights-benchmark-0/about-the-benchmark>, both of which are produced by the Business & Human Rights Resource Centre.

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