

Modern Slavery Act 2015



The Modern Slavery Act came into Force in 2015. This insight gives an overview of the Act; focusing on the impact on Supply Chains and the role of Procurement and actions required to support the organisation.



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Overview

The Modern Slavery Act, the first of its kind in Europe, received Royal Assent on 26 March 2015. The act consolidates slavery and trafficking offenses and introduces tougher penalties and sentencing rules. It ensures that the main offences are subject to the toughest asset recovery regime under the Proceeds of Crime Act 2002, introduces bespoke slavery and trafficking compensation orders, and provides for the confiscation of vehicles, ships and aircraft used for the purposes of trafficking.

The changes will ensure that the National Crime Agency, the police and other law enforcement agencies have the powers they need to pursue, disrupt and bring to justice those engaged in human trafficking and slavery, servitude and forced or compulsory labour. It also introduces measures to enhance the protection of victims of slavery and trafficking. A new Independent Anti-slavery Commissioner has been appointed whose role is to encourage good practice in the prevention, detection, investigation, and prosecution of slavery and human trafficking offences, as well as the identification of victims of those offences. This role is relevant to all current slavery and trafficking offences in England, Wales, Scotland and Northern Ireland.

An overview of the Modern Slavery Act

The act includes provisions to:

- Enable the Secretary of State to make regulations relating to the identification of and support for victims
- Make provision for independent child trafficking advocates
- Introduce a new reparation order to encourage the courts to compensate victims where assets are confiscated from perpetrators
- Close gaps in the law to enable law enforcement to stop boats where slaves are suspected of being held or trafficked
- Require businesses over a certain size and threshold to disclose each year what action they have taken to ensure there is no modern slavery in their business or supply chain.

Transparency in Supply Chains Clause

An additional clause (clause 6) was added retrospectively to the act and requires organisations to report on the processes and due diligence taken to ensure that their supply chains are slavery free. The Transparency in Supply Chains clause came into force in Oct 2015 and requires organisations with a turnover of £36 million or more to produce and publish a slavery and human trafficking statement each financial year.

The statement is a summary of the steps the organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place in any part of its business or its supply chains. A statement needs to be published regardless of whether any steps have been taken or not, as follows:

A slavery and human trafficking statement for a financial year is—

- a) a statement of the steps the organisation 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 part of its own business, or
- (b) a statement that the organisation has taken no such steps.

There is no specific template for reporting but the Act suggests the following for inclusion in the statement –

- a) the organisation's structure, its business and its supply chains;
- b) its policies in relation to slavery and human trafficking;
- c) its due diligence processes in relation to slavery and human trafficking in its business and supply chains;
- d) the parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk;
- e) its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate;
- f) the training about slavery and human trafficking available to its staff.

Guidance is also given on who in the organisation should sign off the slavery and human trafficking statement.

- a) if the organisation is a corporate body other than a limited liability partnership, the statement, must be approved by the board of directors (or equivalent management body) and signed by a director (or equivalent);
- b) if the organisation is a limited liability partnership, the statement must be approved by the members and signed by a designated member;
- c) if the organisation is a limited partnership registered under the Limited Partnerships Act 1907, the statement must be signed by a general partner;
- d) if the organisation is any other kind of partnership, must be signed by a partner.

The act also sets out where organisations should publish their statement and guidance is provided.

If the organisation has a website, it must—

- a) publish the slavery and human trafficking statement on that website, and
- b) include a link to the slavery and human trafficking statement in a prominent place on that website's homepage.

If the organisation does not have a website, it must provide a copy of the slavery and human trafficking statement to anyone who makes a written request for one, and must do so before the end of the period of 30 days beginning with the day on which the request is received.

Procurement's role

Evidence suggests that the risk of modern slavery affects almost every industry: electronics and high tech, steel and automobiles, agriculture and seafood, mining and minerals, garments and textiles and shipping and transportation. The evidence also suggests that, while modern slavery is illegal in every country in the world, it still occurs in every country in the world. Procurement professionals have an important role to play in sourcing in a manner that enables and rewards suppliers for good employment practices, rather than purchasing in a manner which drives the use of modern day slavery practices.

CIPS has developed some steps that organisations can put in place to demonstrate that they are taking the necessary due diligence to keep their supply chains slavery free. This should be part of a much wider risk management strategy addressing all ethical and sustainable procurement practices.

CIPS Guidance and Tools

The Ethical and Sustainable Procurement Guide

This [guide](#) introduces procurement professionals to the key concepts behind ethical procurement and provides advice for getting started. It includes a 7 step tool of guidance at each stage of the procurement cycle to minimise risk, as well as considerations to include on a buyer/supplier performance score card.

The procurement cycle

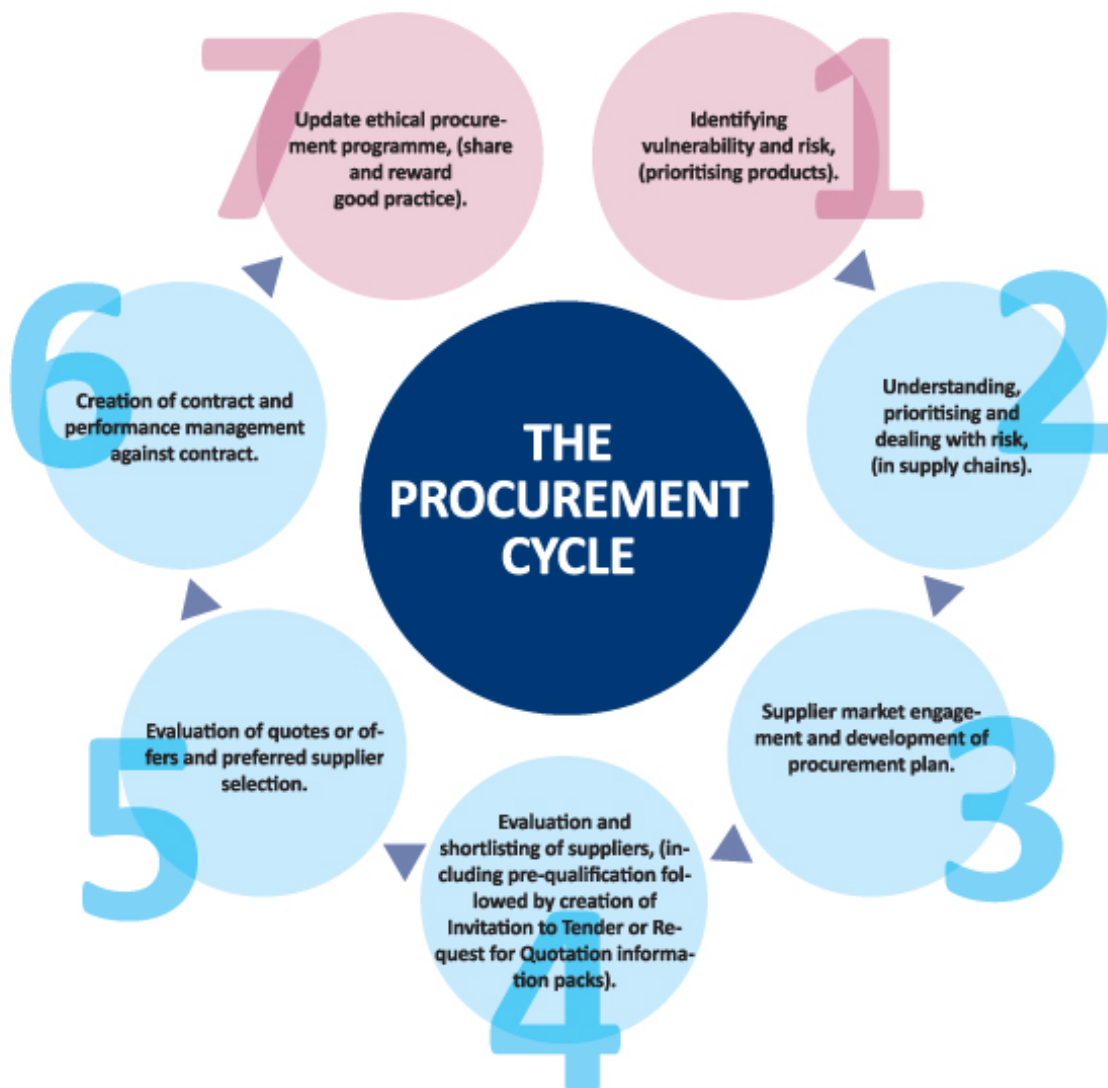
A detailed procurement cycle breaks down into seven major stages. The following section examines each of these stages, highlighting good practice and, specifically, what a buyer should bear in mind.

Stages 1 and 7

Stages 1 and 7 focus on the ethical/responsible purchasing programme, covering all purchases.

Stages 2 – 6

Stages 2 – 6 are the stages a purchasing organisation goes through in relation to each purchase.



Tackling Modern Slavery in Supply Chains

This [resource](#) is primarily aimed at procurement, supply chain and sustainability professionals in companies, organisations and governments. It is aimed at those who want concrete guidance on how to reduce or eliminate the risk of modern slavery occurring in their supply chains, either as a direct or indirect result of their procurement practices. It includes exemplar tools such as a code of conduct, action plans and help with audits.

Tools in this guide include;

- Sample Code of Conduct provisions
- Framework for Implementing a Communication Strategy
- Risk Screening Tool
- Understanding industry risk
- Scorecard
- Self-Assessment questionnaire
- Questions to ask during an audit to identify labour violations
- Example questions to ask employees during a social audit
- A Corrective Action Plan
- Making a plan for remediation
- Defining Roles and Responsibilities
- Supplier management and engagement

Where to start

- **Inform yourself** – do your research on the legislation and understand what is being asked of your organisations. The Government has produced guidance on the signs to look out for to identify slaves or trafficked workers.
- **Identify key risks areas** – see page 9-11 of the [CIPS Ethical and Sustainable Procurement guide](#) - identifying areas of vulnerability and risk; understanding, prioritising and dealing with risk.
- **Develop and include policy and governance procedures** – Assign a champion/s to lead and implement ethical and sustainable procurement policies and procedures and gain senior management buy-in.
- **Develop a statement** – see earlier section - **Transparency in Supply Chains Clause**, for guidance of what needs to be included in the statement.
- **Engage and train staff** – Use your champion/s to educate the business at the right level. Procurement teams require a thorough understanding, as do stakeholders that have direct supplier relationships. Use the CIPS Ethical eLearning and test as a communication tool to raise awareness of the impact of individual decisions can have on ethical procurement.
- **Report on your activities** – Monitor your progress and carry-out a review and continuous improvement cycle to ensure you are addressing all the issues in the most effective way.
- **Learn from others** – Talk to your peers and research published guidance and case studies that can feed into your commitment to continuous improvement.

Additional Resources

- [CIPS Ethical Procurement and Supply e-learning course and online test](#)
- [Modern Slavery in Supply Chains](#)

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