



Home Office

# Modern Slavery and Supply Chains Consultation

Consultation on the transparency in supply chains clause in the Modern Slavery Bill

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## MINISTERIAL FOREWORD



Modern slavery is a heinous crime where some of the most vulnerable people in society are ruthlessly exploited for criminal gain. I am proud that this Government has taken such decisive steps to tackle this evil in our midst.

Government and business need to work together to stamp out modern slavery. The Government must generate an environment where modern slavery cannot succeed, and must work collaboratively with international partners to tackle this evil. Equally, businesses must be vigilant, to make sure that those they do business with are not exploiting others.

In the Modern Slavery Bill, we have introduced a world-leading provision for transparency in supply chains that will require all businesses over a certain size to disclose what steps they have taken to ensure their business and supply chains are slavery free.

I know that many businesses are already taking action. In order to create a level playing field across all eligible businesses we have chosen to put in place an ambitious, stand-alone measure that will cover major businesses from all sectors, both listed and private. This will ensure that large businesses cannot turn a blind eye to modern slavery simply because of their corporate status or domicile.

We have consciously taken an approach that will encourage business to take real action whilst avoiding unnecessary burdens or an inflexible system that works only for some businesses.

Nevertheless, for this measure to work effectively we must get the details right. We are, therefore, consulting to determine the size of business that this measure should apply to, and the contents of our guidance.

We want to produce guidance which is both supportive and helpful, providing businesses with a clear guide as to the type of information they could include in their slavery and trafficking statements.

We can only make real progress if we work together. That principle has guided our policy development, and that is why we are consulting now. I look forward to hearing your views about this important subject.

A handwritten signature in black ink, appearing to read 'T. May', with a stylized flourish at the end.

**The Rt Hon Theresa May MP**

## ABOUT THIS CONSULTATION

### Scope of the Consultation

<b>TOPIC OF THIS CONSULTATION</b>	This consultation is on the transparency in supply chains clause in the Modern Slavery Bill.
<b>SCOPE OF THIS CONSULTATION</b>	This consultation is specifically focused on which companies the transparency in supply chains measure should apply to, and what statutory guidance on this measure should contain.
<b>GEOGRAPHICAL SCOPE</b>	United Kingdom

### Basic Information

<b>TO</b>	This consultation is open to everyone. We would particularly like to hear from NGOs with expertise in this area and businesses that may be affected or that have experience of addressing these issues.
<b>CONSULTATION DURATION</b>	For a period of 12 weeks from 12/02/2015 until 07/05/2015
<b>ENQUIRIES</b>	Supply Chains Consultation Modern Slavery Unit 3 <sup>th</sup> Floor Peel Building 2 Marsham Street London SW1P 4DF
<b>HOW TO RESPOND</b>	Postal address as above. Email: <a href="mailto:supplychainsconsultation@homeoffice.gsi.gov.uk">supplychainsconsultation@homeoffice.gsi.gov.uk</a>
<b>AFTER THE CONSULTATION</b>	A response will be published on the GOV.UK website.  A size threshold for turnover will be set by secondary legislation, before the transparency in supply chains measure is commenced.  Draft statutory guidance will be produced. The content of such guidance will reflect the outcomes of this consultation, with the final drafting worked up with working groups comprising Government, business and NGO stakeholders.

## Background

<b>GETTING TO THIS STAGE</b>	<p>The Government introduced a Modern Slavery Bill to Parliament on 10 June 2014. The Bill was amended at Commons Report Stage, on 4 November 2014, to include a new clause requiring companies to disclose what steps they have taken to ensure there is no modern slavery in their business or their supply chains.</p>
<b>PREVIOUS ENGAGEMENT</b>	<p>The Government has discussed this issue with business and NGOs on an ongoing basis through a wide range of correspondence and meetings.</p> <p>On 11 June 2014 the Home Secretary, the Minister for Modern Slavery and Organised Crime, and ministers from other government departments met with a number of British business to look at how Government and business could work together to address this issue. The Home Office has since worked with a group of businesses to consider practical steps that businesses can take in this area, and used feedback received in these workshops to inform this consultation.</p>

## INTRODUCTION

Modern slavery is a broad term used to encompass the offences of 'slavery, servitude and forced or compulsory labour' and 'human trafficking'. These offences are closely related but not identical in a legal sense. Slavery is where ownership is exercised over a person; servitude involves the obligation to provide services imposed by coercion; forced or compulsory labour involves work or service exacted from any person under the menace of a penalty and for which the person has not offered himself voluntarily; human trafficking concerns arranging or facilitating the travel of another with a view to exploiting them.

Those committing these heinous crimes exploit whatever means they have at their disposal to coerce, deceive and force individuals into lives of abuse, servitude and inhumane treatment. The most common forms of abuse are sexual exploitation, labour exploitation and domestic servitude. In all cases, some of the most vulnerable people in society are stripped of their dignity and basic freedoms, and forced to work for someone else's gain or benefit.

### The Modern Slavery Bill

The Modern Slavery Bill is one of the first pieces of legislation in the world to focus specifically on this issue. It is designed to give law enforcement the tools to tackle modern slavery, ensure that offenders can receive suitably severe sentences for these appalling crimes, and enhance support and protection for victims.

The Bill will consolidate the existing slavery and human trafficking offences into one Act of Parliament, and increase the maximum sentence from 14 years to life imprisonment. It will introduce new civil orders so that law enforcement can effectively manage those who pose a risk of causing slavery-related harm, and will create a new Independent Anti-Slavery Commissioner, to ensure that our law enforcement response is coordinated and that victims are effectively identified.

To protect victims, the Bill will introduce a new defence for victims and will enhance access to special measures for victims giving evidence in court, so they feel more able to support a prosecution. The Secretary of State will also be required to issue guidance about identifying and supporting victims, to ensure that frontline professionals are able to spot and rescue more victims in the first place.

Specifically for child victims, the Bill provides for the introduction of specialist child trafficking advocates, which are currently being trialled. For the first time child victims will be supported by a dedicated contact with the capacity and expertise to promote their welfare and guide them through the social care, immigration and criminal justice systems. The Bill also includes a presumption of age clause, to ensure that child victims receive appropriate support and assistance as soon as possible.

### The Transparency in Supply Chains Clause

The decision to amend the Modern Slavery Bill to include a new clause on transparency in supply chains was taken by the Government after listening carefully to a wide range of NGOs, Parliamentarians and businesses who called for legislation on this issue.

Having considered the evidence and calls for change carefully, we concluded that the legislative framework could be strengthened to encourage businesses to take more action. A provision was therefore introduced which requires businesses with a prescribed level of turnover to publish an annual slavery and human trafficking statement which discloses what steps they have taken to ensure that slavery and human trafficking is not taking place in any of its supply chains or business or that they have taken no such steps.

We believe that once it is made clear what activity major businesses are undertaking to ensure slavery and human trafficking is not taking place in their supply chains or own business, pressure from consumers, shareholders and campaigners and competition between businesses will encourage those who have not taken effective steps to do so.

The clause will apply to commercial organisations (corporate bodies and partnerships, wherever incorporated or formed) which carry on a business or part of a business, in any sector, in the UK and who have a turnover above a certain minimum amount.

## Purpose of the Public Consultation

It is our position that this clause should apply to larger businesses. We believe that larger businesses have the resources to undertake due diligence and take action on the results. Larger businesses also have the purchasing power to exert real influence on supply chains. We want to set the threshold at a level that is effective in tackling modern slavery and also fair and workable for all affected businesses.

The clause specifies that the Secretary of State will set a minimum total turnover in regulations. In order to get this threshold right, we are consulting on what it should be, so that we can make a clear, evidence-based decision, before setting the threshold through regulations. Adopting such an approach will allow for changes to be made to the turnover threshold at some future date, if this is desirable or required.

The clause also states that the Secretary of State may issue guidance about the duties imposed on commercial organisations by this disclosure requirement. We want this guidance to support businesses in producing high-quality and informative slavery and human trafficking statements, by helping them to understand what such a statement may include. We expect disclosures to differ between businesses but we want to make sure that this guidance provides information that is genuinely helpful and applicable to as many businesses as possible. We are consulting to determine what that guidance should contain.

The Modern Slavery Bill has not yet completed its Parliamentary passage. We considered carefully whether to launch this consultation now or once the Bill has received Royal Assent. We listened particularly to the views of Parliamentarians in debates in both the House of Commons and House of Lords on the timing of the consultation. We have decided to launch this consultation now, because we do not want to delay the implementation of this important measure, and because we want to assist Parliamentarians, businesses and NGOs in their scrutiny of the measure by providing as much detail as possible on how this measure is intended to work in practice. This will enable Parliamentarians to consider our overall approach whilst debating the Bill's provisions and, in particular, understand the Government's approach to determining the appropriate threshold for the disclosure requirement, the definition of total turnover and the content of the statutory guidance.



As the Bill has not yet completed its Parliamentary passage, the provision itself could be amended whilst this consultation is ongoing. However, we are confident that the information and views that this consultation is seeking to gather will still be relevant.

## BACKGROUND TO THIS CONSULTATION

Transparency in supply chains in relation to modern slavery is an issue that has been discussed and debated for a number of years. In 2010, the state of California introduced the 'California Transparency in Supply Chains Act' (the 'California Act') which requires retail and manufacturing businesses with worldwide annual gross receipts over \$100m, doing a certain amount of their business in California, to disclose their efforts to eradicate slavery from their supply chains.

In the UK, the idea was discussed by the Centre for Social Justice in their report 'It Happens Here' (published March 2013), which called for legislation modelled on the California Act. This followed Private Members' Bills which were tabled by Fiona McTaggart MP (2010) and Michael Connarty MP (2012) on the same issue. In a similar vein, Frank Field MP's evidence review in December 2013, which was commissioned by the Home Secretary, recommended that companies should be required to state in their annual reports and on their websites what concrete measures they have taken to eradicate modern slavery from their supply chains.

The Joint Committee on the Draft Modern Slavery Bill also emphasised the importance of supply chain transparency. They recommended that this should be achieved by amending the Companies Act, to require quoted companies to include modern slavery in their annual strategic reports.

This demonstrated that although there was growing consensus on the need to encourage supply chain transparency, there were a number of ways this could be achieved.

The offences that constitute modern slavery are breaches of human rights. The debate around transparency in supply chains therefore needs to be seen in the context of a growing understanding of the impact of business on human rights, the measures that can be taken by businesses to identify and mitigate human rights risks and how the impact of those measures can be assessed and reported.

In 2011, the United Nations adopted Guiding Principles on Business and Human Rights (the UNGPs) that set out the responsibility of states (governments) to protect human rights, the responsibility of businesses to respect the human rights of all those affected by their operations and the importance of access to remedy for victims of human rights abuses. These principles of protect, respect and remedy are known as the three pillars of the UNGPs.

From the perspective of individual businesses, due diligence and reporting are essential elements of the UNGPs. The UN Guiding Principles Reporting Framework is the first comprehensive guidance for companies to report on how they meet their responsibility to respect human rights. The Reporting Framework will be published during the course of this consultation, on 24 February 2015. Work is underway to align other international standards and reporting frameworks with the UNGPs. These include the Global Reporting Initiative (GRI) and UN Global Compact.

In summary, the transparency in supply chains clause is being introduced at a time of rapid evolution in the expectations of business with regards to human rights and in the development of guidance for effective due diligence and reporting. The guidance that is produced will need to take account of this wider context.

## Partner Engagement

The Home Secretary and Ministers from the Home Office, Foreign and Commonwealth Office and Department for Business, Innovation and Skills met a number of British businesses on 11 June 2014 to discuss and consider what steps the Government and business could take collectively to address this issue. This was followed by a series of smaller working groups to discuss practical steps that businesses could take to protect themselves and their workforce. Through this direct consultation we have received clear feedback from businesses themselves that proportionate legislation was welcome and would be a non-burdensome way of creating a level playing field that would encourage action by all eligible businesses including those not already engaged in this agenda. This reflected the message that was also being relayed by a number of NGOs who work in this area.

The Government has listened carefully to all of the representations made by business, civil society and Parliamentarians in order to determine the best approach, given the existing and future legislative landscape.

The Government has already amended the Companies Act – since 1 October 2013 certain listed companies have been required to produce a strategic report each financial year, which must include information on a number of aspects including ‘human rights issues’. Given that modern slavery is one of the most serious human rights abuses imaginable, we are clear that this strategic report should include modern slavery where it is relevant for an understanding of the business.

Following the Council of Europe and EU Parliament’s adoption of the EU Non-Financial Reporting Directive in November 2014, eligible companies, who are required to produce strategic reports, will also have to include more specific, structured and detailed information on human rights (as well as other aspects) than would have previously been the case. These new requirements will come into force during 2016.

Measures to increase transparency therefore need to adequately take account of future reporting requirements, so that any further changes add to, rather than confuse existing arrangements. Having considered the evidence and calls for change carefully, we have determined that the legislative framework could be further strengthened, to encourage businesses to take more action on this particularly serious matter.

## Transparency in Supply Chains etc

Clause 52 of the Modern Slavery Bill (as amended in Lords Committee stage) – ‘Transparency in Supply Chains etc’ – requires commercial organisations with a prescribed total turnover to prepare a ‘slavery and human trafficking statement’ for each financial year.

This must be a statement of the steps which the organisation has taken to ensure slavery and human trafficking is not taking place in any of its supply chains or in any part of its own business or a statement that no such steps have been taken.

For the purposes of this clause, a ‘commercial organisation’ means a body corporate or partnership (wherever incorporated or formed) which carries on a business, or part of a business, in the UK.

This clause applies to a commercial organisation, if it supplies goods or services and has a total turnover above an amount prescribed by the Secretary of State in regulations. This consultation is seeking to determine what figure should be used to set the minimum total turnover, and the content of statutory guidance.

In particular, our thinking was informed by businesses and others who highlighted that the Human Rights provision in the Companies Act did not create fair competition, because it only applied to a limited range of quoted companies. As a result, we decided to introduce an ambitious stand-alone measure to the Modern Slavery Bill which could apply to all commercial organisations over a certain size. For the same reason, we decided that our measure should apply to supply chains for goods **and** services in all sectors, not just the provision of goods as in the California Act.

This means that setting the right size threshold is very important, because all commercial organisations carrying on business in the UK above that size will be required to comply with this legislation. We, therefore, decided that the best way to get this threshold right would be to consult, so that we could make a fully considered, evidence-based decision.

Our intention is to create a measure which will bring about real transparency, but still give businesses enough flexibility to make the right choices for them about how to keep their business and supply chains slavery free, better reflecting the needs of their particular operation. For example, a business which provides services and is entirely based in the UK may need to disclose much less information than a retailer with suppliers all over the world. We do not want to tie all businesses to one inflexible standard.

Nonetheless, when discussing this with businesses we also received clear feedback that some guidance about how to approach these issues would be extremely helpful. Therefore, as part of this clause we have given the Secretary of State the power to produce statutory guidance about this provision. Our intention is that this guidance will help businesses by giving them a clear steer as to the kinds of things that they could think about when drawing up a slavery and human trafficking statement.

We want this guidance to set reasonable expectations about the kinds of things that businesses could consider, whilst still encouraging businesses to be ambitious about the steps they could be taking and the information they may wish to disclose. We think consulting is the best way to get that balance right.

## COMPANY SIZE

The UK will be the first country in the world to introduce such an ambitious transparency in supply chains measure into legislation. Therefore, it is vital that we get this provision right so that it is robust, workable and fair.

The measure we are proposing is specifically designed to minimise the burden on business whilst at the same time setting a common framework. Instead of relying on heavy-handed regulation, this measure will encourage businesses to do the right thing, by harnessing consumer and other stakeholder pressure, which will encourage and influence businesses to do more.

It is possible for a business to comply with the provision by simply stating that they have taken no steps during the financial year to ensure that their business and supply chains are slavery free.

However, this requirement will make it absolutely transparent what action a business is or is not taking. Businesses who disclose that they take little or no action may be subject to particular scrutiny and public pressure which may jeopardise both their reputation and profit. Our expectation is that businesses will react to that pressure by increasing their activity on the ground and, through subsequent disclosures, demonstrate to the public, investors and civil society, the steps they are taking to operate an ethical business.

As a result, we think that this measure should apply to those businesses best placed to influence conduct in the sector they cover. Large businesses are more likely to have the necessary purchasing power and influence to create effective change within a supply chain, as suppliers will be more concerned about retaining their business.

In addition, placing this responsibility on larger businesses will help to push responsible practices down through the supply chain, including to smaller businesses not directly covered by this legislation, if they act as suppliers to larger businesses that need to comply. Whereas, setting the threshold too low could place greater responsibility on businesses further down the supply chain, with fewer resources to undertake due diligence and less capacity to effect change.

This still leaves the significant question of which companies should be counted as large and meet the threshold for this disclosure requirement. We are hoping that this consultation will help to answer that question, because it is crucial that we get it right. For this provision, business size will be determined by total turnover. Businesses that have the necessary total turnover for this provision to apply will be those most likely to have the resources and purchasing power to take action. We will set out in regulations how total turnover of a business is to be determined and our intended approach to calculating turnover is summarised below.

There are a number of ways of defining business size. For example, the Companies Act 2006 refers to employee numbers as well as turnover. We considered the different options carefully when drawing up our transparency provision. Feedback from business had been clear that this policy should aim to create fair competition, and help to level the playing field by requiring all businesses of a similar size to declare what they are doing. If we defined business size by employee number, it was clear that there would be some businesses with very large turnovers but very few employees, who might then be excluded, despite clearly having similar resources

and purchasing power as other companies who were being required to comply. As a result, a simple definition of turnover was seen as the best way of defining business size for the purpose of this provision. This also broadly reflects the position in the California Act, which simply defines business size by worldwide annual gross receipts.

## Total Turnover

Total turnover will be the total net turnover of the commercial organisation, meaning the total amount of revenue derived from all sources, after deduction of trade discounts, value added tax and any other taxes based on the amounts so derived. This is a commonly used and understood definition from the Companies Act for businesses to determine their size for the purposes of complying with that Act.

The turnover threshold of a company carrying on all or part of its business in the UK will be assessed as including the turnover of all of its subsidiaries.

**Example 1** – A UK parent company - total turnover shall be taken to include the aggregate turnover of the companies and all its subsidiaries where the parent is carrying on business (or part of a business) in the UK. If the total turnover of the parent company exceeds the threshold as set out above it will be required to produce a slavery and trafficking statement covering all of its business and its supply chain. Where a subsidiary of the parent company carries on business in the UK and exceeds the turnover threshold in their own right they will also be required to produce a statement.

**Example 2** – A non UK-based parent company – where a non UK-based parent company is carrying on business (or part of a business) in the UK and exceeds the turnover threshold they will be required to produce a slavery and trafficking statement covering their business and supply chain. As in Example 1, any subsidiary of the parent company carrying on business in the UK that is over the turnover threshold will also be required to complete a slavery and trafficking statement in their own right.

In practice, where a parent company and a subsidiary company are both required to produce a statement, one statement may be produced as long as the statement covers the full business and the supply chain of the parent and the subsidiary and is placed on both the parent's and the subsidiaries websites.

The California Act sets a threshold of \$100m (around £60m). However, it also requires that those companies have a certain 'footprint' in the state of California. This means that they must meet certain conditions, for example, that they are organised or commercially domiciled in California or that their sales in California exceed the lesser of \$500,000 or 25% of their total sales.

Our approach is different and more ambitious. This Government is clear that the use of modern slavery wherever it occurs is abhorrent, so our measure is designed to send a clear message that we expect organisations carrying out any part of their business in the UK to disclose what they are doing in their business or supply chains to ensure such slavery does not occur anywhere in the entirety of their operations.

Therefore, there is no requirement for a business to meet a certain level of ‘footprint’ in the UK— it is sufficient that any part of a business is taking place in any part of the UK. We also hope that this will make it easier to determine which businesses the measure applies to (without needing to know what proportion of a business’ sales took place in the UK, for example). In addition, the California Act, as already mentioned, only applies to the supply chains for goods, whereas this provision applies both to goods and services. This means our provision could capture more businesses, even if a higher turnover threshold is set than the \$100m threshold which applies in the California Act.

The table below gives some indication of the number of businesses that might be required to comply under a range of thresholds. The numbers are approximate as they do not include businesses registered in other countries and operating directly in the UK, without a UK registered subsidiary. The number of businesses that would be required to comply with the transparency provision will therefore in fact be higher than the figures provided in table 1.

**Table 1: Companies that would be required to produce a report at various threshold levels**

<b>Turnover thresholds</b>	<b>Estimated total number of UK active companies whose turnovers exceed the threshold**</b>
£36 million*	12,259
£250 million	2,554
£500 million	1,409
£1 billion	724

\*£36m is one of the thresholds which determine the size of a large company for the purposes of the Companies Act.

\*\* Where more than one company within a group exceeds the thresholds, this number includes all such companies.

The figures shown are provided simply to give some frame of reference when thinking about what various thresholds might mean in practice. However, we do not want to restrict feedback to these figures. We would like to know where you think the threshold should be set.

**Q1. What level of turnover threshold do you think would be the most appropriate threshold for requiring a business to make a slavery and human trafficking statement?**

**Q2. Please explain your answer.**

**Q3. To what extent do you agree that there should be a higher turnover threshold set initially to focus on larger businesses and then reduce the threshold to cover more businesses, over time?**

<b>Strongly agree</b>	<b>Agree</b>	<b>Neither agree or disagree</b>	<b>Disagree</b>	<b>Strongly disagree</b>

**Q4. Please explain your answer.**



## STATUTORY GUIDANCE

We want to produce guidance to help businesses understand what a slavery and human trafficking statement might include thereby enabling them to produce high-quality and informative disclosures.

This guidance will set out the kinds of information that might be included in a disclosure, but it will only be guidance. Ultimately, we want businesses to take the issue of modern slavery seriously at the top level (such as company boards) and for businesses to be able to determine, demonstrate and explain their policies and practices relevant and specific to their own circumstances. We fully expect slavery and human trafficking statements to differ from business to business.

This will allow businesses to better reflect the unique position of their business and sector. For example a company which provides services, and is entirely based in the UK, may need to disclose much less information than a retailer with suppliers all over the world.

Clear and informative guidance will help to prevent this requirement from becoming a simple tick box exercise by directing businesses towards the kinds of important steps and actions they could take, without setting rigid minimum requirements.

To that end we propose to include, in the Modern Slavery Bill, an additional provision which will require those responsible for businesses, such as company boards and directors to sign any slavery and trafficking statement that is produced. This will ensure that those at the top level take this issue seriously and understand the implications of taking little or no action.

We believe this measure will harness public pressure by a range of stakeholders to drive businesses to produce full and informative disclosures that will increase transparency. We think it would be helpful for all consumers, investors, campaigners and businesses, to have a common frame of reference indicating what a disclosure could include.

People should not need prior expertise or knowledge to take a considered view of a businesses slavery and human trafficking statement, and be able to call for more action if they think it necessary. This guidance will therefore be important for interested parties and the wider public, in helping to inform the pressure they bring to bear.

Again, this means it is crucial that we get the content of this guidance right. We want to produce guidance which is ambitious in setting out what businesses might want to consider when addressing modern slavery, but which is also helpful, clear and realistic about what businesses can be expected to do.

We have looked at other legislation we are aware of in this area – specifically the California Transparency in Supply Chains Act 2010. The California Act sets out a number of requirements on which businesses operating in California must provide information. This has been helpful in developing our thinking on what a similar transparency provision and associated guidance might mean for the UK.

We propose that our work with businesses and our assessment of the California Act is used to inform and shape the guidance we produce. In addition, consulting widely with businesses that will need to produce slavery and trafficking statements will ensure that the guidance covers those areas that businesses themselves have identified. We will also consider the EU Non-

Financial Reporting Directive (which will apply more generally to the human rights disclosure in strategic reports of eligible companies) to ensure that our guidance takes account of future changes in wider reporting requirements.

We would like to hear what sort of activities you think companies should disclose and what good practice would look like. Many businesses already undertake activities to mitigate the risk of slavery in their supply chains and we want to use their knowledge and experience to inform others. That is why business input into this consultation is vital.

Based on the California Act, our prior engagement with NGOs and businesses, and impending changes to reporting requirements we have identified five general areas of activity that should often be included in a slavery and human trafficking statement.

They are:

- a brief description of an organisation's business model and supply chain relationships;
- a business's policies relating to modern slavery, including due diligence and auditing processes implemented;
- training available and provided to those in 1) supply chain management and 2) the rest of the organisation;
- the principal risks related to slavery and human trafficking including, how the organisation evaluates and manages those risks in their organisation and their supply chain; and
- relevant key performance indicators (Key performance indicators are measures that will assist the reader of a slavery and human trafficking statement to assess the effectiveness of the activities described in the statement. As the statements will be produced annually, performance indicators are likely to be useful in demonstrating progress from one year to the next. The choice of which measures to use will depend on the individual circumstances of the business).

We would like to know your views on how guidance can help businesses to prepare effective slavery and trafficking statements in these areas and what other areas should be included in guidance.

**Q5. For each of the following headings to what extent do you agree that the activities we think should be included in a statement are the right ones?**

	<b>Strongly agree</b>	<b>Agree</b>	<b>Neither agree or disagree</b>	<b>Disagree</b>	<b>Strongly disagree</b>
<b>5i) Information about an organisation's structure, business and supply chains</b>					
<b>5ii) Information about an organisation's policies on modern slavery</b>					
<b>5iii) Information about an organisation's due diligence processes in relation to modern slavery in its business and supply chains</b>					
<b>5iv) Information about the parts of an organisation's business and its supply chains where there is a risk of modern slavery taking place, and the steps it has taken to assess and manage that risk</b>					
<b>5v) Information about an organisation's effectiveness in ensuring that modern slavery is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate</b>					
<b>5vi) Information about the training on modern slavery available to its staff</b>					

**Q6. For each of the headings above please explain your responses, and set out (a) what information you think companies should disclose about their activities in these areas and (b) what you think would represent good practice in each of these areas?**

**Q7. Are there any other areas of activity that you think a slavery and human trafficking statement should cover?**

- **Yes – please specify**
- **No**
- **Don't know**

*If 'yes' to Q7*

**Q8. What would good practice look like in the areas you have suggested?**

We are also aware that certain sectors or industries may face particular challenges when attempting to address slavery in their supply chains. Producing guidance gives us the flexibility to also include specific guidance or additional points of advice, where it may be particularly relevant to a certain group of businesses. We would also, therefore, like to know if you think there are any kinds of activities that certain companies might usefully undertake and disclose, but which may not be relevant uniformly to all businesses.

**Q9. Are there any specific areas of activity that you think businesses in certain sectors should disclose?**

- **Yes – please specify sector and area of activity**
- **No**
- **Don't know**

*If 'yes' to Q9*

**Q10. What would good practice look like in the areas you have suggested?**

If improvements and actions are going to be driven by transparency and public pressure, it is also important that these statements are easily accessible. That is why the clause requires companies to include a link to their statement in a prominent place on their homepage. If they do not have a website, they must provide a copy of their slavery and human trafficking statement within 30 days to anyone who makes a written request for one. We think some guidance on this point might be helpful, to clarify, for example, what best practice would look like where one company has multiple websites.

The clause also requires qualifying commercial organisations to produce a slavery and human trafficking statement for each financial year. However, it does not specify when exactly each statement should be published, because we want to retain some flexibility for businesses in this regard, particularly where businesses have differing financial years.

**Q11. To what extent do you agree or disagree that any guidance the Government publishes should include the following aspects in relation to making a slavery and human trafficking statement?**

	<b>Strongly agree</b>	<b>Agree</b>	<b>Neither agree or disagree</b>	<b>Disagree</b>	<b>Strongly disagree</b>
Advice on publishing a statement online					
Advice about when to publish a statement					
Advice about the signing of a statement					
Advice on what to do if you suspect or identify slavery in your supply chain					

**Q12. What would good practice look like in relation to publishing a statement online?**

**Q13. What would good practice look like in relation to the timing of publishing a statement?**

**Q14. What would good practice look like in relation to the signing of a slavery and trafficking statement by the business or organisation?**

**Q15. Do you have any further comments on what the statutory guidance should include?**

## ABOUT YOU

These final questions ask for some information about you. The purpose of these questions is to provide some context to your consultation responses and to allow us to assess if there are any consistent differences in view between responding groups (between NGOs and businesses for example, or between large and small businesses).

**Q16. Are you responding in an individual capacity or on behalf of a particular organisation?**

**Q17. If you are responding on behalf of an organisation, which of the following best describes your organisation (if more than one describes your organisation, please choose one which you feel represents the main focus of your work).**

Private Sector Business

Retail

Manufacturing

Hospitality

Extractives & Energy

Food & Drink

Construction

Recruitment & Labour Providers

Other

Public Sector Organisation

Local Government

Frontline Organisation

Other

Trade Body

Trade Union

Victim support NGO

Campaigning NGO

Other (please specify):

**Q18. If you are responding in an individual capacity, which of the following best describes your background or area of expertise?**

Member of the public

Victim support

Legal

Campaigning

Procurement / supply chain management

Other (please specify):

## HOW TO RESPOND

### How to Respond

The closing date for response to this consultation is 7 May 2015.

You can email your views to us at: [supplychainsconsultation@homeoffice.gsi.gov.uk](mailto:supplychainsconsultation@homeoffice.gsi.gov.uk).

Or you can write to us at:

Supply Chains Consultation  
Modern Slavery Unit  
3<sup>rd</sup> Floor  
Peel Building  
2 Marsham Street  
London  
SW1P 4DF

Additional copies of this paper can be downloaded from the Government website at:  
<https://www.gov.uk/government/consultations/modern-slavery-and-supply-chains>

### Alternative Formats

You should also contact the Modern Slavery Unit at the above email or postal address if you require a copy of this consultation paper in any other format, such as Braille, large font or audio.

### Responses: Confidentiality & Disclaimer

The information you send us may be passed to colleagues within the Home Office, the Government or related agencies.

Furthermore, information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 and the Environmental Information Regulations 2004).

IF YOU WANT THE INFORMATION THAT YOU PROVIDE TO BE TREATED AS CONFIDENTIAL, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, among other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we will take full account of your explanation but we cannot give assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Home Office.

Please ensure that your response is marked clearly if you wish your response and name to be kept confidential.

Confidential responses will be included in any statistical summary of numbers of comments received and views expressed.

The Home Office will process your personal data in accordance with the Data Protection Act; in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

Individual responses will not be acknowledged unless specifically requested.

Representative bodies are asked to give a summary of the people and organisations they represent when they respond.

## Non-Disclosure of Responses

Section 14(3) of the Legislative and Regulatory Reform Act 2006 (LLRA) provides what should happen when someone responding to the consultation exercise on a proposed LRO requests that their response should not be disclosed.

The name of the person who has made representations will always be disclosed to Parliament. If you ask for your representation not to be disclosed, the Minister should not disclose the content of the representation without your express consent and, if the representation relates to a third party, their consent too. Alternatively, the Minister may disclose the content of the representation in such a way as to preserve your anonymity and that of any third party involved.

## Information about Third Parties

If you give information about a third party which the Minister believes may be damaging to the interests of the third party, the Minister does not have to pass on such information to Parliament if he does not believe it is true or he is unable to obtain the consent of the third party to disclosure. This applies whether or not you ask for your representation not to be disclosed.

The Scrutiny Committees may, however, be given access on request to all representations as originally submitted, as a safeguard against improper influence being brought to bear on ministers in their formulation of legislative reform orders.



## TIMESCALES AND NEXT STEPS

This consultation will run from 12/02/2015 to 07/05/2015.

The Modern Slavery Bill is likely to complete its passage and receive Royal Assent during this period. However, the transparency in supply chains clause will not be commenced until the results of this consultation have been fully considered.

Once the Government has decided what minimum turnover threshold to set and what the statutory guidance will include, a response to this consultation will be published, setting out the results and the reasons for the Government's decisions.

Regulations will then be drawn up which specify how turnover is to be determined for the purposes of this clause, and set out what the minimum turnover threshold will be. The Modern Slavery Bill requires that these regulations be debated in Parliament before being introduced.

The statutory guidance will then be drawn up, working with experts in this area and through further informal consultation with businesses, NGOs and individuals with expertise in this area.

Once these two processes have taken place, the clause itself will be commenced on a common commencement date, in October 2015 thus allowing businesses time to prepare for the introduction of this measure.

Prior to commencement, the Home Office will also produce a full impact assessment, assessing the costs and benefits of this clause.

## ANNEX A: List of Questions

**Q1. What level of turnover threshold do you think would be the most appropriate threshold for requiring a business to make a slavery and human trafficking statement?**

**Q2. Please explain your answer.**

**Q3. To what extent do you agree that there should be a higher turnover threshold set initially to focus on larger businesses and then reduce the threshold to cover more businesses, over time?**

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

**Q4. Please explain your answer.**

**Q5. For each of the following headings to what extent do you agree that the activities we think should be included in a statement are the right ones?**

	<b>Strongly agree</b>	<b>Agree</b>	<b>Neither agree or disagree</b>	<b>Disagree</b>	<b>Strongly disagree</b>
<b>5i) Information about an organisation's structure, business and supply chains</b>					
<b>5ii) Information about an organisation's policies on modern slavery</b>					
<b>5iii) Information about an organisation's due diligence processes in relation to modern slavery in its business and supply chains</b>					
<b>5iv) Information about the parts of an organisation's business and its supply chains where there is a risk of modern slavery taking place, and the steps it has taken to assess and manage that risk</b>					
<b>5v) Information about an organisation's effectiveness in ensuring that modern slavery is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate</b>					
<b>5vi) Information about the training on modern slavery available to its staff</b>					

**Q6. For each of the headings above please explain your responses, and set out (a) what information you think companies should disclose about their activities in these areas and (b) what you think would represent good practice in each of these areas?**

**Q7. Are there any other areas of activity that you think a slavery and human trafficking statement should cover?**

- Yes – please specify
- No
- Don't know

*If 'yes' to Q7*

**Q8. What would good practice look like in the areas you have suggested?**

**Q9. Are there any specific areas of activity that you think businesses in certain sectors should disclose?**

- Yes – please specify sector and area of activity
- No
- Don't know

*If 'yes' to Q9*

**Q10. What would good practice look like in the areas you have suggested?**

**Q11. To what extent do you agree or disagree that any guidance the Government publishes should include the following aspects in relation to making a slavery and human trafficking statement?**

	<b>Strongly agree</b>	<b>Agree</b>	<b>Neither agree or disagree</b>	<b>Disagree</b>	<b>Strongly disagree</b>
Advice on publishing a statement online					
Advice about when to publish a statement					
Advice about the signing of a statement					
Advice on what to do if you suspect or identify slavery in your supply chain					

**Q12. What would good practice look like in relation to publishing a statement online?**

**Q13. What would good practice look like in relation to the timing of publishing a statement?**

**Q14. What would good practice look like in relation to the signing of a slavery and trafficking statement by the business or organisation?**

**Q15. Do you have any further comments on what the statutory guidance should include?**

**Q16. Are you responding in an individual capacity or on behalf of a particular organisation?**

**Q17. If you are responding on behalf of an organisation, which of the following best describes your organisation (if more than one describes your organisation, please choose one which you feel represents the main focus of your work).**

Private Sector Business

Retail

Manufacturing

Hospitality

Extractives & Energy

Food & Drink

Construction

Recruitment & Labour Providers

Other

Public Sector Organisation

Local Government

Frontline Organisation

Other

Trade Body

Trade Union

Victim support NGO

Campaigning NGO

Other (please specify):

**Q18. If you are responding in an individual capacity, which of the following best describes your background or area of expertise?**

Member of the public

Victim support

Legal

Campaigning

Procurement / supply chain management

Other (please specify):