

ASSESSING SLAVERY AND HUMAN TRAFFICKING RISKS

Jan 30, 2020

The Modern Slavery Act (“MSA”) was introduced in the United Kingdom in October 2015 introducing criminal offences of slavery, servitude, forced or compulsory labour and human trafficking. However, its most profound impact has been to drive a change in global business behaviour by introducing, pursuant to s54, a **disclosure and transparency reporting approach**. This requires a commercial organisation supplying goods or services (carrying on a business, of part of a business, in the UK with a turnover of £36M) to produce an annual statement on steps taken to combat slavery and human trafficking not only to a business’ direct operations but also their supply chains.

Following the MSA a **legislative trend utilising due diligence and disclosure obligations** to further responsible business conduct has developed and been reinforced by developing **case law and test cases** seeking to hold businesses accountable for social/human rights related issues. The launch of global Principles in 2018 for governments to use as a framework for tackling modern slavery in global supply chains is also expected to prompt legislation in further jurisdictions.

Mapping external and intra-group supply chains can be a complex and far-reaching endeavour. However, demonstrating responsible supply management is critical from a **social risk governance** perspective and increasingly may lead **potential legal liability** if it is not managed. Ensuring responsible business conduct is also a growing expectation of business’ key stakeholders, and it is reflected in company policies and practice, commercial contracts, tender prerequisites of private organisations and public bodies, customs practices, sectoral standards and guidance, exchange requirements and public benchmarking initiatives and government policy. “**Environmental, Social & Governance**” related disclosures is now a key driver for organisations to align their business, operating, legal and governance approaches and ensure **resilient and sustainable business practices**.

You can use the questions below to **highlight salient areas of Modern Slavery and Human Trafficking risk for your business**.

Organisational structure and governance

1. Does your organisation have corporate entities registered in a jurisdiction below that has, or may soon have, reporting requirements:

UK	France	Netherlands
Australia	Canada	Other European Union / EEA countries
California	New Zealand	

2. Does your organisation or any group entities operate / engage in business in these jurisdictions?

Those listed in Question 1	Resources to assess modern slavery risks by jurisdiction here
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3. Do you have a Group-level Board or corporate governance and/or report on a world-wide or consolidated basis in respect of your turnover?

Industry/jurisdiction risks

4. Do you operate in or supply goods or services for these sectors?

Agricultural: palm oil, soy, cotton, sugar, cocoa, fish, tobacco leaf or other food or farming	Energy and natural resources	Infrastructure and construction
Manufacturing - especially operation of sites or plants	Logistics and transport	Mega events including sport and leisure
Other labour or cash intensive businesses e.g. nail bars, car washes etc.	Hotels and leisure	Textile or garment production
Do you finance, invest in, manage and/or own assets in the above sectors / industries?		

5. Does your organisation have a complex or multi-layered supply or value chain?

⇒ operating in any of the above jurisdictions or industries

⇒ likely to involve low-skilled, itinerant or casual workers

⇒ less likely to be accountable to professional or regulatory standards

⇒ utilising third party recruitment services

Aligning business impact and stakeholder reporting and expectations

6. Do key stakeholders (customers, business partners, investors, trading exchanges, employees or local communities) require your organisation to address modern slavery, human trafficking or human rights risks for:

⇒ RFP, tender or contracting processes to access, maintain or renew business relationships, financing or investment?

⇒ Access to public procurement or multi-lateral agency financing/ sponsorship?

⇒ Satisfy Listing Exchange or Customs requirements?

7. Does your organisation publish corporate responsibility, human rights or sustainability commitments or a report?

8. Is your organisation or industry subject to public benchmarking or publish industry-wide standards on responsible business conduct, respecting human rights and/or modern slavery?

9. Do you monitor press and engage with peers, industry organisations, unions and/or civil society about modern slavery or human rights risks in your organisation's sector and/or operating and supply jurisdictions?

Please do contact us to discuss this area, developing supply chain and modern slavery / human rights risk trends or your responses to our modern slavery legal and governance risk self-assessment above.

This article was co-written with Trainee Solicitor Jessica Hanley.

RELATED CAPABILITIES

- Retail & Consumer Products

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