

Insights

MODERN SLAVERY COMPLIANCE: FROM TRANSPARENCY TO ENFORCEMENT

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Summary

Modern slavery compliance is increasingly moving from a reporting exercise to a significant legal, financial, and reputational risk for organisations. Proposed reforms would introduce mandatory reporting requirements on six prescribed areas, tougher enforcement measures, and substantial financial penalties for non-compliance.

The [Immigration and Asylum Bill](#) had its second reading on 13 July 2026 and includes proposals to strengthen the Modern Slavery Act 2015 through mandatory reporting requirements on six prescribed areas and enhanced enforcement measures. It is expected to come into force in late 2026 or early 2027.

Key proposed reporting changes

The Bill would reform the Modern Slavery Act 2015. In particular:

- Reporting obligations would be extended for commercial entities with a global turnover of £36 million or more and become mandatory for qualifying public organisations
- Qualifying organisations would be required to produce an annual modern slavery statement covering:
 - Organisational structure and supply chains
 - Risk identification and mitigation
 - Policies and procedures
 - Due diligence
 - Staff training

– Effectiveness metrics

- Where no action has been taken in a particular area, organisations would be required to explain why
- Statements must be published within six months of the organisation's financial year-end and require board approval and accuracy statements

It is also worth noting that, in addition to the existing statutory requirement for qualifying organisations to publish their modern slavery statements on their websites, organisations are currently encouraged, but not required, to upload their statements to the Government's Modern Slavery Statement Registry. The Government has, however, indicated that it may make submission to the Registry mandatory in the future.

What it means for employers

The proposed reforms signal a shift from transparency-based reporting towards active enforcement. For employers operating across complex supply chains, modern slavery compliance is likely to become an increasingly important governance and risk-management issue.

- For the first time, non-compliance with modern slavery reporting rules would carry direct civil financial sanctions – penalties for non-compliance can reach the greater of £1 million or 1% of total turnover or budget
- Under Section 250 Crime and Policing Act 2026 (effective 29 June 2026) companies can face direct criminal prosecution if a senior manager carries out a modern slavery offence
- Taken together, these developments increase the risk that organisations could face prosecution and substantial financial penalties if a senior manager commits an offense within the scope of their authority, even without direct board involvement or a statutory due diligence defence

What employers should do now

Although the reforms are not yet in force, employers should use the lead-in period to review whether their existing modern slavery compliance framework would withstand increased regulatory scrutiny and enforcement risk.

- Review existing modern slavery statements and reporting processes in anticipation of the stricter reporting requirements
- Map and audit supply chains, particularly where there may be a heightened risk of labour exploitation

- Assess whether current supplier due diligence processes are sufficient to identify and mitigate modern slavery risks
 - Review supplier contracts and monitoring arrangements to ensure they remain fit for purpose
 - Enhance internal Governance and oversight of supply chain risks
 - Refresh training for HR, compliance, procurement and other teams on the new and changing anti-modern slavery requirements
 - Ensure appropriate board-level oversight and accountability for supply-chain risks
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If you have any questions about the topics discussed in this update, please get in touch with the authors James Anderson and Tegan Goddard.

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