

# Good to know.

## The Modern Slavery Act 2015 – Is your company compliant?

The Modern Slavery Act 2015 ('MSA') came into force in October 2015 and obliges companies to publish an annual Transparency in Supply Chain Statement. The measure is designed to create a level playing field between businesses whose turnover is over a certain threshold; by encouraging responsible business activities and if necessary effect a change of company practices and policies.

### Who is affected?

- Any company with an **annual global turnover of £36m or more** that carry out business in the UK and supply goods or services
- Financial years ended **on or after 31st March 2016**
- The entire national and international corporate structure, as well as supply chains

### What if my company is below the threshold?

Irrespective of the threshold and legal obligations, there is an increasing trend towards responsible business and the development of more comprehensive Corporate Social Responsibility (CSR) strategies. With the MSA, the UK Government aims to create a 'race to the top'. Due to the undeniable business benefit of a sound CSR strategy, Goodwille is already seeing some of its clients putting such policies into place.

### What is 'in it' for my company?

- A range of business benefits are linked to running an ethically responsible company, including:
- Protection and enhancement of company brand and reputation
  - Increase attraction of others to do business with your company, including increasingly ethically-minded consumers
  - Improved investor confidence
  - Greater staff retention and loyalty internally
  - Developing stable and innovative supply chains

### What are the consequences of non-compliance?

- Secretary of State may seek an injunction from the High Court urging the company to comply
- Failure to comply with the injunction renders the company in contempt of a court order, making it susceptible to being issued an **unlimited fine**
- Potential **reputational damage** and related effects

### What are my company's obligations?

Any commercial organisation in any sector meeting the requirements of the MSA is obliged to **produce and publish a Transparency in Supply Chain Statement** ('Statement') for each financial year.

The Statement must **include the steps the company has taken to ensure no acts of slavery or human trafficking are taking place** in any parts of its own business or supply chains. If no steps are taken, the company must publish a Statement to that effect.

The Statement must be published on the **company's website** 'as soon as reasonably practicable' after the financial year has ended and are encouraged to do so within 6 months.

### What shall I do next?

- **Identify** if the MSA applies to your company
- Identify all parts of your business and supply chain
- Identify any steps you may currently be taking – maybe you are already running an ethical business?
- **Set goals** to ensure your company does not engage in slavery or human trafficking
- **Develop a strategy** to reach these goals
- Take steps to **implement** your strategy
- Draft and **publish your Statement**

### What if I am not sure whether the steps we take are sufficient?

Goodwille is here to help with any questions you may have – from whether the MSA applies to your organisation to helping prepare the Statement, and all the strategic steps in between. We would be happy to accompany your company on its journey and support you in developing ethical business practices and policies.