

Making Businesses Take Action Against Modern Slavery: Why is Our Legislation Failing?

Slavery in Supply Chains

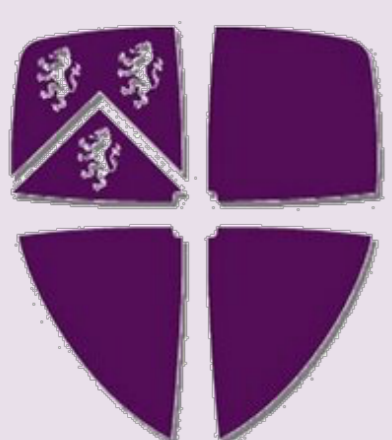
Globally, it is estimated that there are over 40.3 million slaves. Slavery is the world's second largest source of illegal income globally, and the world's fastest-growing international crime.

Traditional efforts have focused on preventing slavery through community outreach efforts, providing support to victims of slavery and prosecuting perpetrators of modern slavery. However, more governments are beginning to see the benefits of transparency-based legislation and are attempting to use it to force organizations to effect change and stamp out slavery in their supply chains.



What is Transparency Legislation?

Transparency legislation places a duty of disclosure on certain organizations. In England, Ofsted reports, for example, are available online so parents can choose a good school for their children, and companies with more than 250 employees have a duty to report on the gender pay gap within their company.



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What is the Point of Transparency Legislation?

1. Allows consumers to make an informed decision about which goods they want to buy and which services they want to use.

Food manufacturers have to display nutritional information about products so consumers can check for allergens, and car purchasers need to be able to make a decision about the car's safety before they purchase it.

2. Encourages organizations to improve their policies and disclosure efforts in a competition to appear to be better than other organizations.

Transparency Legislation Against Modern Slavery

Section 54 of the UK's Modern Slavery Act 2015 requires that commercial organizations operating in the UK with an annual global turnover of more than £36m produce a slavery and human trafficking statement, which lays out the steps an organization has taken to ensure that slavery is not taking place in its supply chain. It must be displayed on the organization's website. There are no mandated topics the organizations must report on, although the Act suggests six topics.



Conclusions

1. There are currently no penalties for companies who do not follow the legal requirements under the Act, or who do not publish a Modern Slavery Statement.
2. There is no consistency between Statements – some organizations provide detailed information, others state the bare minimum.
3. It is difficult for consumers to compare each company's efforts against modern slavery, as they have to find each organization's Statement on its website.
4. Because there is no published list of which organizations are required to publish an annual Statement, consumers are less able to pressure organizations to publish a Statement.



Recommendations

1. Introduce an effective enforcement mechanism (e.g. fines for non-compliant organizations).
2. Amend the legislation to mandate specific topics of disclosure and a format in which the information should be given.
3. Introduce a government-backed Statement registry, to make it easy for consumers to compare organizations.
4. Publish a list of organizations required to publish a Statement, so consumers can put pressure on non-compliant organizations.