

Modern Day Slavery Act



The UK's Modern Slavery Act 2015 c.30, came into effect on 29 October 2015 and business statements should be available within six months of 31 March 2016.

Commercial organisations that provide goods or services, operate all or part of their business from the UK, and have a turnover of £36m, are required to publish a slavery and human trafficking statement each financial year.

What is modern slavery?

- Modern slavery is forced labour. The ILO (International Labour Organisation) defines this as "work or service extracted from a person under threat or penalty, which includes penal (jail) sanctions and the loss of rights and privileges, where the person has not offered him/herself voluntarily."¹
- In reality this means: "can the worker leave without penalty when he/she wants?"
- Slavery, servitude, forced or compulsory labour and human trafficking are all covered under the Modern Slavery Act.

What does the Act require?

- Section 54: 'supply chain transparency etc.' - covers the requirements for business.
- Each financial year businesses covered by the Act must prepare a statement, outlining the steps taken to ensure that slavery and human trafficking are not taking place in their supply chain or business.
- If no steps have been taken, this should be reflected in the statement.
- The statements should be:
 - In English, but may be available in other languages also
 - Approved by the board of directors
 - Available in a prominent place on the home page of the organisation website

! Key message:
Businesses should report on steps they are taking to ensure no slavery in their supply chains.

Facts

- Forced labour accounts for more than a third of victims of modern day slavery.²
- The ILO estimates nearly 21 million people worldwide are victims of forced labour. Of these, 5.5 million are children.³
- Asia-Pacific has the largest number of forced labourers in the world (56%).³
- Social Audits have largely failed to identify forced labour.
- 71% of retailers believe there is forced labour and human trafficking in their supply chain.⁴

TFT's guidelines on forced labour

"Forced labour, bonded labour and human trafficking are not used or promoted, and appropriate measures are taken to prevent the use of such labour. Remedial actions are in place in the event that such labour or trafficking "is found, to ensure that victims are referred to existing services for support and assistance."



The agricultural industry has some of the highest rates of forced labour

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What should be included in a statement?

- The legislation is not prescriptive. However, the statements should describe how commercial organisations ensure that slavery and human trafficking are not taking place in their business or supply chain.

A statement should describe:

- the organisation's structure, its business and supply chains
 - its policies and due diligence process in relation to slavery and human trafficking
 - a slavery and trafficking risk assessment in the business, and steps taken to mitigate that risk
 - KPIs to demonstrate the impact of the actions
 - training of staff on slavery and human trafficking
- Alternatively, the organisation can choose to expressly state that no steps have been taken.

Transparency at TFT

- Transparency is a fundamental part of TFT's Values, Transparency, Transformation, Verification (VT-TV) model.
- We work with our members to establish transparency in supply chains. This is an essential step in transforming them towards more ethical and responsible practices. Addressing forced and bonded labour is just part of that work.

Indicators of forced and bonded labour

Indicators of forced and bonded labour vary, but can include:

- Retention of personal documents
- Contracts in languages other than the language spoken by the worker
- Failure to pay the minimum wage
- Restriction on movement
- Geographically remote locations of sites
- Lack of understanding of the terms and conditions of employment
- Unclear debt and advance systems
- The use of migrant workers in high-risk sectors

How can TFT help?

We work in the informal supply chains where natural resources are sourced and where the risk of exploitation is greatest. We help members gain transparency of their supply chain and work with sites on the ground to identify and improve working conditions, including helping sites to set up recruitment and employee systems to demonstrate they are meeting expectations on forced and bonded labour.

Additional information and resources

- For more information please contact: noexploitation@tft-earth.org
- [The Modern Day Slavery Act](#)
- [TFT's Respect Guidelines for palm oil](#)
- [TFT's Respect Guidelines for Extractives](#)
- [TFT's Forced and bonded labour factsheet](#)

1. International Labour Organization, 2015. Forced Labour convention # 29 (1930) (ILO 201a:9)

2. United Kingdom Government, 2016. Modern Slavery: A Briefing. www.gov.uk

3. International Labour Organization, 2012. Global Estimate of Forced Labour - Executive Summary www.ilo.org

4. Ethical Trading Initiative, 2015. Corporate approaches to addressing modern slavery in supply chains: A snapshot of current practice. www.ethicaltrade.org