

MODERN SLAVERY ACT 2015

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 6: Transparency in Supply Chains Etc

Section 54: Transparency in supply chains etc

250. *Section 54* requires a commercial organisation over a certain size to publish a slavery and human trafficking statement each year which sets out the steps it has taken to ensure there is no slavery or trafficking in its supply chains or its own business, or states that it has taken no such steps. *Section 54* does not mandate what a slavery and human trafficking statement must contain (beyond the actual steps taken or a statement that the organisation has taken no steps) nor require commercial organisations to take any particular action beyond preparation of the annual statement.
251. *Subsection (1)* requires a commercial organisation within *subsection (2)* to prepare a slavery and human trafficking statement for each financial year of the organisation.
252. *Subsection (2)* applies the disclosure duty to commercial organisations that supply goods or services and have a minimum total turnover, which will be set in regulations. Regulations will also set out how an organisation's total turnover is to be determined (*subsection (3)*).
253. *Subsection (4)* explains that a slavery and human trafficking statement is a statement of the steps that an organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place either in its supply chains or its own business. Alternatively, it can be a statement that the organisation has taken no such steps.
254. *Subsection (5)* set out six areas of information that a slavery and human trafficking statement may include. This provision does not require businesses to take any steps in these areas, but it provides a clear indication as to what a business could include. The Government expects many businesses would choose to cover these areas, and this in turn would make statements easier to assess and compare.
255. *Subsection (6)* requires that statements are approved and signed at a senior level within the business. For companies, the provisions are modelled on the Companies Act 2006 and would require approval by the Board and a director's signature. This would ensure that these statements have appropriate support and approval from senior management, who are best placed to implement changes in the business.
256. *Subsection (7)* provides that an organisation must publish the slavery and human trafficking statement on its website, if it has one, and that there must be a prominent link to this statement on the homepage. If an organisation does not have a website, it must provide a copy of the slavery and human trafficking statement to anyone who requests one in writing, within 30 days of that request (*subsection (8)*).
257. *Subsection (9)* gives the Secretary of State the power to issue guidance about the duties imposed by this section, and to publish that guidance in a way the Secretary of State considers appropriate. Such guidance may include further provision about the kind

*These notes refer to the Modern Slavery Act 2015
(c.30) which received Royal Assent on 26 March 2015*

of information which organisations may include in a slavery and human trafficking statement (*subsection (10)*).

258. *Subsection (11)* sets out the enforcement mechanism for the disclosure duty. If a commercial organisation fails to comply, the Secretary of State may bring civil proceedings in the High Court for an injunction requiring that organisation to comply (or, in Scotland, in the Court of Session for specific performance of a statutory duty).
259. *Subsection (12)* defines terms used in the section: ‘commercial organisation’, ‘partnership’ and ‘slavery and human trafficking’. A commercial organisation is defined as a body corporate or partnership which carries on a business, or part of a business, in the UK.