



Home Office

Transparency in Supply Chains (TISC)

Statutory guidance

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Minister for Safeguarding and Violence against Women and Girls Foreword

Slavery is not just an evil of the past. The International Labour Organization (ILO) estimates there are 27.6 million people (including 3.3 million children) in situations of forced labour on any given day. **Victims can be found in almost every sector and every country, including the UK. Behind these statistics and facts is the suffering of some of the most vulnerable people in our society.**

Businesses must be vigilant to ensure they are not knowingly or unwittingly complicit in this abuse taking place in their operations and global supply chains. Modern slavery is so prevalent that if businesses are not identifying risks and cases, they are probably not looking hard enough. **Businesses need to be proactive** in identifying risks, conduct meaningful engagement with workers, trade unions, suppliers and stakeholders to prevent and mitigate harms to workers. When abuse is uncovered, businesses should take a **victim-centred approach to remediation** and avoid knee-jerk reactions that could cause further harm. Businesses should be **transparent about these cases in their modern slavery statements**, so we can all learn the lessons and improve our collective response to modern slavery.



This updated guidance explains how businesses should comply with the letter and spirit of section 54 of the Modern Slavery Act 2015. The Act requires large businesses to produce an annual statement setting out the steps they have taken to prevent modern slavery in their business and supply chains. This guidance lays out our expectations for these statements and provides practical advice to support businesses to undertake meaningful action to tackle modern slavery, incorporating the learnings from the past 10 years since the Act was introduced.

The Home Office has developed this guidance in consultation with businesses, public bodies, civil society organisations, trade unions and academics. I would encourage all organisations to take this **kind of partnership approach in their efforts to eliminate modern slavery from the global economy.**

1. Introduction

Modern slavery "refers to situations of exploitation that a person cannot refuse or leave because of threats, violence, coercion, deception, and/or abuse of power."¹ Modern slavery is a crime resulting in an abhorrent abuse of human rights. It is constituted in the [Modern Slavery Act 2015](#) by the offences of 'slavery, servitude and forced or compulsory labour' and 'human trafficking'. A full definition of modern slavery is included in the glossary in [Annex A](#).

According to the most recent Global Estimates of Modern Slavery, there were an estimated 27.6 million people living in forced labour in 2021 (of which 3.3 million were children). This has been estimated to generate £185 billion in illegal profits every year.^{2 3} Whereas freeing people from forced labour and bringing them into the formal employment could generate an additional £478 billion in global GDP.^{4 5}

Forced labour is the most common form of modern slavery. This is defined internationally as "all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily".⁶ Businesses have a clear responsibility to identify, prevent, mitigate and remediate the risks of this exploitation happening in their operations and supply chains. Section 54 of the Modern Slavery Act 2015 (also known as the TISC provision) requires commercial organisations operating in the UK with a turnover of £36 million or more to:

1. produce a modern slavery statement each financial year setting out the steps they have taken in the most recent financial year to manage modern slavery risks in their operations and supply chains,
2. annually publish their organisation's statement on their website and include a link to this on their homepage,
3. get approval from the board of directors (or equivalent management body), and
4. ensure it is signed by a director or designated member (for LLPs).

A commercial organisation is required to publish an annual statement, under Section 54 if it meets all of the following conditions:

- is a 'body corporate' or a partnership, wherever incorporated or formed
- carries on a business, or part of a business, in the UK
- supplies goods or services, and
- has an annual turnover of £36 million or more

¹ ILO, Walk Free, IOM, 2022: [Global Estimates of Modern Slavery: Forced Labour and Forced Marriage](#)

² ILO, 2024: [Profits and Poverty: The Economics of Forced Labour](#)

³ Published USD estimates converted to GBP using ONS reported average exchange rate value for 2024: [Average Sterling exchange rate: US Dollar XUMAUS - Office for National Statistics](#)

⁴ ILO, 2024: [Acting Against Forced Labour](#)

⁵ Published USD estimates converted to GBP using ONS reported average exchange rate value for 2024: [Average Sterling exchange rate: US Dollar XUMAUS - Office for National Statistics](#)

⁶ ILO: [What is forced labour? | International Labour Organization](#)

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For full legal requirements and how to demonstrate compliance, see [section 5](#).

The government encourages all organisations to upload their modern slavery statements⁷ to the voluntary [modern slavery statement registry](#). The registry is powerful tool for transparency, bringing together modern slavery statements into one place on GOV.UK where the public can view and assess them. Organisations who have uploaded statements to the registry may see reputational benefits.

This guidance provides advice on how organisations can produce high quality modern slavery statements and develop a more effective approach to tackling modern slavery. The government encourages organisations to not just meet the letter of the law but the spirit too.

By advocating transparency, accountability, and sustained progress, the government also seeks to inspire a 'race to the top' culture where organisations aim to lead the way in tackling modern slavery in their business and supply chains. The government recognises that tackling modern slavery requires long-term commitment, adaptability to new challenges and partnerships to maximise impact. Organisations are on their own individual journeys to continually improve their response to this horrendous crime. This guidance provides advice on 'good' and 'best' practice in key areas to support them on their journey.

The guidance is primarily aimed at businesses in scope of the legislation, but the government encourages smaller businesses, public bodies and others to publish modern slavery statements even if they are not legally required. Smaller organisations supplying organisations in scope of the legislation may also be asked by their customer business to complete a modern slavery statement.

⁷ Section 54 legislation refers to 'slavery and human trafficking statements'. We use the term 'modern slavery statements' throughout this guidance as this terminology is frequently used by government and businesses

2. Why is tackling modern slavery and being transparent about the working conditions in supply chains important?

2.1 What is modern slavery?

No part of the world is free from modern slavery and no industries are immune to the risk of modern slavery. Modern slavery often looks like ‘ordinary’ work, in places like factories, farms, on construction sites, in hotels and restaurants, and in many other places where business is undertaken.⁸ Modern slavery sits at the extreme end of the labour exploitation continuum, ranging from minor and major law violations to extreme exploitation. This spectrum of abuse can make it difficult to identify at what point, for example, poor working practices and lack of health and safety standards escalate into instances of modern slavery in a work environment. However, businesses have a responsibility to ensure that workers are not being exploited, that they are safe and that relevant employment (including wage and work hours) adheres to local employment laws, health and safety, human rights laws and international standards.

2.2 The impact of modern slavery on victims and survivors

Victims and survivors of modern slavery may endure physical violence, psychological abuse, poor living conditions, unpayable debts, and have their freedom of movement restricted. The impact of these human rights abuses on victims and survivors is devastating. In particular, the impacts on health, including post-traumatic stress disorder, anxiety, depression and physical injury from physically demanding forced labour are well documented.⁹ It can also hinder an individual’s future confidence to exercise agency over their lives without fear of the consequences, such as joining or forming a trade union. However, impacts are not just limited to the individual who has experienced modern slavery – the impacts are often also felt by families and communities too.

2.3 The impact of modern slavery on organisations

The presence of modern slavery within an organisation’s supply chain or operations can have severe consequences for both the business and its stakeholders. These can range from reputational damage to legal and financial impacts, such as reduced sales or reduced share prices. All of these can undermine an organisation’s financial stability and long-term sustainability.

⁸ IHRB, 2025: [What is modern slavery?](#)

⁹ Public Health England, 2017: [Modern slavery and public health - GOV.UK](#)

Organisations potentially face a significant risk of reputational damage if they are seen to not be doing enough to prevent and respond to modern slavery or have failed to identify modern slavery in their supply chains. Consumers, investors, media, and civil society organisations are becoming increasingly aware of unethical business practices and expect organisations to act responsibly.¹⁰

Modern slavery can also affect an organisation's market position. Companies found not to be taking action in relation to modern slavery may lose business opportunities or face restrictions on trading. In some cases, they may be excluded from tenders or trade agreements for failing to meet human rights standards. The Procurement Act 2023 provides contracting authorities with stronger powers to exclude suppliers from public procurements where there is sufficient evidence of modern slavery within their supply chains.¹¹ In addition, requirements to demonstrate social value when applying for government contracts might include evaluation of an organisation's actions to tackle modern slavery and could be the deciding factor in whether an organisation wins a contract or not.

Insurers may raise premiums or refuse coverage due to the financial and reputational damage modern slavery can cause, unless organisations can show they have effective due diligence in place.

As well as insurers, investors are increasingly focused on environmental, social, and governance (ESG) factors, and are looking to companies to demonstrate their processes for preventing and mitigating modern slavery. The [CCLA](#) and the [Votes Against Slavery](#) coalition set up by Rathbones, are clear examples of investors choosing to prioritise an effective corporate response to modern slavery (amongst other ESG issues) as part of their investment strategy. Organisations that fail to address these issues may deter investment and experience negative impacts on their financial performance.¹²

2.4 The case for transparency

The key purpose of section 54 is to prevent and mitigate modern slavery in organisations and their supply chains. A means to achieve this is to increase transparency by ensuring the public, consumers, employees, trade unions and investors know what steps an organisation is taking to tackle modern slavery. Organisations will need to build on what they are doing year-on-year, including planned actions to investigate or work with others to affect change.

¹⁰ Vanja Strand and others, 2024: [A systematic literature review of modern slavery in supply chain management: State of the art, framework development and research opportunities](#), Journal of Cleaner Production. volume 435, 2024

¹¹ Cabinet Office, 2024: [Procurement Act 2023 Guidance: Exclusions](#)

¹² Yagci Sokat and others, 2023: Impact of modern slavery allegations on operating performance. Supply Chain Management: An International Journal, 28(3): 470-485.

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A focus on tackling modern slavery and good employment practices in general not only protects vulnerable workers and helps prevent and remedy human rights violations, but it can also bring several business benefits too. These include but are not limited to:

- protecting and enhancing an organisation's reputation and brand - transparency can be a differentiator in a competitive market
- protecting and growing the organisation's customer base as more consumers seek out businesses with higher ethical standards
- improved investor and stakeholder confidence and trust. Transparent reporting on efforts to respond to modern slavery is often a key indicator for investors that companies take their social responsibilities seriously
- uncovering hidden risks, disclosing and responding effectively to these risks helps mitigate potential financial, legal and reputational risk caused by modern slavery allegations. Identifying and responding to risks earlier can save money in the long run
- increased staff productivity and less sick leave
- greater staff retention and loyalty based on values and respect
- reduced numbers of grievances and more stable industrial relations
- developing more responsive, stable and innovative supply chains

Many organisations are already taking action to promote ethical business practices and policies that protect workers from being abused and exploited in their own organisation and their global supply chains. However, there are still far too many people being exploited in situations that they cannot refuse or leave. There are also far too many organisations ignoring such abuses or which are knowingly responsible for policies and practices that result in workers being subjected to modern slavery in their operations.

Organisations may have concerns about actively exploring the presence of modern slavery in their supply chains for fear of negative commercial consequences if such practices are found. However, international evidence is clear that modern slavery is a fact in almost every sector and many businesses and supply chains will be exposed to modern slavery.

3. General principles for undertaking anti-slavery activities

Those that do not enquire about or deny the presence of modern slavery risks in their supply chains are highly unlikely to have conducted effective risk assessments and due diligence. Responsible organisations are those which acknowledge the risks, take active steps to identify and mitigate risks, remediate harms, and can demonstrate publicly that they are tracking progress and continuously improving.

This section explains what steps organisations can take to identify, manage and respond to modern slavery risks and how they should report this in their modern slavery statement.

3.1 Framework for tackling and reporting on modern slavery

There are two key international frameworks that are relevant to how businesses should tackle modern slavery in their operations and supply chains.

The [UN Guiding Principles on Business and Human Rights](#) (UNGPs) set out how businesses should conduct human rights due diligence by "assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed." The Organisation for Economic Co-operation and Development (OECD) [Due Diligence Guidance for Responsible Business Conduct](#) (OECD Due Diligence Guidance) and the [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#) together with the accompanying sector-specific guidance, provides more detailed guidance on due diligence to ensure responsible business conduct, including in relation to human rights.

For many businesses, conducting due diligence in relation to modern slavery is likely to form part of a wider framework around ethical trade, corporate social responsibility and human rights. Due diligence in relation to modern slavery may form part of a wider human rights due diligence process, consistent with the [UNGPs](#) and [OECD Due Diligence Guidance](#). This guidance focuses on the steps businesses should take in relation to tackling modern slavery specifically. For more information on broader advice, see the [UNGPs](#) and [OECD Due Diligence Guidance](#).

Section 54(5) of the Modern Slavery Act 2015 sets out the content that may be included in a modern slavery statement:

1. organisational structure, its business and its supply chains
2. organisational policies
3. assessing and managing risk
4. due diligence in relation to modern slavery (including approach to remediation)
5. training
6. monitoring and evaluation (understanding and demonstrating effectiveness)

The next six sections demonstrate the type of content organisations can disclose under each heading. Each of these six sections:

- signposts to the relevant part(s) of the OECD due diligence process and the relevant UNGPs
- provides a list of what information an organisation can include in a modern slavery statement to achieve 'good' and 'best' practice
- offers a brief explanation as to why these recommendations are important for an organisation
- details what processes or considerations an organisation can take to achieve meaningful action

3.2 Stakeholder engagement

Modern slavery is a complex and evolving problem and collaboration is crucial to ensure an effective response. Organisations are encouraged to work with relevant stakeholders in all areas of their approach to tackling modern slavery.

3.2.1 Internal stakeholders

Engaging with workers and those with lived experience of exploitation will help organisations to understand the risks posed to workers and conduct effective due diligence. There is increasing evidence that meaningful engagement of people with lived experience of modern slavery improves policies and programmes designed to tackle the problem and its causes. However, it is strongly advised that organisations consult with experts at non-governmental organisations (NGOs) before engaging individuals with lived experience. NGOs can advise how to engage in a trauma-sensitive manner and advise on other crucial ethical processes (including confidentiality, anonymity, safeguarding, and compensation).

3.2.2 External stakeholders

Engaging both direct and indirect suppliers is crucial for mapping of supply chains, assessing and mitigating risks. NGOs and trade unions can help organisations take a more victim-centred approach to due diligence and help organisations identify and mitigate modern slavery risks.

Many businesses have found risks in their industries to be systemic and that no single business alone can solve them. This has created an increase in industry collaboration in a pre-competitive environment across many sectors. Businesses are encouraged to work with other businesses and their trade associations to have a greater impact on tackling modern slavery. There are also several multi-stakeholder initiatives that have representatives from business, NGOs, trade unions and others which organisations may want to participate in. The Responsible and Ethical Private Sector Coalition against Trafficking initiative have created an [interactive map](#) of organisations that may be able to support with anti-slavery activity.

3.3 Continuous improvement

Organisations should seek to continuously improve their response to modern slavery. Throughout this guide, we set out the information that organisations could include in their modern slavery statements, categorising disclosures as either level 1 or level 2. For organisations drafting modern slavery statements for the first time, it may be more appropriate for them to focus on meeting level 1 disclosures, but as organisations become more familiar with the reporting requirements, they are encouraged to progress to include level 2 disclosures and beyond. This will demonstrate continuous improvement and commitment to eradicating modern slavery in supply chains.

Organisations should also highlight areas of change and improvement in each annual modern slavery statement so that stakeholders can understand year-on-year progress.

4. How to respond to modern slavery and how to report this in a modern slavery statement

Section 54(5) of the Modern Slavery Act 2015 sets out the content that may be included in a modern slavery statement:

1. organisational structure, its business and its supply chains
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- offers a brief explanation as to why these recommendations are important for an organisation
- details what processes or considerations an organisation can take to achieve meaningful action

4.1 Organisational structure, its business and its supply chains (section 54(5)(a) of the Act)

For businesses to produce an effective statement they will need to have a good understanding of their business and supply chains. ‘Supply chains’ in this context refers to both the primary value chain (i.e. the goods an organisation sells, or services it delivers) and the secondary value chain (activities which support the primary value chain, such as human resource management, catering and cleaning services). It can also include the labour supply chain which refers to how and from where workers have been recruited to work in the primary and secondary value chain.¹³ This understanding is fundamental to the accurate identification of modern slavery risks and helps to define the boundaries of the statement.

This section of the guidance links to the [OECD's Due Diligence Guidance](#):

- Step 1: embed responsible business conduct into policies and management systems

¹³ Leonardo Marques and others, 2024: Impact pathways: “follow the labour”. the labour supply chain and its impact on decent work in product supply chains. International Journal of Operations & Production Management

Organisational structure, its business and its supply chains - what information could an organisation include in their statement?

Organisation and supply chain structure

Level 1¹⁴

- Describe the organisation's structure. This includes but is not limited to:
 - organisation size
 - countries the organisation operates in
 - different trading entities
- Provide an overview of the supply chain structure. This includes but is not limited to:
 - countries the supply chains operate in
 - how goods and/or services are sourced
 - how goods and/or services are produced/assembled
 - how goods and/or services are distributed

Level 2 (actions to be completed in addition to level 1)

- Provide a detailed map of the organisation's structures and relationships with suppliers and subcontractors. This includes but is not limited to:
 - long-term partnerships
 - contracts
 - spot purchases
 - details of direct operations versus outsourced functions
- Provide an overview of the labour supply chain structure. This includes but is not limited to:
 - how workers are recruited at different stages in the supply chains
 - source and transit countries of migrant workers in the supply chain
 - involvement of agents, brokers and other labour market intermediaries

If the statement is a joint statement or a report covering the activities of multiple entities, clearly indicate each organisation that is covered by the submission.

¹⁴ For organisations drafting modern slavery statements for the first time, it may be more appropriate for them to focus on meeting level 1 disclosures, but as organisations become more familiar with the reporting requirements, they are encouraged to progress to include level 2 disclosures and beyond.

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Supply chain understanding	Level 1 <ul style="list-style-type: none">• Explain what the organisation does not know in relation to its supply chains (for example, if an organisation has not been able to map tiers below tier 1)
Products, sectors and services	Level 1 <ul style="list-style-type: none">• Describe the organisation's:<ul style="list-style-type: none">• main products and services• the sector(s) the organisation operates in• the volumes of goods/services it produces
Direct, and indirect suppliers	Level 1 <ul style="list-style-type: none">• Provide a high-level profile of direct and indirect suppliers (e.g. subcontractors). This includes but is not limited to:<ul style="list-style-type: none">• location• industry Level 2 (actions to be completed in addition to level 1) <ul style="list-style-type: none">• Provide a high-level profile of indirect suppliers (e.g. subcontractors), ideally mapping down to the lowest tier of the supply chain (e.g. raw materials). This includes but is not limited to:<ul style="list-style-type: none">• location• industry
Modern slavery risk management governance	Level 1 <ul style="list-style-type: none">• Detail who in the organisation is responsible for identifying, assessing and responding to modern slavery respectively and the governance structure that provides senior level oversight and management of the modern slavery risk
Information gathering	Level 1 <ul style="list-style-type: none">• Describe how the organisation gathered information to respond to the legislative requirements. If the report is a joint statement covering multiple organisations, explain the general consultation process contributing to the development of the joint statement or annual report.

Stakeholder engagement	<p>Level 1</p> <ul style="list-style-type: none">• List which external stakeholders the organisation has engaged with to map their supply chains. This includes but is not limited to:<ul style="list-style-type: none">• technology companies• industry initiatives• NGOs• trade unions• government agencies <p>Level 2 (actions to be completed in addition to level 1)</p> <ul style="list-style-type: none">• Demonstrate how the organisation engages with external stakeholders and bodies such as industry initiatives, NGOs, trade unions, or government agencies e.g. by providing case studies or examples of activities with external stakeholders
Continuous improvement	<p>Level 1</p> <ul style="list-style-type: none">• Explain how the organisation's knowledge of their operations and supply chains has changed from the previous statement and outline plans to improve their knowledge further e.g. by mapping additional supply chains

Why is it important to undertake this work and disclose this information?

Modern slavery can occur at any point across the supply chain, from the collection of raw materials to build a single element of the product, through to distribution of the finished product, as well as in supporting functions such as cleaning or catering services. It is crucial that organisations have oversight of their supply chains so that they can understand the risks of modern slavery along the chain and take action to mitigate against those risks. Organisations will often find that their efforts will only go so far without strong partnerships with competitors, peers, civil society organisations, trade unions and others.

The breadth of potential risk of modern slavery in an organisation and their supply chains requires a coordinated effort across multiple departments (such as procurement, human resources, compliance, and legal) and strong leadership. A well-defined organisational structure will help with taking a systematic and integrated approach to identifying and mitigating risks across various areas, including supply chains, recruitment practices, and operational processes.

Consumers, investors, trade unions, campaigners and the public want to have an overview of the business and its supply chains so they can better understand the nature and degree of modern slavery risk. This may inform their decision to invest, trade or shop with an organisation. Such information will allow people to consider the statement more effectively. Some level of detail and explanation of efforts is likely to be helpful and perhaps prevent

potential stakeholder misunderstanding. However, a huge amount of technical or legal information about a company structure may make the statement inaccessible to many readers, so there is a balance to be struck here.

Key actions to consider

Organisations should consider taking the following key actions in relation to this subsection to support them to meet the level 1/level 2 disclosures defined above. This list is not exhaustive and organisations should not be limited by these suggestions:

- analyse the organisation's structure, operating model and group relationships, including who (role(s)/department(s)) is responsible for supply chain mapping, compliance with relevant requirements and ethical purchasing practices
- ensure leadership and management are aware of their responsibilities in addressing modern slavery risks
- form strong internal and external stakeholder relationships, including with suppliers, competitors, peers and others, including trade unions and other bodies representing workers
- understand which suppliers the organisation has the greatest leverage over
- organisations should aim to map out as much of their supply chains as they realistically can in the first instance, starting off with their higher risk supply chains. Organisations should then work with suppliers and stakeholders to improve transparency year-on-year

Supply chain mapping

It is important for organisations to have a good understanding of their supply chains in order to properly identify areas at high risk of exploitation. This will allow organisations to subsequently prevent and mitigate these risks.

Organisations should undertake a mapping exercise of their supply chains, starting by collecting information about their tier 1 (direct) suppliers. Organisations should then seek to understand and map their supply chains at tier 2 (indirect) and below. This should cover both labour and material supply chains, within and outside of the UK if the company operates internationally.

Supply chains are often connected through complex networks. Organisations may choose to share some of their supply chain data publicly, through initiatives such as [Open Supply Hub](#). Sharing data on supply chains will help organisations to work with other organisations connected to the same regions or supply chain to conduct due diligence.

Case study

A large company operating across multiple industries, including automotive and tourism services, manages a complex, multi-tiered supply chain spanning over 20 countries. In an early modern slavery statement, the company focused primarily on suppliers within its home country, leaving its global supply chain largely unexamined.

The company acknowledged that the industries in which it operates carry a higher risk of modern slavery. However, the organisation faced significant challenges in mapping its supply chain, given its long list of suppliers and geographical extension.

To address these challenges, following its first modern slavery statement, the company adopted a regional approach, expanding its focus beyond domestic suppliers to mapping its supply chain in several key countries. The company's statement focused on analysing a high-risk sector, one most vulnerable to modern slavery, in greater depth to provide more detailed insights. As a result, the company has been able to examine more than three times the number of tier-one direct suppliers compared to the numbers reported in earlier statements.

This progress was made possible through collaboration with global stakeholder organisations, the company's finance team, and a third-party consultancy.

The company acknowledged that it was still in the early stages of fully understanding its supply chain. To continue progress, the company plans to implement a system to consolidate procurement data, facilitating a more comprehensive and efficient supply chain mapping process in the future.

4.2 Organisational policies (section 54(5)(b) of the Act)

The establishment of effective policies shape the environment and set the tone for how businesses prevent and address modern slavery. Clear organisational policies, overseen by senior management, demonstrate an organisation's commitment to this issue and ensure that appropriate and coordinated action is taken throughout the business.

Organisational policies are formal guidelines, principles and rules established by an organisation to govern its operations, decision-making and employee behaviour. Policies on recruitment and freedom of association are two examples of organisation-wide policies which have implications for managing modern slavery risk.

This section of the guidance links to the [OECD's Due Diligence Guidance](#):

- Step 1: embed responsible business conduct into policies and management systems

Organisational policies - what information could an organisation include in their statement?

Internal operating policies	<p>Level 1</p> <ul style="list-style-type: none">• Provide a summary of the organisation’s internal operating policies relevant to modern slavery. This includes but is not limited to policies on:<ul style="list-style-type: none">• employee code of conduct• supplier code of conduct• recruitment (including prohibiting the use of worker-paid recruitment fees)• responsible purchasing practices• incentives to mitigate modern slavery• freedom of workers to terminate employment• freedom of movement• freedom of association and collective bargaining• prohibiting any threat of violence, harassment and intimidation• prohibiting compulsory overtime• prohibiting child labour• prohibiting confiscation of worker’s original identification documents• access to remedy, compensation and justice for victims/survivors of modern slavery• Include hyperlinks to relevant policies which are publicly available <p>Level 2 (actions to be completed in addition to level 1)</p> <ul style="list-style-type: none">• Provide further detail on the organisation’s internal operating policies relating to modern slavery and their implementation. This includes but is not limited to:<ul style="list-style-type: none">• brief summaries of what each policy states• how policies are implemented, including case studies• how implementation is monitored and enforced• how often policies are reviewed and updated• case studies showcasing the practical application of policies and lessons learned
International standards	<p>Level 1</p> <ul style="list-style-type: none">• Demonstrate how policies are linked to international standards. This includes but is not limited to:<ul style="list-style-type: none">• UN Guiding Principles• OECD Due Diligence Guidance for Responsible Business Conduct

	<ul style="list-style-type: none"> • ILO Labour Standards
<p>Stakeholder engagement</p>	<p>Level 1</p> <ul style="list-style-type: none"> • List which stakeholders the organisation has engaged with to develop and implement their modern slavery policies. This includes but is not limited to: <ul style="list-style-type: none"> • buying teams • suppliers • subcontractors • trade unions • NGOs • industry initiatives • government agencies <p>Level 2 (actions to be completed in addition to level 1)</p> <ul style="list-style-type: none"> • Demonstrate how the organisation engages with relevant stakeholders such as, buying teams, suppliers, subcontractors, trade unions, NGOs, industry initiatives and government agencies to develop and implement policies. e.g. by providing case studies or examples of activities with stakeholders
<p>Communication and enforcement</p>	<p>Level 1</p> <ul style="list-style-type: none"> • Provide a brief explanation on how the organisation communicates and enforces policies within the organisation and to suppliers/subcontractors. <p>Level 2 (actions to be completed in addition to level 1)</p> <ul style="list-style-type: none"> • Provide the organisation's communication strategy and evidence how all relevant policies are communicated and enforced. This should include how policies and changes to policies are communicated to relevant stakeholders such as workers and suppliers • Where relevant, outline the number of languages the policies have been translated in to and how the organisation(s) ensure workers, business partners and local communities can access and understand them
<p>Supplier's policies</p>	<p>Level 2 (actions to be completed in addition to level 1)</p> <ul style="list-style-type: none"> • Provide high level detail on relevant supplier's policies and practices and how these have been assessed

Purchasing policy improvements	<p>Level 2 (actions to be completed in addition to level 1)</p> <ul style="list-style-type: none"> • Provide evidence of improvements to purchasing policy with suppliers (e.g. independent, third-party data collected from suppliers)
Continuous improvement	<p>Level 1</p> <ul style="list-style-type: none"> • Explain how the organisation’s policies have changed from the previous statement and outline plans to further develop relevant modern slavery policies

Why is it important to undertake this work and disclose this information?

Organisational policies are crucial for developing and maintaining anti-slavery standards across an organisation. When implemented correctly, they should influence staff and supplier decision-making and ensure that anti-slavery action is taken across the whole business and supply chain.

Tackling modern slavery does not necessarily require a standalone policy. It could be adapting, and/or clarifying how existing policies and practices, programmes and management systems already work to prevent modern slavery. These policies and approaches may need upgrading as the years pass, and as understanding of the issue and approaches to address it to improve.

Stakeholders will want to know how businesses have addressed modern slavery in their key policies so that its clear what standards they have and what is expected from suppliers. Brief summaries of policies and hyperlinking will help ensure this section is accessible to readers.

Key actions to consider

Organisations should consider taking the following key actions in relation to this sub-section to support them to meet the level 1/level 2 disclosures defined above. This list is not exhaustive and organisations should not be limited by these suggestions.

Organisational policies should be set out clearly, be accessible to all staff and widely communicated. This helps embed anti-slavery activity within an organisation’s operations and supply chains as standard practice. They should highlight the absolute importance of respect for human rights but acknowledge that there are likely to be modern slavery risks and emphasise the need for vigilance across the organisation. This should also be built into contracts and across self-assessment, audits, training and capacity-building opportunities for suppliers, subcontractors, customers, and other business partners.

Organisations may want to consider developing an ethical code of conduct. A code of conduct tells workers what your organisation’s goals, values and rules are. It can encourage workers to speak up if the code is breached. A code of conduct statement is

Transparency in Supply Chains (TISC): statutory guidance

similar but less detailed. If your organisation is not ready for a detailed code of conduct, develop a code of conduct statement instead.

While it is up to each business how detailed they want to make their policy on modern slavery, guiding questions that an organisation might want to consider when drawing up a modern slavery policy or enhancing their approach to modern slavery in existing policies are suggested below. This list is not exhaustive, and organisations should not be limited by these suggestions:

- what minimum labour standards are expected of the business, its subsidiaries and suppliers, and how do these align with international labour standards, including the International Labour Organization (ILO) core conventions?
- do you have a responsible purchasing policy in place, oversight of how your purchasing practices might be contributing to the risk of modern slavery, and a strategy in place for identifying, preventing and mitigating risk in relation to purchasing practices?
- who in the business is responsible for a) ensuring efforts are made to investigate and conduct due diligence on modern slavery in the business and/or supply chains, and b) ensuring that basic labour standards are met, and how are such leaders financially incentivised and resourced to do so?
- what is your recruitment policy across your organisations, subsidiaries and suppliers?
- what is your policy on freedom of association, collective bargaining and union busting in your organisation, subsidiaries and suppliers?
- what is your organisation's policy to support whistle-blowing? What procedures are in place to assist reporting, including reporting by workers through helplines?
- how does your organisation support access to remedy for those who experience modern slavery in your organisation and supply chains? What measures are taken to protect them from further victimisation or vulnerability?
- what support or guidance is available to business operations or suppliers with an obligation to provide or contribute to remedy in situations where modern slavery is found?
- how does the business factor legal and full labour costs into production and sourcing costs to avoid the need for seemingly cheaper slave or bonded labour in your operations or supply chains?
- does your organisation have a process in place for responsible exit from contracts when all other measures to address instances of modern slavery have been exhausted? Does it clearly explain the escalation process and how to document measures taken to avoid exacerbating modern slavery risks and/or further harm to victims?
- does your organisation's modern slavery policies and codes include the following provision and/or address the following issues (as relevant):
 - adherence to local, national and international laws
 - freedom of workers to terminate employment
 - freedom of movement
 - freedom of association and the right to collective bargaining
 - prohibits any threat of violence, harassment and intimidation

Transparency in Supply Chains (TISC): statutory guidance

- prohibits the use of worker-paid recruitment fees, including in migrant worker's country of origin
- requires that workers are provided free, comprehensive and accurate information regarding their rights and the conditions of their recruitment and employment in writing in a language that they understand
- prohibits compulsory overtime
- prohibits child labour
- prohibits discrimination
- prohibits confiscation of workers original identification documents
- provides access to remedy, compensation and justice for survivors of modern slavery
- requires that workers are informed, in a form and language they understand, of hazards to which they may be exposed, including exposure to toxic chemicals and their effects

If policies and practices are to have the desired effect, they should be supported through effective communications and where appropriate, training, resourcing and collaboration of effort by appropriately skilled personnel.

Senior management approval ensures there is organisational 'buy-in'. Policies should be made available and communicated to workers in organisations (and where possible, workers in supply chains) so that workers are aware of the standards expected in their workplace and report violations. Policies should be made available in the local languages of workers if the suppliers are based overseas and/or in native languages of migrant workers.

Recruitment fees and related costs

Recruitment is a business cost and should be paid by the business.

Migrant recruiters frequently charge fees to workers for recruitment and placement. These practices lead many migrant workers into heavy debt to secure a job and can increase vulnerability to exploitation, including debt bondage and human trafficking. For guidance on how your organisation can work to prevent these fees being charged and leading to debt bondage, please see the Institute for Human Rights and Business's (IHRB) [Migration with dignity: A Guide to Implementing the Dhaka Principles](#).

Case study

A global cosmetics brand, operating in over 40 countries, implemented several key policies to mitigate the risk of modern slavery and promote transparency across its operations and supply chains. The organisation published details of their policies, including:

- an anti-modern slavery policy, which sets clear expectations for fair treatment and wellbeing of workers. It applies to all individuals working with the company and enforces disciplinary actions, including termination for breaches
- a modern slavery remediation policy, which outlines the company's commitment to providing remedies for survivors of modern slavery. The organisation states which international best practices and human rights frameworks have been used to develop the policy
- a specific policy relating to anti-slavery within their supplier organisations which sets out the requirements for suppliers to adhere to anti-slavery laws, including the UK Modern Slavery Act 2015, and to ensure their operations align with the company's ethical standards, such as the 'employer pays' principle
- a whistleblowing policy, which provides a confidential reporting system for illegal or unethical practices within the company or its supply chains. The system is available 24/7 and in multiple languages, to protect whistleblowers

The company regularly reviews their policies, and communicates updates to new and existing suppliers, as well as sending reminders during procurement processes. Compliance with these policies is a minimum requirement for all suppliers.

In their statement, the company outlines the purpose of their policies, their most recent update, and the target audience to ensure clear understanding and adherence.

4.2 Assessing and managing risk (section 54(5)(d) of the Act)

A modern slavery risk assessment is a systematic analysis of the likelihood that goods or services an organisation provides, makes or purchases has been made fully or in part by slave labour. The assessment should cover relevant workers internal and external to the organisation, for example subcontractors producing constituent parts, as well as workers in support functions such as cleaning and catering. The risk assessment informs broader due diligence steps organisations take and this section is specifically focused on identifying and managing the most salient modern slavery risks to workers (i.e. the highest likelihood and severity). The risk assessment should focus on risk to workers, not risks to the organisation such as reputation.

This section of the guidance links to the [OECD's Due Diligence Guidance](#):

- Step 2: identify and assess adverse impacts in operations, supply chains and business relationships
- Step 3: cease, prevent and mitigate adverse impacts

Assessing and managing risk - what information could an organisation include in their statement?

Risk assessment frequency	<p>Level 1</p> <ul style="list-style-type: none">• Disclose when the organisation carried out the risk assessment and how often this is updated. <p>Level 2 (actions to be completed in addition to level 1)</p> <ul style="list-style-type: none">• Provide evidence that risk assessments are regularly reviewed and updated
Risk assessment governance	<p>Level 1</p> <ul style="list-style-type: none">• Disclose details of the individuals and/or departments responsible for the risk assessment
Identifying and assessing risks	<p>Level 1</p> <ul style="list-style-type: none">• Describe how the organisation identifies and assesses modern slavery risks and what sources it uses. Including but not limited to:<ul style="list-style-type: none">• desk based research and key sources (e.g. US State Department Annual Trafficking in Persons (TIP) Report and Global Slavery Index)• audits or other assessments• self-assessment tools• engagement with workers and trade unions• engagement with NGOs• supplier questionnaires (with data collected by an independent third party)• digital tools• industry tools• engagement with competitors• data collected through early warning systems (e.g. hotlines) and grievance mechanisms

Highest priority risks to workers	<p>Level 1</p> <ul style="list-style-type: none">• List and describe the highest priority modern slavery risk to workers in the organisation(s) and supply chains. This includes but is not limited to:<ul style="list-style-type: none">• goods and/or services supplied• country, region• sector• stage of supply chain (e.g. tier 5 raw material extraction)• worker vulnerabilities (e.g. women, migrants, refugees, children or other vulnerable groups)• the type of risk identified (e.g. forced labour, deceptive recruitment etc) <p>Level 2 (actions to be completed in addition to level 1)</p> <ul style="list-style-type: none">• Disclose and describe the complete list of risks in the organisation's modern slavery risk register that is regularly reviewed by the Board or equivalent• Provide analysis of organisational leverage to address priority risks, including degree and kind of responsibility
Stakeholder engagement	<p>Level 1</p> <ul style="list-style-type: none">• Provide evidence of engagement with internal and external stakeholders to identify, understand and prioritise current and future risks e.g:<ul style="list-style-type: none">• workers• local communities• buying teams• suppliers• subcontractors• trade unions• NGOs• industry initiatives• government agencies <p>Level 2 (actions to be completed in addition to level 1)</p> <ul style="list-style-type: none">• Provide evidence of continuous direct engagement with workers/worker representatives to help identify risk• Provide evidence of continuous improvements in relation to supplier partnerships and purchasing practices

Continuous improvement

Level 1

- Explain how the organisation's approach has changed from the previous statement and outline plans to improve risk assessment in the future

Level 2 (actions to be completed in addition to level 1)

- Evaluate and disclose weaknesses in risk identification and assessment processes and outline plans to improve these, based on appropriate outcome-orientated targets and indicators

Why is it important to undertake this work and disclose this information?

Many organisations in scope of section 54 of the Modern Slavery Act 2015 will have large, complex and global supply chains. Some businesses will have thousands of direct (tier 1) suppliers and tens of thousands of indirect suppliers (tier 2 and beyond). Although there are some due diligence measures businesses can take that will affect all of their operations and supply chain, businesses will need to prioritise due diligence efforts where they are likely to have a greater impact, namely where modern slavery risks are the most salient. This can only be achieved through properly assessing the nature and extent of its exposure to the risk of modern slavery, including risk to workers and effectively managing the risks identified.

Organisations should be aware of the continuously evolving nature of modern slavery risks. While industry, NGOs, law enforcement and government may stop exploitation of workers in one area, it could arise elsewhere. Therefore, businesses should regularly conduct risk assessments and continue to develop a deeper understanding of their supply chains.

Modern slavery is a highly prevalent global issue, and many businesses are exposed to risks. Sharing risks with trusted partners and the public can help organisations learn and be more effective in implementing modern slavery due diligence. These partners can include representative bodies, industry associations and working groups. Identifying and disclosing modern slavery risks in operations and supply chains shows that the risk assessment and broader due diligence is robust, and the business is committed to tackling modern slavery.

Key actions to consider

Organisations should consider taking the following key actions in relation to this sub-section to support them to meet the level 1/level 2 disclosures defined above. This list is not exhaustive, and organisations should not be limited by these suggestions.

Modern slavery risk assessments should be seen as part of an organisation's wider approach to risk management and could form part of more general risk assessments that are carried out for a variety of reasons.

Risk assessment policies and procedures should be proportionate to an organisation's:

- size
- structure
- location of activities and supply chain(s) and
- nature of the business

To assess and manage risk, responsible organisations should know what risks exist and the level of risk each poses to the workers in their business and supply chains. This will help the organisation prioritise and manage risks.

Organisations should be aware that modern slavery risks can rapidly change, as criminals seek to find new routes of exploitation. Assessing and managing risk should therefore be a continuous process within organisations rather than limited to a single, annual activity.

Organisations may wish to consider the following actions to enhance their modern slavery risk identification and management. This list is not exhaustive, and organisations should not be limited by these suggestions:

Step 1: Identifying risks

- Undertake a high-level risk assessment of spend (for example contracts and grants) using the risk assessment methodology in section 2 of the government's [tackling modern slavery in government supply chains](#) guidance. Although this guidance is aimed at public sector procurement professionals, businesses may wish to use the same risk assessment methodology. The guidance recommends assessing risk based on:
 - industry
 - nature of workforce (for example, reliance on low-skilled temporary labour)
 - supplier location
 - context in which the supplier operates (for example, inadequate labour laws and regulations)
 - commodity type
 - business / supply chain model (for example, use of labour recruiters in supply chains)
- Beyond using traditional tools mentioned above, organisations could invest in advanced technologies such as AI-powered supply chain mapping tools, blockchain for traceability, and machine learning models to detect irregularities in payment or labour practices.

Considering risks beyond supply chains

Some companies focus their risk assessments on their direct suppliers but it's important to consider the whole business' exposure to modern slavery risks, including indirect suppliers, and goods and services used for operational purposes, such as the facilities management services a business uses for their offices.

Certain types of businesses may have distinct risks in their operations, for example, financial institutions may have risks in their investments or how they manage the flow of finances for traffickers.

Step 2: Assessing identified risks

When an organisation has identified potential modern slavery risks in their operations and supply chains, these need to be assessed in terms of their risk level. Assessing risk level will help organisations to understand which risks need to be prioritised for mitigation and/or prevention measures.

To assess risk level, organisations will need to consider the likelihood and severity (the potential adverse harm if this scenario arises) of the risk.

Organisations may wish to use a risk matrix to assess risk level. A risk matrix can take a variety of different forms, but they are commonly a 5x5 or 3x3 grid, which consider the likelihood and the severity of the risk. Severity should be considered in relation to the impact on individuals (such as physical, psychological and financial harm). An example of a risk matrix is provided in figure 1.

Figure 1: risk matrix

		Severity				
		Negligible	Minor	Moderate	Major	Catastrophic
Likelihood	Very likely to happen	Low	Medium	High	High	High
	Likely to happen	Low	Medium	High	High	High
	Possible to happen	Low	Medium	Medium	High	High
	Unlikely to happen	Low	Low	Medium	Medium	Medium
	Very unlikely to happen	Low	Low	Low	Low	Low

For organisations to understand the likelihood and severity of a risk, they may need to collect and assess additional information. The specific information will depend on the circumstances but may include:

- engaging with internal and external stakeholders (for example, the organisation's supplier, potentially affected workers and their elected representatives) to understand their views on likelihood and severity
- researching business operations, such as supplier labour practices, policies and certifications
- researching the location of the risk (such as legislation and cultures)
- assessing prioritised (i.e. higher risk) suppliers and other business relationships. This can include, where possible, relevant information beyond direct suppliers
- assessing own or third-party information on impact assessments. This can include, environmental and social impact assessments, human rights impact assessments, health and safety inspections and financial audits (for disclosure)
- collecting and reviewing anonymised information from any early warning systems (such as hotlines), grievance mechanisms and whistleblowers

Step 3: Prioritise risks

Organisations may identify a large number of risks. Where it is not feasible to address all risks at once, organisations should prioritise risks for prevention/mitigation based on their combined likelihood/severity score (the most salient risks). Once an organisation has responded to their most salient risks, they should also seek to address less significant risks.

For highly salient risks, organisations should carry out an in-depth investigation and these risks should be prioritised for preventative and mitigating actions.

Consideration of leverage

Businesses should consider their leverage to drive change in their approach to risk assessment and mitigation. For example, businesses may have less influence where they are not a critical/significant buyer in a supply chain. However, if a business lacks leverage there may be ways to increase it. As per the United Nations Guiding Principles (UNPGs) "leverage may be increased by, for example, offering capacity-building or other incentives to the related entity, or collaborating with other actors."

Case study for step 2

A large, global company that owns and operates mining and processing operations across a range of countries and products (including iron ore, copper, aluminium, and minerals), identified that they operate in locations and industries that are at high risk of modern slavery.

In response to this, the company implemented a multi-layered approach to identifying, assessing, addressing and managing risks. They primarily focus on people over their business when assessing human rights risks.

Their commitment to identifying, assessing, addressing and managing such risks includes but is not limited to:

- committing to assessing risk throughout the product lifecycle
- developing a risk matrix with predetermined categories to identify and prioritise risk (including environmental, human rights, health and safety, compliance, cyber, and supply chain risks, and identifying connected categories)
- using a risk-based approach when conducting due diligence with third parties
- establishing committees that are held accountable for managing modern slavery risk
- a human rights team to review identified human rights risks and embed human rights across the company, including but not limited to employment contracts, procedures, procurement, and relationship management.

The company has used several tools and frameworks to identify, assess, address, and manage modern slavery risks, which has resulted in successful outcomes. For example:

- identifying a large number of high-risk third-party engagements
- implementing additional risk management tools to support the workforce
- supporting partners with human rights risk assessments
- implementing a whistleblowing platform for its workforce and suppliers
- reviewing the risk profiles of the communities they operate in
- working with third parties to monitor working conditions
- raising awareness with workforce and suppliers of modern slavery risks and unintended consequences

Step 4: Preventing and mitigating identified risks

Organisations should refer to the “due diligence in relation to modern slavery” [section 4.4](#) for advice on steps businesses can take to prevent, mitigate and remediate identified risks. Mitigations will vary depending on the circumstances, but common examples include direct engagement with suppliers, using leverage where required to agree a course of corrective action, industry collaboration, improving purchasing and recruitment practices, supplier capacity building and worker voice initiatives.

Step 5: Tracking risk management

Risk changes all the time. It is important to regularly review risks to ensure your organisation can continue to mitigate and remedy these. To do this, organisations are encouraged to track the following as part of their risk management framework:

- the frequency with which the risks will be reviewed
- how the organisation will track its progress
- who (role/responsibility) will carry out the activities

Directors or partners should have oversight of risk assessment or risk management frameworks. This means any identified issues can be dealt with at the appropriate level.

To help with the steps above, organisations should refer to the [OECD Due Diligence Guidance](#) and pay particular attention to step 2“ identify and assess actual and potential adverse impacts associated with the enterprise’s operations, products or services”, step 3: “cease, prevent and mitigate adverse impacts” and step 4: “track implementation and results”. The [OECD Due Diligence Guidance](#) and related sector-specific guidance provide practical actions and useful questions and answers on how to approach risk identification, assessment, mitigation and tracking.

Organisations may wish to refer to the Social Responsibility Alliance [modern slavery risk template](#) to support the development of their risk register.

Organisations are encouraged to adopt a culture that advocates the identification of risks, effective mitigation and remedy to cases found. For this to be effective, it should be part of a clear ethos and performance management system promoted and overseen by senior management and company policy.

Investors and insurers are interested in risk assessments and management so they can make a sound and informed decision on their working relationship with the organisation.

Case study

A global cybersecurity service provider that sells products worldwide via tens of thousands of distributors and resellers, making the company's operations and supply chains complex. The company's workforce is employed within their offices, labs, and product development centres across multiple worldwide regions. They also have a multi-layered supply chain that includes hardware manufacturers, component suppliers, distribution centres, warehouses and recruitment agencies. They also have a multi-layered supply chain that includes thousands of third-party suppliers, including hardware manufacturers, component suppliers, distribution centres, warehouses and recruitment agencies.

To address these challenges and achieve transparency in supply chains, the company developed a risk management framework to identify, assess, and manage risks to workers. A specific team, overseen by the company's Board, implements the risk assessment framework. The team also engages external advisors to help identify risks and inform the framework.

As part of this framework, and to specifically tackle the difficulties in overseeing a high number of suppliers' actions, the company has placed obligations on each of their suppliers to commit to identifying, assessing and managing modern slavery risks. For example, the supplier's contract with the company requires them to complete a Slavery and Trafficking Risk Template and Conflict Minerals Reporting Template. These templates assess the supplier's adherence with international standards and measure how suppliers identify, assess, and manage risk. The company then undertakes further due diligence measures to monitor adherence to these standards.

4.4 Due diligence in relation to modern slavery (Section 54(5)(c) of the Act)

For many businesses conducting due diligence in relation to modern slavery is likely to form part of a wider framework around ethical trade, corporate social responsibility and human rights. Due diligence in relation to modern slavery may form part of a wider human rights due diligence process, using the [UNGPs](#) and [OECD Due Diligence Guidance](#).

This section focuses on the action businesses take to implement their policies and respond to actual and potential risks of modern slavery in their business and supply chains. For more information on broader human rights due diligence advice, see the [UNGPs](#) and [OECD Due Diligence Guidance](#).

This section of the guidance links to the [OECD Due Diligence Guidance](#):

- Step 3: cease, prevent and mitigate adverse impacts
- Step 6: provide for or cooperate in remediation when appropriate

Due Diligence in relation to Modern Slavery - What information could an organisation include in their statement?

<p>Prevention and mitigation</p>	<p>Level 1</p> <ul style="list-style-type: none"> • Provide a summary of actions, programmes, and initiatives undertaken to cease and prevent modern slavery and mitigate specific modern slavery risks in the organisation’s operations and supply chains <p>Level 2 (actions to be completed in addition to level 1)</p> <ul style="list-style-type: none"> • Provide in-depth detail on the actions taken to prevent and mitigate modern slavery in the organisation's direct (tier 1) and/or in-direct (beyond tier 1) supply chain e.g. through case studies. • Outline potential unintended consequences of any preventive approaches to managing risk and how the organisation plans to mitigate these
<p>Supplier and worker engagement</p>	<p>Level 1</p> <ul style="list-style-type: none"> • Provide evidence of supplier and worker engagement and collaboration to develop and implement actions, programmes and initiatives to prevent modern slavery and minimise specific risks, which goes beyond contractual compliance. This should include engagement with individuals and organisations with lived experience of modern slavery
<p>Human rights due diligence approach</p>	<p>Level 1</p> <ul style="list-style-type: none"> • Provide details of existing human rights due diligence approach, policies and processes and assigned responsibilities, including consideration of how they relate to modern slavery <p>Level 2 (actions to be completed in addition to level 1)</p> <ul style="list-style-type: none"> • Evidence of the organisation’s ongoing progress regarding its approach to due diligence in relation to modern slavery

Grievance mechanisms

Level 1

- Provide evidence of grievance mechanisms for workers or other ways in which they can report concerns and access remedy – in the core business, among subcontractors and in the supply chain. This includes but is not limited to:
 - using anonymous whistleblowing services, such as a helpline or mobile phone app
 - through trade unions or other worker representative groups

Remediation policies and processes

Level 1

- Provide a summary of the organisation's existing remediation mechanisms, policies and processes.

Level 2 (actions to be completed in addition to level 1)

- Provide in-depth details of the organisation's remediation mechanisms, policies and processes. Including but not limited to:
 - details on grievance mechanisms to assist whistleblowing or reporting of suspected incidents of modern slavery
 - details of the language these policies and processes are available and accessible in
 - how the organisation has engaged with workers, suppliers, subcontractors, trade unions, NGOs, industry initiative and government agencies to ensure grievance mechanisms are accessible, effective and safeguard workers from retaliation
 - how remediation processes in the organisation and its supply chains integrate with relevant judicial remediation processes
 - detail how workers and/or modern slavery survivors have been consulted in developing remediation policy/process in the organisation and its supply chains
 - detail how the remediation mechanism has been communicated to relevant stakeholders

<p>Incidents of modern slavery</p>	<p>Level 1</p> <ul style="list-style-type: none"> Describe incidents of modern slavery found across the organisation’s operations and supply chains, including the total number of incidents, and what steps were taken to remedy these <p>Level 2 (actions to be completed in addition to level 1)</p> <ul style="list-style-type: none"> Explain the results of any remediation processes undertaken in the organisation and its supply chains. Including but not limited to: <ul style="list-style-type: none"> the number/proportion of workers receiving remediation the outcome from remediation and whether the remedy was considered satisfactory by survivors the outcomes of individuals who have been through judicial processes how the organisation has worked with suppliers/stakeholders to provide remediation in response to modern slavery incidents where the impact has not been positive, detail the organisation’s plans for improvement
<p>Business model</p>	<p>Level 1</p> <ul style="list-style-type: none"> Provide evidence that the organisation has considered whether the organisation’s business model and business-related key performance indicators may cause, contribute or directly result in modern slavery in its operations and supply chains
<p>Stakeholder engagement</p>	<p>Level 1</p> <ul style="list-style-type: none"> Provide evidence of participation in peer-learning groups or other collaborative initiatives for sharing lessons learned and best practice and for taking forward specific programmes
<p>Continuous improvement</p>	<p>Level 1</p> <ul style="list-style-type: none"> Explain how the organisation’s approach has changed from the previous statement and outline plans to improve due diligence in the future

Why is it important to undertake this work and disclose this information?

Conducting thorough modern slavery due diligence, will help protect workers in your supply chains from exploitation and ensure that survivors of modern slavery are provided with the support they need to begin rebuilding their lives.

In this section, readers want to see what meaningful actions businesses are taking to prevent and remediate actual or potential risks of modern slavery.

There is, understandably, some nervousness about disclosing cases of modern slavery or suspected modern slavery. However, due to the scale of modern slavery globally, many businesses will be exposed to the risks and not finding risks is likely to demonstrate poor due diligence. Businesses are expected to be transparent about risks/cases of modern slavery so that the public can see businesses are undertaking meaningful due diligence and are committing to remediation for survivors.

Key actions to consider

Modern slavery due diligence procedures will differ based on the complexity of an organisation's supply chain relationships, the severity of the risk, and the level of influence the organisation holds. This is why it is important for due diligence efforts to be targeted where the risks of exploitation are most salient (i.e. the highest likelihood and severity).

Organisations should consider taking the following key actions in relation to this sub-section to support them to meet the level 1/level 2 disclosures defined above. This list is not exhaustive, and organisations should not be limited by these suggestions:

Assess and improve purchasing practices

Organisations can have a significant impact on working conditions in their supply chains through their purchasing practices. Certain purchasing practices can unintentionally put pressure on suppliers leading to poor recruitment practices, poor worker conditions and low pay for workers.

Organisations should consider assessing purchasing practices that could create these conditions:

1. aggressive pricing that does not consider sustainable production costs
2. short lead times
3. late high-volume orders
4. inaccurate forecasting
5. late or extended payments
6. withdrawing from contracts at the last minute
7. unfair penalties for not meeting orders despite last minute changes
8. accuracy of technical specifications
9. order cancellations

It is important to consider modern slavery issues at different stages of the procurement process to help reduce risks to organisations. For example, during the tender stage, businesses should factor labour costs into their procurement and consider whether the price they are paying for goods and services are so low that the supplier (or their suppliers) are likely to be exploiting workers.

For further guidance on how to assess and improve purchasing practices, see the Ethical Trading Initiative's [Guide to Buying Responsibly](#) and the Better Buying tool - [Five Principles of Responsible Purchasing](#).

Responsible recruitment

Flawed recruitment practices may significantly increase the likelihood of forced labour occurring in a company's operations and supply chains. Many migrant workers are charged large recruitment fees by third parties (such as recruiters or employment agencies contracted by suppliers to secure employment in another country or region). These charges may leave them indebted and potentially trapped in situations of debt bondage. This is an indicator of forced labour and can also make migrant workers vulnerable to further exploitation.

Recruitment costs charged to workers may include a number of elements. For more information, companies can refer to the [ILO general principles and operational guidelines for fair recruitment and definitions of recruitment fees and related costs](#).

Companies should follow the [Employer Pays Principle](#): No worker should pay for a job. The costs of recruitment should be borne not by the worker but by the employer and prohibit the charging of recruitment fees to workers across their operations including supply chains. They should undertake effective due diligence on the recruitment of workers and any recruitment or employment agencies with whom they or their supplier's contract to provide recruitment services. Organisations should undertake the following due diligence measures to tackle irresponsible recruitment practices:

1. prohibit the charging of recruitment fees to workers in their supply chains or operations, in line with the Employer Pays Principle
2. integrate safeguards into company policies and procedures
3. raise awareness and build capacity of staff responsible for recruitment and buying teams to understand the risks of debt bondage connected to recruitment
4. screen and evaluate key recruitment agencies/labour providers
5. monitor recruitment processes throughout the company's supply chains and operations
6. undertake corrective action plans, including repayment of fees to workers, when issues are identified
7. develop an action plan to make system improvements in recruitment practices
8. participate in multi-stakeholder initiatives to make a wider impact on responsible recruitment

For further information on how companies can conduct due diligence to ensure responsible recruitment, see [Verite's Fair Hiring Toolkit](#) and [IHRB's Guide to Implementing the Dhaka Principles](#).

Worker voice and grievance mechanisms

Due diligence on modern slavery involves consulting relevant stakeholders who may be, or are already, affected by an organisation's operations and supply chain, with particular attention to vulnerable groups. This might mean engaging with workers, local communities and individuals with lived experience of modern slavery to understand how an organisation and its supply chains affect their lives. Engaging with workers will help organisations to identify areas of the business that are at higher risk. It can also help organisations to fully understand the risk and work towards prevention or remediation which is satisfactory to workers. See [section 3.2](#) for further information on stakeholder engagement.

Organisations should seek to create multiple channels for workers (including those of their suppliers) to feel encouraged to report concerns and work with business owners to secure better working conditions. Workers should have access to anonymous reporting mechanisms in a language they understand. Organisations should work to make these mechanisms available to workers in their operations and supply chains, or if not practical, to ensure their suppliers create mechanisms available to their workers. The effectiveness of these mechanisms should be assessed with senior leadership and in consultation with trade unions or other worker representative organisations. For further guidance on developing effective grievance mechanisms see [UN Global Compact's report on Implementing Effective Modern Slavery Grievance Mechanisms: A note for Business](#).

Depending on local laws, workers may be able to join or form a trade union of their own choosing and to bargain collectively for amendments to their working conditions. For further guidance on how organisations may be able to help promote freedom of association in their supply chains, see [ETI's Freedom of Association and Worker Representation Company Guidance](#).

If workers do not know their rights under local laws and under their contracts, they are less likely to report rights violations. For posters, videos and leaflets you can provide to workers in the UK, see the [Gangmasters & Labour Abuse Authority's Resource page](#).

Modern slavery audits and inspections

Audits can be a powerful tool for uncovering exploitation and many businesses have found indicators of forced labour through on-site audits and inspections, particularly when they are conducted unannounced by independent experts. However, it is important to note that many human rights breaches, including modern slavery, are not immediately apparent. For example, some or all of a supplier's workers may be in forced or bonded labour but the supplier may present fake records and coach or pressurise workers to lie to auditors about their conditions being better than they are.

There are several steps organisations can take to improve the quality of their audits and their ability to identify modern slavery risks:

1. work with a professional auditor who is trained in recognising the ILO indicators of forced labour
2. use auditors who speak the language of the workforce and have a strong understanding of the local risks in the relevant operations and supply chains. In some instances, local NGOs may be able to carry out audits
3. engage with local workers, specifically vulnerable workers (e.g. migrant workers), and their representatives
4. consider whether an unannounced audit will result in a more accurate audit than a planned check

Furthermore, audits should not be relied upon alone as the source of intelligence on modern slavery risks; they should be supplemented with worker-centred practices such as worker voice procedures and engagement with worker associations and representatives, including trade unions.

For more information on audits, see [Walk Free's guide to Tackling Modern Slavery in Supply Chains](#) and Annex B of [government procurement policy notice \(PPN\) 009](#).

Collaboration

Organisations at the higher tiers of supply chains should be mindful of a potential imbalance of how due diligence costs and benefits are distributed along a supply chain. Larger organisations at the top tiers of supply chains should seek to fairly share the cost, time, capacity and administrative efforts of undertaking due diligence with those with less leverage or capacity, and not pass these costs and resource demands fully on to partners at lower tiers. Organisations should also seek to harmonise their data requirements with other partners to create efficiencies and reduce the demand on partners at lower tiers of the supply chain.

Remediation

Remediation plays a crucial role in addressing modern slavery by focusing on those who have been directly impacted, ensuring they receive the support, justice, and opportunities needed to recover and rebuild their lives. As well as holding suppliers and partners accountable, organisations should also consider their own responsibility in any violations. International standards make clear that organisations have a responsibility to provide remediation (or contribute to remediation) where they cause or contribute to an adverse impact. For instance, they may provide compensation for affected workers and fund civil society organisations to help provide access to justice.

There is no 'one size fits all' approach to remediation. It's imperative to seek the perspectives of individuals affected by the harm or their representatives to understand and decide on the appropriate remedial action. The individuals who have experienced harm, and their satisfaction with the remedy offered should be at the centre of the organisation's approach. This is why in some cases it may be more appropriate to ensure remediation of harms and better standards for workers over contract termination which could increase worker vulnerability to exploitation.

Organisations should consider following the [Walk Free Modern Slavery Response and Remedy Framework](#) which provides detailed advice on remediation following a six step process:

Figure 2: Walk Free remediation six step process



For further guidance on developing effective remediation approaches, organisations are encouraged to refer to section 3 of the [UNGPs](#) and section 6 of the [OECD Due Diligence Guidance](#) and the corresponding annex questions.

If a specific case of modern slavery is identified here in the UK, it should be reported immediately to the Gangmasters and Labour Abuse Authority (GLAA) on 0800 432 0804 or the police on 101. If potential victims are in immediate danger, the standard 999 emergency number should be used. See Annexes [C](#) and [D](#) for further advice on reporting modern slavery in the UK.

No supply chains are immune from the risk of modern slavery, and it is expected that organisations will find instances of modern slavery in their operations and supply chains if they conduct thorough risk assessments and due diligence. Organisations are encouraged to be transparent about cases where they have found incidents or indications of modern slavery and how they have responded, so we can all learn lessons from their experiences.

Disengagement

Where complicity in the exploitation is clear and mitigation and/or remediation is not possible, organisations may decide to responsibly disengage from a supplier/supply chain. Organisations should consider the implications of disengaging from business relationships with suppliers, as this can have detrimental impacts on workers.

The [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#) and the [OECD Due Diligence Guidance](#) state that disengagement from a business relationship may be appropriate as a last resort after failed attempts at preventing or mitigating severe impacts; when adverse impacts are irremediable; where there is no reasonable prospect of change; or when severe adverse impacts or risks are identified and the entity causing the impact does not take immediate action. The RBC Guidance also provides detailed guidance on how to responsibly disengage from suppliers, this includes recommendations to:

- ensure compliance with national laws and international labour standards
- define escalation measures for disengagement early in the relationship, providing clarity on when and how disengagement will occur
- transparently communicate the rationale for disengagement to relevant stakeholders, such as management and trade unions

In some instances, it may not be possible or practicable for an organisation to end a business relationship (for example, where dictated by contract, an investment in a pooled portfolio or where the supplier is a 'crucial business relationship' where no reasonable alternative sources exist). In these cases, it is recommended that organisations continue to monitor the business relationship as part of their due diligence, and revisit their decision where circumstances change. Organisations are encouraged to refer to Step 3 of the [OECD Due Diligence Guidance](#) and the corresponding annex question for more detailed guidance on responsible disengagement from suppliers or other business partners.

Case study

A leading global financial services company and major global investor recognised their responsibility to prevent, mitigate and remediate modern slavery risks in their operations and supply chain.

The company acknowledged the construction industry is at high risk of modern slavery. This was due to:

- the use of self-employed, contracted, temporary, and irregular labour
- high proportion of migrant workers
- presence of unskilled labour
- high use of sub-contractors

The company commissioned an NGO to carry out due diligence at one of their construction sites. The NGO undertook an unannounced audit, which included engaging with workers, which is an integral part of due diligence in relation to modern slavery.

The charity identified several concerns, including:

1. recruitment fees being paid to a third-party agency
2. lack of right-to-work checks
3. a small number of workers were giving a percentage of their wage to a third party
4. there was a lack of clarity on pay deductions if a breakage were to happen on site

The company's commitment to its due diligence process led to recommendations and actions to address the identified issues, these included:

- changes to recruitment practices, such as implementing checks comparing personal ID and credentials/qualifications, and oversights to ensure workers are not paying recruitment fees or giving wages to third parties
- affected workers being supported by the NGO, as well as being provided with the Modern Slavery and Exploitation helpline number
- on-site inductions for all workers being updated to include information about modern slavery, and how to escalate any concerns

4.5 Training (section 54(5)(f) of the Act)

This section of the guidance provides organisations with information on what processes organisations can undertake to develop training and what could be referenced in a modern slavery statement.

This section of the guidance links to the [OECD's Due Diligence Guidance](#):

- Step 1: embed responsible business conduct into policies and management systems
- Step 3: cease, prevent or mitigate adverse impacts.

Training - what information could an organisation include in their statement?

Internal and external training	<p>Level 1</p> <ul style="list-style-type: none">• Provide an outline of the training delivered to internal and external stakeholders to support the organisation's response to modern slavery. This should include the content, objectives and outcomes of training delivered to:<ul style="list-style-type: none">• the whole organisation (including numbers trained)• the organisation's frontline staff (including numbers trained)• those most at risk of exploitation• human resource staff (including numbers trained)• executive-level staff (including numbers trained)• procurement staff (including numbers trained)• the organisation's suppliers (including numbers trained)• the wider community (including numbers trained)• Demonstrate that modern slavery training is part of the organisation's ongoing training package <p>Level 2 (actions to be completed in addition to level 1)</p> <ul style="list-style-type: none">• Provide evidence of delivering a comprehensive training programme to support the organisation's response to modern slavery. This includes, but is not limited to:<ul style="list-style-type: none">• frequency of training• detail on how training has been tailored to different roles/responsibilities e.g. procurement, HR, legal• provide evidence of tailoring content to address relevant sector-specific risks present in the organisation's supply chains• attendees (including roles and responsibilities)• how training is reviewed and updated
Training programme materials	<p>Level 1</p> <ul style="list-style-type: none">• Outline the materials used in the organisation's training programme, for example, awareness-raising campaigns <p>Level 2 (actions to be completed in addition to level 1)</p> <ul style="list-style-type: none">• Outline the resources and tools the organisation provides to staff members and suppliers to improve their practices, such as templates for ethical recruitment or guidance on conducting risk assessments and understanding the impact of purchasing practices on modern slavery risk

Training package development	Level 1 <ul style="list-style-type: none">• Outline how the training was developed and delivered, including whether it was developed internally or by an external organisation. If external, disclose the organisation. Level 2 (actions to be completed in addition to level 1) <ul style="list-style-type: none">• Provide evidence training packages have been developed with workers, NGOs, trade unions and, where appropriate, those with lived experience.• Disclose what training activities have been undertaken by suppliers in which areas of the supply chain
Continuous improvement	Level 1 <ul style="list-style-type: none">• Explain how the organisation's approach has changed from the previous statement and outline plans to improve the training offer further

Why is it important to undertake this work and disclose this information?

Training will help staff to identify modern slavery risks and equip them with the knowledge and tools to respond effectively to such exploitation. Increased awareness and reporting also helps law enforcement to tackle the perpetrators of modern slavery as well as protecting victims.

Human rights can only be fully upheld when individuals are informed and actively advocate for their own protection. Human rights education promotes values, beliefs and attitudes that encourage all individuals to uphold their own rights and those of others.

For businesses, human rights education enhances employee pride in the ethical standards their employer strives for. It builds a shared sense of purpose and strengthens collective dedication to upholding these principles.

Key actions to consider

Organisations should consider taking the following key actions in relation to this subsection to support them to meet the level 1/level 2 disclosures defined above. This list is not exhaustive, and organisations should not be limited by these suggestions.

Organisations should think about where training should be targeted to have the most effect. Training should also be tailored to different groups depending on their responsibilities and risk exposure. For example:

- employees who might be directly at risk of exploitation will benefit from understanding their rights, knowing how to safely report violations, and what remediation processes and practices are in place

Transparency in Supply Chains (TISC): statutory guidance

- employees who might encounter victims directly are likely to benefit more from training focused on the signs of modern slavery, how to report suspected cases, and what actions they can expect the company to take
- supply chain managers and commercial or product quality professionals may benefit from understanding how modern slavery may occur within the supply chains they oversee. This knowledge enables them to take proactive measures to mitigate risks and support remediation efforts for survivors when it is present. Even staff that may only rarely be in situations where they might come across modern slavery can benefit from a basic understanding of what signs to recognise

The training itself could take a range of different forms. It may range from detailed training courses to broader awareness-raising programmes, such as posters, emails, or events, to keep modern slavery prevention visible and top-of-mind. This could also be a module in a wider training programme for supply chain managers or for human resources managers dealing with recruitment and ongoing training. Such training may reference how all parts of the business influence purchasing practices, which in turn influence working conditions and the risks of exploitation.

The Home Office has collated a number of government modern slavery training and awareness resources [here](#). These may be useful when designing tailored training content. NGOs also provide a wide range of training, which has often been developed alongside individuals with lived experience and is trauma informed.

Case study

A large company operating within the energy and materials sector in over 60 countries, developed a comprehensive, risk-based ethics and compliance training plan to strengthen its culture.

The training incorporates various delivery methods, such as live webinars, computer-based training, microlearning videos, as well as communications through newsletters and internal social media. Some of the training areas covered include:

- all employees learn about and sign a Code of Conduct, including new hires as part of their onboarding process
- human rights awareness training, covering human rights issues, responsibilities in relation to human rights and how to apply this
- sustainability training to provide general awareness of key material impacts, including human rights and worker welfare
- suppliers being offered human rights training
- the company also conducts anonymised employee surveys in specific regions to gather feedback on the company's culture, with key results being used to inform future training and engagement efforts

4.6 Monitoring and evaluation: understanding and demonstrating effectiveness (section 54(5)(e) of the Act)

Monitoring and evaluation are used to track and assess an organisation's progress and performance. Monitoring focuses on formally recording what actions the organisation has taken, whilst evaluation focuses on understanding whether the actions the organisation has taken to prevent, identify and respond to modern slavery have been effective.

This section of the guidance links to the [OECD's Due Diligence Guidance](#):

- Step 4: track implementation and results
- Step 5: communicate how impacts are addressed

Monitoring and evaluation - what information could an organisation include in their statement?

<p>Goal setting</p>	<p>Level 1</p> <ul style="list-style-type: none"> • Set goals to ensure the organisation makes year-on-year progress in identifying, preventing and responding to modern slavery <p>Level 2 (actions to be completed in addition to level 1)</p> <ul style="list-style-type: none"> • Provide evidence of goals which are tailored to sector-specific risks • Demonstrate the organisation's short-, medium- and long-term plan to achieve the desired goals
<p>Key Performance Indicators</p>	<p>Level 1</p> <ul style="list-style-type: none"> • Provide outcome focussed Key Performance Indicators (KPIs) to measure progress towards goals
<p>Monitoring and evaluation governance</p>	<p>Level 1</p> <ul style="list-style-type: none"> • Disclose who in the organisation is responsible for setting goals and KPIs and tracking their implementation
<p>Use of data</p>	<p>Level 1</p> <ul style="list-style-type: none"> • Describe how the organisation uses quantitative and qualitative data to assess the effectiveness of its measures
<p>Evidencing outcomes</p>	<p>Level 1</p> <ul style="list-style-type: none"> • Disclose and provide supporting evidence for the outcomes of the organisation's approach
<p>Utilising findings</p>	<p>Level 1</p> <ul style="list-style-type: none"> • Provide evidence that findings from monitoring and evaluation have fed into and influenced business practice e.g. contract management
<p>Success stories</p>	<p>Level 1</p> <ul style="list-style-type: none"> • Summarise the organisation's success stories <p>Level 2 (actions to be completed in addition to level 1)</p> <ul style="list-style-type: none"> • Provide case studies that demonstrate continuous improvement in the organisation's response to modern slavery

<p>Stakeholder engagement</p>	<p>Level 1</p> <ul style="list-style-type: none"> • Detail how the organisation works with internal and external stakeholders to ensure effective monitoring and evaluation <p>Level 2 (actions to be completed in addition to level 1)</p> <ul style="list-style-type: none"> • Provide details of direct worker engagement to measure the impact of policies, programmes and initiatives
<p>Continuous improvement</p>	<p>Level 1</p> <ul style="list-style-type: none"> • Explain how the organisation’s approach has changed from the previous statement and outline plans to improve monitoring and evaluation further <p>Level 2 (actions to be completed in addition to level 1)</p> <ul style="list-style-type: none"> • Provide evidence of the organisation’s ongoing progress in relation to monitoring and evaluation. This includes but is not limited to: <ul style="list-style-type: none"> • detailing how the organisation proactively keeps up with the latest research on what is effective, and explaining how this influences the organisation’s response to modern slavery

Why is it important to undertake this work and disclose this information?

Monitoring and evaluation are essential to understanding the effectiveness of an organisation’s anti-slavery approach. Lessons learnt through monitoring and evaluation can be used to improve policies and processes, including identifying training needs. It should also inform the organisation’s future approach and the content of their next modern slavery statement.

Including monitoring and evaluation information in annual statements will help customers, investors and others understand where progress is being made against priorities.

Key actions to consider

Organisations should consider taking the following key actions in relation to this sub-section to support them to meet the level 1/level 2 disclosures defined above. This list is not exhaustive, and organisations should not be limited by these suggestions.

Organisations should clearly set out anti-slavery goals to improve their ability to identify, prevent, mitigate and respond more effectively to modern slavery risks year-on-year. Goals should be outcome focussed and informed by specific risks in an organisation’s operations and supply chains. Progress towards achieving goals should be measured using Key Performance Indicators (KPIs).

Figure 3: connection between goals, KPIs and strategic initiatives



Goals will vary between organisations, but there are key areas where standard goals could be used, such as:

- improve transparency in the organisation’s operations and supply chains
- improve ability to identify modern slavery (both within the organisation and its supply chains)
- improve ability to prevent modern slavery (both within the organisation and its supply chains)
- improve worker satisfaction with remediation, where modern slavery is found (both within the organisation and its supply chains)

When developing goals, organisations will need to consider how these will be measured using KPIs. Depending on the KPI, data used can be quantitative, such as the number of audits completed and/or qualitative feedback from interviews with workers. Qualitative data will be particularly helpful to support organisations to understand if anti-slavery initiatives are being implemented effectively, as well as any underlying facilitators and barriers.

The quality of the data collected is important to ensure robust monitoring and evaluation, for example, organisations should ensure that auditors are suitably qualified to identify modern slavery, where it may exist

Process to develop KPIs

1. Carry out a cause-and-effect analysis

- understand the desired outcomes and identify critical success factors. KPIs can then be set to either measure progress towards the goal or progress of the critical success factor

2. Establish how to quantify each KPI

- this could be a percentage, or a simple data count
- there are two types of KPIs: leading and lagging
- leading KPIs are performance drivers and track the progress of critical success factors, providing early indications of whether the organisation is on the right path to achieving the set goals

- lagging KPIs directly measure the impact an organisation is trying to achieve and the progress towards the overall goal, reflecting outcomes that have already happened
- Using both leading and lagging KPIs helps to ensure that organisations focus on key activities that drive results, as well as the end results themselves

3. Set targets for KPIs

- this could be based on existing commitments or ambition
- this should be informed by current performance
- targets should be realistic, taking account of the organisation's capacity, funding and what is within/outside of the organisation's control
- it may not always be possible to set a target if you have only just begun collecting data. In this instance it may be more appropriate to collect some baseline data and set a target at a later date

4. Set up a measurement system for KPIs

- identify the data sources that will be used to measure the KPI
- agree the frequency of reporting against KPIs
- assign an owner for each KPI

A useful resource to support organisations developing KPIs in the above areas is the [World Benchmarking Alliance](#) and the [CCLA Modern Slavery Benchmark](#). The CCLA Benchmark includes several metrics under each of the above areas, and organisations could use these to develop suitable KPIs for their business.

It is recommended that organisations engage with relevant internal and external stakeholders (through surveys and/or interviews) to set goals and KPIs. This includes workers and individuals with lived experience, where appropriate. Engaging with stakeholders can help an organisation to understand:

- how well anti-slavery approaches are being implemented
- whether approaches are preventing or mitigating any identified modern slavery risks
- unidentified modern slavery risks that have not yet been considered

It is strongly advised that organisations consult with experts at NGOs before engaging individuals with lived experience. NGOs can advise how to engage in a trauma-sensitive manner and advise on other crucial ethical processes (including confidentiality, anonymity, safeguarding, support for individuals with lived experience and compensation).

Transparency in Supply Chains (TISC): statutory guidance

Goals and KPIs will vary depending on the organisation and its supply chains, but some illustrative examples are shown below:

Goal	KPI
Increase understanding of modern slavery risk within the organisations supply chain.	<ul style="list-style-type: none"> • % of tier 1 and 2 suppliers who have been audited/assessed • Number of feedback sessions held with workers to hear their feedback and concerns • Number of response plan scenario modelling/testing exercises delivered
Increase awareness of anti-slavery policy across the organisation.	<ul style="list-style-type: none"> • % of staff who have completed modern slavery training within 90 days of joining the organisation • % of staff feedback via anonymised survey that they are confident they know how to respond to a suspected incident of modern slavery in the organisation • % of suppliers who have a modern slavery policy
No workers paying recruitment fees in tier 1 and 2 supply chains.	<ul style="list-style-type: none"> • 100% of tier 1 and tier 2 suppliers compliant with responsible recruitment requirements • Number of suppliers who have been identified as non-compliant during forced labour audits or other assessments • Number of repeat instances of non-compliance in forced labour audits
Increase worker satisfaction with remediation.	<ul style="list-style-type: none"> • % of workers feedback via survey that they are 'satisfied' with the remedy offered

Not identifying incidents of modern slavery is not automatically a positive indicator of an effective anti-slavery approach. As highlighted earlier, a responsible company is one that seeks out evidence of modern slavery and takes action to mitigate the risks to workers. A company that does not find modern slavery may be showing weaknesses in their risk assessment and due diligence processes.

Case study

A food wholesaler based in Europe with a complex global supply chain sets key goals to ensure consistent year-on-year progress in identifying, preventing, and responding to modern slavery. Some of the company's goals have included:

- improving identification and mitigation of priority human rights risks in their supply chain
- improving suppliers' capabilities in protecting human rights across their supply chain

Demonstrating continuous progress, the company keeps track of and provides details on whether a goal has been achieved or is still in progress in their modern slavery statements.

The actions of the company and resulting outcomes that support them in meeting their goals are also outlined. Importantly, this includes data for key performance indicators that evidence the impact relating to set goals. For example:

- The number of sites with valid audits across different tiers of their supply chain
- The number of issues identified through audits and the proportion that had been addressed by suppliers
- The number of suppliers attending upskilling sessions and the proportion reporting improved understanding of how to identify, prevent, and respond to modern slavery in their operations

5. Section 54 requirement: the what, who, how and when

5.1 The what

The full legislation can be found here: [Modern Slavery Act 2015](#)

The provision in the Act requires that any commercial organisation in any sector, which supplies goods or services, and carries on a business or part of a business in the UK, and has a turnover of £36 million or more, must produce a modern slavery statement for each financial year of the organisation.

The statement must set out what steps they have taken during the previous financial year to ensure that modern slavery is not occurring in their supply chains and in any part of its own business. This does not mean that the organisation in question must guarantee that the entire supply chain is slavery free. Instead, it means an organisation must set out the steps it has taken in relation to any part of the supply chain (that is, it should capture all the actions it has taken).

The provision requires an organisation to be transparent about what is happening within the business. This means that if an organisation has taken no steps to ensure modern slavery is not taking place, they must still publish a statement stating this to be the case. The provision seeks to create a race to the top by encouraging businesses to be transparent about what they are doing, thus increasing competition to drive up standards.

5.2 The who

5.2.1 Who is required to comply?

Any commercial organisation in any part of a group structure will be required to comply with the provision and produce a statement if they meet all of the following criteria:

- are a body corporate or a partnership (described as an “organisation” in this document), wherever incorporated
- carry on a business, or part of a business, in the UK
- supply goods or services
- have an annual turnover of £36 million or more

Organisations are responsible for determining whether the legislation applies to them. You may wish to seek legal advice to decide if your organisation needs to produce an annual statement.

Total turnover is calculated as:

- a. the turnover of that organisation; and
- b. the turnover of any of its subsidiary undertakings (including those operating wholly outside the UK).

“Turnover” means the amount derived from the provision of goods and services falling within the ordinary activities of the commercial organisation or subsidiary undertaking, after deduction of—

- a. trade discounts
- b. value added tax; and
- c. any other taxes based on the amounts so derived

A ‘commercial organisation’ is defined at section 54(12) as a body corporate or partnership which carries on a business, or part of a business, in the UK wherever that organisation was incorporated or formed. The key concept here is that of an organisation which ‘carries on a business’. The courts will be the final arbiter as to whether an organisation ‘carries on a business’ in the UK, taking into account the particular facts in individual cases. However, the following paragraphs set out the government’s intention as to how this should work.

There are many ways in which a body corporate or a partnership in the UK can pursue business objectives. The government expects that whether such a body or partnership can be said to be carrying on a business will be answered by applying a common-sense approach. So long as the organisation in question is incorporated (wherever incorporated) or is a partnership, it does not matter if it pursues primarily charitable or educational aims or purely public functions. The organisation will be in scope of the legislation if it engages in commercial activities and has a total turnover of £36 million or more- irrespective of the purpose for which profits are made.

Whether bodies incorporated, or partnerships formed, outside the United Kingdom, can properly be regarded as carrying on a business or part of a business ‘in any part of the United Kingdom’ will again be answered by applying a common-sense approach.

However, we anticipate that applying a common-sense approach will mean that organisations that do not have a demonstrable business presence in the United Kingdom will not be caught by the provision. Likewise, having a UK subsidiary will not, in itself, mean that a parent company is carrying on a business in the UK, since a subsidiary may act completely independently of its parent or other group companies.

Groups of companies

If any organisation in any part of a group structure meets these requirements, it is legally required to produce a statement. Where a parent organisation and one or more subsidiaries in the same group are required to produce a statement, the parent organisation may produce one statement that subsidiaries can use to meet this requirement (provided that the statement fully covers the steps that each of the organisations required to produce a statement have taken in the relevant financial year).

Modern slavery risks, and therefore company's responses to modern slavery, differ substantially between sectors. If organisations within a group structure operate in different sectors, it is best practice for each organisation within scope of the legislation to produce their own modern slavery statement, disclosing their individual risks and responses to modern slavery.

If a group chooses to publish one statement, it:

- must cover the steps taken to prevent modern slavery in all the organisations within that group that meet the criteria, and their supply chains
- should clearly name the parent and subsidiary organisations it is covering
- should be published on the UK websites of all the organisations covered by the statement

Franchise models

Some organisations operate under a franchise model. Where the turnover of a franchiser is above the £36 million threshold, it will be required to produce a modern slavery statement. In determining the total turnover of a business operating a franchise model, only the turnover of the franchiser will be considered. The turnover of any franchisee using the franchiser's trademark and distributing goods or providing services will not be used in calculating the franchiser's turnover. However, franchisers that meet the turnover threshold may wish to consider the impact on its brand of the activities of franchisees in relation to modern slavery, and in so doing report on the steps taken to ensure the franchise as a whole is free from modern slavery.

Where the turnover of a franchisee is above the £36 million threshold, it will be required to produce a modern slavery statement in its own right.

Parent and subsidiary organisations

Each parent and subsidiary organisation (whether it is UK based or not) that meets the requirements set out above must produce a statement of the steps they have taken during the financial year to ensure modern slavery is not taking place in any part of its own business and in any of its supply chains. If a foreign subsidiary is part of the parent company's supply chain or own business, the parent company's statement should cover any actions taken in relation to that subsidiary to prevent modern slavery. Where a foreign parent is carrying on a business or part of a business in the UK, it will be required to produce a statement.

There is nothing to prevent a foreign subsidiary or parent from producing a statement, even if they are not legally obliged to do so. This provision is all about improving transparency to prevent modern slavery and forced labour occurring.

If a parent company is seen to be ignoring the behaviour of its non-UK subsidiaries, this may still reflect badly on the parent company. As such, seeking to cover non-UK subsidiaries in a parent company statement, or asking those non-UK subsidiaries to produce a statement themselves (if they are not legally required to do so already), would represent good practice and would demonstrate that the company is committed to

preventing modern slavery. This is highly recommended, especially in cases where the non-UK subsidiary is in a high-risk industry or location or has a high-risk supply chain.

Overseas organisations trading in the UK or UK organisations trading overseas

If your organisation has a demonstrable business presence in the UK and you meet the other criteria, you should publish an annual statement. To help you determine if you need to do this, consider whether your organisation:

- is registered at UK Companies House
- has UK offices
- provides service or support functions in the UK
- receives income in the UK
- has other visible UK business presence, for example a website

This is not an exhaustive list.

Holding companies

Some holding companies may not meet the criteria for publishing a statement, for example, because they do not provide goods or services. However, any organisations within the holding company's corporate structure that do meet the criteria must publish a statement or be covered by a group statement.

Charities

Charities must publish an annual statement if they meet the criteria. When deciding whether a charity meets the turnover criteria, you should include income received from business activities, such as the provision of goods and services for a fee.

Donations, legacies and grants, where the donor receives no service or benefit, are generally not considered to be derived from business activities so do not need to be included when deciding whether a charity meets the £36 million turnover threshold.

Occasionally, grant income might be seen to be derived from business activities. Charities should think about whether the grant giver will receive benefit in return for the grant or whether there are any specific conditions as to what the charity can use the grant for.

Investment trusts

Investment trusts must publish an annual statement if they meet the criteria. When deciding whether an investment trust meets the turnover criteria, you do not need to include investment income from dividends and shares. You should include turnover derived from goods and services, for example, fund management services.

Administration circumstances

If an organisation is in, or entering administration, it must still consider whether it meets the criteria for the financial year in question. It will generally not need to publish an annual statement if it is no longer trading.

If the organisation is trading while in administration, and it meets the other criteria, for example its income from the provision of goods and services meets the turnover criteria, it is required to publish a statement.

Organisations outside the scope of section 54

Organisations which do not meet the requirements in the Act and associated regulations, for example by having a turnover below £36 million or public sector organisations, can still choose to voluntarily produce a modern slavery statement. Even if the legislation does not apply, we would encourage all businesses to be open and transparent about their recruitment practices, policies and procedures in relation to modern slavery and to take steps that are consistent and proportionate with their sector, size and operational reach.

Smaller organisations may be asked by those they are supplying goods or services to if they have a statement or policy setting out their approach to tackling modern slavery, especially if they are bidding for contracts with larger businesses above the threshold. Therefore, smaller organisations may find it helpful to voluntarily produce a statement as a means of managing these requests and providing a level of assurance to their customers.

Whilst section 54 primarily applies to organisations meeting specific legal requirements, modern slavery risks are present in organisations of all sizes. By voluntarily reporting on an organisation's efforts to actively address modern slavery risks, they demonstrate a commitment to ethical practices, transparency, and accountability, encouraging a broader culture of responsibility in responding to modern slavery.

5.2.2 Example of a group structure with a subsidiary based abroad

As set out in [section 1](#) of this guidance, an organisation must comply with section 54 of the Modern Slavery Act 2015 if they meet all of the following criteria:

- are a corporate body (wherever incorporated) or a partnership
- carry on a business, or part of a business, in the UK
- supply goods or services
- have an annual turnover of £36 million or more

For simplicity, these are referred to below as the 'tests in the Act'. An organisation that meets all of the tests in the Act must publish a modern slavery statement.

An organisation's turnover is to be calculated as including the turnover of any of its subsidiaries, regardless of where those subsidiaries are based or carry on their business.

Whether a parent organisation's statement must include the steps taken in relation to its subsidiaries needs to be determined on a case-by-case basis.

A modern slavery statement is a statement of the steps your organisation has taken during the financial year to ensure modern slavery is not taking place:

- in any of its supply chains, and
- in any part of its own business
- or a statement that your organisation has taken no such steps

Therefore, a parent organisation which meets all the tests in the Act will have to include the steps taken in relation to its subsidiaries in its statement if, depending on the particular

facts, the activities of the subsidiary in fact form part of the supply chain or business of the parent.

This will be the case even if the subsidiary in question does not meet all the tests in the Act (for example, if its turnover is below £36 million). Of course, if the subsidiary meets all the tests in the Act in its own right, then it is required to produce a statement in its own right.

It will be for individual parent organisations to determine whether their subsidiaries in fact form a part of their own business or supply chain. The example below is given just for illustrative purposes to help explain the principles set out above.

Example

Parent A meets all the tests in the act and is required to produce a statement. Parent A has a £200 million total turnover (£150 million from subsidiaries).

Subsidiary B meets all the tests in the act and is required to produce a statement. Subsidiary B has a £50 million turnover.

Subsidiary C meets all the tests in the act and is required to produce a statement. Subsidiary C has a £50 million turnover.

Subsidiary D does **not** meet all the tests in the act. It is a body corporate or partnership, it does supply goods or services, it does have a turnover above £36 million (total turnover of £50 million), but it does not carry on a business or part of a business in the UK. It is based abroad and entirely operates abroad.

In this scenario, **parent A must produce** a modern slavery statement setting out the steps it has taken to ensure that modern slavery is not taking place in its supply chains or own business. **So must subsidiary B and subsidiary C.** The three organisations can agree to produce a **single statement** that sets out the steps that each has taken. If not, parent A, subsidiary B and subsidiary C must produce separate modern slavery statements (although parent A's statement will need in any event to cover steps taken in relation to its subsidiaries in its statement if, depending on the particular facts, the activities of those subsidiaries in fact form part of the supply chain or business of the parent).

In relation to subsidiary D, **there is no requirement for subsidiary D to prepare its own statement.** However, if, on the particular facts, the activities of subsidiary D form part of the supply chain or business of the parent, the parent's statement should include all steps taken in relation to subsidiary D.

If parent A determined that subsidiary D was neither a part of its own business nor a part of its supply chain, it could choose not to include steps taken in relation to subsidiary D in its statement. However, including these steps would still represent good practice and would demonstrate that parent A is committed to preventing modern slavery. This is

highly recommended, especially in cases where the non-UK subsidiary is in a high-risk industry or location.

5.2.3 Failure to comply

If a business fails to produce a modern slavery statement for a particular financial year, the Secretary of State may bring civil proceedings in the High Court for an injunction or, in Scotland, for specific performance of a statutory duty under [section 45 of the Court of Session Act 1988](#) requiring the organisation to comply. If the organisation fails to comply with the injunction, they will be in contempt of a court order, which is punishable with an unlimited fine.

In practice failure to comply with the provision will mean the organisation has not produced a statement which has been signed by a director, partner or designated member, published on their website (where they have one) or has not set out the steps taken by the organisation in the relevant financial year. A compliant statement can include setting out that it has taken no such steps, or is just beginning investigations. Whilst we would encourage clear, detailed and informative statements, legal compliance does not turn on how well the statement is written or presented (provided that it sets out the steps taken or that no steps have in fact been taken).

We expect organisations to build on their statements year-on-year and for the statements to evolve and improve over time. A failure to comply with the provision, or a statement that an organisation has taken no steps, may damage the reputation of the business. Stakeholders such as consumers, investors and NGOs may choose to engage and/or apply pressure where they believe a business has not taken sufficient steps.

5.2.4 Who approves a statement?

The statement must be approved and signed by a director, designated member or partner of the organisation.

Section 54(6) of the Act requires a modern slavery statement to be approved and signed by an appropriate senior person in the business. This ensures senior level accountability, leadership and responsibility for modern slavery and gives it the serious attention it deserves. An organisation's senior management will be best placed to support a culture in which modern slavery is not tolerated in any form. They need to lead and drive the measures required to address this problem throughout the business.

To effectively respond to modern slavery, senior managers will need to ensure everyone in an organisation is aware of the risks of modern slavery. This is to ensure informed decisions are made in a timely way which mitigate and manage these risks, and to monitor the implementation of relevant policies. They will need to ensure credible evidence is used in identifying and reporting on modern slavery risks in supply chains, as well as to remedy workers and rectify problems where appropriate.

The person who is required to sign the statement depends on the type of organisation. For a body corporate (other than a limited liability partnership), the statement must be

approved by the board of directors and signed by a director (or equivalent). Where this is the case, it is best practice for the director who signs the statement to also sit on the board that approved the statement. Where the organisation is a limited liability partnership, it must be approved by the members and signed by a designated member. It is best practice for the statement to include the date on which the board or members approved the statement. For a limited partnership, registered under the [Limited Partnerships Act 1907](#), a general partner must sign it and if the organisation is any other kind of partnership, a partner must sign it.

5.3 The how (administrative)

5.3.1 Writing a modern slavery statement

The modern slavery statement will be a public-facing document. To aid transparency, the statement should be written in simple language that is easily understood (the [Plain English Campaign](#) is well placed to assist with this). The statement can be succinct but cover all the relevant points and provide appropriate links to relevant publications, documents or policies for the organisation.

It is up to organisations how they present information in the statement and how much detail they provide, always bearing in mind that the purpose of the statement is to increase transparency. However, organisations must include in the statement all the steps they have taken. The information presented in the statement will be determined by the organisation's sector, the complexity of its structure and supply chains, or the particular sectors and nations its suppliers are working in.

- keep the statement succinct but cover all the relevant points – if you can provide appropriate links to relevant publications, documents or policies for your organisation, do so
- writing the statement in simple language will ensure that it is easily accessible to everyone
- the statement should be in English but may also be provided in other languages, relevant to the organisation's business and supply chains
- specifying actions by specific countries will help readers to understand the context of any actions or steps taken to minimise risks

5.3.2 Publishing a statement

Section 54(7) requires each organisation to publish a modern slavery statement on their website and include a link in a prominent place on its homepage. A prominent place may mean a modern slavery link that is directly visible on the home page or part of an obvious drop-down menu on that page. The link should be clearly marked so that the contents are apparent such as, 'Modern Slavery Act Transparency Statement'. The purpose of this measure is to increase transparency and it is vital that the statement can be easily accessible by anyone who wants to see it – the public, consumers, employees, NGOs, government bodies or investors. For organisations with no website, a copy of the statement is to be provided to anyone who requests one in writing. The copy must be

provided to the requestor within 30 days of the receipt of the request, where a statement has been produced and is available.

In some instances, where there is a complex organisational structure, an organisation may have more than one outward-facing website. For organisations where there is more than one website, we recommend placing the statement on the most appropriate website relating to the organisation's business in the UK. Where there is more than one relevant website, we recommend placing a copy of the statement or a link to the statement on each relevant website. This will increase transparency and ensure recognition for the efforts the business is making.

Modern Slavery Statement Registry

The government encourages all organisations to upload their modern slavery statements to the [modern slavery statement registry](#). The registry is a powerful tool for transparency, bringing together modern slavery statements into one place on GOV.UK. Any organisation, regardless of whether they are in scope of the Act, can voluntarily add their statements to the registry.

The registry shows what organisations are doing to eliminate modern slavery from their operations and supply chains. To upload a statement to the registry, you will need to provide basic information about your organisation and your statement.

You will also be able to provide a summary of your statement by answering additional questions. These questions are optional, however you are encouraged to answer all questions as fully as possible, to help improve understanding of modern slavery risks and best practice. Reviewing the required and optional questions on the modern slavery statement registry may help you to prepare your statement.

Organisations can find more information on the registration process and registry questions in the [guidance for submitting a modern slavery statement to the government registry](#).

Anyone interested in viewing statements can use the government registry to search for organisations' statements and view the summaries they have provided.

5.4 The when

Organisations are legally required to publish a modern slavery statement for each financial year of their organisation. Organisations should publish their statement as soon as possible after their financial year end. This should be, at most, within six months of the organisation's financial year end. Organisations may wish to publish these statements at the same time as they publish other annual accounts.

Organisations should look to keep historic statements from previous years available online even when new statements are published. This will allow the public to compare statements between years and monitor the progress of the organisation over time.

Legally an organisation is required to complete a statement for each financial year (of that organisation) in which their turnover exceeds the specified threshold. However, we strongly recommend that businesses who produce a modern slavery statement in one financial year should continue to produce a statement in future years even if their turnover has fallen below the £36m threshold. Producing a regular annual statement will ensure organisations can build upon earlier statements and demonstrate to the public, consumers and investors that they are being transparent, not because they are required to do so, but because they consider it important.

5.5 Contact

If you have any questions about the modern slavery reporting requirements, contact: modernslaverystatements@homeoffice.gov.uk.

Annex A – Glossary

For the purpose of this guidance document only.

Child labour

The term “child labour” is often defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. Whether or not particular forms of “work” can be called “child labour” depends on the child’s age, the type and hours of work performed, the conditions under which it is performed and the objectives pursued by individual countries.

Children can be particularly vulnerable to exploitation, but child labour will not always constitute modern slavery. It will still be necessary to determine whether, based on the facts of the case, the children in question are being exploited in such a way as to constitute slavery, servitude and forced or compulsory labour or human trafficking. For example, it is possible for children to undertake some ‘light work’ which would not necessarily constitute modern slavery. ‘Light work’ is defined by article 7 of ILO Convention No. 138.

The worst forms of child labour

The worst forms of child labour are very likely to constitute modern slavery.

The worst forms of child labour are defined by article 3 of ILO Convention No. 182 as:

- all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict
- the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances
- the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties
- work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children

Commercial Organisation

- a. a body corporate (wherever incorporated) which carries on a business, or part of a business, in any part of the United Kingdom, or
- b. a partnership (wherever formed) which carries on a business, or part of a business, in any part of the United Kingdom.

For further information see s.54(10) of the Modern Slavery Act 2015.

Debt Bondage/Bonded labour

Debt bondage -or bonded labour- reflects an imbalance in power between the worker-debtor and the employer/creditor. It has the effect of binding the worker to the employer for an unspecified period of time, anything from a single season, to years, or even successive

generations. It bears no resemblance to taking a “normal” loan from a bank or other independent lender, for repayment on mutually agreed and acceptable terms.

Evaluation

An assessment of whether the actions the organisation has taken to prevent, identify and respond to modern slavery have been effective.

Human Rights Due Diligence

The process through which enterprises can identify, assess, prevent and/or mitigate and account for how they address actual and potential adverse human rights impacts in their own operations, supply chains and business relationships, as recommended in the [OECD Due Diligence Guidance](#).

Grievance Mechanism

A formal, judicial or non-judicial, complaints process that can be used by individuals, workers, communities and/or civil society organisations that are being negatively affected by certain business activities and operations.

Key Performance Indicator (KPI)

A factor or measure against which an organisation’s anti-slavery measures can be assessed. Depending on the KPI, data used can be quantitative (such as the number of audits completed) and/or qualitative (feedback from interviews with workers).

Modern slavery

In this guidance, modern slavery is a term used to encapsulate “slavery and human trafficking” under s.54(12) of the Modern Slavery Act 2015, namely conduct which constitutes an offence under any of the following-

- section 1, 2 or 4 of the [Modern Slavery Act 2015](#)
- section 1 or section 4 of the [Human Trafficking and Exploitation \(Scotland\) Act 2015](#)
- section 1, 2 or 4 of the [Human Trafficking and Exploitation \(Criminal Justice and Support for Victims\) Act \(Northern Ireland\) 2015](#)

Modern Slavery Due Diligence

The actions organisations take to implement their policies and respond to actual and potential risks of modern slavery in their business and supply chains.

Modern Slavery Statement

Under s54 of the Modern Slavery Act 2015, a modern slavery statement is a statement of the steps your organisation has taken during the financial year to ensure modern slavery is not taking place in your organisation and supply chains.

Modern Slavery Statement Registry

A government run [online platform](#) where organisations are encouraged to upload their modern slavery statements. The public can use the platform to see what organisations are doing to eliminate modern slavery from their operations and supply chains.

Monitoring

Tracking and formally recording what actions the organisations have taken to prevent, identify and respond to modern slavery.

Organisation for Economic Co-operation Development Due Diligence Guidance for Responsible Business Conduct (OECD Due Diligence Guidance)

The Organisation for Economic Co-operation and Development (OECD) is a forum and knowledge hub for data, analysis and best practices in public policy. They work with over 100 countries across the world to build stronger, fairer and cleaner societies - helping to shape better policies for better lives.

[The OECD Due Diligence Guidance](#) which was launched in 2018, has been adopted by 50 governments and promotes a common global understanding of supply chain due diligence for responsible business conduct.

Organisational Policies

Formal guidelines, principles and rules established by an organisation to govern its operations, decision-making and employee behaviour.

Prevention

Prevention measures are taken before harm occurs.

Remediation/remedy

The processes of providing remedy for an adverse impact and to the substantive outcomes (i.e. remedy) that can counteract, or “make good”, the adverse impact. At its core, remedy aims to restore individuals or groups that have been harmed by a business’s activities to the situation they would have been in had the impact not occurred. Where this is not possible, it can involve compensation or other forms of remedy that try to make amends for the harm caused.

Responsible disengagement

Withdrawal from a business relationship in a manner which aims to prevent negative impacts that may result from a company’s withdrawal and addresses the risks associated with continuing relationships that are causing ongoing negative impacts.

The [UNGPs](#), [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#) and the [OECD Due Diligence Guidance](#) outline the decision- making process for business disengagement.

Risk Assessment

A process of identifying actual and potential risks and assessing the likelihood and consequences of harm they might cause.

Risk in this context refers to risks to individuals, rather than risks to the organisation.

Salient Risk

Risks from the company's activities or business relationships which could result in the most severe negative impact to individuals.

Supply Chains

A company's 'supply chain' encompasses the resources, activities, and business relationships that feed into a product or service. It traditionally covers upstream inputs, such as the extraction of raw materials for manufacturing, energy used to power project sites, suppliers who build product components, and service providers who offer guidance or technical support. The supply chain includes physical assets as well as labour within all tiers of suppliers who contribute to a product or service, such as HR functions, cleaning services the organisation uses and catering services the organisation uses.

Trade union busting (union busting)

Actions taken by employers or states to prevent access to or the establishment of a trade union in a workplace, or to break and remove an already established independent, free and democratic trade union from a workplace.

UN Guiding Principles (UNGPs)

The [UN Guiding Principles on Business and Human Rights](#) are the global standard for preventing and addressing the risk of adverse impacts on human rights involving business activity, and they provide the internationally-accepted framework for enhancing standards and practices with regard to business and human rights. They set out how businesses should conduct 'human rights due diligence' by 'assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed.

Annex B – section 54 (full legal writing)

Please refer to [Modern Slavery Act 2015](#) to see the full legal writing of Section 54 of the Modern Slavery Act 2015.

Annex C – responding to an incident of modern slavery

Any incident of modern slavery should be dealt with appropriately and relevant remedies made available to potential victims.

The Modern Slavery Act 2015 provisions are designed to encourage businesses to tackle slavery head on. If a specific case of modern slavery is identified here in the UK, it should be reported immediately to the Gangmasters and Labour Abuse Authority on 0800 432 0804 or the police on 101. If potential victims are in immediate danger, the standard 999 emergency number should be used. In the event that the potential victim is under the age of 18, the Local Authority with safeguarding responsibility must be contacted in addition to the police. All victims, including possible/potential victims of modern slavery who are under the age of 18 must be referred to Children’s Social Care urgently under child protection procedures.

In the UK, mechanisms are in place to assist victims of modern slavery. If you identify a potential victim, they can be referred to the [National Referral Mechanism](#) to be formally identified as a victim of modern slavery and offered government-funded support. Referrals can only be made by designated first responder organisations and referral for potential adult victims is by consent. Government-funded support is provided through a range of specialist providers across the UK. A list of the relevant organisations is provided in [Annex D](#).

When training employees in the UK to identify the signs of modern slavery and to flag up potential issues, you should inform them about the Modern Slavery Helpline on 0800 0121 700. This will allow anyone who thinks they may have come across an instance of modern slavery, or indeed who may be a victim themselves, to call for more information and guidance on what to do next.

Organisations should see the remediation guidance above in [section 4.4](#) which provides advice and signposts further guidance on broader steps your organisation can take when they suspect modern slavery. This guidance is also applicable if modern slavery is identified or suspected abroad.

If an organisation identified modern slavery overseas, then the response should be tailored to the local circumstances. The United Nations High Commissioner for Human Rights has produced a list of agencies, programmes, NGOs and foundations who work to counter slavery in high-risk industry sectors and countries. For more information visit: www.ohchr.org.

Annex D – UK support services

Support for victims/survivors of modern slavery

The NGO Unseen operates a UK-wide Modern Slavery Helpline that victims, employers and members of the public who may encounter modern slavery can call for expert support and advice on 08000 121 700. Alternatively, you can file an [online report](#).

Each of the four countries also provides targeted support services to support victims/survivors of modern slavery. Find the contact details for each service below:

England and Wales

The Salvation Army: 0800 808 3733

Independent Child Trafficking Guardians – support for children in two-thirds of England and Wales: 0800 043 4303

Scotland

Trafficking Awareness Raising Alliance (female victims of sexual exploitation): 0141 276 7724 (working hours).

Migrant Help (male and female victims): 0141 884 7900 (working hours) and 0141 212 8553 (out of hours)

Northern Ireland

Belfast & Lisburn Women's Aid (female victims of slavery and trafficking and their children): 028 9066 6049

Migrant Help (male victims of slavery and trafficking and their families) 028 9031 5744 (working hours) or 028 9244 8449 (out of hours)

Annex E – the Act in the context of other national and international reporting requirements

This guidance encourages organisations to align with the Organisation for Economic Co-operation and Development (OECD) and [UN Guiding Principles \(UNGP\) guidelines](#), and it is recognised that many businesses are already required to undertake non-financial reporting on human rights.

International reporting requirements

Organisations based in the UK should respect internationally recognised human rights wherever they operate and treat the risk of causing or contributing to gross human rights abuses as a legal compliance issue. The government has set out a clear expectation in the National Action Plan on Implementing the UN Guiding Principles on Business and Human Rights. [The full National Action Plan is available online.](#)

The [UNGP Reporting Framework](#) is voluntary but sets out the ways in which businesses can meet their responsibilities with regard to human rights. The UNGPs are centred on three pillars: the duty of States to protect human rights; the responsibility of business to respect human rights; and the need for those affected by abuses to have access to effective remedy. In the UK, these rights are largely enforced by law and a law-abiding business is likely to be compliant with the responsibility to respect human rights within its own operations. However, the UNGPs are clear that the responsibility for businesses extends beyond their own staff and customers to include direct and indirect suppliers, wherever they are located.

Organisations should also be aware of the 2024 EU Corporate Sustainability Due Diligence Directive (CSDDD). The EU has stated that the CSDDD will require all EU and non-EU organisations of a certain size and turnover to carry out appropriate human rights and environmental due diligence in accordance with the law within their own operations and covered supply chains.¹⁵

National requirements

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 also require UK quoted companies to report within its Strategic Report on human rights issues "to the extent necessary for an understanding of the development, performance or position of your organisation's business". This includes any policies a business has in relation to these matters and the effectiveness of those policies. The wording in the Companies Act 2006 does not explicitly mention supply chains or modern slavery. It is left to the individual business to determine what policies are relevant and the level of detail required. However,

¹⁵ European Commission, 2025: [Corporate Sustainability Due Diligence](#)

Transparency in Supply Chains (TISC): statutory guidance

the right to be free from forced labour, slavery and servitude is a fundamental human right under international law, including the European Convention on Human Rights and so may be a consideration in this reporting requirement.

The Financial Reporting Council has issued guidance on how to prepare the Strategic Report, including how to consider human rights related matters in the process of preparing the Strategic Report as a whole. Quoted companies obliged to prepare a Strategic Report, according to the Companies Act 2006, who are also required to prepare a modern slavery statement should ensure that it meets both requirements. Whilst a joint statement may be possible, it is envisioned most companies will opt for two separate statements.

In October 2014, the European Union adopted a Directive (2014/95/EU) which amended the EU Accounting Directive (2013/34/EU). This amending Directive requires large undertakings that are public interest entities (defined in the Accounting Directive, the definition including credit institutions, insurance undertakings and undertakings whose securities are traded on a regulated market in the EU) with an average number of 500 employees to prepare a 'non-financial statement' as part of their management report. The Directive was transposed into UK law on 19 December 2016 and applies to financial years commencing on, or after, 1 January 2017. The non-financial statement must provide information "to the extent necessary for an understanding of the undertaking's development, performance, position and impact of its activity, relating to, as a minimum, environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters, including:

- a brief description of the undertaking's business model;
- a description of the policies pursued by the undertaking in relation to those matters, including due diligence processes implemented;
- the outcome of those policies;
- the principal risks related to those matters linked to the undertaking's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the undertaking manages those risks;
- non-financial key performance indicators relevant to the particular business."

Public-interest entities which are parent undertakings of a large group, in each case having an average number of employees in excess of 500, in the case of a group on a consolidated basis, will be required to include in their consolidated management reports a consolidated non-financial statement containing this information.

Whilst there are differences, these obligations are similar to the requirements for the Strategic Report contained in Chapter 4A of Part 15 of the Companies Act 2006.

Notably, there are similarities between the requirements of the Directive 2014/95/EU (set out above) and those areas set out in the Modern Slavery Act 2015 which businesses may include in a statement. This consistency across reporting requirements will ensure that businesses are well placed to comply with the transparency in supply chains measure and the wider non-financial requirements, once they are introduced.

Transparency in Supply Chains (TISC): statutory guidance

It is likely that many businesses required to undertake non-financial reporting are already reporting on activities related to modern slavery. Businesses may demonstrate the activities and action they are taking in their modern slavery statement by drawing on existing relevant programmes of activity rather than creating new ones where that is appropriate.

Businesses may also be asked to respond to complaints received against them under the [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#). Whilst not specifically focused on modern slavery, the OECD Guidelines provide principles and standards for responsible business conduct in related areas such as employment and industrial relations and human rights. National Contact Points (NCPs) are set up by each country that adheres to the Guidelines and provide a platform for discussion and assistance to stakeholders to help find a resolution for issues arising from complaints of alleged non-observance of the Guidelines. NCPs focus on problem solving, offering good offices and facilitating access to consensual and non-adversarial procedures (for example, conciliation or mediation). The UK government expects businesses based or operating in the UK to engage with the UK NCP where complaints are made against them. The UK NCP is not a judicial body, however, and cannot deal with legal cases, for example contravention of the Act's modern slavery provisions. Such legal cases should be reported to the relevant authorities

Annex F – useful information and resources

Any external sources are relied on only as far as mentioned and use of the sources is not a wider endorsement from His Majesty's Government.

- [UK Government modern slavery webpage](#)
- [Modern Slavery Act 2015](#)
- [The Modern Slavery Act 2015 \(Transparency in Supply Chains\) Regulations 2015](#)
- [Modern slavery statement registry - GOV.UK](#)
- [Independent Anti-Slavery Commissioner](#)
- [Alliance 8.7](#)

International guidelines and conventions

- [UN Guiding Principles on Business and Human Rights \(UNGPs\)](#)
- [UN Guiding Principles Reporting Framework](#)
- [Good Business: Implementing the UN Guiding Principles on Business and Human Rights \(September 2013\) and update \(May 2016\)](#)
- [Shift, Mapping the Provisions of the Modern Slavery Act against the Expectations of the UN Guiding Principles on Business and Human Rights](#)
- [OECD Due Diligence Guidance for Responsible Business Conduct](#)
- [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#)
- [UN Global Compact](#)
- [ILO Resources on Forced Labour, Human Trafficking and Slavery](#)
- [ILO Resources on Child Labour](#)
- [ILO general principles and operational guidelines for fair recruitment and definitions of recruitment fees and related costs](#)
- [The United Nations Convention on the Rights of the Child \(UNCRC\)](#)
- [UNICEF, The UN Global Compact and Save the Children, Children's Rights and Business Principles](#)
- [European Commission Corporate Sustainability Due Diligence](#)

Tools, guidance and resources

- [Better Buying's Five Principles of Responsible Purchasing](#)
- [British Standards Institution – Organizational responses to modern slavery – Guidance - BS 25700:2022](#)
- [Business Services Association Modern Slavery Council – Frontline Workers Modern Slavery Pack](#)
- [CCLA Modern Slavery Benchmark](#)
- [CORE Coalition, Practical Guides](#)
- [Electronics Watch: Forced Labour](#)
- [Electronics Watch: Principles for Worker Driven Remedy](#)
- [Employer Pays Principle](#)
- [Ethical Trading Initiative Human Rights Due Diligence Framework](#)

Transparency in Supply Chains (TISC): statutory guidance

- [Ethical Trading Initiative Base Code: Child Labour](#)
- [Ethical Trading Initiative Guide to Buying Responsibly](#)
- [Ethical Trading Initiative freedom of association and worker representation company guidance](#)
- [Gangmasters and Labour Abuse Authority Resources](#)
- [Global Unions websites](#)
- [Hope for Justice Spot the signs of modern slavery](#)
- [Institute for Human Rights and Business Guide to Implementing the Dhaka Principles](#)
- [ITUC annual Global Rights Index](#)
- [Open Supply Hub](#)
- [PPN 009 – Tackling Modern Slavery in Government Supply Chains](#)
- [RESPECT - Interactive map for business of anti-human trafficking organisations](#)
- [Social Responsibility Alliance modern slavery risk template](#)
- [Stronger Together resources](#)
- [United Nations Human Rights Office of the High Commissioner](#)
- [UN Global Compact report on Implementing Effective Modern Slavery Grievance Mechanisms: A note for Business](#)
- [Unseen anti-slavery business resources](#)
- [U.S. Department of Labor: List of Goods Produced by Child Labor or Forced Labor](#)
- [Verité eLearning on Supply Chain Accountability](#)
- [Verité Fair Hiring Toolkit](#)
- [Walk Free Global Slavery Index](#)
- [Walk Free Business and Investor Toolkit](#)
- [Walk Free guide to Tackling Modern Slavery in Supply Chains](#)
- [Walk Free Modern Slavery Response and Remedy Framework](#)
- [World Benchmarking Alliance](#)

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Brightwork
British Institute of International and Comparative Law (BIICL)
British Retail Consortium (BRC)
BT
Business and Human Rights Lawyers Association (BHRLA)
CCLA
Crest Advisory
Devolved Administrations
Electronics Watch
Ethical Trading Initiative (ETI)
Focus on Labour Exploitation (FLEX)
Independent Anti-Slavery Commissioner (IASC)
Institute for Human Rights and Business (IHRB)
Justice and Care

Local Government Association
Marks & Spencer
Modern Slavery and Human Rights Policy and Evidence Centre (MSPEC)
National Crime Agency
Next
Slave Free Alliance
Sodexo
Solar Energy UK
Staffline
Stronger Together
TechUK
TFG London Brands
TISC Report
Trade Union Congress (TUC)
UN Global Compact
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