

EMPLOYMENT

‘Scratching the itch’ - *looking to the future seven years post the Modern Slavery Act 2015*

The Minister of Justice Naomi Long announced a [consultation on Modern Slavery and Human Trafficking on International Anti-Slavery Day](#).

In this article, we consider the aims of this consultation, its impact on existing modern slavery legislation and the further expansion of the ‘S’ in ESG.

3 MIN READ

Introduction

In October 2015, the UK became the first country to enact legislation to combat modern slavery. Yet, on the seventh anniversary of this legislation, the Modern Slavery Act 2015 (“**MSA**”) continues to attract criticism for corporate apathy and a total lack of prosecution ‘bite’.

According to the latest [report](#) from the International Labour Organisation, up to 50 million people were living in modern slavery in 2021. That figure is stark already, but what makes it worse, is the knowledge that such has risen by 10 million in 2021 compared to statistics in 2016. Whilst this increase can, in part, be attributed to growing awareness and understanding of modern slavery, the statistic is still harrowing.

Considering this and coinciding with International Anti-Slavery Day on 18 October, the Department of Justice (“**the Department**”) launched a [consultation](#) on a new three-year [Modern Slavery and Human Trafficking Strategy](#) for Northern Ireland.



Consultation

The consultation seeks views and comments from individuals and organisations across all sectors to ensure that the resulting strategy is as informed, comprehensive and effective as possible.

Following the enactment of the Justice (Sexual Offences and Trafficking Victims) Act (Northern Ireland) 2022, this modern slavery strategy represents an expansion of the Department’s focus in Northern Ireland.

In line with previous strategies, the Department’s commitments and objectives are set out under three key themes, namely to pursue offenders, protect victims and prevent modern slavery and human trafficking offences from occurring.

Aim

The aim of the consultation is to gather views on whether the actions set out in the draft strategy will assist the Department with assessing and responding effectively to the threat of modern slavery and human trafficking.

The various purposes of the strategy are stated as the raising of awareness of modern slavery offences and the reduction of the threat of, vulnerability to, and the prevalence of, modern slavery and human trafficking in Northern Ireland. The strategy aims to:

Pursue offenders and bring them to justice whilst ensuring the legislation is effective and fit for purpose

Protect victims and reduce the harm caused by modern slavery and human trafficking

Prevent and minimise the threat of offences by reducing vulnerability and raising awareness

Impact on business – Transparency in supply chains

The Consultation outlined the proposed amendments to modern slavery legislation applicable to Northern Ireland, specifically section 54 of the MSA. Section 54 requires all commercial organisations with an annual turnover of over £36m to produce an annual statement on modern slavery and human trafficking within their business and supply chain. It is iterative legislation, such that entry level compliance is a low bar, but annual improvements are expected.

Following a public consultation in 2019, the UK Government committed to introducing legislative amendments to section 54 of the MSA in relation to transparency in supply chains when “parliamentary time allows”. In Northern Ireland, the Department published a response to a consultation paper entitled ‘Transparency in supply chains in Northern Ireland’ in 2022. In their response, the Department concluded that there is also widespread support in Northern Ireland for the strengthening of the transparency obligations for corporate entities under section 54.

Proposed legislative amendments include:

- introducing mandatory reporting on specific topics
- introducing a single reporting deadline which all organisations must publish their statements on each year
- mandate publishing statements on a public registry
- extending the publishing requirement to public sector organisations that exceed the threshold of a turnover of £36m, and
- introducing civil penalties for non-compliance.



However, what is the impact of the consultation on organisations that fall within the scope of the Act?

Upon review of the consultation paper it is apparent that, understandably, the focus of the Department remains on the prevention of modern slavery offences and bringing awareness to both the issue and the legislation. However, although the Consultation outlines various proposed amendments to the MSA, it fails to provide much needed clarity on what exactly should business and supply chain auditing consist of for corporate entities.

Putting the ‘S’ in ESG

The current Consultation is due to conclude on 10 January 2023. After this time, we suspect that there will be more clarity on the legislative reforms to be introduced. However, it is clear that (for now) enforcement and awareness action remains very much in focus.

While the pace of legislative change is slow – the end goals sought are much more likely to be advanced by the increased prominence of ESG (environmental, social and corporate governance) in the court of ‘public opinion’. Fast becoming so much more than CSR, ESG is the single biggest disruptor in the market due to its reach into employment legislation, commercial contracts, supply chain monitoring, D&I as well as social value procurement matters and even the cost of bank lending.

So, while legislative consultation is welcome, a consultation and a three year strategy will no doubt have its impact diluted by the much more dynamic impact of ESG and its expansion.

A&L Goodbody will continue to monitor proposed legislative changes and will issue further articles on this subject matter in due course.

If you or your organisation require assistance with your obligations under the Modern Slavery Act 2015, please get in touch with Gareth Walls, Partner or any member of ALG’s Belfast Employment & Incentives team.



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