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What Global Companies Need to Know About the UK's Proposed Modern Slavery Act Reforms

Client Alerts

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Since 2015, large companies doing business in the UK have had to publish an annual statement setting out the steps they take to prevent modern slavery in their operations and supply chains, under s.54 of the UK's Modern Slavery Act (the MSA). In practice, the MSA has little bite: there are no mandatory requirements on statement content and no penalty for non-compliance.

That may be about to change. On 30 June 2026, the UK Government introduced a new Bill (the Bill), the most significant proposed reform to modern slavery reporting since the MSA was passed. If enacted, it would prescribe mandatory statement content, introduce financial penalties for non-compliance, and extend the duty to certain public authorities for the first time (with knock-on impacts for companies with public sector contracts).

Below we set out the key takeaways for global companies:

1. A recap–who has to comply?

The reporting requirement applies to commercial organisations incorporated anywhere in the world that:

1. carry on a business, or part of a business, in the UK;
2. supply goods and services; and
3. have a turnover above £36 million.

The Bill would also bring public authorities into scope for the first time, above a threshold not yet set (more on why this matters for private companies too, below).

2. What are the key changes?

a) Mandatory reporting topics

The MSA currently only recommends topics for a statement; the Bill would make them mandatory, requiring companies to address:

- the company's structure, operations and supply chains;
- where in its operations and supply chains there is a risk of modern slavery, and what it has done to assess and reduce that risk;
- its policies on modern slavery;
- its due diligence processes;
- the training it makes available to its own staff and, where reasonably possible, to staff in its supply chains; and
- how effective its efforts have been, measured against whatever indicators it considers appropriate.

For each, a company can either a) make a disclosure; b) state no disclosure is required because there is no risk; or c) state that a risk exists but no action has been taken–and explain why.

These topics broadly align with guidance the government issued in March 2025, so the changes are likely to be evolution, not revolution, for most companies who are already aligning their statements in line with the latest guidance.

b) Penalties for non-compliance

This is the change most likely to get a board's attention. Currently there is no financial penalty for a missing or inadequate statement; the only sanction is a court injunction (reportedly never used).

Under the Bill, a company that fails to comply without reasonable excuse could face a fine of up to the greater of £1 million or 1% of its total annual turnover (or, for a public authority, 1% of its budget).[1] Because the fine is turnover-linked, the largest companies carry the largest exposure. How strictly it's enforced will depend on regulations not yet published.

c) Other changes

Under the current legislation, statements must already be board-approved and signed off, but the Bill adds a new requirement: the signatory must certify the statement as accurate to the best of their knowledge and belief. A parent company could also sign on behalf of a subsidiary, rather than each entity's own board signing individually as now.

There is little change to the publication requirements: companies with a website must continue to publish the statement there with a prominent homepage link. What is new is that the Bill would require statements to be submitted electronically, and would codify the requirement that companies publish their statements within six months of their financial year-end (currently set out only in non-binding guidance).

The duty would also extend to public authorities, above a threshold still to be set. This matters for private companies too: public bodies subject to the same standard are likely to pass tougher due diligence expectations down through procurement.

3. When are the changes likely to take effect?

The Bill had its Second Reading in the House of Commons on 13 July 2026 and remains at an early stage of its passage. Even once it becomes law, the provisions only take effect once the Secretary of State makes commencement regulations, which could take a year or more.

That said, it is a government bill with a comfortable majority, so it should be treated as a serious proposal rather than a discussion document, though detail could still shift as it passes through Parliament.

4. Is further reform on the horizon?

The government has signalled this is only a first step: the Minister for Trade Policy has said he expects the UK to introduce a forced labour import ban, similar to the US and EU (discussed below) before the 2029 election, though the detail is unclear.[2] Separately, a member of the House of Lords has introduced her own bill requiring companies to actively prevent human rights and environmental harm, not just report on it. It is unlikely to become law without government backing, but it is a further sign of the direction of travel.[3]

This pressure isn't new: the House of Lords' Modern Slavery Act Committee and the Joint Committee on Human Rights have both called for a mandatory due diligence duty,[4] and the Independent Anti-Slavery Commissioner has proposed going further still, with fines of up to 5% of turnover, criticising the Bill's reporting-only approach as leaving the UK behind its peers.[5] The government is separately reviewing this through its own responsible business conduct review. Reporting is as far as the Bill goes for now, but companies already building EU-style due diligence shouldn't assume that lasts.

5. How does the UK's approach compare to the US, EU, and Canada?

Companies operating in more than one of these markets increasingly have to comply with several different forced labour regimes at once, and the underlying approach varies significantly between them. Unlike the US, EU, and Canada, which tackle forced labour by banning tainted goods outright, the UK Bill simply requires companies to report on what they have or haven't done. A company can comply fully while doing nothing, provided it says so: the sanction is for failing to report, not for the underlying harm.

- the US already bans imports made with forced labour, and a 2021 law (the UFLPA) reverses the burden of proof for goods linked to Xinjiang specifically–presumed forced-labour-made unless the importer proves otherwise;
- Canada is shifting the burden onto importers to prove goods from high-risk regions are clean; and
- the EU will ban any product made with forced labour from its market, and from export, across all sectors, from December 2027–enforced through investigations by national authorities (or the Commission, for cases outside the EU), which can order products withdrawn, disposed of, or blocked at the border.

6. Beyond regulation, what other pressures do companies face in the UK?

Legal reform is only one source of pressure. Courts, investors, the media, and other watchdogs are also increasingly willing to hold companies to account, particularly in the UK. In particular:

- claims against UK parents for harm caused by overseas suppliers or subsidiaries are rising, often NGO- and claimant-firm-funded on a no-win-no-fee basis, with UK courts increasingly willing to accept jurisdiction;
- parliamentary committees are questioning directors directly and publicly;
- investors expect detailed human rights transparency, not just statements taken at face value; and
- the media are quick to seize on harm allegations, with immediate reputational fallout.

NGOs and claimant firms already review published statements closely for gaps and inconsistencies, and investors and journalists form their own judgments based on what a statement does, or does not, disclose. For most companies, the principal risk is reputational rather than financial, which makes getting the statement right now, ahead of any legislative change, a priority in its own right.

7. What companies should do now

The Bill is not law yet, and detail may change. Companies should nonetheless:

- bring their statement in line with the 2025 guidance and the Bill's proposed topics;
- understand where modern slavery risk actually sits, including through a risk or impact assessment; and
- strengthen the processes needed to act on that risk–not just report on it.

We will continue to monitor the Bill and report on further developments, including any move towards a broader due diligence duty or import ban.

Footnotes

[1] The Bill also provides for other enforcement options, including injunctions. It does not name the enforcement body, or set out the mechanics of calculating and imposing penalties — that detail is left to regulations which have not yet been published.

[2] Chris Bryant MP told the Business and Trade Committee he would be “absolutely amazed and demoralised and upset” if no such measure had been introduced by the end of this Parliament.

[3] Baroness Young of Hornsey’s Commercial Organisations and Public Authorities Duty (Human Rights and Environment) Bill. As a private member’s bill without Government backing, it is unlikely to become law on its own.

[4] House of Lords Modern Slavery Act 2015 Committee (October 2024) and Joint Committee on Human Rights (July 2025).

[5] Independent Anti-Slavery Commissioner, model legislation published December 2025; policy brief on the Bill, 3 July 2026.

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