

Modern Slavery

In July 2022, Olympian Sir Mo Farah revealed that he was trafficked to the UK as a child and forced into domestic servitude.

Modern slavery is the illegal exploitation of people for commercial gain. It is estimated that there are 50 million people in slavery in the world, including 28 million people in forced labour. The financial sector has an important role to play in preventing and detecting modern slavery - not only through a firm's direct operations (e.g. staffing, procurement and supply chains) but also through its approach to investment, lending and client relationships.

#1

Understand the risks

Financial services firms may encounter both the perpetrators and victims of modern slavery.

It is important that you **understand the direct risks in your firm's operations**, as well as the risks associated with any business partners, suppliers and customers you interact with.

#2

Follow procedures

You must **follow your firm's procedures** in relation to modern slavery and any related areas (such as money laundering).

Remember, conducting risk-based due diligence and monitoring on suppliers, customers and other third parties is a vital part of your firm's risk mitigation controls.

#3

Escalate concerns

Make sure you're aware of the **modern slavery red flags** for your business. If you suspect that the firm, its customers, or any of its suppliers are breaching modern slavery laws, you must report your concern in accordance with your procedures.

Failure to do so may be a criminal offence.

