

UK government updated Modern Slavery Act Transparency in Supply Chains (TISC) Guidance - key changes and impacts for organisations

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Notes from EY UKI Climate Change and
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Slavery is not just an evil of the past. The International Labour organisation (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.”

Minister for Safeguarding and Violence against Women and Girls

Backdrop to the updated TISC Statutory Guidance

In March 2025, the UK Home Office released an updated version of its [Transparency in Supply Chains \(TISC\): Statutory Guidance](#). The Guidance introduces strengthened expectations for how organisations that are required to produce an annual modern slavery statement can embrace the “[letter and spirit](#)” of [Section 54 of the UK Modern Slavery Act 2015 \(MSA\)](#) and produce a robust disclosure.

The updated Guidance has been published following a step-change in stakeholder expectations and against the backdrop of an evolving legislative landscape (particularly across Europe) concerning human rights due diligence:

UK Parliamentary Pressure and Social Impact Disclosure Developments

- In late 2024, the [House of Lords' Modern Slavery Act 2015 Committee](#) published recommendations, highlighting issues with the [enforcement of the MSA](#), which is currently viewed as fragmented, ineffective, and inconsistent. It also called for [stronger measures on supply chain transparency](#), urging that organisations be held accountable for occurrences of modern slavery beyond their direct operations.
- Earlier that year, [The Human Rights and Environment \(Private Members'\) Bill](#), introduced to impose legal duties on organisations to prevent human rights and environmental harm, underwent its second reading. Although it did not complete its passage, its principles continue to gain [support from MPs, peers, businesses, investors, and civil society organisations advocating for stronger protections](#).
- In March, the [Taskforce on Inequality and Social-related Financial Disclosures \(TISFD\)](#) received recommendations related to developing a social impact disclosure framework, including guidance on key social constructs including human rights, well-being and human and social capital.

EU and Wider Global Due Diligence Legislation

- In the EU, legislation including the Corporate Sustainability Reporting Directive ([CSRD](#)), the Corporate Sustainability Due Diligence Directive ([CSDDD](#)), the [EU Taxonomy](#) and EU Deforestation Regulation ([EUDR](#)) place binding responsibilities on organisations' to go beyond voluntary guidelines and actively report against, assess and address actual and potential human rights risks.
- Although the updated Guidance does not specifically reference the aforementioned EU legislation, the EU's move toward mandatory due diligence reflects a [global shift toward greater accountability](#) and sets a precedent the UK may follow.

What businesses should know about the revised Guidance

The revised Guidance introduces clearer expectations and best practices for how organisations can address modern slavery in supply chains. Key updates to the Guidance are summarised as follows:

1. Enhanced due diligence expectations

Sets out more detailed, practical guidance on how to prevent, identify, and address modern slavery in supply chains. Promotes more **active due diligence practices that go beyond tier 1 and address high-risk sectors**. Recognises that while organisations may have concerns about 'actively' seeking out risks and incidents, a passive approach is both ineffective and not in the "spirit" of the MSA. Additionally, support for **AI-powered supply chain mapping tools** to drive traceability.

3. More focus on supplier collaboration and industry initiatives to address issues

Emphasises that **industry-wide programmes and initiatives** are what will bring existing policies 'to life' and highlights the importance of **engaging with workers, trade unions, and civil society** to address risks and adverse impacts effectively. Guidance focuses on **partnering with suppliers** to help them address issues rather than severing ties.

While legislative changes to the MSA have not yet been made, the UK Government has confirmed that in due course, it will set out next steps for a "wider review of how best the government can use legislative and non-legislative measures to tackle forced labour and increase transparency in global supply chains". Indicating that the trend towards stricter enforcement will continue.

2. Transparency and accountability

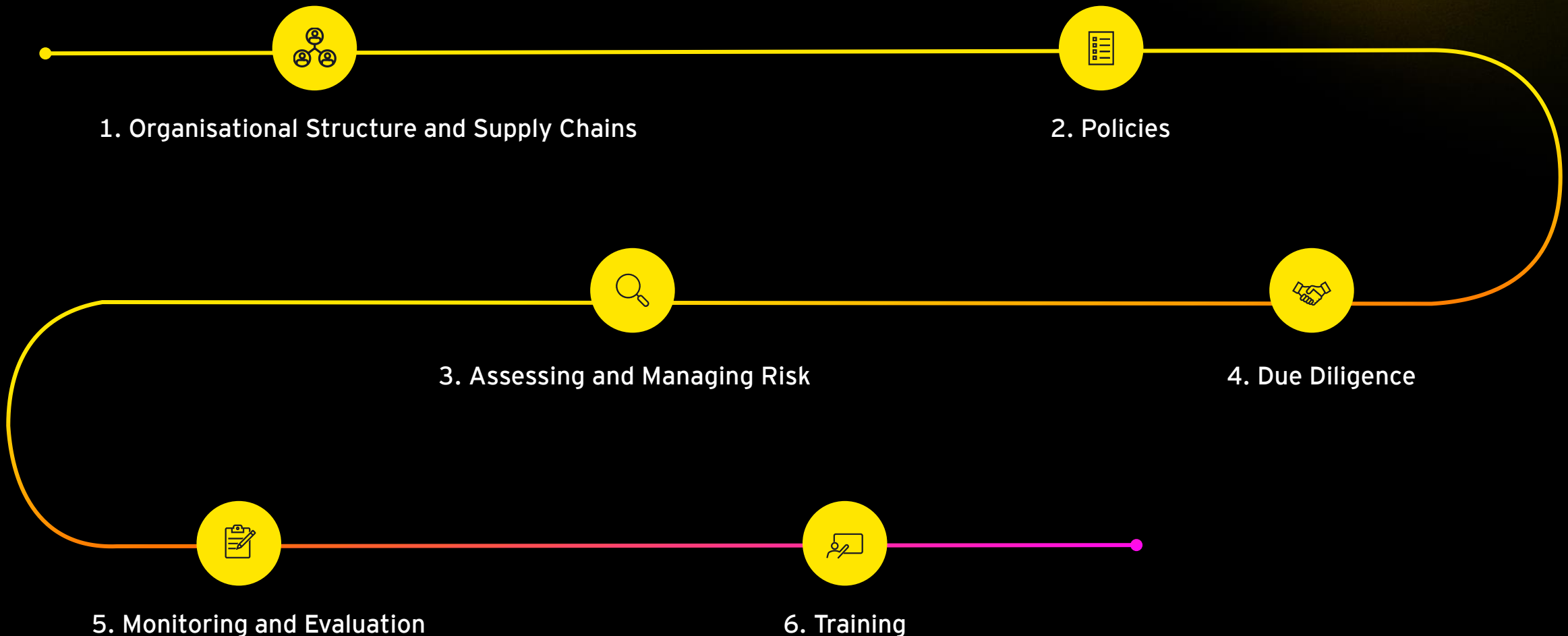
Calls for increased 'transparency' with **organisations encouraged to make risks/cases public** and to disclose more detailed information in modern slavery statements. Reinforces the need for **Board-level approval, including explicit director approval**. Encourages organisations to upload their modern slavery statements to the **Modern Slavery Statement Registry**, with the Guidance highlighting reputational benefits as a draw.

4. Greater alignment with international standards and frameworks on human rights due diligence

Underpinned by the **UN Guiding Principles on Business and Human Rights (UNGPs)** – a global standard for preventing and addressing the risk of adverse impacts on human rights involving business activity; **The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct** – global recommendations related to key areas of business responsibility including human rights and labour rights, and the **OECD Due Diligence Guidance for Responsible Business Conduct** which provides practical guidance for enterprises on the implementation of the OECD Guidelines for Multinational Enterprises. Leverages these international standards and frameworks, alongside **case studies** to support organisations in achieving organisations 'good' and 'best' practice.

Six Key Sections within the revised Guidance

The six key sections within the TISC Statutory Guidance are aligned to the Section 54(5) of the MSA which sets out the content that may be included in an annual modern slavery statement. The updated Guidance encourages companies to use these section headers as a framework informing their annual modern slavery statement.



TISC Statutory Guidance Disclosure Categorisation

Section 54 of the MSA maintains that organisations with an **annual turnover of £36 million must report annually** on the steps they take to address modern slavery in their operations and supply chains,.

Against the six key sections, the updated Guidance provides recommendations for **two types of disclosures - level 1 and level 2**.

These disclosure levels are designed to address the needs and **support organisations at different levels of maturity**.

Underpinning the updated Guidance is the concept of '**continuous improvement**', with organisations being encouraged to demonstrate **year-on-year progress**.

1

"For organisations **drafting modern slavery statements for the first time**, it may be more appropriate for them to focus on meeting **level 1 disclosures**."

2

"As organisations become more **familiar with the reporting requirements**, they are encouraged to progress to include **level 2 disclosures and beyond**".

What should businesses do next?

- Organisations in scope should review the updated TISC Statutory Guidance in detail, assess gaps and update their annual modern slavery statement accordingly.
 - Consider enhancing your approach to human rights due diligence and decided on next steps which may include, but not be limited to, **updates to policies and contracts, risk assessments, training, new or refreshed risk assessment and/or modern slavery strategy and target setting.**
 - Align actions to other in scope regulations such as the EU CSDDD to ensure efficiency in processes and avoid additional costs.
- An organisation's modern slavery statement should be updated no later than six months after an organisation's financial year end.**
Organisations whose financial year ended December 31st, are recommended to update their annual modern slavery statement in line with new guidance as soon as possible.
- While the updated Guidance applies to all organisations in scope of Section 54 of the MSA, organisations with **government / public sector contracts** are especially encouraged to address the updated TISC Statutory Guidance as misalignment may lead to loss of awarded contracts and in turn, significant financial risk.

Want to know more or need help getting started?
Reach out to a member of EY's UKI Climate Change & Sustainability Services Team



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