



## Principles for strengthening measures on Supply Chains through the new Modern Slavery Bill

The Government has announced a new Modern Slavery Bill which aims to reduce the prevalence of modern slavery in supply chains, strengthen protection and support for victims and ensure law enforcement agencies have strong tools to tackle this crime. This paper addresses solely the first of these aspects.

There is huge potential for action by businesses to reduce modern slavery around the world. The Transparency in Supply Chains provision of the UK's Modern Slavery Act 2015 led the world in addressing modern slavery in company supply chains. However, non-compliance and poor quality reporting has limited its effectiveness and it has become evident that additional legal approaches beyond reporting

are necessary. The forthcoming bill is an opportunity to strengthen our legislation and give the UK the tools needed to prevent goods produced through forced labour entering UK supply chains. Below we have set out an overview of the principles and key elements that we consider to be *some of the minimum* actions needed to give the UK an effective mechanism against modern slavery in UK companies' supply chains, supported by a range of civil society organisations and academics working to enhance protections against modern slavery in supply chains.

These recommendations are foreseen as part of a wider approach which includes the introduction of *new separate primary legislation* which mandates companies, financial institutions and the public sector to undertake due diligence to identify and address human rights abuses and environmental harm in their supply chains, and holds such entities accountable for a failure to prevent harm. Import controls and due diligence legislation should be seen as complementary, but *not* interchangeable, policy tools.

## 1. Strengthening supply chain transparency under s54 MSA 2015

- **Extension to scope:**
  - Public authorities need to be brought into the transparency obligations, including public bodies providing financial and other support to businesses, such as export credit agencies, development agencies and development finance institutions.
  - Guidance should be provided to specify which public authorities fall within the obligations under the section and necessary information given to assist public authorities to determine if they are so obligated.
  - Definitions of commercial organisation should explicitly include investment organisations.
- **Mandatory minimum reporting requirements** need to include all suggested forms of information under the current provisions, with additional mandatory requirements to include, at a minimum:
  - An assessment of effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains - to include an assessment of the impact of its trading, procurement and pricing practices and its use of grievance mechanisms;
  - A full list of the countries and companies from which the business or public authority sources;
  - Details of the organisation or public authority's processes for the remediation of victims;
  - Details of all instances of forced labour identified, grievance reports made, and remediation activities undertaken, and where no incidences are found the statement needs to set out evidence and reasons for believing no such incidents exist; and
  - Details of the organisation or public authority's engagement with trade unions and other worker associations.
- **Government-run registry of modern slavery statements** to be given a statutory basis in the Act and to include a list of companies within scope of the obligations.
- **Penalties to be introduced for failure to comply with the section**, including disqualification from holding a Director's position for any person who knowingly or recklessly supplies a false or materially incomplete statement; and a fine for the company concerned set at an appropriately dissuasive level proportionate to an organisation's turnover. The single enforcement body (once

established) should have responsibility for enforcing these penalties, and must be sufficiently resourced, financially and administratively, to do so.

## **2. Establishment of a legal framework for the transparent imposition of import controls**

A framework to target specific companies and goods affected by forced labour, that will encourage the remediation of forced labour practices as well as preventing goods from entering the UK market. Such a framework should exhibit the following features.

- **Establishment of a formalised and secure complaints procedure** for reports to be made by stakeholders, trade unions, NGOs or affected workers, with protections from retaliation, including the ability to submit complaints anonymously.
- **Published guidance as to the criteria that will be used to assess** the possibility that the goods have been produced or transported, in-whole or in-part, using forced labour, based on ILO definitions and indicators of forced labour including with reference to the ILO “Hard to see, harder to count” guidelines.
- **A clear and published process for the imposition of an import ban on specific goods, entities (eg importers, manufacturers) or industries from specific geographical regions** including investigation of complaints and engagement with credible, independent and legitimate representatives of potentially affected rightsholders, and affected businesses, and consideration to be given to the impact of an import ban on those believed to be victims, or potential victims.
- **Published details of what evidence an importer/retailer/manufacture of goods must provide in order to contend a seizure of its goods/ a ban, and what conditions must be met for goods subject to an import ban to be released**, including steps taken to address and prevent forced labour practices and to remediate harm to victims of forced labour. The evidence and conditions should take account of the challenges for due diligence in relation to regions at risk of state-imposed forced labour, and the limitations of social auditing and certification schemes to monitor and prevent forced labour.
- **A published list of sanctioned entities, regions and products** to be created and maintained.
- **Engagement with affected stakeholders** to assess action on remediation or preventative measures prior to lifting of import bans.
- **Guidance and advice for UK businesses** to help reduce their risk of business disruption associated with import bans, including publication of a risk register detailing goods, entities or industries from specific geographical areas which present a high risk of slavery and human trafficking being present in supply chains including, but not limited to, those that have previously been sanctioned. This should include specific guidance on regions where there is evidence of state-imposed forced labour.
- **Coordination with global counterparts**, including the USA, Canada and, once applicable, Mexico and the EU, to share evidence standards and align procedures, including with the possibility to trigger UK investigations on the basis of a determination from third countries.

- **Mandatory disclosure of supply chain information by importers/retailers** in order to situate forced labour risk for enforcement purposes, requiring companies that import goods into the UK to disclose the name and address of the manufacturers, suppliers and sub-suppliers to the UK Customs Authorities.
- **Product exclusion in certain situations in compatibility with WTO laws.** This should be supported by UK trade deals containing strong anti-slavery provisions.

**These principles are supported by:**

Yasmine Ahmed, UK Director, Human Rights Watch  
 Debbie Ariyo OBE, Chair, UK BME Anti-Slavery Network (BASNET)  
 Kate Bell, Head of Rights, International, Social and Economics, Trades Union Congress  
 Professor Mahmood Bhutta, Chair in ENT Surgery & Sustainable Healthcare, Brighton & Sussex Medical School  
 Katharine Bryant, Head of Policy and Programs, Walk Free  
 Lara Bundock, CEO, The Snowdrop Project  
 Michael Clements, Director of International Programmes, Business & Human Rights Resource Centre  
 Mark Dearn, Director, Corporate Justice Coalition  
 Luke de Pulford, CEO, Arise Foundation  
 Sacha Deshmukh, CEO, Amnesty International UK  
 Joanna Ewart-James, Executive Director, Freedom United  
 Christian Guy, Chief Executive, Justice and Care  
 Martin Hancock, Chief Executive, BCHA  
 Meg Heath, Co-CEO, Palm Cove Society  
 Professor Alex Hughes, Chair in Economic Geography, Newcastle University  
 Rahima Mahmut, UK Director, World Uyghur Congress  
 Edie Martin, Campaigns Officer, Stop Uyghur Genocide  
 Wanjiku Mbugua-Ngotho, Acting Chief Executive, Bawso  
 Christina McAnea, General Secretary, Unison  
 Tim Nelson CEO, Hope for Justice  
 Ed Newton, CEO, City Hearts  
 Caroline O'Connor, Chief Executive, Migrant Help  
 Jasmine O'Connor OBE, Chief Executive, Anti-Slavery International  
 Gearoid O'Cuinn, Director, Global Legal Action Network  
 Dr Alexander Trautrim, Professor of Supply Chain Management, University of Nottingham Rights Lab and Nottingham University Business School  
 Dr Mei Trueba, Lecturer in International Development and Global Health, Brighton & Sussex Medical School  
 Dan Vexler, Interim CEO, The Freedom Fund  
 Andrew Wallis OBE, CEO, Unseen  
 David Westlake, CEO, IJM UK