

BRIEFING NOTE ON THE UK MODERN SLAVERY BILL

December 2014

As a coalition of major UK companies, trade unions and NGOs, we welcome the Modern Slavery Bill and the UK Government's commitment to eradicate the abuse and exploitation of workers, both in this country and globally. We congratulate the government in its ambition to be a global leader on this issue.

We are delighted with the government's decision to include a transparency in supply chains clause in the Bill. We advocated strongly for such a clause in our letter to the Prime Minister and in our engagement with Ministers, MPs, Lords and government officials over the past few months. We continue to engage in this debate to ensure that the TISC is a robust measure.

The debate during the Bill's passage through Parliament demonstrates a high degree of support from all parties and both Houses for legislation that will enable the government to uphold its duty to protect victims of forced labour and trafficking for labour exploitation and ensure they have access to remedy.

To date, ETI and BRC members have focused our influencing efforts on the Bill in three areas and would like to see these strengthened in the final version of the Bill, as set out below. Attached are some of the proposed amendments tabled by MPs and Lords that align with these positions.

1. Transparency in Supply Chains Clause

- a) To ensure comparability against required reporting standards, the legislation should clearly set out minimum criteria for reporting under the Transparency in Supply Chains Clause of the Bill. This will enable investors, consumers, NGOs, the media and other companies to assess the level of commitment and the quality of information provided by companies on their efforts to identify and mitigate risks of modern slavery in their supply chains. Without this, a climate of risk aversion will prevail, and companies will be less and less transparent about where modern slavery is found and the actions they are taking to address it.
- b) Further details of **how** companies can be compliant can be set out in statutory guidance, but primary legislation must clearly set out minimum requirements for reporting under the Transparency Clause. This should specify inclusion of:
 - policy commitments, resourcing and actions to exercise due diligence;
 - procedures for investigation and monitoring of modern slavery and forced labour risks in the UK and throughout their global supply chains;
 - support and access to remedy for victims of forced labour and modern slavery; and
 - action taken to train staff and suppliers, and to draw on expertise and advice.
- c) Listed and non-listed companies of a certain size should be required to publish their policies and strategies on modern slavery on their websites. A named government department should be responsible for making publicly available a list of those companies that must comply. This list should be signposted clearly on the government's website.

- d) The legislation should specify the penalty for a company that fails to comply with the regulations. A competent agency should be tasked with assessing the quality of reporting.

2. Gangmasters Licensing Authority, labour inspection and enforcement of standards

- a) We would like the Secretary of State to have the power to amend the Gangmasters Licensing Act 2004 to sectors outside its current limited remit where evidence demonstrates that abuse and exploitation of workers or modern slavery or trafficking may be taking place.
- b) The Gangmasters Licensing Authority (GLA) is an example of an effective body that UK industry helped to establish to manage and mitigate risks of slavery in the food and agriculture sector. We would like to see this model extended to other high-risk areas such as fisheries, apparel, construction, cleaning, care and hospitality.
- c) We believe that all authorities responsible for inspection, monitoring and enforcement of labour standards should work proactively to identify abuses of labour standards and to act effectively if modern slavery is found. Currently, thousands of temporary workers in the UK fall between the cracks of labour inspection and regulation because they are not covered by the GLA.
- d) UK labour inspectorates should take proactive measures to ensure protection of workers from abusive and fraudulent recruitment practices. Companies should also seek to ensure that migrant workers do not pay a recruitment fee (including in their country of origin). These fees put them in debt bondage, which is a critical risk factor for forced labour and trafficking for labour exploitation.

3. Role and remit of the Anti-Slavery Commissioner. We note the appointment of Kevin Hyland as the new Anti Slavery Commissioner and look forward to working with him, recognising that his role will need to be defined in line with the final provisions of the Modern Slavery Act.

- The Anti-Slavery Commissioner should play a coordination and accountability role across all national labour inspection and criminal justice authorities to ensure that cases of forced labour and trafficking for labour exploitation are prevented and where they are found, that those responsible are held to account.
- The Anti-Slavery Commissioner should be responsible for monitoring compliance with the transparency in supply chains reporting requirement.

Further information

The Ethical Trading Initiative (ETI) is a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. Our membership includes over 80 large brands and retailers with a combined annual turnover of more than £180 billion, as well as the major global trade union federations, the TUC and large NGOs such as Anti Slavery International.

The British Retail Consortium is the lead trade association for the entire retail industry. Many of our members are at the forefront of voluntary initiatives to eradicate slavery in supply chains.

For Reference

List of relevant amendments that contain clauses aligned with many of our positions

(*NC = New Clause)

Transparency clause	NC*5	DIANA JOHNSON MR DAVID HANSON PHIL WILSON	Duty on large UK companies to report efforts to eradicate modern slavery and forced labour
	98	LORD ALTON OF LIVERPOOL BARONESS KENNEDY OF CRADLEY	Slavery and human trafficking statements
Civil Remedy	NC 34	BARONESS YOUNG OF HORNSEY BARONESS HAMWEE LORD ROSSER BARONESS ROYALL OF BLAISDON PAUL BLOMFIELD	Civil Remedy
GLA	NC1	MR DAVID HANSON YVETTE COOPER DIANA JOHNSON PHIL WILSON	Enabling provision to enable the gangmasters licensing authority to tackle modern day slavery
	97	BARONESS BUTLER-SLOSS BARONESS KENNEDY OF CRADLEY	Gangmasters Licensing Authority
	NC18	STEPHEN BARCLAY	Provision of fixed penalty notices for gangmasters
	NC19	STEPHEN BARCLAY	Investigation of modern slavery offences by gangmasters licensing authority
Anti-slavery commissioner	67ZC*	BARONESS BUTLER-SLOSS	Anti-slavery commissioner