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Joint civil society response to the Government's response to the Transparency in Supply Chains consultation

The Government's Response to the consultation on the Transparency in Supply Chains (TISC) provision of the UK Modern Slavery Act 2015 was [published](#) in September 2020.

We welcome the steps the Government proposes to take to strengthen the TISC provision: in particular, the extension of the Act to the public sector; and the introduction of a Government-run registry for modern slavery statements and new single reporting deadline, which will make it easier for civil society organisations to scrutinise company reporting.

We urge the Government to provide further detail on how companies will be held accountable for uploading adequate modern slavery statements on the new registry. We also urge more clarity on how public bodies will be given appropriate resourcing and incentives to allow them to report in a meaningful way, given that many are under significant budgetary and resource constraints. This point was recognised, but not addressed, in the Response (p.16). We also urge Government to propose a specific timeframe for next steps on this commitment in place of amendments being made "*when parliamentary time allows*".

However, the Government's lack of commitment to meaningful sanctions and enforcement measures is a major concern. The weak enforcement of the legislation is recognised by the [independent review](#) of the Act (which found that an estimated 40 per cent of eligible companies are not complying with the legislation at all) and reinforced by civil society following years of tracking companies' responses. The Response recognises that, "*respondents were clear that there was a need for greater enforcement of the current requirement*" (p.14) but makes no pledge on this area, instead tying this to the development of a Single Enforcement Body, which could take many years.

Five years on from the Act's introduction, we consider this wholly insufficient: we need the immediate introduction of an enforcement mechanism that holds companies legally accountable for failing to adhere to the law. We consider that without this mechanism, "mandatory" reporting is not, in practice, mandatory.

The introduction of mandatory reporting areas is further undermined by the implication that in its statement, an organisation could simply list the reporting areas but include little or no detail on them (p.8 of the Response). While analysis of statements show that *most* companies already include these reporting areas, the extent of disclosure in many statements is extremely limited. Government must provide further detail on the measures

that will be taken to ensure mandatory reporting has substance and assign a body to review the substance of reporting.

Now, more than ever, we are seeing that much tougher government action is needed. The COVID-19 pandemic has exposed the burden of risk carried by workers in supply chains who have not been adequately protected by existing policy and legislation and who are now more vulnerable to exploitation. This includes workers in the Global South in the supply chains of UK companies hit by big brand cancellations, those in the UK gig economy, in the care sector, and in the UK garment sector – such as workers in Leicester factories making clothes for UK brand Boohoo. A recently published [review](#) of Boohoo's actions by Alison Levitt QC confirmed unacceptable working conditions and underpayment of workers in the firm's supply chain, but also states that the company was fully compliant with the Modern Slavery Act.

While the Modern Slavery Act was ground-breaking when introduced, there is a growing consensus that reporting and transparency measures alone are insufficient to prevent human rights abuses in supply chains – as demonstrated by a 2020 [study](#) which found that worldwide stakeholders across business, trade unions and civil society favour preventative regulation over reporting requirements or voluntary measures. Other states have since introduced obligations to take *preventative action* through due diligence (e.g. the Netherlands) and combined such obligations with *legal liability* when damage and loss occur (e.g. France). The EU plans to introduce a similar law in 2021.

Notably, the Independent Anti-Slavery Commissioner Dame Sara Thornton recently [wrote](#) that calls for the introduction of mandatory human rights due diligence legislation are increasing and that *“if companies or sectors show no willingness to reform, the argument for making organisations liable for their decisions becomes increasingly compelling.”*

If the UK wishes to remain a leader on business and human rights and ensure a level playing field for UK business, it must now introduce a [new law](#) to mandate due diligence for all human rights and environmental impacts, which would hold companies liable for their failure to prevent harm.

In tandem, Government must tackle the abusive practises of big brands that do not meet the threshold of modern slavery offences, but if left unchecked will lead to and drive modern slavery – as illustrated by the recent Boohoo case.

We urge the Government to consider the introduction of such measures, in line with its commitment in its Response to *“continue to look at what further measures are needed to strengthen our response and create a level playing field for responsible businesses free from the threat of unscrupulous competition”*.

ENDS

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