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27 August 2014

Modern Slavery Bill: Submission to the Joint Committee on Human Rights

Introduction

1. The CORE Coalition is the leading UK civil society network on corporate accountability. Our aim is to reduce business-related human rights and environmental abuses by making sure companies can be held to account for their impacts both at home and abroad, and to guarantee access to justice for people adversely affected by corporate activity. Our member organisations include Amnesty International, Oxfam, CAFOD, Christian Aid, Save the Children, Friends of the Earth and WWF.
2. CORE welcomes the Bill and the opportunity to submit evidence to the Joint Committee. Our collective organisational expertise on this topic relates to labour rights impacts in the supply chains of UK companies. Several member organisations have more than a decade's experience of participating in a variety of voluntary and statutory mechanisms that aim to improve labour rights standards internationally. To date, voluntary mechanisms have proved ineffective in tackling slavery and forced labour in the supply chain. The Bill therefore presents an important opportunity for a more effective approach by introducing a legislative measure to improve corporate transparency and accountability with regard to the steps companies take to minimise the risk of the most serious labour rights violations being present in their supply chain.

Significant human rights issues raised, and opportunities to enhance the protection of human rights presented by the Bill

Practices which drive modern slavery

3. The Bill rightly aims to reduce modern slavery in the UK. If the Bill is to address the issue systemically, it must ensure that UK businesses do not sustain and benefit from slavery. At present, deficiencies in the supply chain policies of companies operating in the UK are likely to contribute to slave labour conditions.

4. The Bill would be significantly strengthened if it was accompanied by a commitment to assess the labour market conditions that create the demand for modern forms of slavery and to take steps to review and address these. Slave labour is the dominant form of slavery internationally. To reduce the incidence of slavery, the drivers for cheap, easily exploitable labour need to be understood and addressed. So long as companies are allowed to avoid taking the necessary measures to identify and root out forms of slavery in their supply chains, a ‘pull factor’ will ensure the continuation of human trafficking regardless of the proposed legislation.
5. The Bill, by ignoring the human rights responsibilities of companies, is neglecting a key factor in the prevalence of modern day slavery in the UK – the demand for trafficked labour across a number of industries. The presence of forced labour in company supply chains contravenes international standards that the UK should be holding its companies to. These standards include the International Labour Organisation Forced Labour Convention 1930 (No. 29) and its 2014 Protocol¹, and the UN Guiding Principles on Business and Human Rights (UNGPs). Without the measures CORE is proposing, the Bill will be only partially effective in reducing the incidence of, and preventing modern slavery.
6. The UNGPs, adopted by the UN Human Rights Council in June 2011, require companies to conduct ‘human rights due diligence’ to address their impacts across all their business relationships, which include their supply chains.² The UK Government was the first State to develop an Action Plan to implement the UNGPs.³ This was launched in September 2013 by the Foreign Secretary and the Business Secretary.

The need for indicators to assess the scale of the problem

7. The UK government must respond to the existing evidence base on modern slavery, most of which consists of relatively small-scale academic studies. The Joseph Rowntree Foundation in its programme on forced labour in the UK has commissioned studies pointing to forced labour in sectors including: cleaning; construction; care work and domestic work; catering and hospitality; and food production and processing.⁴ Other one-off investigations have included the TUC-led Commission on Vulnerable Employment (TUC, 2008)⁵ and the Equality and Human Rights Commission (EHRC) inquiry into conditions in meat and poultry processing in England and Wales (EHRC, 2010)⁶.

¹ http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_248900.pdf

² UN Guiding Principles on Business and Human Rights, June 2011, see Principles 17-21
http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

³ Good Business: Implementing the UN Guiding Principles on Business and Human Rights, September 2013
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/236901/BHR_Action_Plan_-final_online_version_1_.pdf

⁴ See <http://www.irf.org.uk/topic/forced-labour>

⁵ ‘Hard Work, Hidden Lives’

http://www.vulnerableworkers.org.uk/files/CoVE_full_report.pdf

⁶ ‘Inquiring into recruitment and employment in the meat and poultry processing sector’, March 2010:
http://www.equalityhumanrights.com/sites/default/files/documents/Inquiries/meat_inquiry_report.pdf

8. All the above tend to suggest that the scale of forced labour may be significantly greater than the anticipated number of cases prosecuted as criminal offences. The government's focus on law enforcement, to the exclusion of addressing the failure by certain sectors of industry to root out modern forms of slavery from their supply chains, risks bypassing a key part of the problem.
9. Without the use of indicators of modern slavery, it is unclear how cases other than the most severe and obvious will be identified. Studies commissioned by the Joseph Rowntree Foundation have identified the following indicators:
 - Threats or actual physical harm to the worker;
 - Restriction of movement and confinement, to the workplace or to a limited area;
 - Debt bondage, where the worker works to pay off debt or a loan, and is not paid for his or her services;
 - The employer may provide food and accommodation at such inflated prices that the worker cannot escape the debt;
 - Withholding of wages or excessive wage reductions that violate previously made agreements;
 - Retention of passports and identify documents, so that the worker cannot leave or prove his/her identify and status;
 - Threat of denunciation to the authorities, where the worker has an irregular immigration status.

10. The measures in the Bill would be made more effective, with regard to both prevention and enforcement through the incorporation of such indicators, either in the Bill itself or in accompanying guidance.

Addressing forced, trafficked and child labour in UK companies' supply chains

11. Experience over several decades shows that while there is a role for voluntary mechanisms in improving labour rights, reliance on a purely voluntary approach has not been effective in ensuring that UK companies meet minimum labour standards throughout their international supply chains. The continuing, life-threatening conditions faced by garment supply chain workers in Bangladesh represent one example of this gap between industry codes and the real situation on the ground.
12. Other recent examples include:

12a) Workers trafficked into Thailand, forced to work as slaves on Thai fishing boats gathering fishmeal which is used in the production of prawns sold by UK supermarkets Tesco, Morrisons,

Co-op, Asda, Aldi and Iceland. The UK consumes 7% of all Thailand's prawn exports.⁷ In Bangladesh children as young as 10 years old work collecting shrimp fry for prawn supply chains which sell into UK retailers.⁸

12b) People held in government-run drug detention centres in Vietnam are forced to work without pay processing cashew nuts, farming, sewing clothing and shopping bags, working in construction, and manufacturing products made from wood, plastic, bamboo, and rattan. Vietnam is one of the top three exporters of processed cashews to the UK.⁹

12c) The extensive use of forced child and adult labour in cotton production in Uzbekistan; approximately half of all cotton is picked by state-sponsored forced labour. Human rights groups estimate that hundreds of thousands of children and adults are involved each year. Uzbekistan is the sixth largest producer of cotton in the world and the fifth biggest exporter. Retailers have yet to put in place traceability mechanisms which ensure they are not complicit in purchasing from Uzbekistan.¹⁰

13. The failure to address the situation effectively through other measures requires the UK government to introduce legislation. In the absence of appropriate legislative measures, companies will continue to mismanage supply chains, creating a situation where the most exploitative labour conditions are tolerated and where is little prospect of a significant reduction in incidences of modern slavery.

14. We recommend that the Bill include provisions requiring large UK companies to include information in their annual reports on the due diligence policies and processes they undertake to identify and address the risks and incidences of slavery and forced labour in their supply chains, and the effectiveness and outcomes of those policies and processes.

15. Such a measure would be wholly consistent with the UK government's commitment to implement the UNGPs, and its expectation that companies behave in line with the UNGPs throughout their supply chains.

16. The information provided would be consistent with the nature and context of the company's operations. If the company's annual report did not contain information on its due diligence policies and processes, it would state which kinds of information it did not contain and why.

17. Disclosure would help to prevent the continuation of modern slavery by enabling companies to assess and address the risk that their practices drive demand for cheap, easily exploitable

⁷ 'Trafficked into slavery on Thai trawlers to catch food for prawns', *The Guardian*, 10 June 2014
<http://www.theguardian.com/global-development/2014/jun/10/-sp-migrant-workers-new-life-enslaved-thai-fishing>

⁸ 'Impossibly Cheap: Abuse and Injustice in Bangladesh's Shrimp Industry', Environmental Justice Foundation, 2012 http://eifoundation.org/shrimp/impossiblycheapfilm#.U_cQSVlg-P8

⁹ 'Vietnam: Torture, Forced Labor in Drug Detention' Human Rights Watch, 7 September 2011
<http://www.hrw.org/news/2011/09/07/vietnam-torture-forced-labor-drug-detention>

¹⁰ Background: Slavery in the Uzbek Cotton industry, Anti-Slavery International
http://www.antislavery.org/english/campaigns/cottoncrimes/forced_labour_in_uzbekistan_background.aspx

labour. The availability of such information to stakeholders including consumers, investors and civil society groups would create greater accountability for company practices.

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