

# A call for a UK Business, Human Rights and Environment Act

## **Executive Summary**

### You can read the full version of this position paper here.

Anti-Slavery International is **calling for the introduction of a new UK Business, Human Rights and Environment Act to create a duty on commercial organisations and public authorities to prevent negative human rights and environmental impacts.** This new law would mandate companies, financial institutions and the public sector operating in the UK to **conduct human rights and environmental due diligence (HREDD)** across their operations, subsidiaries, and value chains. This briefing document outlines the rationale behind this call, as well as the elements that the proposed law must include to prevent modern slavery in UK value chains.

Globally, including in the UK, businesses are responsible for human rights abuses in their value chains. Adverse human rights impacts, including modern slavery, can occur at any level of a value chain. Voluntary corporate initiatives have failed to protect people from modern slavery, and goods and services tainted by modern slavery still find their way into our every-day purchases.

In 2015, as a welcome step to address modern slavery, the UK introduced the landmark Modern Slavery Act, with the Transparency in Supply Chains Clause (TISC). However, **after almost 10 years of implementing TISC, it is clear that it is simply not enough and has failed to drive tangible positive systemic change in value chains and for workers.** Ultimately, transparency and reporting legislation is insufficient to drive change in corporate behaviour, ensure corporations abide by the same standards, and prevent modern slavery.

There is an urgent **need for new binding standards which benefit all workers and their communities**. Without effective policies and practices in place, companies and the public sector may continue to be profiting from, or linked to, forced labour, trafficking, or other severe labour abuses. Stronger laws with accountability measures and paths for remedy are essential.

Over the past few years, support has been increasing from policymakers, business, investors, and the general public for legislation that makes businesses legally responsible for respecting the rights of workers in their supply chains. Moreover, a number of countries around the world, as well as the EU, have started to act upon the need to implement stronger laws. They have adopted or have started to consider legislation that embeds elements of HREDD into their legislative framework. Failure on the part of the UK to keep step with global developments on this issue would create an uneven playing field between UK businesses and their global counterparts.

#### A new Business, Human Rights and Environment Act would:

• Compel businesses to undertake human rights and environmental due diligence. Companies, financial institutions and the public sector would be required to identify, prevent, mitigate, and account for human rights abuses, including modern slavery, and environmental damage in their operations, subsidiaries, and value chains. Companies would need to proactively take action to prevent these risks, including by addressing the impact of their own business models.

- **Hold companies and other organisations accountable** for failure to prevent abuses through liability provisions. The inclusion of strong accountability measures and liability provisions are fundamental to compel effective action on modern slavery.
- Help to level the playing field between businesses and provide clarity and certainty on legal
  obligations. Currently, businesses taking appropriate steps to respect the human rights of their
  workers face considerable disadvantages against competitors profiting from lower costs gained
  through the exploitation of workers. A new law is key to ensuring that efforts by companies to
  address modern slavery risks in their supply chains are not undercut by the lack of a uniform standard
  of conduct applying to all business actors.
- Enable victims of abuses, including modern slavery, to access justice. Currently, victims of modern slavery in UK company and public sector value chains face enormous obstacles to access remedies or justice. The new law would provide victims of abuses with clear paths to access these.

### Recommendations to the UK Government for reforming regulation:

Principal elements of a Business, Human Rights and Environment Act must include:

- The obligation to respect all internationally recognised human rights and environmental standards.
- A scope that covers a **broad range of commercial and other non-commercial organisations**, no matter their size or sector, and **the entirety of the value chain**.
- The obligation to identify, cease, prevent, mitigate, monitor and account for human rights and environmental adverse impacts through an **ongoing due diligence process**.
- The **provision for or cooperation in the remediation of adverse impacts** in their global value chains and within their operations and business.
- Mandatory and meaningful engagement with stakeholders who are affected by companies' activities.
- The obligation to publish a forward-looking plan and an assessment of the effectiveness of actions taken, as well as supply chain disclosure requirements.
- Liability for harm, loss and damage arising from their failure to prevent adverse human rights and environmental impacts of their domestic and international operations, products and services including in their supply and value chains.

A Business, Human Rights and Environment Act should be part of a **toolbox of additional measures** to eradicate modern slavery from UK value chains. **Import controls** are a vital, and complementary part of the toolbox. They will stop the UK from being a dumping ground for goods made with forced labour rerouted from countries that have import bans. Additional elements include stronger protections in trade agreements and development policies, and improving domestic protections and enforcement.

The UK must now make sure it plays its part in addressing forced labour in value chains, aligning UK policy with global developments and the growing consensus on the need for mandatory due diligence laws.