

Debate Pack

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By

Joanna Dawson

Ilze Jozepa,

Tom Powell,

Matthew Ward

Forced labour and NHS PPE supply chains

1	Background	2
1.1	Concerns around supply of PPE during the Covid-19 pandemic	2
1.2	Covid procurement	3
1.3	Policies in relation to modern slavery	4
1.4	The Health and Care Act 2022	5
2	Press articles	7
3	Parliamentary material	8
3.1	Written questions	8
3.2	Oral questions	12
4	Further reading	13

Summary

There will be a Westminster Hall debate on Forced labour and NHS PPE supply chains on Thursday 14th July at 1:50pm.

1 Background

1.1 Concerns around supply of PPE during the Covid-19 pandemic

In the early stages of the pandemic there were widespread reports of shortages of personal protective equipment (PPE) in the health and social care sectors (as well as hand sanitiser and other protective equipment). International demand, and prices for PPE grew rapidly in response to the pandemic, while much of the UK's pre-pandemic central stockpile of PPE was designed for a flu pandemic and lacked items such as gowns and visors.

The National Audit Office (NAO) report on [the supply of PPE during the COVID-19 pandemic](#) (November 2020) provided the following background on the challenges in the supply of adequate PPE:

COVID-19 has had an extraordinary impact on global demand for, and supply of, personal protective equipment (PPE) in 2020. Demand for PPE rocketed in England from March, when NHS and care workers, together with key workers in other industries, started to require protection from patients, colleagues and members of the public who potentially had COVID-19. There was also a surge in demand in other countries. At the same time, the global supply of PPE declined as a result of a fall in exports from China (the country that manufactures the most PPE) in February. Some other countries also imposed temporary restrictions on the export of PPE.

The result was an extremely overheated global market – a ‘sellers’ market’ – with desperate customers competing against each other, pushing up prices, and buying huge volumes of PPE often from suppliers that were new to the PPE market. The situation was made more difficult as the guidelines for wearing PPE, and the specifications and certifications that different types of PPE must meet, are complex and were updated throughout the pandemic, in particular as understanding of the virus improved.¹

The NAO report noted that “neither the stockpiles nor the usual PPE-buying and distribution arrangements could cope with the extraordinary demand created by the COVID-19 pandemic”, and that as a result, UK procurement systems were “overwhelmed” in March 2020.

The NAO outlined the measures taken by the UK Government, the devolved administrations, and the NHS to improve the supply of PPE, including the creation of a parallel supply chain, the PPE Dedicated Supply Channel, and bringing in the armed forces to help with distribution to the frontline. On 10 April 2020, the Government published a [PPE plan](#) “to ensure that critical PPE is delivered to those on the frontline responding to coronavirus”. The

¹ NAO, Report by the Comptroller and Auditor General, [Investigation into the management of PPE contracts](#), HC 1144, March 2022, para 11

Department for Health and Social Care (DHSC) took the lead in sourcing and payment for all PPE for the public sector.²

1.2

Covid procurement

The public sector's broad approach to public procurement is to seek value for money. This is [achieved through competition](#), unless there are compelling reasons to the contrary.

Due to the exceptional circumstances of the pandemic, in March 2020 the Government instructed contracting authorities – from government departments to NHS bodies and the wider public sector – how to utilise expedited procurement procedures allowing to buy goods and services with extreme urgency ([Procurement Policy Note 01/20](#)). For example, contracting authorities could choose to award contracts directly without advertising the procurement via a prior notice. They could also contract pre-selected suppliers from existing framework agreements.³

Another NAO report, also published in November 2020, [examined government procurement during the pandemic](#), including the checks carried out into the suitability of new suppliers of PPE, and how offers from suppliers were considered. The NAO said that while procurement processes established by the government enabled PPE to be purchased quickly, some contracts were awarded “before all key controls were put in place”. The NAO recommended the Cabinet Office to issue further guidance on specific procurement risks arising from direct contract awards.⁴

An updated government [procurement policy note \(February 2021\)](#) included more information on the commercial risks involved in direct contract awards and the due diligence checks on suppliers.⁵

The Government has stated it was aware that “the direct, urgent sourcing and purchasing of PPE in 2020 involved higher risks in ethical and business practices” and put a number of mitigations in place.⁶

NAO's most recent [investigation into the management of PPE contracts](#) by the Department of Health and Social Care during the pandemic was published in March 2022. According to the report, by January 2022 the Department has awarded nearly 10,000 contracts of PPE worth £13.1 billion. Of these, the DHSC has identified some 3.6 billion PPE items (11% of the total) as “not

² Department for Health and Social Care, [COVID-19: personal protective equipment \(PPE\) plan](#), updated 15 April 2020

³ Cabinet Office, [Procurement Policy Note 01/20](#), 18 March 2020

⁴ NAO, Report by the Comptroller and Auditor General, [Investigation into government procurement during the COVID-19 pandemic](#), HC: 959, 2019-21, November 26, 2020, para 18

⁵ Cabinet Office, [Procurement Policy Note 01/21](#), 4 February 2021

⁶ [PQ 96763 \[Medical Equipment and Protective Clothing: Imports\], 11 January 2022](#)

currently suitable” for front-line services. These items were purchased at a cost of £2.9 billion.⁷ Of the PPE items considered not currently suitable for front-line services, 1.4 billion items purchased at a cost of £646 million are disqualified for reasons such as “incomplete paperwork or concerns about modern slavery”.⁸

The Department of Health and Social Care published its most recent annual [Modern slavery statement](#) in October 2021, and provided the following assessment of PPE procurement during the pandemic:

In March 2020, it was recognised that due to the global surge in demand for PPE, the market was becoming much more favourable to suppliers rather than buyers. DHSC was already aware that PPE was a high-risk area due to the challenges in garment factories (as detailed in a [case study by Impactt](#)). To combat modern slavery concerns, DHSC engaged widely with NHS SCCL [NHS Supply Chain Coordination Ltd.], NHSEI [NHS England & NHS Improvement], Home Office, Cabinet Office and Foreign and Commonwealth Development Office. Additional training and guidance were rapidly created and distributed to strengthen buying professionals’ knowledge of modern slavery risks specific to the pandemic. Working with Home Office colleagues, DHSC participated in a cross-government project to increase the modern slavery awareness of procurement professionals with enhanced PPE buying guidance and training. This also included supplier training and workshops.

The statement also noted a key area of concern around modern slavery within the rubber glove, apron supply chain, and noted a number of preventative steps to address these.

1.3

Work to end modern slavery

Under section 54 of the Modern Slavery Act 2015, businesses with an annual turnover of more than £36 million are required to publish an annual statement setting out the steps they have taken to ensure there is no modern slavery in their own business and their supply chains. Further information on how this obligation should be fulfilled is available in [Transparency in supply chains: A practical guide](#).

In 2019, the Cabinet Office published [Procurement Policy Note 05/19: Tackling Modern Slavery in Government Supply Chains](#) which sets out how government departments should aim to identify and manage modern slavery risk in public procurement.

The [2021 UK Annual Report on Modern Slavery](#) set out recent steps taken by the Government. It noted that in September 2020 the Government published

⁷ A proportion of items classed as “not currently suitable” could be repurposed.

⁸ NAO, Report by the Comptroller and Auditor General, [Investigation into the management of PPE contracts](#), HC 1144, March 2022, paras 11 and 15

its [response to a consultation](#) on Transparency in Supply Chains, setting out proposed changes to the regime including amendments to legislation, and that in March 2021 it launched the [modern slavery statement registry](#), a key recommendation of the Independent Review of the Modern Slavery Act.

The Queen’s Speech in May 2022 announced a forthcoming Modern Slavery Bill, the [purpose of which would be](#), in part, to “increase the accountability of companies and other organisations to drive out modern slavery from their supply chains”.

Policies of NHS England

NHS England has said it fully supports the Government’s objectives to eradicate modern slavery and human trafficking and recognise the significant role the NHS has to play in both combatting it and supporting victims. NHS England Chief Executive, Amanda Pritchard, has said that this includes being “strongly committed to ensuring our supply chains and business activities are free from ethical and labour standards abuses.” The NHS England state that a Sustainable Supplier Assessment will be available in 2023, and that “Suppliers will perform an annual self-assessment, which will also include Modern Slavery requirements.”⁹

The NHS standard contracts, governing how the NHS engage with its suppliers, require compliance with relevant legislation, including the [Modern Slavery Act 2015](#). NHS England state that 2022 updates to the standard contract will strengthen the position on modern slavery, extending requirements and the option to terminate for breaches of social and labour laws. Further information can be found on the [NHS England website](#).

1.4

The Health and Care Act 2022

During the final stages of the [Health and Care Act’s](#) passage through Parliament, Ministers said they shared the strength of feeling expressed in both Houses on ensuring that the NHS is in no way inadvertently linked to slavery and human trafficking through its supply chain. The government brought forward an amendment that creates a duty on the Secretary of State to undertake a review of NHS supply chains. On the final day of consideration of the Bill, the Minister in the Lords announced a further amendment to require the Secretary of State to make regulations with a view to eradicating the use in the NHS in England of goods or services that are linked to slavery or human trafficking. The Minister, Lord Kamall said the regulations can set out steps that the NHS should be taking to assess the level of risk associated with

⁹ [NHS England, NHS England modern slavery and human trafficking statement, March 2022](#)

individual suppliers; the basis on which the NHS should exclude them from a tendering process; and what measures should be included in contracts.¹⁰

¹⁰ [HL Deb 26 April 2022 \[Health and Care Bill\], c221](#)

2

Press articles

[Government to face court hearing over links to PPE supplier accused of modern slavery](#)

Samuel Lovett

The Independent, 19 May 2022

[UK looks to ban purchase of medical supplies linked to forced labour](#)

Oliver Barnes

Financial Times, 22 April 2022

[NHS to ban products of slavery after PPE concerns](#)

James Lansdale

BBC, 21 April 2022

[UK faces legal action for approving firm accused of using forced labour as PPE supplier](#)

Peter Bengtsen

The Guardian, 6 January 2022

[UK investigates supplier of NHS PPE over alleged use of forced labour](#)

Denis Campbell

The Guardian, 21 November 2021

[Labour sounds slavery alarm over new PPE contracts](#)

Juliette Rowsell

Supply Management, 23 August 2021

3 Parliamentary material

3.1 Written questions

[Medical Equipment and Protective Clothing: Imports: Question for Department of Health and Social Care: UIN 96763](#)

Asked by John Spellar

Asked on 4 January 2022

To ask the Secretary of State for Health and Social Care, what steps his Department has taken to prevent imports of medical goods and personal protective equipment produced by forced labour.

Answered by Edward Argar

Answered on 11 January 2022

The Department published its Modern Slavery statement in October 2021 which is available at the following link:

<https://www.gov.uk/government/organisations/department-of-health-and-social-care/about/modern-slavery-statement>(opens in a new tab)

Contracts are normally placed in line with Departmental terms and conditions which include clauses requiring Good Industry Practice to ensure that there is no slavery or human trafficking in supply chains. Suppliers appointed to NHS Supply Chain framework contracts, which provide the majority of medical goods and services to the National Health Service, must comply with the Labour Standards Assurance System or they can be removed from consideration for future procurement.

The Department was aware that the direct, urgent sourcing and purchasing of personal protective equipment in 2020 involved higher risks in ethical and business practices and had a number of mitigations in place. The Department of Health and Social Care engaged with NHS Supply Chain, the Home Office and the Foreign and Commonwealth Development Office regarding modern slavery concerns in awarding contracts. Additional training and guidance was distributed to strengthen buying professionals' knowledge of modern slavery risks specific to the pandemic.

[Supermax Healthcare: Question for Department of Health and Social Care: UIN HL3265](#)

Asked by Lord Alton of Liverpool

Asked on 21 October 2021

To ask Her Majesty's Government what assessment they have made of alleged labour abuses by the Malaysian glove maker Supermax; how many products from that company they have purchased; and what was the cost of those purchases.

Answered by Lord Kamall

Answered on 2 November 2021

We will be investigating the claims made against Supermax. We have made strong commitments to eradicate modern slavery from all contracts in the Government's supply chain. A due diligence process is carried out for all Government contracts and our suppliers are required to follow the highest legal and ethical standards. If they fail to do so, we will remove them from current and future procurements.

In July 2021, we placed an order with Supermax for 135 million gloves at a cost of £7.9 million. Our purchase process includes safeguards to both strengthen due diligence and to terminate a contract should there be substantiated allegations against a provider.

[Protective Clothing: Imports: Question for Department of Health and Social Care: UIN HL2683](#)

Asked by Lord Alton of Liverpool

Asked on 14 September 2021

To ask Her Majesty's Government, further to reports in The Diplomat on 14 September, what assessment they have made of the alleged use of forced labour in Malaysian disposable glove factories; and what due diligence they carried out in relation to the use of forced labour...

Answered by Lord Kamall

Answered on 7 October 2021

To date, there have been no substantiated allegations of modern slavery in relation to a Departmental supplier. All the suppliers on our current gloves framework are registered and have been asked to complete a Modern Slavery Assessment and a Labour Standards Assessment.

Due diligence is carried out for all Government contracts and we expect all National Health Service suppliers to follow the highest legal and ethical standards. Public sector contracting authorities are advised on how to assess suppliers to mitigate the risk of modern slavery. Contracts are placed in line with Departmental terms and conditions which include clauses requiring Good Industry Practice to ensure that there is no slavery or human trafficking in supply chains. Suppliers appointed to NHS Supply Chain frameworks must comply with the Labour Standards Assurance System or they can be removed from consideration for future opportunities.

[Coronavirus: Protective Clothing and Screening: Question for Department of Health and Social Care: UIN HL2190](#)

Asked by Lord Alton of Liverpool

Asked on 20 July 2021

To ask Her Majesty's Government what due diligence they undertook to ensure that (1) lateral flow tests, and (2) personal protective equipment, imported from China were not made with the use of slave labour.

Answered by Lord Bethell

Answered on 11 August 2021

A dedicated team within the Department's Test and Trace programme has been responsible for overseeing a rigorous inspection and auditing process for all Lateral Flow Device (LFD) suppliers outside of the United Kingdom, which includes a Business Social Compliance Initiative Human Rights audit.

All three of these suppliers manufacture the devices in China and have been assessed as Acceptable (C) overall, with further improvement needed with regards to social management systems and working hours. No evidence of child labour, forced labour or unethical business behaviour were identified over the course of these audits, which are valid for 12 months from the date of issue at which point a further audit will take place.

The Department was aware that the direct, urgent sourcing and purchasing of Personal Protective Equipment in 2020 involved high-risk areas in terms of ethical and business practices and had a number of mitigations in place. To combat Modern Slavery concerns, the Department engaged widely with NHS Supply Chain, the Home Office (HO) and the Foreign and Commonwealth Development Office regarding Modern Slavery issues in awarding contracts. Additional training and guidance was rapidly created and distributed to strengthen buying professionals knowledge of modern slavery risks specific to the pandemic. Working with HO colleagues, the Department participated in a cross-government project to increase the modern slavery awareness of procurement professionals which included supplier training and workshops.

[Forced Labour: Malaysia: Question for Home Office: UIN 26106](#)

Asked by Bill Esterton

Asked on 2 July 2021

To ask the Secretary of State for the Home Department, what assessment she has made of the implications for her policies of the Newcastle University study on forced labour in the Malaysian medical glove industry, published on 1 July 2021.

Answered by Victoria Atkins

Answered on 8 July 2021

The Government is committed to working with public and private sector organisations to address the risks of modern slavery in supply chains. It welcomes research on these issues and is carefully considering the findings from the Newcastle University study. The research itself was supported by the Modern Slavery Policy and Evidence Centre, a centre funded by the Government specifically to transform the evidence base underpinning our policy and operational response to modern slavery.

Government is harnessing its spending power to ensure exploitative businesses do not take a share of the £81 billion that central government spends on goods and services each year. On 26 March 2020, we became the first country to publish a Government Modern Slavery Statement setting out the steps we have taken to prevent modern slavery and incentivise responsible business conduct in our supply chains. We have launched the Modern Slavery Assessment Tool and directly worked with over 500 suppliers on implementing effective modern slavery due diligence. More than 1,800 organisations have completed the assessment since March 2019.

The Home Office also works across Government to develop best-practice to prevent modern slavery in public sector procurement. With support from DHSC and NHS Supply Chain, the Home Office commissioned the ethical trade consultancy, Impactt, to develop tailored guidance for buyers and suppliers of Personal Protective Equipment (PPE) on best practice to prevent modern slavery in supply chains. As part of this project, Impactt delivered training workshops with PPE manufacturers and resellers to support them in implementing the guidance. In addition, the Government has recently launched e-learning to support public sector commercial staff to better identify and mitigate modern slavery risks in contracts.

[Protective Clothing: Forced Labour: Question for Department of Health and Social Care: UIN 126009](#)

Asked by Chris Evans

Asked on 7 December 2020

To ask the Secretary of State for Health and Social Care, what steps his Department has taken to ensure that no personal protective equipment procured for the NHS has been made by forced labour.

Answered by Jo Churchill

Answered on 14 December 2020

Detailed Government guidance is provided to public sector contracting authorities on how to assess and mitigate the risks of modern slavery in procurement. Contracts routinely include clauses requiring Good Industry Practice to ensure that there is no slavery or human trafficking in supply chains. In the event that allegations of modern slavery are substantiated in relation to a supplier, we will consider all available options.

3.2

Oral questions

[Cotton imports](#)

HL Deb 21 October 2021, c 252-54

[Xinjiang: Forced Labour](#)

HL Deb 19 January 2021, c 1134-46

4 Further reading

[Investigation into the management of PPE contracts](#)

National Audit Office, March 2022

[Labour rights abuse in global supply chains for PPE through COVID-19 – issues and solutions](#)

BMA, July 2021

[Forced Labour in the Malaysian Medical Gloves Supply Chain before and during the COVID-19 Pandemic: Evidence, Scale and Solutions](#)

Modern Slavery and Human Rights Policy and Evidence Centre, Bingham Centre for the Rule of Law, July 2021

[Tackling modern slavery in PPE supply chains: A practical guide for PPE suppliers](#)

Home Office/Impactt Limited, April 2021

[Tackling modern slavery in PPE supply chains: Tools and further guidance](#)

Home Office/Impactt Limited, April 2021

[Modern slavery in the UK](#)

Office for National Statistics, March 2020

[The supply of personal protective equipment \(PPE\) during the COVID-19 pandemic](#)

National Audit Office, November 2020

[Independent review of the Modern Slavery Act 2015: final report](#)

Home Office, May 2019

[Independent review of the Modern Slavery Act 2015 second interim report: transparency in supply chains](#)

Home Office, January 2019

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