



In Focus

Modern Slavery (Transparency in Supply Chains) Bill [HL] (HL Bill 6 of 2016–17)

The [Modern Slavery \(Transparency in Supply Chains\) Bill \[HL\]](#) is a private member's bill introduced by Baroness Young of Hornsey (Crossbench). It had its first reading on 23 May 2016 and is scheduled to have its second reading on 8 July 2016. Baroness Young has outlined the intentions behind her Bill as follows:

The Modern Slavery Act 2015 has been described as a positive 'game-changer' by some of the best known high street retailers. This private member's bill seeks to strengthen the legislation relating to supply chain transparency compliance and reporting and in doing so help consumers find out which companies are doing their best to eradicate slavery and forced labour from their supply chains. The Modern Slavery (Transparency in Supply Chains) Bill inserts public bodies into the Modern Slavery Act part 6 section 54 on transparency in supply chains, requiring both them, and commercial organisations, to include a statement on slavery and human trafficking in their annual report and accounts. In addition, contracting authorities will be required to exclude from procurement procedures companies that have not provided such a statement. The Bill also requires the Secretary of State to publish a list of all the commercial organisations that have to publish a statement in an accessible format for ease of use by consumers and NGOs.¹

Key Provisions

Clause 1 of the Bill seeks to amend the Modern Slavery Act 2015. Clause 1, subsection 2 of the Bill amends the Act so that public bodies would also be required to prepare a slavery and human trafficking statement each year (currently this only applies to commercial organisations). Subsection 3 of the Bill would insert a definition of a public body into the Act; it defines a public body as a "body governed by public law", a "contracting authority", or a "central government authority" under the Public Contracts Regulations 2015. Subsection 4 of the Bill would insert a provision into the Act so that "commercial organisations and public bodies must include the [slavery and human trafficking] statement in their annual report and accounts". Subsection 5 of the Bill would further amend the Act to require the Secretary of State to "publish a list of all commercial organisations that are required to publish a statement under this section" and states that this list "must be published in a place and format that is easily accessible and the commercial organisations in the list must be categorised according to sector".

Clause 2 of the Bill would amend regulation 57 of the Public Contracts Regulations 2015, which concerns the rules on excluding an economic operator from participating in a procurement procedure if they have been convicted of certain offences. Accordingly, the Bill would insert a provision into these regulations so that in addition to the existing offences, an economic operator would also be excluded from a procurement process if it had not produced a slavery and human trafficking statement.

Clause 3 of the Bill would require the Secretary of State to publish guidance for contracting authorities to comply with the above amendments to the Public Contracts Regulations 2015 and section 54 of the Modern Slavery Act 2015. Finally, clause 4 details the territorial extent (England and Wales), commencement and short title of the Bill.

Background

According to the Government, “modern slavery encompasses human trafficking, slavery, forced labour and domestic servitude”.² The International Labour Organisation (ILO) estimates that almost 21 million people are victims of forced labour globally. It states that 18.7 million are “exploited in the private economy, by individuals, or enterprises” and 2.2 million are in “state-imposed forms of forced labour” such as prisons. Of the 21 million, 4.2 million are the victims of forced sexual exploitation.³

In the June 2014 Queen’s Speech, the Government announced that it would introduce a bill to tackle modern slavery and human trafficking. A white paper containing the draft Modern Slavery Bill was published in December 2013 and the Bill was introduced in the House of Commons on 10 June 2014.⁴ It received royal assent on 26 March 2015. Initially, the Modern Slavery Bill did not cover trafficking in corporate supply chains and there had been calls for the Government to legislate in this area.⁵ For example, the Joint Committee on the Draft Modern Slavery Bill recommended that the Government legislate to require companies to report on modern slavery in its supply chain in their annual reports.⁶ The Joint Committee also recommended that the Government “take a responsible lead in eradicating modern slavery from its own supply chains”.⁷ During the Commons report stage on 4 November 2014, the Parliamentary Under Secretary of State for the Home Office, Karen Bradley, introduced an amendment that would require companies of a certain size to prepare an annual slavery and human trafficking statement. This amendment was subsequently agreed without division, and the Government launched a consultation on these provisions in February 2015.⁸

During the report stage in the Lords, Baroness Young tabled an amendment which “would ensure that government departments and agencies were subject to the same laws as commercial organisations with regard to declaring their actions to support transparency in their supply chains”.⁹ However, she later withdrew her amendment after the Home Office Minister, Lord Bates, suggested that the Government’s *Modern Slavery Strategy* would address her concerns about exploitation in the supply chains of suppliers to the public sector, and stated that the Home Office was modifying its terms and conditions for new suppliers to help prevent modern slavery in their supply chains.¹⁰

¹ This text was provided by Baroness Young of Hornsey on request from Library.

² Home Office, [Draft Modern Slavery Bill](#), December 2013.

³ International Labour Organisation, [‘Statistics and Indicators on Force Labour and Human Trafficking’](#), accessed 27 June 2016.

⁴ Home Office, [Draft Modern Slavery Bill](#), December 2013.

⁵ House of Commons Library, [Modern Slavery Bill 2014–15](#), 2 July 2014.

⁶ Joint Committee on the Draft Modern Slavery Bill, [Draft Modern Slavery Bill](#), 8 April 2014, HL Paper 166 of session 2013–14, p 87.

⁷ *ibid*, p 113.

⁸ [HC Hansard, 4 November 2014, cols 682–705](#); and Home Office [‘Modern Slavery and Supply Chains Consultation’](#), 12 February 2015.

⁹ [HL Hansard, 25 February 2015, cols 1731–2](#).

¹⁰ [HL Hansard, 25 February 2015, col 1746](#); and HM Government, [Modern Slavery Strategy](#), November 2014.

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