

# Resources for Parliamentarians: **Strengthening Laws to Address Modern Slavery in Supply Chains**



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## Abbreviations

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<b>CSO</b>	<b>Civil Society Organisation</b>
<b>NGO</b>	<b>Non-Governmental Organisation</b>

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# Introduction

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Welcome to CPA UK's resource document for parliamentarians seeking to strengthen their laws to address modern slavery in supply chains (MSISC).

Here, you will find best practice for reviewing and amending your laws, developed through consultation with parliamentarians, lawyers, NGOs, CSOs and business stakeholders.

We hope that you will find this document useful as you seek to address this urgent issue in your parliament.

# What is Modern Slavery in Supply Chains (MSISC)?

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According to figures published by the United Nations, the International Labour Organisation and the Walk Free Foundation, an estimated 50 million people are victims of modern slavery. More than half of them are in forced labour. This figure may be conservative.

Modern slavery takes many different forms and involves the exploitation of people through trafficking, forced labour, debt bondage and other means. Companies often rely on external providers of goods, materials or services and incorporate these into their overall business operations. These providers constitute the supply chain of a company.

Supply chains can be complex - domestic or international. Many companies do not fully understand what their supply chain is, as any supplier may in turn have goods or services provided to it from third parties. Increasingly, modern slavery laws have recognised the economic power that companies have to influence human rights behaviours in their supply chains. These laws obligate companies to take certain measures to ensure that they are not indirectly supporting modern slavery through their supply chains. The measures differ by jurisdiction.

Modern Slavery laws are key to disrupting the exploitation of millions of men, women, and children engaged in the production of goods and services in the legitimate business sector.

## **How does modern slavery appear in supply chains?**

Supply chains can include factories, agricultural sites, storage facilities, call centres, mines, warehouses, shops or offices in the operations of a company or supplier, as well as in any part of the company's operations. Examples include: cobalt mines used for electrical appliances like laptops and cell phones; farms where workers pick crops for food products; cleaners provided to work in company premises; or warehouses where clothes are packed for distribution.

# What is Modern Slavery in Supply Chains (MSISC)?

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## **Obvious hallmarks of modern slavery include:**

- Physical or emotional abuse
- Workers without contracts or with dishonored contracts
- Large/disproportional recruitment fees
- Wages used to pay off “debt” or fees (debt bondage)
- Excessive or mandatory overtime
- Poor safety conditions or lack of protective gear
- No freedom of movement or association
- No identity documents or documents withheld by “employer”

## **What can parliamentarians do to address MSISC?**

It is now more important than ever that parliamentarians work to develop robust national laws to disrupt modern slavery and eliminate the exploitation of men, women and children in corporate supply chains. As parliamentarians, you have an opportunity to start this process in your jurisdiction.

Raising questions in debates, tabling amendments to existing legislation, proposing new legislation or launching constituency campaigns are all strong ways to raise awareness and strengthen laws. This resource document contains some best practice for doing these things. It is not a comprehensive guide.

# Existing Legislation to address MSISC

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Parliaments across the Commonwealth and around the globe have passed legislation addressing modern slavery in supply chains. The trend of national legislatures doing this appears to be accelerating as the magnitude of this global crime becomes part of investor, consumer, political and public concern. Here are a few examples that parliamentarians can consider in deciding how to implement new measures in their own legal systems.



## **Fighting Against Forced Labour and Child Labour in Supply Chains Act 2024 - Canada**

The most recent legislation in Canada requires all companies with \$40 million in revenue and over 250 staff to report on their supply chains annually.



## **Corporate Sustainability Due Diligence Directive 2023 - European Union**

The EU requires companies to perform due diligence on their supply chains, and engage CSOs and NGOs in this. Company purchase practices must support living wages and provide access to justice to survivors.



## **The Modern Slavery Act 2018 - Australia**

The Act requires companies in Australia with \$100 million revenue per financial year to report their supply chain structure, and how they mitigate risks of exploitation. The Parliament of New South Wales went further, reducing the threshold to \$50 million and creating the post of an Anti-Modern Slavery Commissioner.



## **The Modern Slavery Act 2015 - United Kingdom**

The Act applies to all UK companies and subsidiaries that have an annual turnover of £36 million, compelling them to conduct due diligence on their supply chains and release yearly statements on what they find.

# Existing Legislation to address MSISC

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## **California Transparency in Supply Chains Act 2010 - United States**

This Act mandated all retail sellers and manufacturers operating in the state of California with an annual worldwide gross turnover over \$100,000,000 to publish information about their supply chains, and audit suppliers to ensure they comply with the legislation.



# Best Practice for Strengthening Legislation

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Parliamentarians can also strengthen their modern slavery laws by amending existing legislation to make it as effective as possible in the disruption of modern slavery. This may be an easier and faster way to align legal systems against this global crime. For example, most Commonwealth Companies Acts can be powerfully aligned against modern slavery with the addition of about 50 words. Amending existing laws and creating new ones are not mutually exclusive, and legal jurisdictions can choose to do either or both. In either case, to have the best chance of making an important difference, **ideally, legislation should require:**



## 1. ACCOUNTABILITY

Creating or amending legislation to hold businesses to account for human rights issues in the supply chains with which they interact, puts the responsibility for human rights due diligence firmly in the hands of companies, their investors and directors.



## 2. TRANSPARENCY

Compelling companies to adopt responsibility for human rights due diligence will only be effective if businesses are also compelled to make the conditions of their supply chains fully publicly transparent. This can be done by enforcing regular mandatory disclosures which, once published, investors can use to hold their businesses to account for any exploitation found.



## 3. HARMONISATION

In the globalised economy, supply chains stretch across different sectors and jurisdictions. Therefore, ideally, supply chain legislation across the Commonwealth should be harmonised as much as possible and applied consistently across jurisdictions, ensuring that all supply chains and business operations are held to the same standards of accountability and due diligence.

A good start to this process would be aligning Company Law across jurisdictions to require modern slavery reporting from companies and their entire supply chain. Then, their directors would have to focus on the issue of exploitation in the supply chain as a whole.



# Best Practice for Strengthening Legislation

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## 4. COLLABORATION

To ensure that modern slavery legislation is effective, it must be developed with a range of different sectors and stakeholders involved. For example, working with: businesses whom the legislation will regulate; NGOs and CSOs who have the necessary knowledge to ensure the legislation addresses the relevant issues; survivors and children whose life experience informs how the legislation should treat people who are exploited; and across politics and parliaments to ensure that all communities have awareness of the issue. Without involving a wide range of stakeholders, the legislation might not protect the right people or target the root problem.



## 5. PROTECTION

While preventing modern slavery in supply chains is a key objective for legislation, where exploitation has occurred, it must also be effective in protecting survivors and ensuring they have access to justice.



## 6. SCRUTINY

Legislation should be consistently reviewed to ensure it remains effective, enforceable, and operates as intended: to prevent modern slavery in supply chains and protect survivors. Parliamentary enquiries or dedicated committees can perform the role of scrutinising the legislation to determine their effectiveness and propose changes to improve their performance if necessary. Independent commissioners can also be appointed to report on the operation of the legislation. However, the scrutiny function must be either cross-party or apolitical to ensure there is no bias in evaluating the performance of the legislation.

# Best Practice for Strengthening Legislation

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## Which legislation is most relevant?

Here are some key common laws which you can amend to address modern slavery in supply chains:

- **Company Law**
- **Director's Discipline Act**
- **Trafficking Act**
- **Health & Safety Legislation**
- **Trade Law**

## Barriers to Amending and Enforcing Legislation

- Lack of sufficient political will to pass/amend/enforce draft legislation in parliament or relevant legislation already in force.
- Lack of awareness among parliamentarians of which laws address modern slavery.
- Low public awareness of the issue and low reporting of exploitation to authorities.
- Survivors of exploitation can be disempowered and afraid to report their case to the authorities because they fear they may suffer a detriment.
- Insufficient funding for law enforcement and labour regulation means that exploitation may not be investigated or exposed.

# Guidance from Experts

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## 1. LOOK AT EXISTING LEGISLATION

- Identify areas in your legislation where a simple amendment could align it against modern slavery. Examples include: employment laws, immigration laws, taxation laws, company laws, directors disqualification laws, competition laws, criminal laws, trade laws, health and safety at work laws, supply chain laws, modern slavery laws etc.
- Work cross-party to ensure it is treated as a non-partisan issue.
- Identify which obligations you would like to see that your laws do not currently include.
- Look at laws in other jurisdictions to compare.
- Foster relationships with academia to build knowledge.
- Connect and consult with stakeholders.
- Start with the easiest place to get a relevant amendment - e.g. Company law. Consider whether you can amend an existing law or if you need a new one



## 2. CONSIDER DEFINITIONS

- Refer to the Palermo Protocol if you need to incorporate international definitions about what modern slavery is, as this will help with cross-border cooperation.
- Consider trafficking both domestically and internationally.
- Cover prevention, protection, prosecution, and partnership.



## 3. CREATE INCLUSIVE & EFFECTIVE LAWS

- Pursue a multi-lateral approach with other countries so no worker is left behind. Commonwealth legal systems are similar so this is very possible. The Commonwealth aligned on this issue could be a powerful force for good.
- Include survivors to ensure their lived experience is reflected in the legislation.
- Ensure investors are included to hold a company to account.
- Mandate companies to perform due diligence on their supply chains into public documents.



## 4. PROTECTION & ENFORCEMENT

- Protect whistle-blowers and survivors.
- Provide access to support and justice for survivors.
- Talk to law enforcement about how the laws can be used to properly prosecute perpetrators.
- Make sure there is punishment for non-compliance.
- Collaborate with stakeholders in the community to enforce laws.
- Require companies to report their findings annually.

# About CPA UK

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## Supporting and strengthening parliamentary democracy throughout the Commonwealth

CPA UK supports and strengthens parliamentary democracy throughout the Commonwealth. It focuses on key priority themes including women in parliament, modern slavery, financial oversight, security and trade.

CPA UK brings together UK and Commonwealth parliamentarians and officials to share knowledge and experience through peer to peer learning. It aims to improve parliamentary oversight, scrutiny and representation and is located in, and funded by, the UK Parliament. .



## Building Stronger Parliaments and Advancing Democracy

CPA UK's core work is to build relationships with parliaments across the Commonwealth. This is achieved through a programme of parliamentary strengthening and capacity building activities.

CPA UK undertakes work at the request of other parliaments around the Commonwealth, and our tailored programmes include both individual country activities, and large scale projects and activities that bring together Commonwealth parliamentarians and clerks.

**For more information about our work and activities, please visit our website: [uk-cpa.org](http://uk-cpa.org)**

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