
Human Rights and Global Supply Chains

By Tim Wright

Fashion retailers need to be vigilant to prevent human rights abuses in their supply chains whilst complying with their legal obligations.

The UK's Parliamentary Joint Committee on Human Rights is investigating human rights and business. It wants to know if fashion retailers can ensure that human rights abuses do not occur in their supply chains and is particularly concerned about the use of child labour.

Work of the Joint Committee

The Joint Committee on Human Rights consists of twelve members (drawn from the House of Commons and the House of Lords) appointed to examine matters relating to human rights within the United Kingdom. The Committee's work includes scrutinising every Government Bill for its compatibility with human rights, including:

- Rights under the European Convention on Human Rights (enshrined in English law by the Human Rights Act 1998)
- Common law fundamental rights and liberties
- Human rights contained in other international obligations of the UK

The Committee can also conduct thematic inquiries on subjects of its own choosing and seek evidence from a wide range of groups and individuals with relevant experience and interest.

Ahead of a recent hearing, Committee Chair Harriet Harman said:

"No one wants to be wearing clothes made by child labour, or slave labour. UK companies need to have high standards abroad as well as here at home."

Committee Hears Evidence

In evidence before the Joint Committee hearing on 25 January 2017, Next plc, the UK-headquartered fashion retailer, said that it had uncovered eight instances of children working in its factories abroad last year. The cases were said to be isolated cases (children had been working for only a short time, such as a

“holiday job”) rather than systemic abuses of child labour, but all they involved small numbers of children found working in overseas factories that supplied the group in clear breach of its code of practice.

You can watch the evidence given by Next as well as other leading fashion retailers including Mulberry, Marks & Spencer, and Asos [here](#).

Caught Undercover

Separately, Channel 4 programme *Dispatches* recently found, in an undercover investigation, that some UK textile workers are being paid less than half the minimum wage in Britain to make clothes for high street chains such as River Island and New Look. The programme revealed one UK-based factory boss as saying that his factory couldn't pay more as it was in direct competition with Bangladesh and China. A spokesman for River Island subsequently said that the factory in question had been struck from its approved list following two failed audits; New Look said that an approved supplier had subcontracted to the factory without its knowledge or consent, and that it subsequently terminated its contract with the supplier.

You can watch the *Dispatches* programme [here](#) for a limited time (viewable in UK only).

The Modern Slavery Act

As Home Secretary, Theresa May (now of course Prime Minister) brought into force the UK's Modern Slavery Act of 2015 (**the Act**), the first legislation of its kind in Europe, and appointed the UK's first Anti-Slavery Commissioner. Writing about the Act for a Sunday newspaper, Mrs May, said:

“It has ... delivered enhanced protection and support for victims and a world-leading transparency requirement on businesses to show that modern slavery is not taking place in their companies or their supply chains.”

Annual Slavery and Human Trafficking Statement

Under Section 54 of the Act, commercial organisations with a global turnover of more than £36 million must publish an annual slavery and human trafficking statement for each financial year ending on or after 31 March 2016. Home Office guidance describes how each statement must state the steps taken to ensure that human trafficking is not taking place in its supply chains and businesses. Alternatively, the organisation may state that it has taken no such steps—the aim being to cause businesses to be transparent about their efforts to tackle modern slavery and human trafficking.

“The requirement to publish an annual statement applies to businesses, charities and other organisations which meet the global turnover threshold, wherever they are incorporated, provided they carry on a business or part of a business in the UK. Publication should be on the entity's website (if it has one) where it should be given suitable prominence either on the home page itself or via a drop-down menu accessible on the home page.” —Tim Wright

If an organisation fails to publish the statement, the Secretary of State can bring an injunction compelling it to do so; backed up by the threat of a contempt of court order, punishable by an unlimited fine.

CORE, the UK civil society coalition on corporate accountability, published a summary of its findings on the first 75 slavery and human trafficking statements in March last year—CORE's registry of anti-slavery statements can be accessed [here](#).

Other Steps that Businesses Should Be Taking

These include:

- Publish or update an anti-slavery and human trafficking policy
- Review policy on whistle-blowing
- Make training available across the organisation—induction and ongoing
- Identify management-level responsibility
- Review and adopt/adopt available tools, such as the [ILO-IOE Child Labour Guidance Tool for Business](#) and the [UNICEF Children's Rights and Business Principles](#).
- Conduct supply chain due diligence—existing and new supplier base
- Carry out appropriate risk assessments including country and sector specific risks
- Introduce key performance indicators and reporting
- Review existing supply chain contracts, seeking appropriate warranties and other contractual protections where needed

If you have any questions about the content of this alert, please contact the Pillsbury attorney with whom you regularly work, or the author below.

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