

22 November 2021

Ms Sarah Munby
Permanent Secretary for the Department for Business, Energy and Industrial Strategy

By email: permanent.secretary@beis.gov.uk

Dear Sarah

I am writing in my capacity as the Independent Anti-Slavery Commissioner, a statutory provision of the Modern Slavery Act 2015. My UK-wide remit is to encourage good practice in the prevention, detection, investigation and prosecution of modern slavery and human trafficking offences and the identification of victims.

Today, I am seeking reassurance that your department is taking adequate measures to stop goods that are made from forced labour, and subject to international import bans, from entering your department's supply chains.

Public procurement is an important area where governments can demonstrate leadership in tackling modern slavery. I welcome this government's commitment to extending Section 54 of the Modern Slavery Act to cover reporting to the public sector, and the leadership that your department is showing by publishing its own modern slavery statement ahead of new legislation.

However, I would like to draw your attention to a series of withhold release orders (WROs), or import bans, that the USA has placed on goods that are made under the conditions of modern slavery or forced labour.

Under section 307 of the 1930 Tariff Act, the US government prohibits the importation of any product that was mined, produced or manufactured wholly or in part by forced labour. Companies have 90 days to provide evidence that these issues have been addressed, or risk bans on future shipments.

Withhold release orders can force dramatic turnarounds in corporate behaviour, as was recently demonstrated in Malaysia's disposable glove manufacturing sector. Decades of traditional audits had failed to make any lasting impression, but a series of WROs and investigations by the US Customs and Border Protection (CBP) agency, watched closely by investors and stock exchanges, triggered improvements at an unprecedented pace. Over the past year, the four major Malaysian glove manufacturers have not only improved working conditions but have also repaid more than 20,000 workers an estimated US\$100 million in costs and recruitment fees. The speed and scale of reform has surprised the most seasoned experts in the sector.

WROs are not perfect, nor are they the sole answer to the endemic problem of forced labour. But, based on credible evidence and investigations, they can be a powerful accelerator for change. Nevertheless, without international harmonisation there is a high risk that banned goods will be diverted to nations that are taking a less robust stance, such as the UK.

In October 2021, CBP issued a WRO against Malaysian glove producer Supermax. Responding to this event, Lord Alton of Liverpool asked the UK government what assessment they have made of alleged

labour abuses by the company; how many of the company's products they had purchased, and the cost of those purchases.

I was disturbed by Lord Kamall's response that government had placed an order with Supermax in July for 135 million gloves at a cost of £7.9 million. Despite his reference to safeguards to terminate a contract in the event of substantiated allegations against a provider, no actual termination of the Supermax contract nor practical safeguarding measures were mentioned.

Consequently, I am concerned that the UK government may have other contracts with companies producing, handling or supplying goods that are subject to WROs. Overleaf is a list of the most recent and relevant WROs against products that have a high likelihood of entering the UK, including palm oil, PPE, tomatoes, tech products, textiles and apparel.

I would ask that you share this list with your procurement teams and enquire whether they have let contracts with suppliers, producers or importers of goods that are in whole, or in part, produced by these companies. And, if so, what steps are they taking to work with the businesses to address modern slavery concerns.

As the UK prides itself on leading the anti-slavery agenda, it is vital that government upholds this commitment by sending a strong warning to unscrupulous producers and importers.

I look forward to receiving your response. In the interests of transparency, please respond in a way that enables me to publish your letter on my website.

Yours sincerely,



Independent Anti-Slavery Commissioner

DATE	Company/Area	Products	Application	Status
CHINA				
23.06.21	Hoshine Silicon Industry Ltd and subsidiaries	Silica-based products	Applies to silica-made goods made by Hoshine and subsidiaries, as well as materials and final goods made from or using those products, regardless of where those products are produced	Active
13.01.21	China's Xinjiang Uyghur Autonomous Region (XUAR)	Cotton, tomatoes and downstream products	Applies to products produced in whole or in part in the XUAR region, as well as downstream items produced outside the region	Active
30.11.20	Xinjiang Production and Construction Corporation (XPCC) and subordinates	Cotton and cotton products	Applies to all products produced by XPCC, its subsidies and also any goods made in whole or part derived from that cotton, including apparel, garments, textiles	Active
08.09.20	Hefei Bitland Information Technology Co Ltd	Computer parts	CBP statement: "information reasonably indicates that Hefei uses both prison and forced labour to produce electronics"	Active
08.09.20	Xinjiang Junggar Cotton and Linen Co, Ltd in the XUAR region	Cotton and processed cotton	CBP statement: "information reasonably indicates that this entity and its subsidiaries use prison labour in their raw cotton processing operations"	Active
03.09.20	Yili Zhuowan Garment Manufacturing Co., Ltd. and	Apparel	CBP statement: "information reasonably indicates that these entities use prison and forced labour." CBP identified forced labour indicators include restriction of movement, isolation, intimidation	Active

DATE	Company/Area	Products	Application	Status
	Baoding LYSZD Trade and Business Co Ltd		and threats, withholding of wages, and abusive working and living conditions.	
25.08.20	No. 4 Vocational Skills Education Training Center (VSETC), XUAR	All products	CBP statement “information indicates that this “re-education” internment camp...is providing prison labour to nearby entities in Xinjiang.” CBP identified forced labour indicators include highly coercive/unfree recruitment, work and life under duress, restriction of movement	Active
MALAYSIA				
04.11.21	Smart Glove group (including GX Corporation Sdn Bhd, GX3 Specialty Plant, Sigma Glove Industries, and Platinum Glove Industries Sdn Bhd)	Disposable gloves	Seven ILO indicators of forced labour found during CBP’s investigation	Active
21.10.21	Supermax Corporation and subsidiaries (Maxter Glove Manufacturing Sdn Bhd, Maxwell Glove Manufacturing Bhd and Supermax Glove Manufacturing)	Disposable gloves	Ten of 11 ILO forced labour indicators found during investigation	Active

DATE	Company/Area	Products	Application	Status
30.12.20	Sime Darby Plantation Berhad and subsidiaries and joint ventures	Palm oil and palm oil products	All 11 ILO forced labour indicators were found in its production process (palm oil is found in cosmetics, processed foods, biodiesel, soaps)	Active
30.09.20	FGV Holdings Berhad, subsidiaries and JVs	Palm oil and palm oil products	As well as many forced labour indicators, there is also evidence of forced child labour used in the production process	Active
15.07.20	Top Glove Corporation Bhd	Disposable gloves	WRO lifted 09.09.21 – WRO modified after CBP review, finding that TG had addressed all 11 forced labour indicators in its facilities – including \$30 million in remedial payments to workers	Inactive
30.09.19	WRP Asia Pacific Sdn Bhd	Disposable gloves	WRO lifted on 24.03.20 – CBP reviewed evidence and found that the company was no longer operating forced labour conditions	Inactive



Department for
Business, Energy
& Industrial Strategy

Sarah Munby
Permanent Secretary
Department for Business, Energy & Industrial Strategy
1 Victoria Street
London
SW1H 0ET
Permanent.secretary@beis.gov.uk

Dame Sara Thornton DBE QPM
Independent Anti-Slavery Commissioner
5th Floor, Globe House
89 Eccleston Square
London
SW1V 1PN

06 Jan 2022

Sent via email to: shelley.perera@iasc.independent.gov.uk

Dear Sara,

Thank you for your letter dated 22 November 2021, regarding the work BEIS are doing to prevent goods made using forced labour from entering our supply chain. We take our responsibility to eradicate Modern Slavery very seriously and below we set out the steps we have taken to date, and our current plans to further our efforts in this area.

In November 2021 BEIS, along with other UK ministerial government departments, voluntarily published our first annual modern slavery statement, setting out how we are preventing modern slavery in our operations and supply chains. This statement built on the UK government modern slavery statement, published in 2020, and provides more granular detail about the steps BEIS is taking to tackle modern slavery. The BEIS modern slavery statement can be found [here](#).

Our statement outlines the steps that BEIS is taking to understand the risk of modern slavery in our supply chain, and how we are reducing and removing that risk. In addition to adopting the government developed Modern Slavery Assessment Tool (MSAT) across our largest and operationally critical contracts, BEIS has developed additional support and guidance for commercial practitioners to help them understand the inherent risk in their supply chains right from the outset of a procurement activity. We are also continuing to utilise the resources available through the Government Commercial College and other learning and development support to upskill our commercial teams.

Critically for our future plans of tackling modern slavery, BEIS has appointed our Commercial Director as our Anti-Slavery Advocate to lead and provide strategic oversight of BEIS' efforts. In addition, BEIS Commercial have, in November 2021, appointed a dedicated Head of Sustainable Procurement & Commercial Policy, whose responsibility it is to develop our approach to tackling modern slavery, including developing the necessary knowledge, skills and tools to support our commercial team.



In your letter, you reference the US' Withhold Release Orders and Findings List process. A review of our spend data since the start of FY19/20 shows no direct spend relationships with any of the organisations listed. In our published modern slavery statement, we highlight that 99% of BEIS tier 1 suppliers are UK based with the remaining 1% either USA or European. While this means that the BEIS supply chain is comparatively lower risk, we are not complacent in our responsibilities to eradicate modern slavery and we continue to deploy a risk-based approach to our supplier relationships that will enable us to begin mapping our supply chains. This will improve our visibility over time and enable us to make targeted interventions if we find issues.

It is worth noting, the evidence the US government uses to issue Withhold Release Orders (WROs) related to forced labour is not publicly available due to the commercially sensitive and criminal nature of these investigations. The WROs issued by the US government are made under a different legal framework, governing law and jurisdiction and therefore do not apply in the UK. However, we appreciate that the US' Withhold Release Orders and Findings List does indicate modern slavery risks may be present in companies named in that list and that this list could be a useful data source to inform modern slavery risk assessments of contracts. The Home Office and Cabinet Office provide departments with guidance and tools to support them to conduct modern slavery due diligence, and the US' Withhold Release Orders will be considered in future guidance.

I hope this provides you with the assurance that BEIS takes its role in tackling modern slavery seriously. We continue to evolve our thinking and practises in this critical area, and we value the positive working relationships that we have with other ministerial departments to share best practise and insight to eradicate modern slavery in our supply chains.

Yours sincerely

Sarah Munby
Permanent Secretary
Department for Business, Energy & Industrial Strategy