

22 November 2021

Ms Bernadette Kelly CB  
Permanent Secretary at the Department for Transport

By email: [bernadette.kelly@dft.gov.uk](mailto:bernadette.kelly@dft.gov.uk)

Dear Bernadette

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
<b>CHINA</b>				
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

<b>DATE</b>	<b>Company/Area</b>	<b>Products</b>	<b>Application</b>	<b>Status</b>
	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
<b>MALAYSIA</b>				
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

<b>DATE</b>	<b>Company/Area</b>	<b>Products</b>	<b>Application</b>	<b>Status</b>
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 Transport

From the Permanent Secretary

**Dame Sara Thornton DBE QPM**  
[Sent by email]

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20<sup>th</sup> December 2021

Dear Dame Sara Thornton,

## **Mitigation of Modern Slavery in Supply Chains**

Thank you for your letter dated 22 November 2021.

I strongly agree that government's approach to procurement should be geared towards helping to eradicate modern slavery. For the first time ever the Department for Transport ([DfT](#)), like other government departments, has voluntarily published an annual modern slavery statement setting out how we are preventing modern slavery in our operations and supply chains. This statement builds on the [UK government modern slavery statement](#), published in 2020.

The DfT Group, which includes its Agencies and Arm's Length Bodies (ALBs), is working collaboratively to tackle modern slavery in supply chains. A DfT modern slavery working group was set up in 2020, to help embed modern slavery policies and share best practice.

DfT has invited a number of suppliers to complete the Modern Slavery Assessment Tool (MSAT), including our 15 top strategic suppliers. The number of MSAT assessments are likely to increase as we seek assurances from our suppliers on the policies and procedures they have in place to help protect their workforce. Our Modern Slavery Statement captures the work undertaken to date and commits us to making further progress.

We continue to raise awareness and build knowledge of modern slavery throughout the DfT Group, through training opportunities and events. DfT also continues to highlight the importance of this work with its suppliers, using events as a platform to remind suppliers of the government's commitment to mitigate modern slavery in supply chains and to provide

You ask that my Department does not contract with companies which are subject to a Withhold Release Order (WROs) issued by the US government. The WROs issued by the US government are made under a different legal framework 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 that may be present in companies and that this is an important data source to inform modern slavery risk assessments of contracts. I can confirm that the US' Withhold Release Orders will be considered in future guidance and in my department's governance and decision-making.

More specifically, I can also confirm that DfT has no direct contracts with the businesses on the list of companies attached to your letter.

DfT continues to risk assess both new and existing contracts. Where existing contracts are risk assessed as medium/high-risk we will invite the suppliers to complete MSAT and work with suppliers to address any risk areas. For new contracts assessed at the same rating, we are ensuring that appropriate provisions are included within the contract. This includes asking the suppliers of new contracts (valued over £1million) which are deemed medium or high risk to submit their supply chain map within 3 months of contract award.

I hope this is helpful.

Yours sincerely,

A handwritten signature in black ink that reads "Bernadette Kelly". The signature is written in a cursive style with a long, sweeping tail on the final letter of the last name.

**Bernadette Kelly CB**  
**Permanent Secretary**