

22 November 2021

Mr Jim Harra CB  
First Permanent Secretary and Chief Executive

By email: [perm.secs@hmrc.gov.uk](mailto:perm.secs@hmrc.gov.uk)

Dear Jim

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



HM Revenue  
& Customs

**Jim Harra**  
**Chief Executive & First Permanent Secretary**

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**By email only.**

13 December 2021

Dear Dame Sara,

Thank you for your letter of 22<sup>nd</sup> November.

The UK has been at the forefront of international efforts to eradicate modern slavery. HMRC is committed to supporting the government's aim to eradicate modern slavery from the domestic and global economy.

On 25<sup>th</sup> November we published HMRC's first modern slavery statement outlining the measures in place to safeguard against modern slavery within our own supply chains and plans for further improvement. Measures include the provision of training to raise awareness of the risks of modern slavery, and the use of the modern slavery assessment tool to identify risks with our suppliers and supply chains. It also describes how, through our broader work on tax and national minimum wage compliance, we protect vulnerable workers.

The prevalence of this crime and the complexity of global supply chains means that no supply chain is immune from risks of modern slavery. We can assure you we will continue to assess how we procure and manage contracts in a way that reduces modern slavery risks, and we recognise that there will be more to do.

Thank you for drawing our attention to a series of Withhold Release Orders (WROs), or import bans, that the US government has placed on goods that are made under the conditions of modern slavery or forced labour. We have reviewed the list and the HMRC Commercial team can verify that there have been no direct purchases with any of the companies that are subject to current WROs within the last 5 years.

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 we have been informed that the US Withhold Release Orders will be considered in future guidance to inform modern slavery risk assessments.

Yours sincerely,

**JIM HARRA**  
**CHIEF EXECUTIVE & FIRST PERMANENT SECRETARY**