



Joint Committee on Human Rights

Uncorrected oral evidence: Forced labour in UK supply chains (HC 633)

Wednesday 19 March 2025

2.25 pm

Watch the meeting

Members present: Lord Alton of Liverpool (The Chair); Lord Dholakia; Baroness Lawrence of Clarendon; Lord Murray of Blidworth; Peter Swallow; Sir Desmond Swayne.

Questions 32 - 49

Witnesses

I: Katharine Bryant, Director of Operations, Walk Free; Chris Hewett, Co-Chair, Solar Taskforce; JJ Messner de Latour, Sector Lead, Purchasing, Initiative for Responsible Mining Assurance (IRMA); John Morrison, CEO, Institute for Human Rights and Business.

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Examination of witnesses

Katharine Bryant, Chris Hewett, JJ Messner de Latour and John Morrison.

Q32 **The Chair:** I would like to welcome you to the 13th meeting of the Joint Committee on Human Rights. As the name implies, our remit is to examine human rights in the context of United Kingdom citizens and those resident in our country. We comprise six Members of the House of Commons and six of the House of Lords, and are drawn from different political parties and none, so we are bicameral and also bipartisan. The committee was first established in 2001 in the aftermath of the incorporation of the European Convention on Human Rights into UK law, which happened with the passage by Parliament of the 1998 Human Rights Act.

We also take an interest in our compliance with UK legislation that can directly impact human rights. The 2015 legislation on modern slavery is a good example but, currently, we are holding sessions, including a round table last week, on the Mental Health Bill and are examining its provisions. We also carry out thematic inquiries such as this one. We are currently looking at transnational repression, the failure to bring to justice UK citizens involved in genocide in Iraq and the use of forced labour in supply chains, which sell goods made by modern-day slaves on our high streets and in our shops. Today we are returning, with the help of our witnesses, to that question.

We have four witnesses today, who will explore the challenges of forced labour in supply chains linked to the green energy transition and test the readiness of the sector in managing those risks. Parliament is currently debating whether solar panels and other green technology made by Uyghur slave labour in China's Xinjiang province, where the House of Commons has declared a genocide to be under way, or lithium and cobalt mined in the DRC by child labour should legitimately be a part of our green transition.

The committee will hear from experts in solar energy and critical mineral mining, alongside senior leaders in the field of business and human rights who are working to develop and promote solutions that consider industry needs, achieve the Government's stated aims of eradicating forced labour in supply chains and identifying where there are opportunities for greater ambition.

We will hear today from Mr Chris Hewett. He became Solar Energy UK's chief executive in 2018 and is co-chair of the UK Government's Solar Taskforce. Previously, he was head of climate change for the Environment Agency, an associate at Green Alliance and a senior research fellow at the Institute for Public Policy Research. At Solar Energy UK, Chris oversees a community of more than 400 member companies working in solar and energy storage in the UK.

Ms Katharine Bryant is an anti-slavery advocate with over 15 years' experience in the sector. She is director of operations at Walk Free, an

international human rights organisation committed to the eradication of modern slavery. She leads a multidisciplinary team that engages with government, business, faith and civil society groups to drive systems change and reduce vulnerability to exploitation. Ms Bryant is co-author of the Global Slavery Index, the world's most comprehensive data set on modern slavery, and numerous other research publications.

We will also hear from Mr Messner de Latour, who is the sector lead for purchasing at the Initiative for Responsible Mining Assurance, or IRMA. He supports the responsible mineral-sourcing objectives of downstream purchasers, collectively representing around some \$2 trillion in annual revenues. He previously led responsible mineral sourcing and traceability for Microsoft devices and was responsible for Microsoft's supply chain objectives associated with raw material sourcing.

Mr John Morrison is with us. He is the chief executive of the Institute for Human Rights and Business. It was established in 2009 as an international impartial centre of expertise, working with Governments, business and civil society in all global regions and holds ECOSOC consultative status at the United Nations. He works with the World Economic Forum on the Global Data Partnership Against Forced Labour, which was launched at Davos in January.

Let me pitch the first question before turning to my colleagues. The aim of the first question is to set the scene and for our panellists to enlarge on the work of their organisations that I have referred to. Does the green energy transition present heightened risks of exposure to forced labour in supply chains?

John Morrison: Yes is the short answer, for a number of reasons: where the supply chain is; the securitisation and security-related factors; and the speed of transition and the incentives for quick transition. Those present heightened risks. Added to that is that most green energy companies are not part of the transparency and traceability initiatives that have developed over the past 20 or 30 years in mining and other sectors. There has not yet been a culture of that in the industry. In terms of things such as the Modern Slavery Act in the UK, too often I hear, "We do not have this in our supply chain". That is true of business more generally.

The risk of forced labour is in almost every supply chain that I look at around the world, not just in green energy but in other sectors. The question is not whether it is there; the question is what you do about it. We would like to see collective action, building leverage and better legislation, which we can come on to. There are definitely some particular risks associated with the green energy transition.

The Chair: We certainly will want to delve deeper, especially around legislation, as the committee session continues.

Katharine Bryant: The answer from us is also yes. Across all supply chains globally, there is a risk of forced labour, particularly in the

renewable energy supply chain. Critical minerals such as cobalt, lithium and rare earth elements such as polysilicon are all associated with forced labour, but are also essential for any renewable energy technologies, such as electric vehicle batteries, solar panels and wind turbines. We know that these are fundamental to the UK green energy transition. There is also going to be an increasing demand for these minerals as time goes on.

We have already heard from Mr Morrison that there is an increased risk in these supply chains, but we have also seen that current company responses and legislative responses are insufficient to guarantee that there is no risk occurring.

Chris Hewett: I would challenge whether the green energy transition subjects the economy to greater risks of forced labour. We have to compare ourselves to the existing energy status quo. We know that some of the countries from which oil and gas come do not have strong human rights records.

To the point made earlier, yes, there are risks in the solar supply chain. Those risks were brought to our attention in 2021 by a Sheffield Hallam University report, with which I am sure you are familiar. We immediately invited the author of that report to present to our members, as you mentioned earlier, via a webinar. There was a widespread disturbed reaction. A lot of people were very shocked that this would happen in our industry.

A lot of intense work went on by us and Solar Power Europe to look at what we could do to reduce this risk as quickly as we could. That is why we have established the Solar Stewardship Initiative, which is hopefully catching us up in terms of addressing some of these risks with other sectors. That is now established. It is a multi-stakeholder organisation, so the board no longer has majority industry representation on it. There is a traceability standard with audits and third-party assessments. The stringency of those assessments is going to increase year on year—it is a real ratchet.

We have 60% of global solar manufacturing in that membership now. There is a real commitment from the major players in the industry to take this forward, but I am sure we will get into the details of how it works later.

The Chair: I am sure we will, but thank you for setting the scene so well.

JJ Messner de Latour: I echo my fellow witnesses by saying, yes, there absolutely is a risk. I would build on what Mr Morrison said in terms of there being risk in every supply chain. That is true. The one difference with minerals is that you do not get to choose where you source them from. The minerals are where they are, in the concentration that they are in, of the quality that they are and with the ease of recovery that they have, irrespective of the human rights records of the countries in which they are found. That adds an additional complexity.

Given the green energy transition, we are faced with both an opportunity and a problem of urgency. We all collectively feel the urgency to pursue the green energy transition, given where we are in terms of the climate. However, there is a risk that with that sense of urgency comes a temptation to cut corners. That temptation is what could potentially get us in trouble, if we subordinate considerations about human rights in the supply chain to the interests of rapid scale-up. It is true that, over the next three to four decades, we anticipate the need to mine more minerals than have been mined in human history. Given that speed and urgency, the concern is that, without proper oversight and without proper considerations, we will expose ourselves to greater risk than is necessary.

Q33 Sir Desmond Swayne: Is there, available for me to buy in the UK, a solar panel that is entirely free from forced labour, including the minerals that make it up? If there is, how would I be sure?

Katharine Bryant: It is not possible to buy solar panels free from forced labour in the UK, or at least it is very difficult to guarantee that they will be free from forced labour.

This is for three reasons. It is largely because of opaque and very complex global supply chains associated with solar panels, as well the association with particular regions, such as the Xinjiang region in China. The third reason is around the fact there is inadequate regulation, which has led to poor business responses to these issues.

To drill into those first two points about complex supply chains and the regions from which we are sourcing at the moment, we know that polysilicon is essential to the production of solar panels and roughly one-third to half of polysilicon comes from the Xinjiang region in China. We know that there are huge human rights violations, abuses and systemic abuse leading towards genocide occurring in the Uyghur populations and other Turkic and Muslim-majority peoples in Xinjiang. It is very difficult for us to guarantee that anything coming from that region is not tainted by forced labour, including state-imposed forced labour.

We also know that China has done a lot to move away from focusing just on Xinjiang, but any solar panels that come from China, which is roughly 90% of all solar panels in the world, will be affected by some of the state-imposed forced labour or other forced labour that is occurring. There is also evidence of people being forcibly removed from Xinjiang to work in factories in other regions.

Outside of China, the main producers of solar panels are the United States, Germany and Malaysia, but Chinese polysilicon manufacturers will always have significant advantages over those in terms of access to raw materials, cheap electricity and the cheap labour costs associated with forced labour. Therefore, we believe all solar panels coming from China are likely to be impacted by some elements of state-imposed forced labour.

There have been some improvements in recent years. In the US, the Uyghur Forced Labor Prevention Act, which I am sure we will talk about a bit later on, has led to some diversification within supply chains, but it is very difficult to guarantee that.

From our research at Walk Free, we produce the Global Slavery Index, which you mentioned in the introduction, and we also have a project called Beyond Compliance, which assesses the statements being produced by various sectors in the UK under the UK Modern Slavery Act and the Australian Modern Slavery Act. Last year, we did a report into the renewable energy sector and the electronics sector. We found that less than 5% of companies reporting under that legislation disclosed that they were doing anything to restrict sourcing from regions that are associated with forced labour and state-imposed forced labour.

Not only is there this issue, but we are also seeing that the governance and regulation is not in place to prevent that from happening and companies are not acting in line with that as well.

Chris Hewett: The Solar Stewardship Initiative, which was conceived of only in 2021, came into force in 2023. We now have a traceability standard and an ESG standard, both of which are in force, with audits starting to happen. That is now in place. I hope that a lot of what we are doing is addressing some of the research that was done a few years ago.

It is true that around 35% of initial quartz and polysilicon is from Xinjiang, but that is declining. You have to remember that 50% of all solar is deployed in China. We cannot control what goes on in China; we are trying to control what comes to the whole of the European market, alongside the work that is going on in the States.

To get hold of that standard—to have an SSI badge, if you like—you have to submit yourself to audits. Those audits are independent and unsupervised. If access to a site is refused without supervision, you will not get the SSI certification. We believe that this will start to demonstrate that the panels you can buy in the UK and the rest of Europe are free of forced labour.

This is the beginning. We are increasing the number of audits year on year. That is going to continue to increase until we trace as much of the supply chain as we possibly can. That is going to take a while, but any company that is signed up to this process is committing to that ratchet. If they drop out now, it will look extremely bad to consumers and the industry. That is what the SSI is delivering.

The investors and purchasers, particularly the large purchasers of solar panels in the UK, do their own due diligence. They all have pension funds behind them and serious ESG professionals who are looking into this. They are all doing due diligence too. Increasingly, we are able to do due diligence back to the mine. I say “back to the mine” because it is important to understand that the risks exist in quartz mining and the initial processing of polysilicon; it is not in the manufacture of solar

panels. Frankly, a solar panel factory hardly has any labour at all. It is all automated. You will not see that sort of risk in that bit of supply chain, but you do see it in the extraction business.

We now believe that we are in a position where the vast majority of the European market is basically diverting supply chains to different parts of China. We take on board the fact that some of those forced labour issues may also be migrating. That is the sort of thing that our audits will be looking out for.

There is quite a long way to go to being on top of this in the European market. The States has its own legislation as well. We were perhaps slow to join this world of due diligence. There was due diligence, but it was not as good as it should have been. If you look at other supply chains—the other members of the panel will be involved in other supply chains around the world—that sort of transparency initiative usually takes seven to 10 years to get into place. From a standing start in 2021, we have delivered something in 2025 that is delivering that traceability. We think we have gone a long way to solving this problem.

Sir Desmond Swayne: What happens if a company has several sites? I understand your accreditation requires the audit of up to two sites. What happens if they have more?

Chris Hewett: Initially it is two. That is so we can make sure that all these audits are robust and are done properly. Next year, it will be more; the year after, it will be more. There is a ratchet. At the moment, you could say, “It will be diverted somewhere else”, but there will be more and more. If any company drops out, they know that they will have significant problems in the UK market and the European market.

Q34 **Lord Murray of Blidworth:** I have a very quick question. In the four years since you set up the scheme, have you noticed any changing behaviour from the manufacturers to remove forced labour from their supply chains?

Chris Hewett: We have seen a lot of hard work to demonstrate the traceability back to the mine. When we first started this, there were plenty of people saying to us, “You are never going to find that out. The polysilicon is mined in this part of the country. How the hell are you going to find out which panel it has gone into?” That process has accelerated really quite quickly. We are increasingly confident that that traceability is robust and will get more robust as time goes on.

The Chair: I have to suspend this meeting of the committee because a Division has been called in the House of Commons. We will resume as soon as our members from the House of Commons are able to return to the committee.

Sitting suspended.

Q35 **The Chair:** I call the committee back to order. We are expecting more votes in the House of Commons, so forgive us if we have to suspend

again. I am keen that our witnesses should continue with the answers they were giving to Sir Desmond Swayne and Lord Murray before we suspended.

I particularly wish to ask about other sources of solar panels. You were saying that 10% do not originate from China. Which democracies are doing something to fill this? Is it places such as the Republic of Korea? Is it true that Germany is rebuilding plants so they do not have to be reliant?

Reliance is the other thing that I want to ask about. How wise is it for a country such as the United Kingdom to become reliant on totalitarian regimes and dictatorships in its energy supplies? Is that something else that you give consideration to? After all, these are countries that stand accused, as Russia was at the beginning of the conflict in Ukraine, of serial human rights violations, which is the major preoccupation of this committee.

Katharine Bryant: As I mentioned, the other producers outside of China are, according to the information we have, the United States, Germany and Malaysia. Despite some diversification of the supply chain, those risks are higher because the majority of solar panels are still coming from China.

There is always a competitive advantage for Chinese polysilicon production because, ultimately, it is able to undercut other market leaders by having access to raw materials, cheaper electricity and cheaper labour costs through the use of state-imposed forced labour. Those are the concerns that we still have.

The Chair: Does that involve concerns around the Convention on the Rights of the Child, for instance? Are some of those mines in places such as the Democratic Republic of the Congo owned by China?

Katharine Bryant: I am not 100% sure on whether there are Chinese-owned mines in the DRC. I will defer to my other witnesses on that.

The Chair: I think Mr Morrison is indicating that there are.

John Morrison: Yes, there are.

Katharine Bryant: We know that over 70% of the world's cobalt is produced in the Democratic Republic of the Congo. These are often informal, artisanal mines that are often associated with human rights abuses and severe labour abuses, including forced and child labour, as you mentioned. These often have extremely hazardous working conditions as well as being rife with exploitation.

Engineering for renewable energy also relies on conflict minerals such as tin, tungsten and tantalum—the three Ts. These are also sourced from the east of the DRC. These regions often face political instability, violence and human rights abuses. Certain associations with tech companies have

been widely publicised. In December, Apple was accused of sourcing from mines that are complicit in human rights abuses. We know that those companies are not doing enough to respond to this as a result.

Chris Hewett: Can I jump in on the point about China? We really have to be careful about distinguishing between doing business with China, which is something that pretty much every sector in the economy does, and ensuring that forced labour practices are rooted out and that they are not in the supply chain for any of our products. That is a really important distinction to make.

If we do not power our future with renewables, we will continue to power it with fossil fuels. To put to one side the climate change arguments, the sources of fossil fuels—whether Russia, Saudi Arabia, Venezuela, Qatar or the UAE—all have very serious human rights questions hanging over their regimes. We are doing trade with those nations on a daily basis. We want to be scrutinised as closely as possible as a sector. We ask that every other sector, particularly our competitors in the energy sector, are afforded the same scrutiny.

The Chair: This comes back to something I asked earlier on about whether it is reasonable to bracket a country that is accused by the House of Commons of committing genocide with countries where there are violations of human rights. There are questions of degree.

John Morrison: We always have to weigh all this up against the human rights implications of not getting to net zero by 2050. None of this should slow the pace of transition. The human rights implications of the world reaching a state of uncontrollable warming are unimaginable. That is part of it.

I also challenge us to think about how we could get there without some Chinese involvement. China is so dominant in the renewables field at the moment and will be at least for the foreseeable future. This does not excuse anything, but we should also be looking at the leverage that we might or might not have in relation to China.

The Chair: Thank you very much. The bell is ringing again, which means there is another Division in the House of Commons.

Sitting suspended.

The Chair: We are reconvening after a further Division in the House of Commons.

Q36 **Lord Dholakia:** My question is directed to Mr Morrison. Are the Government doing enough to reduce the risk of forced labour in the green energy transition? Are they supporting responsible business decision-making? What more can be done?

John Morrison: Thank you for the question. The answer is no. There is quite a lot more that the Government could be doing. At the moment,

there is a bit of an omertà around the systemic nature of many of these risks.

I would like to see the British Government getting involved with industry and civil society and having an open discussion around the systemic nature of forced labour risks, whether it be in China or elsewhere. This is not just about China. These issues manifest themselves in many places, as we have already heard.

Embassies can do quite a lot on the ground. There are some initiatives that are already in existence, such as the Voluntary Principles on Security and Human Rights, which is meeting in London this week. It is just that most of the green energy companies are not members of these initiatives.

The Extractive Industries Transparency Initiative is an initiative that the British Government established with the Norwegian Government around the transparency of revenues and corruption. Again, most green energy companies are not part of such initiatives. The Government could do a lot to incentivise and encourage that, such as through the use of export credit, public procurement or other levers that the UK Government have to incentivise better behaviour.

The UK Modern Slavery Act needs reform, as we know. At the moment, there are very few incentives for businesses to be honest in their disclosures. If a business is honest about the systemic risk of forced labour in its supply chain there is huge outcry, so businesses are not. There is almost a stand-off. The reality is that most British companies with international supply chains will have a risk of forced labour somewhere in their supply chains.

The Chair: I very much regret that we are suspending again because of a further vote taking place on the House of Lords amendments to the National Insurance Contributions (Secondary Class 1 Contributions) Bill, which is a motion to disagree.

Sitting suspended.

The Chair: I am very happy to reconvene this meeting of the Joint Committee on Human Rights and say to the committee that Dr Swallow, who is here as a member of the government party, and Sir Desmond Swayne, who is a member of His Majesty's loyal Opposition, have been able to secure an agreement that they can stay here with the committee in the event of further Divisions in the House of Commons, which means our proceedings can now continue without any further interruption. I am sure that will also be a relief to our panellists. Thank you for your patience and for bearing with us. This is Parliament, so we just have to work around these things.

Q37 **Sir Desmond Swayne:** I would like to ask Chris Hewett about the task force that he chairs together with the Secretary of State. How far have you got in terms of your focus on supply chains? What are the main

issues and impediments?

Chris Hewett: It is worth mentioning that the task force started under the previous Government. Quite a lot of the work had already been done before the election. We have done only a limited amount since it aligned itself with the priorities of the new Government.

There will be a chapter in the task force's report that looks at the entire deployment of solar between now and 2030—previously, that was 2035. It is a very broad report looking at the issues that we need to cover. To answer you more specifically, there is a chapter on supply chains and there is a subgroup that discussed supply chains. That chapter discusses the issues we are discussing today, some of the risks and what the industry is doing around those risks. It also talks about how we particularly stimulate the UK supply chain, not necessarily in solar panels but in some of the other areas of the industry, whether it is mounting kit, the steel that goes into it, inverters and batteries, et cetera.

To manage your expectations, there will not be a lot of detail in that report around the particular issue that we are scrutinising today. Broadly speaking, that group is keeping the Government up to date on the industry's progress in terms of increasing transparency in the supply chain. The Government have been putting forward their views and concerns around this. It is in government sign-off process at the moment. The task force has completed its work and is now going through the write-around process. It should be published in the spring—in true government style, we do not quite know when yet, but it will be this side of June.

Sir Desmond Swayne: We will then have a clean supply chain.

Chris Hewett: All the task force report will do is reflect some of the discussions we are having here. It will reflect where the industry has got to and the Government's expectations around improving supply-chain transparency. I am hoping that the report will encourage industry to take this initiative forward, develop it still further, make it stronger and reduce the risk of forced labour in the UK supply chain to as near to zero as we possibly can.

Sir Desmond Swayne: Is there a key impediment standing in the way of achieving that objective?

Chris Hewett: I do not believe so, no. We are working on this as an industry across Europe. The standards that we apply in the UK will also apply in the EU; there will very much be a pan-European approach to this. We are leading the market on this. We are delivering the most robust due diligence and traceability standards that are possible in the world market at the moment. We will continue to drive that forward. So, no, there are no impediments.

The Chair: Perhaps we can build on that. Before the previous break, you were asked what more can be done. I wonder whether other members of the panel want to come in on Sir Desmond's question or build on the

reply that was given by Mr Morrison to Lord Dholakia.

John Morrison: The question is the wrong question. Am I allowed to say that?

The Chair: You are.

John Morrison: Do not look for clean supply chains. Look for transparent supply chains. Look for accountable supply chains. If you went into any supermarket in this country, you would spend a lot of time looking for a clean supply chain. The world is complex and many of these issues are systemic. There will be the risk of these issues in many supply chains. The question is what you do about it and how you minimise that risk. This idea of there ever being such a thing as a clean supply chain is illusory.

Katharine Bryant: Just to add on that, so far we have seen that transparency has not worked. Therefore, we are not able to say that we have clean supply chains. What we need now, in terms of what more should be done, is to engage actively with these issues and to put in place legislation that requires companies to engage actively, do due diligence and have their own risk management systems, which will force them to take action on this.

To date, we have seen that the UK Modern Slavery Act is not fit for purpose because it focuses purely on reporting. That reporting can say that you have done absolutely nothing to tackle forced labour and you would still be compliant with the legislation.

JJ Messner de Latour: First of all, I have a general comment on supply chain traceability. On one hand, there are quite notable advances being made in a number of supply chains in terms of the traceability that is being accomplished. On the other, however, I would point out that the problem is not a lack of data; it is a lack of access to data. If you are considering how the Government could help in this regard, it would be by putting in place elements that help grease the wheels of data sharing within the supply chain. As I say, it is not a lack of data; it is a reticence between supply chain tiers to share data with one another, whether because of confidentiality concerns or competitive concerns. There is also a vast amount of data coming from the consumer electronics sector. We may have tens of thousands of suppliers for one product so there is a vast amount of data to be collected.

There is then the verification, which is even more challenging. Traceability is only a vehicle for due diligence to take place. The question is then what you do with the data. That is where some supply chains in particular are getting stuck. How do you act on the data that you find?

Q38 **Peter Swallow:** Mr Messner de Latour, have you seen demand from buyers in the renewable sector—that will be both businesses and end users—for resources that are mined responsibly and have lower risk of exposure to forced labour?

JJ Messner de Latour: Absolutely, yes. To look at the organisation that I represent, one of the largest stakeholder groups within the Initiative for Responsible Mining Assurance is the downstream purchasers, which is representative of the automotive sector, consumer electronics, renewable energy, jewellery and so on. Those large downstream brands are making those requests of their suppliers. It is much more common for the procurement requirements to mandate that raw materials in their supply chains be sourced to a minimum standard, such as the IRMA standard.

This is also starting to grow in the renewable energy sector. I would note a couple of key examples. Ørsted, the Danish wind energy company, was the first renewable energy company to join IRMA. It is not only propagating those requirements around its supply chain, but tracing materials through its supply chain. It recently worked on a project to identify the source of nickel in their wind turbines all the way to mines in Indonesia. Likewise, I can share that SSE, a British renewable energy company, recently joined IRMA. We are starting to see greater uptake of standards like this in the renewable energy sector.

To Mr Morrison's earlier point about the absence of renewable energy companies in initiatives such as IRMA, the Voluntary Principles on Security and Human Rights or EITI, that is a gap in the market, but companies such as Ørsted and SSE are starting to lead those industries. They recognise that there is a market need, if nothing else, in being able to demonstrate not only that materials are being sourced responsibly, but that there is a concomitant reduction of risk in the supply chain and greater business and supply chain continuity.

Chris Hewett: Can I add to that? One reason that the SSI exists is because there was an almost universal demand from the buyers of solar panels that they wanted to reduce and eliminate the risk of forced labour.

The membership of the SSI is split. It contains manufacturers, including a lot of the Chinese manufacturers. About 60% of the global market is represented by the membership of the SSI. By far the lion's share of the buyers of solar panels are also members. It is the likes of SSE and other utilities. There are also the distributors who sell to installers. A small installer cannot possibly do due diligence on the panel. They will talk to their distributor and say, "We will engage in this process to make sure we can tell you what the due diligence is". This has come from the industry.

To respond to the points on this side, we feel that the industry is far and away ahead of where legislation is requiring us to go because there is a real will in the industry to get rid of this risk from the sector.

Peter Swallow: In terms of solar panels, a percentage of consumers are presumably people thinking about putting them on their family homes.

Chris Hewett: I would assume that the vast majority of people buying solar panels would also want these risks reduced. I do not have surveys to check that, but it stands to reason that that would be the case. It is a no-brainer. We know that we need to get rid of this risk, which is why we

are being quite robust and moving really quickly to get that traceability and due diligence in place.

The Chair: Let us explore that a bit further, if we can, by looking at issues around profit versus ethics and how the tension between those two things plays out. I will begin, if I may, with Mr Messner de Latour and then turn to others. Does the Initiative for Responsible Mining Assurance see examples where businesses deliberately ignore or overlook potential issues in their supply chains in pursuit of bigger and greater profits? How can such businesses be compelled to identify and address forced labour issues?

JJ Messner de Latour: Ignoring risk is becoming less common because the stakes are getting ever higher. Whether that be legal risk, reputational risk or even continuity of supply risk, ignoring those risks is becoming less of a luxury that is available, particularly to downstream brands. If human rights abuses are found in the upstream supply chain, it is very unlikely that the upstream supplier will be the one with its name emblazoned across the front page of the newspaper; it will be the downstream brand. If they recognise that that risk exists, it becomes particularly difficult to ignore.

That is also why an increasing number of brands are associating themselves with independent third-party audit schemes and implementing those requirements through their supply chain. It is to minimise those risks and to minimise the likelihood that those negative impacts will occur.

Katharine Bryant: I am curious about why, if there is a lot of change happening, it is not being disclosed in Modern Slavery Act statements. We have been looking at UK Modern Slavery Act statements since 2016—coming up for 10 years. We are now also looking at Australian Modern Slavery Act statements as well.

Just as a caveat, it is not a representative sample, but, across the thousands of statements we have looked at, only 10% of companies are revealing and disclosing that there are incidents of forced labour in their supply chain. In the UK it is not mandatory to disclose that, which could explain part of it. If there is a lot of action happening here, you would think that they would be incentivised in some ways to share and disclose that.

The Chair: What might the incentives be?

Katharine Bryant: It is difficult, because there are very few incentives for companies to focus on this and, in particular, to disclose it. You mentioned consumer-facing brands. There is a lot of fear that disclosure could become a disincentive because, ultimately, it leads to financial, legal and reputational risks, which means companies are not incentivised to look for these issues in their supply chain.

To move away from the renewable energy sector for a second, we have seen this in the garment industry in the UK. During the pandemic there were allegations of forced labour and labour exploitation coming out of Leicester, which led to a huge disinvestment in Boohoo and a loss of consumer confidence. However, that company has bounced back very quickly, which has led to a lot more influence within the market.

Over the years, there have been multiple accusations against tech companies such as Apple and Google. That has led to some improvements. They have tried to diversify and have been investing in tech and looking at recycling critical minerals. The reality is that very few companies are incentivised to look for this, disclose it and share how they are remedying it, which we know from our engagement with business would be incredibly valuable information.

John Morrison: I just want to say something positive. Mr Messner de Latour mentioned data. We are moving towards a world where there will be irrefutable evidence and we will not be reliant just on audit data. Generative AI will be able to interrogate natural language. We will have a triangulation of different data sources. In the next five years or so, the knowledge around forced labour and its root causes will be much greater than it is now.

If Governments are clever with legislation, they can tip the incentive structure so that there is an assumption that forced labour is there. The companies that would be penalised would be those that work on the assumption that it is not in their supply chains and that, somehow, they are not connected. Those that would be incentivised would be the honest companies that acknowledge the risk and are prepared to do something about it. That balance is not there in the Modern Slavery Act at the moment, but data is one reason why that incentive structure might shift.

Q39 **Lord Murray of Blidworth:** I am going to ask some questions on the Procurement Act, which came into force on 24 February. The Act sets up a newly established central debarment list, but a Minister can only consider putting a supplier on the debarment list in cases of a conviction for a relevant offence or for serious misconduct. Given that threshold, is this likely, realistically, to apply to suppliers with forced labour in their supply chains on a wider basis?

Katharine Bryant: That is a great question. In some ways, there are many positives to the new Procurement Act, which we were really encouraged to see. As you mentioned, it only came into force at the end of February, so it is still very early days.

The Act thinks about exclusion criteria applying beyond tier 1 suppliers, which is one really positive thing. We know that forced labour is often very buried within supply chains. They apply it to subcontractors, onward suppliers and associated persons, which is fantastic.

We also have the central debarment list, as you mentioned, which provides consistency and oversight and allows for transparency of

supplier exclusions. It goes slightly further than just that mandatory piece. There is a threshold in the discretionary exclusion grounds around Section 21 of the UK Modern Slavery Act. That allows companies to be disbarred pre conviction. Again, it is discretionary. That would have a slightly wider scope. However, you are correct to say that the mandatory exclusionary grounds under Section 57 are tied to convictions. We would argue that that is not robust enough and would miss quite a lot of forced labour cases.

To put this into context, the UNODC releases a report every couple of years looking at prosecution data. The most recent report in December highlighted that there were about 4,000 convictions for modern slavery-related cases worldwide in 2022. You are not going to be getting many cases coming forward that allow you to access the debarment list. In the UK, there were 101 convictions last year. The numbers of forced labour cases are often very low; there is a real focus on sexual exploitation within those conviction stats.

We would like to look at Section 57 again and to consult further with civil society, survivors, front-line organisations and other legal experts to see, in the absence of a conviction, what other evidence there is and what emphasis there could be to allow people to enter that debarment list. The focus would be on moving the burden away from the individuals who have experienced that exploitation. Conviction often places that burden on them, and we know that individuals are very reluctant to come forward if they have experienced extreme forms of exploitation. They may not trust authority figures. In the case of forced labour, we often see that people just want back-payment of wages. They do not necessarily want to go down a conviction route.

There are other examples. Globally, in Brazil, they have something called the dirty list. Companies are added to that list when they are found to have evidence of forced labour based on inspections. Before being added to the list, they are given the opportunity to enter court orders or adjust their conduct and back-pay wages where exploitation has occurred; then they can come off the list. That is a really interesting model. It places the emphasis on the company to prove that it has remedied the situation. In a conviction model, it is on the individual to prove that they have been exploited.

Lord Murray of Blidworth: In relation to the exclusion list, when a company has been placed on the exclusion list of another country, such as the US, should that trigger an investigative process here in the UK?

Chris Hewett: I can compare the US system to what the SSI is doing, which is the pan-European measure. There is not very much evidence for how a company gets on to the US list in the first place. Once a company is on the list in the US, the burden of proof flips. You have to prove compliance rather than non-compliance. That was in place before the change of regime in the United States. There is some concern over whether that measure will be used appropriately, given the current governance in the US.

We are very clear that the SSI has its own rulebook. It is an open rulebook. It is all there to see. Those are the rules by which the SSI supply chain traceability standard certification will be given. There was no evidence from the US to take, so in that sense we will have to rely on our own.

The Chair: If you have further information about the rebuttable presumption that works in the United States, perhaps you would be willing to share that in correspondence with the committee afterwards.

Chris Hewett: Yes, we will send you more detail.

The Chair: It is something that we would be interested in including in our report.

Q40 **Lord Dholakia:** At present, businesses with forced labour in their supply chains are still able to tender for and gain public contracts. Is that what is happening?

Chris Hewett: If there are companies that do not meet the certification standards of the SSI, we would certainly recommend that those companies do not receive public procurement contracts. We would also recommend to our members that they do not buy from a company that has failed those tests.

The Chair: Before we move on, Ms Bryant, can I ask you to go a little further in answering Lord Dholakia's question. You talked about the deficiencies in the 2015 legislation. What needs to change in relation to the public procurement practices that Lord Dholakia was referring to?

Katharine Bryant: There are a few different measures. We would recommend a smart mix. There is no silver bullet that exists to tackle these issues. Within public procurement, the Procurement Act is a really promising development. Globally, there are other initiatives that could really reinforce that. The dirty list, which I mentioned in the Brazil context, proactively places companies on a list, which prevents them from getting access to state credit. It prevents them from accessing private financing, which then leads them to tidy up and look at what is happening in their own supply chains and operations.

We mentioned the US Uyghur Forced Labor Prevention Act. As I understand it, information comes from petitions, which is gathered by civil society and survivors of exploitation. That can lead to a company being added to that list. That also applies to the Tariff Act as well.

The Chair: We will return to that a bit later in the inquiry. I want to go immediately to Baroness Lawrence because she wants to pursue the point that you have just made about how procurement practice can take a zero-tolerance approach.

Q41 **Baroness Lawrence of Clarendon:** My question follows on from what you have just said, Ms Bryant. Should UK procurement practices take a zero-tolerance approach to forced labour in supply chains, with

immediate contract termination for suppliers found to be linked to using forced labour?

Katharine Bryant: That is a great question. Yes to zero tolerance, but not necessarily to immediate contract termination, and only in certain circumstances—that was a bit of a mouthful.

We are concerned with this idea of a cut-and-run approach of terminating contracts. This can often lead to a sudden loss of revenue for suppliers, which then can place the individuals who are at risk of forced labour at risk of further exploitation. There is also no guarantee that the company that replaces them will act any more ethically than the supplier with whom you have just cut your ties. It can also undermine whistleblowing mechanisms and encourages companies not to be transparent. It is another disincentive. We would definitely take a zero-tolerance approach, but with much more focus on remediation, capacity building and continuous engagement with suppliers to make sure they are trying to rectify what is happening in their supply chains.

I just caveat that by saying that the only place where that is not possible is when it is not possible to do any due diligence or engagement with a supplier. Under the UN guiding principles—I think it is principles 19 and 23—you are able to stop working with a particular supplier if there is no way to do due diligence to prevent forced labour from occurring.

John Morrison: The devil is in the detail. If the legislation is crafted poorly, zero tolerance can create so many incentives for businesses to hide and not be transparent. We should definitely have zero tolerance on not doing due diligence and zero tolerance on not acting on that knowledge around prevention and mitigation measures. If there is zero tolerance on forced labour, purely put, without the correct incentives, I would worry that boardrooms would bury the evidence. You really have to make sure they are required or heavily incentivised to acquire knowledge of risky things that sit outside their direct control and disclose that knowledge. I am afraid that boardrooms in the UK are a long way from that at the moment.

Chris Hewett: Just to add to that, it is very important that we have up-to-date evidence. We know that the supply chains are shifting quite quickly. You want to reward those companies that have discovered something in their supply chain from several years ago, ceased to operate that contract and moved it somewhere else. That is what you want to encourage.

If the evidence comes from a historic report, someone ends up on a list. If that historic report has meant that company has changed its behaviour, that is what you want to encourage. One of the concerns that we have with the US approach is that you stay on the list even if the evidence is old; there is no reward for those who change.

Baroness Lawrence of Clarendon: Ms Bryant, around the procurement, in terms of zero tolerance, we could think, “If you are not

doing what you should be doing, should we continue doing business with you?”. You seem to be saying that we should continue but we need to keep an eye on them because there are other things within all of this and we need to make sure those things are still coming out.

Katharine Bryant: Exactly, yes. The business has to be committed to change alongside that. Both the process by which people get on these lists and the ability of people to disprove what has happened need to be in continuous conversation. It has been interesting to talk a little bit about data and where that information might come from. There are some really exciting initiatives around worker voice that would be really important for that continual monitoring, so you are not just relying on audits.

John Morrison: If the objective is the eradication of forced labour, there are 28 million people in the world who are suffering from forced labour. Cutting and running can mean a loss of leverage.

If you remember when Adidas and others were subject to allegations around the use of child labour in the manufacturing of footballs and sports gear, the initial reaction of many people in the 1990s was to drop those suppliers. A lot of people have learned since that, if you can bring your suppliers with you, you are getting to the root causes of the problem and possibly getting closer to eradicating the problem.

I would hate to see cleaner supply chains in the UK at the expense of us not getting rid of forced labour. It is quite possible that that could happen if we do not look at the leverage question.

Q42 **The Chair:** The committee is also concerned, though, that we do not do enough to look for alternatives. I want to ask you about that, if I may. In Ukraine, we have seen the danger of countries becoming overly reliant on totalitarian regimes. We have seen in the Congo 25,000 children in mines. Oblivious to that, we buy all the products that originate in those mines. What alternatives are there? What minerals could be sourced from the United Kingdom, for instance? What can be done through recycling instead of having to go on exploiting natural assets in other parts of the world? Are we lazy, in other words? Do we do enough to find the alternatives?

JJ Messner de Latour: First of all, if we think through the minerals that we need for the green transition, you are not going to find many of them in the United Kingdom. I have been to one mine site in the UK. That was a polyhalite mine near York. We are not talking about transition minerals. There may be a little bit of tin, a little bit of copper, some gold and some silver, but the volume is exceedingly low.

What are some of the alternatives? There has been a lot of discussion about recycling and recycled material, for example. That is worth exploring. There are plenty of good things to say about recycled minerals in terms of reducing impacts at mine-site level. We have been ingrained to think that recycling is intrinsically good, perfectly green and ethical,

but it is a little bit more complex than that. We need to be careful in thinking of recycled material as an alternative because, first of all, there is a limited supply. As I mentioned earlier, the current estimate is that we are going to have to mine in the next few decades as much material as we have in all of human history, so the maths just does not add up.

Secondly, in terms of collection, how do we get hold of all the obsolete cell phones in people's drawers, for example? We have a fundamental collection issue. We do not incentivise end users to turn in their used devices. We have a very poor track record of collection.

Thirdly, there are significant environmental impacts from the processing of end-of-life material. It can often be very dirty. There are forced labour concerns in the picking of recycled materials. There are export-import restrictions on what is classified as waste material across borders, which can inhibit the processing of recycled materials. When you overcome all that, there are concerns about the quality and grade of the materials that come out the other end. Of course, that varies by mineral but, fundamentally, I would say that recycling is an answer but not the answer.

The other point that I want to make is that thinking about what minerals may be under our feet—for example, what alternatives might be available in the United Kingdom—misses a bit of a larger point. Even if you can dig them out of your ground, that does not mean that you can necessarily process them here.

There is a very clear example with rare earth elements in the United States, which closed down the extraction and processing of rare earth elements in the 1990s, largely due to the fact that it was highly impactful environmentally and was very low-margin. The extraction and processing of rare earth elements was embraced by China, and now that other countries have realised that there is a critical need for rare earth elements, the Mountain Pass mine in the United States has been reactivated. Where does that material go for processing? China.

You can find the materials under your feet, but that does not mean that you can necessarily process them in the same jurisdiction, and those two elements need to be taken together—where you can find the minerals to extract, and where you can process them. That integrated, holistic approach, with recycling as another element of that, of course, is really what is going to move this conversation forward.

The Chair: As is seeing it through the lens of national security and of resilience rather than dependency, which is pretty crucial.

John Morrison: On the diversification of supply, yes, and on the over-reliance on any one country of origin. China is very dominant, in terms of both mining and processing. The over-securitisation of supply, whether it be Greenland, Ukraine or wherever, can also end in over-supply in terms of global markets, and in adverse human rights consequences.

We could recycle more copper. The predictions are that we will need more copper from the ground by 2043 than in the whole of human history, but the trouble is that most of the copper that is out there is being used already, and cannot necessarily be stripped out. Copper comes from many places, but 51% of the world's copper is still processed in China. We have been quite happy to allow China to do the very dirty environmental tasks of processing, and they have a dominant position there.

Diversification is definitely needed, but the over-securitisation of supply has adverse consequences too.

Q43 **Peter Swallow:** Mr Hewett, has the Solar Taskforce fed into the development of the new critical minerals strategy, or vice versa?

Chris Hewett: We did take part in that. It closed before the Solar Taskforce was established; we fed in, but it was as part of a much wider group.

On the diversification point, we would probably argue that one of the long-term aims of something such as the SSI is to encourage that diversification across the world. The point about processing is absolutely right. You would hope that some of the big players in the world, whether in India, America, Australia or Europe, might step into that market for processing metallurgical silicon and polysilicon in the medium term, but it is a big investment. China has spent decades investing in this, and it is not an easy market to break into, but the growth of solar particularly is so huge that there is no reason why you should not expect some other players to start to move in there.

Q44 **Lord Murray of Blidworth:** I have some questions about global partnerships. The United Kingdom is a member of the US-led Minerals Security Partnership. Mr Messner de Latour, are those sorts of international efforts and other bilateral agreements contributing to global efforts to secure sustainable supplies of critical minerals that are free from forced labour and child labour?

JJ Messner de Latour: It certainly cannot hurt. Some of the discussion today has already highlighted the fact that we are, fundamentally, dealing with a transnational and cross-jurisdictional problem. From that perspective, international co-operation is absolutely indispensable, as well as from a market perspective, in terms of creating greater certainty and alignment from one jurisdiction to another. It is not just in terms of security of supply, but of alignment of each jurisdiction's regulations, trade wars or whatever it may be in that regard. It certainly does not hurt.

Lord Murray of Blidworth: Have you detected any alteration in position from the US in relation to such partnerships in recent times?

JJ Messner de Latour: It is a little too early to tell, but there have been much publicised pronouncements in terms of securitisation of minerals in,

say, Ukraine or other places. More broadly, in terms of larger, more durable efforts, it is too early to tell.

Lord Murray of Blidworth: Mr Morrison, how could the United Kingdom use its economic power to play a more systemic role in ending forced labour globally?

John Morrison: There is a lot that we can do. We have already mentioned a number of initiatives that the British Government established, which are borne out of the fossil fuel age, around transparency and around security violations. They have been ticking over, but I would say that they are needed now more than ever, because of the nexus around security and around traceability. It has been quite hard to get the renewable companies in but, as we were saying earlier, sometimes they do not even get invited. There is quite a lot of credit in the bank in terms of the UK's experience of what does and does not work.

Moving forward, Saudi Arabia is a big player. It is hosting the Future Minerals Forum in Riyadh now and is looking at transition mineral corridors in Africa and Latin America and using its own sovereign wealth to invest in mining companies. I would like to see us playing a bigger role in Riyadh and places like that, where the geopolitics of this are playing out at the moment, and ensuring that human rights and forced labour questions are central. That might sound counterintuitive, but Saudi Arabia passed its own forced labour law two weeks ago. It is worth engaging and trying, and I would encourage the British Government to do so.

The Chair: Thank you. We are going to turn again to Baroness Lawrence with a question building on what you had to say earlier on about the American experience and rebuttable presumption, but this is slightly different.

Q45 **Baroness Lawrence of Clarendon:** This is a question for Ms Bryant. Does the UK need a dedicated forced labour enforcement task force, as the US has done with its own task force? If so, how should this be resourced?

Katharine Bryant: Yes. We would say that we would need a task force that focuses on this. Following the US model, this would help to streamline enforcement, improve intelligence sharing, and enhance that cross-agency collaboration, ensuring a more effective response to forced labour risks in UK supply chains. The US task force is very focused on the implementation of the Uyghur Forced Labor Prevention Act.

The Chair: That was 2021.

Katharine Bryant: Yes. A task force would play a similar role here in the UK, if we went down the route of a forced labour import ban or import controls. At the moment, enforcement across the UK is very dispersed and fragmented. The Independent Anti-Slavery Commissioner has responsibility here, and there is also the National Crime Agency and

Border Force, as well as other individual government departments. Without that centralised oversight, it will lead to reduced efficiencies and delays in enforcement and will limit the UK's ability to be proactive in responding to these issues. Having a task force would definitely help to improve that collaboration and intelligence sharing, but also help to clarify the individual responsibilities of those various agencies.

Baroness Lawrence of Clarendon: Of those three that you have mentioned, which would be best to take it forward and to have overall control rather than having these fragmented agencies?

Katharine Bryant: It is a great question. Within those three, there would need to be collaboration between all of them. The Independent Anti-Slavery Commissioner is very focused at the moment on research and advocacy, but could play that independent role of co-ordinating across these different agencies.

The Chair: Thank you. Let us continue on this same theme by exploring a little further the 2021 legislation in America. If we were to have similar Uyghur forced labour legislation in the United Kingdom and ban products that we knew had been made in Xinjiang by Uyghur forced labour, as the Americans do, what effect would that have on the development of green technology in the UK?

Chris Hewett: As I said earlier, we have question marks about the way that that is implemented, so I am not sure that it is necessarily the best route forward. Also, it is looking at forced labour in one part of the world. It is a very important issue, but we would argue that you need to be looking at those issues, as a task force probably would be, across the piece.

Whatever the Government want to take forward on this, we, as an industry, would want to share our experience and, we hope, help to inform what any industry can do to try to increase that traceability. Building on the points that John made earlier, if you can demonstrate that transparency, and then that transparency shifts things in the market, that is what we want to see. We want to see behaviour change here. That is what we, as an industry, are starting to see.

The Chair: Mr Morrison, do you think that such transparency would lead to the Chinese Communist Party stopping the genocide in Xinjiang?

John Morrison: State-sponsored forced labour is 15% of global forced labour. I would say that state-sponsored forced labour in China is driven by a number of political concerns that are not predominantly economic. I encourage you to look at the European Union's position here and its own forced labour ban, which does not specify Xinjiang but clearly has Xinjiang in the focus. Forced labour is a global concern. As you know, with the redeployment of workers from Xinjiang to other parts of China, forced labour is not just a concern within Xinjiang itself. As this issue develops, there is a lot of mileage in not pinning such legislation to one sub-region of another country.

JJ Messner de Latour: I echo Mr Morrison's caution around transfixing legislation to one particular jurisdiction.

The Chair: Should the Americans repeal the legislation that they have passed?

JJ Messner de Latour: I certainly cannot speak for the United States of America.

The Chair: Do you think they ought to?

JJ Messner de Latour: Fundamentally, we are looking at two very different models of attempts at behavioural change in supply chains. One is backward-looking and one is forward-looking.

Fundamentally, disclosure is backward-looking, because you are talking about what has happened in the past and hoping that it does not show up anything particularly negative and that it shapes your future behaviour. Legislation such as UFLPA in the United States is not a disclosure mechanism, but an access-to-market one. The reaction within the supply chain is very different given that it is an access-to-market one, because it is no longer simply reporting on what has happened in the past; it potentially threatens your ability to get your goods to market in the future.

That risk of potentially losing millions of dollars of merchandise that you cannot sell to your consumers, and potentially having to restructure your entire supply chain based on that—because, with UFLPA detentions, you will generally not be informed as to who the problematic supplier in your supply chain is who is being flagged—creates a significant risk for business. From that perspective, it certainly focuses attention in a way that disclosure does not.

I am not saying that there is a dichotomy or that they are mutually exclusive, but we are looking at two fundamentally different models. In that sense, the model presented by UFLPA, though perhaps not perfect, is an interesting one for behavioural change.

The Chair: Is that your view, Ms Bryant?

Katharine Bryant: Yes, I agree to a certain extent. UFLPA, as well as the closure of the loophole in the Tariff Act, provides a real enforcement mechanism by which you can prevent forced labour goods entering into your jurisdiction. It is also similar with the EU. The exciting thing about that is that it also applies to goods produced in the EU and being exported, so it has a wider remit. It would definitely be part of a suite of measures that would have that enforcement mechanism, but, ultimately, unless you have mandatory human rights due diligence in the first place, you just penalise companies without encouraging them to do the right thing in the first place.

Q46 **Peter Swallow:** We have had two allusions already to the EU, which is of course looking at introducing the corporate sustainability due diligence

directive, with some thoughts about how that might be implemented. Should the UK seek to align with it in whatever form it is brought in? What impact would that have, positively or negatively, on UK businesses?

John Morrison: We need to align. On forced labour, the imperative is even greater, because the US has forced labour legislation, as we have just been talking about, and Europe is strengthening its own. There is a suite of legislation: the CSDDD, the CSRD and the omnibus, which is trying to consolidate those, as well as the forced labour ban that sits outside of that, as we were talking about. If we do not align with either North America or Europe, we will become the weak link in the chain.

The Chair: Are we at risk of becoming a dumping ground? Is that what you are saying?

John Morrison: We are at risk of becoming a dumping ground for opaque supply. The risk is that competitors elsewhere will be snapping up the cleaner and better suppliers, so that, when the legislation eventually comes, given that it will have to, British companies will be at a competitive disadvantage, unless the incentives come sooner rather than later.

There is a need for legislation, and for the legislation to come sooner rather than later. This does not run counter to our concerns about growth and economic competitiveness, because, if we do not bring the level playing field into this country when we need to, we and our companies will be at a disadvantage.

Peter Swallow: When the Government's stated ambition is to become a world leader and to export our green energy technologies globally, but with a specific focus on Europe and its large market, is it your view that aligning closely on these measures will support that growth initiative?

John Morrison: Yes, and not aligning might create a barrier to trade, which would have a huge impact on British business. The incentives to align as soon as possible are there.

Chris Hewett: I completely agree on aligning. That is what we would like to see. I would challenge the dumping language because, if companies are following and signing up to the SSI, that is probably ahead of where European legislation is heading and where UK legislation is now. In a sense, that is part of the point of having that pan-European SSI. If we can get most of the industry to work through that, we will be aligned on high standards, and we will certainly not be a dumping ground.

Baroness Lawrence of Clarendon: I was listening to what Mr Morrison was saying about where the UK sits if we do not take note. Who would you need to bring along with you—the Minister or whoever—to make sure that they understand the implication of those things that you have mentioned not being addressed?

John Morrison: It is a cross-government issue. The Department for Business and Trade has a particularly significant role. It understands the

benefits of responsible business conduct globally, but I am afraid that it is worried either of upsetting potential trade partners or of being perceived as a constraint on growth. The evidence is beginning to accumulate that shows that the opposite might be true: that not moving on this will be an impediment to growth. If we can encourage Ministers to say what the data is already beginning to show, maybe the UK can move more quickly in aligning better than we are.

Q47 **Baroness Lawrence of Clarendon:** Audits can be a useful part of due diligence practice, but they can also be misleading. What is needed to make sure that audits of suppliers are accurate and capable of identifying forced labour throughout the supply chain?

John Morrison: Putting too much emphasis on social audits is a concern. Doing so in a country such as China, where talking openly about forced labour, not just in Xinjiang but anywhere in the country, might endanger the worker or even the auditor. Therefore, quite a few social audit companies no longer operate in China.

I worry about claims that social auditing sufficiently interrogates the red flags around forced labour, not just in China, but anywhere, to be honest. Social auditing is an imprecise tool. It is a lag indicator. It can be gamed. Auditing is part of the mix, but I would encourage Government and others, with the data questions that we have been talking about, to triangulate auditing with other forms of data, and not to put too much emphasis on audits, particularly in countries where people cannot speak out freely.

JJ Messner de Latour: Taking a step back and asking what it is that we are auditing is an important element here too. From a mine site audit perspective, which is different to a mid-supply chain perspective, the way that we would think about auditing is, first, whether the standard that you are auditing to is credible. Will the standard lead to a meaningful audit in the first place? You cannot audit aspirations. You need to have a framework that is auditable.

Also, audits themselves should be independent and third-party, because there is a tendency in some parts of industry to self-assess, which is problematic in being able to get to the core issues. Independent third-party assurance really should be non-negotiable, unless you are seeking a *Good Housekeeping* seal of approval.

There also needs to be input from impacted stakeholders. In the IRMA audit and assurance system, a fundamental element of those audits is not only that they are publicly noticed in the local communities, but that the workers from the mine, as well as the impacted community members, are included in them. Inclusiveness is also necessary, along with transparency. In industry, we see assurance and audit practices where perhaps the findings of those audits are not published, and so transparency is an important element.

That transparency and inclusion also drive another important element about auditing, which is that it is not just about the audit itself, but using that process as a platform of engagement. We see that at the mine site, where the mere process of the audit taking place provides that process of engagement between the mining company and potentially impacted stakeholders.

We should not just audit for audit's sake. We have to figure out what we are going to do with the audit findings, because the audit should not be the end. It should be the means to make that transformational change to address the gaps that may have been found in the audit. Audits are important, but we also have to act on them, and there has to be a framework for ensuring that we do so.

The Chair: Those were very interesting observations. The takeaway for me from what you have just said in reply to these questions is that it would not even be safe for auditors to carry out an audit in China, which begs a lot of questions in my mind about whether this is the kind of country that we should be doing business with and whether we are doing enough to find alternatives. I do not want to press that point too much.

Chris Hewett: I am not sure that we would necessarily argue that any audit in any part of China is unsafe.

John Morrison: I would not argue that either. That is not what I am saying.

The Chair: What are you saying?

John Morrison: I am saying that you can undertake social audits in many other parts of China relatively safely, but there is an element of self-censorship when it comes to questions of forced labour. There are proxies that auditors will ask that could be indications of forced labour. Many social audit companies that used to ask direct questions around forced labour are no longer operating in China. Auditing in China still performs a valuable function, but let us not assume that it is going to be wholly representative of what is going on and that the system cannot be gamed, because it is being gamed in some instances.

The Chair: It is interesting, though, that you can ask about anything else, or many other things, but the essential issue that is before our committee at the present time, which is whether there is forced labour in the supply chain, is something that you tell us would stop an audit company from being able to operate.

John Morrison: It has become highly political, for reasons that this committee understands. For that reason, social auditing, which is not a perfect tool in any case, has become even blunter in this context.

The Chair: Sir Desmond has a question about another aspect of this, which is data collection. It is the penultimate question, you will be relieved to know.

Q48 Sir Desmond Swayne: We have discussed data at several stages in this. How would collaboration on data collection lead to better identification of risks and enforcement? Principally, are there any examples of good practice of this going on at the moment that we can draw on?

John Morrison: At Davos, in January, we were part of launching the Global Data Partnership Against Forced Labour. We started with 42,000 data points relating to forced labour indicators, gathered mainly through social auditing in the electronics and other sectors. When you put that on a map, it shows flags not just in China but across many parts of the world.

That data can be triangulated with data from agriculture and fishing. The point has already been made that a lot of the data is already there; it is just not being shared. If those barriers to sharing and making the data more interoperable through AI and other means can be removed, we can show proof of concept over the next year and show it at Davos next year—it is a big deal for Davos to give so much airtime to an issue such as forced labour.

The tech companies are saying that it is now possible. Technology is something that this committee should consider as a potential game-changer around not just the better interoperability and use of data but getting to some of the root causes and creating more of an irrefutable evidence base for the existence of forced labour in supply chains. Watch and see, but maybe we are getting close to that.

Q49 The Chair: Thank you very much. That brings us to the end of our proceedings, apart from my final question to you. You may have touched on it, Mr Morrison, in the reply that you have just given. I would like to ask each of you for a couple of recommendations to make to the Government—in the end, there will be recommendations in our report. You have just suggested, for instance, that a bigger emphasis on technology as a way of breaking into the system and into the problem itself might be one thing that you would recommend. Talk us through just a couple of things each. What would be your priorities if you were drawing up a list of recommendations, as we will have to do in due course, to the Government?

John Morrison: In terms of way that technology and data can enhance transparency beyond the control of any one company or Government, or even initiative, there need to be guardrails in place. Maybe this is the bit that I would emphasise. Guardrails would make sure that the worker, who is already incredibly vulnerable, does not become more vulnerable because of the data sharing. They need to retain their agency. They need to be anonymised. We are at a point where the guardrails can be developed, and I would say that this is a good use of technology.

Katharine Bryant: To pick up on that point about data technology, it all depends on what questions you are asking of it. I echo the point about putting guardrails in place, but also caution slightly. We work with big

datasets and often say that big data is the answer to everything, but, ultimately, if we are not putting in place guardrails to collect that data ethically, and making sure that we are asking the right questions of that data, it is not necessarily the silver bullet that we sometimes think that it is.

I had seven recommendations, but I will try to cut them down. Just drawing on that last point around worker engagement, worker voice is one of those really important pieces around triangulation of this data. You have company data and audit data, and you need to provide a platform for workers to feed into this process. There are some great initiatives, one of which is Ulula, which allows for anonymous worker engagement, whereby you can get real-time updates on what is occurring in the supply chain. That assumes that whistleblower protection is in place and is anonymised.

The Chair: Is the ILO involved in that, as a matter of interest?

Katharine Bryant: No. Ulula is a private company, but the ILO has been involved in some of these aspects as well.

My other quick recommendations would be to introduce managed human rights due diligence—no surprises there—and also to look at import controls and strengthening public procurement. We see this very much as a smart mix. You cannot pick just one of these; they all need to be done in conjunction.

The Chair: That is very helpful. Incidentally, all of you will be very welcome to write to us further after the committee proceedings to add to the list, if you wish, but I just wanted to try to narrow it down, as you kindly have done.

Chris Hewett: One thing that I want to get across is the sense of how multi-stakeholder the SSI now is. As well as industry on the board, there are now civil society organisations and international institutions. The likes of the European Investment Bank, Greenpeace and John Morrison's organisation are all on the stakeholder advisory committee to help us to improve the SSI.

The recommendation is that I would like Government to be part of that as well. We absolutely know that this is something that we have kicked off as an industry, but we cannot be marking our own homework. We need the experts in human rights. Trade unions will be another useful addition to that stakeholder advisory group, so that we are learning about the best intelligence that there is on this and other ESG issues. We can then take that into our traceability and ESG standards to improve them, and to continuously improve what the industry is doing.

JJ Messner de Latour: Without duplicating the advice of my colleagues, but just taking it to a higher level, I would suggest that we think about behavioural change and that, whatever measures we take, whether they will change or impact the core thing that we are trying to change, which is forced labour and supply chains. It is the difference between feeling

good and doing good. If our interest is simply to remove forced labour from supply chains, that is one element, of course, but eliminating it is the greater goal.

From that perspective, we need to tailor those measures to be much more about transformational and behavioural change in the supply chain, rather than simply feeling good that we have removed the risk for us, even though the risk may still exist for others.

The Chair: Thank you very much indeed. That final point about not just feeling good but doing good is something that we should all take to heart as we consider this issue further. That brings to a conclusion our third session on supply chain transparency, modern-day slavery and forced labour. I thank our panellists today for sharing their expertise and doing it with great patience as there were so many Division Bells ringing earlier in the proceedings, but we have successfully concluded the session.

I say to those who are viewing online that we will be having another session next Wednesday, but as part of our inquiry into transnational repression. That will be the third hearing in that inquiry. With that, I bring these proceedings to a conclusion.