Joint Committee on Human Rights

Oral evidence: Human Rights and Business, HC 443
Wednesday 16 November 2016

Written evidence from witnesses:

- Andrew Silvester, Head of Campaigns, Institute of Directors
- Debbie Coulter, Head of Programmes, Ethical Trading Initiative

Watch the meeting

Members present: Lord Henley (The Chair); Fiona Bruce; Ms Karen Buck; Baroness Hamwee; Baroness Lawrence of Clarendon; Jeremy Lefroy; Baroness Prosser; Amanda Solloway; Lord Trimble; Lord Woolf.

Heard in Public Questions 47 - 61

Witnesses

I: **Andrew Silvester**, Head of Campaigns, Institute of Directors; **Debbie Coulter**, Head of Programmes, Ethical Trading Initiative.

Examination of witnesses

Andrew Silvester and Debbie Coulter.

Q47 **The Chair:** Good afternoon, and welcome to the Joint Committee on Human Rights, which is a Joint Committee of both the Commons and the Lords. I will chair it in the absence of our usual Chairman, Harriet Harman. Could you both introduce yourselves briefly in turn? If you would like to make any introductory remarks, I will then ask a few questions myself and then put it to the Committee to ask questions in due course. Who would like to start?

Debbie Coulter: Good afternoon. My name is Debbie Coulter. I am the head of programmes at an organisation called the Ethical Trading Initiative. I have been with the Ethical Trading Initiative for the past five years, and when I joined it coincided with the discussions about the UNGPs. Our historical focus has been very much on labour rights in global supply chains, but for the last five years we have focused very much on the implementation of the UNGPs in our members' global supply chains.

Andrew Silvester: I am Andrew Silvester, head of campaigns and parliamentary affairs at the Institute of Directors. The IoD now represents 35,000 members across the business landscape, and despite what our plush Pall Mall HQ may sometimes indicate, 70% of our members are from the SME community, often with around 10 to 20 employees, so they are often high-growth businesses in that space. Frankly, the IoD has not, as I think is probably the case with much of the business community due to resource, focused tremendously on in-depth research into human rights in the way the ETI has. Its work on this is fantastic. If I start with the proviso that I will offer thoughts from the business community rather than policy specifics, we might have a more fruitful discussion.

Q48 **The Chair:** That will be very useful indeed. I will open the batting with a very general question about what you think are the most significant human rights issues that affect UK businesses, both in their activities here, domestically, and obviously abroad. We want to get at the whole gamut.

Debbie Coulter: The ETI has 90 corporate members that are mainly UK-based. I should add that we are a tripartite organisation, and the other stakeholders in our community are trade unions—global union federations and international trade unions—and labour rights NGOs.

The corporate members' real challenge is the visibility of their supply chain. Often their relationship is what we call tier 1—their first-line supplier. Whether those first-line suppliers are farms producing apples in Kent or factories in Dhaka producing garments for the high street, ordinarily they will have sight of what goes on in those factories and will have audited them, so we will know pretty much where there are areas of concern or where there are breaches of the ETI base code or of labour standards. More often than not, they will work collaboratively with us in some cases, or with their peer groups—or indeed with the trade unions—to try to address those issues.

The problems for business are further down the supply chain. The situation our members often face is that the further down the supply chain, the less influence, leverage and oversight they have. Quite often it is further down the supply chain where there are severe labour rights violations. We see that in the UK in the form of modern slavery and we see it in global supply chains in the fields, farms and factories of companies that put goods, services and garments on the shelves and clothing rails of the high street.

Andrew Silvester: The definition of human rights is sometimes difficult, but for us it runs the whole gamut, from basic employment rights and anti-discrimination, ensuring that your name and your background is not a barrier to employment and that you are paid for your job—that is a basic human right as much as anything else—to, as Debbie outlined, the bigger issues that often apply to our members abroad and the business community abroad, such as modern slavery. We have serious concerns about corruption and how that affects British business and affects human rights slightly down the chain. If we were to pick individual sectors we would broadly agree with where the Committee is focusing its energies and with its terms of reference: the extractive industries, agriculture, and so forth.

Here in the UK you could probably add agency workers to that. We have concerns that human rights abuses are not easy to spot, although they are easier to spot when you see someone day after day. When people work for agencies, such as in hospitality, they may spend one day at one stadium and another day at a restaurant the following week, and it is often more difficult to spot those abuses. I would add that the timing of this inquiry is very important. Business absolutely wants to work with government on this and now recognises, more than ever, that addressing human rights abuses, both here and abroad, is good for business and enterprise and for the country as a whole.

We are about to go through a period of challenge, given what is going on in the Middle East and in Syria, where huge numbers of people without papers will move into western Europe, where there is a level of complacency about human rights because we assume that everything is in order over here and that the developing countries are the problem. There has to be a cross-Europe approach—not just in the European Union—to ensure that these people have papers and documents so that they can stand up for their rights. If they do not, unfortunately some unscrupulous employers may well see them as easy prey. That is a stain on business, and it is bad for business and bad for businesses' reputations. That is why this is an important time to discuss this.

The Chair: You are being quite specific about certain industries. Would you like to be specific about certain countries where there are problems?

Andrew Silvester: Luckily groups like that Transparency International do brilliant work looking into corruption in particular. One thing that we have always found interesting—I might be jumping ahead here slightly, for which I apologise—is where, to borrow a line from the Foreign Secretary, the Government have a pro cake-eating and pro cake-having approach in that they want to encourage British businesses to go and trade in some countries that are high up—or rather low down—on Transparency International's index and where there are concerns about modern slavery. Government puts burdens on them to look at the supply chains there at the same time as it tells them to trade there. From a purely business perspective, those are the countries that we are particularly interested in, and we want to make sure that business can play a part with government in addressing those areas. One obvious example that we have heard a lot about from our members is corruption in Nigeria, but I do not want to run through the whole gamut—I imagine there are experts who can do that rather better than I can.

The Chair: You would not want to be specific about certain countries.

Andrew Silvester: I would say that we probably have the same concerns as organisations like Transparency International, ETI and many of our members, who have gone to certain countries, usually developing ones, where the rule of law and institutions might not be as developed and are certainly not being developed as quickly as their economies are maturing. There are concerns in places like China and Qatar and, as we have said, in the UK. There is certainly no room for complacency. If we were to pick out individual countries as case studies, although that would be useful, I would not want the Committee and the Government in particular to focus on individual problem children when this issue is so broad.

Debbie Coulter: We focus on countries where our members source from. That is our leverage, our entry point. In the garment sector, we focus understandably on China, India, Pakistan and Bangladesh, but more recently on Turkey. That is an area that historically would have been seen as low risk by comparison. Unforeseen circumstances two or three years ago could not have led us to predict the influx, which was mentioned, of 3 million Syrian refugees in desperate need. Many end up in the supply chains of companies that hitherto thought they were relatively trouble-free. It is therefore hard to point to one country.

As has been pointed out, there have been a number of exposés here on our doorstep of some horrific labour rights abuses in agriculture but also in Leicester. We commissioned a report two years ago that highlighted some severe labour rights abuses in the garment sector in Leicester, and two and a half years on those conditions still exist by and large. There are real challenges closer to home as well as in the global south.

Baroness Lawrence of Clarendon: Picking up on something Andrew said, do you think that sometimes some established companies go to the undeveloped countries because they think they can get away with certain things on the financial side because of cheap labour and all the rest of it, and the scrutiny is not as great as the ETI has pushed for? Do you think that is sometimes what some companies do?

Andrew Silvester: I do not think that in the 21st century they would do that so explicitly. There are a number of reasons why you put a factory abroad, which I am sure are fairly apparent to anyone around the table. Where any business is found to do such a thing because it thinks it can get away with it, serious questions have to be asked about its governance at board level, and by NGOs if they spot abuses. That comes back to the wider point about how we adequately scrutinise these companies' activities abroad. The national action plan is there and is a good start, but there remains much to do.

Q49 **The Chair:** I was going to move on to the burdens on business, particularly monitoring. Are there any comments you want to make?

Andrew Silvester: I would just mention the national action plan, within which there are a number of commitments government asks business to make. We have no quibble with the vast majority of them. As I said right at the outset, an attitude shift has been going on for some time in the business community, which recognises that it has a role to play and that you cannot ask government to do everything. There are trends in the marketplace as well that, frankly, they need to respond to, such as the fact people do not want to wear things made in sweatshops, or to eat food picked by labourers going through modern slavery. They are responding.

One thing I would say about the national action plan and its impact on business is that a lot of the commitments it places on business, through the national action plan and things like the Modern Slavery Act, require a lot of effort to get into the supply chain. It is right that it does for those companies that can do it. There has to be recognition of the impact on small businesses and their ability to do this kind of due diligence.

I would also say that if government is going to ask businesses to do that role, which they have to, it has to give them the support they need. One thing that struck me about the national action plan was that the first action to support business in this effort was the publication of the national action plan itself, which is a little bit meta. More importantly, we need to be realistic about the impact which things produced in Whitehall have on business, and the amount of very well-meaning and often quite good guidance—toolkits and so on—that simply go unread by the business community, not because it is deliberately ignoring them or wants to turn a blind eye to this but because they are very busy people. Small, high-growth companies that are beginning to export, for instance, do not necessarily have a compliance department. They almost certainly do not have an HR department if they are 10 to 15 people. HR is something they do on a Monday morning. We have to be realistic with the expectations that we put on business. As I say, business wants to play its role here, and government needs to do a better job of bringing those people along and giving them the support they need to follow the appropriate guidance. They almost need to spoon-feed it to them, frankly.

The Chair: You are talking about the national action plan as originally put out in 2013. It was updated in 2016. I think it was promised for 2015, but Governments cannot always get things on time. Do you have any comments on the updating of the national action plan?

Andrew Silvester: Obviously it has been updated in terms of things like the Modern Slavery Act, which we support. It is a good place to start and we do not want to jump ahead too much. Again, the national action plan may have credited government action and government publications more than they necessarily deserve in the sense of the impact they have had on the business community. In September this year we asked our members about the Modern Slavery Act and their awareness thereof. These are engaged business leaders who have joined the Institute of Directors and membership organisations; they take an occasionally quite dry policy survey once a month. A third of them had no idea that the Modern Slavery Act exists. We have to be realistic about the fact that if the Government want business to play a part, and business does want to play a part, it has to be a partner in this rather than having everything on it.

Q50 **Lord Woolf:** In the matters you have just mentioned, is it necessary to draw a real distinction between SMEs, which Ms Coulter deals with, and the large companies? I gather that the Institute of Directors also has small companies. Is there a much greater problem with enforcement so far as small companies are concerned, rather than large companies, because the large companies have established a reputation? If small companies are found to be getting for example garments that are produced by slave labour, it has a deeper impact on them.

Andrew Silvester: I think that is true. Debbie mentioned supply chains. That is where one would hope the pressure will come from. Large organisations obviously have huge supply chains, many of which are very small companies even within the UK, and may have supply chains abroad. There is hope that there is a downward pressure for enforcement. I do not want to jump ahead too much, but there is work to be done. However, we have to recognise that due diligence right across complicated global supply chains for large businesses is very difficult, so for small businesses, which often have increasingly complex supply chains in an increasingly globalised world, it is difficult. That is why we quite like the trend in recent legislation towards making a distinction between high-turnover and low-turnover companies, as long as there is push and pressure from government and from within the business community, be that investors or groups such as the IoD, that smaller companies take this seriously as well, not just because they do not have to fill in a form at the end of the year.

Lord Woolf: Is there a need for legislation that, at least in the case of large companies, makes at least the directors and senior management have a responsibility of the sort they have under the Bribery Act?

Andrew Silvester: That is failure to prevent, so to speak. My instinct—and this is a difficult one in politics—is that one of the things we need most to get the cultural change we need is time. The Bribery Act has been around for only six years now and the Modern Slavery Act for a year. We had the Cape case in 2013. There has been a lot of movement recently; it is time to see that bed in before we have further legislation. That should not be an option that is off the table to improve business behaviour, but ideally we would like to see it led by the business community to respond to what has gone on in the last five to six years before we move in that direction again.

Lord Woolf: Do you take the same view, Ms Coulter?

Debbie Coulter: If there was direct evidence of culpability it would perhaps be necessary, but it is seldom the responsibility of one individual business. The other danger is that there would be downward pressure or negative consequences in what we are trying to do, which is to get business to be more open and transparent, especially further down the supply chain, about the issues and problems. If there were that sort of legislation, barriers of deniability could be built.

To come back to the issue of the small business community, the UNGPs take into account that the mighty Gaps could respond differently from the smaller business communities. None the less, there still needs to be a mindset change. We see evidence of this even with small importers. To give an example, in the UK, in the construction sector, a small number of businesses import sandstone from Rajasthan where conditions in quarries and mines are really dreadful. These are very small companies that do not have HR departments—the HR guy is the buyer, the manager director, the sweeper-up. They are those sorts of companies, which none the less recognise that there are severe labour rights abuses in that supply chain. They have joined forces and there is a small group of them now. They collaborate and invest resources. They have done some tremendous work. They have developed grievance mechanisms. They engage with the state. A five-year Foreign and Commonwealth Office programme has been funded for these very small companies in the UK. I have some literature that I can share with the Committee.

I accept that there are resource implications, but there are other opportunities to join forces and learn from those leading companies and bigger companies that are doing things well. The Modern Slavery Act has brought people together. There is more collaboration, sharing and discussion taking place across business than ever before because there is that need, just as there was a need after Rana Plaza. Suddenly things that were impossible became possible. That is the mindset we need business to be in: you do not just wait for those tragedies, media exposés or disasters. Get into the mindset that human rights in your supply chain are as important as health and safety, good procurement, good monitoring and so on. There is no distinction, I would argue.

Andrew Silvester: There are other examples. The Electronic Industry Citizenship Coalition does similar things with regard to coming together with smaller companies to build resources, and so forth. But there are things that are resource-free, and it behoves government and groups like ours at the IoD to push out more. A whistleblowing policy that works does not cost anything; what it requires is a belief that you will not get fired as a result of flagging your concerns. In small businesses, those interpersonal relationships are often more powerful than anything that is set down as firm policy. As for large organisations, M&S has a good human rights policy, which is in every induction pack. It is horses for courses in that sense, which is why we are always wary of legislation that captures everybody within the same box.

The Chair: It is very useful to have examples of that sort. One wonders why people need to import something as bulky as sandstone when there is quite a lot of it here. But that is another matter.

Debbie Coulter: It is customer demand.

Q51 **Ms Karen Buck:** My question leads on from that. It is a question of everything being a priority and nothing being a priority. Where is the balance between business responsibility and government responsibility to embed good practice? Indeed, where does that turn into something that should be legally enforceable? If a trader knowingly imports a product that is being produced in a way that is incompatible with human rights and involves abuses of labour, should we leave that to co-operation and working groups?

Debbie Coulter: No. We all have a role here. When you were talking about the national action plan and even the update, I reflected that I had expected less of a retrospective view of what has happened and more of a vision and a strategy for going forward so that there are clear lines of roles and responsibilities. That is what business needs and what the consumer needs.

Ms Karen Buck: But you do not think that is there.

Debbie Coulter: I do not think it is there. Part of the reason for that is because it is extremely complex. The UNGPs recognise that the state has this duty and business has a responsibility, and so on. How you implement that and turn it into practical actions and activities is complex. We might find out that there were labour rights abuses in the production of the goods and produce that come into our supermarkets and shops, but I would argue that almost everything that comes into our shops and our supermarkets will almost certainly have elements down the supply chain where workers are being exploited. The critical thing for us is due diligence. Companies should be expected to do rigorous and methodical due diligence and engage with the different stakeholders to find out where they can have an impact and an influence and improve conditions in their supply chains, and where they cannot.

Ms Karen Buck: That is important, but even that takes you only so far. If you are a local sandstone importer, to stick with that example, that is your business. You know that what you are importing will be on the back of breaches of labour rights. You want to improve things. If you are going to continue in that business, how do you go about taking concrete steps to build improvements? Where do you go to get that information?

Debbie Coulter: Absolutely. That is the critical point about collaboration and engaging with stakeholders and rights holders. Often the one thing in this debate that is left out is the voice of the workers themselves. Often they are the ones who know exactly what is going on in the supply chain and who can help provide the solution. Workers and worker rights organisations and trade unions need to be part of the solution, as do local NGOs. To do good due diligence you not only need to understand your commercial supply chain and the interactions and the tiers of that supply chain but you need to know who the key stakeholders are.

I never intended to promote the sandstone sector to anyone, but those guys went into Rajasthan and started talking to their suppliers, local NGOs, local women’s groups, labour unions and global union federations, asking, “What can we do and what do we then need to ask the state to do?" That has produced results. We have other examples, such as with the spinning mills in Tamil Nadu, where these sorts of programmes recognise the need to engage with the state nationally, locally or internationally through other agencies to say, "Laws need changing and regulations need implementing". It is not just a business-only response; it is a journey, and sometimes a complicated one.

Ms Karen Buck: That is really helpful, but your view—I may be overinterpreting you, so challenge me if I am—is that the action plan as it currently stands does not provide the mechanism by which Nether Wallop Sandstone Inc can take those concrete steps.

Debbie Coulter: I do not think it does. I do not know whether that was the intention. We have a due diligence framework and other organisations give a road map of how to do this stuff, because it is hard, complicated and daunting.

Ms Karen Buck: Do you teach the Institute of Directors how to do it?

Debbie Coulter: We do not. It is very welcome. There is a copy of the framework here. Seriously, we teach other organisations to do this. We offer training, we are on international platforms. The due diligence framework is now internationally recognised as one of the credible tools by which you can do this due diligence through your supply chain, showing how to do it, who to do it with, and when to do it.

Ms Karen Buck: Can I ask the Institute of Directors whether it will now take this on and roll this out with its members?

Andrew Silvester: Absolutely. This is a bit of a diversion, but we have this thing called the information advisory service, which is essentially a library of interesting information, often about foreign markets and modern slavery requirements, and so on, which is available to all our members. I would love to give it to the entirety of the business community, but unfortunately this is a resource for us.

You asked at the start where that balance was. There is no pretending that the business climate has not been tough for the past eight years since the financial crisis, and it is still tough today. For business to be brought along—and, as I say, it wants to play its part in this agenda—it has to see that government is also committed to it and is fighting the corner of British business. The Bribery Act involves you going into every nook and cranny of the supply chain. UKTI and the national action plan talk glowingly of it and have produced the Overseas Business Risk series. There is guidance for Nigeria, but bear in mind that a small business that does business in Nigeria has to go there, look at its supply chain and do all that due diligence and will be criminally liable if it has not done the due diligence appropriately. The guidance simply says, "Corruption is a considerable barrier to business in Nigeria, which investors should be alive to". That is not guidance; you get more from the *Guardian*. It needs to be about sectors, about particular areas and who you can go to in

Nigeria if you think something has gone wrong. That applies across the piece.

Ms Karen Buck: Do you talk to the Department for International Trade and make that point to it?

Andrew Silvester: Absolutely.

Ms Karen Buck: Have you drafted what you would like to see as more of a road map for businesses that you could use?

Andrew Silvester: We have not drafted that, but after that quite heavy parliamentary nudge we will probably go away and do it. We have spoken to government a lot about the wider point of communicating government initiatives, particularly to small businesses. In the start of the so-called austerity years there was a feeling that the axe would go to the low-hanging fruit—marketing, communication—as it was the easiest to pick. In fact, in the last five or six years we have found that our members' awareness of government schemes that are designed to help or advise them has fallen significantly. There is a real question to ask of government departments and Parliament about whether we are doing enough to communicate the many worthy initiatives that we come up with in SW1 and get them out to business.

Ms Karen Buck: One last question. You talk, reasonably, about the particular challenges that SMEs face with all this, which is a fair point, but it is also true that large companies are increasingly using a chain of smaller companies to deliver a range of services. You name-checked the *Guardian*; a big report came out there today about the way in which employment agencies are being used, and about how what would at one stage have been a function of a large company is increasingly outsourced. So we are not in a steady state; we have companies, with their interest in the bottom line—not unreasonably—following what they are legally allowed to do with regard to contracting smaller companies. That means that they often have a responsibility. It might not be your sandstone company, but in many cases a large corporation should have oversight for an SME that is supplying it so that that burden does not fall entirely on the SME. Is that fair?

Andrew Silvester: Yes. Business is never static, as you say. The enterprise environment is always moving and never faster than with technology. There is a role for large organisations and investors to play. Investors' great problem here is that they have, in some cases, thousands of AGMs to attend every year with large corporates. They simply choose not to put the resource in there. We would argue there should be more resource, but going back to what you said, there is a real role for those large corporates to prove they are genuinely interested in this agenda. There are some incredibly exciting technologies that make monitoring your supply chain far easier than it has been before, be that radio frequency identifiers or QR codes on the side of boxes that enable you to monitor that supply chain. There may be a role for those large organisations to play in rolling out that technology, which is expensive, to their smaller companies so they can be sure of their supply chains.

Ms Karen Buck: Would you do us as a Committee a favour and provide a short note, following up this point, in particular with the Government, outlining what additional guidance—perhaps both of you could do this—might be of more practical use to you in your job of leading business on its journey to greater compatibility with human rights?

The Chair: Are you suggesting what extra the Government can offer?

Ms Karen Buck: I was talking particularly about how we might turn an action plan from something reactive to something more proactive.

Andrew Silvester: A lot of it is already there. It is often just a case of bringing it together into one place. Ultimately, a lot of the problem our businesses have with government is that lack of a single space.

Debbie Coulter: It is a really good point. Like a lot of organisations, we in the CSR community tend to have conversations with each other. We all know that there is a bigger business audience that does not even know what the UNGPs are. They do not understand the concept of business and human rights and do not understand their responsibilities even in relation to the Modern Slavery Act, which has been widely publicised and has been a massive game changer. They are the people we need to try to reach. It is a question of releasing these resources, tools, information and guidance through as many channels as possible.

Q52 **Amanda Solloway:** I have a quick question on this point. I think Debbie mentioned workers being exploited. What is the definition of "workers being exploited", as opposed to human rights issues being violated? Do they differ in different countries? I did not know whether we were talking about our view of human rights or whether countries have different interpretations.

Debbie Coulter: There are obviously a lot of international standards and conventions that define human rights. They are international and should be recognised universally. When ETI talks about human rights, we focus on labour rights. To determine whether labour rights are being breached, we have a base code that spells out members' obligations very clearly. They must ensure their supply chain, their suppliers and their business comply with the base code, which is based on International Labour Organization standards. It is things like freedom of movement, no child labour, the living wage, a maximum 60-hour week. All those things are clearly defined. We would determine a breach of that base code to be a breach of labour rights and therefore a breach of human rights. There are extremes of that, of course. There is bonded labour in Tamil Nadu where women and young girls have not been out of a factory in two years and have had their wages withdrawn.

Those are extreme labour rights violations, but day to day in many parts of the world the biggest issue for us is workers' inability to exercise their right to freedom of association. If they had that right to freedom of association they would be free to join, or not to join, an independent trade union, to be represented in the workplace, to have their terms and conditions negotiated collectively, and be able to access grievance procedures and have remedies provided by trade unions. If those sorts of rights were in place through global supply chains, we would not be having this conversation.

Amanda Solloway: My question is whether that hinders a company's capacity to do what it was doing. Would it mean that the sandstone was not available? Does it have a knock-on effect on that economy, or is it always a positive effect?

Debbie Coulter: It is interesting. I think it has a positive effect. In that case, and in many cases, we tend to think of UK companies as being big, powerful institutions. On a global stage often they are not. In agriculture and some of the fresh produce we buy that is imported from overseas, we are small players compared to the Americans, the Chinese and other parts of the world. Our influence and leverage is often quite small. What is great about the national action plan is that it was the first to be produced. We can go boldly and proudly to other countries and say, "This is an exemplar model". None the less, British and European companies at the forefront of promoting ethical trade often pave the way for others to come in and reap the benefits of having a better, more productive, healthier and better-paid workforce. It is worth the investment.

Amanda Solloway: On that, have there been any significant changes in corporate practice since the principles were adopted?

Debbie Coulter: There certainly have been for some of the bigger companies, in particular the multinational companies. You have probably read the reports that Unilever was one of the first companies to look seriously at implementing the UNGPs, and having a strategy and proper plan of implementation. For others, the journey has been slower, although organisations such as ours now say that all the business and human rights agenda needs to be focused on the UNGPs. They have such buy-in and credibility on the global stage. Even now, after five years, they are getting traction and will appear on businesses' annual statements. You will hear them being referenced at business conferences. What is lacking is any action and activity surrounding it. There will be more talk about it—there are conferences galore—but credible action and strategy is less forthcoming. That is more so since the Modern Slavery Act, which triggered that train of thought.

Amanda Solloway: Andrew, should the Government take any steps to improve business awareness of human rights obligations?

Andrew Silvester: Yes. I guess this links to the request to put something together. If you approach UKTI about doing business in a country that is on its watch list, you should not just get information back that says, "The aerospace sector is thriving"; you should get information about dodgy companies in the aerospace sector.

Your first question points to an interesting grey area about how we define these issues. The leadership role of British companies is important. I will namecheck one: FIFA. I know it is not a British company, but it is a large global company. We talk about the pressure that investors can put on. I guarantee that FIFA would stop saying that what is happening in Qatar is entirely beholden to labour law in Qatar if its corporate sponsors said, "Actually, we're not entirely sure we want to sponsor the World Cup next time unless you do something about that". That kind of internal business-to-business pressure would probably be just as, if not more, valuable than legislation.

We have heard a lot more talk about corporate practice in the City, as you have said. The best companies are taking their responsibility to report, in particular on modern slavery, seriously. I mentioned Marks & Sparks: it is one of the first things you see on its website. It cannot be buried in an annual report right at the back in a pro forma, "We're doing our best" type thing. Anecdotally, we know of a couple of tech firms based in east London that essentially bring together information that is available right across the web in different languages in places that British companies would never look at in foreign Governments. They then going through the myriad complicated websites that those Governments often have because they do not have the wonders of GOV.UK. This company, Arachnys, is seeing its business go through the roof because it is providing the kind of due diligence that was not possible 10 years ago.

Investors and large corporates often take this seriously. We can argue until the cows come home about whether they are doing it just to cover their backsides, to speak parochially, or whether they are really instilling cultural change, but whatever their motives they are getting more information. If it shows up that their supply chains are doing things wrong, you would assume they would act on it. There have been positive steps, but, as I said, there is no room for complacency. We are talking a lot about activities abroad, but the point still stands that this is happening too much in the UK as well.

Amanda Solloway: I have one final question: what would the impact be of imposing stricter human rights obligations, or stricter enforcement of existing obligations? What impact would that have on the economics of, for example, the retail sector?

Debbie Coulter: In some ways it would create a level playing field, because businesses that are trying to trade responsibly and ethically are often undercut by those that are not, or by businesses that are not customer-facing. Sectors such as the hospitality, construction or business-to-business sectors are not in the public gaze. They can continue not to respond positively to any voluntary initiatives. In some respects and on occasion stronger legislation is required to create that level playing field.

Q53 **Baroness Prosser:** You have already talked about working with the trade union movement, NGOs and other local organisations. In the context of international matters you said that one of the big problems is lack of freedom of association. That wipes out the opportunity for the trade union movement to play a watchdog role in what is going on. But in this country, given what Andrew said about the huge percentage of companies that are small and medium-sized enterprises, the vast majority of which have no trade union involvement, do you have any good examples you can give us on the other side about ways the trade union movement or other organisations have been able to monitor what is going on, report back and act as the inside watchdog?

Debbie Coulter: I will give you two examples. The first is in Bangladesh, where there are strong and independent trade unions, but the trade union density is very tiny. Only 3% of the workforce is organised. None the less, they are supported by IndustriALL Global Union. They are very well supported by the global community and organisations such as the Solidarity Centre. They are having their capacity built. Simultaneously, we and others like the ILO are saying, "Okay, workers in those workplaces may not be ready to join a trade union yet, and trade unions may not be ready to recruit 4 million workers"—

The Chair: Can I interrupt you there? We now have a Division in the Commons. I am afraid our colleagues from the Commons will have to disappear but will be back shortly.

The Committee adjourned for a Division in the Commons.

The Chair: I apologise for that. Where were we?

Baroness Prosser: We were on the trade union trail. I was asking for some information about ways in which the trade union movement can be useful, particularly in the context of your comment about some countries where freedom of association does not happen, and in this country in the context of the huge numbers of companies, particularly in the supply chain, that are so small and would be unlikely to have any union involvement.

Debbie Coulter: I will illustrate that by giving two examples. I started talking about Bangladesh, where the trade union movement is not very strong or influential. Only 3% of the workforce is organised. We and the likes of the ILO Better Work programme are working to try none the less to get some of these factories at least to have democratically elected worker participation committees. We go in, conduct the elections, train the workers, supervisors and managers, and then bring them together. So at least there is a structure there where workers can negotiate on terms and conditions, and raise grievances and issues on behalf of their fellow workers. Most importantly, if they feel that the situation is unsafe they have a mechanism by which they can raise concerns.

Another example is on small businesses. I mentioned Leicester. A lot of the companies that source garments from Leicester, both large and small UK-based companies, have tried for two years to reform that industry, which has all sorts of problems, not least payment below minimum wage. They have instituted all sorts of processes whereby they forensically audit these companies and collaborate with government agencies. We have involved ACAS, the city council, the MP; we have involved everybody to try to get some order and compliant factories. In the end, the companies—these are UK companies, both large and small—are telling the local, community union that has been working with us, “Look, help us out here. Can you not have a relationship and partnership agreement with the employer so that you can represent the workers and train them, get them to understand what their rights are and for them to be the spokespeople, so we don’t need hotlines and helplines and press exposés? The workers themselves can tell us what’s going on in that supply chain”. That is happening, even though some of those work units are 15 to 20 people.

Baroness Prosser: Did you find that sometimes the workers would be anxious about getting engaged because they would be nervous about the future of their jobs, for example?

Debbie Coulter: Ordinarily. All too often that is the case. There is still great concern, especially among the most vulnerable of workers, in particular migrant workers, who may not understand that, generally speaking, in the UK it is good to join a union. They may come from countries where people have been killed for joining a union. There are very different levels of understanding. We were talking about messages coming from government. If messages come from buyers—the very people that are providing orders to your employer, that are paying your wages, in essence—that they would like you to join a union and be the conduit between them and the supplier, that sends a very strong and affirming message to those workers.

Baroness Prosser: Andrew, if it is unlikely that many of those very small companies of which we have spoken would engage with trade unions, is there any advice, pressure or support from the IoD to those companies on employee engagement generally?

Andrew Silvester: Yes, absolutely. One of the IoD’s four royal charter obligations is to offer guidance to employers, and part of that is offering guidance to employees so that you have a good relationship. In these kind of inquiries we are always in danger of putting businesses in one box, as I mentioned. The vast majority of employers in the United Kingdom are good employers: they have good relationships with their staff, they recognise that that is good for business, and they have the appreciation of the importance of human rights that we in this room and around this table have. Where there might still be work to do is in the education piece we spoke about earlier, with migrant workers, and so on.

I spoke earlier about the importance of whistleblowing. We have seen issues—I will not go as far as saying that they affected people’s human rights, but look at the example of Sports Direct and the workers in its Shirebrook factory, which the IoD has been forthright on. If it had had an appropriate whistleblowing structure in place, it would not matter whether a union was involved as long as you had leadership from the board that was open to hearing those things and there was a mechanism in place so that your job was protected and people felt confident. Clearly, at Sports Direct that was not necessarily the case. A lot of the issues we are touching on point to the importance of corporate governance right at the top, in large and small businesses. It is crucial to have leaders that get this, and the IoD has been trying to deal with this—at times we have been somewhat overly vocal on things such as BHS and Sports Direct.

Q54 **Lord Woolf:** So far we have looked at how we get employers together with employees sometimes to deal with these matters, but what happens if there is a breach of human rights standards or personal injuries of a serious nature? What current barriers at present prevent access to remedies in the UK for victims of human rights abuses by businesses, both domestically and internationally?

Debbie Coulter: There are not sufficient and well-known grievance mechanisms in place—

Lord Woolf: There are not?

Debbie Coulter: No, there are not, whether at a micro-level of the workplace or national or international grievance mechanisms. As regards mechanisms that are in place, workers are often not aware of them. To back a stage further, workers are often not aware that their rights have been breached. Often the conditions in some of the countries we operate in are pretty poor, so workers generally are unaware that their rights have been breached and, not least, they are unaware of how to try to get some resolution to any grievances—some remedy to any abuse that has taken place.

Lord Woolf: That is a very unsatisfactory situation. What can we recommend that might improve the situation?

Debbie Coulter: I can speak on what ETI and other organisations like us are doing. We receive funding from the Foreign and Commonwealth Office to promote UNGPs in certain countries, and in each of those countries one of the pillars of our work is to try to promote an effective grievance mechanism within that sector or in that region. We are doing that in India, Bangladesh and Turkey. Just next week—again, with FCO funding—we are going to Turkey to promote the UNGPs, which means introducing people to the ideas of due diligence, collaboration and getting workers involved in social dialogue. Where there are sectoral problems—in this case, we are talking about the garment sector—we will try to find out how we can best provide an effective grievance mechanism that is user-friendly, accessible and which workers can use and understand.

Lord Woolf: If you identify that, do you think you will be able to get resources to enable you to promote it?

Debbie Coulter: Yes, and that is what we are doing courtesy of the FCO Magna Carta fund. We help to create the conditions in which these mechanisms can develop, then the industry itself makes sure that they are sustainable. We involve all the stakeholders—the buyers, the country teams, the NGOs, the Government and industry associations—to make sure that they see the value of this, and then they adopt it as their own. It does not necessarily need support from us or the UK Government on a longer-term basis. Obviously, it is about promoting those ideas, sharing best practice, sharing what we know has worked well in different industries and different parts of the world, and shaping it to the local or sectoral need of the country.

Q55 **Lord Woolf:** Am I right in understanding what you said before? At this stage of development of those sorts of initiatives, you feel that it will not be helped by legislation in this country bringing in something equivalent to the Alien Tort Statute in the States.

Debbie Coulter: I did not say that it would be unhelpful. In that case that may well prove to be a useful tool in America to make companies more accountable. We would rather create or enable an environment in which people would see the positive benefits, the business benefits and the benefits for workers without having to go through situations like Rana Plaza to make people wake up and realise that this is something they should be doing. The Modern Slavery Act has provided that sort of impetus in the UK, and now 70% of CEOs and senior businesspeople are engaged in conversations about CSR and ethical trade. That is not normally the case. Better conversations are taking place between them and their suppliers; that has not normally been the case. Therefore it is great that we have that impetus, although as we know, there is still a lot of work to be done on strengthening the Modern Slavery Act. Legislation can certainly play its part, but we also need to get people on side, and there needs to be a change in the corporate mindset that recognises that they should not be doing this because the law says they should not but because it makes good sense. As well as a moral and ethical case, there is also a business case attached to this agenda.

Q56 **Lord Woolf:** The Committee has visited the national contact point. Have you had any dealings with it?

Debbie Coulter: I have to be frank—of course I am aware of the OECD national contact points and their remit, but in five years of working in international labour rights, I have not known a single labour rights case that has gone to an NPC.

Andrew Silvester: As I understand, it is quite a small outfit—I see from the nodding around the table that I am correct on that point. I mentioned earlier the low-hanging fruit of marketing and communications. With government departments that has had a deleterious effect on the ability of government to transmit the right positive messages to the business community. You will find nobody more annoyed in the business community than responsible businesses—the vast majority—who feel that their reputation is being dragged down by unscrupulous employers. So there is certainly a case for things like the national contact point to be re-resourced, because it seems it is a little small. As I said, there is a business case for this, and a case for rooting out employers who are not playing fair, not just because they are undercutting the market but because it drags down the whole reputation of business. If you look at the number of estimated individuals in the United Kingdom who, despite everything, are still paid below the minimum wage versus the number of minimum wage convictions, it is clear that there is still a lot of work to do. The business community wants to work with government to ensure that those sorts of things disappear.

On your wider point about legislation, as I said earlier, particularly around the failure to prevent offences, that certainly needs some time to bed in. It started a cultural shift—a discussion at board level. My fear is that if we move further with legislation, which obviously scared employers—as, if I am totally honest, the Bribery Act did at first—you might start losing the good will of business in this fight, and it might start to think that government is asking it to do everything. Frankly, there is already a lot of frustration within the business community about things like having to check the immigration status of new employees, which a lot of businesses, quite understandably, think should be the responsibility of government. If you ask businesses to go a little too far in that direction, they might start to pull back and say, "Actually, this is a partnership, not a dictatorship".

Q57 **Baroness Lawrence of Clarendon:** I think you have already answered the question; one of the questions I was going to ask you is whether you are in favour of legislation. From what you have said, your answer is no—you want to see multinational companies take what is there already and build on that. Am I right?

Debbie Coulter: So far, with the Modern Slavery Act we have seen a lot of activity, and a lot of policies and practices have changed. We have not yet seen activity change. It would be useful to reflect on the impact that the Modern Slavery Act has had to benchmark whether any additional legislation should be made. However, on the UNGPs, I speak to workers and worker organisations around the globe. When I speak to them about the UNGPs they understand it—there have been big international conversations at conferences, and so on—but they say, "Why should we get involved in conversations about the UNGPs when our own Governments do not even enforce the laws that we have fought for and won?". Even if the UNGPs were legally enforceable, there is a lot of scepticism in many parts of the world about laws being enforced by the respective states. So it has its limitations.

Baroness Lawrence of Clarendon: Andrew, do you feel the same?

Andrew Silvester: I mentioned earlier that existing legislation is not known enough in the business community and that neither is the advice and guidance on how to comply with that legislation. That seems like a better starting point than reaching immediately for more legislation. Businesses are increasingly getting it, and we may be at a tipping point, where further legislation might start to feel like pushing too far on something that is still difficult. Particularly on the failure to prevent offences under the Bribery Act, we have to remember that we know anecdotally from our members and from data that we have from surveys that a lot of our members have not undertaken business activity because they are worried about the consequences. Ultimately, that is not good, either for any country in which they were going to do business or for the British business landscape. So increasing the level of understanding is probably the first step.

Baroness Hamwee: First, I apologise for going in and out, because of business in the Chamber. I want to go back one step, because I do not think we should make assumptions about your view of the national contact point. You said, “No, we haven’t had any contact”; can you just amplify any views you have about its effectiveness or otherwise, so we do not just read between the lines?

Debbie Coulter: The personal example I give may illuminate the fact that not many people see it as the go-to place or as accessible. I know that as regards the labour rights agenda, it is not necessarily seen as the place to take labour disputes. That may be totally wrong, so that is potentially an argument for it to promote the work it does to wider audiences and to make its work more understandable and accessible. However, I also hear anecdotally that it is underresourced and that it does lots of other work as well, so that is not a slight on it as an organisation. It is one of those mechanisms that people know is out there, but certainly in the field of labour rights, it is not used particularly widely.

Baroness Hamwee: It cannot even propose sanctions but works on the basis of mediation. Is that a deterrent?

Debbie Coulter: It is not a deterrent, of course, but it operates on that level because lots of other grievance mechanisms do so. Certainly we would promote that system. ETI has a complaints mechanism, which is rarely used. If a trade union or an NGO bring a complaint against an enterprise or a company, in the first instance we get them together and try to resolve the dispute, and almost always satisfactorily do. So I would endorse the approach.

Q58 **Baroness Lawrence of Clarendon:** I will finish with my questions. Should the law on liability be changed so that where profits flow up the chain, responsibilities do too? What would be the impact of doing this by way of strict liability under civil law?

Andrew Silvester: I will preface this by saying that I am very much not a lawyer. The IoD’s lawyers get locked in the basement most of the time, working on our members’ queries rather than helping me, alas. In terms of where the profit flows, there is something to be said for the transparency of ownership, and there have been moves in that regard. This is a wider governance issue about knowing who the beneficial owner is of any kind of business activity. The moves that have taken us in that direction over recent years will help with transparency and openness. The Prime Minister’s focus at the moment on good corporate governance will have a knock-on effect with regard to transparency and openness in the supply chain, as we mentioned before.

Would legislation help? As I understand it, there is already legislation in the United Kingdom to that effect. Would it help abroad? I go back to the last thing I said, which is that we need to try this cultural shift first before we move to legislation. The difficulty is that to define in criminal law what human rights entail would create such a degree of uncertainty in business that you would turn off the business community. Rather than becoming lawful partners in this effort to forward the anti-human rights abuses agenda, they would start to take a step back from any kind of activity that could be construed as going against human rights abuses. That would mean that they would take a step back from a lot of developing countries.

We asked our members about the Modern Slavery Act, and some 60% of them said that they believed that such legislation would probably dissuade companies from doing business abroad. We can argue in the same way about a number of different pieces of legislation, which slow economic activity by their very nature, and there is a reason for that. High tobacco taxes limit economic activity, but most people agree that the public health reasons are greater than that. As I said earlier, it is time for this to bed in and see whether this cultural shift exists. However, it is worth while for people and NGOs to talk about this and keep it on the agenda, because that is probably one of the ways that will help shove this cultural shift along, if businesses feel that they are being scrutinised.

Baroness Lawrence of Clarendon: If that is the case, how long would you give that cultural shift to bed in? You talked about years.

Andrew Silvester: In two years there will be an inquiry, then another one, and you need to keep on with this argument. If businesses come to you with the same arguments that you find unsatisfactory, that is the point at which we have to start to bring this up again. In the meantime, there are lots of steps beyond legislation which government could encourage. For instance, NGOs, either with government funding or without, could produce a kind of centre for monitoring large companies' modern slavery reporting, putting it in one place to allow people to see companies that are just writing six lines, saying, "We're doing our best—everything's tickety-boo", and compare that to the ones that are doing detailed work so we can hold them to a standard. That would be a more fruitful approach if you want to keep business as a partner in this, because it is business on the ground that will have the most sway.

Debbie Coulter: I think it is right that the Modern Slavery Act is used almost as a test case and that people look at how businesses respond to it. We are noticing almost straightaway the weaknesses in the Act. I know that Baroness Young to put forward a private Bill to address these very points. It is clear from the outset that we need transparency. We do not know which companies are contributing modern slavery statements. There is no central repository for information of this kind, and we think there should be. Government should keep this information and it should be made public. Companies report in their annual reports and to HMRC, so there needs to be greater transparency. It is certainly the game-changer; it has shaken up this whole agenda. Absolutely, it needs strengthening and greater oversight and accountability. It may well then be used as a model.

Andrew Silvester: I mentioned earlier that this is still very difficult for companies to do through these very complex supply chains, so we are always aware of legislation in an area that is so difficult. We are seeing radical leaps in technology. Over the next five to 10 years, as that technology becomes cheaper—as technology tends to do—it will become available not just to corporates but to medium-sized business and then to small businesses. Once they have the tools to do the job and to do it cheaply, keeping their business models frankly viable, it is worth having that conversation. If businesses refuse to use the tools that are then available to them, which can be bought fairly cheaply and be put together by NGOs, there is then a discussion to be had. At the moment, we are still in a slightly imperfect place where the demands that a lot of NGOs are making of businesses are slightly beyond their abilities and resource in doing that due diligence.

The Chair: Bearing in mind the time, can I put it in simple terms? Is it in a slightly imperfect place but we want a bit more time before we see any further changes to, say, the Modern Slavery Act?

Andrew Silvester: With regard to legislation, more time is the one thing that politics often does not afford. Yes, a lot more time is needed for things to bed in, with a renewed focus. That does not mean by any stretch of the imagination that it should go off the government agenda. They should be doing this work and getting the message out to business, but on legislation, yes, I would hold back.

Baroness Prosser: Some people might say that there is nothing like a few sanctions to help a cultural shift along.

Andrew Silvester: You could argue that the Modern Slavery Act would do just that. As I mentioned earlier, it may be a case of NGOs doing more naming and shaming of businesses that they feel not to be holding up their end of the bargain. It would be a reputational sanction if nothing else. As I alluded to earlier, shifts in the way consumers view businesses, particularly consumer-facing businesses, would also have a pretty powerful effect.

Debbie Coulter: Whether it is the NGO community, consumer groups or labour unions, we have a shared responsibility to get this agenda right. The companies that are stepping up to the mark and investing in responsible business practices need to be given time to develop their strategies and plans and to demonstrate that they are having an impact on their supply chains. That goes for everybody. We should afford those companies the opportunity to showcase what they are doing rather than just go out and wave banners and be critical of them when issues crop up in their supply chain. If people are on a journey, they need to be given time to work through it, especially if they are doing it collaboratively and properly and are conducting due diligence effectively. That is another side to the argument.

The Chair: Jeremy, do you want to end with something on Brexit?

Q59 **Jeremy Lefroy:** Yes. I apologise for not being here earlier. I have worked in commodities such as coffee and cocoa over many years and been quite involved with the Fairtrade movement, and have seen the huge advance of Fairtrade in the UK—it is now by far the biggest market for fair trade in the world—and the power of that symbol, with the market now worth well over £2 billion a year and increasing substantially. Is this is not just about the stick but about the carrot? Should there be an opportunity for organisations to get themselves certified at higher levels than the legislation requires, which in turn would be attractive for many consumers? We are already seeing with Fairtrade how the British consumer has tended to reward companies that go above the required minima. As a businessperson, I tend to balk when I hear about more legislation and the onus being put on business—which I understand, certainly at minimum levels—but I would like to see businesses rewarded for going the extra mile. Do you see more opportunities for that with supply chains and particularly in respect of the Modern Slavery Act?

Debbie Coulter: We are not a certification organisation. I go back to where I started from, which is that promoting responsible business and ethical trade generally is very complex and difficult. At what stage would you give that certificate to a business to say that they trade responsibly? Global supply chains are extremely complex. Myriad issues impact on workers' rights and human rights. If somebody could come up with a system whereby we could verify that one company was trading responsibly and exclusively and we could be confident that there were no labour or human rights abuses in their supply chain, I would support it. That may come across as a bit cynical, but on a very practical level it would be virtually impossible to do, although the sentiment would be great. Consumers would certainly like that. You would like to buy a suit or a dress knowing that everything from the cotton to the manufacture and the logistics was sourced responsibly. I do not think those guarantees are in place, or could be.

Jeremy Lefroy: Perhaps I can be a bit more optimistic and say that we should go for that. Otherwise, I can see the chilling effect on business in the UK if there is ever more onerous legislation which is not replicated in other countries. UK businesses would still be holding themselves to higher standards but doing less business, leaving the field open for other businesses around the world to produce goods which are then imported into the UK, effectively costing British jobs as well as jobs resulting from responsible British investment overseas.

Andrew Silvester: You make a good point about how British business is often held to higher standards. We should be very proud of those standards but also be aware that they are very high standards compared to what some of our competitors are dealing with. In another field, we have often gone far above and beyond to gold-plate EU regulation—

before, obviously, the events of this summer. There is no question that we went beyond what some our European competitors did and it hurt business. We need to bear that in mind throughout this discussion. On a Fairtrade-style mark, we would back that to the hilt, because that kind of carrot is welcome. I mentioned the cultural shift that is already occurring in business. Some certification of that cultural shift would be welcome. I know that the Cabinet Office is talking about "mission-led businesses" and giving them a kitemark of some variety, saying that as part of their articles of association it is about stakeholders as well as shareholders. Is there something we could do there? It is a useful avenue to consider.

Q60 **Jeremy Lefroy:** I will move on to Brexit. Clearly, the UK is currently party to trade deals which have human rights clauses built into them. As we withdraw, what human rights requirements do you believe we should write into new trade deals? Should we simply passport—to coin an expression—the current wording into new trade deals? Should we set higher standards? There may be some who say that we should go lower—I am not sure that you would find much support on this Committee for that. What is your view?

Debbie Coulter: The prospect of going higher is obviously appealing. If the UK promotes itself as being at the vanguard of promoting the UNGPs and human rights in trade, this is an ideal opportunity. However, we simply do not know what will happen. We would hope that workers' rights, which are currently enjoyed by virtue of the social charter, would be respected and not weakened. I think areas such as the European Charter of Fundamental Rights would be respected. At the very least, we would expect none of those rights, conventions and charters to be weakened. It would be wonderful if part of the work that the UK Government are now doing on human rights could be elevated so that the UK could be a leader in this field.

Andrew Silvester: I echo the point. We would not expect it to go low; we would not necessarily expect it to go higher. One point worth making is that British standards in these areas tend to be higher than in other places around the world. As we make our new place in a post-Brexit world, a lot of that will be about asking foreign Governments to do a little more to ensure that a level playing field exists, and that it is not just the British Government chivvying British businesses along to deal with abuses in foreign countries but foreign Governments playing their part as well. I mentioned right at the start of the Committee some places where the need for economic growth is placed above that for human rights and labour rights. We have to play more of a global role there in chivvying progress along.

Q61 **Jeremy Lefroy:** My final question is: what action should the UK Government and businesses take to ensure continuous human rights protections in business following withdrawal from the EU?

Andrew Silvester: I would expect the standards to shift over more or less immediately. I do not think there will be any great vacuum or gap between the two. The Government need to continue to promote the things they are doing at home. The UK was the first country to produce a national action plan and the first to update it, and it has advised on various other action plans across the world following on from the UNGPs. I would not expect the British Government to have a slightly unpleasant Damascene conversion in which they went back to driving those standards down. I am relatively confident that the Government will hold up their end of the bargain. I do not mean business as usual, because business as usual at the moment is trying to progress this agenda. The progress being made at the moment is probably greater than some are giving credit for. As we come out the other side of Brexit negotiations, we will be in a different place in how businesses think about this.

Debbie Coulter: I think people would generally like the UK to maintain its leader position in terms of the national action plan on business and human rights, but an increasing number of other countries are developing their own action plans. We need to maintain this leader role, because other countries are catching up with this agenda.

Jeremy Lefroy: So in conclusion, you seem to be saying that the opportunity for substantial deregulation which some have seen in Brexit will not apply in this field.

Debbie Coulter: I would hope not.

Andrew Silvester: In both human rights and employment law, we would not expect to see much movement.

The Chair: Thank you both very much for coming along and giving up your time to give evidence to the Committee. It will be of great assistance to us in our deliberations. Again, my apologies on behalf of our Chairman, who was unable to be here. I hope you have found the session as useful as we have. Thank you.