



Department for
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Our ref:
Your ref:

25 March 2021

Dear Philip,

The exploitation of vulnerable workers for commercial gain is unacceptable and the enforcement of employment rights is a priority for this government. We have committed to improving domestic enforcement by establishing a single enforcement body which will provide a clearer route for workers to raise a complaint and get support. It will also enable more coordinated enforcement action and the use of pooled intelligence to better target proactive enforcement. We are committed to extending state enforcement to cover holiday pay for vulnerable workers and umbrella companies operating in the agency worker market. We will bring forward more detailed proposals for the body shortly.

With regards to the garment trade specifically and the proposals outlined in your letter, we are engaging with the sector to understand the factors that lead to non-compliance and what measures could be used to tackle them. Given the seriousness and spectrum of issues, it is imperative that we have a strong evidence base to inform the options we are considering to protect vulnerable workers and drive up standards.

On the proposal for a licensing scheme, I understand the desire of retailers for more assurance of compliance in their UK supply chains. It is also important to consider the impact that licensing would have on the manufacturing sector and the role that brands themselves have to play in preventing abuses. My officials, along with Home Office colleagues and the Gangmasters and Labour Abuse Authority have been engaging with the British Retail Consortium to better understand how this proposal might work. Minister Scully has also met with the BRC and Dr Lisa Cameron, chair of the Textiles and Fashion APPG, to discuss this proposal and will be jointly chairing a roundtable with Minister Atkins with retailers to explore the issues further.

I have also noted the idea of a Garment Trade Adjudicator. As you note in your letter, the Groceries Code Adjudicator has been successful in ensuring large grocery retailers treat their direct suppliers lawfully and fairly, through its effective enforcement of the Groceries Supply Code of Practice. There are significant differences between the groceries sector and the fashion industry in terms of scale and distribution of market share, so we need to understand whether this model would be as effective in driving compliance in garment manufacturing. My officials have met with Fiona Gooch from Traidcraft to further discuss the proposal and continue to consider this question.

The government has also consulted on the previous Director of Labour Market Enforcement's recommendations for joint responsibility and embargoing hot goods from his 2018/19 Labour Market Enforcement Strategy. Our response will be published as part of the government response to the Single Enforcement Body consultation. In September, following a public consultation, the Home Office also announced a series

of measures to strengthen the Modern Slavery Act. These new measures will be introduced as soon as parliamentary time allows. In addition, we also look forward to seeing the outcomes of the work of the Apparel and General Merchandise Public/Private Protocol, a partnership between enforcement bodies and industry partners aimed at tackling all forms of labour exploitation in the garment trade.

You also raise Leicester specifically. Following the allegations of abuses in Leicester garment factories, a multi-agency taskforce, led by the Gangmasters and Labour Abuse Authority (GLAA), has been operating in the city since July 2020. The taskforce has visited more than 200 premises across the city's textiles industry, securing warrants on premises that presented a high risk and where business owners did not grant access. There has been one potential case of modern slavery identified and the taskforce has dealt with all other instances of non-compliance found. Additional premises remain under investigation and the taskforce continues work in Leicester responding to intelligence, engaging with the community and tackling exploitation.

You also noted concerns about links to forced labour outside the UK. The government is clear that businesses must act responsibly in tackling modern slavery and labour exploitation, both domestically and in international supply chains. The UK has consistently supported the United Nations Guiding Principles on Business and Human Rights (UNGPs) and was the first state to produce a National Action Plan to respond to the UNGPs which sets out the government's expectations of businesses to respect human rights. The Foreign, Commonwealth and Development Office (FCDO), Department for International Trade (DIT) and BEIS provide advice to businesses on human rights issues across their supply chains, including pressing them to undertake appropriate due diligence.

The government is concerned by the impact of COVID-19 on garment supply chain workers in countries such as Bangladesh, and we have been monitoring the situation closely. The government has been encouraging companies to honour existing orders, prioritising the labour portion of cost of goods which will contribute to protecting incomes of workers immediately. We have created a garments sector working group with leading retailers as well as NGOs, which encourages companies to sign up to the International Labour Organisation's 'Call to Action' in the global garment industry. Alongside this, in August 2020 the FCDO established the Vulnerable Supply Chains Facility, helping businesses recover from and remain resilient to the economic and social impact of the pandemic. So far, 206,000 workers have received critical cash transfers, health services, PPE, COVID-19 prevention and training to build resilience and rights awareness.

Thank you for sharing the evidence that you have heard thus far in your inquiry and for the work you have done in examining this important issue.

Yours sincerely,



RT HON KWASI KWARTENG MP
Secretary of State for Business, Energy and Industrial Strategy