Modern Slavery (Transparency in Supply Chains) Bill

House of Commons
Second Reading
Friday 24 March 2017

About the BMA
The British Medical Association (BMA) is a voluntary professional association and independent trade union, representing doctors and medical students from all branches of medicine across the UK and supporting them to deliver the highest standards of patient care. We have a membership of over 170,000, which continues to grow each year.

Key points

- The BMA is at the forefront of campaigning for ethical procurement in the NHS. We believe that NHS organisations should embed ethical standards and labour rights due diligence into their procurement processes.

- In 2016, the BMA published: *In good hands: tackling labour rights concerns in the manufacture of medical gloves*, which highlights the widespread abuse of labour rights in factories producing medical gloves used in the NHS. This adds to previous work exposing labour rights violations within the surgical instruments manufacturing industry.

- We support this Bill as health and social care organisations should have an obligation to report on the actions they have taken to ensure they are operating in an ethical way and report on how they address labour standards in supply chains.

Introduction
In the UK the NHS spends in excess of £40 billion per annum on the procurement of goods and services. The supply chains that provide these commodities are global, and employ hundreds of thousands of people worldwide. A substantial proportion of NHS goods are produced in low-middle income countries where working conditions and respect for human rights may not be enforced. There is an uncomfortable paradox in providing healthcare in the NHS at the expense of workers’ health in supply chains. The BMA believes that the health service has a responsibility to ensure that its practices do not negatively impact on the health and wellbeing of workers globally and leads on the campaign for ethical procurement in the NHS.

Ethical procurement ensures that overall sourcing practices improve the pay and working conditions of people involved in the supply of goods and services. If major manufacturers and suppliers of healthcare products strive to ensure fair and ethical practices in the production of their products, then the potential impact on global supply chains is vast.
Labour rights abuses in NHS supply chains

In March 2016, the BMA published: ‘In good hands: tackling labour rights concerns in the manufacture of medical gloves’ which highlighted the abuse of labour rights within factories which produce medical gloves.

The manufacture of medical gloves is a large global industry producing in the region of 150 billion pairs of gloves per year. Of all disposable gloves, an estimated 85–95 per cent are used in the medical sector - including in the NHS. Most production is outsourced to factories across Asia with many employers heavily reliant on migrant workers. There are serious labour rights concerns at many of these factories, including reports of excessive working hours and production targets, inadequate pay, payment of extortionate recruitment fees, and illegal retention of passports.

In addition to exposing this high risk product group, the BMA has also previously published several reports on the labour rights violations within the surgical instruments manufacturing industry. Healthier Procurement – improvements to working conditions for surgical instrument manufacture in Pakistan uncovered widespread use of child labour, and unfair contractual obligations.

Some procurement agencies for the NHS in England have already instigated contractual requirements for those supplying surgical instruments and medical gloves to evaluate and improve labour standards in the factories from which they source. NHS Supply Chain, working closely with the Department of Health, has developed a bespoke approach that effectively manages ethical and labour risks. The risk management tool – Labour Standards Assurance System, relies on early engagement and communication with the supply base to address and mitigate labour rights violations. The BMA is calling for all NHS organisations that purchase medical goods to put policies and practices in place to protect workers in their supply chain.

Slavery and human trafficking statements

We welcomed the addition of Section 54 of the Modern Slavery Act 2015 (MSA) which introduced a requirement on commercial organisations to prepare a slavery and human trafficking statement for each financial year. The Modern Slavery (Transparency in Supply Chains) Bill would also require public bodies to include a statement on slavery and human trafficking in their annual report and accounts.

The BMA supports the Bill which would extend the requirements of Section 54 of the Modern Slavery Act to public bodies, including all health and social care organisations. As they are established as corporate bodies under the NHS Act 2006, NHS foundation trusts and NHS trusts which purchase medical goods are currently required to comply with MSA requirements. However, this is not explicitly stated in the Modern Slavery Act or its guidance and to date only a handful of NHS trusts have prepared a slavery and human trafficking statement.

We believe that both commercial organisations and public bodies have a responsibility to outline the steps taken within their organisation to ensure labour rights abuses are not taking place within their supply chains and should provide information regarding the effectiveness of its policies and procedures to tackle modern slavery.

For further information, please contact:
References

1 https://www.bma.org.uk/features/isthisethicaltrade/