

## Memorandum of evidence from the BMA (British Medical Association) to the House of Commons Home Affairs Select Committee's inquiry into modern slavery

### About the BMA

The BMA is a professional association and trade union representing and negotiating on behalf of all doctors and medical students in the UK. It is a leading voice advocating for outstanding health care and a healthy population. It is an association providing members with excellent individual services and support throughout their lives.

The procurement of healthcare tools and instruments is big business, and the market for such commodities is global. Increasingly, the procurement of the UK's NHS supplies is being outsourced to minimise costs and, unfortunately, there is evidence that the supply chains involved are falling short of basic labour rights (a manifestation of modern slavery).

As a long-standing champion of fair medical trade – i.e. supply chains free from forced and compulsory labour – the BMA has a well-established track record of pursuing policies and legislation to tackle labour rights abuses of a global workforce who provide vital goods and services to the health and care systems in the UK (and elsewhere).<sup>1</sup> Our investigative work to shine a light on modern slavery in the global medical manufacturing industry has led to much greater awareness of the NHS's supply chains, as well as bringing about significant improvements to the UK's procurement of medical gloves.

We welcome the House of Commons Home Affairs Select Committee inquiry on modern slavery as an opportunity to analyse the impact of the Modern Slavery Act 2015 three years on. Our submission highlights the BMA's views about what more needs to be done to enforce compliance with the Act's standards of ethical procurement (Section 54 of the Act), and, crucially, the scope of these standards in the UK.

### Executive summary

- **Modern slavery – labour rights violations in NHS supply chains:** the BMA has long-championed ethical procurement in the NHS, and we believe that all NHS organisations should embed ethical standards into their procurement processes. Our 2016 report, '[In good hands: tackling labour rights concerns in the manufacture of medical gloves](#)',<sup>2</sup> highlighted the widespread abuse of labour rights in factories across Asia producing medical gloves used in the NHS. We have also previously published several reports on the labour rights violations in Pakistan within the surgical instruments manufacturing industry – our 2014 report uncovered widespread use of child labour and unfair contractual obligations.<sup>3</sup>
- **Modern slavery – scope of, and compliance with, provisions in the Modern Slavery Act to embed ethical procurement:** we welcomed the addition of Section 54 of the Modern Slavery Act, which introduced a requirement on commercial organisations to prepare a slavery and human trafficking statement for each financial year. Now, the BMA would like to see (i) a single state-owned central registry introduced by the Government for Section 54 modern slavery statements; and, critically, (ii) an extension of the reporting requirement to public bodies, including health and social care organisations.

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<sup>1</sup> To read more about the BMA's work on fair medical trade, visit the BMA's website: <https://www.bma.org.uk/collective-voice/influence/international/global-justice/fair-medical-trade>

<sup>2</sup> British Medical Association report, 'In good hands; tackling labour rights concerns in the manufacture of medical gloves'. Available at [www.bma.org.uk/collective-voice/influence/international-work/fair-medical-trade/medical-gloves-report](http://www.bma.org.uk/collective-voice/influence/international-work/fair-medical-trade/medical-gloves-report)

<sup>3</sup> British Medical Association report, 'Healthier Procurement, Improvements to working conditions for surgical instrument manufacture in Pakistan'. Available at [www.bma.org.uk/collective-voice/influence/international-work/fair-medical-trade/surgical-tools-report](http://www.bma.org.uk/collective-voice/influence/international-work/fair-medical-trade/surgical-tools-report)

## Modern Slavery – labour rights violations in NHS supply chains

### The current scale and nature of modern slavery

- 1.0 In the UK, the NHS spends more than £40 billion per year on the procurement of goods and services. Many of the supply chains that provide these commodities are global and employ hundreds of thousands of people worldwide. The scale of the NHS's procurement footprint makes it well placed to lead by example and source NHS supplies ethically and transparently.
- 1.1 However, 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. For example, a number of audits and investigations of labour conditions in factories producing medical gloves in Thailand, Malaysia, and Sri Lanka have revealed endemic and serious labour rights abuses of factory workers.
- 1.2 The BMA itself has carried out extensive work to highlight the abuse of labour rights within these global companies that supply the NHS. Most recently, our report '*In good hands: tackling labour rights concerns in the manufacture of medical gloves*', brought crucial evidence to light regarding the abuse of labour rights at factories producing medical gloves.
- 1.3 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 reliant on migrant workers. The BMA's report uncovered serious labour rights breaches at many of these factories – including reports of excessive working hours and production targets, cockroach infestations, inadequate pay, illegal retention of passports, factory temperatures of 40-50C, and production line burns.
- 1.4 The BMA has also raised concerns about documented problems in the manufacturing of surgical instruments (notably in northern Pakistan), with labourers often paid less than US\$1 per day, and deprived of adequate health and safety protection. Many of these workers are children – some as young as seven years old.
- 1.5 In the textiles industry, too, there are known issues. A study of a healthcare uniform manufacturer in India found illegal working hours and the use of child labour.
- 1.6 **These examples of labour rights violations put the UK's health and care system in an uncomfortable paradox: the NHS is providing healthcare to UK citizens at the expense of workers' health across the globe in far-reaching supply chains.**

### The impact of the Modern Slavery Act 2015

- 2.0 The BMA welcomed the addition of Section 54 of the Modern Slavery Act 2015, which introduced the requirement on commercial organisations to prepare a slavery and human trafficking statement for each financial year.
- 2.1 However, we believe Section 54 of the Act is incomplete. It should go one step further and also require public bodies, incorporating all parts of the UK's health and care systems, to include a statement on slavery and human trafficking in their annual report and accounts. We do not believe affirmative action to tackle modern slavery in the UK, such as this reporting requirement, should be limited to the private sector.

- 2.2 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. The NHS should lead the way, campaigning for ethical procurement.
- 2.3 NHS foundation trusts and NHS trusts, which are established as corporate bodies under the NHS Act 2006, are required to comply with the Modern Slavery Act if they have a profit-making arm that meets the turnover threshold. However, compliance is low. Their inclusion is limited to those that yield higher profits, and even those that meet that threshold are not explicitly stated in the Act, or its guidance. To date only a handful of NHS trusts have prepared a slavery and human trafficking statements.
- 2.4 Furthermore, there are still many parts of the health and care system that are not captured under the Modern Slavery Act (for example, Clinical Commissioning Groups), explicitly or implicitly, because of the current scope of Section 54.
- 2.5 **The BMA believes that all UK organisations, whether public or private, should have a responsibility to outline the steps they have taken to promote ethical procurement and ensure labour rights are not taking place within their supply chains.**

#### What success in tackling modern slavery would look like

- 3.0 If major manufacturers and suppliers of healthcare products strove to ensure fair and ethical practices in the production of their products, the potential impact on global supply chains would be vast.
- 3.1 The BMA has already seen the positive change that can be achieved through its work to tackle labour rights abuses in the specific example of disposable gloves manufacturing. In 2015, the BMA Medical Fair and Ethical Trade Group convened a group to tackle slavery in these supply chains. The Association instigated discussions with senior management at some of the major, global glove brands implicated in the labour rights abuses. As a result, those involved in the national or regional procurement of gloves in the UK (as well as Sweden and Norway) have now put in place requirements that their medical glove suppliers are contractually required to evaluate and improve labour standards in their supply chains.
- 3.2 We believe these standards should be applied across the NHS's supply chains – so that all workers involved in the provision of goods and services to the UK's health and care system are protected against labour rights abuses; not just those whose abuses have been brought to the public's attention.
- 3.3 One way in which the Government could enforce ethical procurement standards across all of the UK's supply chains (public and private) would be to support, along with the BMA and other notable voices in this field, the *Modern Slavery (Transparency in Supply Chains) Bill 2017-19*. This private member's bill seeks to extend Section 54 of the Act to public bodies.
- 3.4 **The BMA welcomes the impact that the Modern Slavery Act has had thus far in tackling slavery in supply chains – but we urge the Government to take this an important step further and to extend the requirements of Section 54 of the MSA to public bodies. This would ensure the same standards of ethical procurement are applied to health and social care organisations as they are to banks and businesses.**

## Modern Slavery – compliance with Section 54 of the Modern Slavery Act 2015

### How to increase understanding and reporting of modern slavery offences

- 4.0 In a recent joint statement,<sup>4</sup> coordinated by the Independent Anti-Slavery Commissioner, the BMA and other key voices in this field urged the Government to introduce a single state-owned central registry for Section 54 modern slavery statements.
- 4.1 Despite impressive action from some companies, compliance with the Modern Slavery Act's obligation on companies to report on the actions they have taken to ensure they are operating ethically has been weak. There have been reports that over 40 per cent of the Government's top 100 suppliers, and 43 of the FTSE 100 businesses, are failing to meet the basic legal requirements of the Act.
- 4.2 Mandating a central state-supported database for modern slavery statements would facilitate improved compliance with the Act – the omission of such a recording system in the Act has led to the development of two independent, non-government funded registries.
- 4.3 A single publicly-owned central registry to report on modern slavery would: (i) reduce any confusion about where to file modern slavery statements; (ii) send a clear signal that Section 54 is a mandatory legal requirement on commercial organisations; and (iii) quickly and easily identify whether a particular body has complied with the Act, rather than having to search individual company websites.

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<sup>4</sup> Available to view at: <https://www.antislaverycommissioner.co.uk/news-insights/joint-statement-calls-on-government-for-central-modern-slavery-registry/>