

## Electronics Watch: Supporting Compliance with the Modern Slavery Act

### What is the Modern Slavery Act?

The UK Modern Slavery Act 2015 (MSA) seeks to address slavery, forced labour, and human trafficking taking place today. Section 54 (Transparency in Supply Chains Provision) of the Act requires commercial entities to annually report the actions taken to identify, prevent and mitigate modern slavery in their supply chains.

### What are your responsibilities under the Act?

The Act applies to commercial entities and public interest organisations with an annual turnover of £36 million or more, including certain public bodies that are subject to the UK Public Contract Regulations such as universities and other Higher Education providers. Section 54 obliges these organisations to publish an annual Slavery and Human Trafficking Statement outlining the steps they have taken to eliminate slavery, forced labour, and human trafficking in their own businesses and supply chains.

Many of the higher education purchasing consortia and individual universities that fall under the threshold for mandatory compliance issue anti-slavery statements.

**Electronics Watch recommends that all universities and public interest organisations do the same to signal the urgent need for improved labour conditions in high-risk industries.**

### Risk of forced labour in the electronics industry

According to the International Labour Organization about 49.6 million people around the world work in conditions of slavery and forced labour today.<sup>1</sup> These individuals generate an estimated illegal profit of \$150 billion every year.<sup>2</sup> Documented forced labour practices in the electronics industry include, for example, student interns in China who are forced to work as regular workers for one or two years – often in unrelated fields of work – in order to obtain their diplomas,<sup>3</sup> and electronics workers in Malaysia who are subject to excessive recruitment

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<sup>1</sup> Forced or compulsory labour means all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily. International Labour Organization, C029 - Forced Labour Convention, 1930 (No. 29).

<sup>2</sup> International Labour Organization, Forced labour, human trafficking and slavery

<http://www.ilo.org/global/topics/forced-labour/lang--en/index.htm>.

<sup>3</sup> See, for example, Danwatch, Servants of Servers <https://old.danwatch.dk/undersogelse/servants-of-servers/>

fees<sup>4</sup> and deceptive recruitment practices resulting in debt bondage.<sup>5</sup>

Risk factors for forced labour are prevalent in the electronics industry. They include inadequate laws and regulations, weak enforcement of fundamental labour rights, high levels of poverty, and the growing use of third-party labour recruitment agencies. While the latter may be sanctioned by the law, it erodes worker protections and employer accountability inherent in an employer-employee relationship.

### How can Electronics Watch help?

It has never been more necessary to take action – both to comply with the new legal standards and to help put an end to heinous abuses of workers. Electronics Watch is an industry-independent non-profit organisation that helps public sector organisations work together to protect the rights of workers in their electronics supply chains.<sup>6</sup> It can help affiliated public sector organisations to identify and prevent modern slavery, forced labour and human trafficking in their supply chains. Electronics Watch can also help affiliates to comply with the Transparency in the Supply Chain provision of the Act.

Electronics Watch carries out supply chain monitoring through an extensive international network of monitoring partners, civil society organisations that are based in or near workers' communities. These organisations know how to and can interview workers while keeping them safe from harm and retaliation by employers and other authorities. Worker-driven monitoring, the methodology used by Electronics Watch, is essential for detecting and eliminating modern slavery among supply chain workers, who are often reticent to report abuses to corporate social auditors due to their own vulnerability and that of their employment. Electronics Watch trains its monitoring partners in the worker-driven monitoring methodology to ensure consistent and high-quality evidence on risks and violations.

Electronics Watch also coordinates the remediation of rights abuses in public sector supply chains. It does so by engaging industry actors – including brands, manufacturers, resellers and industry associations – in dialogue, together with other key stakeholders, like trade unions.

<sup>4</sup> [https://electronicswatch.org/en/compensation-without-remedy-why-30-reimbursed-migrant-workers-are-still-exploited\\_2572343](https://electronicswatch.org/en/compensation-without-remedy-why-30-reimbursed-migrant-workers-are-still-exploited_2572343)

<sup>5</sup> Verite, Forced Labor in the Production of Electronics Goods in Malaysia, <https://verite.org/wp-content/uploads/2016/11/VeriteForcedLaborMalaysianElectronics2014.pdf>

<sup>6</sup> Further information can be found here: <http://electronicswatch.org/en>.

Modern Slavery Act (2015) Compliant statements may address:	Electronics Watch (EW) Compliance
Your supply chain including outlining an awareness of the countries you source your goods or services from, high-risk countries where modern forms of slavery, forced labour, and human trafficking are prevalent, and the make-up and complexity of your supply chains.	Affiliates can use the EW Contract Conditions to require contractors to disclose the factories where goods they purchase, and their key components are produced. EW delivers an initial risk assessment to support affiliates in mitigating the risk of harm to workers in their supply chains. Factory disclosures inform the selection of monitoring sites and allow EW to report back to affiliates on factory-specific risks and violations in their supply chains.
A view on minimum labour standards expected of your suppliers, for example by reference to international labour and human rights law.	EW supports affiliates in developing contract management to hold their suppliers to account. This includes verifying that goods in their supply chains are produced in compliance with domestic and international labour standards, including the core International Labour Organization (ILO) conventions and that business practices, such as purchasing practices and delivery schedules, sustain compliance.
Due diligence efforts taken to investigate the risk of modern slavery, including reference to engagement with stakeholders, assessment of actual and potential human rights impacts, and implementation of standards outlined in UN principles on business and human rights.	EW provides affiliates with tools to support the due diligence process. For instance, the EW Code and Contract Conditions require contractors to undertake due diligence in accordance with the UN Guiding Principles on Business and Human Rights, and the supplier engagement tool provides a list of questions to help affiliates engage their contractors on modern slavery

	<p>identification and mitigation. EW also undertakes rigorous industry-independent investigations in factories to ensure that suppliers' human rights due diligence actually reduces the risk of harm to workers. EW has recently developed a supplier engagement tool that provides affiliates with questions focusing on specific risk areas, including forced labour, to support constructive dialogue between public buyers and suppliers.</p>
Contract conditions with new or renewed suppliers which address labour conditions, checks, assurances, and investigations.	<p>The EW Contract Conditions oblige contractors to permit EW monitors to test contractor assurances through inspection of factory premises<sup>7</sup>, reviews of factory personnel records and other factory documents, as well as interviews of workers and factory management.</p>
Support and guidance when a supplier is found to have been involved in modern slavery.	<p>EW and its affiliates support suppliers that have failed to exercise due diligence to prevent slavery, forced labour, or human trafficking in the production of goods for affiliates. EW coordinates remediation aimed at developing corrective action plans and providing remedy to rightsholders that have experienced harms. It also monitors compliance with these outcomes over time. Affiliates can take enforcement actions if necessary.</p>

<sup>7</sup> For inspections of factory premises Electronics Watch monitoring partners need permission from brand company and manufacturer.

<p>Facilitation of worker reporting of labour conditions including protecting whistle- blowers.</p>	<p>EW maintains an extensive international network of monitoring partners that conduct worker-driven monitoring with the goal of strengthening workers' capacity to report on and see remedy for human and labour rights violations.</p> <p>Its monitoring partners are trained to receive in-person worker complaints, hotline reports, and other forms of worker testimonies. The EW Contract Conditions require contractors to ensure that workers who speak up do not face reprisals for making complaints.</p>
<p>Efforts made to remediate workers when cases of modern slavery and forced labour are found and prevent retribution or further victimization.</p>	<p>Following the delivery of risk assessments and investigations, EW recommends steps that factories, contractors, and/or brand companies should take to protect victims and provide remedy to workers for harm that the violations or contributed to. It provides affiliates with guidance on how to engage their contractors directly to support adoption of the recommendations.</p>
<p>Your effectiveness in ensuring that modern slavery is not taking place in your business or supply chains, as measured against your chosen performance indicators.</p>	<p>EW key performance indicators are met when contractors:</p> <ul style="list-style-type: none"> <li>– disclose factory locations, and</li> <li>– submit requested compliance plans, and</li> <li>– respond to due diligence inquiries in a timely and complete matter,</li> </ul> <p>and when contractors, brands, and factories:</p> <ul style="list-style-type: none"> <li>– comply with the EW Code, and</li> <li>– take steps to identify and mitigate the risk of modern slavery, remedy actual cases thereof, and prevent future occurrences.</li> </ul>

	EW and its affiliates work supportively with electronics industry actors to see that these key performance indicators are met.
Outline of procurement policies to combat modern slavery, including training and capacity building about slavery, forced labour, and human trafficking available to supply chain managers, and procurement professionals who can play a significant role in setting standards for the protection of labour rights.	EW provides training and advice on how affiliates can use its contract conditions in supply contracts, framework agreements and call-offs. It also raises awareness among procurement professionals at affiliated organisations on slavery, forced labour, human trafficking, and other labour abuses in the supply chain, and builds their capacity to support mitigation, prevention and remediation through procurement.
Any penalty measures considered when a supplier is found to have been involved in modern slavery.	The EW Contract Conditions allow affiliates to escalate matters when a contractor has failed to perform its obligations and attempts at resolution through informal procedures have been exhausted. The contract conditions also include sanctions.
Your policy or policies in relation to slavery and human trafficking.	<p>EW affiliates receive assistance in drafting a policy statement and an “anti-slavery statement”, as required under the Modern Slavery Act, focused on the significant risks prevalent in the electronics industry.</p> <p>For further information, contact: Marisol Bernal, Affiliate Engagement Manager, Electronics Watch <a href="mailto:mbernal@electronicswatch.org">mbernal@electronicswatch.org</a></p>