



Good Business Matters: Creating a sustainable economy with a Business, Human Rights and Environment Act

Joint submission to the Labour National Policy Forum:
Kickstart Economic Growth – Bringing back pride in our communities

11 June 2026

Introduction

We all deserve a world where our communities, our workplaces and our natural environments are safe and healthy, where workers are given a living wage and are treated with dignity, and the rights of peoples and planet are respected.

Labour has made considerable progress in realising such a world. In particular, the Employment Rights Act has been an important step towards ensuring that “firms who do the right thing by their workers will no longer be undercut by those with low standards.”¹ The Make Work Pay and the Industrial Strategy are mutually reinforcing in outlining Labour’s mission in creating not only growth, but long-term, sustainable, inclusive and secure growth.²

However, while Labour has started to catch up to comparable economies in terms of employee rights, it has so far failed to make significant progress towards addressing how businesses drive human and labour rights abuses and environmental harm in the UK’s domestic and international supply chains. Market power not only leads to the exploitation of direct employees and agency workers but across subsidiaries and value chains – usually without any accountability. Forced labour, wage theft, deforestation, environmental pollution, water injustices, attacks against human rights defenders, and land theft are rampant in UK public and private sector value chains at home and abroad.³

Responsible UK businesses, those not relying on forced labour or environmental corner cutting in their products and services, are being undercut by businesses acting in disregard of human rights, labour rights and environmental standards. The price is ultimately paid not only

¹ Department for Business and Trade, ‘Next Steps to Make Work Pay’ (Policy paper, 8 November 2024) para 3, <https://www.gov.uk/government/publications/next-steps-to-make-work-pay/next-steps-to-make-work-pay-web-accessible-version>.

² *ibid*; UK Government, ‘The UK’s Modern Industrial Strategy’ (November 2025) p 10, https://assets.publishing.service.gov.uk/media/69256e16367485ea116a56de/industrial_strategy_policy_paper.pdf.

³ See, for example, 15 case studies in Corporate Justice Coalition, *Bridging the Gap: How could a UK Business, Human Rights and Environment Act have made a difference* (28 November 2023) <https://corporatejusticecoalition.org/resources/reports/bridging-the-gap-how-could-a-uk-business-human-rights-and-environment-act-have-made-a-difference/>.

by workers, their families and communities, but by society as a whole, forced to pick up an ever-increasing bill of business externalities. GDP figures alone do not show a distinction between the two economies, but the difference is certainly felt by everyone.

We urge the Labour Party Policy Forum to make a commitment to a Business, Human Rights and Environmental Act – a human rights and environmental due diligence law (HREDD) modelled after the UK's world-leading Bribery Act. HREDD laws have already been adopted in France, Germany, Norway and the EU. Proposals are in progress in Brazil, Canada, Colombia, Indonesia, South Korea, Switzerland and Thailand.⁴

The calls for the UK to follow suit are loud and clear. They include UK civil society organisations⁵ and trade unions, including UNISON⁶ and the TUC⁷, more than 150 businesses and investors⁸, Parliamentarians⁹, and more than 145,000 petition signatories.¹⁰ YouGov polling shows four in five adults in the UK support new laws requiring UK companies to prevent human rights abuses and serious environmental damage in their operations or supply chains.¹¹

In this submission, we outline 1) the cost of inaction, 2) why the Make Work Pay plan needs to address exploitative market power, 3) our proposal for a Business, Human Rights and Environmental Act, and the impacts of the proposal on 4) the economy, 5) women and marginalised communities and 6) devolved governments.

This is a joint submission supported by ABColumbia, ActionAid, Action for Southern Africa, Corporate Justice Coalition, EarthSight, Labour Behind the Label, Friends of the Earth England, Wales and Northern Ireland, Peace Brigades International UK, and WaterWitness.

The Corporate Justice Coalition is a network of more than 70 civil society organisations and trade unions. It leads the campaign for a Business, Human Rights and Environment Act and works in close collaboration with UNISON and the TUC.

⁴ Business and Human Rights Centre, 'Mandatory due diligence' (*Business and Human Rights Centre*), <https://www.business-humanrights.org/en/big-issues/governing-business-human-rights/mandatory-due-diligence/> accessed 7 June 2026.

⁵ See joint statement signed by 48 civil society organisations and trade unions 'A Business Human Rights and Environment Act: Principal elements' <https://corporatejusticecoalition.org/wp-content/uploads/2021/10/BHREA-Principles-Nov.pdf>

⁶ UNISON, 'UNISON demands human rights due diligence law for supply chains' (4 May 2021) <https://www.unison.org.uk/news/2021/05/unison-demands-human-rights-due-diligence-law-for-supply-chains/>; UNISON is also a member of the Corporate Justice Coalition with very close collaborative work on labour rights and the inclusion of the public sector in a Business, Human Rights and Environment Act.

⁷ Trade Union Congress, *Proposal for a new mandatory human and labour rights and environmental due diligence legislation* (Janet Williamson, Briefing, 28 Jan 2025) <https://www.tuc.org.uk/research-analysis/reports/proposal-new-mandatory-human-and-labour-rights-and-environmental-due> accessed 28 May 2025.

⁸ See business and investor statements on <https://www.goodbusinessmatters.org/businesses-and-investors>.

⁹ See Parliamentary support on <https://www.goodbusinessmatters.org/decision-makers>.

¹⁰ Corporate Justice Coalition, 'The Picnic's over: 145,000 Signatures for Stronger UK Laws to Hold Companies Accountable for Harm to People and our Planet' (19th June 2025). <https://corporatejusticecoalition.org/news/the-picnics-over-its-time-for-stronger-uk-laws-to-hold-companies-accountable-for-harm-to-people-and-our-planet/>.

¹¹ Corporate Justice Coalition, 'Four in Five UK Adults Support New Laws to Tackle Environmental Harm and Human Rights Abuses in Company Supply Chains' (17 April 2024) <https://corporatejusticecoalition.org/news/press/press-release-four-in-five-uk-adults-support-new-laws-to-tackle-environmental-harm-and-human-rights-abuses-in-company-supply-chains/>

1 The cost of inaction

1.1 Regulatory gaps

Short-term profit maximization drives businesses towards constantly finding new ways to cut costs, including by exploiting workers, disregarding product safety, or passing on the burden of cleaning up pollution in the UK and abroad.

Where regulation exists, the question whether to comply often becomes a business decision, weighing the risk of being caught and any potential fine against the cost of complying. This is why the current lack of enforcement of existing regulation is so dangerous in the UK.¹²

The situation is even worse in the case of UK subsidiaries and value chains, where there is a clear regulatory gap. The Modern Slavery Act only requires cosmetic transparency, rather than action, and has long been found to not be fit for purpose.¹³ The Environment Act Schedule 17 is still pending regulation to enter into force.¹⁴ The Great British Energy Act, which attempts to keep public sector supply chains clean of modern slavery, is very sector specific, and the Government is already backtracking.¹⁵

In terms of businesses and the public sector having a genuine duty to identify, prevent and remedy human rights and environmental harm in their operations, subsidiaries and value chains, as it exists with UK's trading partners, there is no UK legislation, only a reliance on voluntary standards. It permits abuse to continue and leaves victims of abuse without access to justice.

1.2 The case of the Grenfell Tower disaster

The Grenfell Tower inquiry found that Arconic, which produced the cladding, had known since 2007 about the safety concerns of its products but “was determined to exploit what is saw as weak regulatory regimes in certain countries (including the UK)”.¹⁶ Nine years after the disaster, a case is still to be brought against those responsible.

While cladding regulation can be reformed, as Labour is planning on doing, it is only a piece meal approach to an overarching issue of corporate impunity for complete disregard for human life and the environment. There are countless examples¹⁷ of businesses in the UK causing, contributing or being linked to abuses in their operations and value chains, ranging from

¹² Maia Kirby, Henry Shepherd and Eleanor Godwin, *The State of UK Regulatory Enforcement in 2025* (Good Jobs First, December 2025) <https://goodjobsfirst.org/the-state-of-uk-regulatory-enforcement-in-2025/>.

¹³ Modern Slavery Act 2015 Committee, *The Modern Slavery Act 2015: becoming world-leading again* (16 October 2024) <https://publications.parliament.uk/pa/ld5901/ldselect/ldmodslav/8/8.pdf>; House of Commons Business, Energy and Industrial Strategy Committee, 'Uyghur forced labour in Xinjiang and UK value chains' (9 March 2021) <https://committees.parliament.uk/publications/5095/documents/52855/default/>.

¹⁴ NGO Forest Coalition, 'MPs and peers send an open letter calling for regulations on forest risk commodities' (27 Apr 2026) <https://ngoforestcoalition.org/2026/04/27/mps-and-peers-send-an-open-letter-calling-for-regulations-on-forest-risk-commodities/>.

¹⁵ Abby Wallace, 'UK retreats from forced labor pledge' (14 May 2026) <https://www.politico.eu/article/uk-forced-labor-pledge-gb-energy/>.

¹⁶ Grenfell Tower Inquiry, *Grenfell Tower Inquiry: Phase 2 Report* (Panel: The Rt Hon Sir Martin Moore-Bick (chairman), Ali Akbor OBE, Thouria Isephan; Sept 2024) para 2.23 https://assets.publishing.service.gov.uk/media/66d817aa701781e1b341dbd3/CCS0923434692-004_GTI_Phase_2_Volume_1_BOOKMARKED.pdf.

¹⁷ See Corporate Justice Coalition (n 3).

Boohoo in Leicester¹⁸, to Shell in the Niger Delta¹⁹, to attacks against human rights defenders across the world.²⁰

Certain issue specific regulatory gaps require issue-specific solutions. However, a Business, Human Rights and Environmental Act (BHREA), as proposed in this submission, would serve as a holistic baseline on responsible business conduct, enable enforcement where regulatory gaps remain, and create routes to access to justice for those harmed. Ultimately, this is also a lower compliance burden for business, especially those already acting responsibly, than the ad hoc piece meal approach currently taken. Responsible businesses would also benefit from stronger public procurement rules as part of BHREA,²¹ rather than public money funding businesses linked to forced labour²², union busting²³, or other harmful practices.

1.3 The economic cost of inaction

Continuing to leave the regulatory gaps unaddressed not only means that there is a continued unmeasurable human cost, but also an increasing economic and social bill for other taxpayers and future generations. Any tax revenue created by short-term unregulated growth will not outweigh those externalities. Some example estimates include:

- The socio-economic cost of modern slavery in the UK is estimated to be £60bn per year.²⁴ The International Labour organisation estimates that forced labour globally accounts for US\$236bn of stolen wages.²⁵
- Cleaning up UK pollution with toxic forever chemicals (PFAS) will cost £428m every year for the next 20 years if emissions stop immediately. If pollution continues unregulated, this cost will rise to £9.9bn a year. These estimates only account for the clean-up, not socioeconomic costs or costs to the health system.²⁶
- Climate change is estimated to cost each UK household £38,000 over the next decade – an estimated cost to the UK economy of £1.1tn.²⁷ Meanwhile, the additional cost of a single fossil fuel price spike is more expensive than the total net additional cost of meeting the net zero pathway every year until 2050.²⁸

¹⁸ Corporate Justice Coalition, 'Leicester's Sweat Shops: Abuses in Boohoo's Value Chains (UK)' (30 May 2023) https://corporatejusticecoalition.org/wp-content/uploads/2023/11/CJC_CaseStudy_BooHoo.pdf.

¹⁹ Corporate Justice Coalition, 'Shell's impunity for destruction in the Niger Delta (Nigeria)' (30 May 2023) https://corporatejusticecoalition.org/wp-content/uploads/2023/11/CJC_CaseStudy_Shell.pdf.

²⁰ Peace Brigades International, *The Case for Change: Why human rights defenders need a UK law on mandatory due diligence* (Ben Leather, Carla Torres and Christina Challis; Nov 2024) <https://peacebrigades.org.uk/news/thecaseforchange>.

²¹ Please note, that the Procurement Act 2023 is not sufficient in ensuring that public procurement is not linked to human rights abuses and environmental destruction. The proposals in BHREA are in line with UNISON and TUC policy, see for example TUC (n 7) p 12.

²² Jane Feinman, 'The scandal of modern slavery in the trade of masks and gloves' (*the bmj*, 30 Apr 2020) <https://www.bmj.com/content/bmj/369/bmj.m1676.full.pdf>

²³ Christina McAnea, 'Extending our solidarity to PPE supply chain workers' (*UNISON*, 6 Dec 2021) <https://www.unison.org.uk/blogs/2021/12/omicon-extending-our-solidarity-to-ppe-supply-chain-workers/>.

²⁴ Unseen, 'The High Price of Exploitation: Modern Slavery's £60bn hit to the UK' (13 October 2025) available at <https://www.unseen.org/the-high-price-of-exploitation-modern-slaverys-60bn-hit-to-the-uk/> accessed on 2 June 2026.

²⁵ International Labour Organisation, *Profits and Poverty: The economics of forced labour* (19 Mar 2024) <https://www.ilo.org/publications/major-publications/profits-and-poverty-economics-forced-labour>.

²⁶ Leana Hosea and Rachel Salvidge, 'Cost to clean up toxic PFAS pollution could top £1.6tn in UK and Europe' (*The Guardian*, 14 Jan 2025) available at <https://www.theguardian.com/environment/2025/jan/14/cost-clean-up-toxic-pfas-pollution-forever-chemicals>.

²⁷ Global Witness, 'UK households facing £3,000 climate damage costs this year' (15 April 2025) available at <https://globalwitness.org/en/press-releases/uk-households-facing-3000-climate-damage-costs-this-year/>

²⁸ Climate Change Committee, 'Cost of Net Zero by 2050 less than a single fossil fuel price shock' (11 March 2026) available at <https://www.thecc.org.uk/2026/03/11/cost-of-net-zero-by-2050-less-than-a-single-fossil-fuel-price-shock-ccc/>

- The Grenfell Tower disaster cost £1.17bn by 2023, with the majority of the bill picked up by the taxpayer.²⁹

2 Make Work Pay needs to address exploitative market power across supply chains

The Make Work Pay plan and the Employment Rights Act are important first steps in the right direction. However, urgent action is also needed to address how market power is leveraged to lower labour rights standards across subsidiaries and value chains. The power imbalance between suppliers and lead firms causes labour violations to go unnoticed due to fear in speaking up. Unethical purchasing drives human rights abuses and environmental destruction throughout the economy in the UK and abroad.

The issue of unethical purchasing practices can be illustrated by the Boohoo scandal in Leicester, where workers were paid as little as £3 per hour by manufacturers.³⁰ After the scandal broke, the gap in supply chain legislation enabled Boohoo to play a 'blame' game where it repeatedly chose to disengage from suppliers rather than reform its own unethical purchasing practices and provide remedy to the workers. Boohoo can continue to use the same exploitative purchasing model wherever it produces – at the cost of decent work in the UK and abroad.

Boohoo is not alone in the fashion industry. As a recent investigation by Transform Trade with 48 UK manufacturers shows, 75% of manufacturers reported that brands do not adjust prices to account for increases in minimum wages and 52% reported that brands set target prices rather than engaging with production cost.³¹ This puts SMEs under intense pressure and leads to instability for and exploitation of workers.

Neither does the Make Work Pay plan currently address how businesses use weak regulatory systems to exploit workers abroad. Dyson, which moved its production from the UK to Malaysia in 2002, just recently settled a lawsuit with 24 migrant workers from a Malaysian supplier factory over modern slavery allegations, including allegations of threats, beatings, and passports being withheld.³² The exploitative working conditions had previously been revealed by Channel 4, which then had to fight a libel law suit by Dyson for two years before the case was abandoned.³³

Decent work and productivity growth go hand-in-hand. Labour already recognises this with its Make Work Pay plan and focus on creating access to decent work and higher living standards

²⁹ Robert Booth, 'Cost of Grenfell Tower disaster soars to nearly £1.2bn' (*The Guardian*, 30 July 2023) available at <https://www.theguardian.com/uk-news/2023/jul/30/grenfell-tower-disaster-cost-soars>.

³⁰ Nandita Dutta, Pankhuri Agarwal, Vivek Soundararajan, *What happened after the Boohoo Scandal? A Multi-Stakeholder Perspective of the Garment Industry in Leicester* (Embed Dignity, Feb 2024) available at <https://embed-dignity.com/outputs/reports/>

³¹ Sabina Lawreniuk, Nik Hammer, Evie Gilbert, and Hilary Marsh, *Who pays? Brand Purchasing Practices in UK Fashion Manufacturing* (London: Transform Trade, Feb 2026) available at <https://static1.squarespace.com/static/62a067e5deea9a028a3eae4b/t/699db2ddd5963506d64d89ca/1771942621286/Who+Pays+-+Brand+Purchasing+Practices+in+UK+Fashion+Manufacturing.pdf>.

³² Jonathan Head and Osmond Chia, 'Dyson settles forced labour suit in landmark UK case' (BBC, 27 February 2026) available at <https://www.bbc.co.uk/news/articles/cddnry8dnl7o>

³³ Channel 4, 'Dyson abandons libel claim against Channel 4 News report' (Channel 4 News, 29 Aug 2024) available at <https://www.channel4.com/news/dyson-abandons-libel-claim-against-channel-4-news-report>.

for families. However, to do so effectively, the splintering of supply chains and impunity of businesses ultimately driving abuse in their business partners also needs to be addressed. We already know how.

3 The proposal for a Business, Human Rights and Environment Act (BHREA)

Businesses causing, contributing or being linked to human rights abuses and environmental destruction in their operations, subsidiaries and value chains is not a unique British problem.³⁴ It has long been recognised as a global issue and solutions have been developed, for example with the UN Guiding Principles on Business and Human Rights³⁵ and the OECD Guidelines on Multinational Enterprises.³⁶ It has become the international standard of responsible business conduct to carry out human rights and environmental due diligence (HREDD) – a process to identify, prevent and address human rights and environmental impacts – and to provide remedy for harm.

Laws making HREDD mandatory and establishing accountability mechanisms have been adopted in France³⁷, Germany³⁸, Norway³⁹ and the EU⁴⁰. Other countries around the world, including Colombia⁴¹, Switzerland⁴², and South Korea⁴³ have proposals pending.⁴⁴ The UK is lagging behind and at risk of becoming a “dumping ground” for, for example, forced labour goods.⁴⁵

There is clear support for the UK to adopt a mandatory HREDD law from civil society organisations⁴⁶, and trade unions⁴⁷, the Ethical Trading Initiative⁴⁸, more than 150 businesses

³⁴ UN Human Rights Council, ‘Protect, Respect and Remedy: A Framework for Business and Human Rights – Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie’ (7 April 2008) UN Doc A/HRC/8/5 paras 3, 11-14 available at <https://media.business-humanrights.org/media/documents/files/reports-and-materials/Ruggie-report-7-Apr-2008.pdf>.

³⁵ UN Guiding Principles on Business and Human Rights (2011) https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinessshr_en.pdf.

³⁶ OECD, *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct*, (OECD Publishing, Paris, 2023) <https://doi.org/10.1787/81f92357-en>

³⁷ LOI n° 2017-399 du 27 mars 2017 relative au devoir de vigilance des sociétés mères et des entreprises donneuses d’ordre (see English explanation: <https://www.business-humanrights.org/en/big-issues/corporate-legal-accountability/frances-duty-of-vigilance-law/>).

³⁸ Act on Corporate Due Diligence in Supply Chains, <https://www.bmas.de/EN/Services/Press/recent-publications/2021/act-on-corporate-due-diligence-in-supply-chains.html>.

³⁹ Act relating to enterprises’ transparency and work on fundamental human rights and decent working conditions (Transparency Act) <https://www.business-humanrights.org/en/latest-news/the-transparency-act/>.

⁴⁰ Corporate Sustainability Due Diligence Directive (<https://www.business-humanrights.org/en/latest-news/csddd-omnibus/>)

⁴¹ Social-Legal Centre for Territorial Defence – SIEMBRA (Colombia) and Business & Human Rights Resource Centre, *Civil society leads the way to human rights-based corporate regulation in Colombia* (28 October 2025) <https://www.business-humanrights.org/en/blog/civil-society-leads-the-way-to-human-rights-based-corporate-regulation-in-colombia/>

⁴² European Coalition for Corporate Justice (ECCJ), ‘Swiss Govt announces proposal for due diligence law in response to popular initiative’ (*Business and Human Rights Centre*, 4 Sept 2025), <https://www.business-humanrights.org/en/latest-news/swiss-govt-announces-proposal-for-due-diligence-law/>.

⁴³ Michael R Littenberg, Samantha Elliott, Keun Shin, ‘An Update on Mandatory Human Rights and Environmental Due Diligence Legislation in Asia – What to Watch for in 2026’ (*Ropes & Gray*, 20 Jan 2026) <https://www.ropesgray.com/en/insights/viewpoints/102m2ad/an-update-on-mandatory-human-rights-and-environmental-due-diligence-legislation-i>.

⁴⁴ Business and Human Rights Centre (n 4).

⁴⁵ See oral evidence by Andrew Opie, Director of Food and Sustainability at the British Retail Consortium, to Business and Trade Committee (7 January 2025) <https://committees.parliament.uk/oralevidence/15199/pdf/>

⁴⁶ Joint statement (n 5).

⁴⁷ TUC briefing (n 7).

⁴⁸ Ethical Trading Initiative, *ETI position on mandatory Human Rights and Environmental Due Diligence Regulation* (15 September 2025) <https://www.ethicaltrade.org/resources/blog/eti-publishes-consulted-position-support-mhredd>.

and investors⁴⁹, Parliamentarians⁵⁰, the Independent Anti-Slavery Commissioner⁵¹, and more than 145,000 petition signatories.⁵² In 2025, the TUC and the British Retail Consortium were jointly calling on the government to commit to legislation following repeated recommendations by Parliamentary committees.⁵³

YouGov polling shows four in five adults in the UK support new laws requiring UK companies to prevent human rights abuses and serious environmental damage in their operations or supply chains.⁵⁴ Additionally, YouGov polling shows that almost three quarters of Britons want the social and environmental impacts of their investments to be given equal, more or some weight compared with financial returns.⁵⁵ Research by Unchecked further shows strong voter support across all segments for the ‘polluter pays’ principle and creating effective deterrents to keep companies from polluting.⁵⁶

The Corporate Justice Coalition, leading the civil society campaign for a new law, has consulted extensively with legal experts, trade unions, civil society organisation and rightsholders from the UK and the Global South⁵⁷ to create a model law: A Business, Human Rights and Environment Act (BHREA).⁵⁸ The proposal uses the UK’s world-leading “failure to prevent model” as known from the Bribery Act to mandate all businesses and the public sector to take all reasonable steps, including HREDD, to prevent human rights and environmental harm in their operations, subsidiaries, and value chains. Once it is shown that harm has occurred in connection with a business, the burden is on the business to demonstrate that it took all reasonable steps to prevent the harm. Failure to do so could result in civil, administrative, or criminal liability.

The ‘failure to prevent’ model has shown to be effective in changing corporate culture,⁵⁹ and also been adopted for the Criminal Finances Act and Economic Crime and Corporate Transparency Act. Applying it to human rights issues in supply chains has been recommended

⁴⁹ See business and investor statements on <https://www.goodbusinessmatters.org/businesses-and-investors>).

⁵⁰ See Parliamentary support on <https://www.goodbusinessmatters.org/decision-makers>.

⁵¹ Independent Anti-Slavery Commissioner, *Strengthening the UK’s Forced Labour and Human Rights Legislative Framework* (Dec 2025) https://www.antislaverycommissioner.co.uk/media/3wnnpb53/strengthening-the-uk-forced-labour-and-human-rights-legislative-framework_final-report_jan28_2026-1.pdf.

⁵² Corporate Justice Coalition (n 10).

⁵³ Joint Statement on the Joint Human Rights Committee for Human Rights’ Call for MHREDD (24 Jul 2025) <https://corporatejusticecoalition.org/resources/joint-statement-on-the-joint-human-rights-committee-for-human-rights-call-for-mhredd/>.

⁵⁴ Corporate Justice Coalition (n 11).

⁵⁵ ShareAction, ‘British public concerned by banks’ socially and environmentally harmful investments – exclusive poll’ (17 Jul 2023) <https://shareaction.org/news/british-public-concerned-by-banks-socially-and-environmentally-harmful-investments-exclusive-poll>

⁵⁶ Phoebe Clay, *Stronger Protections: Do regulations hold the key to winning the next general election and fixing Broken Britain?* (Unchecked UK, July 2023) https://unchecked.uk/wp-content/uploads/2023/07/Unchecked_Strong-Protections_FINAL.pdf.

⁵⁷ Corporate Justice Coalition, *Shifting the Balance of Power: Four Priorities to Protect Communities, Workers and the Environment from Transnational Corporate Harm* (Luise Schroter, Gautam S Kumar, Eleanor Rosenbach, May 2026) <https://corporatejusticecoalition.org/resources/reports/shifting-the-balance-of-power-four-priorities-to-protect-communities-workers-and-the-environment-from-transnational-corporate-harm/>.

⁵⁸ Please note that the final model law has not been published at the time of the submission. It is available upon request to Luise.schroter@cjcoalition.org; A previous version was published by Baroness Young as a Private Members Bill, the ‘Commercial Organisation and Public Authorities Duty (Human Rights and Environment) Bill’ in 2023 <https://bills.parliament.uk/bills/3527>.

⁵⁹ Select Committee on the Bribery Act 2010, *The Bribery Act 2010: post-legislative scrutiny* (14 Mar 2019) <https://publications.parliament.uk/pa/ld201719/ldselect/ldbriact/303/303.pdf>

by the Joint Committee for Human Rights⁶⁰ and the Business and Trade Committee⁶¹. It was also presented as an option by the UN⁶² and the Law Commission and it was found legally feasible by the British Institute for International and Comparative Law (BIICL).⁶³

4 The implications of BHREA for the economy

Adopting a BHREA is not only better for people and planet, but it also boosts businesses that are pro-worker, community-oriented and sustainability-minded. UK businesses currently struggle with an uneven playing field in which businesses flaunting human rights and environmental standards can undercut those acting responsibly, including when competing for public contracts.

4.1 Industry support and impact

More than 150 UK businesses⁶⁴, including Asos, the British Retail Consortium, Microsoft, Tesco and Unilever, and investors representing more than £4.5 trillion in assets under management⁶⁵ are supportive of a mHREDD law in the UK. Reasons include not only a level playing field, especially also in light of EU legislation, but also legal certainty, more leverage towards suppliers, and the ability for investors to identify the greatest risks to and impacts on people and planet.

An EU study prior to the introduction of mHREDD legislation found the cost to business to be negligible, ranging from 0.009% to 0.14% of revenue.⁶⁶ This is contrasted with various expected cost reductions in the medium to long run, including operational cost reductions, resilience, more innovation, and better access to capital.⁶⁷ A 2025 study analysing the performance of 11,504 firms after the introduction of the French law found “no evidence that the law significantly affected the likelihood of profit of regulated firms”, nor “discernible impact on key profit drivers”.⁶⁸ Rather, studies confirm that businesses strengthening their human rights performance perform better.⁶⁹

⁶⁰ Joint Committee on Human Rights, *Forced Labour in UK Supply Chains* (24 Jul 2025) para 270-271 <https://committees.parliament.uk/publications/49011/documents/257592/default/>; Joint Committee on Human Rights, *Human Rights and Business 2017: Promoting responsibility and ensuring accountability* (29 Mar 2017) paras 193-194 <https://publications.parliament.uk/pa/jt201617/jtselect/jtrights/443/443.pdf>.

⁶¹ Business and Trade Committee, *Make Work Pay: Employment Rights Bill* (3 March 2025) para 80 <https://committees.parliament.uk/publications/46693/documents/241361/default/>.

⁶² UN Human Rights Council, ‘Improving accountability and access to remedy for victims of business-related human rights abuse: The relevance of human rights due diligence to determinations of corporate liability: Report of the United Nations High Commissioner for Human Rights’ (1 June 2018) paras 25-29 UN Doc A/HRC/38/20/Add.2 <https://digitallibrary.un.org/record/1637328>.

⁶³ Irene Pietropaoli et al, *A UK Failure to Prevent Mechanism for Corporate Human Rights Harm* (BIICL, 11 Feb 2020) <https://www.biicl.org/publications/a-uk-failure-to-prevent-mechanism-for-corporate-human-rights-harms>.

⁶⁴ See business and investor statements on <https://www.goodbusinessmatters.org/businesses-and-investors>.

⁶⁵ Investor Letter for UK Human Rights Due Diligence (31 Aug 2022) <https://www.business-humanrights.org/en/latest-news/investor-letter-for-uk-human-rights-due-diligence/>.

⁶⁶ European Commission: Directorate-General for Justice and Consumers, British Institute of International and Comparative Law, Civic Consulting, LSE, Alleweldt, F. et al., *Study on due diligence requirements through the supply chain. Part I, Synthesis report* (2020) <https://data.europa.eu/doi/10.2838/688>.

⁶⁷ European Commission, ‘Impact Assessment Report: Accompanying the document Proposal for a Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 (Commission Staff Working Document, 23 Feb 2022) <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52022SC0042>

⁶⁸ Bernhard Reinsberg and Christoph Steinert, ‘The French duty of vigilance law: reconciling human rights and firm profitability’ (17 Jul 2025) *Review of International Political Economy* 32(6) pp 2213–2245 <https://doi.org/10.1080/09692290.2025.2519189>.

⁶⁹ United Nations Development Programme, *Human Rights vs Competitiveness: A False Dilemma?* (2025) https://www.undp.org/sites/g/files/zskgke326/files/2025-11/undp_wba_human_rights_vs_competitiveness.pdf.

4.2 Economic gains through strengthened workers' rights

Looking at the whole economy, the EU's mHREDD law ("Corporate Sustainability Due Diligence Directive" or "CSDDD") is expected to have positive effects on the European economy and Global South economies, as well as workers in the EU and the Global South respectively.⁷⁰ An impact study in Norway, which has had a law in force covering the whole supply chain for over 9000 companies since July 2022, showed that 36% businesses believe that the law led to better working conditions in its own business (ranging from a small degree to a large degree), 48% believe they have led to better working conditions in its supply chains, 33% believe they have led to improvements of human rights in local communities and 19% to restoration or compensation for affected parties.⁷¹

There is a clear link between workers rights, increased productivity and reduced economic instability.⁷² Trade unions and collective bargaining are key to enabling decent wages, dignified working conditions and more equal societies. This not only supports local economies with a multiplier effect on local jobs and community resilience, but also healthier democracies, more robust economies, and more resilient supply chain.

4.3 Accelerating action towards a low carbon economy

Labour plans to accelerate towards a net zero economy.⁷³ Trade unions will help workers move from high carbon to sustainable industries, including through reskilling and upskilling programs as well as holding employers accountable for harmful environmental practices and just exit strategies from harmful industries. This will make the transition not only more socially just and create decent jobs but also enable ambitious accelerated action due to higher acceptance across the economy.⁷⁴ HREDD strengthen workers' rights across domestic and international supply chains as it requires engaging with all relevant rightsholders, including workers and unions. It will also require businesses to get the free, prior and informed consent of Indigenous Peoples and consult appropriately with local community members, for example,

⁷⁰ Please note that the expected positive economic effects of the CSDDD prior to the changes proposed in the Omnibus were considered substantially stronger; Johannes Jäger, Gonzalo Durán, Lukas Schmidt, *Expected Economic Effects of the EU Corporate Sustainability Due Diligence Directive (CSDDD)* (2023) https://wien.arbeiterkammer.at/interessenvertretung/eu/internationalerhandel/EU_expected_economic_effects.pdf, Johannes Jäger et al, *Economic effects of the EU CSDDD considering the Omnibus process* (2025) <https://www.cidse.org/2025/09/29/economic-effects-of-the-eu-csddd-considering-the-omnibus-process/>.

⁷¹ KPMG, *Review of the effects of the Norwegian Transparency Act* (20 December 2024) p 50 <https://www.regjeringen.no/contentassets/4d85a42174994d23a9580c478dacea06/review-of-the-norwegian-transparency-act-kpmg.pdf>.

⁷² Emma Hughes, 'Unions fight to secure better pay and conditions for workers, but they can also benefit employers' (*The Conversation*, 27 Jun 2022) <https://theconversation.com/unions-fight-to-secure-better-pay-and-conditions-for-workers-but-they-can-also-benefit-employers-185570>; OECD, *Negotiating Our Way Up: Collective Bargaining in a Changing World of Work* (2019) <https://doi.org/10.1787/1fd2da34-en>; OECD, *The role of collective bargaining systems for good labour market performance* (2019) in *OECD Employment Outlook 2018* https://www.oecd.org/en/publications/oecd-employment-outlook-2018_empl_outlook-2018-en/full-report/component-7.html; David Card, Thomas Lemieux and W Craig Riddell, 'Unions and Wage Inequality' (1 January 2023) in *Global labour in Distress, Volume III* pp 61-113 https://doi.org/10.1007/978-3-030-89265-4_5.

⁷³ UK Government Industrial Strategy (n 2).

⁷⁴ University of Leeds and Leeds University Business School Policy Brief, 'Workers, trade unions and Just Transition in the UK' (2025) <https://justtransition.leeds.ac.uk/wp-content/uploads/sites/169/2025/03/UK-JUST-TRANSITION-POLICY-BRIEF-UK-LUBS-6.pdf>

in relation to mining activities. The resulting more mature relations with rightsholders will play an important part in transitioning in the UK as well as in creating resilient UK supply chains.⁷⁵

5 The implication of BHREA for women and protected characteristics under the Equality Act

Exploitation in the business context often happens due to the power imbalances between victims on the one hand and businesses on the other. This disproportionately affects women and marginalised communities, including Black, Asian and minority ethnic people, LGBT+ people, disabled people as well as migrants and Indigenous Peoples.

Human rights and environmental due diligence (HREDD) is inherently context-specific and businesses are expected to take gender, marginalisation or other vulnerabilities of those impacted by their activities into account.⁷⁶ This includes, for example, having meaningful dedicated consultation processes when identifying, addressing and remedying human rights impacts or respecting the specific right of Indigenous People to free, prior and informed consent (FPIC). The civil society and trade union coalition for a Business, Human Rights and Environment Act (BHREA) has produced specific recommendations for a gender-responsive approach, supported among others by ActionAid, the TUC and Womankind Worldwide.⁷⁷

For BHREA to be effective, it needs to consistently take a rightsholder centred approach and break down barriers for victims to access justice. To do so, the Government must not only appoint a strong enforcement body but also create accessible remedy routes for victims of abuse. Having consulted with legal experts, trade unions, civil society organisation and rightsholders from the UK and the Global South, our model law for a BHREA is taking a rightsholder centred approach to break down barriers. These consultations and consultations by our partner organisation have also led to various reports and recommendations by rightsholders on what is needed for an effective corporate accountability law in the UK.⁷⁸

Thus, BHREA is expected to have positive implications for women and marginalised communities. Nevertheless, government action in this field should always be accompanied by public consultation that enable meaningful input from women, marginalized communities and affected rightsholders.

⁷⁵ United Nations Economic Commission for Europe, *Guiding Principles for Just* (2025)

<https://unece.org/sites/default/files/2025-10/UNECE%20Guiding%20Principles%20for%20Just%20Transition.pdf>.

⁷⁶ See, for example, UN Guiding Principles (n 32) principle 18 and commentary; OECD Guidelines (n 33).

⁷⁷ Joint briefing, 'A Business, Human Rights and Environment Act: The case for a gender-responsive approach' (Sept 2025) <https://corporatejusticecoalition.org/wp-content/uploads/2025/09/BHREA-gender-briefing-1.pdf>.

⁷⁸ African Coalition for Corporate Accountability, Asia Indigenous Peoples Network on Extractive Industries and Energy, Corporate Justice Coalition, El Proyecto sobre Organización, Desarrollo, Educación e Investigación (PODER) and Partners in Change, *Shifting the balance of power: Four priorities to protect communities, workers and the environment from transnational corporate harm* (2026) https://corporatejusticecoalition.org/wp-content/uploads/2026/05/CJC_GlobalSouth_Report_FINAL.pdf; Position paper: *Protecting and Realising the Human Rights of Indigenous Peoples, Afro-descendant peoples and local communities in the context of business and human rights* (2025) https://corporatejusticecoalition.org/wp-content/uploads/2025/07/2025_PositionPaper_UKgovt.pdf.

6 The implications of BHREA for collaborating with devolved administrations and local government

The public sector and all entities conducting business in the UK should respect human rights and the environment across their operations, subsidiaries and value chains. This needs to be enforced strongly across the whole of the UK and most of the matters BHREA would address are of a reserved nature.

Nevertheless, where matters are reserved, e.g. on the environment, memorandum of understandings should be signed between the UK-wide enforcement body and the respective devolved authorities.

As a BHREA would also apply to the public sector, local governments would handle respective devolved procurement. We and our union partners support a centre for excellence for public procurers providing guidance, training and knowledge sharing, and enabling collaboration between authorities.

Devolved governments are already aware of the need for human rights and environmental due diligence legislation. In the 2026 Circular Economy Strategy, the Scottish Government confirmed its commitment to the UN Guiding Principles on Business and Human Rights and also outlined that it is engaging with the UK Government on reserved issues around due diligence measures.⁷⁹

Progress to Date

In 2023, the National Policy Forum committed to “Assess the best way to prevent environmental harms, modern slavery and human and labour rights abuses in both private and public sector supply chains including effective due diligence rules”.⁸⁰

Since then, Labour was elected to Government and we welcome that it is fulfilling this commitment. The Government has commissioned a “National Baseline Assessment on the implementation of the UN Guiding Principles on Business and Human Rights” (NBA).⁸¹ Furthermore, the Department for Business and Trade has started a “Review of Responsible Business Conduct” (RBC Review) in which it assesses options to strengthen human rights and environmental due diligence in global supply chains.⁸² The Corporate Justice Coalition, its member organisations, Unison and the TUC were all deeply involved in both processes.

However, both assessments are long overdue to be published and acted upon. Parliamentary processes have repeatedly pointed towards adopting HREDD legislation already. Each delay

⁷⁹ Scottish Government, *A Circular Economy Strategy for Scotland* (March 2026) pp 16-17.

⁸⁰ Katie Neame, ‘Revealed: Full final policy platform set to shape next Labour manifesto’ (*LabourList*, 5 October 2023) <https://labourlist.org/2023/10/labour-national-policy-forum-final-document-summary-policy-manifesto-party-conference/>.

⁸¹ Please note that the project ended in March already. University of Nottingham, ‘National Baseline Assessment on the Implementation of the UN Guiding Principles on Business and Human Rights’ <https://www.nottingham.ac.uk/research/beacons-of-excellence/rights-lab/research-projects/national-baseline-assessment-on-the-implementation-of-the-un-guiding-principles-on-business-and-human-rights.aspx>.

⁸² Department for Business and Trade, *The UK’s Trade Strategy* (policy paper, 25 July 2025) <https://www.gov.uk/government/publications/uk-trade-strategy/the-uks-trade-strategy>.

means that workers, families and communities pay the price – as will ultimately the UK economy. We know the issue and we know the solutions. Other countries have already moved ahead with legislation. The UK has moved from leader to laggard. It's time for the UK to start leading again.

We ask the Labour NPF to

- Commit to a Business, Human Rights and Environment Act: robust, enforceable human rights and environmental due diligence legislation using the “failure to prevent” model in alignment with international standards to level the playing field for responsible UK businesses. As part of a BHREA, the Labour NPF, must ensure:
 - **A holistic approach:** Ensure human rights, labour rights, and environmental harms are recognised as interconnected aspects of responsible business conduct, and address the full value chain including upstream, downstream, international and domestic impacts.
 - **Access to Remedy:** Address the current lack of effective redress mechanisms for victims of corporate abuse, including via a well-funded enforcement body and UK courts.
 - **A timeline for urgent implementation:** Establish a clear and transparent timeline for urgent action on adopting and implementing a BHREA. Rightsholders, including workers, unions and communities, and the UK economy pay a high price for each delay.