Written Evidence on the Immigration and Asylum Bill (Bill 105)

Strengthening the Corporate-Public Governance Interface in Tackling Modern Slavery

Submitted by

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About the author

Dr Sepideh Parsa is Associate Professor of Accounting at Middlesex University Business School. Her research focuses on corporate accountability, labour rights, modern slavery governance and responsible business conduct. Her recent work includes a study of labour rights reporting that received the Accounting Forum 2025 Highly Commended Paper Award (Parsa et al., 2025b); research on local authorities as modern slavery first responders (Parsa et al., 2025a; Parsa et al., 2026); and an ongoing study of modern slavery reporting by major UK companies. This submission draws on these complementary strands of research to inform the Committee's consideration of the Bill's proposed reforms to modern slavery reporting.

Dr Parsa has no financial or commercial interests to declare in relation to the Bill. This submission is made solely in her academic capacity.

Executive Summary

1. The Bill's proposed reforms to the transparency in supply chains provisions of the Modern Slavery Act 2015 are both timely and welcome. Mandatory reporting requirements, stronger enforcement and financial penalties should improve the consistency and quality of organisational reporting.

2. However, stronger reporting should be viewed as one component of an effective governance system, rather than an end in itself. Evidence suggests that regulatory change does not automatically translate into more meaningful organisational practice or better outcomes for workers (Parsa et al., 2025b).

3. Modern slavery develops where global supply chains intersect with local labour markets. Companies and public authorities govern different aspects of this problem. Corporate governance focuses on organisational risk, supplier relationships and due diligence, while public governance addresses the local social, economic and institutional conditions in which exploitation occurs.

4. Although these systems pursue complementary objectives, there is currently no systematic national mechanism through which relevant intelligence, responsibilities and interventions are routinely connected. This submission refers to that point of connection as the Corporate-Public Governance Interface.

5. The proposed extension of reporting obligations to qualifying public authorities presents an important opportunity not only to improve transparency but also to strengthen collaboration between businesses, local authorities and other agencies involved in preventing labour exploitation.

6. To maximise the effectiveness of the reforms, reporting obligations should therefore be accompanied by implementation support, institutional capacity building and practical mechanisms that enable relevant local intelligence to inform corporate supply-chain governance.

7. The recommendations contained in this submission are informed by published research on labour rights reporting and local authority responses to modern slavery (Parsa et al., 2025a; Parsa et al., 2025b; Parsa et al., 2026), together with ongoing research into modern slavery reporting by major UK companies.

1. Introduction

8. This submission relates to the provisions of the Immigration and Asylum Bill concerning modern slavery reporting, including the proposed introduction of mandatory reporting topics, strengthened enforcement mechanisms, financial penalties for non-compliance and the extension of reporting obligations to qualifying public authorities (Parliament, 2026).

9. These reforms represent the most significant changes to the transparency in supply chains provisions of the Modern Slavery Act 2015 since their introduction. They reflect growing recognition that voluntary reporting alone has not consistently produced the quality, comparability or accountability originally envisaged by the legislation.

10. The proposed reforms should therefore be welcomed. Clearer reporting requirements and stronger enforcement are likely to improve organisational compliance and encourage greater board-level attention to modern slavery risks.

11. Nevertheless, improving reporting should not be confused with improving prevention. Transparency is an important governance mechanism because it encourages organisations to examine their own operations and supply chains. However, reporting by itself cannot prevent labour exploitation unless it is supported by governance systems capable of identifying risks, coordinating interventions and addressing the conditions that enable exploitation to occur.

12. The central argument of this submission is therefore not that reporting is ineffective. Rather, it is that reporting constitutes one element of a broader governance system. The effectiveness of the proposed reforms will ultimately depend not only on the quality of organisational disclosures but also on how effectively corporate governance connects with the public governance systems operating within local labour markets.

2. Reporting is necessary-but not sufficient

13. Comparative research on labour rights reporting by British and German companies suggests that a stronger regulatory environment does not automatically produce more substantive disclosure or greater organisational accountability (Parsa et al., 2025b). Germany developed a more extensive institutional and regulatory framework for aspects of labour rights than the UK. However, this did not consistently translate into more comprehensive or more meaningful corporate reporting.

14. This finding should not be interpreted as an argument against regulation. Regulation plays an essential role in establishing minimum expectations, promoting accountability and encouraging organisations to address issues that may previously have received limited attention. Without legislative intervention, many organisations would be unlikely to report consistently on modern slavery risks.

15. The evidence instead suggests that regulation should be viewed as an enabling mechanism rather than a complete solution. Organisations may comply with reporting requirements while continuing to experience difficulties identifying exploitation, engaging effectively with workers or addressing structural risks embedded within complex supply chains.

16. The Bill's proposals for mandatory reporting topics and stronger enforcement are therefore likely to improve the quality and consistency of modern slavery statements. However, their long-term effectiveness will depend upon whether they also strengthen the governance arrangements through which organisations identify risks, collaborate with relevant public bodies and translate reporting into meaningful preventive action.

17. The remainder of this submission argues that one of the principal challenges lies not simply in improving organisational reporting, but in strengthening what this submission terms the Corporate-Public

Governance Interface: the institutional mechanisms through which businesses, local authorities and other public bodies exchange relevant intelligence, align complementary responsibilities and coordinate interventions to address modern slavery risks that cross organisational and institutional boundaries.

3. The limits of corporate reporting

18. Over the past decade, modern slavery has become increasingly embedded within corporate governance. Many organisations have moved beyond treating modern slavery as a narrow compliance issue and now recognise it as a material governance and business risk. Boards increasingly oversee modern slavery strategies, procurement teams undertake supplier due diligence, organisations map supply chains more systematically and labour exploitation is increasingly considered within enterprise risk management processes.

19. Ongoing research on modern slavery reporting by major UK companies indicates that this represents a significant shift in corporate governance. Modern slavery is now more likely to be addressed through board oversight, supplier engagement, contractual standards, staff training and due diligence than was the case immediately following the introduction of the Modern Slavery Act 2015. These developments demonstrate that transparency requirements have influenced corporate governance in important and positive ways.

20. However, evidence also suggests that reporting tends to make some aspects of modern slavery more visible than others. Organisations are generally better able to report on governance structures, policies and direct supplier relationships than on the more complex risks associated with labour intermediaries, subcontracting arrangements, recruitment practices, deeper supply-chain tiers and the lived experiences of workers. These are often the areas where exploitation is most difficult to identify and where corporate visibility is most limited.

21. A company may therefore have a robust modern slavery policy, comprehensive supplier codes of conduct and a well-developed due diligence programme while remaining unaware of exploitative practices occurring several tiers below its direct suppliers. Workers may have been recruited through informal labour intermediaries, subjected to recruitment debt, housed in overcrowded accommodation or exposed to exploitative working conditions that are not readily identified through conventional supplier audits.

22. These observations should not be interpreted as a criticism of corporate governance. Rather, they illustrate the practical limits of what corporate governance can reasonably achieve on its own. Companies can influence purchasing practices, contractual relationships and supplier expectations. They cannot independently govern all of the local social, economic and institutional conditions in which labour exploitation develops.

23. The challenge for policy is therefore not simply to improve corporate reporting, but to recognise where corporate governance requires complementary forms of governance if modern slavery is to be identified and prevented more effectively.

4. Modern slavery is experienced in local labour markets

24. Modern slavery is often discussed as a problem of global supply chains. While this is undoubtedly true, exploitation is ultimately experienced within specific workplaces and communities. It occurs in farms, factories, warehouses, construction sites, care homes, hospitality businesses and other sectors where vulnerable workers may be exposed to coercion, deception or exploitation.

25. The factors that enable exploitation are frequently local. They may include insecure employment, complex subcontracting arrangements, exploitative recruitment practices, poor housing, language barriers, limited awareness of employment rights and weak local oversight. These conditions cannot be fully understood through corporate reporting alone because they develop within the wider institutional environment in which businesses operate.

26. Local authorities, police forces, environmental health officers, safeguarding teams, charities and community organisations may each encounter different indicators of exploitation through their day-to-day activities. Housing officers may identify overcrowded accommodation. Environmental health officers may encounter unsafe living or working conditions. Adult safeguarding teams may identify vulnerable individuals at risk of exploitation. Charities and community organisations may receive disclosures from workers who are reluctant to approach their employer or statutory authorities directly.

27. Much of this information may never enter a company's modern slavery reporting processes. Equally, companies may possess information about suppliers, labour providers or procurement practices that is not routinely available to public authorities. As a result, different organisations may hold different pieces of the same picture without any systematic mechanism for bringing those pieces together.

5. Strengthening the Corporate-Public Governance Interface

28. The evidence presented above suggests that corporate governance and public governance should not be viewed as alternative approaches to tackling modern slavery. Rather, they represent complementary governance systems operating at different points within the same risk environment.

29. Corporate governance focuses primarily on organisational accountability. It seeks to influence behaviour through board oversight, procurement, supplier engagement, contractual requirements, due diligence and risk management. Public governance operates differently. Local authorities and other public bodies influence the conditions within which exploitation occurs through procurement, housing, safeguarding, licensing, environmental health, community safety and partnership working.

30. These systems perform different functions and should not be expected to duplicate one another. However, they are connected by a shared objective: preventing labour exploitation. The effectiveness of one system may therefore depend, at least in part, on how well it is able to interact with the other.

31. This submission uses the term Corporate-Public Governance Interface to describe the institutional mechanisms through which corporate governance and public governance exchange relevant intelligence, align complementary responsibilities and coordinate interventions to prevent modern slavery.

32. Evidence from research on local authorities as modern slavery first responders suggests that, while examples of effective partnership working exist, there is currently no systematic national mechanism that routinely connects local intelligence relating to modern slavery with corporate supply-chain governance (Parsa et al., 2025a; Parsa et al., 2026). Information sharing often depends upon local relationships, individual initiatives or sector-specific partnerships rather than an established governance framework.

33. This creates a significant governance gap. Companies may classify a supplier as presenting relatively low modern slavery risk because supplier audits and due diligence have identified no concerns. At the same time, local authorities or partner organisations may already possess information indicating emerging risks within the same locality or sector. Conversely, businesses may identify concerning procurement or labour market patterns that could help public authorities understand broader trends. Without an effective governance interface, these complementary sources of knowledge remain fragmented.

34. The proposed reforms provide an opportunity to begin addressing this gap. Strengthening reporting requirements is likely to improve organisational transparency. However, strengthening the governance interface between businesses and public authorities would improve the capacity of both sectors to identify, understand and respond to exploitation before it becomes entrenched.

6. Why local authorities matter

35. The practical importance of the Corporate-Public Governance Interface becomes particularly evident when considering the role of local authorities. The Bill's proposal to extend modern slavery reporting requirements to qualifying public authorities is an important development. It recognises that tackling modern slavery is not solely the responsibility of businesses operating global supply chains, but also requires the active engagement of public institutions that influence local labour markets and communities.

36. Local authorities occupy a distinctive position within the modern slavery landscape. Unlike businesses, whose primary focus is organisational governance and supply-chain oversight, councils operate across multiple functions that shape the environments in which labour exploitation may emerge or be identified. Through procurement, housing, safeguarding, environmental health, licensing, planning and community safety, local authorities routinely engage with sectors and communities recognised as being at heightened risk of labour exploitation.

37. Their role extends beyond regulation and service delivery. Local authorities are often among the first public bodies to encounter indicators of exploitation through their routine activities. Housing officers may identify overcrowded accommodation linked to labour exploitation. Environmental health officers may encounter unsafe living or working conditions. Safeguarding teams may identify vulnerable adults who have experienced coercion or abuse. Licensing officers may observe patterns of non-compliance that, when viewed collectively, suggest wider exploitation within a particular locality or sector.

38. This local intelligence complements, rather than duplicates, the information available to businesses. Companies may understand supplier relationships, purchasing practices and contractual arrangements, while local authorities possess knowledge of the communities, labour markets and institutional conditions in which those supply chains operate. Together, these different forms of knowledge can provide a more complete understanding of modern slavery risks than either could achieve independently.

39. However, research on local authorities as modern slavery first responders has also identified persistent challenges relating to resources, training, institutional capacity and multi-agency working (Parsa et al., 2025a; Parsa et al., 2026). These constraints limit the extent to which councils can undertake proactive modern slavery work while simultaneously meeting their wider statutory responsibilities.

40. The proposed extension of reporting duties should therefore be regarded as the beginning of a broader process rather than an end in itself. Reporting obligations alone are unlikely to strengthen local responses unless they are accompanied by sufficient implementation support, practical guidance and mechanisms that enable public authorities to contribute effectively to the wider governance of modern slavery.

7. Implications for the Bill

41. The Bill provides an important opportunity to strengthen transparency and organisational accountability. Mandatory reporting topics, enforcement powers and financial penalties should encourage organisations to treat modern slavery reporting as a substantive governance responsibility rather than a procedural compliance exercise.

42. Nevertheless, the effectiveness of these reforms will ultimately depend upon implementation. Reporting requirements are most likely to contribute to prevention when they form part of a wider governance framework that encourages collaboration, facilitates information sharing and supports early intervention.

43. In particular, the proposed extension of reporting duties to qualifying public authorities should be viewed as an opportunity to strengthen the governance arrangements connecting businesses and public institutions. If implemented effectively, these reforms could help bridge the current disconnect between global supply-chain governance and the local institutional environments in which exploitation occurs.

44. The Bill itself cannot resolve every aspect of this challenge. However, it creates an opportunity for the Government to develop accompanying guidance, implementation support and collaborative mechanisms that strengthen the Corporate-Public Governance Interface while respecting existing statutory responsibilities, data protection requirements and organisational independence.

8. Recommendations

Recommendation 1: Strengthen implementation alongside reporting

45. Mandatory reporting requirements should be supported by practical implementation guidance that assists organisations in translating reporting obligations into effective governance. Guidance should encourage organisations not only to describe their policies and due diligence processes, but also to explain how modern slavery risks are identified, monitored and addressed in practice.

Recommendation 2: Strengthen the Corporate-Public Governance Interface

46. The Government should use the guidance accompanying the Bill to encourage stronger collaboration between businesses, public authorities and relevant partner organisations. Implementation should focus on strengthening the Corporate-Public Governance Interface by supporting mechanisms through which organisations can exchange relevant intelligence, align complementary responsibilities and coordinate responses to modern slavery.

47. This could include encouraging local or regional coordination arrangements that bring together relevant public authorities, businesses and civil society organisations to improve understanding of emerging sectoral and geographical risks. Where appropriate and consistent with legal requirements relating to confidentiality, safeguarding and data protection, such arrangements could help inform corporate risk assessments and support earlier identification of labour exploitation.

48. The purpose of these arrangements should not be to create new statutory responsibilities or reporting structures, but to strengthen coordination between existing governance systems and improve the effectiveness of prevention.

Recommendation 3: Strengthen the capability of public authorities

49. The extension of reporting obligations should be accompanied by appropriate investment in organisational capability. Research suggests that many local authorities continue to face challenges relating to resources, specialist knowledge and institutional capacity (Parsa et al., 2025a; Parsa et al., 2026). Implementation support should therefore include training, procurement guidance, practical tools and opportunities to share good practice across authorities.

50. Particular attention should be given to developing procurement capability within local authorities, given the significant influence that public procurement can exert over labour standards across high-risk sectors.

51. Investment in capability should be viewed as an essential component of implementation rather than a separate policy objective. Without sufficient capability, the intended benefits of strengthened reporting are unlikely to be fully realised.

Recommendation 4: Review implementation and effectiveness

52. The Government should commit to an independent review of the reporting reforms within an appropriate period following implementation, for example three years after commencement. Such a review should assess not only levels of organisational compliance but also whether the reforms have strengthened the identification, prevention and remediation of modern slavery.

53. The review should consider whether reporting has improved organisational governance, whether public authorities have developed the capability required to fulfil their expanded responsibilities, whether collaboration between businesses and public authorities has increased, and whether the reforms have contributed to earlier identification of labour exploitation within local communities.

9. Conclusion

54. The Bill's proposed reforms represent a significant and welcome development in the UK's response to modern slavery. By introducing mandatory reporting topics, strengthening enforcement and extending reporting obligations to qualifying public authorities, the Government is seeking to improve organisational accountability and the consistency of modern slavery reporting.

55. These reforms should be supported. Transparent reporting remains an essential component of modern slavery governance because it encourages organisations to examine their own operations, assess supply-chain risks and strengthen internal accountability. The proposed reforms are therefore likely to improve the quality of organisational reporting and reinforce board-level attention to labour exploitation.

56. However, evidence suggests that stronger reporting alone is unlikely to achieve the wider objective of preventing modern slavery. Comparative research on labour rights reporting demonstrates that regulatory change does not automatically translate into more meaningful organisational practice (Parsa et al., 2025b). Similarly, research on local authorities as modern slavery first responders highlights the practical challenges that public bodies face in responding effectively to labour exploitation without sufficient institutional capacity and support (Parsa et al., 2025a; Parsa et al., 2026).

57. Modern slavery develops where global commercial pressures intersect with local labour markets, workplaces and vulnerable communities. Companies and public authorities each govern different dimensions of this problem. Businesses influence purchasing practices, supplier relationships and due diligence, while local authorities shape and monitor the institutional environments in which exploitation may emerge or be identified. Neither system can address the problem comprehensively in isolation.

58. The central argument of this submission is that the next stage of modern slavery policy should build on the Bill's reporting reforms by strengthening the Corporate-Public Governance Interface. Reporting establishes transparency and accountability, but effective prevention depends on governance systems that enable businesses and public authorities to exchange relevant intelligence, coordinate complementary interventions and respond to labour exploitation more effectively.

59. The Immigration and Asylum Bill provides an important opportunity to begin developing this broader governance approach. By combining stronger reporting requirements with practical implementation support, greater institutional capability and more effective collaboration between businesses and public authorities, the reforms have the potential to move beyond improving transparency towards improving prevention.

60. Ultimately, the success of the Bill should not be judged solely by whether organisations publish better modern slavery statements. It should also be judged by whether the reforms strengthen the governance systems that prevent labour exploitation before it occurs. Better reporting is an important achievement. Building governance systems capable of preventing modern slavery is the longer-term objective.

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