

# Global Due Diligence Laws:

What Works, What Doesn't, and  
Who Bears the Cost

Lessons for the United Kingdom



GLOBAL FEMINISM  
IN SOLIDARITY  
AND ACTION.

*“We are giving our maximum to achieve the targets that businesses from your country are placing here, making profit for your country. We deserve much more than this. We are giving our maximum, so please make sure that your businesses give us enough to live.”*

*Sri Lankan garment worker*

The Circle is a global feminist organisation whose vision is a future where there is safety and equality for all women and girls. The Circle works to end violence and dismantle economic barriers for the most marginalised and vulnerable women around the world by building a global feminist network of changemakers who deliver frontline services, fund, advocate and amplify.

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## Contents

|                                                                                            |    |
|--------------------------------------------------------------------------------------------|----|
| Executive Summary .....                                                                    | 3  |
| Introduction .....                                                                         | 5  |
| Global fashion supply chains, women’s work and violence .....                              | 6  |
| Minimum wages, living wages and the race to the bottom.....                                | 7  |
| Why voluntary approaches by brands have failed .....                                       | 8  |
| The UK’s legal obligations.....                                                            | 8  |
| The case for enforceable due diligence .....                                               | 9  |
| Part 1: Global Due Diligence Laws: A Fractured Landscape.....                              | 9  |
| Gaps and shortcomings in assessed legislation .....                                        | 10 |
| What the evidence shows for the UK.....                                                    | 12 |
| Real-world consequences for female garment workers .....                                   | 13 |
| Part 2: What does a strong due diligence legislative framework look like for the UK? ..... | 15 |
| 1. Scope and application .....                                                             | 15 |
| 2. Harms and risks that must be addressed .....                                            | 15 |
| 3. Legal standards and international alignment .....                                       | 16 |
| 4. Enforcement, sanctions and access to justice .....                                      | 16 |
| Conclusion .....                                                                           | 16 |
| Recommendations .....                                                                      | 18 |
| Annex 1: Laws Assessed .....                                                               | 19 |
| Annex 2: Comparative Table of Corporate Due Diligence Frameworks .....                     | 20 |
| Annex 3: Comparative Analysis of Key Gaps in Due Diligence Frameworks .....                | 22 |

## Executive Summary

This report assesses **the efficacy of 17 corporate due diligence frameworks worldwide and the extent to which women garment workers in global fashion supply chains can rely on them** in practice. It identifies what drives effective outcomes - clear duties, full value-chain reach, credible enforcement and routes to remedy - and what gaps leave harms unaddressed. The report compares global frameworks and recurring weaknesses and sets out the elements of a robust UK legislative model and recommendations for Government and Parliament.

### Why this matters for the UK

- ❖ **UK law is currently fragmented and weakly enforced** leaving significant gaps in prevention and accountability, and the UK behind international peers.
- ❖ UK linked brands profit from high-risk and highly feminised supply chains, so **weak laws mean the UK undermines its own commitments on decent work, responsible trade, and preventing violence against women**, while increasing reputational and regulatory risk for UK business.
- ❖ **International comparators show how to design an enforceable duty** that supports responsible business while providing meaningful protection and remedy for affected workers.

### Key findings

- **Fragmentation is the norm:** across 17 frameworks, scope, covered harms and enforcement vary widely, creating loopholes and uneven protection.
- **Coverage gaps are built in:** high thresholds and limits to first tier suppliers mean many high-risk fashion practices and deep-tier abuses fall outside legal reach.
- **Single-issue and transparency only models underperform:** reporting without a duty to prevent/mitigate does not shift the commercial drivers of harm.
- **Enforcement and liability are decisive:** without a regulator, meaningful sanctions and routes to remedy, workers cannot realistically rely on the law.
- **Women workers bear the brunt:** poverty wages and insecurity increase exposure to harassment, coercion and violence and constrain access to justice.

### Recommended UK actions

- ✓ **Legislate a single, enforceable British Human Rights and Environment Act** with mandatory due diligence covering prevention, mitigation and remedy, to replace fragmented disclosure-only laws
- ✓ **Target real risks across full supply chains**, not just large companies, through risk-based scope and obligations extending to subsidiaries, contractors and indirect suppliers.
- ✓ **Make gender-responsive due diligence explicit**, including duties on living wages, workplace harassment and violence, discrimination (including maternity), freedom of association, and other gender-specific harms.
- ✓ **Ensure accountability and justice**, through a dedicated regulator, meaningful sanctions (including turnover-based fines and liability), access to remedy for affected workers, and stronger protections against misleading corporate claims.

# Global Due Diligence Laws: What Works, What Doesn't, and Who Bears the Cost

## Lessons for the UK

### THE PROBLEM

- ❖ UK-linked global supply chains rely on poverty wages, insecure work and unsafe conditions.
- ❖ **Women workers bear the greatest costs, particularly in garment supply chains,** including harassment, violence and environmental harm.
- ❖ These harms are systemic and driven by commercial pressure and **weak regulation.**

### WHAT THIS REPORT DOES

- ❖ Reviews 17 corporate due diligence laws worldwide.
- ❖ Assesses whether existing frameworks prevent harm and enable access to justice.
- ❖ Identifies what works, what fails, and the implications for UK policy.

### KEY FINDINGS

- ❖ **Fragmentation is the norm:** laws vary widely in scope, supply-chain reach and enforcement.
- ❖ Transparency without enforcement does not change behaviour or wages.
- ❖ **Women are systematically left unprotected** as structural harms are overlooked.
- ❖ Enforcement is key: laws with regulators, sanctions and liability perform better.

### WHAT WORKS

- ❖ **Binding legal duties** rather than voluntary reporting.
- ❖ **Full global supply-chain coverage.**
- ❖ Explicit **focus on living wages and gender-based harms.**
- ❖ **Strong enforcement,** sanctions and **access to remedy.**

### WHERE THE UK STANDS

- ❖ UK regulation is spread across the Companies Act, Modern Slavery Act and Environment Act.
- ❖ Obligations are fragmented, weakly enforced or unimplemented.
- ❖ **The UK risks becoming a low-accountability jurisdiction** in global supply chains.

### WHY THIS MATTERS TO THE UK

- ❖ Undermines the UK's Violence Against Women and Girls Strategy.
- ❖ Undercuts fair competition for responsible UK businesses.
- ❖ Creates a gap between international commitments and real-world outcomes.

### RECOMMENDATIONS

- ❖ A single, mandatory **British Human Rights and Environment Act.**
- ❖ **Risk-based application** and **full supply-chain coverage.**
- ❖ **Gender-responsive due diligence** and living wages as core obligations.
- ❖ **Dedicated regulator, sanctions and access to justice.**

## Introduction

*“What we are asking from the UK government is to enhance the lives of workers, because your companies are making a lot of profit. There needs to be some kind of binding mechanism from the UK government towards our workers so that they can also be in the centre of the process and not be on the margins in a very vulnerable position.”*

*Kunchana, Sri Lankan labour rights activist*

The global fashion industry generates significant value for brands headquartered in the United Kingdom, yet its supply chains continue to rely on poverty wages, insecure work and unsafe conditions borne overwhelmingly by women garment workers. These harms are not accidental but are an explicit outcome of purchasing practices that prioritise low costs and speed over workers’ rights, safety and dignity.

Weak regulation of global supply chains undermines the UK’s commitments to ending violence against women and girls (VAWG), promoting decent work, and advancing responsible trade. Poverty wages drive economic insecurity of workers, increasing women’s exposure to harassment, coercion and violence, while the absence of binding due diligence obligations allows UK-linked companies to benefit from these conditions without accountability.

The UK’s current legal framework does not address this gap. Across the Companies Act 2006, the Modern Slavery Act and the Environment Act 2021, obligations are fragmented, largely voluntary, weakly enforced or not implemented.

The Labour government has stated its commitment to strengthening responsible business conduct by assessing effective human rights and environmental due diligence requirements for global supply chains, in line with international standards and parliamentary recommendations.

This report assesses 17 due diligence frameworks from around the globe to show why transparency-only approaches have failed and what enforceable due diligence legislation must include if the UK is to align its trade and growth strategy with its commitments on VAWG, labour rights and access to justice.

**The Circle calls on the UK Government to introduce new legislation to protect human rights and the environment.** This legislation should ensure that companies and public authorities take responsibility for preventing, addressing and remedying harm across their domestic and global operations and supply chains. Any UK due diligence law must be robust and effective and must enable women’s labour rights, including the right to a living wage, to be fully upheld.

## Global fashion supply chains, women's work and violence

One of the key **structural drivers of poverty wages in garment producing countries is the way global supply chains work**, and the ability of fast fashion brands to move production rapidly between locations in search of the lowest labour costs. Many producing countries are economically vulnerable and keen to attract global brands, which constrains governments' ability to raise statutory minimum wages for fear of losing investment and jobs to lower-wage competitors.

This unequal power balance allows global brands to generate significant profits, at the expense of the workers who make their clothes, **who are predominantly women<sup>1</sup> who often labour in unsafe and degrading conditions**. Public concern is rightly strong about child labour, yet such exploitation persists in part because poverty wages paid to women garment workers force families to rely on children's labour to survive. The failure to ensure living wages therefore sustains intergenerational exploitation and entrenches harm across global fashion supply chains.

Women garment workers experience gender **specific harms**. Low pay and insecure contracts reinforce economic dependency, limit bargaining power, and increase exposure to exploitation. In factories, women frequently report verbal abuse, intimidation and sexual harassment linked to production targets, pregnancy or attempts to organise. Outside the workplace, poverty wages restrict women's ability to leave abusive relationships and heighten vulnerability to coercion and violence in both public and private spheres.

Female garment workers interviewed by The Circle in three locations across Sri Lanka in October 2025 reported several concerning day-to-day working conditions, including:

- **Working shifts of at least 12 hours**, often longer at month end to meet production targets, spent standing, with only a small number of short breaks, usually lasting 15 minutes or less, for a starting **salary of roughly £63 a month**.
- **Limited access to drinking water** in hot and poorly ventilated environments, reportedly to discourage toilet breaks.
- Experiences of **verbal abuse** (gendered abuse, plus threats of job loss), as well as accounts of **sexual favours being requested** in exchange for access to much-needed overtime shifts.
- Women workers being **required to ask supervisors for menstrual products** and to explain or justify why they needed them.

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<sup>1</sup> The International Labour Organization (ILO) estimates that nearly 60% of garment workers globally are women, with the proportion rising to 75–80% in major producing regions such as Asia, which employs around three-quarters of the global garment workforce. International Labour Organization (ILO) (no date) *The garment industry: Gender discrimination and deficits*. Available at: <https://webapps.ilo.org/infostories/en-GB/Stories/discrimination/garment-gender.html#deficits> (Accessed: 14 May 2026).

## Minimum wages, living wages and the race to the bottom

*“The Government sets a minimum wage of R 27,000 but they know it is not enough to live for more than two or three days in Sri Lanka” Sri Lankan garment worker*

**Minimum wages** are statutory floors that often fall below what is required for an adequate standard of living, as recognised under international human rights law.

**A living wage**, grounded in ILO principles and the UNGPs’ requirement to prevent and mitigate adverse human rights impacts, reflects the real cost of living and must therefore be assessed and addressed as part of effective human rights due diligence.

A core driver of harm in the garment sector is the **persistent gap between minimum wages and living wages**. Minimum wages in producing countries are often set through political compromise and competition for investment, rather than by reference to the real cost of living, contrary to international labour standards. Brands can exploit this gap by shifting production between jurisdictions, creating a race to the bottom that entrenches poverty despite full-time work.

For women workers, this chronic underpayment undermines dignity and increases exposure to exploitation, harassment and violence, directly **contradicting the UK’s commitments on decent work and women’s rights**.

**Living wages enable garment workers to meet basic needs, support their families and keep their children in school, while also helping to prevent violence and exploitation.**

When workers earn enough within standard hours, women are less pressured to tolerate harassment or abuse for job security and can raise concerns without fear of economic retaliation. Living wages also reduce excessive overtime and unsafe late-night travel, lower household stress linked to domestic violence and can provide women with the financial security needed to leave abusive situations. As such, living wages are a foundational safeguard for dignity, safety and gender equality in global supply chains.

### **Living wages as a tool for preventing violence against women and girls (VAWG)**

The UK VAWG Strategy recognises **economic insecurity and dependency** as key risk factors for gendered violence.<sup>2</sup> Where women garment workers are paid below a living wage, poverty wages increase exposure to harassment, coercion and exploitation and limit the ability to leave unsafe or abusive situations. Ensuring living wages through enforceable human rights due diligence is therefore a **core prevention measure**, not only a labour rights intervention.

<sup>2</sup> UK Government (2025) *Freedom from violence and abuse: A cross-government strategy to build a safer society for women and girls*. December, p. 63. Available at: [https://assets.publishing.service.gov.uk/media/697c7e14043a4ade0f7b503f/31.260\\_VAWG\\_01\\_Strategy\\_Slip\\_FINAL\\_v5\\_290126\\_WEB.pdf](https://assets.publishing.service.gov.uk/media/697c7e14043a4ade0f7b503f/31.260_VAWG_01_Strategy_Slip_FINAL_v5_290126_WEB.pdf) (Accessed: 14 May 2026).

## Why voluntary approaches by brands have failed

*“When audit visits happen, management selects a few workers that support them and they are chosen to speak to the auditors.”*

*Sri Lankan garment worker*

Labour rights activists in Sri Lanka have informed The Circle of receiving death threats from factory management for supporting workers and informing them of their rights.

Workers also reported being threatened with job losses or losing their jobs for attending workshops on labour rights and how to access grievance mechanisms.

For decades, brands have relied on voluntary initiatives - codes of conduct, audits, certification schemes and multi-stakeholder initiatives - to address labour abuses. Despite their proliferation, **these mechanisms have failed to deliver sustained improvements in wages, safety or protection from violence.**

Voluntary schemes are typically limited to first tier suppliers, while the most severe abuses occur further down supply chains. Audits often focus on documentation rather than lived experience and are poorly equipped to detect gender-based violence or retaliation. Crucially, **voluntary commitments do not require brands to change the commercial practices** - pricing, lead times and order volatility - that directly drive excessive hours, harassment and unsafe conditions.

Transparency only approaches have proven particularly ineffective. **Reporting without a legal duty to prevent or remedy harm allows companies to comply on paper while continuing harmful practices in practice.**

## The UK's legal obligations

UK businesses have a responsibility to respect human rights, workers' rights and environmental standards in their operations and value chains. The UK has committed to implement international standards, including the UN Guiding Principles on Business and Human Rights (UNGPs), the Guidelines for Multinational Enterprises and the OECD ILO Declaration on Fundamental Principles and Rights at Work. The UK is also a state party to multiple international human rights and environmental treaties that it must uphold.

The UK has also committed to halving violence against women and girls (VAWG) and addressing its root causes, both domestically and globally. This ambition is set out in the government's 2025 VAWG Strategy and the International Strategic Framework for Women and Girls, which **explicitly recognises the importance of promoting the safety and prosperity of women in supply chains.**<sup>3</sup>

Recently, in March 2026, the UK Government reaffirmed its commitment to placing women and girls at the centre of its international work and to tackling the socio-economic and institutional barriers that deny them access to justice at the UN Commission on the Status of Women. The UK supported agreed conclusions focused on strengthening access to justice by removing discriminatory laws and practices and addressing structural inequalities. This

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<sup>3</sup> UK Government (2026) UK International Strategic Framework on Women and Girls 2026. P.16 Available at: <https://assets.publishing.service.gov.uk/media/6a0db9bf40a9c699fd826eaa/UK-International-Strategic-Framework-Women-and-Girls-2026.pdf> (Accessed: 9 June 2026)

included upholding women's rights at work by strengthening labour laws in line with ILO standards, including promoting decent work and equal pay, eliminating discrimination, violence and harassment, protecting labour rights, expanding social protection and care systems, and ensuring effective access to justice and accountability for workplace abuses.<sup>4</sup>

## The case for enforceable due diligence

**The failure of voluntary arrangements has led to growing recognition that binding human rights due diligence legislation is necessary.** Grounded in the UN Guiding Principles on Business and Human Rights and relevant ILO standards, due diligence requires companies to identify, prevent, mitigate and account for adverse human rights impacts across their supply chains.

Human rights due diligence legislation aims to protect people working in global supply chains from harm and to assist states meet their obligations under domestic and international law.

As this report will demonstrate, different legal frameworks protect against different harms and in different combinations. Some are effective, some are not. What is clear however is that for female garment workers, **effective due diligence can function as a violence prevention tool, by addressing living wages, workplace violence, discrimination and access to remedy.**

The sections that follow assess whether existing due diligence laws meet this challenge and what robust, enforceable legislation must include if women workers are to be able to rely on the law for protection and justice.

## Part 1: Global Due Diligence Laws: A Fractured Landscape

This report reviews 17 legislative frameworks governing corporate due diligence currently in force across Europe, the United Kingdom and internationally. A full list of assessed laws can be found in Annex 1. These frameworks collectively demonstrate a fragmented global approach to business and human rights regulation, with significant variation in scope, enforcement mechanisms and access to remedy.

Within the European Union, a limited number of Member States have adopted national due diligence legislation, while the majority rely exclusively on EU-level rules. As a result, the robustness of EU-wide frameworks has far-reaching implications for corporate accountability across the bloc. As most fashion brands are headquartered in Europe, due diligence laws in the EU therefore have global consequences for garment workers. Outside the EU, a range of transparency- and trade-based laws further shape corporate conduct, though often with narrower focus and weaker enforcement.

The UK is currently looking at introducing business, human rights and environment due diligence legislation. Businesses have requested, and government has indicated a

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<sup>4</sup> UN Women (2026) *Commission on the Status of Women (CSW70): Session outcomes*. Available at: <https://www.unwomen.org/en/how-we-work/commission-on-the-status-of-women/csw70-2026/session-outcomes> (Accessed: 14 May 2026).

willingness, that the UK follows EU laws on due diligence, to avoid duplicating obligations across jurisdictions.

This uneven landscape creates challenges for both rights-holders and regulators, underscoring the need for stronger, harmonised standards that prioritise prevention, accountability and remedy, particularly for workers and communities most at risk.

## Gaps and shortcomings in assessed legislation

Our analysis shows that existing legislation tends to share several recurring weaknesses. Taken together, these shortcomings significantly limit the ability of such laws to prevent harm, hold companies accountable, or improve conditions for workers in global supply chains. **In the fashion industry, characterised by outsourcing, subcontracting and intense price competition, these gaps are particularly acute.**

### ❖ Narrow company scope

Several frameworks apply only to a very small number of companies by imposing extremely high turnover or size thresholds before obligations apply. For example, under the EU Omnibus proposals, companies must have a turnover of €1.5 billion before being brought within scope, excluding most businesses operating in high-risk supply chains.

In the fashion sector, this allows many influential brands to escape due diligence obligations altogether, despite sourcing from factories and regions where labour abuses are widespread. As a result, brands benefiting from low-cost production face no legal requirement to address the conditions under which garments are made.

### ❖ Restricting obligations to “employees” only

Some frameworks are triggered only when companies employ a minimum number of employees, creating incentives to restructure workforces through agency, temporary or consultancy arrangements to avoid obligations. The German Supply Chain Due Diligence Act, for example, applies only to companies with more than 1,000 employees, while the French Duty of Vigilance Act applies only to companies with at least 5,000 employees in France or 10,000 worldwide.

In fashion supply chains, workers are rarely employed directly by brands but by suppliers and subcontractors. Employee-based thresholds therefore exclude most garment workers, predominantly women, from protection, even though brand purchasing practices directly shape wages, hours and working conditions.

### ❖ Limiting coverage to parent companies and subsidiaries

Many due diligence frameworks apply only to a company’s own operations and subsidiaries, excluding indirect suppliers where the most severe labour rights abuses typically occur. The UK Companies Act 2006 does not even extend due diligence related reporting obligations to subsidiaries, while several EU and national frameworks stop short of covering indirect suppliers. Only five of the 17 frameworks assessed apply obligations across the full supply chain.

In the fashion industry, the most serious harms, poverty wages, excessive hours, violence and child labour, typically occur several tiers down the supply chain. Limiting legal coverage to corporate headquarters or first tier suppliers allows brands to claim compliance while exploitation persists beyond legal scrutiny.

#### ❖ **Sector specific laws without a general framework**

Some laws focus on a single sector without being underpinned by a broader, economy-wide due diligence framework. For example, the Swiss Private Security Services Act 2013 imposes obligations only on companies providing private security services.

For fashion, the absence of horizontal due diligence frameworks leaves a high-risk, labour-intensive industry regulated unevenly or not at all, despite its reliance on outsourcing, informal work and weak labour protections in producing countries.

#### ❖ **Focusing on a narrow set of harms**

Certain frameworks require companies to consider only one or a limited number of abuses. The Netherlands Child Labour Due Diligence Act 2019 focuses exclusively on child labour and requires a one-off assessment, while the UK Modern Slavery Act addresses forced labour and trafficking but not poverty wages, gender-based violence, freedom of association or unsafe working conditions.

In garment production, harms are interconnected. Poverty wages, excessive hours, harassment and child labour frequently co-exist. Laws that address single harms in isolation allow brands to treat symptoms while leaving the commercial drivers of exploitation untouched.

#### ❖ **Allowing discretionary exemptions**

Some frameworks allow ministers or public authorities to exempt companies from due diligence obligations. Under the Dutch Child Labour Due Diligence Act, exemptions may be granted by general administrative order.

In the fashion industry, where powerful multinational brands exert significant economic influence, discretionary exemptions risk shielding major buyers from scrutiny while leaving workers without protection.

#### ❖ **Failing to introduce implementing legislation**

Framework laws are sometimes passed without the secondary legislation needed to make them operational. A clear example is the UK Environment Act 2021, where due diligence obligations relating to forest risk commodities exist in theory but remain unimplemented.

For fashion brands, this means legal obligations exist on paper but do not translate into changes in sourcing practices, allowing environmentally and socially harmful production models to continue unchecked.

### ❖ Vague or voluntary reporting requirements

Weak legislation often requires companies to report on due diligence without specifying content or standards. Under the UK Companies Act 2006, human rights information may be omitted if deemed not material, while under the Modern Slavery Act information on due diligence processes is optional.

In the fashion sector, such reporting has not improved conditions on the ground. Brands can publish statements while continuing to impose prices and lead times that drive exploitation, turning transparency into a reputational exercise rather than a mechanism for accountability.

### ❖ Absence of sanctions or remedy and weak enforcement

Many existing frameworks do not provide for meaningful sanctions, civil liability or criminal penalties, leaving affected workers without realistic routes to justice. For example, the UK Modern Slavery Act and other transparency-only models rely heavily on disclosure without strong enforcement consequences or meaningful liability pathways, while France's Duty of Vigilance Act offers only a limited civil-liability route. By contrast, Germany's Supply Chain Act provides administrative enforcement and fines, Norway's Transparency Act allows fines to be imposed, and the original CSDDD envisaged stronger EU-level enforcement, including an EU-wide civil-liability regime, than the post-Omnibus framework now provides.

For fashion brands, weak enforcement means the financial benefits of low-cost sourcing far outweigh the risks of non-compliance, reinforcing business models that externalise harm onto workers.

For garment workers, often located far from brand headquarters, this makes it virtually impossible to seek remedy for abuse, even where harm is directly linked to brand conduct.

### ❖ Failure to commence legislation or delaying application

In some cases, governments have passed due diligence laws but delayed or avoided bringing them into force, including under elements of the revised CSDDD (Omnibus I).

In fast-moving fashion supply chains, such delays allow existing sourcing practices to continue uninterrupted, while workers see no improvement in wages, safety or protection.

### ❖ Voluntary application

Finally, some due diligence frameworks are entirely voluntary or apply only to companies by choice, such as the UK's Modern Slavery Act 2015.

In an industry built on price competition, voluntarism consistently fails. Responsible fashion brands are undercut by competitors willing to profit from exploitative practices, while workers bear the consequences.

## What the evidence shows for the UK

The UK's approach to human rights due diligence is characterised by **fragmentation, voluntarism and a near total absence of enforcement**. Across the Companies Act 2006, the

Modern Slavery Act and the Environment Act 2021, obligations are either **vague, optional, unimplemented, or unenforceable**.

The Modern Slavery Act relies almost entirely on discretionary reporting, imposes no duty to conduct due diligence, and contains no sanctions for non-compliance. The Companies Act 2006 permits companies to omit human rights information altogether if deemed “not material”, with no requirement to reference international standards and no regulator with investigatory powers. The Environment Act 2021 introduces theoretical due diligence duties for forest-risk commodities yet remains effectively dormant due to the failure to adopt implementing regulations.

When assessed against international comparators, the UK is an **outlier at the weak end of the spectrum**. Even within Europe, the UK now falls behind Member State regimes such as France’s Duty of Vigilance Act, which, despite its limited scope, provides access to civil liability and judicial remedy unavailable under UK law.

The cumulative effect is that UK companies face fewer legal consequences for benefiting from poverty wages, unsafe working conditions and gender-based violence in global supply chains than their international competitors.

Without a single, enforceable human rights due diligence framework, covering living wages, labour rights and access to remedy, the UK risks becoming a regulatory safe harbour for exploitative business models, rather than a leader in responsible trade.

## **Real-world consequences for female garment workers**

*“What I earn in one month is not enough to even repay the credit I owe at the village shop from last month for my family’s groceries.” Sri Lankan garment worker*

Weak due diligence legislation has direct and foreseeable consequences for women working in global garment supply chains. These impacts are closely linked to issues the UK government has already committed to addressing, including violence against women and girls (VAWG), workers’ rights, and environmental protection. When due diligence laws are weak, fragmented or voluntary, they undermine these commitments in practice.

### **❖ Precarious work, economic insecurity, and heightened risk of abuse**

Where due diligence laws apply only to narrowly defined “employees” or exclude large parts of supply chains, women garment workers, often on temporary, informal, or insecure contracts, are left without protection. Poverty wages and job insecurity deepen economic dependency, making it harder for women to leave unsafe or abusive situations or to raise concerns without fear of dismissal. This directly undermines the UK’s VAWG Strategy, which recognises economic insecurity as a key driver of violence and exploitation.

### **❖ Workplace violence and harassment**

In the absence of binding due diligence obligations covering the full supply chain, gender-based violence and harassment remain widespread in garment factories. Weak reporting requirements and lack of enforcement mean that complaints often lead to

retaliation rather than remedy. This runs counter to the UK's stated aim of preventing violence against women "wherever it occurs", including in workplaces linked to UK-based companies.

### ❖ Environmental harm and women's safety

The garment industry is one of the most environmentally damaging sectors globally. Where environmental due diligence is weak or unenforced, women workers are disproportionately exposed to toxic chemicals, polluted water and unsafe waste disposal. These harms affect women's physical and reproductive health and increase unpaid care responsibilities when family members fall ill. Environmental degradation therefore compounds gender inequality and vulnerability to violence, undermining the UK's environmental and climate commitments.

### ❖ Lack of access to justice

Weak due diligence legislation typically lacks strong enforcement, civil liability or criminal sanctions. As a result, women garment workers have no meaningful routes to justice when their rights are violated. This absence of accountability allows violence, exploitation and environmental harm to continue unchecked across UK-linked supply chains.

**Taken together, these failures undermine the UK's commitments to ending violence against women and girls, protecting workers, and tackling environmental harm. Strong, mandatory and enforceable due diligence legislation is essential if UK companies are to operate consistently with these commitments and avoid exporting harm abroad.**



*Sri Lankan garment worker and child in the boarding hostel accommodation that she shares with her partner and two children*

## Part 2: What does a strong due diligence legislative framework look like for the UK?

Drawing on The Circle's analysis, a strong UK due diligence framework must move beyond fragmented, voluntary reporting and establish **clear, binding and enforceable obligations** on companies operating through global supply chains. To be effective, UK legislation should include the following elements.

### 1. Scope and application

UK due diligence legislation should:

- Be **brought into force without delay**, avoiding prolonged or indefinite implementation periods
- **Apply to all companies**, regardless of size, turnover, revenue or number of employees
- **Cover the entire global supply chain**, including subsidiaries, contractors, direct and indirect suppliers
- **Apply across all sectors**, not only selected industries
- **Exclude discretionary exemptions**, so ministers or public bodies cannot remove companies from scope

Due diligence obligations must be **mandatory**, not voluntary.

### 2. Harms and risks that must be addressed

UK due diligence law must require companies to identify, prevent, mitigate and remedy risks relating to:

- **Living wages**
- **Human rights**
- **Labour rights**, including freedom of association and collective bargaining
- **Child labour, slavery, human trafficking and forced labour**
- **Women's rights**, in line with the agreed conclusions of the Commission on the Status of Women, including:
  - women's right to work and rights at work
  - access to decent work and a living wage
  - elimination of discrimination, including maternity discrimination
  - prevention of sexual and other forms of violence and harassment in the world of work
- **Protection of women and girls** from sexual abuse and power imbalances leading to sexual exploitation
- **Occupational safety and health**, ensuring workers are not injured or killed because of work
- **Protection for vulnerable workers**, including migrant workers and those exposed to racism or xenophobia
- **Environmental protection including from hazardous materials, particularly during pregnancy**

- **Climate obligations**, including requirements to prevent contribution to climate change and to publish climate transition plans

### 3. Legal standards and international alignment

UK legislation should **explicitly reference recognised international standards**, including:

- **UN Guiding Principles on Business and Human Rights**
- **Fundamental ILO Conventions**, including those on forced labour, freedom of association, equal remuneration, discrimination, child labour and occupational safety and health
- **OECD Guidelines for Multinational Enterprises**

### 4. Enforcement, sanctions and access to justice

Effective UK due diligence legislation must include:

- A **dedicated, properly resourced regulator**, with ring-fenced funding
- Powers to investigate, issue interim orders, impose remedial action, and **order companies to cease infringements**
- **Fines of 3 - 5% of worldwide turnover**
- **Publication of sanctions**, including naming and shaming
- **Exclusion from public procurement** for sanctioned companies
- **Civil liability** for companies that breach due diligence duties
- **Criminal liability for severe breaches**, including:
  - criminal sanctions and potential imprisonment of directors
  - personal liability and director disqualification

Where there is a significant imbalance of power between workers and UK companies, workers should be able to bring claims before UK courts, with access to legal aid, to ensure equality of arms.

## Conclusion

This report shows that exploitation in global fashion supply chains is not accidental but the predictable result of weak, fragmented and largely voluntary regulation. **Poverty wages, unsafe work and harassment persist because UK law does not yet require companies to prevent harm across their supply chains or face meaningful consequences** when they fail to do so.

**These failures directly undermine the UK's commitments on violence against women and girls (VAWG), fair work and a high standards industrial strategy.** The UK VAWG Strategy recognises economic insecurity as a key driver of violence and exploitation, yet current supply-chain regulation allows UK-linked companies to benefit from business models that entrench poverty wages and dependency among women workers. This is incompatible with an agenda built on dignity at work, equality and access to justice.

The evidence also confirms that voluntary approaches have failed. Transparency and reporting have increased, but wages remain below subsistence and abuses continue. Without binding duties to change purchasing practices, disclosure has become a compliance exercise rather than a prevention tool.

The UK therefore faces a clear choice. **Continuing with disclosure-based laws risks cementing the UK as a low-accountability jurisdiction, undercutting responsible businesses and exporting harm.** By contrast, introducing mandatory human rights and environmental due diligence, through a single, coherent legislative framework, would support fair competition, responsible trade and public confidence in UK markets.

As reflected in recent parliamentary briefings, this requires a failure-to-prevent duty, application across full supply chains, a properly resourced regulator, and civil liability and access to justice for affected workers, including the ability to bring claims before UK courts where there is a clear imbalance of power. Strong due diligence is therefore not a regulatory burden, but a necessary foundation for fair work, credible industrial strategy and effective VAWG prevention.



*Sri Lankan garment workers attend a protest demanding better working conditions*

## Recommendations

**The UK Government should introduce a single, mandatory human rights and environmental due diligence law (a Business, Human Rights and Environment Act),** replacing fragmented, transparency-based UK legislation with one enforceable framework covering prevention, mitigation and remedy.

This legislation should:

- ❖ **Apply due diligence based on risk, not company size**  
Avoid turnover or employee thresholds that exclude high-risk supply chains and incentivise outsourcing.
- ❖ **Require full supply-chain coverage**  
Extend obligations to subsidiaries, contractors and indirect suppliers, where most labour and gender-based abuses occur.
- ❖ **Make gender-responsive due diligence explicit**  
Statutorily require assessment of gender-specific harms, including sexual harassment, discrimination and power imbalances, in line with the UK VAWG Strategy and CSW 2026 commitments.
- ❖ **Require companies to address living-wage gaps**  
Treat living wages as a core due diligence obligation and a preventive measure against exploitation and violence.
- ❖ **Anchor UK law in international standards**  
Explicitly reference UNGPs, ILO conventions, OECD Guidelines and women's rights instruments to ensure clarity and alignment.
- ❖ **Establish a dedicated, well-resourced regulator**  
Provide investigatory powers, authority to order remediation and issue binding compliance orders.
- ❖ **Introduce meaningful sanctions and liability**  
Include turnover-based fines, procurement consequences, civil liability and criminal sanctions for severe breaches.
- ❖ **Guarantee access to remedy for affected workers**  
Enable claims before UK courts where power imbalances exist, with protection from retaliation and access to legal aid.
- ❖ **Strengthen consumer protections against misleading claims**  
Prevent companies from misrepresenting labour, gender equality or environmental practices in UK markets.

*“I am working very hard, but what I earn is not enough for my most basic needs. I am asking that you pay us a living wage” Sri Lankan garment worker*

## Annex 1: Laws Assessed

### European Union

#### *EU-level rules*

- Corporate Sustainability Due Diligence Directive 2024
- Omnibus I Directive (EU) 2026/470 amending the Corporate Sustainability Due Diligence Directive 2026

#### *National laws in force*

- France: Duty of Vigilance Law 2017
- Germany: Supply Chain Due Diligence Act 2021
- Italy: Legislative Decree 231/2001
- Netherlands: Child Labour Due Diligence Act 2019

#### *20 EU countries rely only on EU law*

- No national due diligence legislation

### Europe (Non-European Union)

#### *Norway*

- Transparency Act 2021

#### *United Kingdom*

- Companies Act 2006
- Modern Slavery Act 2015
- Environment Act 2021

#### *Switzerland*

- Conflict Minerals & Child Labour Due Diligence Law 2020
- Transparency on Non-Financial Matters Law 2020 (*transitioning toward EU Corporate Sustainability Reporting Directive alignment*)
- Private Security Services Act 2013

### International frameworks

#### *Australia*

- Modern Slavery Act 2018

#### *United States*

- Tariff Act of 1930
- Dodd-Frank Act (Section 1502) 2010
- Uyghur Forced Labour Prevention Act 2021

## Annex 2: Comparative Table of Corporate Due Diligence Frameworks

| Regime                                                                         | Issues Covered                                    | Value Chain Scope                               | Company Scope                                   | Obligations (Reporting, Due Diligence, Engagement)                                      | Administrative Enforcement                          | Judicial Enforcement / Liability                                                    | Gender Relevance (GBV, Living Wages, Labour Rights)                                          |
|--------------------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| <b>EU Corporate Sustainability Due Diligence Directive (original)</b>          | Broad: human rights, labour, environment, climate | Chain of activities (not full value chain)      | >1000 employees & €450m turnover; excludes SMEs | Annual reporting; mandatory due diligence; stakeholder engagement; grievance mechanisms | Strong supervision + turnover-based fines (≥5%)     | Civil liability; NGOs can bring claims; courts can order disclosure and injunctions | <b>Partial:</b> covers labour rights and living wages indirectly; limited explicit GBV focus |
| <b>EU Omnibus I (revised Corporate Sustainability Due Diligence Directive)</b> | Broad but diluted                                 | Narrower, risk-based                            | >5000 employees & €1.5bn turnover               | Reduced monitoring; due diligence retained but weakened                                 | Weaker enforcement; capped fines (~3%)              | EU-wide civil liability removed; national regimes only                              | <b>Weak:</b> removal of gender elements; reduced protection for women workers                |
| <b>France Duty of Vigilance Law</b>                                            | Human rights and environment                      | Suppliers and subsidiaries (not full chain)     | Very large companies only                       | Annual vigilance plans; risk mapping; mitigation and alert systems                      | Limited administrative enforcement                  | Civil liability via tort; high burden of proof on victims                           | <b>Partial:</b> covers labour harms but no explicit living wage or GBV focus                 |
| <b>Germany Supply Chain Due Diligence Act</b>                                  | Human rights and limited environmental issues     | Direct suppliers and limited indirect suppliers | 1000+ employees                                 | Annual reporting; risk-based due diligence; prevention and remediation measures         | Strong regulator (BAFA) + fines (up to 2% turnover) | No standalone civil liability; NGOs can act on behalf of victims                    | <b>Partial:</b> includes fair wages but limited gender-specific analysis                     |

|                                                                                                     |                                                               |                                 |                                             |                                                                           |                                                         |                                                        |                                                                                                  |
|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------|---------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| <b>Norway Transparency Act</b>                                                                      | Human rights and decent work                                  | Full supply chain               | Large and medium-sized companies            | Annual reporting; due diligence across value chain; cooperation in remedy | Administrative enforcement and fines                    | No civil liability mechanism                           | <b>Stronger:</b> includes decent work and living wages; limited explicit GBV focus               |
| <b>Netherlands Child Labour Due Diligence Act</b>                                                   | Child labour only                                             | Supply chain (partial)          | Applies to most companies including SMEs    | One-off reporting; due diligence limited to child labour risks            | Complaint-triggered enforcement; relatively small fines | No civil liability; regulator-based complaint system   | <b>Weak:</b> does not address broader gender harms, wages or GBV                                 |
| <b>Italy Legislative Decree 231/2001</b>                                                            | Human rights and environmental crimes (criminal law approach) | Own operations and subsidiaries | Applies to all companies                    | No mandatory reporting; compliance model incentivised                     | Strong sanctions including fines and disqualification   | Criminal liability; unclear or limited civil liability | <b>Mixed:</b> includes serious harms (trafficking, FGM) but not structural labour or wage issues |
| <b>Switzerland (combined framework: reporting and sector-specific laws)</b>                         | Fragmented: limited human rights and environmental coverage   | Varies across instruments       | Mostly large companies and specific sectors | Primarily reporting obligations; limited due diligence requirements       | Weak or inconsistent enforcement                        | Limited or no civil liability                          | <b>Weak:</b> fragmented approach fails to address gendered labour inequalities                   |
| <b>United Kingdom framework (Companies Act 2006, Modern Slavery Act 2015, Environment Act 2021)</b> | Limited: modern slavery, reporting, environment               | Partial and inconsistent        | Large companies mostly                      | Annual reporting; no binding due diligence requirement                    | Very weak enforcement; limited penalties                | No meaningful company-level liability                  | <b>Weak:</b> narrow issue coverage; no living wage or GBV prevention                             |

Acronyms: GBV = Gender-Based Violence; NGO = Non-Governmental Organisation; SMEs = Small and Medium-sized Enterprises; FGM = Female Genital Mutilation

## Annex 3: Comparative Analysis of Key Gaps in Due Diligence Frameworks

✓ = gap avoided    ✗ = gap present

| Gap / Deficiency                          | Original CSDDD | Revised CSDDD (Omnibus I) | France - Duty of Vigilance Law | Germany - Supply Chain Act | Netherlands - Child Labour DD Act | Italy - Legislative Decree 231/2001 | Norway - Transparency Act | United Kingdom (combined framework) | Best-performing law & why                              |
|-------------------------------------------|----------------|---------------------------|--------------------------------|----------------------------|-----------------------------------|-------------------------------------|---------------------------|-------------------------------------|--------------------------------------------------------|
| Narrow company scope (high thresholds)    | ✗              | ✗                         | ✗                              | ✗                          | ✓                                 | ✓                                   | ✓                         | ✗                                   | Italy (applies to all companies);                      |
| Employee-based thresholds exclude workers | ✗              | ✗                         | ✗                              | ✗                          | ✓                                 | ✓                                   | ✓                         | ✗                                   | Italy (no employee threshold)                          |
| Excludes indirect suppliers               | ✗              | ✗                         | ✗                              | ✗                          | ✗                                 | ✗                                   | ✓                         | ✗                                   | Norway (broadest supply chain reach)                   |
| Does not cover full value chain           | ✗              | ✗                         | ✗                              | ✗                          | ✗                                 | ✗                                   | ✓                         | ✗                                   | Norway (closest to full value chain)                   |
| Weak reporting model                      | ✓              | ✗                         | ✓                              | ✓                          | ✗                                 | ✗                                   | ✓                         | ✗                                   | (none fully meets standard)                            |
| No meaningful administrative sanctions    | ✓              | ✗                         | ✗                              | ✓                          | ✓                                 | ✓                                   | ✓                         | ✗                                   | Germany / Norway (strongest regulators)                |
| No civil liability                        | ✓              | ✗                         | ✓                              | ✗                          | ✗                                 | ✗                                   | ✗                         | ✗                                   | Original CSDDD / France (only meaningful civil routes) |
| Limited gender integration                | ✗              | ✗                         | ✗                              | ✗                          | ✗                                 | ✗                                   |                           | ✗                                   | (none fully gender-responsive)                         |

WE STAND  
IN SOLIDARITY  
AND ACTION  
WITH WOMEN  
EVERYWHERE

