



HUMAN TRAFFICKING IN SUPPLY CHAINS

Many goods that are part of everyday life from food, clothing, electronic parts, tobacco, to jewelry often begin their journey to consumer hands far from where they are bought, frequently passing through a loosely monitored supply chain where workers are vulnerable to human rights abuses. Increasingly, investors, consumers and governments are demanding from businesses that they adopt zero tolerance policies for human trafficking at every level of their supply chains, monitor their activities to ensure continuous compliance and stop doing business with any who continue to practice human slave

ILO FORCED LABOUR ANALYSIS

- **The ILO (2012) estimated that 21 million people worldwide are victims of forced labour, trapped in jobs which they were coerced or deceived into and which they cannot leave.**
- **Recruiters or employers use violence or threats of violence, retention of identity papers or threats of denunciation to immigration authorities to retain workers against their will.**
- **90% of forced labourers are exploited in the private economy, by individuals or enterprises.**
- **Of the 21 million estimated, 26% are under 18.**
- **44% of the victims are moved internally or internationally; 56% are subjected to forced labor in their residence or place of origin.**
- **Forced labour includes domestic servitude, agricultural labor, sweatshop factory labour, and service industry labour.**

BONDED LABOUR

- **Debt bondage is the least known and most widely used method of enslaving people.**
- **Victims are “bonded” to repay some loan or service where the terms and conditions are loosely defined or the value of the victims services are not regularly applied to the liquidation of the debt.**

CHILD LABOUR

- **Of the 168 million children working in the world, 85 million are doing hazardous work and 1/10 fall under the ILO definition of “child labourer”. Children are particularly vulnerable to physical, psychological and sexual harm.**

BUILDING DUE DILIGENCE IN THE SUPPLY CHAIN

- **Companies should have a clear anti-trafficking policy which includes cessation of business with violators and this policy should be disseminated widely**
- **Companies should map their entire supply chain, and understand how business is conducted at each level to identify risks**
- **Companies should train staff at all levels on human rights responsibilities and ensure communications up and down the supply chain**
- **Companies should audit every level of supply chain, including surprise visits**
- **Companies should create a formalized grievance mechanism to deal with workers needs and complaints**

PROMISING PRACTICES

- **In 2010, California enacted the California Transparency in Supply Chains Act (SB-657) requiring larger companies (\$100m+) to disclose efforts they are making, if any, to eradicate human trafficking and slavery from their supply chains.**
- **The government of Brazil has a “dirty list”-an official federal registry that names almost 300 companies using labour conditions analogous to slavery. Companies pay fines plus unpaid labour taxes and cannot obtain credit from government or private banks and are boycotted.**
- **The French trading company Devcot stopped purchasing Uzbek cotton until forced labour of children and adults is eradicated.**
- **In 2012, Nestle became the first company in the food industry to partner with the non-profit Fair Labour Association to improve working conditions in their supply chain. The company developed a 2102 immediate action plan, a 2013 plan and longer-term actions up to 2016.**
- **Nike, which seriously damaged its reputation and sales in the 1990s by exploiting underage workers in Pakistan, has adopted a code of conduct, which includes age verification for workers and consequences, especially loss of business, for factories that are found not to adhere to them.**