



COMING SOON

A detailed toolkit on how businesses can combat modern slavery.

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“You may choose to look the other way, but you can never say again you did not know.”

WILLIAM WILBERFORCE

MODERN SLAVERY
WHAT BUSINESS NEEDS TO KNOW



WHAT IS MODERN SLAVERY?

SPECTRUM OF EXPLOITATION

Precursor conduct could include



Modern slavery is an umbrella term that covers: **all situations of exploitation that a person cannot refuse or leave**, because of threats, violence, coercion, abuse of power or deception.

Modern slavery sits at the extreme end of a spectrum of labour exploitation. Tolerance of less severe abuses creates the environment that allows modern slavery to occur.

Forms of modern slavery



WHY SHOULD BUSINESS ACT?



MORAL
Modern slavery is an abuse of human rights in the pursuit of profits – businesses have a moral responsibility not to tolerate it, whether deliberately or recklessly.



CUSTOMERS
Improved brand and reputation, in light of growing consumer demand for ethically produced goods.



LAWS
Emerging laws that mandate supply chain reporting of businesses and require businesses to conduct due diligence on human rights.



PROFITS
Competitive advantage can result from improved worker conditions and compliance with labour standards.



EMPLOYEE SATISFACTION
Reduced workplace grievances and increased internal engagement when organisational values reflect expectations of staff.



INVESTORS
Better management of risks avoids significant costs of supply chain disruptions, reputational damage or corrective action.

WHERE ARE THE RISKS?

COUNTRY RISK

The Global Slavery Index 2016 estimates **45.8 million** people are in slavery globally; 58% of these are from five powerhouse countries of the global economy: **India, China, Pakistan, Bangladesh and Uzbekistan.**

They provide low-skilled labour for industries such as food production, technology and textiles.

Businesses operating or sourcing labour from the following top 10 countries have an increased risk of modern slavery in their supply chains: North Korea, Uzbekistan, Cambodia, India, Qatar, Pakistan, Democratic Republic of Congo, Sudan, Iraq and Afghanistan.

SECTOR RISK

Certain sectors and products are at high risk for modern slavery, regardless of region. Typically, these sectors are:

- informal and unregulated, with poor visibility over lower tier suppliers
- reliant on a workforce to carry out jobs that are considered undesirable, hazardous or low-skilled
- seasonal and low-paying

Examples of high-risk sectors include: industrial cleaning, meat works, hospitality, construction, manufacturing, agriculture and fishing.

RED FLAGS

- RECRUITMENT & HIRING**
 - Long chain of labour recruiters
 - Excessive recruitment fees
 - Significant debts incurred through fees paid during recruitment
- CONTRACTS**
 - Absence of formal contract
 - Irregular contract provisions, e.g. no holiday leave, no indication of normal work hours
 - Irregular salary deductions
- EMPLOYMENT**
 - Excessive working hours
 - Restriction of communication, e.g. confiscating mobile phones
 - Restriction on freedom of movement, e.g. removal of passports, locking workers in the workplace or living quarters
- FINANCIAL TRANSACTIONS**
 - Relatively high or recurrent expenditure on items inconsistent with stated business activity
 - Payments to labour agencies or recruiters
 - Payments to hotels, airlines, car rental or travel agent which are inconsistent with customer's business activity

HOW TO RESPOND?

1. BUY-IN

Early engagement with senior executives is crucial. Sourcing the right internal sponsor to enthusiastically spearhead the initiative and implement real change is important. In addition, engaging key stakeholders from across the business is vital, such as account managers, sustainability teams, legal, compliance, human resources and procurement.

2. RISK ASSESSMENT

Ongoing regional and domestic product risk assessment must be embedded with the organisation. Slavery cannot be cured overnight, so businesses will be expected by consumers, investors, civil society and governments to adopt a proportionate and reasonable response. Businesses should drive up standards in a race to the top.



NEXT STEPS

- Where are the highest risks? (by region or sector)
- Where does your business have leverage, influence or control over suppliers?
- Which goods and services are most connected with your brand?

