



Slavery Alert: Consumer Poll, Brazil¹

*Findings from research examining how
Brazilian consumers would act with regards to
products made with modern slavery.*



**WALK FREE
FOUNDATION**

Executive Summary

- The Global Slavery Index estimates that modern slavery affects some 35.8 million people around the world, including an estimated 155,300 people in Brazil itself.²
- Whether through global trade or local markets, different forms of modern slavery find their way into the supply chains of many consumer products, whether tea and coffee, fresh food, electronics or clothing.
- Walk Free Foundation undertook a survey of Brazilian consumers to understand if they would be willing to act – through switching brands or paying higher prices - to avoid buying products made using modern slavery.
- The survey was nationally representative so the results can be extrapolated to all Brazilian consumers.
- The survey results confirm that the majority of Brazilian consumers would switch brands or pay higher prices to avoid modern slavery in the products they buy.
- 78% of consumers said they would switch products if they learnt their favourite product was made involving modern slavery (14% were not sure, 9% said they would continue buying the product). Of the people who knew how they would act (i.e.: answered clearly they would or would not switch brands), the vast majority (90%) would switch products.
- 62% of consumers said they would pay more for their favourite products in order to ensure they were free from modern slavery (14% were not sure, 24% said they would not pay more). Of the people who knew how they would act (i.e.: answered clearly that they would, or would not pay more), a vast majority (72%) stated they would pay more to ensure their favourite products were not made with modern slavery. Only 28% of these respondents would not pay more.
- Of the substantial group of Brazilian consumers who are prepared to pay more to ensure their products are free from modern slavery, some 49-55% are prepared to pay up to 10% more for this guarantee, across food, tea and coffee, clothing and even electronics.
- Consumers indicated that publicity from pro-ethical campaigners would be more trusted than other sources (24%), closely followed by information from the company itself (22%) or a certification mark from a government body (21%) to identify and guarantee products are made without modern slavery.

Are consumers prepared to push corporates to change their practices, through switching brands or paying more to ensure products are slavery free? The survey results suggest they are.

¹ Survey results are also available for the United States, United Kingdom and Brazil.
² See further www.globalslaveryindex.org

Introduction

While many people think slavery is a thing of the past, unfortunately research – and recent cases including in Brazil - confirm that modern forms of slavery still occur in 2015. Whether called forced labour, debt bondage, human trafficking, or slavery itself, modern forms of slavery persist in all countries, and many industries today, including construction, agriculture, textiles, hospitality, automobiles and electrical goods. Indeed the Global Slavery Index estimates that modern slavery affects some 35.8 million people.³ Within Brazil itself, the 2014 Global Slavery Index estimates that some 155,300 people are living in modern slavery (0.078% of Brazilian population).⁴

As a crime, modern slavery is typically well hidden, and perpetrated against individuals who tend to be vulnerable for a combination of individual and social reasons, whether related to their migration status, disability, gender or caste status. The hidden nature of modern slavery presents serious challenges for law enforcement but also for businesses. Within the supply chains that allow clothing to be manufactured or electronics to be assembled, the use of forced or enslaved labour in supply chains may be many tiers deep.

Just as many consumers do not want to buy products that involve cruelty to animals or environmental harm, it is likely that consumers do not want to buy products built off the back of cruelty to their fellow humans. The Walk Free Foundation set out to test this by running a nationally representative survey in several countries, including Brazil, to understand shopping habits and factors that have an impact upon purchasing decisions. The survey results, described below, underscore the importance of the Government and business retaining their commitment to progressive supply chain policies, such as Brazil's 'National Pact for the Eradication of Slave Labour'. At the end of 2013, 380 corporations, accounting for 30% of Brazil's gross national product, had signed onto the Pact.

While some responsible corporates already focus on this issue as part of doing business, many do not. Are consumers prepared to push corporates to change their practices by switching brands or paying more to ensure products are slavery free? These survey results suggest they are.

Consumer pressure in Brazilian has the capacity to have an impact on the economic sustainability of many atrocities, including forced labour in agriculture within Brazil but also in the production of imported consumer goods. As an upper-middle income country, Brazil is home to over 200 million people,⁵ and has a GDP of \$2.246 trillion USD.⁶ Brazilian consumers contributed some 2.6% of the nations' GDP through household expenditure in 2013.⁷ Brazilian consumers can therefore be a powerful force for change through their purchasing decisions.

³ See further www.globalslaveryindex.org

⁴ This estimate is derived from a nationally representative, random sample survey conducted by Gallup for the Walk Free Foundation in Brazil, in 2014.

⁵ <http://www.worldbank.org/en/country/brazil>

⁶ <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD/countries>

⁷ <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG/countries>



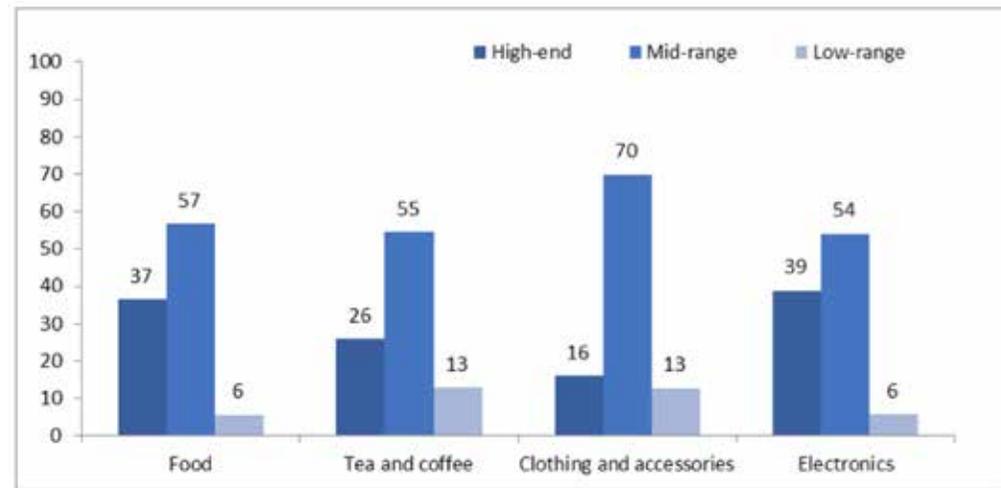
Findings

In December 2014, Walk Free Foundation surveyed 1000 people aged 16 and over across Brazil, using an online survey delivered by YouGov. With a nationally representative sample, the results can be extrapolated across all Brazilian consumers. Consumers were asked a series of questions to understand their shopping habits and purchasing decisions in relation to the freedom of the people who are making the products they buy.

First, information was sought about whether Brazilian consumers usually bought low, medium or high end products in each category. Most respondents usually purchased in the middle range, for most products tested (food, tea and coffee, clothing and accessories, and electronics, see Figure 1). This price point information is useful to compare against information sought later in the survey about purchasing decisions.

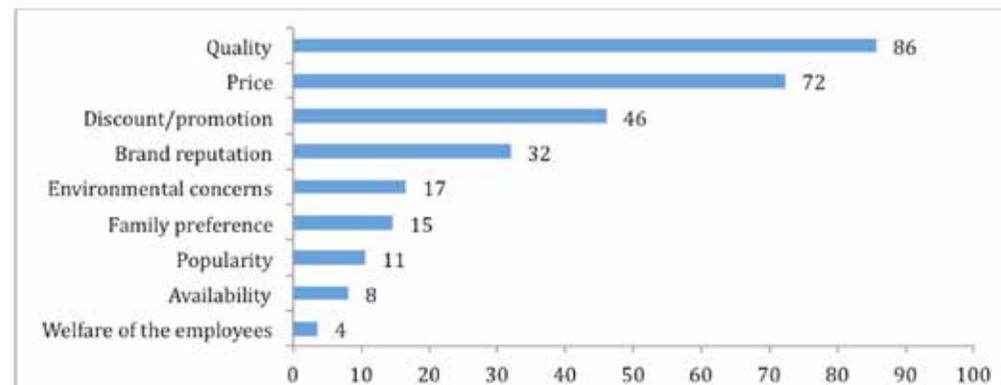


Figure 1: Purchasing break down across product categories (Brazil)



Information was sought about what factors are important to consumers when making purchasing decisions. Of the list provided, quality, price, and discounts/promotions were the three most important factors. The welfare of employees was an important factor for only 4% of consumers (see Figure 2).

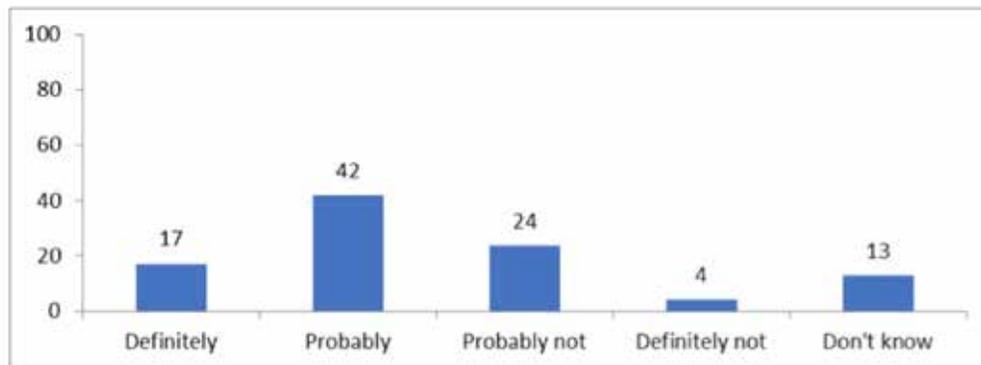
Figure 2: Factors that influence purchasing decisions (Brazil)



Findings

After these initial questions, respondents were provided with information about the concept of “modern slavery”. It was explained that the term “modern slavery” does not mean low paid workers but instead refers to “forced labour in factories, or farms, where people are forced to work against their will, and they cannot leave”. Following this explanation, information was sought about whether consumers think the products they buy are affected by modern slavery. Some 59% of consumers believe that the products they buy are, or are likely to be, affected by modern slavery. A further 28% did not believe this to be the case, and 13% were not sure if their products were affected by modern slavery (see Figure 3)⁸

Figure 3: Do you think the goods that you buy are affected by modern slavery? (Brazil)



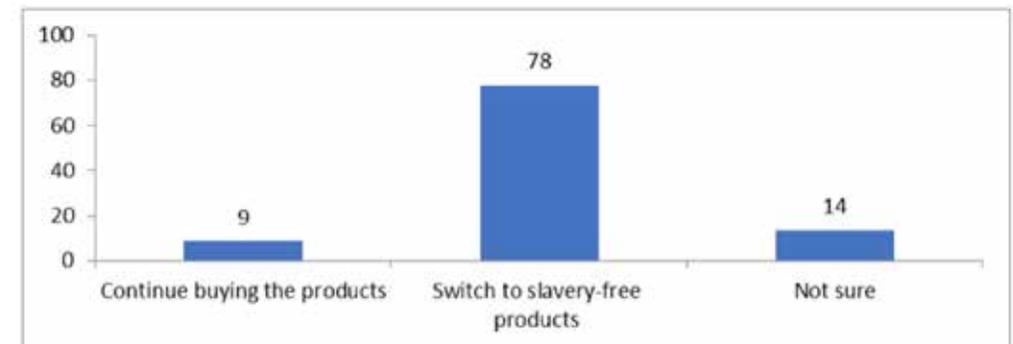
⁸ Because of rounding, not all percentages add up to 100.

Consumers were asked what they would do if they learnt that their favourite product was made involving modern slavery:

- 78% of Brazilian consumers said they would switch products if they learnt their favourite product was made using modern slavery;
- 14% were not sure what they would do;
- 9% said they would continue buying the product (see Figure 4).

Of the people who knew how they would act (i.e.: excluding those who said they were not sure what they would do), the majority (90%) would switch products. Within this same group, 10% thought price and quality were more important than modern slavery considerations when buying a product.

Figure 4: What consumers would do if they found out that their favourite products were made using modern slavery (Brazil)



Findings

When asked if they would be willing to pay more for some of their favourite products, if this ensured they were produced without the use modern slavery:

- 62% of Brazilian consumers said they would pay more to ensure products were produced without modern slavery;
- 14% were not sure;
- 24% said they would not pay more.

Of the people who knew how they would act (i.e.: excluding those who said they were not sure what they would do), the vast majority (72%) would pay more to ensure their favourite products were not made with modern slavery. The remaining 28% said they would not pay more.

Contrary to expectations, price was not a barrier to action, even for those consumers who had nominated price as a key factor in purchasing decisions. Of the consumers who indicated they would pay more to avoid modern slavery in their purchases, 70% of these had also selected price as one of the three most important factors determining purchasing decisions.

When information about the usual price points (low, medium, high end) of products is compared with information about behaviour, it becomes clear that the majority of consumers across all price points, and across all consumer categories tested, would take action of some form in response to modern slavery.

Specifically:

- 76% of consumers who buy mainly low-price products would take action involving switching brands or paying more in response to modern slavery;
- 86% of consumers who buy mainly mid-price products would take action involving switching brands or paying more in response to modern slavery;
- 88% of consumers who buy mainly high-priced products would take action involving switching brands or paying more in response to modern slavery.



Findings

Of the group who said they would be willing to pay more, information was sought about *how much more* they would be willing to pay, across food, tea and coffee, clothing and electronics.



Within this group, for food:

- 50% said they would be willing to pay *up to 10% more* to ensure these products were produced without use of modern slavery;
- 44% said they would be willing to pay *over 10% more*;
- 6% didn't know.



For tea and coffee:

- 55% said they would be willing to pay *up to 10% more* to ensure their favourite tea and coffee is produced without use of modern slavery;
- 36% said they would be willing to pay *over 10% more*;
- 9% said they didn't know.



For clothing:

- 49% said they would be willing to pay *up to 10% more* to ensure their favourite clothing was produced without use of modern slavery
- 45% said they would be willing to pay *over 10% more*;
- 6% said they didn't know.



For electronics:

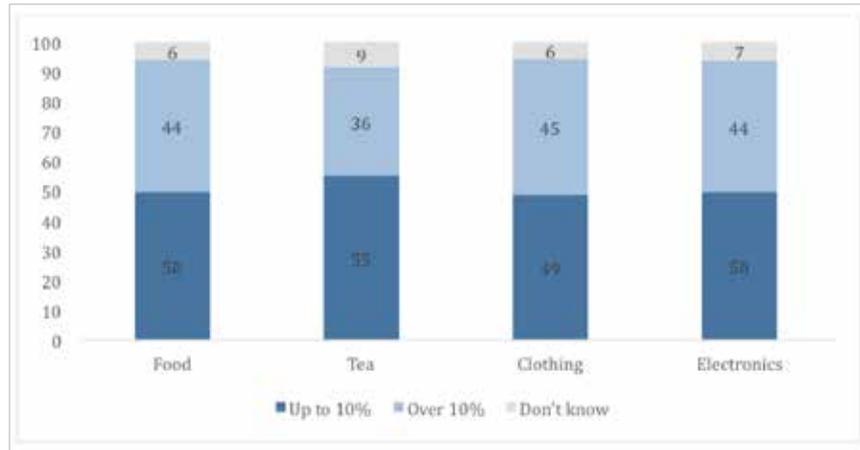
- 50% said they would be willing to pay *up to 10% more* to ensure their favourite electronics were produced without use of modern slavery
- 44% said they would be willing to pay *over 10% more*;
- 7% said they didn't know.

In summary, of the substantial group of Brazilian consumers who are prepared to pay more to ensure their products are free from modern slavery, between 49-55% are prepared to pay *up to 10% more* for this guarantee, across food, tea and coffee, clothing and even electronics. A further 36-45% are willing to pay *over 10% more*. (See Figure 5 - page 8)



Findings

Figure 5: How much more would consumers be willing to pay to ensure products are made without slavery? (Brazil)



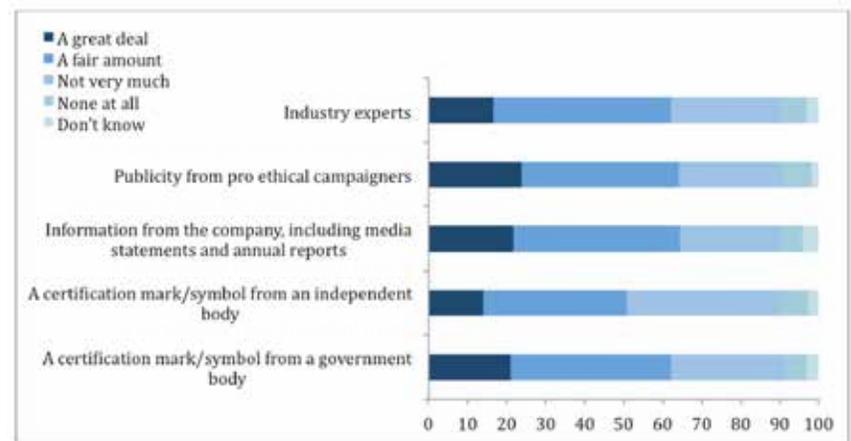
Of the group who would take action, there were slightly more females (53%) than males (47%). Consumers aged 35 to 54 years (33%) were slightly more likely than other age groups to take some form of action.

Do people who say they will switch products or pay more actually do so in practice? For the purposes of this survey, it was assumed that past behaviour is some indication of likely future behaviour. Accordingly, the survey asked whether consumers had previously stopped buying products after learning they did not meet their ethical expectations. Over half of Brazilian consumers (51%) indicated they had previously stopped buying from a brand/company after learning that the goods did not meet their ethical expectations. Of this group, 91% also indicated they would act in some way to ensure they did not buy products using modern slavery (6% would not and 3%

were not sure). Among the 42% of consumers who had not previously acted on ethical standards, 81% would take some form of action to avoid goods made using modern slavery (14% would not take any action and 5% were unsure).

Consumers were asked about what sources of information they would trust to identify and guarantee products are made without modern slavery. Consumers indicated publicity from pro-ethical campaigners would be trusted more than other sources (24%) to identify and guarantee which products are made without modern slavery. However, this was closely followed by information from the company (22%), or a certification mark from a government body (21%) (Figure 6).

Figure 6: Which sources of information would consumers trust to identify and guarantee a product was made without modern slavery? (Brazil)



Implications

Walk Free Foundation's survey results indicate that the majority of Brazilian consumers across all price points, and across all consumer categories tested **would take action of some form (either through switching brands and/or paying more) to prevent or respond to concerns about modern slavery. A large proportion of Brazilian consumers are willing to pay over 10% more to be assured that their purchases are slavery free. At least 49% of consumers were willing to pay up to 10% more for a product that was made free of modern slavery across food, tea and coffee, clothing and electronics. Consumers would trust publicity from pro-ethical campaigners, more so than any other source, to identify and guarantee a product was made without modern slavery.**

These findings underscore the continuing imperative for the Government and business in Brazil to taking proactive steps to address slavery in supply chains. These survey results suggest that where businesses fail to take action themselves, consumers will be willing to act – through switching brands or paying more - to ensure their own purchases are slavery free.

