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

WILLIAM WILBERFORCE
WHAT IS MODERN SLAVERY?

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.

WHERE ARE THE RISKS?

1. 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 modern slavery, regardless of region.
- reliant on a workforce to carry out jobs that are considered undesirable, hazardous or low-skilled
- seasonal and low-paying
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- reliant on a workforce to carry out jobs that are considered undesirable, hazardous or low-skilled

Examples of high-risk sectors include: industrial manufacturing, agriculture and fishing.

RED FLAGS

- RECRUITMENT & HIRING
  - Long chain of labour recruiters
  - 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
- EMPLOYMENT
  - Excessive working hours
  - Restriction of communication, e.g. confiscating mobile phones
- FINANCIAL TRANSACTIONS
  - Relatively high or recurrent expenditure on items inconsistent with stated 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.

WHERE SHOULD BUSINESS ACT?

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.

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