

# BUSINESS ACTIONS AGAINST FORCED LABOUR



The Consumer Goods  
**FORUM**

# FOREWORD

## STANDING UP AGAINST MODERN SLAVERY

Forced labour is a widespread problem in supply chains globally. Virtually every country is touched in some way by this modern form of slavery. With 21 million individuals suffering as victims of forced labour today, a problem of this magnitude cannot be solved without essential cross-sectoral collaboration between businesses, government, civil society and workers' organisations.

The United Nations Human Rights Office welcomes the commitment of The Consumer Goods Forum (CGF) and its members to tackling forced labour as we believe private sector engagement is crucial in this collective fight.

This publication, Business Actions Against Forced Labour, is a practical demonstration of this collaborative spirit, showcasing concrete actions that are being taken right now to address and prevent forced labour in global supply chains. These actions include corporate efforts to implement CGF Priority Industry Principles, a set of principles that, when applied on a global scale, can help address the conditions that contribute to forced labour:

**EVERY WORKER  
SHOULD HAVE  
FREEDOM OF MOVEMENT** >>>>

**NO WORKER  
SHOULD PAY  
FOR A JOB**

**NO WORKER SHOULD  
BE INDEBTED OR  
COERCED TO WORK**

We hope these case studies will inspire more learning on the key role of business in combatting forced labour and that they encourage effective private sector action to respect and support human rights.



### ZEID RA'AD AL HUSSEIN

High Commissioner for Human Rights  
Office of the High Commissioner for Human Rights

# FOREWORD

## STANDING UP AGAINST MODERN SLAVERY

International efforts to combat forced labour have taken on new urgency in recent years. The ILO Forced Labour Protocol, which entered into force in November 2016, as well as individual and joint initiatives involving companies, highlight growing recognition of the need for stronger actions to end this and other modern forms of slavery.

Yet despite hopeful signs, forced labour remains a reality in value chains across many industries. The further down supply chains one moves, the more precarious work can be, in particular in countries where governance is weak or poor.

Major companies have made important efforts to monitor top tier suppliers, but more work is clearly needed at every step of complex supply chains. The first step is for sourcing companies to conduct adequate due diligence, especially in sectors or operational contexts where human rights risks are known to be high. Those who use forced labour should be held accountable and all companies should refrain from dealing with contractors who have been credibly implicated in such practices. Companies can also do more in developing effective grievance and whistleblower mechanisms to protect workers and safely report allegations of forced labour and other human rights abuses.

I am pleased that my colleagues at the Institute for Human Rights and Business have been engaging with The Consumer Goods Forum on these and related issues. A great deal can be accomplished through such collaboration, and this new CGF publication on Business Actions Against Forced Labour highlights how commitments to tackling abuses of fundamental rights can be turned into practical results.



### JOHN G. RUGGIE

Berthold Beitz Prof. of International Affairs & International Legal Studies, Harvard University  
Former UN Special Representative for Business and Human Rights  
Patron, Institute for Human Rights and Business

# FORCED LABOUR PRIORITY INDUSTRY PRINCIPLES

The CGF have identified three of the most problematic, yet often common employment practices across the world that can lead to cases of forced labour. To counter these three practices, the CGF has produced the Priority Industry Principles, which could help lead to the necessary changes to eliminate forced labour.

EVERY WORKER SHOULD HAVE FREEDOM OF MOVEMENT

NO WORKER SHOULD PAY FOR A JOB

NO WORKER SHOULD BE INDEBTED OR COERCED TO WORK

## PROBLEM

25 million people are victims of forced labour

Forced labour is the **most profitable global crime**

In 2016, the CGF launched the first-ever industry **Resolution on Forced Labour**

The industry will **go beyond traditional compliance** approaches and show **genuine social stewardship**

## SOLUTION

Turn **resolution into action**

Implement **Priority Industry Principles**

\$150

Illicit revenues from forced labour stand at **\$150 billion annually**

**No one can solve the problem alone**

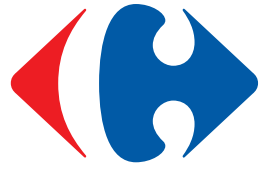
## COMMITMENT

The Consumer Goods industry is committed to **eradicate forced labour from its global supply chains**

Will provide further direction on **key geographies and commodities**

**Join this global movement and show leadership**

**Participate in open dialogues** with global stakeholders



“ Carrefour’s long-standing human rights policies are contractually anchored in our global operations. Through a multi-stakeholder engagement approach, together we are able to identify solutions locally in order to improve working conditions globally.

”



## OUR POSITION

Respect for human rights, both within its own international operations and throughout its global supply chain, is a fundamental commitment for the Carrefour Group. The foundation of this commitment is Carrefour’s Social Charter, first developed and shared with Carrefour’s suppliers in 1998.

Carrefour’s policies on human rights and working conditions are in accordance with the Universal Declaration of Human Rights, the eight fundamental Conventions of the International Labour Organization, the Organisation for Economic Co-operation and Development guidelines and the United Nations Guiding Principles on Business and Human Rights.

Carrefour’s Social Charter, an integral part of all Carrefour commercial contracts, has been adapted and reinforced over the last 20 years. Carrefour works throughout the world to enforce these contractual clauses, which forbid the use of forced, bonded, indentured and prison labour.



**BERTRAND SWIDERSKI**  
SUSTAINABILITY DIRECTOR  
CARREFOUR GROUP

## OUR ACTIONS

Carrefour enforces its policies on human rights and working conditions throughout its supply chains using a three-step approach.

First, Carrefour's on-the-ground sourcing teams conduct on-site pre-screening assessments of all potential suppliers. The teams have developed a set of easy-to-understand guidelines, known as "Good Factory Standards", which they use to evaluate, raise awareness and set corrective action plans when necessary. These guidelines are illustrated manuals which were initially created for the textile sector and now cover 11 different types of production.

Next, an independent audit firm performs an unannounced social audit. Only those suppliers who have reached a sufficient level of compliance with the industry standard "Initiative Clause Sociale" (ICS) are listed. An audit report and accompanying action plan will be issued to help the supplier correct and improve any areas where compliance is weak. Whenever the situation requires it, Carrefour will encourage its suppliers to make improvements by attending a specific training course or by engaging with local organisations.

Finally, the social, ethical and environmental clauses included in the supplier contract are enforced through follow-up audits carried out periodically by independent audit firms. Moreover, Carrefour verifies these independent firms by carrying out second-opinion audits on a regular basis.

Carrefour also collaborates with several international organisations to further improve the responsibility of its supply chain. In 2000, Carrefour became a member of the International Federation for Human Rights (FIDH) to jointly outline and implement a human rights action plan. In 2015, Carrefour renewed the international agreement with UNI Global Union, first signed in 2001, reflecting a shared desire to promote social dialogue, diversity, and respect for fundamental rights in the workplace. Lastly, Carrefour proudly supports The Consumer Goods Forum's Resolution on Forced Labour that was adopted in January 2016 and has been working to ensure compliance with the CGF's three forced labour Priority Industry Principles.

## OUR LEARNINGS

Carrefour strives for continuous improvement on working conditions and continues to learn from and share knowledge with local teams and suppliers, industry peers and other stakeholders.

In 2016, the 1,344 audits performed by independent firms throughout Carrefour's supply chain did not reveal any documented cases of forced labour in factories producing our products. However, we realise that forced labour can occur far down the supply chain and as such it is not easily identified through audits. This makes collaboration with stakeholders on an individual, local and global basis even more critical.

- Carrefour endeavours to build stable and strong relationships with suppliers to identify and prevent forced labour in their supply chain.

- Carrefour will continue to support local, multi-stakeholder solutions which bring together retailers, suppliers and local authorities. These actions have proven to be highly effective in improving local working conditions.

- Carrefour continues its efforts to promote the convergence of social standards. In 2017, Carrefour became a member of the Business for Social Compliance (BSCI) programme to continue deploying the action plan initiated within the framework of discussions held with ICS over the last two years. Efforts to eradicate forced labour rely on external information and all stakeholders would benefit from a shared, international database which would gather cases and solutions.

“ Colgate recognises the responsibility of business in protecting human and labour rights worldwide. As a company committed to integrity and respect for all people, we prohibit forced labour in our own operations and support cooperative action to drive transformation. ”



**IAN COOK**  
CHAIRMAN, PRESIDENT AND  
CHIEF EXECUTIVE OFFICER  
COLGATE-PALMOLIVE



## OUR POSITION

Colgate has a long-standing commitment to respecting human and labour rights worldwide and supports the United Nations Universal Declaration of Human Rights and the International Labour Organization Core Labour Standards. Colgate practices and seeks to do business with partners who share our commitment to Universal Human rights.

Colgate does not use forced labour within our own operations. We are striving to eradicate forced labour from at-risk supply chains, as part of our commitment to The Consumer Goods Forum Resolution on Forced Labour. We believe and support the CGF Priority Industry Principles; every worker should have freedom of movement, no worker should pay for a job and no worker should be indebted or coerced to work. Moreover, it is Colgate's policy not to work with any supplier or contractor known to operate with forced labour. Should we become aware of unacceptable labour practices in our own supply chain, we will hold our suppliers accountable. Our position on this issue is reflected in our Code of Conduct, Third Party Code of Conduct and 2016 Sustainability Report.

## OUR ACTIONS

Several initiatives support our commitment to human and labour rights:

- Since 1987, our Code of Conduct has served as a guide for our daily business interactions, reflecting our corporate values and our standard for ethical behaviour. Our Code of Conduct is available in 40 different languages. One hundred percent of salaried and clerical Colgate people participate in annual training and certification on the Code of Conduct, factory workers complete this training and certification every other year.
- Our Third Party Code of Conduct mirrors our Code of Conduct and establishes the Company's expectations in a number of critical areas, including labour practices and universal human rights. The Third Party Code is provided to our suppliers and business partners. Colgate's standard contracts and purchase orders require suppliers to abide by the Code's standards. Certain suppliers are also required to acknowledge the Third Party Code's requirements via our online supplier portal.
- Colgate has a formal process to identify and address social, ethical and environmental risks in our own operations and supply chain. Colgate's Supplier Responsible Sourcing Assessment Programme requires selected suppliers and business partners to complete a self-assessment focused on labour practices and human rights, worker health and safety, environmental management and business integrity using the Sedex member questionnaire. When a supplier is assessed as high risk, a third party audit of the facility is conducted using the Sedex Members Ethical Trade Audit Protocol. If any areas of noncompliance are detected during the audit, we work with the supplier to ensure concerns are promptly remediated. The closure of all such noncompliance is independently verified. Colgate has also completed self-assessments of all Colgate-owned manufacturing facilities and conducted social compliance audits at all facilities located in high-risk geographies. Since the programme's inception in 2012, Colgate has assessed more than 75 percent of our spend with suppliers in high-risk geographies.

## OUR LEARNINGS

### **The focus should be on "high risk" supply chains.**

Colgate uses risk factors when selecting suppliers for participation in our Supplier Responsible Sourcing Programme. The factors used include geographic risks, in-country knowledge, industry-associated risks and business criticality to our operations.

### **Cooperative action is needed to drive transformation.**

Colgate is a member of AIM-PROGRESS, a global industry forum dedicated to the promotion of responsible sourcing practices. Through principle of mutual audit recognition, suppliers share non-competitive data with other manufacturing companies, relieving the burden of "audit fatigue" on suppliers.

### **Partnerships, not audits, are needed as we reach more deeply into our supply chain.**

Colgate has been working in partnership with The Forest Trust across our palm oil supply chain to ensure our suppliers meet the expectations outlined in our Responsible and Sustainable Palm Oil Policy. As part of this partnership, all suppliers participate in our Policy Implementation Plan to help us drive alignment with our responsible sourcing standards. If a supplier is not able to meet expectations outlined in our policy, we will work with them to develop an action plan with time-bound commitments to remediate unacceptable practices.





**DANONE**  
ONE PLANET. ONE HEALTH

“ We believe that the ultimate goal of market economy cannot be anything other than social justice. Human Rights must form the basis of a company’s relationship with its ecosystem, in particular with the most vulnerable partners of the supply chain. ”



## OUR POSITION

At Danone, we believe company growth must be inclusive. Our dual commitment to business success and social progress has been at the centre of our values since 1972. Defending human dignity at work and fighting against forced labour is fundamental to our commitment to do business in a sustainable manner, while protecting both the health of people and that of the planet.

Danone’s approach is grounded in our 2001 ‘Social Fundamental Principles,’ which are based on ILO core conventions, integrated in our operations, and embedded in supplier contracts in all countries where we are present. Moreover, we created three social innovation funds, including the Danone Ecosystem Fund, which aims to empower vulnerable members of our supply chain such as smallholder farmers and waste pickers. The Fund has implemented 70 projects worldwide totaling €143m since 2009. Its projects help workers move into the formal economy, thus mitigating the drivers of forced labour, while giving them access to fairer wages and increased opportunity.



**EMMANUEL FABER**  
CHIEF EXECUTIVE OFFICER  
DANONE

## OUR ACTIONS

### Access to the formal economy as a way to reduce forced labour risks: the example of waste pickers

According to the ILO, more than half the world's workforce is trapped in the informal economy, which is marked by the denial of rights at work. Despite their importance in the circular economy, it is estimated that 16 million waste pickers worldwide, including children, work in informality in value chains controlled by unreliable intermediaries, with a strong conjunction of forced labour drivers.

Given Danone's commitments to recycled packaging, waste pickers have a key role to play in our supply chain. The Danone Ecosystem Fund supports waste picker communities in five countries (Argentina, Brazil, Mexico, Indonesia and Ghana), with the aim of helping them move into the formal economy. Concretely, this means helping waste pickers form cooperatives (62 in Brazil, for example) to collect, sort, process, and sell plastics directly to recycling plants. Recognised by local authorities, the cooperatives allow waste pickers to receive training and secure fair wages, thereby improving working and living conditions. In addition, waste pickers, many of whom are migrants, are able to

secure official registration through these projects, giving them access to social services. To date we have empowered 5,280 waste pickers.

### Upgrading our sustainable sourcing process

Danone minimises risks in its supply chain through its responsible sourcing programme (RESPECT) based on 1st tier supplier self-disclosure via the Sedex platform and third party SMETA audits for suppliers identified as high-risk. We are currently working to strengthen our audit programme by specifically targeting labour conditions.

We are also evolving towards a more comprehensive due diligence approach, going beyond Tier 1 to upstream producers for categories where human rights violations are most prevalent. The incorporation of the three CGF Priority Industry Principles on forced labour into our Social Fundamental Principles will help strengthen dialogue and engagement with our main suppliers, with the aim of advancing on traceability, actual risk assessment and preventive actions.

## OUR LEARNINGS

- Think beyond our current food system: to eliminate forced labour in the long-term, we need to build a more inclusive value chain and help vulnerable groups transition to the formal economy.
- Local collaboration is key: through our Ecosystem projects, we saw the importance of working closely with local communities to ensure solutions are tailored to realities on the ground.
- Alliances are critical: we cannot address the issue of forced labour alone. We must build effective partnerships across sectors and with industry peers. For example, teaming up with Véolia and the Inter-American Development Bank has allowed us to expand the impact of our Ecosystem Fund projects and reach more waste pickers.
- It all starts with traceability: for instance, in 2016, Danone launched a global audit programme for its top seven fruit purchase categories covering 75% of Danone's volumes of fruit purchased, mapping the fruit supply chain to the farm across eight geographical areas.

“ In alignment with our long-standing Basic Beliefs, The J.M. Smucker Company is committed to protecting the working rights and safety of people who work with us directly or supply us with goods and services indirectly. ”



**MARK SMUCKER**  
PRESIDENT & CEO  
THE J. M. SMUCKER COMPANY



photo credit: RSI Consultores

## OUR POSITION

Acting ethically has been a key principle of The J.M. Smucker Company's culture since our founding in 1897. Ethics is one of our five Basic Beliefs and calls for us to demonstrate the values of honesty, respect, trust, responsibility, and fairness regardless of the circumstance. The principles embodied in our Ethics Basic Belief are fundamental to our business, as ethical conduct is vital to ensuring successful, sustained business relationships. As extensions of our business, we expect our suppliers to demonstrate the same values and standards of conduct we ask of our own employees. To that end, we are committed to protecting the working rights and safety of people who work with us or supply us with goods and services. We formalized our commitment to eliminate forced labor from our supply chain in 2016 with the introduction of our Global Supplier Code of Conduct. This code, revised in 2018, crystalizes our expectations of all third parties and outlines our plans to audit and enforce these expectations.

## OUR ACTIONS

In 2018, we made an important decision to strengthen the Responsible Sourcing function within our Legal department. This function has full-time resources dedicated to leading our ethical sourcing initiatives.

This function's approach to addressing forced labor in our supply chain is two-pronged: 1) communicating expectations to all suppliers and 2) ensuring compliance with these expectations.

Our expectations are communicated via our Global Supplier Code of Conduct and Policy Against Trafficking in Persons and Slavery, both of which were strengthened earlier this year. These documents clearly communicate that all labor must be voluntary. Suppliers cannot use any prison, indentured, involuntary, or forced labor of any kind. Suppliers are prohibited from engaging in slavery or human trafficking of any kind, including the recruitment, harboring, transportation, solicitation, provision, or acquisition of persons for labor or services through the use of force, fraud, or coercion. In accordance with ILO Convention 181 on Private Employment Agencies, employees must not be required to pay any fees or deposits for recruitment or hiring purposes, including travel expenses, administration or other fees. Suppliers cannot require employees to surrender any government-issued identification,

passports, or work permits as a condition of employment, and cannot restrict employees' freedom of movement in any way, including requiring any employee to remain in employment for any period of time against his or her will. Where employees are foreign migrants, suppliers may not under any circumstances use threats of termination or repatriation as a way of exercising control.

These expectations are rooted in The Consumer Goods Forum's Priority Industry Principles that every worker should have freedom of movement, no worker should pay for a job, and no worker should be indebted or coerced to work.

We ensure compliance with these expectations by evaluating our supply chain to identify high-risk sources from countries with known human rights issues. We then perform compliance audits on suppliers, some more often than others due to recognized risk factors. As part of this process, our third-party auditors look for any evidence of human rights violations, such as human trafficking or slavery. We review the findings from these audits and then make appropriate business decisions regarding the future of our relationship with each audited supplier.

## OUR LEARNINGS

### We're better working together

As an individual organization, we are making great progress toward eliminating forced labor from our supply chain. However, if we want to eradicate it completely from our society we must continue working with peer companies, local governments, and third-party partners to share learnings, best practices, and new developments. Together, we have the scale and strength to eliminate these inhumane practices.

### Complete supply chain visibility and traceability are vital

As our business has grown and become more complex,

so has our supply chain. Having as much knowledge as possible about all the organizations within our supply chain, true sourcing origin of ingredients, and actual sourcing practices is critical to accurately assessing forced labor risk within a complex, global supply chain.

### Audits are effective when implemented correctly

Audits conducted by trained third-party auditors remain an effective tool for addressing forced labor. When conducted appropriately, they produce a wealth of actionable information useful in not only evaluating the supplier in question but similar suppliers across the globe.



“ As a global corporate citizen, Kellogg is committed to protecting human rights throughout our operations and within our supply chain. We believe that we can make even greater advancements together, through collective action with CGF and industry peers. ”



## OUR POSITION

At Kellogg Company, we work together to fulfill our vision and purpose **to enrich and delight the world through foods and brands that matter and to nourish families so they can flourish and thrive every day.** Our founder, W.K. Kellogg, built our company through his commitment to people, the way he conducted business, treated employees and served the community. As our company has grown, so has our global reach and, by extension, our responsibilities to the people that we serve, including customers, employees, suppliers, and all those involved in and affected by our operations.

In recognition of our position as a global corporate citizen, we are committed to upholding and advancing the cause of human rights. We acknowledge the real and present threat of forced labor and are committed to working collaboratively and within our own network to identify and mitigate these risks. In 2016, we published our Human Rights Position Statement and Policy Statement Prohibiting Involuntary Labor. These documents, along with our newly updated Global Supplier Code of Conduct, provide the foundation for how we do business and outline our expectations and requirements for both our own operations and our supplier value chain. We work with suppliers to ensure they are compliant with these expectations and requirements, through a multi-pronged approach including supplier screenings, assessments, third-party audits, supplier engagement, and direct worker feedback.



**STEVE CAHILLANE**  
CHAIRMAN AND CEO  
KELLOGG COMPANY

## OUR ACTIONS

We recognize forced labor to be pervasive and profound in its ability to affect the lives of workers, families, and communities. We are committed to partnering with our suppliers, peers, and stakeholders to find solutions to the issues present within our global supply chains. We recognize these partnerships are essential to our work in the areas of human and workplace rights and that cooperation and collaboration across sectors is the foundation for impactful change.

Over the past year, we have continued to expand our human rights and responsible sourcing program through internal and external engagements and actions. Within our supply chain, we collaborated for a second year with a broker, primary supplier, and audit firm to

execute a second round of on the ground audits for targeted farms within our Turkish apple supply chain. We assessed issues such as worker rights, forced labour, debt bondage, child labour, wages, and working hours to measure the impact of previously implemented risk mitigation procedures. We also updated our Global Supplier Code of Conduct to better define and communicate our expectations regarding human and workplace rights and the CGF Priority Industry Principles. Externally, we have continued to engage with our industry peers and partners through groups such as the CGF, AIM-PROGRESS, and the RSPO through active participation and leadership of human rights focused work groups.

## OUR LEARNINGS

Moving forward, we will continue our responsible supply chain journey by building awareness and sharing best practices throughout our operations. We are committed to further expanding our efforts to increase visibility and transparency into the lower tiers of our highest risk areas and commodities and to keep building upon our partnerships with suppliers, peers, and stakeholders.

risk categories palm oil and sugar cane to understand supplier capabilities and status, and look for collaborative opportunities

- Continue to sponsor and coordinate on-the-ground supplier capability building programs

Our action plan for the future includes:

### OWN OPERATIONS

- Conduct direct training workshop with global supply chain partners to recognize root causes and trends within compliance verification documents such as audits and self-assessment questionnaires

### SUPPLY CHAIN

- Continue supplier engagement programs for high-

### EXTERNAL ENGAGEMENT

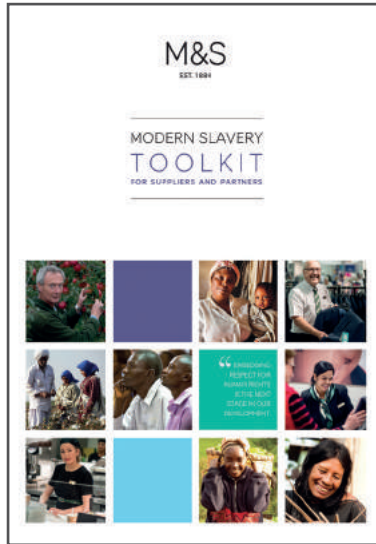
- Continue to lead and support various workgroups within the industry to help facilitate best practice sharing and awareness of the most efficient and relevant methods for mitigating risk and protecting workers throughout the supply chain
- Continue to partner with peer organizations to bring to life new initiatives and leverage the collective influence and resources we have as a group to support our overlapping supply chains through continuous improvement



### Recognitions 2018

- Ranked 2nd – KnowTheChain: Food and Beverage Benchmark
  - Dow Jones Sustainability Index
  - Forbes Global 200: Best Regarded Companies
  - Ethisphere: World's Most Ethical Companies

“ We consider Modern Slavery to be a growing global issue and know our customers share our concern. Our commitment to our customers is to always treat people in our business and supply chain fairly, this includes being at the forefront of eradicating modern slavery. ”



## OUR POSITION

At M&S, we have a long history of respecting human rights and standing up for our values both at home in the UK and internationally. Human rights are fundamental to everyone. They are the basis for people's ability to achieve their economic, social, cultural and civil potential. Sustainable business can only succeed in societies in which human rights are respected, upheld and advanced and when business itself respects human rights.

In June 2016, M&S published our inaugural Human Rights Report and modern slavery statement outlining the steps we are taking to embed and seek to advance respect for human rights throughout our business operations, including our extended supply chain. We identified the issues which are salient to our business, of which one is forced labour, and explained our policies and contractual controls, governance, assessment of modern slavery risk within our supply chain, our due diligence, training, collaborative partnerships and our key performance indicators.



**STEVE ROWE**  
CHIEF EXECUTIVE OFFICER  
MARKS AND SPENCER

## OUR ACTIONS

Building on two decades of product supply chain ethical programmes, in June 2016 we extended our Global Sourcing Principles requirements to all suppliers providing goods and services to M&S. These make specific reference to; all work must be voluntary, and not done under any threat of penalties or sanctions, workers must not pay any deposits for work, and employers must not keep original copies of identity documents. Indentured labour is prohibited, and workers must be free to leave work at any time, with all salary owed to be paid. We also reviewed M&S's own people policies, strengthened our governance structure identifying business area accountability for human rights due diligence and established a cross business practitioner group and a Human Rights Director for a steering group that reports into the Board Operating Committee, which is chaired by CEO Steve Rowe.

Over the past year we have continued to increase the depth and breadth of our work, including publishing a supply chain map, running a UK supplier modern slavery conference to help suppliers better manage risk and providing a supporting modern slavery toolkit. We have committed by 2019 that we will report annually on scaling responsible recruitment, better

management of third-party labour providers and also, our progress towards ensuring no worker pays for a job.

Working collaboratively with other brands is essential given the deep rooted and systemic nature of many manifestations of Modern Slavery. We are part of many collaborations including IHRB Responsible Recruitment Leadership Group, which focuses on the 'Employer Pays' principles, Building Better Solutions Together (BEST), the UK Fast Forward programme, scaling Stronger Together awareness training, developing Clearview labour provider certification standard and sponsoring UK Modern slavery hotline. We also recognise the convening power of The Consumer Goods Forum as a global influence for action. As co-chair of the CGF Sustainability Pillar, we have helped to establish the Forced Labour Priority Industry Principles and focus our joint collaborative action.

## OUR LEARNINGS

- Modern Slavery Act and external benchmarks have helped create a burning platform to engage senior leadership teams across our business and supply chains
- Equality and Human rights Commission and Shift simple board guidance is helpful to explain director personal responsibility
- Awareness training vital to help spot hidden signs of forced labour
- Being more transparent is not something to fear. Need visibility to better map modern slavery risk and engage effectively with stakeholders to develop due diligence and remediation plans
- No longer sufficient to have 'own clean' supply chain greater stakeholder expectation on advocacy and industry systemic change



“ We believe everyone touched by our business should be treated with fairness, dignity and respect, and that forced labour has no place in our operations or supply chains. We must all focus our attention on this critically important and complex issue and collaborate to drive action across business, civil society and government. ”



**GRANT F. REID**  
CHIEF EXECUTIVE OFFICER &  
OFFICE OF THE PRESIDENT  
MARS INC.



## OUR POSITION

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At Mars, we've sought to bring our Five Principles of Quality, Responsibility, Mutuality, Efficiency and Freedom to life every day for more than 100 years. This principled approach to creating shared growth and opportunity shapes our effort to promote and respect human rights across our entire value chain - from farms to supplier factories to our own workplaces.

Our work is grounded in our global Human Rights Policy, issued in 2014. Our Policy and our Supplier Code of Conduct outline our human rights expectations of ourselves and our business partners, including those related to forced labour. In the 78 countries where we do business, and across our supply chains, we are making progress in our efforts to promote and respect human rights – but, we also face real challenges.

Through dialogue with leading human rights experts and analysis of publicly available risk information, we have identified forced labour as one of the human rights issues that may pose the most severe risk to people in our supply chains. We therefore place special emphasis on taking action on forced labour, even as we work to advance respect for all rights. We know that collaboration is critical to making progress on these systemic issues, so we work with governments, businesses and communities toward shared goals.

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## OUR ACTIONS

Our human rights strategy focuses our efforts in three areas – in our own operations, with our first-tier suppliers, and in our extended supply chains. Our dedicated global human rights team works with colleagues throughout our business to support and guide the activation and application of our strategy and policies. At Mars, advancing respect for human rights is a cross-functional and shared responsibility of diverse teams around the world.

Through our Responsible Workplace programme, independent auditors assess our human rights performance in our own workplaces, enabling us to address issues that are identified. With our first-tier suppliers, we engage independent auditors to assess workplace conditions in high-risk regions and our suppliers take action on the findings. In our extended supply chains, where our influence and visibility may be lower but where human rights risks may be higher, we seek to work with supply chain actors who share our values and, where relevant, we invest in joint efforts to drive action.

Drawing on the United Nations Guiding Principles on

Business and Human Rights, we have developed an action-oriented framework to guide the teams taking action on human rights across Mars. Our CARE Framework informs our strategy and planning development through four key phases – Commit, Assess, Respond, Engage. We Commit to policies, standards and governance, we Assess the human rights issues we are facing, we Respond to prevent and address human rights issues, and we Engage with stakeholders on our performance, successes and challenges.

For example, we have used this framework to develop Human Rights Action Plans for priority raw material supply chains. In 2016, we published our Thai Fish Supply Chain Human Rights Action Plan, which was developed using the CARE Framework. As part of our longstanding commitment to sustainably sourced fish, we have mapped much of our fish supply chain in Southeast Asia, we are engaging experts to identify potential human rights issues through to the vessel level, and we are working with our supply chain partners and others to address the findings. With a range of partners including the Issara Institute, we focused on assessing and improving conditions for workers.

## OUR LEARNINGS

For the past two years, we have been privileged to serve as Co-Chairs of The Consumer Goods Forum's work on forced labour. This work has been fuelled by widespread support for action on this critical issue across the CGF membership. With CGF Priority Industry Principles on Forced Labour as our guide, members are taking action individually, working collectively to drive change, and forming new and innovative alliances focused on forced labour.

We also recently launched our new global collaboration with Verité, a leading human rights non-profit organisation. This long-term, strategic partnership aims to improve the lives of the most vulnerable workers in supply chains relevant to our business. The purpose of our long-term partnership is to take action to advance respect for human rights in Mars operations and extended supply chains through systematic evaluation and mitigation of human rights risk, and to generate insights and dialogue that raise human rights awareness and drive change from business,

government and civil society. For example, Verité will help guide us as we strengthen our global policies, improve our due diligence processes and invest in effective prevention and remediation. Verité brings to this partnership more than 20 years of expertise in assessing, addressing and eliminating the root causes of unsafe, unfair and unlawful labour in global supply chains. Together, we believe we can accomplish far more to improve lives and advance respect for rights than we could individually.

As we reflect on our work ahead to advance human rights and take action on forced labour, we are focused on strengthening our policies and processes, deepening our understanding of the issues, and measuring our performance rigorously. We remain committed to moving forward on this journey in a transparent manner and by investing in collaborations and partnerships that will drive results.

“ We regard it as our clear responsibility to do our business in a way that contributes to meeting economic, environmental and social challenges. Hence, the respect of internationally recognized Human Rights within our own operations and value chains is fundamental to us. ”



**HEIKO HUTMACHER**  
CHRO CHIEF HUMAN RESOURCES  
OFFICER & LABOUR DIRECTOR  
METRO



## OUR POSITION

Being aware of the economic, environmental and social challenges of today's society METRO is convinced that sustainability is the key to transform these challenges into opportunities. The UN Global Compact and Sustainable Development Goals (SDGs) as well as The Consumer Goods Forum's Resolutions provide for our global, yet concrete framework for sustainable development. Hence, METRO has a clear vision: "We become sustainable in everything we do." In order to generate economic, environmental and greater social value METRO builds on transparency, collaboration and trust as core success drivers. These elements are crucial in order to disclose the complexity of our value chains and unfold the capacities to fight challenging issues such as forced labour. METRO is a people's business. Today, more than ever we realise that after all it is people who change the world. People shape our lives, our society, governments and businesses. Hence, contributing to the security, safety and freedom of people's lives and minds is our highest value. Working towards fulfilling SDG 8 is what drives us.

## OUR ACTIONS

For many years, METRO has incorporated a social standards compliance clause in contracts and refers to trustful relationships with our partners building on our Code of Conduct including reference to social challenges. METRO has established a Social Standards Guideline and published in 2018 an all-encompassing overarching Human Rights Policy as a sign of reinforcement of the importance of compliance with Human and Fundamental Rights to METRO. Also the CGF Forced Labour Resolution is an important pillar as it reflects the urgency, importance and focus yet complexity of the topic. As important as they are, legal measures, codes and guidelines “only” form the backbone of our action.

In action, METRO has established a robust social standards process supported by an internal IT tool disclosing our own brand supply chain. It maintains and reports the performance of our business partners and particularly their producers. Being a founding member of amfori Business Social Compliance Initiative (BSCI) we strongly believe in the opportunities and power of this supply chain management system and equivalent standards. We therefore build on compliance with these

systems and standards and in 2016, have established a sharp deal-breaker process on top. Forced labour, child labour, insufficient occupational safety - in particular, fire protection - and unethical conduct lead to tight follow up measures and only allow for continuous business after successful remedial action. The most sustainable measure though, lies in training. Our import company METRO Sourcing conducts fire protection and occupational safety trainings for producers for many years. Since 2016, METRO employees go through self-assessments on METRO’s internal Fair Working Conditions Policy and since 2018 our employees are trained to detect, remedy and prevent possible forced labour violations by a dedicated forced labour due diligence training. The training is customized and conducted by amfori BSCI and currently piloted in METRO Turkey and Pakistan. It will be rolled-out METRO wide until September 2020.

We strongly believe in the holistic approach of tackling today’s social challenges and through our actions explicitly promote all of the CGF’s Priority Industry Principles.

## OUR LEARNINGS

As easy as it sounds, first and foremost, we realize that information is the pre-condition for action. No Human and/or Fundamental Rights violation will be detected in first place if our employees and/or partners in the value chain neither see nor understand a possible violation. Just like information, knowledgeable ability to act is of utmost importance. METRO therefore strongly builds on training and capacity building measures in order to enable appropriate handling of possible infringements. This includes particular tangibility and hands-on character of our trainings reflecting real-life cases in order to offer trainings of greatest value.

Of course, we also acknowledge that our work cannot be separated from the rapidly changing economic and political conditions in our operating markets. Human

Rights violations are complex and cannot be viewed in isolation. Hence, a systematic and holistic approach to fight such challenges is essential for finding solutions. Furthermore, sustainable success will only be possible by working in a collaborative manner and by bundling collective action among stakeholders and our peers in the business community. After all, trust and transparency are key for any promising success.

# MIGROS

“ For Migros, living up to the ethical values of its founder Gottlieb Duttweiler, means an ongoing commitment to economic, environmental and social responsibility. Safeguarding human rights and ensuring good working conditions is a strong element of the social responsibilities of the Migros Group and forms a crucial part of our sustainability strategy. ”



## OUR POSITION

“The interests of the stakeholders must take priority over those of the company” – this rule was laid down in the statutes of Federation of Migros Cooperatives by its founder Gottlieb Duttweiler in 1941, thereby anchoring sustainable and responsible actions in the company philosophy – until today. Safeguarding human rights and ensuring good working conditions is hence a strong element of the social responsibilities of the Migros Group and forms part of the Group’s sustainability strategy.

Migros’ human rights policy is based on universal values encompassed in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, the 10 principles of the United Nations Global Compact and aligned with the United Nations Guiding Principles on Business and Human Rights. As a founding member of the Business Social Compliance Initiative (BSCI), Migros also fulfils its responsibility to comply with social standards along the entire value chain. Migros demands that all suppliers and producers meet the minimum social requirements of the BSCI Code of Conduct (i.e. no bonded labour, fair remuneration) or equivalent requirements.

To ensure that Migros holds on to this commitment, BSCI also forms part of “the binding basic requirements of the Migros Group”. These 18 basic requirements for suppliers and product range apply to all companies of the Migros Group and have been implemented gradually since its inception in 2011. Through a specific monitoring system Migros regularly checks the achievement of the targets, including the level of fulfilment of BSCI.



**CORNELIA DIETHELM**  
DIRECTOR OF SUSTAINABILITY &  
ISSUE MANAGEMENT  
MIGROS

## OUR ACTIONS

Over the past 20 years, Migros refined its social standards, pushed forward with their implementation, and intensified collaboration with industry partners. In 2016, Migros analysed the value chains of various raw materials according to economic, environmental and social aspects. To ensure good working conditions along the value chain, Migros undertakes a human rights due diligence which is also based on the CGF guidelines. The identified human rights touchpoints are taken into account in the product range decision; any negative aspects are offset by various standards and labels. In addition to the main social standard BSCI, labels such as UTZ, Max Havelaar and Sedex are considered as equivalent.

In order to ensure that social standards are implemented and supervised strategically along the value chain, Migros uses an internal supplier database containing information about the traders and producers within the supply chain. For each supplier and its producers a risk analysis is carried out based on aspects such as country, type of industry and

sales volume. For suppliers with a risk potential audits on social issues are carried out if not yet available. Besides BSCI audits, Migros also undertakes internal factory inspections carried out by Migros specialists, thus making an active commitment to detect forced and child labour, especially in risk countries. In case of non-conformities measures are defined together with the producer and made sure these are implemented. Yearly audits ensure that these measures are not just implemented on a short term basis but become part of the producer's strategy.

Since Migros has a high percentage of private label and owns 30 factories (mostly in Europe), which produce these products, we are much more closely involved in the supply chains and have long term agreements with farmer groups for particularly delicate products such as cocoa or coffee. As a member of The Consumer Goods Forum, Migros supports the adoption of the Priority Industry Principles on Forced Labour.

## OUR LEARNINGS

For Migros, living up to the ethical values of its founder Gottlieb Duttweiler, means an ongoing commitment to economic, environmental and social responsibility. This task is not always easy: Human rights issues are especially challenging with supply chains that extend around the world. For Migros, audits are an important means to ensure human rights. More concretely: in 2016, the Migros Group companies conducted a total of 713 BSCI audits, the majority of which were in India and China. In addition, 77 factories were assessed by means of internal factory inspections by Migros specialists mainly working from our subsidiaries in China and India. Among the BSCI audits, seven cases of forced labour and two cases of child labour were found. Seven out of these nine factories met the requirements mandated by Migros within the following year with good performance on the respective subjects. For example, a BSCI audit found that the corporate policy

of one supplier only allowed women below the age of 25 to be employed, in order to avoid pregnancies in the workforce. Migros intervened immediately upon discovering this. The discriminating practice was subsequently stopped, and compliance was confirmed by a new BSCI audit.

These examples show: Audits and follow-up actions are a valuable due diligence tool to human rights abuses at factory level. However, the risk of forced labour lies often lower in the supply chain. Ensuring that human rights are respected alongside the entire value chain requires above all collaborative efforts. Multistakeholder and industry initiatives, such as the CGF, will hence play a crucial role to achieve more impact in the future.

“ At Mondelēz International, we are committed to making our snacks the right way, with respect for the planet and the rights of people in our supply chain. We do not tolerate any form of forced labor in our operations and are striving, through collective efforts, to eradicate it completely from global supply chains. ”



**DIRK VAN DE PUT**  
CHAIRMAN AND CHIEF EXECUTIVE  
OFFICER  
MONDELÉZ INTERNATIONAL



## OUR POSITION

At Mondelēz International, building positive impact for people and our planet is at the core of who we are. This is what we mean by snacking made right. We are committed to making our snacks the right way, protecting the planet and respecting the rights of the people in our operations and supply chains. Leveraging our global scale, we focus our efforts where we can make the greatest impact. We empower farmers who grow our key ingredients, like cocoa and wheat, and invest in their communities to help them thrive. We also seek more transparency and expect our suppliers to address cross-cutting themes such as human, labor and land rights.

Achieving widespread change across whole supply chains is more than Mondelēz International can do alone, so we collaborate with peer companies and expert organizations to help us on the journey. Forced labor and modern slavery are issues of increasing global concern that require collaboration from all actors along the supply chain. At Mondelēz International, we are committed to helping eradicate forced labor, and we are proud to support the CGF's Priority Industry Principles.

## OUR ACTIONS

At Mondelēz International, we focus our sustainability efforts where we can have the greatest impact. In our own operations and for our direct suppliers, we identify potential human rights issues, as well as address mitigation and monitoring, through AIM-PROGRESS, of which we are a founding member. Audits are performed following the Sedex Member Ethical Trade Audit protocol, which addresses employment practices linked to forced labor in line with the CGF's Priority Industry Principles.

In our raw materials supply chain, our efforts have primarily focused on cocoa and palm oil because this is where we know that we can make the biggest difference from an environmental and social perspective. In the cocoa supply chain, we address labor risks through Cocoa Life, a holistic program we launched in 2012. With a \$400 million investment in the cocoa communities we buy from, Cocoa Life aims to empower 200,000 smallholder farmers and reach 1 million community members by 2022 in our six key cocoa growing origins. When a new community joins the Cocoa Life program, our NGO partners (such as CARE International, Solidaridad and Save The Children) conduct a thorough participatory needs assessment on focus areas including labor risks such as forced and child labor. Based on this assessment and with support from our partners, community members develop a Community

Action Plan, which provides a detailed roadmap for community activation.

In the palm oil supply chain, we developed our Palm Oil Action Plan with advice from World Wildlife Fund (WWF) and the UN Development Program (UNDP). Our plan requires our suppliers to assure the protection of the rights of all workers, including migrant workers in their own operations, and engage third-party suppliers to do the same, by providing annual assurance, verified by a recognized third-party labor rights expert.

Achieving widespread change across the whole supply chain is more than we can do alone, so we also partner with peer companies and expert organizations. Mondelēz International is a founding member of the International Cocoa Initiative, a multi-stakeholder platform dedicated to ending child labor in the cocoa supply chain, as well as CocoaAction, an industry-wide strategy that aligns the world's leading cocoa and chocolate companies, origin governments, and key stakeholders on regional priority issues in cocoa sustainability. To amplify our positive impact in the broader palm oil supply chain: Mondelēz International co-chairs the CGF's Palm Oil Working Group, and supported UNDP, the Government of Indonesia, and other partners to develop the Indonesia Palm Oil Platform.

## OUR LEARNINGS

As one of the world's largest chocolate companies, we play a leading role in making the cocoa supply chain sustainable. In 2012, we stepped up our efforts with the launch of our \$400 million Cocoa Life program. Over the past five years, we have been investing directly in cocoa communities, working with key supplier and NGO partners. Our key learnings from this on-the-ground experience are:

- Getting to know the supply chain and shining a spotlight on identified risks and challenges are the key initial steps to rooting out human and labor rights issues. That's the approach we follow to tackle the complex issue of child labor and its worst forms in the cocoa supply chain: working with human rights' experts to assess the situation, sharing their findings

transparently, and partnering with development NGOs and governments to prevent, monitor, remediate as well as address the root causes.

- Achieving transformative change in a vast supply chain is more than any one company can do alone. We've learned to focus where we can make a meaningful difference and use partnerships with peers and experts to amplify that positive impact. We work with all relevant stakeholders, from industry to civil society and governments, and use our voice and global resources to maximize our impact for good.



“ Forced labour has no place in our operations and value chains. ”



## OUR POSITION

Respect for human rights is at the heart of our business. We continually assess human rights risks of our activities and strive to prevent and address any negative impact we may have on the rights of our employees and those we do business with or interact with along our value chain.

We joined the UN Global Compact in 2001 and subscribed to its ten Principles, including Principle 4 on the elimination of all forms of forced and compulsory labour. This commitment against forced labour is in our Corporate Business Principle on human rights in our business activities. Our mandatory Nestlé Supplier Code prohibits our suppliers to use or benefit from forced labour in line with ILO Convention 29 on Forced Labour and ILO Convention 105 on Abolition of Forced Labour.

We ensure that our products are not associated with forced labour through our Nestlé Supplier Code and Nestlé Responsible Sourcing Guidelines. We monitor compliance at all levels of our supply chain and implement remediation actions where necessary.



**MARK SCHNEIDER**  
CHIEF EXECUTIVE OFFICER  
NESTLÉ S.A.

## OUR ACTIONS

Our actions against forced labour are based on corporate policies respecting human rights. Through our Human Rights Due Diligence Programme, we identify and manage salient human rights issues, including forced labour, and report on our progress.

Since 2011, we reviewed 17 corporate policies and commitments and incorporated human rights elements. We also carried out human rights impact assessment in 12 high-risk countries.

We keep a record of our suppliers' agreement to comply with the provisions of the mandatory Nestlé Supplier Code and their obligation to ensure that all of their employees and subcontractors follow the same.

Our Nestlé Responsible Sourcing Guidelines outlines what is 'responsibly sourced' for 12 priority categories, e.g., cocoa, palm oil, sugar and seafood. When evaluations by independent organisations uncover incidents of forced labour, we address them on a case by case basis through corrective action plans developed with our suppliers.

We ensure no forced labour takes place on Nestlé

sites and facilities through our Corporate Compliance Assessment Programme or CARE audits. We assess compliance with human rights, labour practices and business integrity, among other areas.

We pay close attention where risks are particularly high. In 2015, we commissioned the NGO Verité to assess risks of forced labour in the Thai fishing industry. Following Verité's investigation, we launched an Action Plan to Tackle Seafood Supply Chains Abuses to protect workers, improve working conditions and tackle unacceptable practices. Implementation is underway.

In Côte d'Ivoire, building on the success of our Monitoring and Remediation System on Child Labour, we are developing tools and capacities for communities to identify and report forced labour incidents.

As a founding member of The Consumer Goods Forum and contributor to the CGF Resolution and Priority Industry Principles on Forced Labour, we incorporated these in our audits and contractual relationships and use them for independent assessments.

## OUR LEARNINGS

**Traceability is key.** Visibility over the supply chain is a must to identify risks and be able to act upon them. Traceability can be challenging though, especially when supply chains are vast and complex. With government's help and strict law enforcement, 99% of seafood we source from Thailand is now traceable.

**Audits help but are imperfect.** Audits assist in evaluating our operations and suppliers but do not provide us with a complete picture of human rights risks. Impact assessments by expert organisations help us identify the root cause of human rights abuses across different supply chains.

**Grievance mechanisms make a difference.** Creating

a grievance platform for workers was necessary to address allegations of forced labour in Thailand. We have been working with Thailand-based NGO Issara Institute to provide a mechanism whereby workers can raise their concerns and ask for help.

**Collaborative action is crucial.** Collaborating with governments, NGOs and business partners, industry and communities has enabled us to address human rights issues in an effective and sustainable manner. It is particularly important that these actions take place on the ground where issues and solutions can be found. Through organisations such as the CGF, we can engage with key stakeholders and partake in this critical collaboration.

“ As a family company, there’s nothing more important than treating people fairly and with respect, and living up to the expectations of future generations. We are guided by our principles and we expect SC Johnson suppliers to share this commitment. ”



**FIKJ JOHNSON**  
CHAIRMAN & CEO  
SC JOHNSON

A large blue rectangular graphic containing a collage of nine small images depicting various work environments: a warehouse, a retail store aisle, a woman smiling, a person working at a desk, a factory floor, a person in a hard hat, a person in a lab coat, a person in a uniform, and a person in a hard hat. The text 'Making Life Better, Together' is prominently displayed in white, with 'The SC Johnson Supplier Code of Conduct' written below it. The SC Johnson logo is in the bottom left corner of the graphic.

## OUR POSITION

Since our founding in 1886, SC Johnson has been guided by certain basic principles. First summarized in 1927, our philosophy was formally stated in 1976 in our statement of principles: This We Believe.

This We Believe outlines the basic principles that guide SC Johnson in all the places where we operate. These include acting with integrity at all times, respecting the dignity of each person, assuming moral and social responsibilities early as a matter of conscience, making an extra effort to use our skills and resources where they are most needed, and striving for excellence in everything we do.

Consistent with these principles, our Supplier Code of Conduct outlines how SC Johnson expects every supplier to adhere to the same standards and principles. Wherever we operate, we are committed to respecting people and supporting universal human rights, adhering to local laws and regulations, contributing positively to our communities, and minimizing our impact on the environment.

## OUR ACTIONS

SC Johnson is a member of the steering committee for The Consumer Goods Forum's Sustainable Supply Chain Initiative, which promotes good social and environmental practices in global supply chains, and has been a member of AIM-PROGRESS since 2014.

Doing the right thing and acting with integrity are personal responsibilities of everyone at SC Johnson. Our Global Procurement team leads our ongoing efforts to review our largest suppliers, requiring they submit to audits or inspections, and certify their work as required. Each year we reach a targeted amount of suppliers with surveys and subsequent onsite audits, with an increasing number of suppliers going through the program as it matures.

Along with our internal processes and supplier-provided information, we partner with SEDEX to identify, assess and manage any social or ethical risks in our supply chain. We use independent, third-party audit firms to

conduct onsite audits, based upon the SMETA 4 pillar protocol. Our Supplier Code of Conduct allows us to conduct audits, without prior notice and with either SC Johnson personnel or independent third parties. We also offer an Ethics and Compliance Hotline through which concerns can be reported anonymously. The hotline enables any person with a concern about a matter relating to our Supplier Code of Conduct to report it 24 hours a day, seven days a week.

In 2015, we communicated a revamped set of standards to all of our direct global suppliers. These providers of raw materials, packaging and manufacturing services are required to certify their compliance with the detailed criteria listed within our Supplier Code of Conduct. In 2017, we began looking deeper into our supply chain of potential high-risk ingredients to develop policies on supply chain transparency and to surface improvement opportunities with our suppliers.

## OUR LEARNINGS

Supporting human rights, adhering to laws and regulations – these are non-negotiable expectations for every SC Johnson employee and supplier. The starting point for our actions is our commitment to integrity in all our business activities and interactions. We work vigorously to protect this commitment through our standards, policies and practices.

Although SC Johnson has built a strong reputation for sustainability and social responsibility that is aligned with international standards, and we are committed to only procuring certified, sustainably sourced raw materials, we have no illusions that finding and eradicating forced labor in the supply chain will be a simple process. In our ongoing work to identify and

address forced labor issues, our key learnings include:

- Focusing on our high-risk supply chains
- Assessing further than tier 1 suppliers
- Setting KPIs that track performance improvement

Resolving forced labor issues in the supply chain takes a multi-stakeholder approach. Through our own audits and studies, our AIM-PROGRESS membership and our engagement with industry peers through The Consumer Goods Forum, we are working to acquire the data and knowledge needed to help eradicate forced labor from the supply chain.



“ S Group is committed to promoting human rights in its supply chains. We believe that only by operating in a transparent and responsible manner can we achieve sustainable business success. Open stakeholder dialogue is a fundamental part of our responsibility work. By cooperating with different actors in society we can increase our understanding of the complex human rights issues in our supply chains and also create new solutions.”



**TAAVI HEIKKILÄ**  
CHAIRMAN AND CEO  
S GROUP



## OUR POSITION

S Group has been working on human rights issues for several years, and is committed to the promotion of human rights in our supply chain. The risk assessment of human rights issues is incorporated in our business practices. We require that our supplier has processes in place for verifying that their supply chain, including raw material procurement, complies with the respective country's laws and collective labour agreements as well as the ILO's Core Conventions, the principles of the UN Universal Declaration of Human Rights, and the UN Convention on the Rights of the Child. Equally, we have been a member of the Foreign Trade Association (FTA) since 2004 and have been actively involved in the development of the Business for Social Compliance Initiative (BSCI). We require the signing of the BSCI Code of Conduct (or corresponding documents) and the implementation of a self-assessment and an audit by suppliers whose production or whose sub-supplier's production is located in a risk country. In addition we have assessed certain raw materials that have higher risks and set targets related to these raw materials.

## OUR ACTIONS

The identification of forced labour risks within our own operations and supply chains is a key element of S Group's human rights due diligence approach and one of our first steps towards tackling forced labour. To identify such risks, we work with stakeholders and NGOs who play an important role in uncovering human rights abuses on the ground, notably forced labour issues which by their very nature are often hidden.

S Group faced one such case with one of our fruit juice concentrate sub-suppliers in Thailand, Natural Fruit, who in 2012 supplied juice concentrate for several Finnish retailers. Research conducted by Andy Hall, on behalf of the NGO Finnwatch, unveiled concerns surrounding the migrant workers' rights at this local fruit juice supplier. Because of his research, Andy Hall was charged with criminal defamation. In 2016, S Group's Senior Vice President in Sourcing provided testimony on behalf of Andy Hall during his trial. S Group wanted to take a stance on this case because civil society organisations produce information that is highly relevant to companies and the work that these activists do increases transparency in supply chains. This work should

not be punished.

Following the trial, S Group organised a roundtable in Finland where the case was discussed and informed many other stakeholders. The roundtable led the European Parliament to discuss the case, and they issued a resolution relating to Thailand, stating that the European Parliament "urges the EU and its Member States to ensure that companies established in their territories, which conduct business in Thailand, respect international human rights standards through transparent monitoring and reporting, in cooperation with civil society, and welcomes the support that Finnish retailer S Group has given to Andy Hall".

In order to achieve the CGF Priority Industry Principles on forced labour, S Group believes that it is vital to engage, and more importantly, work closely with stakeholders on supply chain transparency to gain in-depth understanding of where your forced labour risks are.

## OUR LEARNINGS

- Open dialogue with stakeholders benefits all participants. By increasing mutual understanding, it's possible to find new solutions.
- Importance of transparent and less complex supply chains.
- Continuous dialogue with suppliers and business partners is vital.
- Deep understanding of the local context and culture of the sourcing country is essential. This can be achieved through strong stakeholder engagement.



“ Target is committed to being a force for good. Our purchasing decisions have the potential to impact millions of people around the globe, from the people who create our products to the families they support and the communities where they live. ”



## OUR POSITION

At Target, we hold ourselves to the highest ethical standards and we expect our business partners to do the same. We have a long history of being a good corporate citizen and trusted brand. When it comes to sourcing products, we take a page from our company’s founder, George Dayton, who was well-known for his strong business ethics. Today, we still strive to manufacture all our products under the highest ethical standards, with compliance to all applicable laws, and work with vendors and suppliers who share those commitments. To make sure we meet those standards, we also work with regulators, manufacturers, industry organisations and other retailers around the world.

Our Standards of Vendor Engagement support the CGF Priority Industry Principles and prohibit all forms of forced labour, including financial bondage, restricted movement and document retention.

Despite our long-standing social compliance programme, we understand that forced labour continues to be a plague in the global economy. Target recently announced responsible sourcing aspirations, including one specifically targeted at the elimination of forced labour within our supply chains.



**KELLY CARUSO**  
PRESIDENT, TARGET SOURCING  
SERVICES, TARGET



## OUR ACTIONS

We take a multi-pronged approach to prevent, detect and remediate instances of forced labour within our supply chains.

Our prevention activities include ongoing global risk assessments to keep a pulse on forced labour hot spots around the world. Our analysis includes data from a variety of sources, including the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor and the U.S. Department of State's Trafficking in Persons Report. Based on risks identified, we create and enforce policies such as our No Uzbek Cotton policy. We are also working with Verité to develop a Foreign Contract Worker standard to specifically address the risks posed to cross-border migrant workers, including the prohibition of recruitment fees charged to workers. Additionally, we are working at the community level to empower job seekers so that they can better protect themselves from potential abuse.

To validate that suppliers are upholding our Standards of Vendor Engagement, we conduct a combination of audits and on-site compliance

capacity building visits. This helps to not only detect instances of non-compliance, but also gives us an opportunity to address root causes and hear directly from workers about their concerns.

When an issue is suspected, we work closely with our suppliers to make improvements in areas such as management systems, hiring practices and employee relations. Corrective actions are validated and monitored for sustained improvement.

Despite our efforts to identify and eliminate all forms of forced labour at our Tier 1 suppliers, we understand that there is also risk earlier on in the manufacturing process. Since it's more difficult to influence decisions further back in the supply chain, we are engaging in multi-stakeholder initiatives to influence change in key hot spots through collective industry efforts. Some of these collaborations include The Consumer Goods Forum's Social Sustainability Committee, the Seafood Task Force, the Ethical Trading Initiative and the Responsible Labor Initiative.

## OUR LEARNINGS

At Target, we continually learn from our experiences, our suppliers and the workers within our supply chains. By listening to and engaging with a variety of stakeholders, we aim to achieve the greatest impact possible while mitigating risks.

Our most valuable learnings for successfully driving sustainable improvements include trust, partnership and transparency. We recognise that we cannot create the change we are seeking to alone. Rather, it requires cooperation on all fronts.

We've also learned that we need to take a robust and nuanced approach in addressing the many different factors that contribute to this exploitative

practice, given to the multi-faceted nature of forced labour. Many of these approaches go beyond the traditional factory audit model and move further upstream, such as labour agency oversight and community level engagement.

This work requires a new framework and with that a new set of tools, both of which Target is committed to developing alongside others dedicated to eradicating human rights abuses.



“ At Tesco we are committed to treating people fairly and with respect. Working alongside suppliers, other businesses and labour organisations, we are focused on eradicating forced labour in our supply chains. ”



**DAVE LEWIS**  
CHIEF EXECUTIVE OFFICER  
TESCO



## OUR POSITION

A 2014 investigation by The Guardian, as well as reports by NGOs and the US State Department, identified cases of modern slavery in the Southeast Asian farmed prawn supply chain. These reports focused on the trafficking and exploitation of migrant workers on vessels catching fish used to produce fishmeal - an ingredient used in prawn feed.

The fishing operations are six steps “up” the supply chain from Tesco and other retailers, however the seriousness of the abuses made it clear that we needed to work closely with our suppliers, other businesses, relevant authorities and NGOs to address these risks and ensure they had no place in any part of our supply chain.

In addition, whilst the most serious abuses were reported to be occurring at sea and in ports, we had also been informed about concerns about working conditions and recruitment practices in workplaces on land.

## OUR ACTIONS

We started by mapping the entire Thai prawn supply chain, including the prawn feed, and joined two multi-stakeholder initiatives; the Issara Institute and the Seafood Task Force to accelerate collaborative efforts.

The Issara Institute is a public-private sector platform and alliance to tackle human trafficking and forced labour in Southeast Asia. Their Inclusive Labour Monitoring™ approach brings together intelligence from workers, businesses, field experts and local communities, to create a comprehensive understanding of what is happening and where risks of abuses lie. We have worked to ensure that migrant workers in our Thai prawn supply chain have access to the Issara Institute's multilingual helpline, which received 2,843 calls in 2015. The Issara team provides information, assistance, and referrals to migrant workers and victims of labour abuses through these calls. Information gathered during these calls has enabled us to remediate a number of instances of exploitation.

The Seafood Task Force, has provided a forum for businesses, NGOs and government agencies to work together to identify key monitoring and regulatory measures needed to end modern slavery, labour abuses and Illegal, Unreported and Unregulated (IUU) fishing in the Thai seafood industry. It has developed a common Code of Conduct covering working conditions, recruitment practices, and compliance with fisheries laws. The Task Force has provided technical support for the Thai Government to improve its monitoring, control and surveillance of the Thai fishing fleet, including through remote monitoring using Vessel Monitoring Systems and through physical inspections of vessels at 34 "Port-In Port-Out" (PIPO) points across Thailand. Both measures, supported by an updated and improved fisheries legal framework, are key to improving the oversight and accountability of the Thai fishing industry. And it will be important to continue to strengthen these, including ensuring access for workers to grievance mechanisms.

## OUR LEARNINGS

- We learned a lot initially about how forced labour risks can exist despite regular audit programmes: it was a pivotal moment in confirming that we need to move comprehensively beyond compliance-only programmes to a broader due diligence approach to human rights.
- We've learned how vital collaboration is with a wide spectrum of actors, to address forced labour risks in lower tiers of supply chains. The Consumer Goods Forum provides an excellent platform for this crucial collaboration.
- We've learned how complex it can be to tackle underlying factors that can lead to forced labour, despite greater collaboration, increased political will, strengthened policies

and codes of conduct.

- We've understood more about the positive role we can play, if we know what the situation is, and have the right partnerships on the ground.

As a result of what we have learnt in Thailand, our prawn supplier requirements now include traceability of all Southeast Asian prawn feed back to the fishing vessel and use of independent NGOs in the monitoring of high-risk areas of the supply chain. We will continue to review and strengthen these requirements as we learn more.

# The Coca-Cola Company

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“ Today’s stakeholders - including our associates and future associates - are judging us as much on the content of our character as they are on the quality of our beverages that refresh the world. Nothing speaks more to our character than the way we treat our fellow human beings. ”



## OUR POSITION

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Respect for human rights is fundamental to the sustainability of The Coca-Cola Company and we are committed to ensuring that people are treated with dignity and respect. Our Human Rights Policy is guided by international human rights principles encompassed in the Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact and aligns with the United Nations Guiding Principles on Business and Human Rights.

Our Human Rights Policy clearly articulates our corporate commitment to respect human rights and establishes, along with our Supplier Guiding Principles (SGP), a foundation for managing our business around the world in accordance with our standards. These principles prohibit the use of forced labour and human trafficking and we recently further enhanced safeguards related to the recruitment and employment practices of migrant workers.

Our Supplier Guiding Principles are a part of all contractual agreements between The Coca-Cola Company and its direct and authorised suppliers and we utilise independent third parties to assess compliance with SGP. Each year, we collaborate with our bottling and supplier partners to complete approximately 2,000 human and workplace rights audits and have completed over 20,000 since our programme began.



**MUHTAR KENT**  
CHAIRMAN OF THE BOARD  
THE COCA-COLA COMPANY

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## OUR ACTIONS

Recognising that migrant workers are particularly vulnerable to exploitation and human trafficking, in 2014, we reviewed our policies and due diligence activities with the aim of better protecting such workers throughout our supply chain. We publicly committed to three principles related to the recruitment and employment of migrant workers: 1) Employment terms are represented in a truthful, clear manner and in the language understood by workers prior to employment; 2) Worker does not pay recruitment, placement or transportation fees and 3) Worker has access to personal identity documents.

These principles, along with our overall prohibition of forced labour, align with the CGF Forced Labour Resolution and Priority Industry Principles and create a framework for responsible and transparent recruitment and employment practices. These practices were built into our audit protocol at the beginning of 2015 and we conducted supplier and auditor training sessions globally to familiarise them with the new expectations.

The workplace rights audits are a helpful due diligence tool at the first-tier supply base, but the risk of forced labour is also present deeper in the supply chain. Agriculture is an important part of our value chain and while we do not generally procure directly from

farms, we recognise that we have an important role in ensuring respect for human rights down to the farm. To that end, in 2013, the Company made a commitment to sustainably source 100% of our priority agricultural ingredients by 2020 and to this end, we published our Sustainable Agriculture Guiding Principles (SAGP). The SAGP, which build on the Company's SGP, prohibit forced labour and human trafficking. Additionally, we set out to conduct country-level assessments looking at a priority crop, sugar, in key markets by 2020. The studies are not an audit, but rather a research effort which focus on three key elements: forced labour, child labour and land rights. At the conclusion of the research, we jointly determine, in consultation with relevant stakeholders, any mitigation strategies that may be required should any incidents of those risks be found. More information on the methodology and the reports themselves are available online.

In addition to working within our own operations and supply chain, we strongly believe in industry engagement and the CGF provides a critical platform to share best practices and collaborate. We are a founding member of the Leadership Group for Responsible Recruitment, a group of companies that have committed to the 'Employer Pays Principle.' We also co-sponsor supplier forums focused on this topic with our peer companies in AIM-PROGRESS.

## OUR LEARNINGS

Since the roll-out of our 'no fees' position, we have had success in combatting recruitment fees in many markets, while other markets remain a challenge. In Qatar, for instance, we have operations including a bottling plant which we believe can be a positive example for responsible business conduct in the region. Employees maintain their passports; workers do not pay recruitment fees and salaries are paid directly to workers' bank accounts, which avoids deductions from intermediaries. These processes were developed to align with our global policy.

In contrast, Taiwan remains a market where we know migrant workers face fees. In 2016, we invited ICCR to

shadow two audits in the region to validate our process and to provide constructive feedback on opportunities to progress the dialogue locally. They found that many migrant workers experience a large financial burden in part because of the government imposed requirements to take loans, that secure their return to their home countries. These government imposed fees create risks for workers as they incentivise illegal migration through unregistered brokers that bypass those government regulations and thereby placing many vulnerable job seekers at risk for human trafficking. Engagement with our industry peers in the CGF and other forums will be critical to implement the Priority Industry Principles in these types of challenging markets.

“ The Walt Disney Company is committed to fostering safe, inclusive and respectful workplaces wherever Disney-branded products are made. Our International Labor Standards Program was among the earliest corporate programmes created with the objective of assessing and addressing labour issues in the supply chain, including forced labour. More than twenty years later, we remain steadfast in our commitment to licensing and sourcing ethically made products and continue to work with a wide range of business partners and external stakeholders toward that goal. ”



## OUR POSITION

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Disney’s Code of Conduct for Manufacturers prohibits the use of any forced or involuntary labour, whether prison, bonded, indentured or otherwise. The principles embodied in the Disney Code of Conduct are consistent with the core conventions of the International Labour Organization (ILO), which include the issue of forced labour. Consequently, we prioritise forced labour not only as part of our Code of Conduct but also in our assessment and subsequent analysis of social compliance audits of facilities making Disney-branded products around the world.

In our 2010 Human Rights Policy Statement, we reaffirmed our respect and support for international principles aimed at protecting and promoting human rights, as described in the United Nations’ Universal Declaration on Human Rights and the ILO’s Declaration on Fundamental Principles and Rights at Work.



**CHRISTINE MCCARTHY**  
CHIEF FINANCIAL OFFICER  
THE WALT DISNEY COMPANY

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## OUR ACTIONS

Our approach to assessing and addressing forced labour takes a variety of forms.

In determining how to prioritise our facility auditing, we use both the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor, as well as the U.S. Department of State's Trafficking in Persons Report. These inputs help us to prioritise auditing in the countries and commodities where there is a higher risk of forced labour. Moreover, in our analysis of the results of social compliance audits, we deem particular indicators of forced labour, such as the retention of identity documents, especially for migrant workers, as a high priority area for remediation.

We also work closely with a range of external organisations to promote advancements in the understanding and resolution of forced labour issues. In 2014, we participated in the United States delegation to the ILO's International Labour Conference in order to support the Committee on

Forced Labour, which successfully adopted a new Protocol on Forced Labour. The Protocol is an update to the ILO's 1930 Forced Labour Convention. It addresses new concerns regarding prevention of human trafficking, protection of victims, and access to remedy.

In addition, our Supply Chain Investment Program provided funding to the NGO, Verité, to empower over 1,000 migrant workers with access to information and training on recruitment abuses and unethical recruitment practices that could result in forced labour or debt bondage during the employment seeking process. The effort also sought to create a market for ethical recruitment in the Philippines-Japan migration corridor through engagement and training of 125 organisations.

These actions are also supportive of the CGF Priority Industry Principles that target the core drivers of forced labour, especially among vulnerable workers.

## OUR LEARNINGS

Our work to date has led us to two conclusions: first, collaboration is critical, and second, forced labour is a particularly well concealed issue that can exist in various forms within networks of interdependent supply chains.

Collaboration with the ILO, NGOs, industry groups, investors, peer companies, and civil society is the best way to create tools that will enhance our ability to avoid and address instances of forced labour. This is especially true for complex, diverse, and multi-layered supply chains like ours, where we are often not the direct buyer of consumer products. In particular, we are committed to continuing to work with The Consumer Goods Forum's Social Sustainability Committee, Social Accountability

International, the United States Council for International Business, ILO and a range of NGOs, investors, and other committed organisations to advance this collective work.

Given the complexity of modern supply chains and the difficulty in detecting forced labour in many circumstances, we have determined that continued progress can best be made when stakeholders work together to promote supply chain transparency mechanisms and tools.

“ Respecting human rights is the necessary foundation for sustainable and responsible business. We acknowledge the risk of forced labour occurring in global supply chains and know there’s more we can do to strengthen our process in this area. No one sector can successfully address these issues alone which is why we will continue to work with our business partners to create positive change. ”



**PAUL POLMAN**  
CEO  
UNILEVER



## OUR POSITION

From its origins, Unilever has been driven by the purpose of making sustainable living commonplace, a thread that connects us to our founding companies and their social missions to improve health, hygiene and livelihoods in their communities.

We believe that the respect for human rights is the foundation of responsible and sustainable business, therefore our ambition is to embed the promotion of human rights into every function, role and corner of the organisation. This ambition is articulated in our Unilever Sustainable Living Plan (USLP).

In June 2015, we published our inaugural Human Rights Report which explains how we are implementing the UN Guiding Principles (UNGPs) on Business and Human Rights throughout our operations. In our report, we identified forced labour as one of eight salient human rights issues and are especially mindful of the risk of abusive conditions for vulnerable migrant workers in high-risk commodities and geographies.

## OUR ACTIONS

A strong internal framework is an essential precursor to tackling human rights issues like modern slavery and human trafficking. We've included guidelines on preventing human trafficking and forced labour into our policy framework, including our Human Rights Policy Statement, our Code of Business Principles, our Responsible Sourcing Policy and our Responsible Business Partner Policy. In addition, in 2017, we published our UK Modern Slavery Act Statement (MSA) which explains the steps undertaken to prevent, detect and respond to slavery and human trafficking within our business and throughout our extended value chain.

Migrant labour is a key risk area with many migrant workers vulnerable to exploitation including human trafficking and forced labour. We are therefore focused on awareness, preventive measures and promotion of best practices that include CGF's three Priority Industry Principles: every worker should have freedom of movement, no worker should pay for a job and no worker should be indebted or coerced to work. Our updated guidance briefs on migrant labour, child labour and contract labour, written with support from Business for Social Responsibility, promote best practices and provide practical guidance on identifying and responding to potential Human Rights risks.

We are a founding member of the Leadership Group for Responsible Recruitment, a multi-stakeholder collaboration working towards a new business model in responsible recruitment of migrant workers tackling issues such as identifying more ethical agents and ensuring audit houses have strengthened processes in place. We continuously work in partnership with suppliers to put into action the Fundamental Principles of our Responsible Sourcing Policy by holding virtual and in person events and training sessions. Participants of a recent training session on working conditions for migrant labour showed a better understanding of the issues and best practices after attending our event.

In March 2017, we co-sponsored a Responsible Sourcing Supplier Event with peer companies, organised by AIM-PROGRESS, in Dubai. Our regional Executive Vice President gave a virtual welcoming address and touched upon the critical role our suppliers play and the opportunity the event presented to share best practice on the eradication of forced labour. The event included testimonials from company suppliers and a series of three workshops focusing on recruitment (challenges in the country of origin e.g. recruiting fees and contracts) and addressing endemic practices for migrant and foreign workers (e.g. passport retention, housing and pay withholding) amongst other topics.

## OUR LEARNINGS

We realise that our work cannot be separated from the rapidly changing economic and political conditions in the markets where we operate. Human rights violations are often intimately bound up with poverty, wage inequality and other social issues and cannot be viewed in isolation. They must be understood and addressed as part of the overall system, often requiring collaborative and/or localised approaches.

Human rights issues such as forced labour cannot be solved unilaterally. Sustainable solutions can only be achieved through a multi-stakeholder approach. The Social Sustainability Committee of the CGF can

facilitate the engagement and alignment of the various efforts cross industry to deliver a larger impact. We have seen the transformational effect on communities when companies come together and share their best practice approaches. Transparency is critical in allowing us to openly and effectively discuss the root causes of human rights concerns and abuses, so we can develop effective and lasting solutions. Frank and open dialogue about progress, challenges and solutions is a key enabler for action. Put together, these areas have allowed us to engage more effectively with our suppliers and business partners, and enabled us to form solutions together.



“ We will play a leadership role in promoting the dignity of people who make the products we sell. Those who work in our supply chain should be recruited and employed responsibly. ”



**DOUG MCMILLON**  
CHIEF EXECUTIVE OFFICER  
WALMART

## OUR POSITION

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Walmart believes all people deserve safe, healthy working conditions that are free from coercion, which is why we use our size and scale to help address factors that could prevent workers from enjoying those conditions.

In the past decade, global supply chains have contributed to a dramatic reduction in poverty globally. We are committed to address issues that undermine the opportunity presented by these supply chains.

One of our areas of focus is to mitigate risk of forced labour and human trafficking.

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## OUR ACTIONS

Our efforts to address forced labour in global supply chains include working through The Consumer Goods Forum to roll out the Priority Industry Principles on Forced Labour. Toward that end, we are helping make responsible recruitment the norm for the global supply chain within a decade to reduce the risks of exploitation of workers. Our steps to date include joining the Steering Committee of the Leadership Group for Responsible Recruitment, and collaborating with external stakeholders to encourage professionalisation of the recruitment industry through certification of labour agencies.

Using our ability to bring together stakeholders, including suppliers, industries, governments and international organisations to address the forced labour risks in global supply chains also advances our commitment to the key tenets outlined in the CGF Forced Labour Resolution.

Through the Seafood Task Force we have been working with retailers, suppliers and NGOs, to tackle Illegal, Unreported and Unregulated fishing (IUU) in the farmed shrimp supply chain in Thailand. This work is critical to address potential labour abuses and unsustainable fishing practices in the industry. The Task Force is developing a range of tools including a supply chain Code of Conduct, audit process and mechanisms for vessel tracking, all aimed at driving increased transparency in the supply chain. We played a central role in establishing the organisation and sit on the governing Board.

We have partnered with two major produce

associations to develop an Ethical Charter for the produce industry that contains commitments against forced labour and for responsible recruitment. The draft Ethical Charter has been released for public review, and once finalised the associations plan to develop the training and tools necessary for implementation. We have served as a co-chair of the collaborative effort.

We recently joined the Electronics Industry Citizenship Coalition, and are collaborating with them to identify potential forced labour risks in the global electronics supply chain, as well as develop tools for responsible recruitment.

Walmart is identifying opportunities to invest in innovative solutions to some of the biggest potential risks of forced labour and human trafficking. We are beginning to work with a variety of technology firms and NGOs to identify new solutions to address forced labour risks. Within the last year, the Walmart Foundation has invested in:

- **Polaris:** \$1 million to develop a hotline to report human trafficking allegations in Mexico.
- **Issara Institute:** \$400,000 to improve anti-trafficking work in the Southeast Asia seafood supply chain.
- **International Justice Mission:** Nearly \$800,000 to help identify potential human trafficking-related hotspots in the seafood supply chain in Thailand.

## OUR LEARNINGS

We have learned that achieving lasting change requires collaboration and collective action among stakeholders and our peers in the business community.

Trust and transparency are important to how we operate as a business. We recognise that good systems to get visibility and transparency in the supply chain

are an important part of any effective responsible sourcing programme and we are making significant investments in our global systems to enable us to get even better visibility into the facilities that produce products for sale at Walmart.

“ AIM-PROGRESS – a joint initiative of 40+ member companies focusing on responsible sourcing in practice – is a perfectly suited network for the FMCG sector to support implementation of the CGF’s Priority Industry Principles ”



AIM-PROGRESS Dubai supplier event, 23 March 2017



**DAVID LAWRENCE**  
EXECUTIVE DIRECTOR  
AIM-PROGRESS

## OUR POSITION

Many of AIM-PROGRESS’s member companies, also members of The Consumer Goods Forum (CGF), have signed on to the CGF’s industry-wide Social Resolution on Forced Labour and are implementing the Priority Industry Principles. All of our members believe that forced labour is a priority issue to address, not least because of the growing attention of NGOs and public authorities for modern slavery, and new resulting legislative frameworks. By taking action and aligning with the CGF’s Resolution and Principles, supported by their global CEOs, AIM-PROGRESS members are sending out a strong message that forced labour is not acceptable.

## OUR ACTIONS

AIM-PROGRESS is actively promoting the implementation of the CGF's Priority Industry Principles through our Human Rights work stream and supplier capability building activities across various geographies.

Our Human Rights work stream supports members in implementing the UNGPs and human rights due diligence in responsible sourcing. Forced labour and ethical recruitment, through the impetus provided by the CGF Priority Industry Principles, are key topics within that remit.

Practically, AIM-PROGRESS provides member education through workshops and webinars, and delivers practical guidance and tools; for example training decks on the UNGPs and grievance mechanisms; knowledge dissemination on ethical recruitment schemes and encouraging members to pilot these.

Another key activity is supplier capability building;

we organise between 2-5 supplier forums per year in various geographies. We share a common message across a common supplier base regarding the similarities between brands' responsible sourcing requirements, along with an emphasis on the business benefits of implementing responsible sourcing for suppliers. We tailor the events to the specific geography, with interactive deep-dive sessions on topics of particular importance in the region. Forced labour and ethical recruitment is a regular programme feature, and we highlight our support for the CGF Priority Industry Principles to enhance outreach and impact. In two instances in South East Asia we joined forces with the CGF on each other's supplier events (Bangkok and Kuala Lumpur). An MoU has been signed to continue collaborating on joint supplier events where appropriate.

A regional AIM-PROGRESS hub in APAC will help address forced labour in a region with high occurrence.

## OUR LEARNINGS

Our supplier events have taught us that it is more impactful to have a joint message across a variety of organisations, in terms of outreach and impact on our target audience. It also sends a message to stakeholders, including NGOs and public authorities, that the industry is serious about the topic. It would also be very useful to share any guidance and tools which are being developed across the collaborating organisations, so that we continue to speak with an aligned voice.

Supplier feedback from our events regularly features expressions of interest in discussing forced labour in greater detail. In Dubai, in March 2017, 60% of suppliers rated the sessions on managing and recruiting migrant and foreign workers, who are more easily prone to

forced labour as most relevant to them.

One key takeaway from the supplier events is the importance of reiterating the message of the CGF's Priority Industry Principles at all upcoming capability building events in the relevant regions, as we build a more systematic approach to these; we believe there is opportunity for collaborative remediation projects on forced labour, not only between our organisations but also with other partners already active in this area.

“ amfori strives to provide its members with innovative solutions to eliminate forced labour in their supply chains. Public-private partnerships are a powerful means to this end. We act as a facilitator of dialogue and collaboration between our members and governments in sourcing countries to implement the three pillars of the ‘Protect, Respect and Remedy’ Framework of the UN Guiding Principles. ”



**CHRISTIAN EWERT**  
**PRESIDENT**  
**AMFORI**



## OUR POSITION

amfori BSCI provides amfori members with the tools and guidance to conduct human rights due diligence in their supply chains. This includes mapping, early detection, monitoring, remedy and capacity building. Companies participating in amfori BSCI adhere to a shared code of conduct based on internationally recognised principles for respecting fundamental human rights, including the prohibition of forced labour.

amfori’s 2,300 members source from all over the world and as such face many forced labour risks in their supply chains. This is particularly the case in countries with high rates of economic growth and a strong positioning in export markets. Such countries attract a consistent flow of migration. When supported by appropriate policies, migration contributes to the inclusive and sustainable economic development of home and host communities. However, in the absence of clear regulatory framework, migrants are exposed to risks of exploitation, including the likes of human trafficking.

## OUR ACTIONS

amfori supports members with training, tools and guidance for addressing forced labour in their supply chains. In 2017, we embarked on a project that focused on the forced labour challenges of one country in particular: Thailand.

Over 400 amfori members source from Thailand. Based on their needs, we initiated a 12-month project with the Ministry of Commerce of Thailand to improve the lives of workers and boost Thailand's reputation as a responsible sourcing country.

Many forced labour issues find their roots in the recruitment process, and amfori's responsible recruitment training has traditionally focused on three core areas:

- **Transparency:** Job seekers should receive accurate information on employment conditions, such as payment and responsibilities, before they leave their location of origin. They should also receive the contract in a language they understand.
- **Security:** Workers should not be subject to any form of coercion. They should be able to keep their passports and personal possessions and be free to resign.
- **Employer Pays:** Workers should not be charged for costs related to recruitment and shouldn't receive deductions from their wages to compensate such

costs.

Building on these areas, the project provided on-site coaching to 68 Thai companies, increasing their capacity to:

- Map risks and put in place the right due diligence practices on forced labour.
- Implement responsible recruitment practices.
- Foster responsible business relations within their supply chains.
- Remediate instances of worker exploitation.

For maximum impact, we needed decision makers to embed responsible recruitment principles into business operations. We targeted three functions: human resource managers, production supervisors and sourcing managers. Each was trained to identify risks to workers' rights within their specific function. To support businesses to meet their due diligence commitments including those outlined in The Consumer Goods Forum's Resolution on Forced Labour and Priority Industry Principles, amfori has translated the learnings into a number of trainings for its entire membership and will customise them to further target groups. This will help business address the need to detect forced labour in global supply chains, remedy identified cases and implement preventative measures on member and producer level.

## OUR LEARNINGS

The project engaged senior management from the outset in order to generate commitment and buy-in at the executive level. By the end of the project, it was clear that this approach was successful. It was the companies with executives who took a stake in the project and endorsed its objective that achieved the most progress. Those companies succeeded in implementing changes in their practices across different departments and now reduce and manage their risks in a more systemic way. The inclusion of representatives from human resources, sourcing and work-floor management contributed to a shared understanding of forced labour risks and

motivated different departments to adopt due diligence practices.

This ambitious partnership with the Ministry of Commerce is a powerful example of public-private collaboration. It is proof that government and business can work hand-in-hand towards the achievement of shared goals, utilising collective expertise and convening power. amfori offered human rights expertise and ensured the agile implementation of training, while the Ministry of Commerce enabled the scale, visibility and national ownership of the project.



“ The Fair Labor Association combines the efforts of business, civil society organizations and universities to reduce the risks of forced and child labor in supply chains and make progress that impacts working conditions and human rights outcomes. ”



## OUR POSITION



**SHARON WAXMAN**  
CHIEF EXECUTIVE OFFICER  
FAIR LABOR ASSOCIATION

Agricultural supply chains that depend on migrant labor are at risk of labor rights violations. A collaboration among the Fair Labor Association (FLA), and member companies, Nestlé, Balsu and Olam, the U.S. Department of Labor and the Turkish government, addresses labor conditions in Turkish hazelnut production. The project piloted the USDA's Guidelines for the Elimination of Child and Forced Labor, which correspond closely to the United Nations Guiding Principles, the OECD-FAO Guidance of Responsible Agricultural Supply Chains and the FLA's Principles of Fair Labor and Responsible Sourcing. We worked on two core issues prevalent in the agricultural supply chains that rely on seasonal and migratory labor – working conditions and child labor. Through this work, the project partners tested proof of concepts and successfully demonstrated the steps that aid in the mitigation of child and forced labor. FLA's project helped Nestlé and its suppliers in Turkey implement the CGF's Resolution on Forced Labour by working with the key third-party actors in the hazelnut supply chain to monitor recruitment and hiring of seasonal workers and improve housing and working conditions. It also assisted companies in fulfilling regulatory requirements laid out in several international guidelines, supply chain transparency and disclosure laws and National Action Plans.

## OUR ACTIONS

Hazelnuts account for 70 percent of Turkish exports. In the summer, tens of thousands of seasonal migrant workers, mostly from the Southeast region bordering Syria, travel across the country to harvest various commodities and work in hazelnuts gardens. Children often work alongside their parents. Families rely on labor intermediaries for finding employment, transportation from home towns to farms, negotiating contracts, and getting paid. Companies usually monitor issues at farm level and not during the recruitment process where many of the forced labor indicators appear.

Driven by the USDA's Guidelines for the Elimination of Child and Forced Labor and with support from Nestle, Olam and Balsu, the Turkish government and CSOs, the Fair Labor Association undertook research examining worker demographics, migration patterns of workers, indicators of forced labor, the role of labor intermediaries, access to grievance mechanisms, and identified risks of child and forced labor.

The project strengthened the capacities of the companies and their supply chain partners to address these challenges. It provided technical support to improve the understanding of what constitutes unethical recruitment practices, how to recognize forced labor indicators, how to improve company standards, establish traceability of 100 percent hazelnuts for Nestlé, and started centralizing data about the commodity and labor issues. The new database shows not only where hazelnuts originated from, but also indicates the demographics of the workers who harvested them. The project collaborated with stakeholders to provide access to summer schools, pilot a smart phone-based grievance mechanism, mapped and trained a total of 329 labor intermediaries and register 89 of them with local employment offices. By tackling the specific challenges of the Turkish hazelnut supply chain and working with the world's largest food and beverage company and both its suppliers, the project provides an example for other agricultural supply chains to follow.

## OUR LEARNINGS

**1) Collaboration Maximizes Impact** – Addressing systemic issues like child labor and forced labor requires a multi-stakeholder approach. By working together on this project, companies, farmers, labor contractors, local and national government, and civil society groups were able to achieve greater results. Collaboration is essential to ensure sustainability and scalability of social compliance programs.

**2) Strong Programs Depend on Solid Data** – In addition to commodity mapping, data collection on worker demographics, workers' movements and workplace conditions provides context for companies as they assess risks and design strong remediation programs to protect human rights throughout their supply chains.

**3) Understanding Workers' Needs Is Crucial** – In this project, companies needed to understand the unique challenges confronting a young, seasonal, migrant workforce in order to address their needs.

**4) Processes and Programs Require Flexibility** – Risk assessment and standard-setting are continuous processes. Companies must consider changes in the local environment and periodically review their systems and approaches. Adjusting interventions to take advantage of new information acquired through the feedback loop boosts effectiveness.



“ The CGF principles crystallise best practice against forced labour – the challenge is now to implement these and ensure that workers feel a positive impact in their day-to-day lives. ”



photo courtesy of the Supreme Committee for Delivery & Legacy



**ROSEY HURST**  
FOUNDER  
IMPACTT

## OUR POSITION

Impactt delivers responsible and sustainable solutions for workers and businesses, wherever work is done. Since 1997, our global teams have drawn on both responsible sourcing and commercial expertise, and include former workers as well as technical experts to bring a full understanding of complex supply chain challenges.

Beyond the moral obligation of addressing forced labour, exploitation of workers is simply bad business. Neglecting to take action stands to create multiple operational, financial and reputational risks for brands, retailers, and suppliers alike and due to increasing global legislation and attention on the subject, inertia is no longer an option. We know that when supply chains are built with worker welfare at the heart of operations, business practices and ultimately performance improves.

## OUR ACTIONS

Impactt works on modern slavery issues globally at site and policy level.

Through our experience we have a depth of knowledge on the factors that increase the risk of slavery in supply chains:

- High dependency on temporary workers and/or migrant/foreign labour.
- Use of recruitment and employment agencies.
- Lack of proper recruitment screening systems.
- Multiple layers of sub-contracting.
- Employers' desire to distance themselves from workers and avoid formal employment relationships.

Our work is aligned to the CGF's three Forced Labour Priority Principles and through our investigations and audits we have identified instances of forced/bonded labour and remediated the situation whilst protecting the safety of workers in countries such as Malaysia, the UAE and the UK. The Impactt approach to audit and investigation has been proven to uncover 2.3 times more issues than our competitors. This is particularly true when it comes to harder to uncover issues such as ethical treatment of workers, where our worker-interview centric approach uncovers 3 times more issues.

In a UK distribution warehouse, we found 6 workers in modern-day slavery conditions.

## OUR LEARNINGS

In line with Principle 2, we believe a fundamental point of vulnerability that bonds a worker to labour is the payment of recruitment fees. This payment equates to a form of modern slavery because it creates a debt, and the debt creates a bondage to the employer.

Since 2016, Impactt has been the external compliance monitor for the Supreme Committee for Delivery & Legacy (the SC), the entity responsible for delivering the infrastructure for the 2022 FIFA World Cup(TM) in Qatar. Our role is to provide independent monitoring of how the SC's contractors and their subcontractors comply with the SC's Worker Welfare Standards.

We:

- Secured permanent direct employment for all 6 individuals
- Secured safe, new accommodation
- Created a network for community support
- Worked with the government to investigate criminal activity
- Provided training on rights
- Worked with workers to tell their story

In a Dubai factory, Impactt found 66 workers from Bangladesh and Sri Lanka working as modern-day slaves. All were owed three months' wages against other benefits.

Impactt helped:

- 100% of workers receive 100% of back wages
- 52 workers find new jobs in the UAE
- 14 workers return home

To eliminate the likelihood of modern slavery occurring from the outset, we review programmes aimed at improving the recruitment journey, working conditions of migrants and drive no payment of recruitment fees. Over the last year, we have helped hundreds of workers with reimbursement

As part of our collaboration, the SC trialled a new approach to shift the burden of proof for repayment of recruitment fees from workers to contractors. Where the contractor cannot demonstrate it has paid the costs of recruitment for each worker, it pays a "Universal Payment" in recompense for fees that may have been paid. In the pilot, three contractors started reimbursing workers without asking for receipts. The pilot covered 1,700 workers, equivalent to 10% of the total workforce at SC sites. Each worker will receive a total of QAR 1,500-4,000 (USD 400-1,100) through a monthly allowance. These reimbursements amount to more than QAR 3 million (USD 824,000) per annum.

“ IJM has seen slavery collapse when governments invest in excellent law enforcement and survivor services. Corporations can have a huge impact by using their influence with governments to prioritize these investments that end impunity for traffickers.” ”



**GARY HAUGEN**  
CHIEF EXECUTIVE OFFICER  
INTERNATIONAL JUSTICE  
MISSION



## OUR POSITION

As the largest anti-slavery organization in the world, International Justice Mission (IJM) has met thousands of forced labor victims by name. For 20 years, IJM has partnered with local governments to ensure that laws prohibiting forced labor are actually enforced, protecting vulnerable workers from exploitation and holding those who violate the law accountable. Both government and corporate stakeholders have approached IJM to apply our methodology to address forced labor in supply chains.

We have found that when effective rule of law is combined with excellent survivor services, slavery rates fall dramatically. IJM has measured this impact in the Philippines and Cambodia and in both instances saw the number of children exploited in the commercial sex industry fall by up to 86% and 73% respectively.

IJM is committed to building corporate partnerships that help bring successful and consistent implementation of trafficking and forced labor laws to ensure all workers remain free and protected.

## OUR ACTIONS

Many companies are taking action to address the issue of slavery in their supply chains, because they recognize that they bear reputational risk in emerging market economies where laws against slavery are not enforced. IJM partners with CGF members to support their efforts to implement the CGF Resolution on Forced Labor and uphold the rights of workers as outlined in the Priority Industry Principles. IJM and our partners work alongside local authorities to rescue victims of forced labor and trafficking, bring criminal actors to justice, and rehabilitate survivors through social services. Our teams apply casework learnings to design capacity building activities that help governments protect vulnerable communities through consistent enforcement of laws.

In Bangkok, the Walmart Foundation funded IJM's prevalence study of forced labor in the Thai fishing industry and a review of the justice system's response, which provided actionable data for a capacity building program. Since January 2017, the Walmart Foundation

has partnered with the Trafficking in Persons Office at the U.S. Department of State to jointly fund IJM Bangkok's office launch and casework operations in Thai fishing. As the Thai government continues to strengthen enforcement of local laws against forced labor and trafficking, the power of deterrence will cause a reduction in the prevalence of the crime.

In India, IJM works with local authorities to rescue people from exploitation, bring slave-owners to justice, and strengthen survivor services to ensure they can find healing and become thriving members of their community. In 2017, IJM entered into a partnership with Target to implement a grassroots prevention campaign and a safe migration program for laborers in northern India, who often travel to southern states in search of work and can face higher risk of exploitation. These programs seek to prevent forced labor and trafficking and support survivors by engaging with vulnerable communities and local officials.

## OUR LEARNINGS

At IJM we have seen time and again that there is no substitute for the local government response when attempting to address criminal activity. An effective justice system response raises the cost of operations for all who use forced labor and protects all workers, not just those working at a farm or facility that happens to source to an ethical and responsible company. Strengthening the enforcement of worker protection laws requires collective investment in building local capacity to identify, investigate and prosecute cases.

We have also seen how internal due diligence mechanisms are valuable but insufficient in deterring perpetrators. Criminals are finding ways to circumvent regulations to continue exploiting workers. IJM Cambodia has worked cases involving registered and unregistered

labor recruiting agencies who have committed labor trafficking crimes. In Thailand, IJM partners have witnessed recruiters maintain covert access to workers' bank accounts, making direct deposit policies powerless to protect earned wages.

To ensure traffickers, illegal recruiters and slave-owners cannot sustainably operate long term, corporations, NGOs, and governments must work together to apply influence and resources toward enforcing laws against forced labor and providing quality services to survivors.

# INDUSTRY PARTNERS



“ The International Tourism Partnership includes forced labour and human trafficking in its work with the hotel industry. Collaborating to encourage ethical recruitment we can achieve more, and drive awareness throughout our recruitment supply chains. ”



## OUR POSITION

The International Tourism Partnership (ITP) convenes a membership of the world’s leading hotel groups, representing nearly 30,000 hotels (15% of the industry) and 4 million rooms (25% of the industry). We collaborate on best practice and solutions that drive the industry on responsible business.

In 2017, ITP launched four Goals for 2030, aligned with the SDGs, as a challenge to the industry to do better on issues related to carbon, water, youth employment and human rights where they were most affected, and had the greatest power to positively impact.

Our Human Rights Goal includes embedding human rights into corporate governance and addressing risks arising in the labour supply chain and during construction. ITP’s Principles on Forced Labour move us closer to our Goal, and our members are united in their support of them. The CGF’s work to define Priority Industry Principles on Forced Labour helped drive this work forward and allowed greater alignment of practices between consumer goods and hospitality sectors .



**MADHU RAJESH**  
DIRECTOR  
INTERNATIONAL TOURISM  
PARTNERSHIP

## OUR ACTIONS

Through consultation with our members' corporate responsibility leaders, and following the CGF's Forced Labour Resolution & Priority Industry Principles, ITP set three Principles on Forced Labour which were agreed and endorsed by board-level representatives of our leading member hotel groups in June 2018.

The Principles are:

- I. Every worker should have freedom of movement.
- II. No worker should pay for a job.
- III. No worker should be indebted or coerced to work.

ITP member companies are working dynamically to implement training and other measures to reduce the risks of forced labour within their labour supply chain. Training schemes are currently rolling-out in their global portfolios on the common signs of trafficking, forced labour and sexual exploitation, tailored to different departments and highlighting clear lines of reporting to

managers.

The resulting learning is being shared across the membership through best practice webinars, workshops and a pre-competitive discussion between ITP member companies. We seek solutions with other partners to further mitigate the incidence of forced labour recruitment and to create safe recruitment pathways for vulnerable migrant labour by working collaboratively in high-risk origin and destination countries.

ITP has produced guidance to support members with specific human rights and forced labour issues and is now establishing what best practice already exists within the membership, that can be shared and replicated to other hotel groups. We're investigating where gaps lie that empower us to create partnerships and accelerate our learning and actions, and are working with members to establish next steps and build a road map to achieving our Goal on Human Rights. ITP seeks to promote these principles beyond its own membership and across the whole hotel industry.

## OUR LEARNINGS

Working with knowledge partners has been key in raising awareness of this issue and the risk to members, moving them in a short period from barely acknowledging the likelihood of forced labour within their labour supply chains, to enthusiastically and proactively leading on tackling the issue head on. Our meetings with member companies help identify common challenges and learning, among which:

- Training on human trafficking and modern slavery is being delivered at great scale and pace across the industry (training hundreds of thousands of staff members in the past year, for instance Marriott who trained over 225,000 of their associates in 2017 alone).

Training programmes by ITP members have already allowed staff to report suspicious situations and rescue children from harm.

- As the hotel industry works to address risks in its labour supply chain, our collective work has highlighted the critical need to create long-term dialogue with labour suppliers and recruitment agencies. There is a shortage of "ethical" recruitment services, which our collective strives to answer by growing its demand.

ITP will capture and report the impacts and outcomes as part of our reporting on achieving our Goals for 2030.

“ If you want to know about work, you have to talk to workers. If you want workers to share honestly, you have to earn their trust. And if you want to earn their trust, you have to empower and help build pathways to remediation. ”



Issara outreach and worker voice channels takes place at all tiers of the supply chain, including at sea.

## OUR POSITION



**MARK TAYLOR**  
CO-FOUNDER & DIRECTOR  
ISSARA INSTITUTE

Issara Institute is an NGO based in Asia tackling human trafficking and forced labour through technology, partnership, and innovation. The Institute was established in 2014 by a team of anti-trafficking experts coming out of the UN who believed that key stakeholders in the fight against trafficking were not being engaged, and root causes were often not being identified or addressed. In the anti-trafficking sector, a key missing ingredient was the structuring of partnerships with the private sector to create levers and opportunities for identifying and resolving human rights issues, and empowering workers. In the private sector, there was also an over-reliance on audit-compliance frameworks, and a lack of reliable data based on actual experiences of workers. After years of running a multilingual worker helpline, we expanded our worker voice channels to educate and assist more workers, contribute incisive analyses for public good, and strengthen corporate due diligence and remediation.

## OUR ACTIONS

Issara Institute works directly with global brands and retailers (many of our Strategic Partners are CGF members), importers/agents, and suppliers to improve labour conditions across all tiers of the supply chain in Southeast Asia. We initially focused on fishing and aquaculture, and have since expanded into agriculture, garments, footwear, poultry, electronics, and other industries.

Issara's supply chain monitoring and improvement work is accomplished through our Inclusive Labour Monitoring (ILM) system, which includes ongoing situation monitoring (recruitment and labour conditions), migrant worker empowerment, and assistance through our multilingual worker voice channels, spanning a phone hotline, Android app, Facebook, and messaging apps such as Line and Viber, as well as onsite assessments. We receive approximately 2,500 calls and messages from workers per month, providing a rich picture of changing on-the-ground risks. Taking a solutions-oriented

approach, we provide free technical support to suppliers and recruiters, trainings, and enable the creation and implementation of credible labour improvement plans informed by (and monitored by) worker feedback to drive iterative improvements.

In 2017 Issara launched an ethical recruitment program to provide support to businesses to get on a more ethical recruitment track – the program operates at source and destination side, and utilizes worker voice and empowerment from the village level to the factory floor.

Our work directly covers the CGF Priority Industry Principles and tens of thousands of workers have benefited from Issara remediation, including over 6,000 victims of human trafficking just in the past three years. Businesses have adopted systems and policy changes to reduce labour risks, and strengthened their internal grievance mechanism and recruitment practices, thereby driving solutions and change over the long-term.

## OUR LEARNINGS

1. Many labour risks in supply chains originate from the 'first mile' – costs and debts incurred early in the migration process that are risks in and of themselves, and also linked to downstream workplace abuses such as document retention, excessive wage deductions, restriction of movement, and discrimination. Programmatic responses are needed in the origin and destination country to identify and eliminate these risks.
2. Goodwill and policies are not enough to eliminate exploitative systems and behaviours within supply chains; incentives from buyers are required. For example, the norm for the labour recruitment in much of SE Asia is migrant workers shouldering much of the costs of recruitment, and employers pay little

to none - the exact opposite of ethical recruitment. There must be a viable financial model for ethical recruitment for suppliers to adopt.

3. Jobseeker and worker empowerment works, but business still has to be responsible. Educating job seekers and workers about their rights and introducing them to technology to research and vet recruiters and employers has proven to be effective and cost-effective in terms of driving behaviour change. However, it is the responsibility of business and government to ensure that job seekers and workers have safe, dignified work.



“ At KnowTheChain, we believe companies can be a powerful force for change and are committed to helping companies make an impact in their fight to eradicate forced labor and support efforts to share good practices to accelerate change.”



**FELICITAS WEBER**  
KNOWTHECHAIN PROJECT LEAD,  
BUSINESS & HUMAN RIGHTS  
RESOURCE CENTRE  
KNOWTHECHAIN

## OUR POSITION

KnowTheChain is a resource for companies and investors to understand and address forced labor risks within their global supply chains. It is a partnership between Humanity United, the Business & Human Rights Resource Centre, Sustainalytics, Verité, and the Thomson Reuters Foundation.

Despite efforts from policy makers, civil society, investors, and companies themselves, forced labor is a pervasive problem across all corporate supply chains.

KnowTheChain believes that companies can be a powerful force in changing the conditions under which people work in their global supply chains and that benchmarking can drive awareness and continued corporate action on the issue of forced labor in supply chains.

## OUR ACTIONS

By distinguishing between leaders and laggards, the KnowTheChain benchmarks can help reward those companies taking action and incentivize others to follow their leadership. The KnowTheChain benchmarks also help to identify the leading practices that companies are currently using to address forced labor risks in their supply chains. This is particularly crucial for themes where good practices are still under development, such as recruitment and worker voice.

The indicators of the KnowTheChain benchmark methodology are aligned with the CGF's Forced Labour resolution and its three Priority Industry Principles. Specifically, the KnowTheChain benchmarks evaluate to what extent a company takes steps to ensure that its

suppliers refrain from restricting workers' movement, requires that the costs of recruitment are borne by the employer ("Employer Pays Principle"), and takes steps to ensure that such fees are reimbursed to the workers in its supply chains.

The second iteration of KnowTheChain's food and beverage benchmark has demonstrated how the benchmarking approach can drive tangible improvements in companies' policies and practices. While recruitment and worker voice remain the lowest scoring themes, the benchmark saw an increase in companies prohibiting worker-paid recruitment fees and introducing or improving grievance mechanisms for supply chain workers.

## OUR LEARNINGS

Collaboration is a key to addressing forced labor. Companies should collaborate with peers, suppliers, policy makers, worker rights organizations, local NGOs, or other relevant stakeholders in countries in which its suppliers operate, as well as engage with supply chain workers.

We welcome that the majority of the companies the KnowTheChain benchmark evaluates engage with peers in multi-stakeholder initiatives or industry initiatives which focus on forced labor, such as The Consumer

Goods Forum. However, few companies engage with local stakeholders, such as policy makers or worker rights organisations in countries where their suppliers operate. Further, on average, companies disclosing little or no action to listen to, engage with, or empower workers in their supply chains. On the other hand, it is positive that companies that are taking action on worker voice are demonstrating good practices. We hope that these examples inspire other companies to follow suit, as workers play a central role in achieving systemic change.

“ No business should profit by exploiting workers. We need strong ethical leaders. The CGF provides a substantial platform to inspire change. Responsible recruitment to end forced labour needs more than just words. Now is the time for enduring action ”



**KEVIN HYLAND OBE**  
CHAIR OF THE LEADERSHIP  
GROUP FOR RESPONSIBLE  
RECRUITMENT



## OUR POSITION

Migrant workers are a ubiquitous feature of global supply chains employed in all sectors and global locations. They are also often amongst the most vulnerable to exploitation and least able to assert their rights. Increasing focus by responsible business on working conditions, and in particular the prevention of forced labour, has seen improvements in the situations of many workers. For many migrant workers however a key challenge remains – the common practice of paying recruitment fees to secure employment abroad. These fees levied by unscrupulous recruitment agents can impose severe financial burdens on workers making them vulnerable to further exploitation.

As these charges generally occur away from the company facility the practice remains a hidden form of exploitation embedded and entrenched deep within business operations. If businesses are to effectively tackle modern slavery it is vital that workers do not pay these fees and the employer takes responsibility for this business cost.

Changing to Employer Pays models of recruitment will not only help to protect workers from exploitation but also ensure better more efficient labour supply for business one based on recruitment and employment agencies delivering a professional service and supplying the most suitable candidates for the job rather than those prepared to pay the highest fees.

## OUR ACTIONS

The Leadership Group for Responsible Recruitment is a collaboration between leading companies, including a number of CGF members, and expert organisations to drive positive change in the way that migrant workers are recruited. Together, our aim is bold – reflecting the CGF Priority Industry Principle – “No Worker Should Pay for a Job”, we are working towards the total eradication of fees being charged to workers to secure employment. All members of the Leadership Group are publicly committed to a very simple premise, the Employer Pays Principle:

**No Worker should pay for a job**

**The Costs of Recruitment should be borne**

**Not by the worker but by the employer**

and are working to ensure the implementation of employer pays models of recruitment throughout their supply chains. The Leadership Group also acts as a vehicle for advocacy and collaboration and serves as a knowledge hub for sharing good practice, tools and guidance in relation to responsible recruitment.

Over the last 2 years the Leadership Group has worked closely with The Consumer Goods Forum to promote responsible recruitment, partnering on a number of events including the Global Forum for Responsible Recruitment and Employment in June 2018 in Singapore which brought together over 200 stakeholders to discuss recruitment related issues. The Leadership Group have also worked closely with CGF members to deliver supplier roundtables in Malaysia and Thailand followed by meetings between international brands and government representatives in both countries.

With a continued focus on supply chains in SE Asia and the inclusion of new sectors such as apparel, hospitality and extractives the Leadership Group will continue to deploy its collective brand leverage with suppliers, recruitment agencies, peer companies, NGO's and government to promote employer pays models of recruitment.

**CGF Members of the Leadership Group for Responsible Recruitment:** The Coca Cola Company, Ikea, Marks & Spencer, Nestle, Target, Tesco, Unilever, Walmart, and Mars, Incorporated.

## OUR LEARNINGS

The issue of responsible recruitment is now firmly established on the business agenda and an increasing number of companies are requiring suppliers to ensure that workers are not paying recruitment fees. More work is needed however to fulfil this increasing demand for ethically recruited labour. The existing worker pays system is deeply entrenched and identifying recruiters who are willing to change their business model and not charge fees to workers is challenging. Some recruiters are however beginning to spot an emerging business opportunity. Pilot certification schemes for recruitment agencies are also being developed.

It is important that the work of the Leadership Group is informed by the voices and experience of migrant workers themselves. Migrant Forum in Asia are an umbrella organisation of NGOs committed to promoting the rights of migrant workers. MFA are the newest civil society member of the Leadership Group and going forward we see their input, working alongside business members, as being a very positive feature of the initiative and extremely helpful in delivering better outcomes.

“ The complementarity of criminal justice approach and financial investigation to combat forced labour translates into leveraging anti-money laundering and anti-corruption regimes to engage with the private sector to drive change in business models. ”



**ARCHANA KOTECHEA**  
HEAD OF LEGAL  
LIBERTY ASIA



## OUR POSITION

Ten years ago, the financial industry focused extensive anti-money laundering efforts on countering the financing of terrorism, but the same level of vigilance has not been applied to stopping human trafficking, the third largest and fastest growing organized crime in the world. Fighting this fast-moving trade in human beings requires a real-time approach. Liberty Global | Liberty Asia seeks to intercept this network of crime by working with the financial industry to take advantage of its powerful tools within the anti-money laundering and terrorism financing regimes to pursue persons complicit in forced labour. The collaborative effort can help identify the variety of risks to which banks and financial service providers can be exposed. By hindering the funding of human trafficking and thereby reducing traffickers' opportunities to profit from criminal actions, we can thereby make the business of human trafficking less lucrative and higher risk.

## OUR ACTIONS

Liberty Global | Liberty Asia collects and constructs a mapping of transactions that seek to generate revenue and profit from underlying predicate offences. This **AML Typology Information Products** provide financial service providers and other recipients with the required information to identify entities, jurisdictional/market risk and involvement, different criminal strategies, criminal offences committed and the transactions to move products in industries in which there is a prevalence and incidence of labour exploitation e.g. fishing, palm oil. At the simplest level, these **AML Typology Information Products** provide red flags identifying transactions in specific industries but also provide a clearer understanding of the context and drivers of exploitation which enable users to better predict forced labour in global supply chains.

The legal team at Liberty Global | Liberty Asia helps banks and corporations understand the risks of modern slavery to business and how the law can hold them accountable for corporate-related human rights abuses, including human trafficking and forced labour in the global supply chains. Through these trainings, banks and corporations are able to understand the corporate responsibility to respect human rights and the importance of human rights due diligence in their own operations and across their supply chains. They can identify countries, sectors, regions or suppliers where there is a higher risk of forced labour and thereby prevent and mitigate the adverse human rights impacts in accordance with the UN Guiding Principles Reporting Framework and relevant law and regulations.

## OUR LEARNINGS

Liberty Global | Liberty Asia addresses the crime of human trafficking and forced labour through technological interventions, legal advocacy, and strategic collaborations with NGOs, corporations, and financial institutions. Our different work streams center around collaboration to change the way individual NGOs usually work in isolation and to build ties between NGOs and other major participants such as banks, financial services providers, law enforcement agencies, regulatory bodies, and industry stakeholders. 9,262 financial institutions currently screen for name matches on profiled traffickers submitted by our **Media Monitoring Programme**; the **Operational Research &**

**Analysis Programme** identifies the points of potential exposure to risk and liability in industries in which there is a prevalence of forced labour. The **Legal Impact Hub** has brought together 25+ NGOs, several law firms, international organizations, investigation/due diligence and asset tracing companies and semi-governmental institutions during its first year to share knowledge and actionable information and provided legal assistance to 40+ victims of human trafficking and forced labour. The **Freedom Collaborative** is a multi-service platform that builds a practitioners community of over 2,600+ anti-trafficking stakeholders worldwide.



“ The Responsible Business Alliance is committed to promoting ethical principles throughout the global supply chain. Our Responsible Labor Initiative (RLI) provides companies with proven programs and tools to combat human trafficking and forced labor. ”



**ROB LEDERER**  
EXECUTIVE DIRECTOR  
RESPONSIBLE BUSINESS  
ALLIANCE

## OUR POSITION

Supply chains include hundreds of thousands of workers who seek to make a better life for themselves and their families. Unfortunately, some are subject to conditions that may contribute to forced labor, including high recruitment fees, personal debt, complicated recruitment practices, a lack of transparency about their eventual working conditions, and inadequate legal protections in the countries in which they work.

Guiding principles on forced labor are well-established, however, solutions tend to be fragmented across industries and geographies and only address certain aspects or specific points in a worker's journey. Despite the fact that multiple industries share recruitment actors and corridors, solutions are often incomplete or implemented in parallel rather than working in conjunction with one another.

## OUR ACTIONS

The RBA has been at the forefront of addressing forced labor through the application of advanced due diligence standards, tools and programs in the global supply chains of its members. Our Code of Conduct is consistent with the CGF's Priority Industry Principles, and includes a 'Definition of Fees' that reinforces the principle that "No Worker Should Pay for a Job."

In order to implement these principles and accelerate this change, we believe that due diligence must be harmonized across multiple industries that share recruitment supply chains to drive labor market transformation through collective action. To catalyze this, the RBA launched the Responsible Labor Initiative (RLI), a multi-industry, multi-stakeholder initiative focused on ensuring that the rights of workers vulnerable to forced labor in global supply chains are consistently respected and promoted.

The Initiative is open to any company that supports the mission and vision of the RLI and whose primary objective in joining the initiative is the implementation of forced labor due diligence in their supply chain.

## OUR LEARNINGS

Since 2016, the RLI and its certified training partner have trained more than 85 labor providers in Malaysia, Indonesia and Nepal to move them toward an ethical recruitment model. Recognizing the need to prevent forced labor conditions during employment as well, the RLI has also implemented capacity building programs within workplaces in our members' supply chains. In 2017, the RLI concluded the Workplace of Choice pilot program, co-funded through a grant from Humanity United. This program uses worker surveys and training, worker-management communication systems, and a third-party worker helpline to amplify the voice of workers in operating responsible facilities. The results of the program were very positive. Workers from participating factories were surveyed before and after the program,

### Our Vision

The rights and dignity of workers vulnerable to forced labor in global supply chains are consistently respected and promoted through responsible recruitment and employment practices.

### Our Mission

Members, suppliers, recruitment partners and stakeholders use their collective influence and application of due diligence to drive the transformation of recruitment markets and reduce the risk of forced labor in global supply chains.

### Responsible Workplace and Recruitment Programs

Through a generous grant from the Walmart Foundation, the RBA Foundation and its supporting program partner ELEVATE aim to help break the cycle of exploitation common in foreign migrant worker recruitment and employment experiences by transforming the market for ethical business practices and including workers themselves in developing solutions to persistent challenges.

providing insight into how the implementation of the program reduced key conditions that contributed to forced labor, such as the charging of recruitment fees and withholding of passports. In 2018-2019, the RLI intends to extend its programs to further improve conditions and include many more participants across multiple sending and receiving countries by leveraging its new Responsible Workplace and Responsible Recruitment Programs. Top performing workplaces in the Responsible Workplace Program saw a 76% or greater improvement in the reduction of fee charging, passport retention and restrictions on freedom of movement.

For more information on the RLI, please visit [responsiblelabor.org](https://responsiblelabor.org).



“ We firmly believe that to tackle modern slavery we have to work collectively. With the Stop Slavery Hotel Industry Network, different companies with varying responsibilities in the hotel industry are joining forces, sharing information and using their collective leverage to fight this crime. ”



**MEENAL SACHDEV**  
DIRECTOR  
SHIVA FOUNDATION



## OUR POSITION

The hotel and hospitality sector employs 292 million people worldwide (1 in 10 globally) and contributes 10.2% of the global GDP. Hospitality has been identified as a sector at risk of modern slavery; the majority of roles are low-skilled and are often exposed to third party agencies who may exploit desperate individuals for their labour. When Shiva Foundation was founded by Shiva Hotels Group with the remit of tackling modern slavery in the UK, it made sense to start by looking at the hotel industry. The complexities of hotel structures make addressing human trafficking and forced labour particularly difficult. Many brands franchise their properties to different owners and owners might employ external management teams to run the day-to-day operations. Labour suppliers are frequently used and building refurbishments and developments means risks within the construction industry also become our risks. It was clear that we needed to bring all of the different players to one table. We facilitated a roundtable discussion in November 2016 and everyone there agreed that there was value in formalising a collaborative space for the industry.

## OUR ACTIONS

We believe that if we can harness the power and enthusiasm of the hotel industry, we can create an anti-trafficking movement that has the resources and capacity to really fight human trafficking and forced labour. Since its inception, Shiva Foundation has been working with the industry to create a dynamic model that seeks to address risk of modern slavery across supply chains, employment practices and facilities: the Stop Slavery Blueprint. This toolkit provides practical measures to address some of the main risk areas, including training, signs to spot and reporting protocols. It was developed over the past two years working closely with a range of stakeholders within the hotel industry and anti-trafficking space and is now free for hotels to use as they see fit. Prior to its launch, the Blueprint was piloted at one hotel and has since been rolled out across the Shiva Hotels portfolio.

Shiva Foundation set up and now coordinates the Stop Slavery Hotel Industry Network, which brings together various stakeholders within the hotel industry to address modern slavery. It stems from the acknowledgement that all actors within the industry,

whether international brands, independent owners, or management companies, are responsible for combating this crime. The Network aims to facilitate communication between the complex layers and to foster collaboration to meaningfully address inherent challenges. We ensure that we are tapped into the wider industry, beyond those who sit on the Network; UK Hospitality and the International Tourism Partnership (ITP) are both part of the Network and we ensure that our work is complementing the work of the ITP Human Rights Working Group. During its first year, the Network produced the Framework for Working with Suppliers, a tool designed to help the industry take action in practical ways. The Framework details specific risk areas for the industry and offers guidance in terms of taking appropriate steps to addressing and mitigating the risk with all suppliers, including those supplying labour. It is a practical tool which can help hotels adhere to ITP's recently launched industry Principles on Forced Labour, which echo The Consumer Goods Forum (CGF)'s Priority Industry Principles. We fully support these Principles and are working to help with their implementation.

## OUR LEARNINGS

Collective action is about taking action. When we first started the conversation about an industry network, we realised it was important to consider which issues required collective action and to narrow down our scope from there. Issues reliant on an individual company to make change don't require this group collective. It is important to be strategic from the outset.

Clarifying roles is difficult but critical. The hotel industry is very complex with regards to the relationships between actors. Hotels must work with their peers, colleagues and competitors to ensure everyone's role in preventing slavery in the supply chain is clear. By understanding when and how to consult and inform each other, we can understand how to better work together to address challenges quickly or spot global trends or risk indicators.

Safe spaces are needed. Throughout the process of setting up and running the Network we have seen the value of having a safe space where company representatives can come together and speak honestly and generally about their challenges. There is value in learning from others in a non-judgmental environment. Working collectively also removes the risk of one company fighting a battle alone.

We can all learn from each other. Our Network meetings have featured presentations and workshops with external experts, such as the CGF. It is important to recognise that there are many others in different industries who are on the same journey and that we can benefit from sharing each others' lessons along the way.

“ We support the fight against modern slavery through our four programmes: shedding light on the issue globally through our daily news coverage, providing free legal assistance to frontline NGOs, training and mentoring journalists around the world to cover the issue, and our annual Trust Conference. ”



**MONIQUE VILLA**  
CEO  
THOMSON REUTERS  
FOUNDATION



## OUR POSITION

Monique Villa, CEO of the Thomson Reuters Foundation, decided to focus the Foundation's work on the fight against modern slavery after discovering that slavery still existed some ten years ago through books she'd read and people she'd met. Somaly Mam was one of them – a Cambodian who was sold into sex slavery by her father at the age of 8. It was a turning point for Monique, who directed the Thomson Reuters Foundation's journalists to shed light on the crime and cover the issue. In 2012 Monique also launched what is now a leading global human rights conference, Trust Conference, with the mission of going beyond words and committing to action. The first concrete action taken at the forum was to follow the data of traffickers through their bank accounts. It was the start of a long journey.

## OUR ACTIONS

The Thomson Reuters Foundation's work in the fight against slavery is immensely valuable to businesses looking to engage with the CGF's Priority Industry Principles. By showcasing best business practice, it plays a leading role in paving the way for other corporations to follow suit. Moreover, it connects business leaders to other experts in the field, better equipping them with the tools they need to address forced labour in their own operations. Below are two actions taken by the Thomson Reuters Foundation.

### BANKS' ALLIANCE TO FIGHT SLAVERY WITH DATA

In 2013, the Thomson Reuters Foundation partnered with Manhattan District Attorney Cyrus Vance to create a working group to bring together the top financial institutions and anti-slavery NGOs in the US. The group produced a set of red flag indicators that helped to detect and report suspicious financial activity linked to human trafficking. In 2014, following the adoption of the indicators by financial institutions and the Financial Crimes Enforcement Network (FinCen), Cyrus Vance reported a significant spike in the number of

Suspicious Activity Reports. In 2017, the Banks Alliance was replicated in Europe with a toolkit for financial institutions, which was endorsed by the Wolfsberg Group, and is being used by the Financial Action Task Force (FATF). The US Banks Alliance Toolkit was updated in 2018.

### STOP SLAVERY AWARD

In 2016, the Thomson Reuters Foundation created the Stop Slavery Award with Anish Kapoor to honour businesses leading the way in eradicating forced labor from their supply chains. The Stop Slavery Award demonstrates that business can play a critical role in eradicating modern slavery globally. In the last two years, dozens of applications were submitted from corporations such as Apple, Walmart, Thai Union or Marks & Spencer. The winners have been Adidas, HPE, Intel, NXP Semiconductors, C&A, and the Co-operative Group in the UK.

## OUR LEARNINGS

- Companies that have seen success in trying to suppress forced labour in their supply chains are mostly the ones who have started to work with their industry. The challenge is huge and the chains complex, so no company can work alone to address the issue. This has been evident in the mining industry, in the food industry and in the tech industry. Others are following their lead.
- Supply chains need to be monitored closely and checked without warning - audits can't just be delegated to third parties.
- Real impact comes from shared expertise - with businesses, government and civil society working together. Great examples of this include the Responsible Business Alliance, a coalition of businesses working in the electronics industry, committed to supporting the rights of workers and communities linked to their supply chain.
- Most of the candidates who applied for the Foundation's Stop Slavery Award have started to take real action to address the issue after the media pointed to wrongdoing in their industry or production lines. Investigative journalism is not dead.
- Listen to survivors - they are the most valuable resource in the fight against slavery.

“ The World Egg Organisation and our members from over 80 countries are proud to join the global call to eliminate forced labour in our supply chains and strengthen our collective approach to promote human rights.” ”



## OUR POSITION

The World Egg Organisation is proud to share the vision to eradicate forced labour with business leaders around the world. With more than 5 billion eggs produced and consumed each day around the world, we are uniquely positioned to work directly with farmers to end unethical labour practices within the value chain.

Our efforts are rooted in a robust vision of sustainability for the global egg industry. We recognise our role as responsible businesses to respect and promote human rights in alignment with ongoing efforts such as the United Nations Guiding Principles on Business and Human Rights and other international frameworks including the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises and the United Nations Sustainable Development Goals.

Earlier this year the World Egg Organisation adopted The Consumer Goods Forum's Resolution on Forced Labour at our international industry conference in April. These steps makes us the first global commodity group to join a wider effort to promote human rights.



**TIM LAMBERT**  
CHAIRMAN  
WORLD EGG ORGANISATION

## OUR ACTIONS

We are committed to working with our supply chain partners to identify and address issues of shared concern, enhancing the efficiency of individual company initiatives in this area. As a result, we are working towards developing specific action plans supporting the eradication of forced labour, in alignment with the guidance provided by the United Nations Guiding Principles on Business and Human Rights. These ambitious goals will be executed under the guidance of the egg industry's Global Initiative for Sustainable Eggs which supports a range of sustainability objectives and a vision of continuous improvement.

To further enhance our approach we have chosen to focus our efforts around three core principles:

- Education: Raise the collective understanding of our members, which include egg industry decision-makers from over 80 countries, on the issues of

modern slavery and forced labour in today's global economy. Our approach draws on subject matter experts and shares case studies to deepen our understanding of social sustainability issues and strategies to address vulnerabilities.

- Dialogue: Encourage our member organisations to engage in dialogue with their supply chain to identify issues of shared concern, implement preventative action, and measure outcomes.
- Collaboration: We recognize that it is through collaborative efforts that we will make true and meaningful progress, and so we look to our members, supply chain partners and industry experts to achieve long-term solutions.

## OUR LEARNINGS

For the World Egg Organisation, our journey is just beginning. While we are committed to learning from likeminded organisations, our most valuable lesson for driving sustainability across our network includes being proactive and transparent in our operations and approach. By taking a first step forward to add our voice to the call to end forced labour we are strengthening our sector and responding to changing societal expectations.

We've also learned that investing in and embracing constructive relationships with leaders in the field deepens our understanding of the complex issue and helps strengthen action plans. We believe that long-term and meaningful solutions are rooted in collaboration.

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