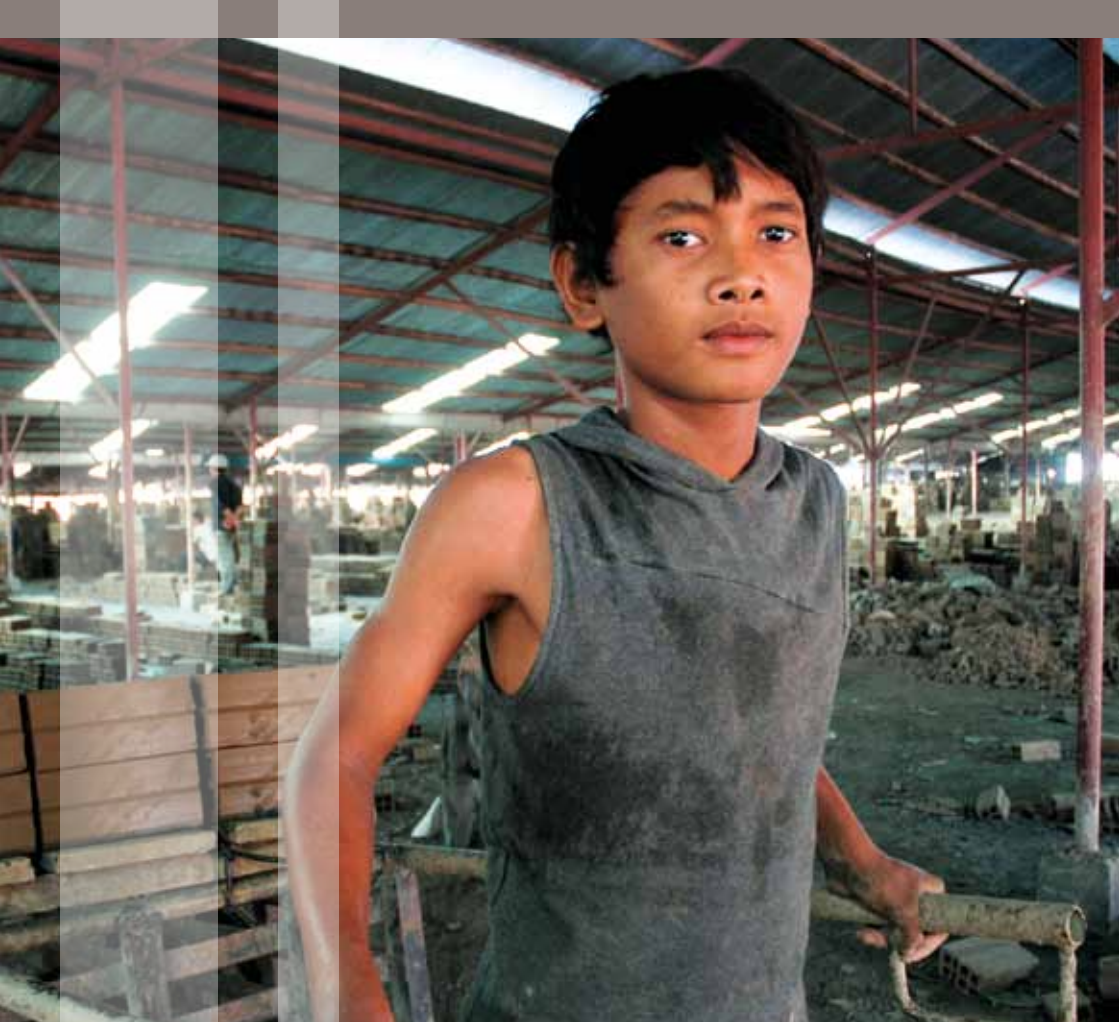




**DON'T  
TRADE  
LIVES**



**Addressing labour exploitation in  
supply chains – guidelines for business**

Child labour deprives children of their right to an education and a safe childhood.



## DO YOU KNOW WHAT'S IN YOUR SUPPLY CHAIN?

Human trafficking – the buying and selling of people for the purpose of exploiting their labour – is now the world's third largest transnational crime, behind drugs and arms. It is a crime against an individual, their rights and dignity, and is fuelled by the ever expanding demands of global consumers for cheap goods and services.

Businesses can sometimes unknowingly or indirectly fuel this crime, particularly when their supply chains are long and complex. However – along with governments and individuals – businesses have a moral responsibility to combat this crime.

These brief guidelines are intended to assist businesses in taking steps to ensure transparent, traceable and independently verifiable supply chains that are free from labour exploitation.

**Cover image:** In Cambodia, children can be found working in hazardous environments such as brick-making factories and construction sites.

Businesses can manage the risks of infringing human rights by undertaking human rights due diligence. This is a useful tool to identify and eliminate slavery, trafficked or forced labour in a supply chain.

### **TO UNDERTAKE HUMAN RIGHTS DUE DILIGENCE, A CORPORATION SHOULD:**

1. produce a statement of policy outlining its commitment to human rights;
2. periodically assess the actual and potential human rights impact of its activities and relationships;
3. incorporate the policy commitments and impact assessments into its internal control and oversight procedures;
4. report on its performance; and
5. provide appropriate grievance mechanisms.

The essence of the human rights due diligence approach – commit, assess, implement and report – is similar to other core business activities, for example in relation to consumer protection or environmental laws.



**Trafficked children can end up living on the streets, scavenging for their survival.**

## DETAILED BEST PRACTICE RECOMMENDATIONS

Businesses that are at the forefront of eliminating slavery, trafficked and forced labour from their supply chains accept that simply monitoring compliance with codes of conduct is not sufficient. While these actions are important, it is equally important to attempt to identify and prevent the underlying causes of the problem.

There are a number of policies and actions that corporations can adopt to address the use of slavery, trafficked or forced labour in their supply chain.

### PRIOR TO ENGAGING A SUPPLIER

- Publish a policy or code of conduct which establishes that slavery, trafficked and forced labour will not be tolerated.
- Impose prohibitions on the use of slavery, trafficked or forced labour by suppliers in supply contracts.
- Undertake due diligence on potential suppliers in order to determine whether they use, or are likely to use slavery, trafficked or forced labour.
- Undertake country- or sector-risk assessments to determine the likelihood of improper labour practices.
- Investigate recruitment practices and the general standards of suppliers. For example, seek to identify practices which might enable labour abuse, such as paying recruitment fees or the retention of identity documents.
- Participate in, and require a supplier to participate in, the negotiation of an International Framework Agreement (IFA).<sup>1</sup>
- Establish policies which set out when to work with a supplier to improve labour standards and when to cease placing orders with a supplier.

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<sup>1</sup> IFAs are a tool negotiated at an international level between the corporation and the Global Union Federation. They are similar to collective bargaining agreements and codes of conduct.

Businesses have a crucial role to play in identifying and eliminating exploitative labour from their supply chains.



## INFORMATION GATHERING AND MONITORING ONCE A SUPPLIER IS ENGAGED

- Require suppliers to provide statements of compliance which report on labour conditions.
- Monitor the use of labour throughout the supply chain (including with sub-contractors).
- Publicly announce procedures which establish independent, unexpected audits.
- Verify corrective measures through independent third party investigation for larger corporations.
- Conduct spot audits for smaller corporations.
- Encourage or require suppliers to identify sub-contractors in order to monitor the use of labour further along the supply chain.
- Provide confidential and anonymous complaint procedures to genuinely engage with workers in the supply chain.
- Provide opportunities for supply chain labour representatives to identify and discuss concerns directly with the corporation rather than through the supplier.

## **RESPONSE IF IMPROPER LABOUR PRACTICES OCCUR**

- Require suppliers to provide compensation and support for victims.
- Require corrective measures if labour abuses are found so that they do not continue.
- Establish connections with existing local support networks so as to enable victims to access existing services.
- Depending upon the level and extent of labour abuse, work with the supplier to improve conditions or remove the supplier from the supply chain.

## **BYPASSING THE SUPPLIER**

- Provide community education programs to empower workers and the community. These programs can focus on building support systems for workers, raising community awareness about slavery, trafficked or forced labour, and supporting exploitation reporting mechanisms.
- Identify the root causes of particular vulnerabilities of workers, such as poverty, debt and poor education and create programs which address these problems directly.

## **COLLECTIVE ENGAGEMENT**

- Develop partnerships with other stakeholders, including the business sector, NGOs, trade unions and international organisations, to share information, approaches and solutions to stop unacceptable labour practices.

## **INTERNAL PRACTICES**

- Address the extent to which internal practices contribute to supply chain pressures which in turn contribute to improper labour practices. For example, the timing of a changed order can place pressure on a supplier's factory to meet its production deadline. This may in turn necessitate increased working hours in order to deliver the product.

## THE “PROTECT, RESPECT AND REMEDY” FRAMEWORK

In 2008, the United Nations Special Representative on business and human rights, Professor John Ruggie, presented a conceptual framework to anchor the business and human rights debate. The framework was adopted by the Human Rights Council unanimously and the Australian Senate passed a parliamentary motion which took note of the framework and called on the government to “encourage Australian companies to respect the rights of members of the communities in which they operate and to develop rights-compliant grievance mechanisms, whether acting in Australia or overseas”.

The framework comprises the following three core principles:

- the **state duty to protect** against human rights abuses by third parties, including business;
- the **corporate responsibility to respect** human rights; and
- greater access by victims to effective remedy, both judicial and non-judicial.

The corporate responsibility to respect human rights is a standard of conduct which is adopted by almost every voluntary and soft-law corporate responsibility related instrument, including the UN Global Compact, the International Labour Organisation’s (ILO) Tripartite Declaration and the OECD Guidelines for Multinational Enterprises. The framework states that the human rights outlined in the International Bill of Human Rights form a baseline for this corporate responsibility to respect.

Isolation from community or lack of language skills makes it hard for trafficked victims to understand their rights.



## SUPPLEMENTARY RESOURCES

There are some practical tools and resources that can help businesses to align their operations with principles contained in international labour standards, which are available online. These include:

- Combating forced labour: A handbook for employers and business (ILO)
- Strengthening Employers' Activities against Forced Labour (ILO)
- Human Trafficking and Business: Good practices to prevent and combat human trafficking (UN Global Initiative to Fight Human Trafficking Guide)
- How to Combat Forced Labour and Trafficking (International Trade Union Confederation Guide)
- Support for Supply Chains (Global Reporting Initiative)



The demand for cheap labour exposes tens of thousands of Myanmar migrant workers to exploitation in the fishing industry.

## DON'T TRADE LIVES

World Vision's Don't Trade Lives campaign calls for individuals, governments and the private sector to combat human trafficking and slavery by addressing the supply of and demand for exploited labour, and by challenging the attitudes, systems and structures that allow it to happen.

For more information,  
visit [donttradelives.com.au](http://donttradelives.com.au)

