



Ergon

Managing Risks Associated with Modern Slavery

A Good Practice Note for the Private Sector

DRAFT – For public consultation
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Supported by:



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Modern Slavery Guidance Note – Foreword

1. Modern Slavery is a complex and widespread aspect of the working conditions of many sectors and markets globally. In addition to the most egregious forms of modern slavery (including trafficking), it exists in more subtle and nuanced ways, including debt bondage traps in recruitment, retention of travel documents and professional certificates, and “caution money” that reduces the ability of employees to move between jobs.

2. Additionally, indentured and bonded labour is often encountered in supply chains and on the margins of the formal and informal sectors. Practices such as these affect women and children disproportionately.

3. Investors are increasingly recognising that their investment decisions (and the controls they place on deals) can play a significant role in reducing risks of becoming complicit in modern slavery. The contributors to this Guidance (CDC, DFID, EBRD and IFC) recognised that additional guidance, specifically focussed on the needs of financial institutions, investors and companies, was needed to increase the ability to recognise and assess the risks of modern slavery, and to have appropriate controls and levers to implement remedies.

4. The Guidance does not set new standards but aims to provide practical tools to support due environmental and social diligence, as well as monitoring processes that many investors and companies have in place.

5. The Guidance has benefitted from inputs and contributions from a wide range of interested parties (Annex 1) and was drawn together and collated by [Ergon Associates](#) and the [Ethical Trading Initiative](#) (ETI).

40.3 **Million people live in Modern Slavery today**

24.9 **Million in Forced Labour**

71% **Are Women**

Source: Global Slavery Index 2018

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Glossary

Audit	Also referred to as workplace assessment. Refers to a workplace / site level assessment of working conditions.
Business partner	This refers to Clients, portfolio companies, contractors and suppliers that receive loans/investments, or provide services or goods to DFIs, investors and companies. Also referred to as third parties.
Company	Refers to a private sector company. This includes a company that is the recipient of an investment from a DFI or from an alternative investor and includes those operating in emerging markets and poorer economies.
Contractor	A business partner contracted to carry out a service for a company.
Expert	An individual or organisation that has strong familiarity with the issue of modern slavery in a particular sector or geography.
Grievance	An allegation, issue, or problem that a person or persons have related to their or someone else’s treatment or experience at work. This can cover a broad range of concerns, ranging from a complaint about the quality of food provided in the canteen, to serious and potentially illegal actions such as modern slavery.
Investor	Bank, fund or other financial actor who either provides finance to a private company.
Issue	Identified instances of infringements on workers’ rights, including instances of modern slavery.
Migrant worker	A worker that has travelled from their native geography to carry out the work. This could include foreign migrant workers coming from other countries, or internal migrants that comes from other regions within the same country. Not all migrant workers are illegal workers and refugees, though illegal workers and refugees are often included in migrant worker numbers.
Mitigation	Actions to take to prevent identified risks negatively impacting workers.
Portfolio company	Also referred to as “investees”. A company that receives an investment from an investor.
Remediation	Remediation is the process of providing a remedy for a harm. Remedy can take a variety of different forms, including apologies, restitution, rehabilitation, financial and non-financial compensation and as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition
Risk	The potential for workers’ rights to be negatively impacted because of the activities of DFIs, investors, companies and their business partners.
Sending country	The country of which a foreign migrant worker is a citizen.
Sub-contractor	An individual or commercial entity contracted to carry out a service by a contractor.
Supplier	Any business that directly or indirectly provides material goods to a company.
Supply chain	Refers to the chain of suppliers providing materials, components, goods, or products for use in the activities of companies. This includes suppliers of raw materials and suppliers of specific pieces or components for assembly / production.
Third party	This refers to Clients, portfolio companies, contractors and suppliers that receive loans/investments, or provide services or goods to DFIs, investors and companies. Also referred to as business partners.
Worker	For the purposes of this GPN, a worker is an individual hired to carry out activities on, or related to, the activities of a DFI, investor, company or their business partners. This includes directly hired individuals and individuals hired through third parties such as contractors, subcontractors, labour agencies and suppliers. This includes individuals in both high and low skilled positions.

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Worksite All parts within the boundaries of a project’s physical location or where work is taking place. Also referred to as a site.

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Introduction

Background

6. According to recent estimates, there are roughly 40.3 million victims of modern slavery around the world, of which 24.9 million are estimated to be in conditions of forced labour. Modern slavery disproportionately impacts women who are thought to make up an estimated 71% of modern slavery victims.¹ In recent years, the issue of modern slavery has gained increasing prominence including among Development Finance Institutions (DFIs), investors and private sector companies. This has been driven by a greater understanding of the scale and degree of the issue, policy debates including national modern slavery legislation², the inclusion of a target to end modern slavery in the UN Sustainable Development Goals, and heightened scrutiny from media and civil society.

7. This focus on modern slavery takes place against a backdrop wherein the private sector is under increasing pressure to respect human rights more broadly, to follow the approach set out in the UN Guiding Principles on Business and Human Rights (UNGPs) and to identify and minimise the negative impacts of their activities.

8. Ultimately, despite intensified focus on this issue, there is confusion as to what modern slavery is, how to identify it, and what actions and remediation steps to take once it has been identified. For many investors and companies, it is also difficult to determine who should be responsible for taking these measures. Additionally, DFIs, investors and companies often face a tension between ensuring compliance on this issue versus progressively achieving better working conditions. Understanding and addressing modern slavery therefore requires nuanced and contextual approaches.

9. **Objectives and scope:** This Good Practice Note (GPN) aims to explain the concept of modern slavery, provide guidance on identifying modern slavery risks, and describes relevant mitigation, monitoring, and remediation strategies. It also presents the business case for addressing modern slavery issues, provides examples of good practices where relevant and includes practical tools and checklists in the Annexes.

10. **Audience:** This GPN targets two groups: DFIs and investors, and private sector companies operating in emerging markets. For DFIs and investors this GPN will be relevant to E&S specialists and investment staff, while for companies it will be relevant to a range of functions including human resources, sustainability, and procurement staff. Some parts of the guidance will be more relevant to one group than others, This is signalled in the “how to use” below.

11. **How to use:** The table below provides a high-level overview of this GPN's contents and identifies how each section may be relevant to a DFI, investor, or company. It provides a broad picture of how each sub-

¹ <https://www.globallslaveryindex.org/> A 2017 study disaggregates the numbers further - <https://www.alliance87.org>

² Most notably the UK *Modern Slavery Act* which requires commercial organisations to report on the steps they are taking to address modern slavery risks. Similar legislation exists in France (*la Loi sur le devoir de vigilance des sociétés mères et des entreprises donneuses d'ordre*) and Australia (the *Modern Slavery Act*). Beyond national frameworks, the international community has also taken the initiative, for instance through 'A Call to Action to End Forced Labour, Modern Slavery and Human Trafficking' which has been endorsed by a number of states. For more information on relevant legal frameworks, see [Section 2.1](#).

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section is linked and how parts of the guidance can be read by different audience members to ensure that content is relevant for them.

	DFIs and investors	Companies
1. Understanding modern slavery		
1.1 What is modern slavery?	Understanding exploitative practices and relevant international standards which underpin the definition of modern slavery, particularly the concept of forced labour	
1.2 A continuum of labour exploitation	Understanding the contextual nature of modern slavery and its existence along a spectrum of labour exploitation through example scenarios	
1.3 Understanding root causes and drivers	Exploring the underlying factors which can drive modern slavery and labour exploitation in order to inform mitigation and remediation measures	
1.4 Why should DFIs, investors, and companies address modern slavery?	Developing the business case for addressing modern slavery based on reputational, compliance, and commercial drivers	
2. Relevant standards and safeguards		
2.1 National legal frameworks	Brief introduction to national laws which can touch upon modern slavery	
2.2 Voluntary standards related to modern slavery	Understanding the degree to which voluntary standards can support or be proxies for compliance with national law or DFI standards	Overview of voluntary standards produced by various organisations which address forced labour and which may require higher standards than national law
2.3 DFI safeguards	Introduction and explanation of DFI safeguards which address forced labour and which may require higher standards than national law	
2.4 Developing effective policies	Guidance on elements of an effective policy as well as a discussion on policy review and ‘zero tolerance’ modern slavery policies	
3. Assessing the risk of modern slavery		
3.1 Identifying high level modern slavery risks	What high level modern slavery indicators to look for in a portfolio company, based on country / sector risk (including a sample modern slavery prevalence map), worker ‘type’ risk, and management system risk	What high level modern slavery indicators to look for in direct operations, suppliers or contractors, based on country / sector risk (including a sample modern slavery prevalence map), worker ‘type’ risk, and management system risk
3.2 Mapping supply chains	Understanding supply chain mapping for portfolio companies	How to prioritise and start supply chain mapping
3.3 Identifying indicators of modern slavery risk at workplace level	How to follow-up on high level risks with workplace assessments in order to identify workplace level risks in your portfolio company	How to follow-up on high level risks with workplace assessments in order to identify workplace level risks within your operations, suppliers, or contractors
3.4 Clarifying and validating risk	Example questions and considerations which can be used to clarify and validate risks that have been identified	
4. Mitigating modern slavery risks		
4.1 Identifying and using leverage	Introduces the concept of leverage and explores different leverage points, as well as the challenges associated with low leverage due to the timing of financing or investments in challenging national contexts	Introduces the concept of leverage and explores different leverage points, as well as the challenges associated with low leverage in extended supply chains
4.2 Principles of mitigating modern slavery risks	Highlights key principles which should inform mitigation actions including simple requirements, relationship-building, and promoting understanding	
4.3 Risk mitigation measures for DFIs and investors	How to implement mitigation measures across typical DFI / investor activities including appraisal, contractual clauses, capacity-building and reporting	
4.4 Risk mitigation measures for companies		How to implement mitigation measures in response to both contractor and supply chain risks, including through pre-selection considerations, contractual clauses, and dialogue
5. Remediation		
5.1 What is remediation?	Introduces the concept of remediation as well as important principles to consider when designing and implementing remediation processes including victim protection, victim focus, and collaboration	
5.2 Who is responsible for remediation?	Understanding responsibility for remediation based on the framework provided by the UN Guiding Principles	

5.3 Grievance mechanisms	Brief overview of effective grievance mechanisms and the different entry points for workers to raise concerns
5.4 Pathways to remediation	Considerations when developing remediation policies and systems, and how to follow a suggested remediation pathway depending on the nature of a modern slavery incident (i.e. incidences that can be solved by employers, incidences linked with criminality, and incidences linked with state sponsorship)
6. Monitoring and reporting on actions and change	
6.1 Reporting	Understand the role of monitoring and how it can inform other actions being undertaken relating to modern slavery, as well as the role of contractual and mandatory reporting requirements
6.2 Ongoing monitoring	How to approach ongoing monitoring, with specific attention to stakeholder engagement and the use of new technologies
6.3 Key Performance Indicators (KPIs)	Suggested KPIS which can be used as a method of measuring the effectiveness of actions

Further reading

Other resources cover certain aspects of modern slavery in great detail, and this GPN attempts to avoid duplication or replication. Where relevant, the GPN identifies additional sources of information which can provide further guidance on topics which are covered by this note. These are provided in textboxes like this throughout the document.

1. Understanding modern slavery

Overview of Section 1	DFIs and Investors	Companies
Key outcomes:	Understand the highly contextual nature of modern slavery, how the term modern slavery relates to international norms, its root causes, and the business case for addressing it	
1.1 What is modern slavery?	Understanding exploitative practices and relevant international standards which underpin the definition of modern slavery, particularly the concept of forced labour	
1.2 A continuum of labour exploitation	Understanding the contextual nature of modern slavery and its existence along a spectrum of labour exploitation with examples	
1.3 Understanding root causes and drivers	Exploring the underlying factors which can drive modern slavery and labour exploitation in order to inform mitigation and remediation measures	
1.4 Why should DFIs, investors, and companies address modern slavery?	Developing the business case for addressing modern slavery based on reputational, compliance, and commercial drivers	

1.1 What is modern slavery?

12. Modern slavery is an umbrella term used to cover slavery, servitude, forced or compulsory labour, and human trafficking, which are defined by several international standards.

Forced or compulsory labour is defined by the ILO Forced Labour Convention, 1930 (No. 29) as “all work or service which is exacted from any person under the **menace of any penalty** and for which the said person has not offered himself voluntarily” (Art. 2.1).

Human trafficking can lead to situations of forced labour and is defined under the Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children (the Trafficking Protocol), an instrument which was adopted to supplement the UN Convention against Transnational Organized Crime. According to the Trafficking Protocol, trafficking in persons involves the ‘recruitment, transportation, transfer, harbouring or receipt of persons, **by means of the threat or use of force or other forms of coercion ... for the purpose of exploitation.**’

Slavery and servitude are referenced in a number of international instruments, both separately and in conjunction with one another (e.g. the *Universal Declaration of Human Rights*, 1948, and the *Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery*, 1956). While both terms elude precise definition under international standards, they are underpinned by concepts of ownership and deprivation of free will.

13. Of these definitions, the concept of forced or compulsory labour is often most relevant to the audience of DFIs, investors and companies reading this guidance and most helpful in terms of definitional clarity. This is because forced and compulsory labour is the form of modern slavery which DFIs, investors and companies are most likely to have an impact on or to be linked to.

Box 1: Child labour and modern slavery

It is a common misconception that all child labour is a form of modern slavery. While child labour is to certain degrees prohibited under most national legislation, there are complex reasons why some children work rather than attend school. For example, many children work to contribute to family income but this does not necessarily cause harm to their health and development, impede their education, nor is the work performed involuntarily or under threat of penalty.

However, some forms of child labour can constitute modern slavery. This includes some of the worst forms of child labour as defined by the ILO's Worst Forms of Child Labour Convention, 1999 (No. 182) which includes work that is hazardous, undertaken at night, requires long hours or causes harm to the health, safety or morals of a child. ILO Conventions on Child labour (c138 and C182) are included in 'core labour standards'. Modern slavery involving children includes sale of children, bonded child labour, child servitude and the sexual exploitation of children.

It is also important to be aware that responding to instances of child labour requires a different set of actions compared to actions in response to modern slavery. This guidance does not address Child Labour but there are other resources and guidance materials that will be helpful for investors and companies, including:

- ETI, [Base Code Guidance: Child Labour](#)
- IFC, [Good Practice Note: Addressing Child Labour in the Workplace and Supply Chain](#)
- ILO-IOE, [Child Labour Guidance Tool for Business](#)

1.1.1 Using indicators to identify modern slavery victims

14. The ILO definition of forced labour as set out above centres on two questions:

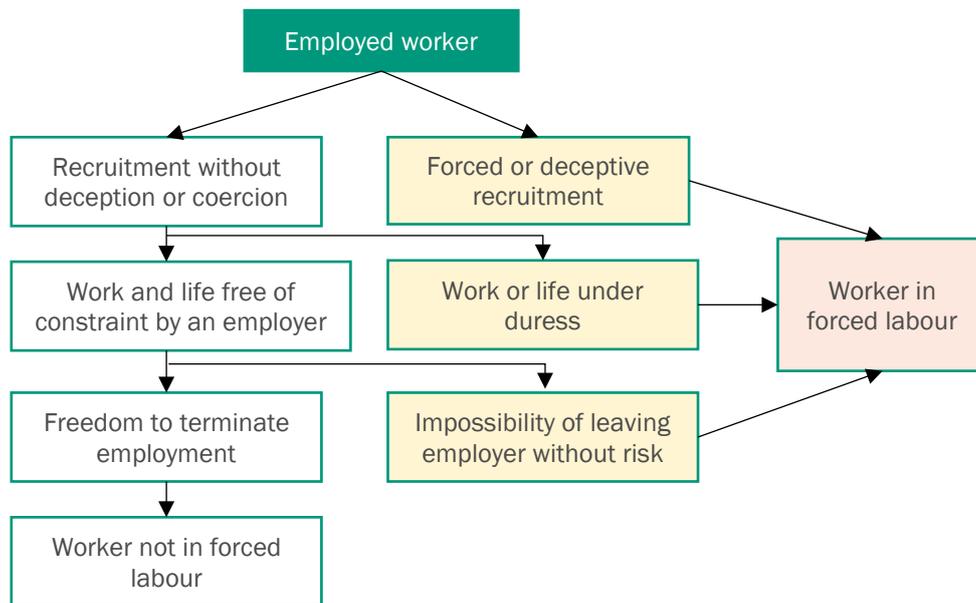
- Has the worker in question been the subject of a threat or menace of **penalty**? and
- Did the worker provide his or her consent to work freely and is he or she free to leave (the absence of these freedoms is the concept of **involuntariness**)?

Both of these need to be supported by clear “indicators” for an instance of forced labour to be identified. Additionally, these tests need to be applied to one of three dimensions:

- **Unfree recruitment:** Covers forced and deceptive recruitment practices
- **Work and life under duress:** Covers adverse working or living situations imposed on a person by the use of force, penalty or menace of penalty.
- **Impossibility of leaving an employer:** When leaving one's employer entails a penalty or risk to that worker

15. For example, forced labour would be identified under the “unfree recruitment” dimension of employment if there was at least one indicator of penalty and one indicator of involuntariness present, and at least one of these indicators is strong. See [Part 2 of the ILO's guidance on indicators of forced labour](#) for a detailed overview of the indicators forced labour for adults and children.

Figure 1: Forced labour measurement framework



Further reading

[SEDEX, Guidance on Operational Practice and Indicators of Forced Labour](#): contains further guidance and indicators for assessing forced labour risk

1.2 A continuum of labour exploitation

16. Modern slavery lies at one extreme end of a continuum of exploitation and there is often no clear boundary between modern slavery and other serious labour abuses. Poor labour practices that, in and of themselves, do not constitute modern slavery, can still contribute to the risk of modern slavery or, when combined with other factors, can push workers into conditions of modern slavery. Therefore, addressing these risks can help prevent modern slavery. In addition, both national labour law and DFI and investor standards will often require that such situations are addressed in any event.

17. It should also be noted that employers and workers themselves may not be aware that a situation of modern slavery exists. Workers can also move in and out of situations of modern slavery over a period of time since their degree of vulnerability can change. For example, if a worker has taken out a loan to finance their recruitment and a family member later becomes ill requiring further loans, the added burden of servicing these debts can influence the worker’s overall vulnerability.

Table 1: Modern slavery examples

Different forms of modern slavery that are most relevant for DFIs, investors and companies to consider include those imposed by the State and those arising from the actions of private actors. The table below gives some examples of the types of considerations that may be involved in determining whether a case considered as modern slavery.

Modern Slavery	Work exacted by military	Compulsory participation in public works	Prison labour
Yes	State military personnel force local farmers to tend military-owned fields and maintain local military infrastructure. They do this through threats or instances of violence.	Inhabitants of a rural area are summoned by the public authority to build a road that will allow for mechanised transport, thus supporting economic development. Those who fail to participate are liable to financial penalties or imprisonment.	Prisoners are forced to make products for a company in the private sector in conditions that, if carried on outside the prison, would be considered unlawful.
No	All men between the ages of 18 and 25 eligible for compulsory military conscription are required to serve in the military for a defined period of time.	Once a month, every household must send at least one family representative to participate in half a day of community work, which is focussed on cleaning and tidying public spaces.	Prison workers are hired to work on a private sector project on terms that are equivalent to non-prison workers. Work is paid, there are written contracts that set out these terms, and work is voluntary.
Modern Slavery	Debt bondage	Forced Overtime	Document retention
Yes	A migrant worker borrows a significant sum from a money lender to secure a job. A broker has told them that their wages will be sufficient to pay back the loan within weeks. Once they start work, they are forced to sign contracts that they do not understand, and they are paid very low sums by the employer who says most of their wages are needed to pay off their debt. Their debt does not reduce due to the high interest rates charged.	Factory workers are told that they must work additional shifts whenever there is a late order from a customer. This is a regular occurrence, and workers are given no choice on whether they work or not and are threatened with dismissal if they refuse. Transport from the factory does not run until the overtime is finished. The hours worked are in excess of those allowed by national law.	An employer confiscates the passports of its migrant workers when they start work. These workers are told that they will get their passports back when they complete the work that they are assigned.
No	A migrant worker borrows a small sum from a money lender to secure a job. This loan is paid off by the worker within a few months of starting the job. The worker's family has not incurred long-term debt as a result of this loan.	Workers in a factory are contractually required to work overtime up to the legal monthly limit, in order to meet production targets.	All company employees are required to give their passports to their manager when they start work. If the manager retains their documents, the consent of the worker is sought and the worker is able to access their own documents at any time.

Box 2: Special Focus on Recruitment Fees & Migrant Workers

A common example of modern slavery is that of migrant workers in situations of debt bondage, where workers are forced to work to pay off a debt. The term ‘migrant worker’ here, refers to both foreign nationals, initially recruited in their home country to work abroad, or internal migrants, that are from another state or province and who have to travel to another place for work. Situations of forced labour may arise when migrant workers are forced to continue working indefinitely to pay off a high initial ‘recruitment fee’.

The vulnerability of migrant workers, particularly as a result of recruitment fees, has received considerable attention in recent years and there are numerous initiatives and efforts to address the issue in sectors such as construction, electronics and hospitality.

A recruitment fee is defined by the [ILO](#) as “any fees or costs incurred in the recruitment process in order for workers to secure employment or placement, regardless of the manner, timing or location of their imposition or collection”. For more guidance on what constitutes an unfair cost or fee charged to workers, see [Tool 2](#).

What are the risk factors?

Recruitment fees: Migrant workers may borrow money from unscrupulous money lenders in order to pay fees to secure employment (e.g. visas, travel, etc) leading to debt. This may be compounded by exorbitant interest rates attached to the debt and where workers must pay numerous intermediaries such as local brokers, national recruitment agencies, and international agencies.

Deception: Labour brokers or recruitment agencies may not give workers written contracts, or contracts in a language the worker understands. As such, they may be misled about the job they have applied for and the terms and conditions in which they will be employed. Workers’ contracts may also be substituted for terms that are less favourable on arrival at their destination of work.

Wages: Workers’ wages may not be paid to them in full because of unlawful deductions, wage payments may be delayed or withheld by the employer, or workers’ bank accounts may be controlled by their employer meaning they cannot access their full wages.

Document retention: Employers may retain their workers’ personal documents (such as passports) or other valuables, in order to prevent the worker from leaving their employer or absconding. This can essentially tie the worker to their employer.

Worker accommodation: Where an employer provides accommodation to a migrant worker, this may be because the worker has no other choice but to live there. This makes the workers more reliant on the employer and can result in them living in very poor conditions.

Taken together, these risks as set out above can result in workers finding themselves in situations of debt bondage, and unable to leave their employer, despite the exploitative working conditions.

Further reading

[The Leadership Group for Responsible Recruitment](#) is a collaboration between leading companies and organisations working to eradicate fees being charged to workers, working to uphold the “[Employer Pays Principle](#)”

[The Responsible Recruitment Toolkit](#) gives companies a step by step approach to addressing the issue.

Verité’s [Fair Hiring Toolkit](#) gives guidance to brands, suppliers, governments and investors on addressing issues associated with recruitment fees.

1.3 Understanding root causes and drivers

18. Where an instance of modern slavery has been identified, or even where significant risks have been identified, DFIs, investors and companies should promote an understanding of, or undertake a root cause analysis to ensure that the risks are addressed proactively and that issues do not reoccur.

19. There are many different factors that drive the problem including poverty and inequality; discrimination (including against women); conflict and humanitarian crises; criminality and corruption; and relentless cost pressures through supply chains. Tackling these complex issues requires the involvement of governments, investors, businesses, civil society organizations, trade unions and international bodies.

20. In response to an identified risk or issue it is therefore important that there is an understanding of which driver(s) have led to the particular situation. This should be considered when reviewing potential mitigation and remedial measures as set out in the following sections.

Box 3: Gender and modern slavery

Women are clearly disproportionately represented as victims of modern slavery. Of the 16 million victims of forced labour in the private sector, 9.5 million are estimated to be women. However, the issues faced by women can often be overlooked. For example, whilst alarming reports of fishermen working in conditions of modern slavery in South East Asia have rightly been widely reported for several years, less attention has been paid to the conditions faced by women working in the seafood sector. However, recent studies by [Oxfam](#) have shown that women in the sector are particularly vulnerable since they are overwhelmingly concentrated in the worst jobs, work in poor conditions, and are much more likely to be food insecure than men as a result of low wages and debt. For instance, 68% of women working in Thai seafood processing were found to be severely food insecure versus 47% of men.

A [2018 study commissioned by DFID](#) also found that many of the drivers of modern slavery and obstacles preventing economic empowerment of women are the same (e.g. socially and economically marginalised, low skilled economic migrants, households suffering crises, humanitarian crisis-affected groups), and suggests that using the lens of women's economic empowerment can help address risks of modern slavery and have a positive impact on women.

The point here is that it is important for DFIs, investors and companies to analyse gender across a business's value chain to understand the different risks faced by men and women; understand what it takes to ensure regular employment for women and men; move away from outsourced, casual and temporary work by understanding the different routes for men and women to access decent work; ensure effective freedom of association and collective bargaining; advocate to government; gather, use and share data on the differences in the conditions that women face at work, and; share information on supply chains, due diligence, targets and processes. DFIs, investors and companies can then use this information to design and test ways of doing business and to track progress using gender-disaggregated data, which can be reported over time.

Box 4: Fragile and conflict affected situations (FCAS)

DFIs, investors and companies with operations, investments or activities in fragile and conflict affected situations (FCAS) face a greater number of challenges in relation to the management of modern slavery risks in line with investor standards and company codes of conduct. Key challenges that DFIs, investors and companies face include:

- Poor or non-existent implementation of labour laws
- Discrimination or persecution of specific groups that lack basic protection under the law
- Highly informal economies where business partners have underdeveloped / non-existent management systems in place to manage risks
- Heightened vulnerability of workers who may be displaced and/or desperate to secure any form of work
- Hard to access / inaccessible worksites as a result of natural disasters or armed conflict.

Additional consideration and attention should be paid to areas surrounding FCAS, as many people may have been displaced and/or be seeking to leave to surrounding countries or regions for work. In many cases, already vulnerable groups in society, such as children, become more vulnerable to human trafficking.

1.4 Why should DFIs, investors, and companies address modern slavery?

21. There are important reasons for why DFIs, investors, and companies should take necessary steps to prevent, mitigate and manage the risks and incidence of modern slavery.

22. Nobody should be trafficked or forced to work under conditions of slavery, penalty or threat. This basic right is enshrined in international law, regional instruments and national laws, and the private sector is bound to comply with national law. There is also a strong moral case for addressing modern slavery, which resonate among consumers or external stakeholders.

23. In addition to the critical factors of managing reputational risks and establishing credibility with customers, clients and the wider public, there is [increased evidence](#) of a strong business case for companies and investors to give priority to social and labour rights. Such businesses tend to be more [successful and sustainable](#), have greater levels of transparency and oversight, more predictable supply of goods and services, greater levels of productivity and innovation, and more robust due diligence and monitoring systems.

Reputational drivers

Reputation is an intangible asset for any company, both in relation to its public image and in relation to the image it presents to its business partners. Companies may suffer reputational damage if they are linked to cases of modern slavery which may in turn lead to a loss of investor, customer or consumer confidence. This can include public scrutiny and media attention spanning the length of a company's extended contracting or supply chain. When a DFI or investor's portfolio company has been implicated in a modern slavery case, this can have a similarly detrimental impact – both to the investment and to the DFI / investor itself. Ethical practice and proper management of reputational risks are important to a company or investor's long-term value.

Example: PureCircle, a producer of food and beverage sweeteners, had its imports detained after U.S. customs officials issued a Withhold Release Order (“WRO”) following allegations that certain products were made by Chinese prison labour. Although a statement was released disputing the allegations, PureCircle's shares dropped by 10%. Companies using its products were compelled to make statements affirming that they had not received goods produced by forced labour. PureCircle was eventually removed from the WRO after its case was reviewed, however it had lost significant sales in the interim.

Example: Under Brazilian law, the government publishes a ‘dirty list’ of companies which have been found to exploit workers under conditions analogous to slavery (see [Section 2.1](#) on national legal frameworks). Following Cosan's addition to the list, the sugar and ethanol company faced significant criticisms and had its business relationships with certain financiers and international buyers suspended.

Compliance and legal drivers

Nearly all countries have ratified the key ILO conventions on forced labour, most notably the Forced Labour Convention (C29) and the Abolition of Forced Labour Convention (C105). These instruments are in turn given force through national law, meaning that DFIs, investors and companies can face legal repercussions depending on the nature of their involvement with a case of modern slavery. Civil lawsuits brought by private parties may also be brought in connection with modern slavery. Putting in place effective processes to identify and address risks will reduce the possibility of costly and lengthy legal proceedings.

Example: While public prosecutions for modern slavery-related offences are relatively rare, numerous lawsuits have been initiated against companies due to alleged links to modern slavery. Recent lawsuits involving modern slavery have implicated Vinci (construction in Qatar), Nevsun (mining in Eritrea), Costco (fishing in Thailand), and Nestlé (cocoa in West Africa). Although many of these lawsuits have been unsuccessful, they are defended at significant cost and expose a company’s policies and practices to considerable scrutiny which underscores the need for appropriate risk management systems (see also reputational risk above).

Business and commercial drivers

A number of business and commercial drivers might be relevant to a DFI, investor, or company striving to address modern slavery issues.

Reducing business / credit risks: When modern slavery screening or due diligence identifies gaps in management systems - for instance an HR department’s inability to determine what percentage of the workforce consists of migrants and how and from where they are recruited - this can suggest other deficiencies in a business’s management or control systems. These gaps can in turn signal that a business partner represents a risk for commercial partners or a credit risk for lenders.

Where gaps in relevant systems have been identified (either within a portfolio company or potential supplier), improved modern slavery risk management can support and enhance existing management and control systems in other areas of a business. Existing monitoring, reporting, or other systems can be broadened to accommodate a focus on modern slavery. Improvements can strengthen a DFI, investor or company’s overall performance, thereby minimising business or credit risks.

Accessing markets: Failure to properly manage modern slavery risks can make it harder for companies to access markets or secure investment. In some cases, addressing modern slavery risks may become a condition for winning government contracts or to trade. For instance, under U.S. Federal law, certain government contractors are required to demonstrate that measures have been put in place to address trafficking and forced labour risks. Some DFIs and investors also require their portfolio companies to comply with defined standards as a condition of receiving capital which can provide a further incentive to address modern slavery risks (see DFI standards below). Demonstrating good management practices related to modern slavery can also help companies broaden their markets for export.

Increasing security of supply and productivity: Where workers are ethically recruited and treated with respect and dignity there is evidence to suggest that workforce productivity increases, retention and absenteeism rates improve, and there are fewer accidents.

Example: The Better Work Programme, a joint initiative of the International Labour Organization (ILO) and the International Finance Corporation (IFC) has made progress in improving the competitiveness and working conditions of participating garment factories. Efforts to improve working conditions include eliminating abusive practices which are associated with forced labour risks, including sexual harassment and abuse. Overall, these efforts have been linked to higher productivity levels, and factories where workers perceive the working conditions to be better were found to be more profitable than their competitors. Positive outcomes have been linked to a reduction in turnover and injury rates.

2. Relevant standards and safeguards

Overview of Section 2	DFIs and Investors	Companies
Key outcomes:	Understand how standards promulgated by different actors interact, as well as the role and ‘how to’ of developing effective policy frameworks	
2.1 National legal frameworks	Brief introduction to national laws which can touch upon modern slavery	
2.2 Voluntary standards related to modern slavery	Understand the extent to which private voluntary standards may support compliance with DFI standards.	Overview of voluntary standards produced by various organisations which address forced labour and which may require higher standards than national law
2.3 DFI safeguards	Introduction and explanation of DFI safeguards which address forced labour and which may require higher standards than national law	
2.4 Developing effective policies	Guidance on elements of an effective policy as well as a discussion on policy review and ‘zero tolerance’ modern slavery policies	

2.1 National legal frameworks

24. National laws that reflect or implement obligations related to modern slavery are relevant. Criminal and labour laws in most jurisdictions will address aspects of modern slavery, including human trafficking and serious forms of labour exploitation. Victims of modern slavery may also start private legal actions, exposing DFIs, investors and companies to lawsuits and civil liability.

25. Laws that mandate modern slavery disclosures are a relatively recent legal development. The UK's *Modern Slavery Act* is perhaps the most well-known, however, similar legislation has been passed in other jurisdictions including France, Australia and the U.S. state of California. These laws typically require, amongst other things, companies of a certain size to report on measures which they have taken to identify and address modern slavery risks.

26. Beyond such disclosure legislation, the Brazilian government, under Decree No. 540/2004, created a public register which identifies the names of individuals or businesses which are known to exploit labour under conditions analogous to slavery (the so-called 'dirty list'). Companies remain on the list for two years, cannot access credit from government or private banks, and are required to address the exploitation issues.

Further reading

Labour Exploitation Accountability Hub : contains a limited number of country briefings which describe national laws relevant to severe labour exploitation, relevant policy initiatives, and issues in practice	United Nations Office on Drugs and Crime (UNODC) – Human Trafficking Knowledge Portal : includes a database of case law and legislation across multiple countries with a specific focus on human trafficking	United States Department of State (US DoS) – Human Rights Reports : provides country-level analysis of forced / compulsory labour issues in practice including relevant laws and enforcement gaps
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2.2 Voluntary standards related to modern slavery

27. In addition to national laws that address modern slavery, many international institutions, NGOs, and multi-stakeholder initiatives (MSIs) have developed voluntary standards, codes, and principles which cover labour practices or human rights and which address modern slavery. These instruments may set higher standards than those found in national and international law.

Table 2: Examples of voluntary standards

Type	Organisation	Standard	Description
MSIs	Ethical Trading Initiative (ETI)	Base Code	ETI members must adhere to the Base Code which prescribes minimum labour standards based on relevant ILO conventions. Under the Base Code, members must ensure that employment is freely chosen, and relevant guidance is provided.
	Fair Labor Association	Fair Labor Principles (sourcing or production) and FLA Workplace Code of Conduct	Companies who are members of the FLA must commit to the Fair Labor Principles and Code of Conduct. Standards are aimed at achieving humane working conditions, and companies must ensure that no forced labour is used.

Type	Organisation	Standard	Description
NGO / other	Institute for Human Rights and Business	Dhaka Principles for Migration with Dignity; Employer Pays Principle	Provides key principles, as well as implementation guidance, aimed at employers and recruiters to ensure migration with dignity. Principles address, <i>inter alia</i> , the prohibition of fees charged to migrant workers, document retention, and timely payment of wages.
International organisations	International Organization for Migration (IOM)	International Recruitment Integrity System (IRIS) Standard	Focuses on recruitment of migrant workers. Defines benchmark for ethical recruitment and also establishes a voluntary certification scheme for ethical labour recruiters.
	Organisation for Economic Co-operation and Development (OECD)	Guidelines for Multinational Enterprises	Voluntary principles and standards which focus on the business conduct of multinational enterprises (MNEs) in a number of areas including human rights and employment. Governments that adhere to the Guidelines must establish a National Contact Point (NCP) which can receive complaints (known as 'specific instances') in connection with alleged contraventions of the Guidelines. Although participation in this process is ultimately voluntary, NCPs offer a platform for consensual and non-adversarial dispute resolution.

Further reading

ETI, Base Code Guidance: Modern Slavery : provides practical guidance on implementing clause 1 of the Base Code which provides that 'employment is freely chosen'	IHRB, Dhaka Principles for Migration with Dignity: Implementation Guide : describes implementation steps for each of the 10 Dhaka Principles
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2.3 DFI safeguards

28. DFIs and other financial sector actors that adhere to similar standards have specific requirements related to modern slavery – particularly through references to forced labour and human trafficking. For example, IFC Performance Standard 2 (PS2) - the labour performance standards / requirements followed by many DFIs and investors in relation to their lending to the private sector - include requirements on forced labour and human trafficking in relation to different parts of a Client's workforce.

Table 3: DFI safeguards and modern slavery

Type of worker	Explanation	Client responsibilities (IFC PS2)
Direct worker	Workers directly engaged by a portfolio company in its operations, commonly understood to be employees	<ul style="list-style-type: none"> Do not employ forced labour Do not employ trafficked persons.
Contract worker	Workers who are engaged under contract to provide goods or services to the portfolio company, often via third parties such as	<ul style="list-style-type: none"> Take commercially reasonable efforts to ascertain that the third parties who engage workers are reputable and legitimate enterprises and have an appropriate management system that will ensure that there is no forced labour or employment of trafficked persons.

Type of worker	Explanation	Client responsibilities (IFC PS2)
	agencies or contracting companies;	<ul style="list-style-type: none"> Establish policies and procedures for managing and monitoring the performance of such third-party employers on labour issues. Use commercially reasonable efforts to incorporate these requirements in contracts with third-party employers. Ensure that contracted workers have access to a grievance mechanism.
Supply chain worker	Direct and contract workers (as defined above, with necessary modifications) who are engaged by companies providing goods to the portfolio company.	<ul style="list-style-type: none"> Undertake a risk assessment to identify where there are high risks of forced labour in the supply chain. If forced labour cases are identified, take steps to remedy them. Monitor the primary supply chain to identify significant changes in risks. Where remedy is not possible, shift the project's primary supply chain over time to reduce the risk of forced labour.

29. Undertaking the due diligence activities required by DFI standards, as well as those set out in this document, can lead to the identification of other forms of labour exploitation, which should also be addressed and remedied. In this sense, due diligence processes being undertaken in connection with modern slavery issues are often the same, or aligned with, processes that are set out within existing Environmental and Social Management Systems (ESMS), human resources policies, and other procedures which address broader labour issues.

Further reading

The EBRD, Forced Labour Guidance Note : gives clients practical implementation guidelines in relation to forced labour	IFC, Guidance Notes to Performance Standards on Environmental and Social Sustainability : offers guidance on all of IFC performance standards, including PS2	IFC, Measure & Improve your Labor Standards Performance: Performance Standard 2 Handbook for Labor and Working Conditions : provides practical tips for implementing PS2
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2.4 Developing effective policies

30. Having a **coherent and robust organisational policy and strategy on modern slavery** is important for all DFIs, investors and companies that are looking to improve their management of modern slavery risks. A coherent policy framework provides the opportunity to assert responsibility and commitment to address modern slavery and to set out the approach to identify, mitigate and remediate potential or actual modern slavery impacts resulting from their operations and / or the activities of third parties. Identifying roles and responsibilities for oversight and action is critical, as well as resource provision for expertise and support.

31. A DFI, investor or company's expectations on the issue do not necessarily have to be covered within a single specific policy on modern slavery and may be instead included within a range of policies and standards. This could include, but is not limited to, policies on human resources, employee relations, human rights, grievances, ethics, contractor management, procurement, recruitment or in a business code of conduct.

DFI Example: FMO's [Position Statement on Human Rights](#) covers modern slavery through a broader human rights lens and is one component of FMO's Policy Universe which includes statements on sustainability and gender. The

Statement clearly sets out FMO's risk-based due diligence approach as well as ongoing efforts to address social issues.

The Statement also outlines what FMO expects of its clients, including in relation to stakeholder engagement, risk identification, risk assessment, and appropriate responses. A crucial component is the requirement to establish an Environmental and Social Management System (ESMS) to ensure that the client conducts itself in a manner consistent with IFC Performance Standards

2.4.1 Reviewing policies

32. Ultimately, it will be important that policies and standards are relevant to the context for which they are intended. Questions for DFIs, investors and companies to consider when reviewing their existing policy framework on modern slavery, include:

- Is modern slavery adequately covered in existing policies?
- Do policies cover all relevant business relationships (e.g. clients, suppliers, contractors and subcontractors, portfolio companies etc).
- Has this been adequately communicated to staff, suppliers, subcontractors, and other business partners?
- Have relevant staff received training on the policies?
- Are policies relevant to the DFI/investor/company's industry and geography?
- Have external stakeholders been consulted during policy development?
- How often are policies reviewed? By whom

33. The policy framework should also provide for control systems in response to identified high-level risk issues. As higher risks of modern slavery are often associated with the use of third parties where leverage and visibility are low, control systems implemented across a typical contracting cycle can help mitigate these risks.

Key performance indicators (KPIs) can be used to review the effectiveness of a policy's implementation. See [Section 6.3](#) for more information.

Company Example: Patagonia, a global clothing brand, have a [Supplier Workplace Code of Conduct](#) that specifies the business relationships to which it applies (e.g. Patagonia's supply-chain including sub-suppliers), as well as the types of workers it applies to. Standards under the Code specifically apply to permanent, temporary, and agency workers, as well as piece-rate, salaried, hourly paid, legal young workers (minors), part time, night, and migrant workers.

The Code's broad requirements relating to forced labour are supported by specific standards, including the [Migrant Worker Employment Standards & Implementation Guidance](#). These standards are more prescriptive, applicable to suppliers, and also provide guidance based on Patagonia's understanding of contextual risks in its supply chain.

2.4.2 Zero tolerance policies

34. If modern slavery is identified within a business partners' activities, DFIs, investors and companies should avoid responding by simply terminating the contract with that entity, as this is likely to make workers even more vulnerable to exploitation. Instead, immediate and sensitive action in the form of an investigation of the issue should take place, which should include an assessment of the impacts on workers of terminating the contract, and an escalation of the case to a relevant authority or expert if necessary. See [Section 5.4](#) for more information on escalating identified cases of modern slavery.

35. However, if the business partner consistently fails or refuses to change its practices to address modern slavery risks then it is reasonable for any DFI, investor or company to end the relationship, though efforts should be made to try and mitigate negative impacts on workers which are likely to make them even more vulnerable.

36. There is no pre-defined timeframe in which a business partner should address the issues fully, so long as the DFI, investor or company is satisfied that the business partners is continually improving at a reasonable rate. Instead, appropriate buy-in and incentives should be identified and applied to drive change. Note that this takes time. A longer-term approach to investment returns, stronger focus on partnership and sustained engagement involving evidenced progressive improvement will ultimately address underlying causes and will contribute to a reduction in vulnerability to modern slavery. This should be clearly communicated to a third party. Failing to do could result in identified issues being hidden in fear of a contract being terminated.

Company Example: Apple's Supplier Code of Conduct provides suppliers with requirements relating to the establishment of management systems as well as the prevention of involuntary labour and human trafficking. Suppliers are required to have a sustainability representative responsible for managing social compliance and must have a process in place to identify and minimise human rights risks. In response to specific modern slavery risks, the Code prohibits suppliers from withholding workers' key documents. Workers cannot be required to pay recruitment fees to their employer (or its agent), and any fees which are found to have been paid must be reimbursed.

If a supplier performs poorly against the Code, and cannot demonstrate steady improvement, a probation plan is put into place. This may eventually lead to reduced business allocation or in some cases termination of business.

In one case, Apple reported it discovered a case where an immediate supplier's subcontractor was using bonded labour. The audit revealed the withholding of workers' passports, unacceptable dormitory rules, and lower than standard meal allowances. Apple states that although it attempted to work with the subcontractor to improve its practices, the subcontractor was unwilling to change. As a result, Apple's supplier stopped sourcing from the subcontractor, and took over some of its workforce.

3. Assessing the risk of modern slavery

Overview of Section 3	DFIs and Investors	Companies
Key outcomes:	Understand how to identify general and specific modern slavery risks whether it's in portfolio companies, direct operations, suppliers, or contractors through the use of information sources and targeted assessments	
3.1 Identifying high level modern slavery risks	What high level modern slavery indicators to look for in a portfolio company, based on country / sector risk (including a sample modern slavery prevalence map), worker 'type' risk, and management system risk	What high level modern slavery indicators to look for in direct operations, suppliers or contractors, based on country / sector risk (including a sample modern slavery prevalence map), worker 'type' risk, and management system risk
3.2 Mapping supply chains	Understanding supply chain mapping for portfolio companies	How to prioritise and start supply chain mapping
3.3 Identifying indicators of modern slavery risk at workplace level	How to follow-up on high level risks with workplace assessments in order to identify workplace level risks in your portfolio company	How to follow-up on high level risks with workplace assessments in order to identify workplace level risks within your operations, suppliers, or contractors
3.4 Clarifying and validating risk	Example questions and considerations which can be used to clarify and validate risks that have been identified	

3.1 Identifying high level modern slavery risk indicators

37. During the early stages of due diligence, it is essential that a DFI, investor or company undertake a risk assessment to identify where risks of modern slavery are highest within its activities or sphere of influence. **The identification of modern slavery is a difficult task for any DFI, investor or company.** The line between a situation that may fall within the definition and one which may not, can be difficult to draw and may require contextual and subjective analysis. One approach is to focus on *indicators* of risk that can suggest where modern slavery risks are highest.

3.1.1 Indicators of risk

38. Identifying high level risk indicators is a useful starting point in the risk assessment process since it is less resource intensive than assessing each business partner in detail and allows resources to be prioritised appropriately. A useful way to obtain some of this information can be through a pre-screening questionnaire (see [Tool 1](#) for a template example). The table below provides some sample indicators, as well as supplementary sources of information which might be used to identify high level modern slavery risks.

Table 4: High level indicators of risk

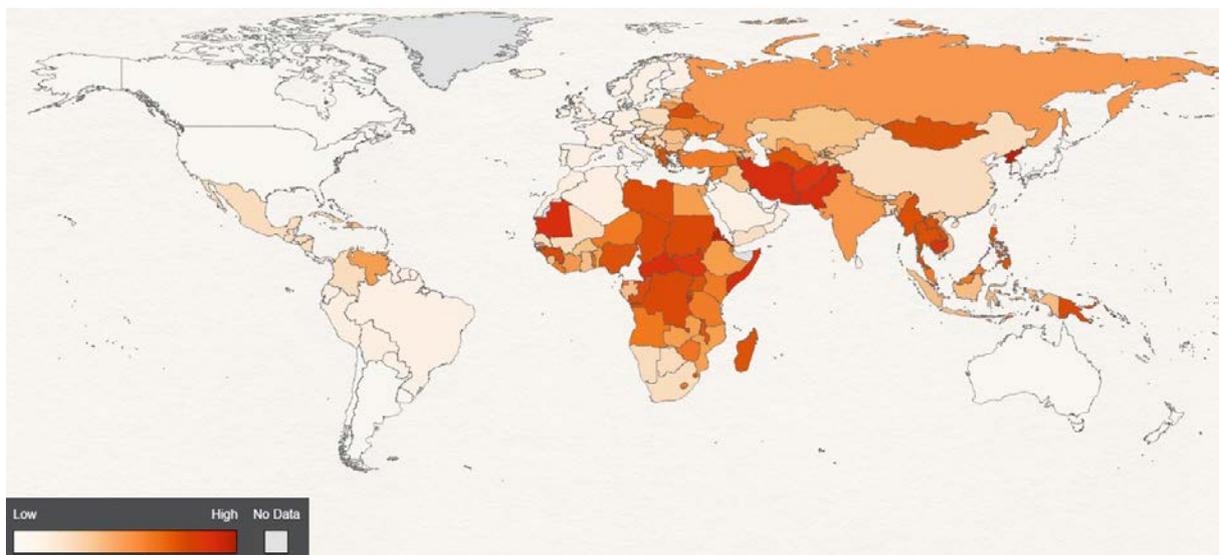
High level indicators to look for	Sources of information
Ask: Is there a high risk of modern slavery occurring in the country and sector?	
<ul style="list-style-type: none"> Country and/or sector has high modern slavery risk Work is in or next to a fragile and conflict affected region There are gaps in law and enforcement on modern slavery 	<ul style="list-style-type: none"> The US Department of Labor's List of Goods Produced by Child and Forced Labor, Comply Chain tool, and Sweat and Toil app; the US Department of State's Trafficking in Persons Report The Business and Human Rights Resource Centre Tools developed by Verité, including a Knowledge Portal on forced labour ITUC's Global Rights Index Background media / news research
Ask: What type of workers are (likely to be) present on the worksite?	
<p>The presence (especially in large numbers) of:</p> <ul style="list-style-type: none"> Internal / foreign migrant workers Refugees (a particularly vulnerable group) Low skilled workers High numbers of informal workers Women (subject to higher likelihood of threat and coercion through use of sexual violence, bullying etc.) Temporary / agency / contract / seasonal workers 	<ul style="list-style-type: none"> Information from pre-screening questionnaires Regular reporting from third-party Initial due diligence visit Monitoring visits to worksites Engagement with expert stakeholders including civil society and trade unions (see the Modern Slavery Map which provides a useful list of relevant stakeholders)
Ask: Are there characteristics of the third-party's management systems or sites that may lead to risks?	

- | | |
|---|--|
| <ul style="list-style-type: none"> • Allegations of poor practices against a business partner • Early stages of work on a site or of production in a supply chain • Inadequate / poor management systems • High turnover of key managerial staff • Lack of transparency • Complex sub-contracting / supply chains • Abnormally low tender / contract cost with third party | <ul style="list-style-type: none"> • Company bids / applications for work • Project Environmental Social Management Systems (ESMS), human resources policies and procedures • Supply chain information • Initial due diligence visit • Monitoring visits to worksites |
|---|--|

3.1.2 Risk map

39. Country-level risks are a helpful starting point when building an overall risk profile, since this inquiry can highlight high incidences of modern slavery, enforcement gaps, or the presence of vulnerable groups. The map included below demonstrates where modern slavery is estimated to be most prevalent. An understanding of country risk through maps, indices, or desk research, should be supplemented by an inquiry into the other high-level risks discussed above. It is often particular regions, goods, services, or groups, which are impacted by modern slavery – all of which may or may not be relevant to the activities of a particular DFI, investor, or company.

Figure 2: Prevalence of modern slavery (source: The Global Slavery Index, 2018)



3.1.3 Limitations

40. Note that the presence of high level risk indicators will not mean that there are definitely workers in conditions of modern slavery, but rather that its occurrence is to some degree more likely, especially without adequate management controls in place. Where a number of indicators are identified, further investigation may be required to understand whether the level of risk is being appropriately managed.

41. Where there is a lack of resources internally, or where a DFI, investor or company thinks they lack capacity to do a risk assessment in accordance with the guidance above, consider using a specialist third-party consultancy or engage in collaborations with expert stakeholders.

Example: Engaging third parties to conduct risk assessments can take multiple forms. One online works closely with Anti-Slavery International (ASI), which provides input into the brand’s broader efforts to address modern slavery from the perspective of a “critical friend.” ASI provides feedback on risk assessments, offers advice on specific modern slavery issues, and identifies potential local partners if collaboration is needed in a specific country.

Example: The EBRD worked with forced labour experts Verité to develop a tool that allowed them to screen risks of modern slavery across their portfolio drawing on publicly available reports and data.

Example: In many cases, the risks and incidence of modern slavery in a particular place or sector affects several companies. Especially for smaller and medium-sized companies that lack the resources and leverage to undertake a risk assessment on their own. The Ethical Trading Initiative conducts human rights due diligence assessments on behalf of a number of its corporate members, in places such as Turkey, Pakistan, South Africa, India and Bangladesh. After the assessment, they develop practical collaborative programmes to tackle these problems.

Further reading

The Walk Free Foundation have developed a [risk screening tool](#) to support companies assess risks across their supply chains and a Scorecard to help prioritise high risk suppliers (see [Tool 5](#))

Stronger Together has developed a number of resources and tools to support business assess risks in their supply chains and operations, including how to assess the adequacy of management systems to address modern slavery.

3.2 Mapping company supply chains

42. Most companies will know their immediate or first tier suppliers. However, risks of modern slavery are often highest further down a supply chain where there is less visibility or oversight of working practices. To effectively conduct due diligence and know where modern slavery risks are, companies should aim to progressively improve their understanding and oversight of all tiers of their supply chains.

43. Where a company sits at the top of a supply chain, several tiers removed from the production of raw materials or ingredients, it will be harder to map all suppliers immediately. To address this, suppliers should work systematically and progressively to build a complete picture of their supply chain.

Table 5: Company supply chain mapping process

Company supply chain mapping process	
1	<p>A useful first step is to bring together relevant business functions that can help map specific product or service supply chains, following the entire lifecycle of a good.</p> <p>To make the process of information collection less time consuming, companies should consider focussing initial mapping and data collection efforts on those sections of their business / supply chain that fall into higher risk categories. For example, if an agribusiness company identifies high risks of modern slavery related to a particular raw material in a specific country from which it sources a large quantity of product, it would not be unreasonable for them to focus their mapping efforts in that country to identify where its raw materials are coming from.</p> <p>Use the risk assessment information in Section 3.1 and guidance on identifying leverage for action in Section 4.1 to help do this.</p>
2	<p>Getting buy-in from colleagues that are responsible for managing supply chain relationships – e.g. buyers – is critical to the supply chain mapping process. Getting them to understand the benefits, and to be able to explain these to suppliers, who may be reluctant to share sensitive commercial information, is important so that supply chain actors feel reassured that their information is not being misused.</p> <p>See pages 28 and 29 of ETI's Guide to Buying Responsibly for further guidance for buyers on ethical sourcing and supply chain mapping.</p>
3	<p>Companies often rely on their first-tier suppliers to manage risks in their supply chain. Once consensus is reached internally on where to focus or how to approach suppliers, buyers or procurement teams can request that their first tiers request information from everyone in their supply chain. To do this, 'cascading invitations' can be sent down the supply chain – e.g. company asks its tier 1 to join the mapping process, tier 1 passes on the invite to tiers twos, and so on.</p> <p>Sourcemap offers companies a tool to help map and visualise their supply chain. To validate actors in the supply chain, technology companies are looking into how blockchain can be used to verify the different actors in a material supply chain. One such provider is Provenance.</p>
4	<p>Supply chain mapping can be a resource and time intensive process for individual companies. In most sectors, companies will share common suppliers, which should incentivise companies to work collaboratively to map supply chains.</p>

Example: Clothing brand Patagonia only started auditing below its first tier once it was confident of its oversight of tier 1 suppliers. This additional mapping of lower tier sites led to an increase of monitoring of workplace conditions through supplier audits which revealed modern slavery risks, particularly the payment of recruitment fees in excess of those permitted by law in connection with foreign migrant workers in Taiwan.

As a result, Patagonia developed a detailed Migrant Worker Employment Standard for its suppliers. Suppliers were expected to reimburse workers that had paid recruitment fees in excess of legal limits, and Patagonia collaborated with suppliers to understand how costs could be shared to make this financially feasible. Additionally, they now [publish a list of their suppliers](#) and work to map out supply chains to their farms.

3.3 Workplace assessments

44. Where high level risks have been identified through an initial screening process, it is important to follow up with a more detailed workplace level assessment. Workplace assessments are useful to investigate and verify identified risks or to monitor potential labour issues on specific worksites. They may be used as part of during initial due diligence or as part of ongoing monitoring and “auditing” of a site to provide assurance that they are complying with your standards.

3.3.1 Challenges

45. Whilst undoubtedly effective in picking up on many issues on a worksite, the nature of modern slavery means that it is often hidden or hard to detect by sight or through traditional labour or social audits. As such, modern slavery presents a challenge for traditional audit methodology, as there are often constraints on time and the audits only presents a snapshot of what workplace conditions are like.

46. Additionally, vulnerable workers are unlikely to report concerns to a stranger for fear of retribution when asked about their working conditions. These limitations should be acknowledged and understood by those commissioning and carrying out the workplace assessments so that they understand what actual evidence they are collecting and what assurance is being provided. If risks are suspected, it may be useful to conduct interviews with workers off-site (e.g. in communities) or engage with a local NGO or trade union who has the trust of workers to ask sensitive questions and check whether information provided by the contracted organisation is accurate.

3.3.2 Who should carry out the assessment?

47. Where a site visit is carried out as part of routine due diligence and monitoring, it may be sufficient for a staff member to do this. However, **where there are serious allegations or reports of modern slavery on a site**, identified through pre-screening or other mechanisms, this would trigger the need for a more focussed assessment, usually carried out by expert assessors. As an example, industry groups such as the Responsible Business Alliance (RBA) (formerly the Electronic Industry Citizenship Coalition) offer the Supplemental Validated Audit Process (SVAP) which is a specialised assessment program aiming to identify forced labour risks, which is carried out by expert trained auditors.

Box 5: Engaging experts and consultants to do workplace assessments

Consultants, and sometimes local NGOs and unions, can play a role during the risk assessment phase, and it is important to ensure that appropriate attention is given to labour exploitation issues including modern slavery. Expert advice might inform high level risk assessments (discussed in [Section 3.1](#) above), for instance through focused country profiles which can explain local laws, relevant gaps against international standards, vulnerable groups, and known modern slavery issues. If labour assessments are carried out by experts, it should be ensured that terms of reference have adequate weighting for labour and modern slavery issues.

As an overall consideration, it may be worthwhile to engage local consultants to carry out workplace assessments as they have relevant language skills as well as subject matter expertise, including knowledge of national labour laws, international standards, and labour exploitation issues. However, in many high-risk geographies, there may be a lack of local capacity on this issue and international consultants may be required.

Table 6: Workplace assessment considerations

The considerations below should be taken into account when commissioning an expert to carry out an assessment related to risks associated with modern slavery, and internal teams visiting high risk sites should also review these when visiting sites to ensure they do not mistakenly lead to further harm on the worker.

Consideration	Explanation
Contracts and agreements	DFIs, investors and companies should always ensure that they, or the experts they commission, have the right to carry out a workplace assessment. Getting agreement on this at a pre-contractual stage and setting it out within contracts with clients, investees, supply chain partners etc is essential to ensure you can access the site, read documentation and speak with workers and management. This right should also extend to other third parties that are engaged in your business partners' work activities and supply chain.
Selecting assessment teams	Assessors should be appropriately trained and briefed to investigate potential indicators of modern slavery and should be familiar with the issues in the region. Ideally there should be two assessors carrying out the assessment, and at least one of the team should speak the local language, and where not possible, skilled interpreters should be used.
Select high risk sites	Not all workplaces require an assessment focussed on modern slavery. A prior risk assessment should inform where a DFI, investor or company should allocate its resources. Lower risk sites may not require a workplace assessment, and simply requiring reporting may be sufficient (see Section 6.1 for guidance on reporting).
Planning	Ensure that a prior risk assessment has been carried out which gives the team a clear overview of the types of vulnerable worker groups and some of the drivers of modern slavery risk in the geography / sector. The points of investigation and questions should be adjusted to focus on these issues.
Covering the employment journey	The risks associated with modern slavery do not just relate to what happens within a worksite. It is important that assessors also focus on how workers are recruited and housed, alongside the manner in which they are employed.
Worker focus	It is essential that a 'do no harm' approach is taken in the first instance and safeguards are put in place to ensure that actions by an assessor or investigator do not put vulnerable workers at greater risk, nor compromise the ability to conduct further investigation by competent authorities if criminal abuse and exploitation is suspected.
Speaking with vulnerable groups	<p>Assessment teams should aim to speak with a range of workers on or off site, including those from more vulnerable or marginalised groups, as identified during an initial risk assessment before the visit. They should be able to interview workers without their supervisors present, guaranteeing their anonymity and protection from retribution that may result from exposing poor and exploitative practice.</p> <p>Offsite interviews in the community or by trusted worker representatives may be more likely to elicit information about modern slavery risks or incidents. It is advised that these are only carried out by organisations or individuals with a track record of experience in this area and who have the trust of workers.</p>
Triangulation of information	For an assessment's findings to be considered valid, it is important that the team speak with relevant management representatives, interview an adequate and representative sample of workers, and review company documentation. For evidence to be deemed credible, it should derive from multiple sources. However, testimony from several workers or stakeholders is sufficient to indicate a risk so long as there has been no collusion.
Unannounced assessments	Unannounced assessments are more likely to identify poor labour conditions and employment practices than assessments that are announced with dates agreed in advance. These are more

Consideration	Explanation
	commonly used as part of a monitoring of a particularly high risk site, rather than during initial due diligence. However, unannounced assessments can damage relationships between the commissioning party and the worksite. To effectively manage this and to ensure that assessments go ahead with the buy in of site management it is important that the terms of the proposed assessment are clearly set out in any existing contractual agreements with the site being assessed, and that this is cascaded through their contracts with any suppliers, subcontractors or other third parties.
Follow-up	There are also considerations about what happens to an assessment report once the visit has been conducted, who is alerted to concerns, how quickly and effectively they are dealt with. Where a case of modern slavery is identified or suspected, the assessors should escalate the finding to the commissioning party immediately to ensure the process of follow up and victim safeguarding begins. Note that this response will rarely be within the mandate or competence of the assessor.

Further reading

Tool 8 of a Toolkit developed by the WalkFree Foundation give sample questions to ask workers related to forced labour	Stronger Together have developed template questionnaires to ask supplier management and workers during a workplace assessment	For further details on considerations to make when commissioning labour assessments related to modern slavery risks, see page 15 in SA8000 Guidance on conducting labour audits.	See Tool 3 for topics to discuss when carrying out an assessment on modern slavery and Tool 4 for documents to review
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3.4 Clarifying and validating risk

48. If workplace level modern slavery risk indicators are found, there will be a need to follow-up with further questions to clarify the situation or validate the risk. This can be done separately or as part of a workplace assessment or inquiry processes. While the nature of follow-up inquiries is context dependent, the following example scenarios demonstrate the type of questions that can be asked to suppliers or portfolio companies. When following up, it is useful to ask:

1. Which risk indicators are present (see text in **bold** in Table 3 below)?
2. What questions can I ask to understand the nature or seriousness of the risk?
3. How much leverage might I have over a particular situation or circumstance (see [Section 4.1](#) below)?

Understanding how these risks might arise in practice should also guide thinking about appropriate actions or mitigation measures, which are discussed throughout [Section 4](#).

Table 7: Example scenarios and follow-up questions

Example scenarios
During appraisal of a large infrastructure project, it is discovered that a project’s workforce consists predominantly of foreign migrants . The company states that workers are hired by subcontractors through labour agencies in the

Example scenarios

workers' country of origin. Workers must bear travel costs, however the **subcontractor offers to pay the upfront cost which the worker can then subsequently repay.**

Potential questions:

- Where do the migrant workers come from?
- Is the labour agency licenced? How is this verified?
- **What other intermediaries were involved in the recruitment of the workers?**
- How are workers being asked to pay off this debt (e.g. wage deductions)?
- How long will it take for the worker to pay off the debt? Do the terms of repayment allow workers to maintain an adequate standard of living?

A migrant worker at a factory states she was **told by recruiters in her home country that she would be getting a job in a foreign country, where she could earn five times what she could earn at home.** After agreeing to take the job, the recruiter **instead sent her to another country,** where she ended up earning a lower salary. The worker **has not been issued a contract,** reportedly **due to high illiteracy** among the workforce.

Potential questions:

- What is the legal status of this worker?
- Can it be verified if the worker was deceived? Have other workers had similar experiences?
- Does national law require that contracts are issued? If claims about literacy are true, have efforts been made to communicate terms and conditions of employment in other ways (e.g. orally)?

Local trade unions have drawn attention to the living conditions of **contracted construction workers** working on a **large infrastructure project in a fragile / high conflict region.** The construction site is heavily securitised due to local unrest, and **the majority of workers live on site with their families.** Workers are **under surveillance and prohibited from leaving the site,** which the contractor claims is a necessary security measure.

Potential questions:

- Why are workers living on site?
- Are workers able to leave the site on request? How are workers prohibited from leaving the site (e.g. locked accommodations or perimeter fence)?
- Are workers informed of the security measures prior to accepting the job?
- What is the nature of the security risk? Are measures proportional to the degree of risk?

A factory produces knitwear and other winter garments to a range of different customers. A workplace assessment finds that production schedules during peak winter months are based on a schedule of **72 hours per week** for each worker, although national law sets a maximum of 60 hours per week unless exceptional circumstances exist. There is a **mandatory overtime policy in place, however management claims that this is not an issue since workers are happy to maximise their earnings.**

Potential questions:

- Does this overtime arrangement comply with national law? In terms of the exception to maximum working hours as well as the policy of mandatory overtime?
- How is the policy applied if a worker refuses to work overtime? What are the consequences of refusal?
- Do workers receive a premium for the overtime hours worked?

When a private hospital recruits newly qualified nurses, it invests in further training to ensure that they are able to meet the demands of their job. After they complete their training, the hospital **retains all of their qualification certificates, to make sure that workers do not abscond.** If nurses wish to leave before their contract term expires they are expected to pay the hospital back for the training they received, which is more than a nurse's annual salary.

Potential questions:

Example scenarios

- Are workers fully informed of the implications of undertaking the training? And do they give their express consent?
- How long is the contract’s term?
- Are there policies and processes in place which govern how documents are retained and then subsequently accessed after the term has expired?

Example: While carrying out a routine monitoring visit to a company in West Africa, a DFI team noticed that large parts of the client’s core activities had been sub-contracted to an Asian-owned company, and involved Asian managers overseeing local workers in low skilled positions and in remote areas. Additionally, the company had little to no oversight of the subcontractor company’s HR practices. Taken together, these observations raised a number of red flags.

In response to these risks, the DFI commissioned a labour audit which covered the client’s direct operations as well as sub-contracted operations in order to raise less suspicion. While it was ultimately found that there was a low risk of modern slavery among the sub-contracted workforce, steps were taken to ensure that the client’s HR policies were reinforced, and that HR functions were extended to include sub-contracted local workers. This ensured that these workers had access to supports, grievance mechanisms, and other standard operating procedures.

Further reading

<p>ETI, Human Rights Due Diligence Framework provides guidance on understanding and managing labour risks</p>	<p>ETI, Base Code Guidance: Modern Slavery addresses modern slavery due diligence including assessing risks of modern slavery</p>
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4. Mitigating modern slavery risks

Overview of Section 4	DFIs and Investors	Companies
Key outcomes:	Understand where leverage to implement mitigation actions may lie as well as different mitigation approaches which may be relevant across a number of situations and relationships	
4.1 Identifying and using leverage	Introduces the concept of leverage and explores different leverage points, as well as the challenges associated with low leverage due to the timing of financing or investments in challenging national contexts	Introduces the concept of leverage and explores different leverage points, as well as the challenges associated with low leverage in extended supply chains
4.2 Principles of mitigating modern slavery risks	Highlights key principles which should inform mitigation actions including simple requirements, relationship-building, and promoting understanding	
4.3 Risk mitigation measures for DFIs and investors	How to implement mitigation measures across typical DFI / investor activities including appraisal, contractual clauses, capacity-building and reporting	
4.4 Risk mitigation measures for companies		How to implement mitigation measures in response to both contractor and supply chain risks, including through pre-selection considerations, contractual clauses, and dialogue

4.1 Identifying and using leverage

49. Following risk assessment, DFIs, investors, and companies must identify leverage points and explore appropriate mitigation actions in order to respond to risks. Where many risks and issues are identified – across a multi-tiered global supply chain, for example – knowing where to focus mitigation efforts can be challenging. Prioritising risks and responses based on degree of leverage – i.e. beginning by addressing the risks where you have highest leverage – is a helpful starting point.

50. According to the UNGPs, **leverage is considered to exist where the enterprise has the ability to effect change in the wrongful practices of an entity that causes a harm.** This is also the position of the OECD Guidelines for Multinational Enterprises.

4.1.1 How to get leverage?

51. It is useful to consider different ‘moments of traction’ to identify opportunities where leverage can be exercised. For DFIs, investors, and companies, exercising leverage can happen at various points. Whilst there may be a number of ‘moments of traction’, the best time to increase potential leverage is early on in a commercial relationship, either through project design, tendering processes and contract clauses that set out clear expectations, responsibilities and responses.

- During contract negotiation and formation
- Agreeing or renewing licenses and service agreements
- Whilst setting qualification criteria for bidding processes
- Setting reporting requirements on the implementation of action plans
- When funds are disbursed
- Through processes to investigate and address complaints
- Through board representation
- Through the formation of ESG committees
- Through capacity building efforts
- Through identifying opportunities for collaboration with others involved in same or similar companies or sites, and exerting collective leverage to effect longer-term change

4.1.2 What if there is no / limited leverage?

52. DFIs, investors and companies are often confronted with situations where they lack leverage over a business partner. However, inaction because of limited leverage to influence a negative impact is usually insufficient to meet wider expectations on addressing modern slavery.

Companies that lack leverage

53. Where a company has identified a case of modern slavery in the lower tiers of its supply chain where it has no commercial relationship with the supply chain actor and the issue is endemic, collaboration with other companies, business partners, NGOs, trade unions and government should be sought to influence the situation.

54. Unified frameworks or expectations can increase pressure and leverage and are an important tool. Multi-stakeholder initiatives and industry groups are key platforms, and organisations such as Ethical Trading Initiative (ETI) and the Responsible Business Alliance (RBA) have facilitated dialogue between industry, governments, and civil society on how to address forced labour, and have coordinated efforts through specific task forces.

DFIs and investors that lack leverage

55. Investors and DFIs face particular challenges depending on the nature of their investment as well as the broader investment context. In some circumstances, an investment might be too late to allow for pre-disbursement remediation. This situation can arise where a project being financed is already underway, and agreements with suppliers or contractors have already been concluded. Leverage points may be tied to the contractual provisions already in effect. For construction projects which may adhere to standard contract templates (such as the FIDIC “Pink Book” – the form of contract used by Multilateral Banks for construction projects), boilerplate staffing and labour provisions can also offer an entry point. Raising modern slavery issues may also be done through other avenues, for instance concerns about locked accommodation, excessive working hours or abusive behaviour can be addressed through discussions on occupational health and safety (OHS). This offers both an entry point as well as a less contentious method of raising modern slavery issues.

56. Another challenge faced by DFIs and investors can be attributed to contextual factors which are beyond their control (and the control of their portfolio company). Investments may take place in countries where labour standards are low, or where political forces are hostile to certain labour interests. These situations are not easily solved, and demand close monitoring, clear remediation frameworks, partnerships with expert stakeholders, and possibly dialogue with relevant parties with respect to labour policy and labour market governance.

Further reading

[Shift, Using Leverage in Business Relationships to Reduce Human Rights Risks](#) is a helpful resource which explains the concept of leverage, including external and internal leverage

4.2 Principles of mitigating modern slavery risks

57. Where DFIs, investors, or companies identify risks of modern slavery associated with their or their business partners’ practices, mitigation measures should be put in place. Mitigation of modern slavery risks as discussed here refers to proactive measures to prevent identified potential risks materialising into actual instances of modern slavery. As seen from the discussion on leverage in [Section 4.1](#), it is useful to address issues as early as possible in a relationship.

58. When approaching risk mitigation and discussing modern slavery with business partners, it is important that expectations are clear as modern slavery issues and underlying contributing factors are complex and cannot be addressed overnight.

Box 6: Key principles of mitigating modern slavery risks

Simple and direct requirements

Simple, direct requirements about what a business partner should do during discussions or through formal contracts clarify requirements on modern slavery and can lead to better outcomes. General demands (e.g. ensure there is no modern slavery) have less meaningful impact than specific and tangible requests (e.g. adopt the 'Employer Pays Principle' or 'provide training to managers on modern slavery risks').

Requests should be based on a prior risk assessment so that they address known key issues and be accompanied by implementation steps, defined outcomes, and clear supports where appropriate.

Relationships and coordination

Relationship building is paramount, and it is crucial to ensure that appropriate individuals are engaged, both internally amongst colleagues and externally amongst business partners and wider stakeholders. For instance, when a company engages with its suppliers regarding modern slavery issues, this should not just be a conversation between the sustainability team member and the supplier. The company's buyers, procurement and/or other commercial-focused colleagues should be involved to ensure there is an internal consistency in what is being asked of the supplier, which increases the likelihood of getting their buy-in.

This same logic applies to companies engaging with their contractors and DFIs or investors with their clients and investees.

Promote understanding

For DFIs, investors, and companies alike, it is valuable to understand the workforce, commercial aspects, and management systems of business partners, especially when imposing measures or controls. Ideally, this should be done at an early stage of engagement so that all parties understand where potential issues may lie and what can realistically be done to address these issues. This should include conversations around resource allocation, timelines and responsibilities.

Box 7: The impact of business practices on modern slavery

DFIs, investors and especially companies should understand the impact that their business practices can have on their supplier and contractor workforces. It is particularly important to consider how existing practices, such as aggressive price negotiation, inaccurate forecasting, late orders, short lead times and last-minute changes can put pressure on business partners and lead directly to negative impacts on working conditions including forced overtime, low or no pay, which in some cases can constitute forced labour. This applies directly to how a company manages its suppliers but also relevant to engaging contractors.

To try and better understand what companies can practically do to reduce the vulnerability to poverty of farmers in its agricultural supply chains, Mars Inc. have established the '[Farmer Income Lab](#)'. Though in its early stages, it is currently seeking to understand how they most effectively contribute to increasing farmer incomes, and to identify models that unlock economic opportunities for women as well as how to integrate these into business strategies. This work is being carried out collaboratively by a group of partners from academia, private sector, and non-governmental organisations.

Useful resources

To help companies improve awareness of the issue and to guide organisational change, the ETI have developed a useful [Guide to Buying Responsibly](#).

4.3 Risk mitigation measures for DFIs and investors

59. This section looks at the types of activities that DFIs and investors can take to mitigate risks associated with the activities of Clients and portfolio companies, at different stages of a commercial relationship. Whilst there is overlap in some activities for DFIs and investors some activities are different and hence are called out separately.

Table 8: DFI and investor mitigation measures

Type of risk mitigation	Explanation
Appraisal	<p>There are steps that DFIs and investors can take before financing or lending that can help manage the risks of modern slavery associated with their activities. Developing and implementing these controls at this early stage increases the potential that specific issues will be addressed in a proactive manner and should issues arise, that there are clearly defined resources and responsibilities which adequately address them. Critically, it also increases a DFI and investors leverage to positively influence those clients or portfolio company should an issue arise at a later date.</p> <p>Potential measures could include:</p> <ul style="list-style-type: none"> • Using the findings of a risk assessment to identify gaps in practice and understand capacities of portfolio companies. Risk assessment information could include: <ul style="list-style-type: none"> ○ Integrating a benchmarking of potential investee’s policies, processes and past performance on modern slavery into decision making on potential investments (see benchmarks carried out by KnowTheChain) ○ Reviewing past performance of bidding companies on labour requirements ○ Reviewing the potential Client’s / portfolio company’s public disclosures on modern slavery (e.g. a statement made under the UK Modern Slavery Act, or equivalent). • Based on information above, build a common understanding of expectations on modern slavery with management of the portfolio company.
Agreements and controls	<p>If due diligence and screening identifies risks and issues or gaps in practices which heighten risks, an action plan should be developed to address these. This should be agreed with the Client or portfolio company by directly engaging with and underlining the importance of addressing these issues.</p> <p>This action plan should be incorporated into legal documents, associated with key performance indicators and time-bound targets. Financial or commercial implications for not progressively closing the gaps in accordance with the action plan should also be included.</p> <p>When putting in place contractual controls to address modern slavery risks it is important to consider including clauses related to:</p> <ul style="list-style-type: none"> • Specific risks identified in due diligence, not simply general prohibitions on forced labour • Mandatory reporting of any breaches of national laws, including forced labour laws (See Section 6.1 for further information on this) • A requirement that any subcontractors that are engaged are “legitimate and reputable” which may take into consideration national licensing regimes, histories of poor performance or informal operators • A requirement that no worker should pay a fee for a job • A requirement that appropriate policies are put in place, including those which cover migrant workers, sexual abuse, and discrimination where relevant.
Capacity building,	<p>It is important to engage in capacity building efforts at an early stage since investee awareness is often quite low and mitigation measures may be poorly understood or viewed as unnecessary.</p>

Type of risk mitigation	Explanation
awareness and dialogue	<p>Capacity building and awareness efforts can include training key personnel internally or within the client or investee’s company, to improve human resources or procurement practices that address modern slavery risks. These measures will ideally stem from a capacity assessment. Doing this requires expertise for a deep-dive risk assessment, especially in high-risk sectors and countries, as well as support from experts, NGOs, etc. to help address the risks and support progressive improvements (e.g. through mentoring, training etc.).</p> <p>Continuous dialogue with clients and portfolio companies can be an effective way to raise awareness which is also less-resource intensive. One way of doing this is to simply ask specific questions related to labour management practices, early on in dialogue with business partners through your engagement with them. This could include questions about their grievance handling procedures, records of workers on their sites, activities being subcontracted and management of subcontractors. This can reiterate the importance that you place on these issues and help get buy in over time.</p> <p>Where modern slavery risks are perpetuated because of the state, DFIs in particular and investors can seek to open ongoing dialogue with relevant government functions, ideally collaboratively, to progressively address the issue.</p> <p>Example: CDC’s toolkit for fund managers provides guidance on conducting environmental, social and governance (ESG) due diligence, including on labour practices at different investment stages and across numerous sectors. CDC also works with fund managers to increase their capacity to identify E&S risks, including modern slavery risks. Managers are trained to spot key modern slavery red flags, and the sessions are a useful platform for sharing lessons and building relationships.</p>
Whistle-blowing and grievance systems	<p>DFIs and investors should ensure that all Clients and portfolio companies have developed effective grievance mechanisms which are available to its employees and the workers of its contracted workers. This is a standard requirement with most loans and investments.</p> <p>Clients and portfolio companies should establish effective and trusted independent mechanisms for raising grievances, which give them the opportunity to identify issues and to develop mitigation measures in proactive manner. Including working with representative worker organisation such as trade unions can help ensure that workers raise concerns / grievances safely without fear of retribution, enable dialogue with employers, and lead to remediation and resolution at site level. Where laws restrict unions, seek establishing alternative means through which workers can raise grievances such as health and safety committees, which tend to be less contentious.</p> <p>Additionally, the availability of non-company mechanisms should be made accessible to workers impacted by DFI loans and Investor investments. Examples of these include OECD National Contact Points (NCPs) and complaints mechanisms related to DFI loans.</p> <p>See Section 5.3 for further information on responding to incidents of forced labour and developing and implementing effective workplace grievance mechanisms.</p>
Engagement with experts or relevant initiatives	<p>Collaboration with multi-stakeholder initiatives (MSIs), civil society, or trade unions, particularly in situations where leverage and visibility are low, can be an effective way of mitigating risks. Where modern slavery risks are endemic in a sector, industry, supply chain or geographical jurisdiction, multi-stakeholder initiatives can facilitate collaboration with other companies, industry bodies, national governments and stakeholders to tackle common problems, mitigate risk and improve practices in the longer term.</p> <p>Example: The World Bank and ILO have been urging the Government of Uzbekistan to implement reforms to end forced labour during cotton harvests. Their interventions and, along with pressures</p>

Type of risk mitigation	Explanation
	from civil society and brands, has seen a reported end to forced child labour in harvests and a marked reduction in the use of forced adult labour.

4.4 Risk mitigation measures for companies

60. This section looks at the types of activities that companies can take to mitigate risks associated with the activities of their contractors and suppliers, at different stages of a commercial relationship. Whilst there is overlap in some activities for each set of business partners some activities are different and hence are called out separately.

Table 9: Company mitigation measures

Type of risk mitigation	Contractor management	Supply chain
Pre-selection	<p>In relation to both contractors providing labour to work on site and suppliers in the materials supply chain, companies can take early, pre-contractual steps that help address risks that may arise later during the business relationship.</p> <p>Companies need to ensure that the terms and conditions of their commercial relationships enable responsible behaviour and respect of labour standards. The cost of labour and systems to ensure safe and decent working conditions should be factored into price, timescales and expectations for volume and quality etc. This applies to both a company's contractors and suppliers.</p> <p>Doing this increases the potential that specific issues will be addressed in a proactive manner and should issues arise and that there are clearly defined resources and responsibilities which adequately address them. Critically, it also increases a company's leverage to positively influence its business partners should an issue arise at a later date.</p> <p>Potential measures could include:</p> <ul style="list-style-type: none"> • Reviewing past performance of bidding companies on labour requirements • Requiring that bidders provide disaggregated labour cost information which can allow for an assessment of labour costs against minimum wage levels accommodation provision, costs of recruitment, etc • Ensure all parties involved are aware and in agreement of their obligations on labour practices. 	<p>Potential measures could include:</p> <ul style="list-style-type: none"> • Build internal knowledge among colleagues and get buy in on managing supply chain risks • Include performance targets in the job roles of buyers and technical staff • Reviewing purchasing practices to ensure that lead times and prices are sufficient for suppliers to fulfil an order, and that suppliers are paid on time (See Box 7). • Reviewing past performance of suppliers on labour requirements.
Contract controls	<p>If labour-intensive activities are procured through a tendering process, the contracting stage can be used as an opportunity to address risks at an early stage. In particular, the results of a prior risk assessment and gaps in practices required to address these risks identified during the</p>	<p>Supply chain governance documents (including codes of conduct and contracts) should include specific language to deal with labour issues in general and modern slavery in particular.</p>

Type of risk mitigation	Contractor management	Supply chain
	<p>tendering process, should be addressed in contracts. Contracting companies can:</p> <ul style="list-style-type: none"> • Require contractors to commit to international standards or at the very least good industry practice with respect to labour standards • Include clauses on specific identified risks • Require subcontractors to cascade standards to their own business partners • Include the right to monitor company practices within contracts, and set out reporting requirements and responsibilities. <p>Example: Target Brands Inc. has a contractually based social compliance process with its suppliers which includes measures aimed at addressing potential labour risks including the risk of forced labour. Under this process, suppliers must register all factories which convert raw materials into Target brand products and must agree to participate in unannounced compliance audits.</p>	<p>Where due diligence has picked up specific risks and identified actions, appropriate mitigation measures should be required of suppliers.</p> <p>Contractual provisions can also be included which address generalised modern slavery risks, for example:</p> <ul style="list-style-type: none"> • Mandatory reporting of any breaches of national laws, including forced labour laws • A requirement to provide a supply chain map in order to increase transparency.
<p>Build capacity and awareness</p>	<p>Capacity building and awareness efforts can include training of key personnel, contractors and suppliers on modern slavery risks, or working with management to improve human resources practices such as recruitment processes, hours or wage recording systems. These measures will ideally stem from a capacity assessment.</p> <p>Doing this can require expertise for a deep-dive risk assessment, especially in high-risk sectors and countries, as well as support from experts, NGOs, etc. to help address the risks and support progressive improvements (e.g. through mentoring, training etc.).</p> <p>It is best if there are numerous functions within a company and business partner involved, so that it is not just sustainability professionals receiving training but also buyers, procurement teams, and other commercial staff.</p> <p>Continuous dialogue with contractors or suppliers can be an effective way to raise awareness which is also less-resource intensive. Discussions may be used to obtain buy-in from key stakeholders within the portfolio company and ensure that risk mitigation measures are fully integrated. Specific channels of communication between companies and their business partners can also be used to raise modern slavery issues at an early stage.</p> <p>Companies can also seek to build the capacities of vulnerable workers to understand and exercise their rights. This can include ensuring they receive contracts in a language they understand and that they are formally inducted to their jobs with a clear explanation of their rights and channels through which they can raise grievances.</p> <p>Vinciworks has developed an online training tool for procurement and supply chain professionals.</p>	
<p>Whistle-blowing and grievance systems</p>	<p>Establishing an effective and trusted independent mechanism for raising grievances gives a company the opportunity to identify issues and to develop mitigation measures in proactive manner. In particular, working with representative worker organisation such as trade unions can help ensure that workers raise concerns / grievances safely without fear of retribution, enable dialogue with employers, and lead to remediation and resolution at site level. Alternative platforms, such as health and safety committees, can be used in jurisdictions where there are significant restrictions on trade union rights.</p>	

Type of risk mitigation	Contractor management	Supply chain
	<p>See Section 5.3 for further guidance on grievance mechanisms.</p> <p>For a contracted workforce, companies should ensure that they review the effectiveness of their contractors’ grievance mechanisms, and where these are deemed to be inadequate, should ensure that they make their own grievance mechanisms available to the workers of third party workers on their worksite.</p>	<p>In a supply chain context, worker grievance mechanisms are harder for companies to implement. Ultimately the grievance is best resolved by the company that has the closest employment relationship with the worker, but if this avenue is inadequate, companies can work with their suppliers to build their capacities to handle grievances and/or extend their own grievance mechanism to their suppliers’ staff.</p> <p>Example: Wilmar International – a leading global agribusiness group – have a Grievance Unit that is tasked with managing grievances raised by workers, but also those raised by third parties. The Unit is tasked with monitoring media for news related to Wilmar and its suppliers in order to identify potential grievances which will then be investigated in the same manner that other grievances would be.</p> <p>In 2017, a report published by SOMO and CNV International made allegations of a number of labour issues on a Wilmar supplier site in Indonesia, which included <i>allegations of potential forced labour</i>. This allegation was received by the Grievance Unit, which then followed up with an immediate investigation that involved direct engagement with the national union, KSBSI, who identified the issues and raised the concerns. As a result of the meeting Wilmar accepted KSBSI’s proposal to extend their network into Wilmar’s refinery operations. Wilmar also conducted a field investigation of its own and provided a detailed response to the report’s findings, including that the issues with overtime and wages which could have amounted to forced labour were inaccurate.</p>
<p>Engagement with experts or relevant initiatives</p>	<p>Collaboration with multi-stakeholder initiatives (MSIs), civil society, or trade unions, particularly in situations where leverage and visibility are low, can be an effective way of mitigating risks. Where modern slavery risks are endemic in a sector, industry, supply chain or geographical jurisdiction, multi-stakeholder initiatives can facilitate collaboration with other companies, industry bodies, national governments and stakeholders to tackle common problems, mitigate risk and improve practices in the longer term.</p> <p>See Tool 5 in for an overview of regional and sectoral initiatives that can be engaged with on this issue.</p> <p>Example: Having identified risks of debt bondage incurred by Bangladeshi workers in their Mauritius factories, companies such as ASOS, Whistles and Princes Tuna, members of the Ethical Trading Initiative, have developed a working group and road map to deal with recruitment fees, remediation and improve overall working conditions for migrant workers. Actions taken include advocacy with the Mauritian and Bangladeshi governments to sign a Memorandum of Understanding between host and sending country to protect migrant workers’ rights; commitments established with factory owners and export associations to adopt the Employer Pays Principle; partnerships established with the ILO and IOM to align with international good practice; and collaboration with local and international trade unions, NGOs and the UK government.</p>	

Type of risk mitigation	Contractor management	Supply chain
<p>Increase visibility and control</p>	<p>On sites where the majority of workers are hired through third party contractors and/or agencies, such as on infrastructure projects, management of onsite labour is often carried out by a third party who will have a direct role in relation to a number of issues, including safety. Where a site is identified as higher risk in relation to modern slavery, these third parties should be used to improve regular visibility and oversight of contractor workforces on a day-to-day basis.</p> <p>Example: Hewlett Packard (HP) determined that hiring workers through labour brokers and agencies contributed to modern slavery risks, and as a result required its suppliers to employ foreign migrant workers directly.</p>	<p>Efforts should be made to reduce the complexity of supply chains. This can include reducing the number of suppliers or moving supply to trusted business partners.</p> <p>Building supplier capacity and requiring suppliers to report on actions taken, including the degree to which they monitor changing risk, is an important step, which can move the identification and remediation of modern slavery forward.</p> <p>See Section 3.2 on supply chain mapping</p>

5. Remediation

Overview of Section 5	DFIs and Investors	Companies
Key outcomes:	Understand what remediation is and who is responsible for it, as well as the importance of grievances and defined remediation processes	
5.1 What is remediation?	Introduces the concept of remediation as well as important principles to consider when designing and implementing remediation processes including victim protection, victim focus, and collaboration	
5.2 Who is responsible for remediation?	Understanding responsibility for remediation based on the framework provided by the UN Guiding Principles	
5.3 Grievance mechanisms	Brief overview of effective grievance mechanisms and the different entry points for workers to raise concerns	
5.4 Pathways to remediation	Considerations when developing remediation policies and systems, and how to follow a suggested remediation pathway depending on the nature of a modern slavery incident (i.e. incidences that can be solved by employers, incidences linked with criminality, and incidences linked with state sponsorship)	

5.1 What is remediation?

61. Remediation is the process of providing a remedy for a harm. Remedy can take a variety of different forms, including apologies, restitution, rehabilitation, financial and non-financial compensation as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition.

62. In the context of this GPN, remediation is the process that ends a situation of modern slavery, and as far as possible should reduce or reverse the harms experienced by victims. Remediation should:

- as a priority, protect the victim from further harm or greater vulnerability to risk in the first instance
- reflect the needs and wishes of the victim
- be relevant and achievable within the context that the issue is situated
- contribute to addressing the underlying root causes driving modern slavery
- build on the strengths and capacities of external stakeholders
- be delivered in accordance with national law and international labour and human rights standards
- incorporate means of preventing further abuses (see Section 4 on “Mitigation Measures” for more information).

Example: In response to the widespread charging of recruitment fees to foreign migrant workers, a “universal payment” approach has been developed and is being implemented on construction projects under the control of the Supreme Committee for Delivery and Legacy in relation to the 2022 FIFA World Cup™ in Qatar. This approach places the burden of proof on subcontractors to demonstrate that they paid the fees for workers’ recruitment, and where this is not possible, the subcontractor is required to pay its workers a flat rate as compensation for the fees they are presumed to have paid. In the short term, this provides a degree of compensation to all migrant workers, reducing their potential vulnerability to situations of debt bondage, and in the long-term influences subcontractors to improve their management of the recruitment process so that they won’t have to compensate workers in the future.

5.2 Who is responsible for remediation?

63. The UNGPs define potential routes to support access to remedy in three broad categories:

- **State supported mechanisms** – e.g. judicial mechanisms such as national tribunals or courts
- **Non-judicial state mechanisms** – e.g. administrative and legal means such as labour tribunals, national contact points, etc
- **Mechanisms offered by non-state actors such as businesses** (including DFIs, investors and companies), trade unions and NGOs.

64. The UNGPs set out responsibility for remediation in the following way: DFIs, investors and companies will be responsible for remediation where they cause or contribute to the negative impacts, but are only required to collaborate to seek to support remediation when directly linked to the harm.

65. Where an instance of modern slavery has been identified, a DFI, investor or company must take appropriate steps to ensure that affected workers are protected and that further harm is prevented. To best understand the role a DFI, investor or company should take in remediating identified instances of modern slavery, it is useful to identify the extent to which their activities have caused modern slavery to occur through its own activities or whether it has contributed to modern slavery occurring either directly or through some other business partner.

66. DFIs and investors may often just be linked to a case of modern slavery, rather than having caused or contributed to it. As such the main role of DFIs and investors may be to simply monitor the implementation of remedial measures. Nonetheless, it is important to understand this relationship to determine the appropriate next steps. See [Section 6](#) for guidance on how to monitor business partner activities and actions.

67. In almost all cases, effectively remediating a situation of modern slavery will require urgent and appropriate action to ensure that victims are protected from further harm and that appropriate steps are taken to address the situation – in some cases involving government authorities or other bodies in ensuring access to justice. It will also require collaboration between a range of private and public actors to deal with the longer term consequences and implications of incidents of modern slavery that are found. It may be that the role of the DFI, investor or company is simply to refer the case to a more qualified or better placed public authority or expert group. Thus, as part of the remediation process, different stakeholders should be engaged in order to identify different points of leverage, expertise and capacity to influence outcomes.

68. DFI, investors and companies should seek to cooperate with public and non-governmental bodies that provides expertise and victim support, including elected worker representatives. Independent trade unions, community or faith based organisations etc, can serve as useful partners or resources, particularly through local networks with close proximity to problem areas. Cooperation is particularly important in situations where there is a lack of leverage over a business partner to resolve the situation.

Example: Having identified that migrant workers in Malaysian supplier factories were being charged recruitment fees during the recruitment process, IKEA partnered with the International Organization for Migration (IOM) to map their suppliers’ labour supply chains in Nepal and Bangladesh. Extensive interviews with migrant workers were carried out to understand the process from their perspective, making it possible to track the path all the way down to their initial contact regarding their employment.

Through these interviews IKEA was able to identify specific workers who had paid recruitment fees. In cooperation with its suppliers, IKEA developed a process for repaying workers and implemented measures to ensure that fees are not paid in the future. This process also revealed that the complexity of the recruitment process was in and of itself an important source of risk. IKEA has worked with multi-stakeholder initiatives to change how recruitment processes operate, including through its involvement with the Leadership Group for Responsible Recruitment and its ambition to implement the Employer Pays Principle.

Further reading

For more guidance on understanding “cause”, “contribute” and “directly linked”, see this [Debevoise and Plimpton Discussion Paper](#) on the definitions and implications for business.

The [Issara Institute](#) has developed detailed guidance on developing and implementing remediation

Key stakeholders to consider including in a remediation process

Public sector	<ul style="list-style-type: none"> • National government • Local government • DFI 	<ul style="list-style-type: none"> • Police / law enforcement • Labour inspection and enforcement
Private sector	<ul style="list-style-type: none"> • Investors • Customers 	<ul style="list-style-type: none"> • Clients • Suppliers / contractors
Third parties	<ul style="list-style-type: none"> • Local civil society groups • Local trade unions / workers' organisations • Community organisations (e.g. faith groups etc) 	<ul style="list-style-type: none"> • International NGOs • International trade unions • International organisations (ILO, UN, IOM etc) • Embassies (of labour sending countries)

5.3 Grievance mechanisms

69. Grievance mechanisms are a procedure through which a grievance (which may also be referred to as a complaint) can be raised, assessed, investigated and responded to. Importantly, in the context of modern slavery, it is also a framework through which affected workers can gain access to remedy for any adverse impacts or damage they have suffered.

70. What constitutes an effective grievance mechanism has been broadly defined under the UN Guiding Principles on Business and Human Rights (UNGPs). See the resources below for further guidance. Note that whilst worker grievance mechanisms can be a useful tool to pick up on a resolve workplace issues, they can often struggle to reach the most vulnerable groups of workers that are most likely to be victims of modern slavery, therefore it is important that careful consideration is made when designing them so that they are appropriate and understood by these groups of workers. In particularly high-risk contexts, it may be necessary to engage specialists to improve grievance handling.

71. To facilitate this, it is important that there are a number of entry points through which workers can raise their grievance and access the mechanism. A few examples could include trade union representatives, company hotlines or whistleblowing lines, formal complaints to HR, raising concerns with supervisors etc. Where unions are not present because of legal restrictions or where more traditional grievance mechanisms are not in place, other structures such as health and safety committees are a potential entry point for worker concerns.

72. Whilst investors and companies should ensure that they have established their own grievance mechanisms for their employees and contracted workers on their worksites, all DFIs, investors and companies should take steps to ensure that their business partners – whether they're clients, portfolio companies or suppliers – also have effective mechanisms in place. It is important to assess and evaluate the effectiveness of business partners' grievance mechanisms early, since they can provide insight into the robustness of systems as well as the nature of worker-management relationships.

Example: HP, through its involvement with Mexico’s ICT industry group, facilitates conversations between electronics companies and the local NGO Centro de Reflexión y Acción Laboral (CEREAL). Employers meet with CEREAL every two months to resolve issues raised by workers. This engagement has been highly successful, and the broader industry group has served as a platform for resolving disputes that could not be solved between CEREAL and individual companies.

See [Section 4.4](#) for more information about company grievance mechanisms for contractors and supply chains.

Box 8: Gender-sensitive grievance mechanisms

When grievance mechanisms are developed, or when requirements are being cascaded down to business partners, measures should be taken to ensure that women are able to access these processes. This is particularly crucial for gender sensitive issues such as sexual harassment which can contribute to a worker’s overall vulnerability. While the practicality of establishing such a mechanism is highly context dependent, this can involve a designated female contact person for certain grievances, as well as general protections against retribution when grievances are raised.

Pentland Brands, which owns a number of apparel brands, has a [Migrant Worker Policy](#) which applies to its own operations and its suppliers, and which addresses the vulnerability of female migrant workers. According to the policy: ‘grievance mechanisms for female migrant workers should include safe processes specifically designed to identify and address sexual harassment or other gender-related complaints... [i]t may be appropriate to provide safe alternative accommodation, in cases involving sexual harassment, during the complaints process.’

Further reading

Shift have developed guidance on developing and implementing grievances in line with the UNGPs	Review this useful guidance note from the EBRD for an overview of how to develop and implement an effective grievance mechanism for workers. This includes a template grievance procedure for handling complaints.	Verité has developed useful guidance introducing grievance mechanisms to companies along with guidance to help companies evaluate the effectiveness of worker grievance mechanisms .	The Ethical Trading Initiative & Ergon have developed a guidance for companies on developing and implementing grievance mechanisms in line with the UNGPs which facilitate access to remedy.
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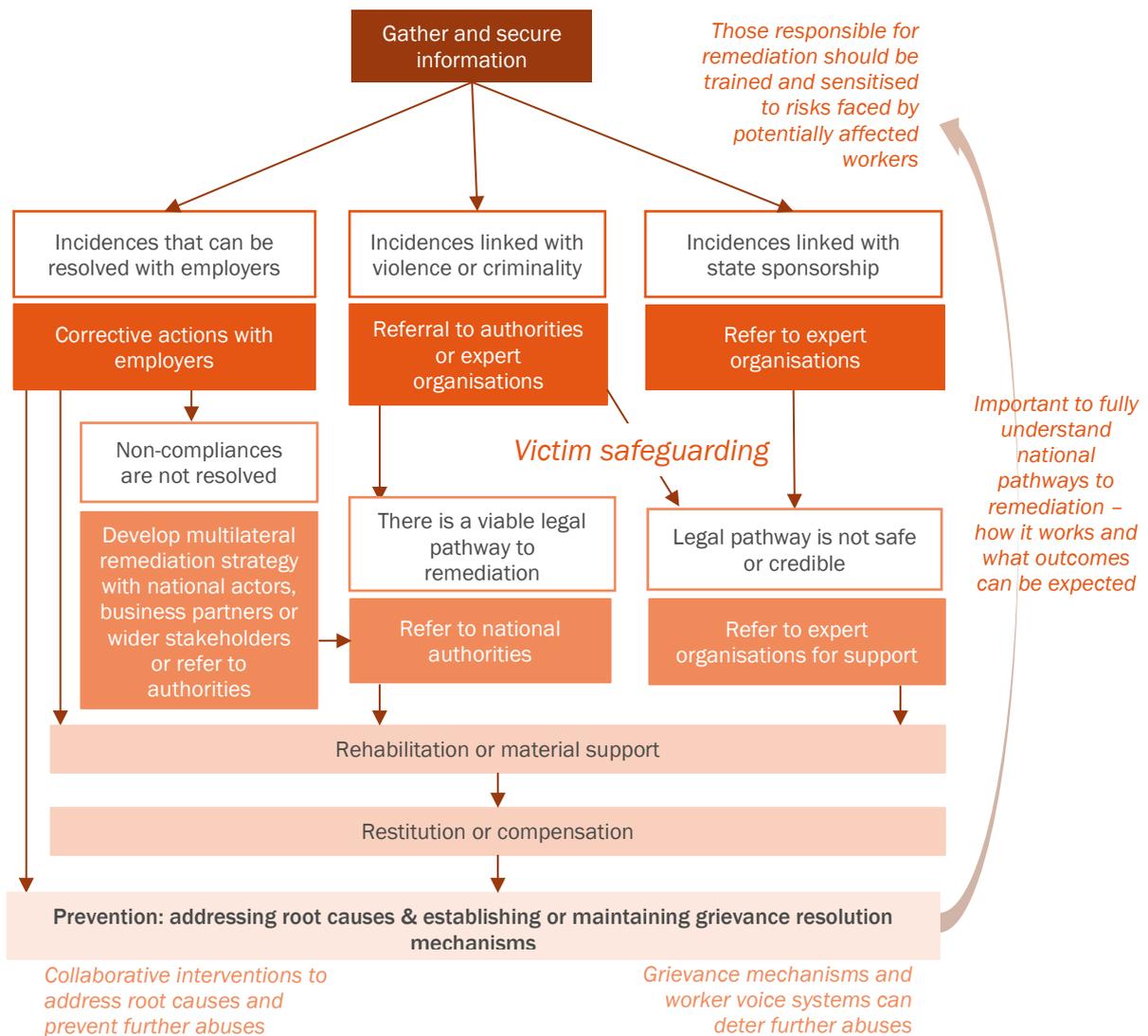
5.4 Pathways to remediation

73. Each instance of modern slavery is likely to require a customised response. However, a common underlying procedure which is consistent with the principles elaborated in [Section 5.1](#) should be in place to ensure that the response is adequate while maintaining flexibility. At a minimum, it is important that:

- adequate resources are in place / allocated to ensure that if an issue arises, it can be dealt with
- specific individuals are identified as responsible for responding and taking action;
- the procedure is adequately communicated both internally and externally to relevant personnel so that people are clear on what to do if an issue arises
- responses are time-bound and linked to clear reporting requirements.

74. When assessing remediation systems of business partners, questions may be asked to determine if processes align with these minimum requirements.

75. The diagram below sets out the steps that a company should take, along with important considerations in the decision-making process to ensure that remediation is effective. A more detailed explanation of this diagram along with examples of good practice is set out in [Tool 6](#).



6. Monitoring and reporting on actions and change

Overview of Section 6	DFIs and Investors	Companies
Key outcomes:	Understand what monitoring seeks to accomplish, sources of monitoring obligations, suggested disclosures, and the value of stakeholder engagement and technology	
6.1 Reporting	Understand the role of monitoring and how it can inform other actions being undertaken relating to modern slavery, as well as the role of contractual and mandatory reporting requirements	
6.2 Ongoing monitoring	How to approach ongoing monitoring, with specific attention to stakeholder engagement and the use of new technologies	
6.3 Key Performance Indicators (KPIs)	Suggested KPIs which can be used as a method of measuring the effectiveness of actions	

76. Monitoring fulfils a number of crucial functions as part of broader efforts to identify, mitigate and address modern slavery risks. Ultimately, monitoring allows for assurance that modern slavery risks are not going undetected, that that relevant commitments are being met and existing risks are managed, and that change is being tracked and reported against.

77. Whilst it is presented here as a standalone section, it should be carried out continually by any DFI, investor or company both with regards to modern slavery and labour risks in general. However, risk assessments (see [Section 3](#)) and the findings from previous monitoring should inform monitoring in terms of frequency, breadth and depth.

6.1 Reporting

6.1.1 Contractual obligations on reporting

78. Investors and companies may be required to carry out proactive disclosures of their issues and actions to address modern slavery risks. These reporting requirements can be contractual in the form of regular reports to business partners (such as annual monitoring reports, for example). Where there is a close working relationship with a business partner, reporting can be done in person at regular monthly meetings, for example.

79. The nature of the reporting or disclosures may depend on assessed risk as well as business realities. Immediate notification of identified risks and issues, particularly breaches of law or actual incidents of modern slavery, is a useful way of ensuring that key problems are brought forward and that interventions are appropriate and timely.

80. Persons responsible for receiving and reviewing the reports should have sufficient knowledge and understanding of some of the underlying risks and issues associated with modern slavery so that they are able to pick up on some potential issues and follow up with business partners.

81. In addition to the [forced labour indicators highlighted by the ILO](#), when reviewing monitoring reports DFIs, investors and companies can look for the evidence set out in the bullets below to identify some potential modern slavery risks. DFIs, investors and companies may also require proactive disclosure on these issues from business partners:

- significant changes to policies or codes of conduct which are relevant to modern slavery
- significant changes to how work is organised (e.g. new significant contractors / suppliers / groups of workers etc)
- lawsuits or breaches of national laws (including specific reference to any modern slavery or forced labour laws)
- grievances, trade union complaints, or modern slavery allegations from NGOs or others
- actual incidents of modern slavery
- engagement or onboarding of (sub)contractors, and
- functioning of remediation processes (e.g. instances of remediation, timeliness, or amount remunerated)
- performance against any risk mitigation measures which might have been implemented.

6.1.2 Mandatory reporting requirements

82. The California Transparency in Supply Chains Act in the United States, UK Modern Slavery Act and France *Duty de Vigilance*, all require companies that meet a certain threshold in turnover to publicly report on what they are doing to address risks of modern slavery in their operations and supply chains. Whilst this will not be directly relevant to many smaller companies in emerging markets or those without an operational footprint in these countries, many investors and companies with investments and supply chains that are in scope are expected to report against what they are doing.

83. It is important to do this well because scrutiny on what investors and companies are doing is increasing. When reporting is done well, this offers investors and companies an opportunity to demonstrate leadership and effective corporate governance. Civil society does not expect modern slavery to be immediately solved and would not expect a company or investor to have done this, instead the concern is seeing how modern slavery is being addressed in a progressive manner, and to accelerate progress. Additionally, for investors and companies that are leading in this area, reporting helps them set their expectations of companies in an investment portfolio and supply chain.

Further reading

<p>See guidance from the CORE Coalition on what should be covered in a public statement on modern slavery. This can be used when writing a statement or reviewing one as part of due diligence. Aligned with this, the ETI has developed a Modern Slavery Evaluation Framework with specific guidance for annual progress reporting relevant to different companies and sectors.</p>	<p>Shift have developed guidance for companies on what to do and what not to do when reporting publicly on human rights.</p>	<p>The Slavery and Human Trafficking Risk Template (SRT) is an open source data collection template that companies can use to improve their efforts to address modern slavery and improve their public disclosures. This can be sent out as a self-assessment to suppliers and business partners.</p>
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6.2 Ongoing monitoring

DFIs, investors and companies can also ensure that they have other means of monitoring issues in higher risk sectors or scenarios in an ongoing manner.

6.2.1 Engaging stakeholders

84. Engagement with independent trade union, civil society and/or public organisations who are aware of the pressures on vulnerable workers and the ways in which they may be drawn into situations of modern slavery can help DFIs, investors and companies monitor risks and actions to mitigate them. It is important to note that effectively implementing actions to tackle modern slavery can take time and depends on rigorous monitoring, greater transparency and accountability built into contracts and business relationships. This is underpinned by obtaining credible data and collaborating to mitigate and manage risks in the longer term.

Example: In response to numerous challenges in Turkey’s garment and textile industry, including vulnerability of Syrian refugee workers to exploitation, the Ethical Trading Initiative (ETI) in the UK established the ETI Turkey platform which convened businesses, trade unions, and civil society in order to address these issues. The platform is led by a steering group which meets quarterly in order to guide due diligence efforts, find solutions, and monitor implementation.

85. The most effective multi-stakeholder approach to addressing modern slavery will require constructive engagement with government bodies responsible for monitoring compliance with labour laws, effective state and civil society institutions to protect and support victims of modern slavery, independent representative trade unions to represent workers – including those that are vulnerable to modern slavery, and collaboration between different stakeholders across industries and sectors to improve labour standards, prevent and mitigate risks. Where some of these groups are absent or lack capacity or interest,

DFIs, investors and companies should seek to engage with those that are willing and available, which will be more effective than trying to tackle the issue alone.

Example: The Issara Institute is an independent NGO based in South East Asia tackling modern slavery issues in the region by bringing together the private sector, civil society and government to address the issue. As part of their work they have developed an Inclusive Labour Monitoring (ILM) method as an alternative to social audits. Unlike standard audits, the ILM approach allows for continuous monitoring of working conditions on supplier sites as workers can use multiple channels (in the community, on a 24-hour hotline, specific smartphone apps etc) to raise issues.

Issara then validates this information and will then share anonymised findings with the supplier to develop action plans. For serious issues, strategic partners - such as brands at the top of the supply chain - will be alerted to the findings and proposed remedies, and the supplier will be given free technical support to implement reforms. Workers are able to see the implementation of these reforms and can feedback on the effectiveness, helping drive ongoing and continuous improvement of the ILM method.

6.2.2 Use of technology

86. Where appropriate, utilising worker reporting technology can be an effective means of monitoring conditions on a worksite. This could include the deployment of specific phone apps that workers on particular sites can access to raise concerns or provide feedback. [LaborLink](#) and [Ulula](#) are just a couple of examples.

87. Many companies are beginning to consider how this technology can help improve their monitoring of workplace conditions and provide workers with a voice in parts of their supply chain or operations where they lack visibility, and there are now a number of service providers that are offering their services to companies that are interested in using such technology. In addition, social media is increasingly being viewed as a potential source of risk information, as well as a channel of communication for workers who may have difficulty expressing their concerns.

88. Whilst this has undoubted potential, the use of such technology is still relatively nascent and not widely tested.

89. To guide investors or companies and developers, a set of guiding principles has been developed - the [WEST Principles](#) – to give an overview of how these technology solutions should be developed and implemented. The [‘Tech Against Trafficking Initiative’](#) is looking into how new technology can support efforts to tackle modern slavery, including focusing on how mobile apps can be used, how existing data can be better understood to pick up on issues, and how supply chain transparency of labour standards can be improved. [Humanity United](#) are also exploring the role that technology can play in addressing modern slavery risks.

90. It is also important to note that although aimed at enhancing ‘worker voice’, technology-based mechanisms should not be seen as equivalent to or replace the role of legitimate trade unions who represent the interests of their members.

Example: Engineering company CH2M Hill have recently launched the pilot of a mobile worker app for migrant workers working on construction projects in the Gulf. The aim of the Worker Connect mobile app is to give workers the opportunity to provide confidential feedback on living and working conditions. This also gives business that use it a tool that they can use to be better informed of worker concerns along with a means of feeding back their responses.

6.3 Key Performance Indicators (KPIs)

91. One way of tracking the implementation action is for a DFI, investor or company to develop key performance indicators (KPIs) to measure the effectiveness of actions taken to address modern slavery. In the process of developing KPIs it is important for a DFI, investor or company to be clear about what they are measuring, and what the figures mean. This should relate to what DFIs, investors or companies are asking business partners to report against or what is being assessed as part of other ongoing monitoring and audits.

92. Whilst KPIs that are developed should be specific to the context, the table sets out some useful example indicators which companies can consider and amend to fit their circumstances.

93. Note that it is useful to have a mix of qualitative and quantitative indicators as this will reduce the chance of misinterpreting what the KPI data means. For example, whilst an increase in grievances raised related to modern slavery is of course an issue which should be dealt with, this may not be because negative impacts are suddenly getting worse but instead that the grievance mechanism is being implemented better and/or that it is trusted by workers. Hence using a range of indicators that can help interpret the significance of the data is useful.

Table 10: Example KPIs

KPI	Measure
Percentage of business partners (Clients, portfolio companies, contractors or suppliers) audited in past year	%
Number of workers spoke to during audits in the past year?	No.
Number of identified non-compliances related to forced labour in audits	No.
Percentage of corrective actions related to forced labour successfully closed / remedied within agreed timeframe	%
Number of repeat non-compliances on forced labour from individual business partner in past year	No.
Number of reports received from business partners related to modern slavery in past month	No.
Percentage of identified modern slavery risks addressed through collaboration (with NGOs, civil society, trade unions, government etc) in past year	%
Number of business partners (e.g. Clients, portfolio companies, contractors, suppliers etc) trained on modern slavery in past year	No.
Number of complaints of forced labour made through grievance mechanism in the past month	%
Percentage of complaints resolved within allocated timeframe in the past year	%
Number of best practices shared and scaled more widely in the past year	No.
Percentage of new workers that understand their employment contract's terms	%
Percentage of workers that have paid a fee to secure employment in the past month	%
Percentage of workers that receive induction on workplace rights	%
Identification of high risk geographies and sectors for priority due diligence on modern slavery	Y/N

KPI	Measure
Number of business partners that have cascaded requirements on modern slavery with their third parties	No.
Worker feedback on working conditions in staff surveys	Qual.
Victim feedback on outcomes of actions and remedy	Qual.
Independent stakeholder feedback on efficacy of strategy to address modern slavery	Qual.

Example: The Co-op Group, a UK Cooperative, set themselves a number of targets related to preventing modern slavery across their multiple business and supply chains areas as part of their statement made under the UK Modern Slavery Act's reporting requirements. The following year, they [reported against what they had done](#) in relation to each of these targets, setting out what activities had been carried out and whether they had achieved the target or not. They do not try to claim that they have solved everything and doing this allows them to demonstrate to their members, customers and business that they are making efforts to continually improve their practices in this area.

Annexes and Tools

Annex 1: Acknowledgements

The drafting of this Guidance has benefitted from valuable inputs and contributions from a wide range of interested third parties, listed below:

8 Milles	European Bank for Reconstruction and Development (EBRD)	Olam
ACTIS		Overseas Private Investment Corporation (OPIC)
AECOM	European Investment Bank (EIB)	Oxfam
Asian Infrastructure Investment Bank (AIIB)	Hilton Worldwide	ShareAction
ASOS	Institute for Human Rights and Business	Standard Chartered
Business and Human Rights Resource Centre	Inter-American Development Bank (IADB)	Stronger Together
CDC Group	International Finance Corporation (IFC)	Tesco
Citi	International Organisation for Migration (IOM)	Transport for London (TFL)
Coller Capital	International Trade Union Confederation (ITUC)	Trade Union Congress (TUC) UK
Combined Vision Consulting Ltd	JP Morgan	UKEF
Delta Capital	Li & Fung	University of Nottingham
Deutsche Investitions- und Entwicklungsgesellschaft (DEG)	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO)	University of Sheffield
ECOM Trading	New Development Bank (NDB)	USAID
Environmental Resources Management (ERM)		US Department of State
EuroMena		Verité
		World Bank

Tool 1: Pre-screening questionnaire

Dear [Bidding company],

[DFI / Investor / Company] is a socially responsible business, committed to complying with national and international labour standards, and promoting decent work conditions across our [investments / projects / supply chains]. Our experience tells us that when workers are treated fairly and responsibly, overall business performance improves.

As such, we screen all potential business partners to ensure that they share our commitments and values before we agree to work together. This questionnaire is aimed at identifying your workforce structure and the current policies, systems and practices that you have in place to manage key labour issues.

Background questions	Response
Company name	
Location	
Your name	
Your title	
Email address	
Phone number	
Does your company have any management system certifications on labour (e.g. ISO 26000)	

Workforce questions	Response
Total number of workers	<i>Include breakdown of number of workers hired indirectly through labour agencies and contractors / subcontractors</i>
Number of female employees	
Number of workers under the age of 18	
Number of migrant workers	<i>Please include migrants from other countries and from other regions within your country of operation</i>
Workforce turnover	<i>Latest annual and monthly turnover</i>
Is there a trade union representative on site?	<i>If yes, please name the trade union(s) and the number of members on site</i>

Policy and practice questions	Response
Do you have policies that prohibit the use of forced labour in your operations and supply chains?	<i>If yes, please provide evidence</i>
Who is responsible for managing forced labour issues? Is there a defined governance structure?	<i>Please provide detail</i>
Do these standards apply to your own business partners?	
Do you have a collective bargaining agreement with your employees?	<i>If yes, please provide evidence</i>
Has anyone in your company received training on how to manage forced labour risks?	<i>If yes, please provide evidence</i>
Do you provide workers with accommodation or meals?	<i>If yes, please detail the costs and how it is paid for</i>
What is the minimum standard that accommodation is expected to meet?	<i>Please provide detail</i>
Do you have a worker grievance mechanism in place?	<i>Please provide detail</i>

3 rd party labour practice questions	Response (if yes, please provide evidence as part of your response)
Do you use labour agencies to provide workers?	<i>If yes, please note how many and their names</i>
How are labour agencies selected?	<i>Please provide detail</i>
Do you use (sub)contractors to provide services on your site?	<i>If yes, please note how many and their names</i>
How are (sub)contractors selected?	<i>Please provide detail</i>
How do ensure that third parties are complying with labour standards?	<i>Please provide detail</i>

Supply chain questions	Response (if yes, please provide evidence as part of your response)
Have you mapped your supply chain?	<i>Please describe and provide evidence</i>
Which of your suppliers do you regard as highest risk from a social perspective?	

Supply chain questions	Response (if yes, please provide evidence as part of your response)
What requirements are included in supplier contracts related to modern slavery and/or labour standards?	<i>Please describe and provide evidence</i>
Do you conduct or review supplier audits?	<i>If yes, note down the standard they are audited against, who carries out the audit and their frequency</i>
Have you identified any instances of forced labour in your supply chain	<i>If yes, please describe the issue and your response</i>

Tool 2: Understanding recruitment fees

Workers that pay high fees to secure their employment are more vulnerable to debt bondage when they enter work. This Tool sets out those fees that companies and intermediaries are NOT permitted to charge workers.

Note that any fee, charge, or cost, may be a recruitment fee regardless of whether the payment is in property or money, deducted from wages, paid back in wage or benefit concessions, paid back as a kickback, bribe, in-kind payment, free labour, tip, or tribute, remitted in connection with recruitment, or collected by an employer or a third-party, including, but not limited to: labour providers providing recruitment and/or employment services; subsidiaries/affiliates of the employer; any agent or employee of such entities; and subcontractors, sub-agents and brokers at all tiers.

This list is taken from the [Responsible Recruitment Toolkit](#).

Fees that must be covered by the employer	Fees workers may reasonably incur themselves
<p>Processing costs</p> <ul style="list-style-type: none"> Operating and administrative costs associated with the recruitment process Costs of advertising the position Legal fees, or fees for other recruiters and agents Any fees for interpreters 	<p>Job qualifications</p> <ul style="list-style-type: none"> Costs to meet minimum qualifications to meet the job specification
<p>Pre-departure</p> <ul style="list-style-type: none"> Interview skills tests Fees for obtaining worker certification Any certifications beyond worker eligibility Medical exams / screening Transport to and from the interview at the assessment centre with the labour user Any other fees to access the job opportunity 	<ul style="list-style-type: none"> Costs involved in attending the initial interview with the agency Where workers present themselves to the employer at the place of employment, the worker should not expect to be reimbursed
<p>Documentation</p> <ul style="list-style-type: none"> New passport/ID documents needed for employment Visas Work/residence permits Background, security checks, other checks or clearance documents 	<ul style="list-style-type: none"> Costs associated with replacing a lost or damaged identity document, where the employee is at fault.
<p>Transit</p> <ul style="list-style-type: none"> Transportation, lodging and subsistence from the workers' home to point of departure, airfare or other transport costs, and transport from receiving port to accommodation Border crossing fees Return costs Any costs associated with travel arrangements 	
<p>Arrival</p> <ul style="list-style-type: none"> New hire orientation and job-skills training Medical screening Clearance documents required for residing in the country 	

Fees that must be covered by the employer	Fees workers may reasonably incur themselves
<p>During employment</p> <ul style="list-style-type: none"> • Costs associated with paying the workers' salary (bank costs) • Visa extension or agency costs when contract is extended • Deductions taking pay below the minimum wage • Fees for guaranteed hours • Fees for transport to and from the workplace which is a mandatory requirement of the job • Fees for employer provided accommodation and substance which are not optional • Costs of equipment and tools used by the worker 	<ul style="list-style-type: none"> • Costs for employer provided accommodation and subsistence where they are optional • Costs for transport to and from the workplace (e.g. shuttle service) provided by the employer, as long as it is truly optional and priced fairly
<p>End of employment</p> <ul style="list-style-type: none"> • No fees should be charged to the worker as a penalty for terminating their contract 	<ul style="list-style-type: none"> • If the worker has not provided their full notice period, the employer may choose to not cover the costs of return to their country, provided this is legal, and there is an express clause in the workers' contract.

Tool 3: Topics to cover during a workplace assessment

The tables below give an overview of the types of topics that auditors should cover when speaking with management and workers to better understand whether there are specific risks associated with modern slavery.

Note that these questions may not be appropriate to ask workers or management directly and instead other questions may be used to get to the answers. Also, when interviewing vulnerable workers, and potential victims of modern slavery, skilled interviewing techniques may be required and efforts must be made to ensure that there is no retribution against workers for participating.

This list is not comprehensive and should be amended and added to where necessary and depending on the specific context.

Topic	Explanation
Recruitment	
Are workers expected to pay any costs to secure work?	<i>Where workers have been charged a fee to secure work that is in excess of 2 months' salary, it is likely that they will have to take a loan to pay this, which could lead to them ending up in situations of debt bondage. If the fee that the worker has been charged relates to any of those listed in Tool 2, then this should not be permitted.</i>
What information is provided to workers before they apply for and begin the job?	<i>Where there are signs that workers have been deceived about the nature of their job during the hiring and recruitment process, then there are heightened risks of modern slavery, especially where workers incur debt to secure the job.</i> <i>Deception could include: false promises about the nature of the work (including terms and conditions of employment, accommodation, transport etc) and changes made in the contract between recruitment and starting the job with terms less favourable to the worker.</i>
Free movement	
Is there evidence of workers' documentation being retained?	<i>If a worker's visa or other form of documentation ties them to their employer, then this could be a strong disincentive to leaving an abusive job. This issue is exacerbated if their job is located in a country that places restrictions on the mobility of these workers (often internal and external migrants).</i>
Under what conditions can a worker decide to leave their current job?	<i>Where workers cannot leave work freely and voluntarily, as a result of threat of penalty, including financial, there is a heightened risk of modern slavery. Indeed, where workers are threatened or pressured into staying in their job then there are also heightened risks.</i> <i>Where workers are not permitted to take leave and go home at least once a year, then there is a risk of modern slavery. Employers requiring a financial deposit from a worker as a condition to taking leave also signals an elevated risk of modern slavery.</i>

Topic	Explanation
Are workers free to come and go from the worksite as they wish? What about accommodation?	<i>Restrictions on freedom of movement may be necessary on security grounds or for worker health and safety. However, workers should not be physically confined to the workplace or their accommodation unnecessarily.</i>
Working conditions	
How much are workers paid? How regular is this?	<i>Where workers don't receive at least the minimum wage, net of all salary deductions, then risks of modern slavery are higher.</i> <i>Additionally if workers are not paid at regular intervals, at most every month, in cash or via bank transfers, and where they are not given itemised payslips, then risks are higher.</i>
What are overtime hours?	<i>Forcing workers to carry out overtime in excess of that permitted by national law signals a higher risk of modern slavery. If this is not a one off and is carried out routinely, then risks are heightened.</i>
Third party workforce	
Does the company undertake any background checks on the bidding contractors / suppliers?	<i>If the tendering process does not check that a third party is licensed by the appropriate authorities in that country, or that it is operating in compliance with local laws, then third party workers are likely to be more vulnerable to exploitative practices.</i>
How does the company assess whether the bid price provides an adequate reflection of labour costs?	<i>Business partners may use third parties such as contractors or labour agents to provide workers, but do not pay or pay comparatively little to the company for these workers. Where this is the case it is likely that lower skilled workers will be charged fees by the intermediaries to secure work.</i> <i>Compare how much workers pay to secure a job with how much recruiters are paid by the employer for their services, and it can become apparent if the recruiter's fees are so low that coercive methods in hiring and recruiting workers are more likely.</i>
Accommodation	
Are workers provided with accommodation by the employer?	<i>Where workers live on a worksite or in accommodation provided by their employer and they are expected to pay for this, along with food, and transport at a rate that is higher than the local market rate, then there are heightened risks of modern slavery. Where payment is taken from workers' pay, and if workers are not aware of the terms of this, a higher risk should be signalled.</i>

Tool 4: Documentation to ask for and review during an audit

Documentation type	Documents
Site information	Any relevant government license, certificates of operation, etc.
	Records of previous government labour inspections
Worker documentation	Employment contracts/terms & conditions of employment
	Personnel files (including employment application, disciplinary notices, etc.)
	Proof of age documentation (copies of identification cards, birth certificates, medical clearance, etc.)
	Records of issuance of employee benefits, i.e. annual leave, maternity leave, etc.
Policies	Relevant policies re modern slavery
	Internal operating policies and procedures (wages and hours, annual leave, disciplinary rules and other HR policies)
Workforce communication / engagement	Records/minutes of meetings with employee representatives and/or unions
	Collective bargaining agreements
	Records of employee grievances
Payroll documents	Payroll records for the last three pay periods but up to 1 year may be requested for review. This should include records of all salary payments, including regular and overtime payments, as well as deductions from employees' salaries.
	Time records for the last three pay periods (for seasonal industries, this should include a peak period and a low season). These records should show daily start and stop times for workers during the pay period and should include regular and overtime work.
	Payment receipts for mandatory social insurance payments.
	Any government waivers or special permissions used to conduct work hours or pay schedules outside of the standard legal limits.
Procurement	Service contracts / agreements with business partners, focussing on clauses related to labour and modern slavery, responsibilities, and monitoring and reporting requirements

Tool 5: Stakeholder List

If a DFI, investor or company's efforts to address modern slavery demands stakeholder resources or collaboration, the list included below can serve as a useful starting point but it is by no means an exhaustive list. The decision to engage certain stakeholders or initiatives might be based on an organisation's profile, expertise, or geographic coverage.

The list does not include trade unions or private consultancies with modern slavery expertise. Trade union collaboration will be highly dependent on the issue in question as well as national and sectoral contexts. Useful starting points may be to look for local unions affiliated to international trade unions such as [IndustriALL](#) and the [ITUC](#). If consultancies are engaged, it may sometimes be preferable to engage local consultants who have relevant language skills as well as subject matter expertise.

Broad-based initiatives and stakeholders

- [Alliance 8.7](#)
- [Anti-Slavery International](#)
- [Corporate Responsibility in Eliminating Slavery and Trafficking \(CREST\)](#) / International Organization for Migration (IoM)
- [Ethical Trading Initiative \(ETI\)](#)
- [Fair Labor Association \(FLA\)](#)
- [Freedom Fund](#)
- [Humanity United](#)
- [Issara Institute](#)
- [Liberty Asia](#)
- [Mekong Club](#)
- [Not for Sale](#)
- [Stronger Together](#)
- [Verité](#)

Sectoral initiatives and stakeholders

- [Better Brick Nepal](#) (Construction)
- [Better Work](#) (Apparel)
- [Building Responsibly](#) (Construction)
- [Consumer Goods Forum](#) (CGF) (Consumer Goods)
- [Cotton Campaign](#) (Agriculture)
- [Equator Principles](#) (EP) (Finance)
- European Bankers Alliance (Finance)
- [International Tourism Partnership](#) (ITP) (Tourism)
- [Responsible Minerals Initiative](#) (Mining)
- [Responsible Business Alliance](#) (RBA) (Electronics)
- [Roundtable on Sustainable Palm Oil](#) (RSPO) (Agriculture)
- [Stop Slavery Hotel Industry Network](#) (Hospitality)
- U.S. Bankers Alliance (Finance)

Issues-based initiatives and stakeholders

- Social audits
 - [Business Social Compliance Initiative](#) (BSCI)
 - [Fair Factories Clearinghouse](#) (FFC)
 - [Sedex](#)
 - [Social Accountability International](#) (SAI)
- Recruitment
 - [Fair Recruitment Initiative](#) / International Labour Organization (ILO)
 - [International Recruitment Integrity System](#) (IRIS) / International Organization for Migration (IoM)
 - [Leadership Group for Responsible Recruitment](#)
 - [No Fees Initiative](#)
- Child Labour
 - [Child Labour Platform](#)
 - [International Initiative to End Child Labor](#)
 - [The Child Labor Coalition](#)

Tool 6: Good practices on remediation process

The following table provides good practice principles for each step of the remediation process, accompanied by relevant examples and resources. A crucial priority should be to ensure that victims do not face any retribution or further harm. This overarching concern must be considered at every step of the remediation process.

Step of remediation	Principles of good practice
Gather and secure information	Confidentiality, informed consent and personal security protection of potential victims should be assured during data collection.
Victim safeguarding	In some cases, action could be necessary to protect the immediate safety of victims, regardless of their wishes. This action should be led by or done in conjunction with national authorities or expert partners.
Corrective actions at workplace	<p>If a situation can be resolved by a company (i.e. it is not linked to violence, criminality, state-sponsorship), a time-bound plan for correcting the processes that led to the violation should be established including actions that prevent further abuses (see Preventative Measures below). This could include long term initiatives such as capacity building programs, or immediate steps such as returning confiscated passports or cancelling illegal debts.</p> <p>Example: After audits revealed possible instances of forced labour in Patagonia’s Taiwanese material supply chain, it developed a Migrant Worker Employment Standard. Suppliers were expected to reimburse workers that had paid recruitment fees in excess of legal limits. Patagonia collaborated with suppliers to understand how costs could be shared to make this financially feasible.</p>
Referral to authorities	<p>Where violence or criminality are involved, the case should be referred to national authorities (where this is seen as viable). It should be ascertained whether referrals will put victims (and their families) at risk of further harm.</p> <p>Example: The Gangmasters and Labour Abuse Authority (GLAA) has as its mandate the protection of vulnerable and exploited workers. This is accomplished through a licensing regime as well as inspections and prosecutions. The GLAA can receive referrals and reports regarding suspected cases of modern slavery and has clear commitments to confidentiality and protecting sources of information.</p>
Referral to independent worker representatives or experts	<p>If it is not viable to refer to the authorities because of inadequate mechanisms or because they have caused or contributed to the case, or where a company’s corrective actions would be inadequate, the case should be referred to workers’ representatives and/or experts to act on their behalf. Prior to making the referral, it is important to assess third-party experts and organisations to understand their capacities and potential role.</p> <p>Example: In response to modern slavery risks in its Thai prawn supply chain, highlighted through a number of NGO and media campaigns, UK supermarket retailer Tesco partnered with the Issara institute which specialises on forced labour in the region. Tesco were one of many retail brands and food suppliers that have partnered with Issara to jointly improve leverage over lower tier supplier to influence change. In Tesco’s case, through the Issara Institute, they ensured that</p>

Step of remediation	Principles of good practice
	migrant workers had access to the Issara Institute’s multilingual helpline. Through the hotline, Tesco was able to remedy a number of cases.
Rehabilitation and material support	<p>Rehabilitation should be tailored to the needs of the victim and could include stipends, housing support, legal assistance, medical care, psychological support or other assistance that the victim may not be able to access on their own.</p> <p>Example: Of the 15,000 people rescued from situations of forced labour in Brazil in the past 15 years, 600 ended up in similar situations a second time at least.</p>
Restitution or compensation	<p>Steps should be taken to either compensate the victim or restore their situation to before their ordeal took place, including if possible:</p> <ul style="list-style-type: none"> • Reimbursement of recruitment fees or illegal deposits; • Compensation for lost wages or illegal wage deductions; • Compensation for pain and suffering endured; • Assistance with repatriation, if desired.
Prevention	<p>Proactive steps to address the root cause of the labour abuse(s) in question should be taken, including by:</p> <ul style="list-style-type: none"> • Establishing or reinforcing access to a viable means of resolving workplace grievances; • Educating and informing vulnerable persons; • Educating and informing employers; • Leveraging key actors to influence change; • Protecting persons, particularly migrant workers, from possible abusive and fraudulent practices; and • Supporting due diligence by both the public and private sectors to prevent and respond to risks of forced labour.

Tool 7: Further modern slavery resources

Guidance for DFIs and their Clients	
CDC Human Rights Toolkit	A briefing note to support fund managers address human rights issues that are relevant to their investments http://toolkit.cdcgroup.com/e-and-s-briefing-notes/human-rights
EBRD Forced Labour Guidance Note	A document to assist the EBRD's clients meet Performance Requirement 2 standards on forced labour https://www.ebrd.com/documents/admin/forced-labour.pdf
IFC ESMS Handbook	Guidance for DFI Clients on how to develop and improve their systems to manage environmental and social risks, including modern slavery: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_handbook_esms-general

Investor resources	
IHRB, Investing the Rights Way	A guide for investors on applying the UNGP framework into their practices. https://www.ihrb.org/pdf/Investing-the-Rights-Way/Investing-the-Rights-Way.pdf
OECD Responsible Business Conduct for Institutional Investors	Guidance to support institutional investors implement due diligence to prevent and address adverse human and labour rights impacts. http://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf
PRI Managing ESG Risk in the Supply Chains of Private Companies	Guidance for direct investors and general partners investing in private markets on improving their risk profiling of their portfolios and investing in companies that manage their supply chains effectively https://www.unpri.org/download?ac=1894
Share Action Forced Labour Guidance	Guidance on risks and implication of forced labour in company operations and supply chains, highlighting the role for investor engagement https://shareaction.org/wp-content/uploads/2016/06/ForcedLabour-InvestorBriefing.pdf
UNEP FI Human Rights Toolkit	Guidance for practitioners in the financial sector to identify and assess human rights risks and issues. http://www.unepfi.org/humanrightstoolkit/index.php

Supply chain resources

ETI Human Rights Due Diligence Framework	Guidance for companies on how to improve their identification, assessment, mitigation, remediation, monitoring and reporting on human rights issues in their supply chains. https://www.ethicaltrade.org/sites/default/files/shared_resources/eti_human_rights_due_diligence_framework.pdf
ETI Guidance on Modern Slavery	Guidance for companies on addressing modern slavery risks in their operations and supply chains https://www.ethicaltrade.org/resources/base-code-guidance-modern-slavery
ETI Guide to Buying Responsibly	Guidance for companies on changing their purchasing practices to improve working conditions in their supply chains https://www.ethicaltrade.org/resources/guide-to-buying-responsibly
ETI Vulnerable Workers Toolkit	Guidance for companies to identify and address risks faced by vulnerable workers in agricultural supply chains https://www.ethicaltrade.org/resources/addressing-worker-vulnerability-agricultural-and-food-supply-chains-vulnerable-workers
ILAB Comply Chain	Guidance for companies developing systems to address modern slavery risks https://www.dol.gov/ilab/complychain/

Recruitment fees & migrant workers resources

Responsible Recruitment Toolkit	Guidance for companies to identify, mitigate, remediate and monitor issues associated with workers being charged recruitment fees https://responsiblerecruitmenttoolkit.org/wp-content/uploads/Eliminating-Recruitment-and-Employment-Fees-Charged-to-Workers-in-Supply-Chains.pdf
Stronger Together	Tools and guidance for companies on identifying risks, engaging with suppliers and business partners, and interviewing workers https://www.stronger2gether.org/resources/
Verité Fair Hiring Toolkit	Guidance for brands, suppliers, governments and investors on protecting migrant workers from modern slavery risks http://helpwanted.verite.org/helpwanted/toolkit

Sector and geography risk information

Alliance 8.7 Global Estimates of Modern Slavery	Joint ILO and Walk Free Foundation Research into the prevalence of modern slavery globally. www.alliance87.org
Danish Institute for Human Rights	Country level information in a limited number of countries on human rights issues that companies should be aware of. https://www.humanrights.dk/business/tools/human-rights-business-country-guide
ITUC Human Rights Index	Overview of countries where workers' rights are most at risk of being violated https://www.ituc-csi.org/ituc-global-rights-index-2018
US Department of Labor List of Goods Produced by Child Labor and Forced Labor	The US Government maintains a list of goods, by country, it believes to have been produced by forced and child labour https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods
US Department of Labor Trafficking in Persons Report	The US Government updates a report tracking foreign government's anti-trafficking efforts which provides information on at risk groups and sectors at a country level https://www.state.gov/j/tip/rls/tiprpt/
Verité	Report focussing on 43 important commodities which analyse forced labour and child labour associated with the commodity. https://www.responsiblesourcingtool.org/download/reports/JTIP_ExecutiveOrder_Report.pdf
Verité Knowledge Portal	Mapping of risks and issues related to modern slavery by country and sector http://knowledge.verite.org/#/map
Verisk Maplecroft Modern Slavery Index	Assess the risks to business of exposure to modern slavery https://www.maplecroft.com/portfolio/new-analysis/2017/08/10/20-eu-countries-see-rise-modern-slavery-risks-study/

Resources for identifying risks at site level

GLAA Guidance on Spotting the Signs	Guidance to assist individuals spot the signs of exploited workers if they come into contact with them. http://www.gla.gov.uk/media/3178/spot-the-signs-glaa.pdf
SEE Formula	Designed for the hospitality sector, provides guidance on scrutinising and engaging with vulnerable staff and ensuring businesses have proposer procedures to manage risks http://www.staff-wanted.org/see-formula/

Additional guidance and tools

Shift forced labour guidance	Overview of how efforts to address forced labour interacts with the Sustainable Development Goals along with good practice examples and case studies https://www.shiftproject.org/sdgs/forced-labor/
Stop Slavery Hotel Industry Network	Guidance on addressing modern slavery risks for companies operating in the hotel industry http://www.shivafoundation.org.uk/wp-content/uploads/2018/03/04_FrameworkForWorkingWithSuppliers.pdf
The Global Business of Forced Labour	Research on forced labour in Ghana’s coca industry and India’s tea industry based on extensive interviews and worker surveys http://globalbusinessofforcedlabour.ac.uk/report/