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Global Initiative to Fight Human Trafficking



HUMAN TRAFFICKING A CRIME THAT SHAMES US ALL HUMAN TRAFFICKING



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Human Trafficking and Business:

An eLearning course on
how to prevent and combat
human trafficking

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This publication has not been formally edited.

Acknowledgements :

This training handbook was prepared by the principal drafter Mr Philip Hunter. The UN.GIFT/EHTN project was led by Narue Shiki, UN.GIFT, Yatta Dakowah UNODC/UN.GIFT, Dr. Aleya Hammad, EHTN and Ivana Schellongova, EHTN. The project team was guided by Livia Wagner, UN.GIFT and Clara Pascual de Vargas, EHTN. The publication also benefited from the expertise of many other staff of the involved organisations.

The publication would not have been possible without the in-kind contribution of Microsoft, who technically developed and sponsored the e-learning tool, as well as the personal and professional commitment of Stuart Marvin, Manpower Inc. and staff from Beulah London, The Body Shop International and Sports against Trafficking.

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Introduction

The increased global scope of corporate activity today demands that businesses remain attentive to the many ways their operations can both positively and negatively affect human rights around the world. Although the connection between business and human trafficking may not be initially evident, human trafficking should be of pressing concern to companies – especially those with international operations and/or complex supply and production chains.

What is human trafficking?

Human trafficking is defined in international law as the recruitment, transportation, transfer, harbouring or receipt of persons, by means of threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability [...] for the purpose of exploitation. Exploitation includes sexual exploitation, forced labour, slavery-like practices, servitude or the removal of organs. Forced or compulsory labour is all work or service, which is exacted from any person under the menace of a penalty and for which the person has not offered himself or herself voluntarily. It is irrelevant whether the person was paid for the work or service.

The definition of trafficking consists of three core elements, the action of trafficking, the means and the purpose. If all the elements of human trafficking are present, the fact that an adult initially consented is irrelevant. It is also considered trafficking if the victim had no real or acceptable alternative but to submit to the abuse. If the victim is a child, it is considered trafficking even if there is no threat or use of force.

Why businesses should be concerned:

The increasingly complex composition of corporate activity, with various supplier and subcontractor relationships, challenges the ability of companies to monitor their activities around the world. However, because human trafficking violates international human rights norms and laws, often defies international labour standards, and regularly involves corruption, businesses should ensure that all elements of their operations, including their products, premises and services are not contributing to human trafficking. Doing so enables companies to manage risk and ensure that their reputation and integrity remain intact. Further, companies should consider ways to help eliminate the existence of human trafficking through the promotion of codes of conduct and corporate social responsibility in an effort to enhance stakeholder relationships and improve business environments.

The United Nations Global Initiative to Fight Human Trafficking (UN.GIFT) and the End Human Trafficking Now! Campaign (EHTN!) have developed an eLearning course which is a modular training programme for business leaders, managers and employees of business companies.

In addition to the eLearning course, this training handbook serves as a manual for educational purposes. The course aims to help enterprises understand what human trafficking is, identify where it might be a risk to their business and point to actions they can take to address this risk.

The three modules include:

Module 1: What is human trafficking?

This module will seek to raise basic awareness of the international definition of trafficking in persons, forms of trafficking, links to commercial sexual exploitation and forced labour; countries, regions and economic sectors affected by trafficking; and principle causes. One of the main objectives of the module will be to ensure that users can identify potential cases of human trafficking should they encounter them, while equipping them with the knowledge and tools to evaluate specific circumstances and conditions as cases of trafficking or not.

Module 2: Why is human trafficking an issue for business?

This module will make the case for business engagement against human trafficking at various levels: workplace, community of operation, supply chain, national, regional and international. The focus of the argument will be on the prevention and management of risk. The module will look at the unique risks to business associated with the direct use of company products or services by traffickers themselves, e.g. in the travel, tourism and hospitality sectors, and how these differ from other labour/human rights issues.

Module 3: What can business do to address human trafficking?

In very practical terms and using concrete examples drawn from the private sector, this module will provide guidance on taking creative and sustainable action against trafficking at the various levels outlined in Module 2: workplace, supply chain, community, etc. Significantly, this module will also make a distinction between action taken by companies on the one hand and that taken by business associations and representatives of industry on the other.

Each module takes approximately 20 minutes to complete and includes a short quiz which must be completed prior to finishing the module. The modules draw exclusively on practical and concrete case studies from your peers and colleagues in the business community in industries as diverse as sporting goods, cosmetics, commercial air travel, garments and textiles, tourism and hospitality.

This course is consistent with and complementary to existing resources on business and human trafficking developed by UN.GIFT, the EHTN! Campaign and the UN Global Compact. Whether you are a business leader, a manager at a small or medium sized company, or an employee of a major multinational brand, you will find significant value in taking this course, with content helping you to better understand and respond to the complex human and labour rights challenges that are posed by human trafficking, perhaps within your own workplace or company, or in your supply chain.

HUMAN TRAFFICKING  **A CRIME THAT SHAMES US ALL**  **HUMAN TRAFFICKING**  **A**

Module One:

What is human trafficking?

“The problem of trafficking differs from one country to the other. It differs in the type of human trafficking. It differs in scope and magnitude. This is a global problem, a global issue, and it should have global solutions, and international cooperation.”

H.E. Mrs. Suzanne Mubarak, First Lady of Egypt

I. Introduction

You will need approximately 20 minutes to complete this module and a further 10 at the end to complete a quiz. Feel free to work through it at your own pace.

Throughout the module you will find links to additional information and resources. You are encouraged to explore this information.

Module One learning objectives

At the end of this module, you will understand:

1. What human trafficking is and how it is defined in international law;
2. What countries, economic sectors and industries are affected by human trafficking;
3. Why human trafficking occurs; and
4. Who is most at risk of becoming a victim of human trafficking.

II. What is human trafficking?

“Human trafficking is a crime that shames us all.”

Mr. Antonio Maria Costa
Former Executive Director, UN Office on Drugs & Crime

Trafficking in persons – or human trafficking – is a criminal offence and a violation of international human rights law. It is an abuse that is frequently described as a modern form of slavery.

We have all heard a great deal about human trafficking in recent years. But what is it exactly? Who are the traffickers? And who are the victims of trafficking?

Based on what you have already read or perhaps heard in the media, how would **you** describe human trafficking?

Human trafficking is...

- A crime.
- A global phenomenon.
- Something that affects all of us.
- An illegal trade in human beings.
- Exploitation.
- All of the above

Option One: You select one of the first four answers

Correct! Human trafficking is (insert selected response, e.g. “a crime”). But, in fact, human trafficking is all of these things. Trafficking in persons – or human trafficking – is a crime involving the illegal trade in human beings for the purpose of exploitation. Human trafficking is a global phenomenon that affects all of us.

Option Two: You select “all of the above”

Correct! Each of these statements describes human trafficking accurately! Trafficking in persons – or human trafficking – is a crime involving the illegal trade in human beings for the purpose of exploitation. Human trafficking is global phenomenon that affects all of us.



Defining human trafficking: The UN Palermo Protocol

In December 2003, the *UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children* came into force as the world’s first legally binding instrument in the fight against human trafficking. It supplemented the UN Convention against Transnational Organised Crime and offered UN Member States, lawmakers and the global community at large an internationally agreed definition of human trafficking.

According to the Protocol:

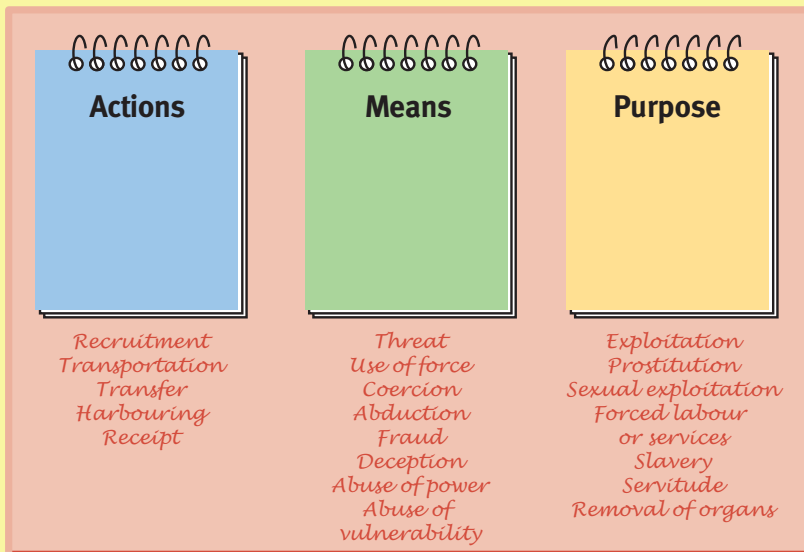
Trafficking in persons shall mean the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs.



Now, let's look at this a little more closely. Legal definitions can be a bit complicated.

Review the definition again. This time, think about the following three categories: **Actions**, **Means** and **Purpose**. If you look closely, the Palermo Protocol definition can be nicely organized into these three categories.

Using the definition above, insert each part of the definition of trafficking onto the appropriate flip chart. This will help you better understand what is involved in this crime.



As you can see, the definition is quite complex. But it emphasizes the following key points, and these can make it easier for us to understand what is involved in trafficking:

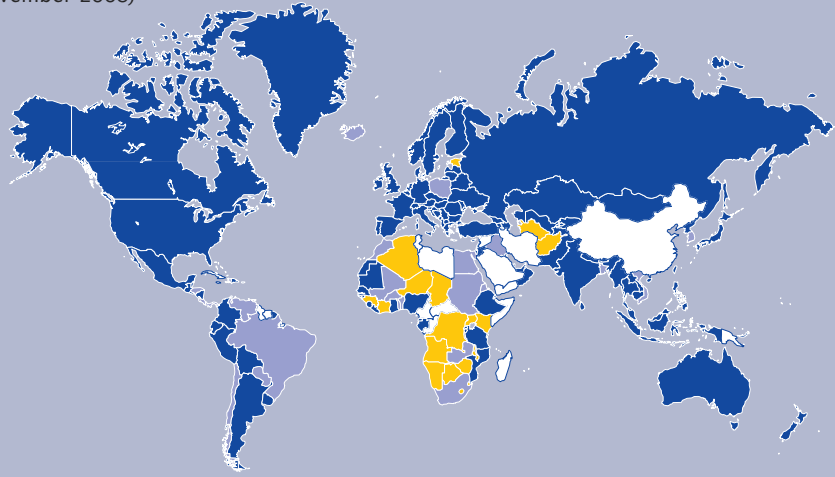
Actions: Human trafficking involves the recruitment, transportation, transfer, harbouring and receipt of a person (or group of persons).

Means: Human trafficking includes the threat or use of force, deception, abduction, the abuse of power or a position of vulnerability, or other forms of coercion.



Purpose: The purpose of human trafficking is always exploitation, and this can include the prostitution of others, forced labour, slavery or servitude.

Key resource: United Nations, Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children (Palermo Protocol), 2000.

Criminalization of trafficking in persons – status of national legislation, by country
(November 2008)



Specific offence - Trafficking in Persons

 Covers most/all forms	 No Specific Offence
 Partial	 Not covered by report

Covers most/all forms: Countries where the specific offence of trafficking in persons is in force, criminalizing at a minimum sexual exploitation and forced labour, with no restrictions concerning the profile of the victim.

Partial: Countries where the specific offence of trafficking in persons is in force, but legislation does not criminalize all or most forms listed in Article 3 of the UN Trafficking Protocol or does not define trafficking in persons.

No specific offence: Countries where forms of trafficking in persons are criminalized through other offences due to the absence of a specific trafficking in persons offence.

World Map of Ratifications (Source: UNODC/UN.GIFT, *Global Report on Trafficking in Persons, 2009.*)

Now that we looked at the UN’s definition of human trafficking, let’s move on to examine where human trafficking occurs in the world today. This will help us better understand how it might affect our companies and our professions.

III. Where does human trafficking happen?

The vast majority of countries in the world today are affected by human trafficking: developing countries, transition countries, and industrialised countries. They are affected as the **source**, **transit** and **destination** locations for trafficking victims.

Have a look at the map below. It shows you some of the countries and regions affected by trafficking. It also gives you an indication of how trafficking manifests itself in the global economy.

Make sure to review the map fully. There will be questions at the end.



U.S. and Canada

The U.S. and Canada are considered primarily as a *destination region* for victims of human trafficking. A majority of sources report the trafficking of *women* and *children* – both *boys* and *girls* – but many also reveal that adult men are trafficked into the region. In both the United States and in Canada, growing attention has been focused on the trafficking of foreign workers – often *irregular migrants*, but sometimes also workers recruited by intermediaries under official “guest worker” programmes. These individuals are typically trafficked into domestic service, agriculture and other sectors of the economy.

Latin America

Latin America and the Caribbean are frequently reported as *source regions* for victims of human trafficking. A majority of reports indicate women are among the highest number of victims, but trafficking of *minors* is also reported. Trafficking for *forced labour* has also been detected in the region. This targets *migrant workers* – both men and women – in underground “sweatshops”, in remote and deforested regions, and in a range of industries, some of them export-oriented. In some cases, the abuse is closely linked to patterns of discrimination and inequality, particularly against *indigenous peoples*.

Europe

Europe is affected as both a source and *destination* region of trafficking victims. Western Europe serves primarily as a destination region, while Central and South Eastern Europe is reported as a source and transit region. Throughout Europe, the spotlight has been mainly on the trafficking of *irregular migrants*, both for sexual and *labour exploitation*. Alongside the sex industry and prostitution, sectors reportedly affected include: construction, agriculture, domestic service and hospitality.

Africa

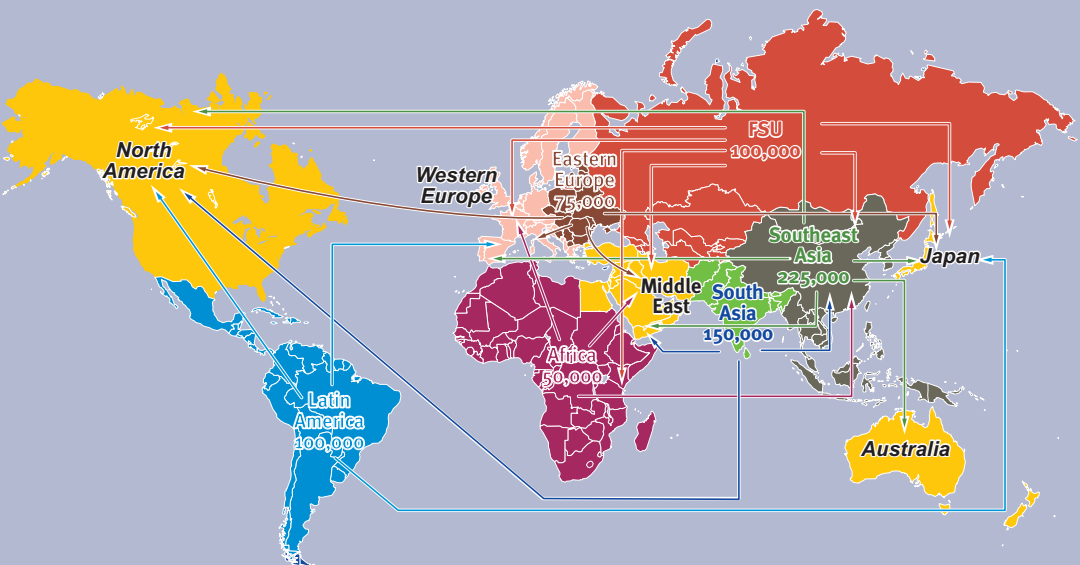
Africa is primarily a source region for victims of human trafficking. Trafficking of *children* – both *girls* and *boys* – is often reported, as is the trafficking of adult *women*. In some parts of the region, vulnerability to trafficking occurs in the context of seasonal or longer-term *migration for employment*. Both young *men* and *women* are susceptible to this abuse, linked in some cases to export industries. *Internal trafficking* (i.e. the movement of persons within the boundaries of a single country) is also frequently reported and considered widespread. This involves mainly children and young women trafficked from rural to urban areas for domestic work and prostitution.

Middle East and Gulf Region

The Middle East and Gulf States are frequently reported as a destination region for victims of human trafficking from Central and South Asia, and further afield. Throughout the region there has been steady growth of reporting on the abuse in recent years. This has addressed conditions facing *domestic workers* and *foreign contract workers* in the *construction* and *garment industries*.

Asia

Asia is an *origin* region as well as a *destination* region for trafficking in persons. Victims are predominantly adult *women*, but also include *children* – both *girls* and *boys*. According to reports, there is widespread incidence of trafficking for both *sexual* and *labour exploitation*, paralleling the large scale movement of people from poorer to wealthier countries in the region. Reports from some countries also indicate *internal trafficking* of women and children from rural to urban areas for *prostitution*.



The map should also “animate” the known movements of trafficking victims within and across regions, as in the following example taken from 1997:

Key resource: UNGIFT, *Global report on trafficking in persons, 2009.*

Key resource: ILO, *A global alliance against forced labour, 2005.*

So, what do we learn from the map?

As you can see from the cases, human trafficking occurs all over the world. Almost every country is either a **source**

transit point or

destination for the victims of human trafficking. That means no matter where you are in the world today, there is a risk of human trafficking in society and the economy; and this is clearly a key point for companies of all sizes.

Have a look at the chart below. It gives you an indication of the regional breakdown of human trafficking for forced labour. It also shows you just how global a phenomenon this abuse really is.

Number of people in forced labour resulting from trafficking	
Asia and Pacific	1 360 000
Industrialised countries	270 000
Latin America and Caribbean	250 000
Middle East and North Africa	230 000
Transition countries	200 000
Sub-Saharan Africa	30 000
World	2 450 000

Key resource: ILO, *Global Report on forced labour, 2005*

Returning to the map, it also shows us that trafficking frequently occurs across international borders and sometimes even spans great distances. This type of trafficking is called cross-border or **international trafficking**.

What it does not show us (at least not as clearly), is that human trafficking also occurs within the boundaries of single countries. This type of trafficking is called **internal** or **domestic trafficking** and may, in fact, be one of the *most common forms of abuse*. Internal trafficking involves victims being lured from one province or region of a country to another, or from a rural area to a city, without actually crossing international borders.

Mobilizing business in the fight against Human Trafficking:

Read here about one company's effort to take action against internal trafficking in Colombia.

Company: Manpower Inc.
Sector: Employment services
Location: Colombia

Background

With the financial support of the Embassy of Belgium in Colombia, IOM developed a project in 2007 and 2008 to prevent human trafficking amongst internally displaced persons (IDP) in Medellín, Colombia's second largest city. The project focused on preventing sexual exploitation of women and the forced recruitment of children by illegal armed groups by enhancing training and employment opportunities for potential victims.

Manpower, Inc. – the global workforce solutions company – was the first company to sign the Athens Ethical Principles, which articulate a “zero tolerance” policy towards trafficking in human beings. In October 2007, the company signed an “Expression of interest for the implementation of joint actions aimed at the prevention of human trafficking” with IOM Colombia. At that time, Manpower joined IOM to support the anti-trafficking project in Medellín. This engagement was part of a larger programme initiated by Manpower Colombia called Jóvenes Visionarios (Visionary Young People), in which over 250 youths have participated since 2007.

The Issue

Internally displaced persons in Colombia – a group mainly composed of women and young people – are disproportionately affected by unemployment, discrimination and lack of access to training opportunities to enter the labour market; they are therefore among the groups in the country that are most vulnerable to human trafficking.

Responses and results

Manpower, as part of its overall corporate responsibility strategy, has developed programmes to help disadvantaged groups such as IDPs gain access to training and employment opportunities. Its Jóvenes Visionarios programme targets different groups of endangered and isolated youth, including orphans, young people in foster care and, beginning in 2010,

deportees from other countries who have been returned to Colombia. The common thread that unites these groups is Manpower's effort to assist young people who are approaching the age of 18 and must transition from government support to legal independence.

Building on its prior engagement, Manpower and IOM joined forces to provide training to 30 youth vulnerable to human trafficking to enhance their skills, education and employability. Manpower provided the necessary training facilities, equipment, technology and trainers, while IOM identified the group of trainees, assisted in training, and contributed to the economic and material resources required by trainees. Programme participants received:

- A vocational assessment and appropriate guidance on choosing a career;
- Online training relevant to the chosen career path;
- Access to an online library of more than 5000 courses in areas like business skills and professional development;
- IT training, including computer and desktop software literacy.

Participants also received counselling from a professional psychologist on the transition to independence and the adjustment to work; training in social skills appropriate for the workplace; guidance on job search strategies, including job interview techniques; and direct job placement assistance, linking programme participants with vacant positions at Manpower's clients.

Manpower and IOM conducted follow-up with each participant of the programme to track his or her progress after the course; and, although the period of intensive service is generally about 8 months, programme experience has shown that candidates benefit from the support relationship for as long as 5 years.

Of the 19 candidates for which information is currently available, 12 are employed, with 8 having been placed in jobs directly through Manpower; 3 are unemployed; and 4 are continuing with further training and education.

Further information:

www.iom.int

www.manpower.com/social/trafficking.cfm

Read here to learn more about allegations of human trafficking for labour exploitation involving migrant “guest workers” in Jordan.

Sector: Garment and textiles

Location: Jordan

The issue

Since 2000, Jordan has benefited from a preferential trade agreement with the US through the Jordan-US Free Trade Agreement (FTA). This agreement is designed to ensure that both countries uphold ILO standards, including the prohibition of forced labour. As a result, when a full and frank investigation was carried out into working conditions in Jordanian factories, both the US and Jordanian governments were implicated, along with companies based in both countries.

In May 2006, the US-based National Labour Committee (NLC) published a highly critical report which examined working conditions in textile factories across Jordan that were producing goods for US-based companies (National Labour Committee, U.S.-Jordan Free Trade Agreement Descends into Human Trafficking & Involuntary Servitude, New York, 2006). The study looked at factories based in Qualified Industrial Zones (QIZ) which benefit from preferential access to the US market.

As of July 2006, there were 13 QIZs in Jordan which contained over 110 companies in total, employing over 54,000 workers. The American Chamber of Commerce in Jordan states that these QIZ factories are made up of 66% foreign workers, known as ‘guest workers’, who are brought in from China, Bangladesh, Sri Lanka and India. Although the QIZs were designed to encourage foreign direct investment and provide employment to the local population, the factories involved rely on a predominantly migrant workforce.

The NLC report sets out a thorough investigation of harsh working conditions, including physical and sexual abuse, the lack of remuneration, the lack of access to adequate food and water, and poor living conditions. Individual guest workers were required to pay large sums of money in their home country to get a job, but in Jordan they were earning a fraction of what they had been promised, with some not seeing wages for long periods of time. In addition, upon arrival at the factories, workers’ passports were reportedly confiscated and should there be complaints regarding lack of wages, there were incidences of workers being forcibly removed back to their country of origin to face the debt they could not

repay. Having no access to their passports and no means of complaining without risk of removal, imprisonment, beatings or being denied food and drink, workers were effectively trapped both in Jordan and by the mounting debt incurring large sums of interest in their home country.

Furthermore, according to Jordanian law, non-Jordanian citizens, even those with a work permit to work in the QIZs, are prohibited from joining a trade union and therefore have no recourse to their assistance.

Shortly after the issues set out above were made public, the Jordanian government responded and the Ministry of Labour inspection teams, accompanied by representatives of the embassies of India, China and Sri Lanka, visited four of the QIZs to investigate the allegations. A number of penalties were issued and some establishments were closed.

Business responses to the issue

Collective action

On 21 September 2006 the American Federation of Labour and Congress of Industrial Organisations (AFL-CIO) together with the National Textile Association (NTA) in the US filed a joint complaint with the US government requesting that it invoke the dispute settlement procedures of the FTA as a result of Jordan's "gross" violations of workers' rights. The complaint alleged that Jordan was in violation of its commitment to respect the core labour standards of the ILO and to effectively enforce Jordanian labour law. This was the first time business organisations filed a workers' rights case under a trade agreement.

Individual responses

In direct response to the NLC report, companies responded as follows: One company stated that it does not work directly with the factories, but with vendors and that it expects all vendors and factories to follow local laws and their own standards. The company clarified that – of the 5 factories listed – it only works with one and it will follow up with the vendor concerned to monitor and work closely with them. The company stated that it is committed to taking corrective action.

Another apparel company stated that one of the factories in question had produced a valid certification from a recognized program. Following the report from the NLC, the company followed up with its own investigation and found some of the issues contained in the report to be present. The company noted that it attempted to encourage corrective action at the

factory but also notes that its orders represent less than 1% of the factory's production capacity. The company concluded that: 'consequently we do not have any leverage or bargaining power with the factory'. As a result of the findings and the lack of cooperation from the factory, the company made the decision to not place further orders with them.

The response from a distribution company highlights a September 2006 on-site audit by its own internal auditors, which was followed up by a second visit in October 2006 where improvements were noted. The company observed that interviews with workers supported the evidence of improvement. The company also expressed its concern that, should it simply discontinue business with a particular factory, it would lose influence to negotiate for improvements in practice. However, the company does specify that where 'factory violations are egregious, such as prison labour, [it] immediately terminates [its] business with the supplier factory.' The company finally stated that it is working collectively with the Jordan government, other retailers and the ILO to address the issues.

Initial lessons from the issue

It is clear that, although the main parties implicated in this case were the Jordan and US governments, the brands involved were also seen to be responsible for the conditions in the factories supplying them. The overall purpose behind the FTA with Jordan was to promote employment for domestic workers and attract foreign direct investment. However, it became apparent that the large migrant population brought into Jordan to fill the positions in the factories suffered most from the situation.

It seems that there is potential for companies to work collectively with the governments in question, the supplier factories and the ILO to aim at improving the situation. Companies should also look to working together with other companies that are supplied by the same factory.

However, this does raise an issue for smaller suppliers attempting to tackle such problems since, if they are part of a significant supply chain, their influence may be limited. In such cases, a proactive industry body working on these issues with a large number of companies of different sizes can have a positive and welcome effect.

Finally, it is evident from the work of the NLC and the subsequent steps taken by companies that there is wide discrepancy in the effectiveness of audit procedures, in particular in recognizing and documenting instances of forced labour. For example, instances were reported of factory managers briefing workers on what they ought to say in response to questions posed by auditors.

Q&A

What else does the map show us?

Answer the following questions and test some of the things you've learned.

- Human trafficking is an issue only in the sex industry and occurs primarily for the purpose of commercial sexual exploitation.

- True
- False

Option One: You answer “True”

Human trafficking occurs in the sex industry for the purpose of commercial sexual exploitation. That is correct. However, as a number of the cases above illustrate, many other industries are exposed to human trafficking, including agriculture, construction and apparel. In these sectors, human trafficking occurs for the purpose of forced labour or labour exploitation.

Option Two: You answer “False”

Correct! As a number of the cases illustrate, human trafficking occurs not only for the purpose of commercial sexual exploitation in the sex industry, but for labour exploitation or forced labour in industries including agriculture, construction and apparel.

- Victims of human trafficking may include:

- Migrant workers
- Indigenous peoples
- Men
- Women
- Children
- All of the above

Option One: You select one of first five

While it is true that (insert selected answer, e.g. women) are vulnerable to becoming victims of human trafficking, in fact, the correct answer here is “All of the above”. Each of these groups is at risk of becoming a trafficking victim, as a number of the cases reveals.

Option Two: You select “All of the above”

That is correct! Each of these groups is at risk of becoming a trafficking victim: migrant workers, indigenous peoples, and men, women and children alike.

3. Which of the following statements is correct?
- a) The vast majority of human trafficking cases affect poor and developing countries not the developed world.
 - b) Human trafficking affects developed and developing countries alike, albeit in different ways.

Option One: You answer (a)

Poor and developing countries are certainly affected by human trafficking. As the map indicates, they can be source, transit and/or destination countries, depending on the activities of traffickers. However, the correct answer here is (b): Human trafficking affects developed and developing countries alike, albeit in different ways.

Option Two: You answer (b)

Yes! Human trafficking is a problem for all countries, developed and developing included. Each can be affected as a source, transit and/or destination country, depending on the activities of traffickers.

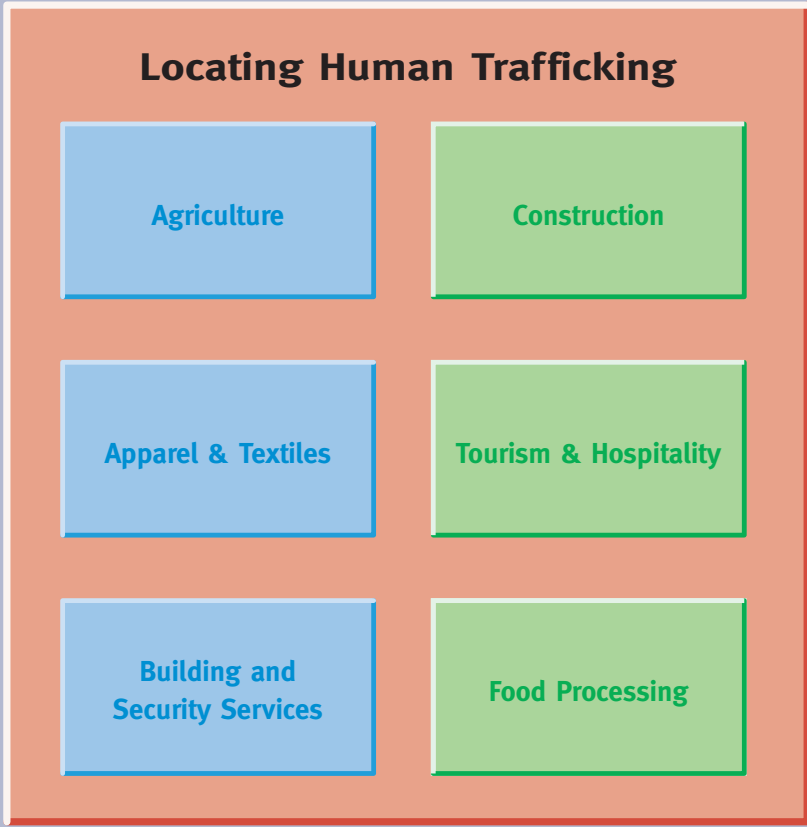
Well done! You are about half way through the module.

“Locating” human trafficking in the global economy

There is something else that you may have noticed while you reviewed the map – something else that is essential to understanding what human trafficking is and where it is found today.

Human trafficking affects not only most countries around the world; it also affects almost every type of economy and industry. From industrial agriculture to small home-based garment workshops; and from global supply chains to production for the local or domestic economy: cases of human trafficking for labour and sexual exploitation have been reported as a problem in almost every major industry and sector over the past few years. Look at the images below to find out more.

What industries do you think are at risk of human trafficking?



Agriculture

Instances of human trafficking have been frequently reported in the agricultural sector in many countries around the world. Sugar cane, cut flowers, fruits and vegetables, and even tropical nuts have all been included in these reports, with countries in North America, the Caribbean, Latin America and across Asia affected.

Construction

The construction industry around the world and, in particular, in the Middle East and Gulf States region has been implicated in numerous reports on human trafficking. These allegations frequently involve large numbers of irregular migrant or foreign contract workers living abroad on temporary work visas.

Apparel & Textiles

Numerous reports have also emerged alleging human trafficking in the global supply chains of multinational enterprises. These focus on the first tier of suppliers but also shine a light on abuses found among sub-contracted – sometimes home-based – workshops. Trafficked workers often live and work in deplorable conditions.

Tourism & Hospitality

Tourism and hospitality companies are never far from the spotlight in reports that discuss trafficking for commercial sexual exploitation of both minors and women. Resorts and hotels, but also owners of cafés and restaurants, often feature in exposés of prostitution rings and criminal activities linked to sex tourism.

Building & Security Services

Janitors and security personnel are not often considered workers vulnerable to human trafficking. However, a number of reports in recent years have alleged that men and women in these professions, most notably in Asia, have found themselves in trafficking situations, having been lured by the promise of a high-paying job in another country.

Food Processing

Food processing and packaging plants are an essential feature of the global economy, with packaged goods travelling all over the world to be sold in foreign markets. However, there is an underside to this aspect of global industry: reports have recently surfaced that workers in some such plants – for example, in the fish and seafood processing industries – have been trafficked into jobs by dishonest and criminal labour brokers.

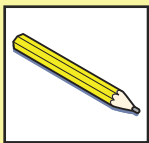
And this isn't even the whole story!

In recent years, there have been many media and civil society reports alleging the use of so-called “trafficked labour” in the production of everyday consumer items and commodities.

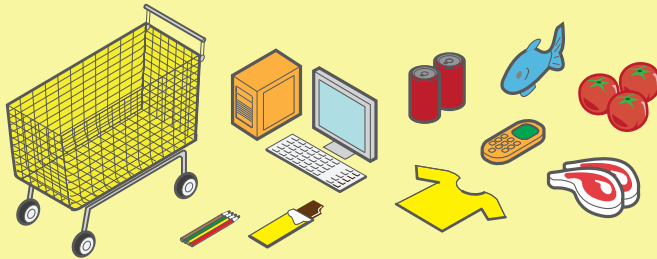
Trafficked labour, in this case, refers to individuals – or even large numbers of people – who have been deceived and tricked by dishonest intermediaries or employers, and placed in highly exploitative working and living conditions.

You may have read some of these reports. They seek to harness the economic power of consumers to change the way some unscrupulous employers do business.

With this in mind, have a look at the picture below.



What consumer items and commodities do you think could have been produced with trafficked labour?



Option One: You select between one and eight items

That's right! Believe it or not, the manufacture and/or sourcing of each of the items you selected has been the subject of trafficking allegations in recent years. However, you did miss a few things. The correct answer to this exercise is to select all nine items in the shopping basket and put them back on the shelf. From the personal computer we use at home to the cocoa used in making chocolate; and from the fish we eat at a local restaurant to the wood used to make our pencils: all of these things have been tainted by reports of human trafficking in different economies and in different countries around the world.

Option Two: You select all items

That's right! Believe it or not, the manufacture and/or sourcing of each of the items in this shopping basket has been the subject of trafficking allegations in recent years. All nine items – from the personal computer we use at home to the cocoa used to make chocolate – have been tainted by reports of human trafficking in different economies and different countries around the world.

This shopping cart is full of things most of us already own and things we buy every week for ourselves or for our families. In most cases, we don't know where these things come from or how they got on to store shelves; we are primarily concerned about the price.

As these cases illustrate, however, the origin of these products should give us some cause to reflect.

So far, in this module, we have discussed:

- what human trafficking is,
- how it is defined in international law, and
- where it can be found in the world today.

In covering these topics, you have gained a better understanding of the issue itself and established a strong foundation for determining how it might affect your business operations. Now let's turn our attention to the victims of human trafficking and those vulnerable to abuse before finishing the module.

IV. Who is at risk of human trafficking?

Please review the following questions. To answer them, think about what you have read so far in the material presented above. You may not have been given the exact answer, but we have provided you with a number of hints along the way. With each answer, you get one step closer to completing the puzzle.

1. Although human trafficking is a phenomenon that affects all regions and economic sectors, there are some people that are more vulnerable to abuse than others.

A True
B False

2. Of the groups indicated below, which would you say is vulnerable to human trafficking?

A Migrant workers, particularly those in an irregular status
B Children and young people
C Groups suffering discrimination, such as indigenous peoples
D Sex workers
E All of the above

3. The majority of victims of human trafficking are young, between the ages of 18 and 24.

A True
B False

4. The estimated number of victims of human trafficking for forced labour is 2.45 million. What percentage of this do you think is children?

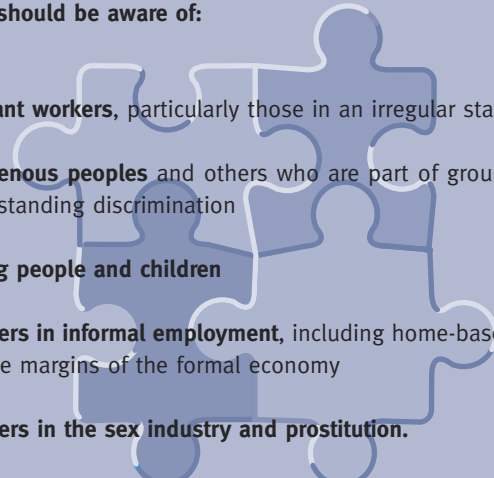
A Almost half
B Under ten percent
C Over eighty percent

5. Many victims of trafficking have attained at least a mid-level education.

- A True
- B False

1A, 2E, 3A, 4A, 5A

Human trafficking is a global phenomenon that affects every region, country and economic sector. However, there are certain categories of workers and people that are more vulnerable to this abuse than others. While some are at risk because of their relative poverty or their irregular migrant status, others are vulnerable because they are unemployed, young, or because of their ethnic background. Here is a list of some of the groups that you should be aware of:

- 
- **Migrant workers**, particularly those in an irregular status
 - **Indigenous peoples** and others who are part of groups that have suffered long-standing discrimination
 - **Young people and children**
 - **Workers in informal employment**, including home-based workers and those on the margins of the formal economy
 - **Workers in the sex industry and prostitution.**

Congratulations!



You have now completed the learning portion of this module on “what is human trafficking?”. You are now ready to take a short quiz to test what you have learned. You can review a summary of key learning points prior to taking the quiz.

Or, if you would prefer to review the module again before completing the quiz, feel free to do so.

V. Summary of key points



- Human trafficking is defined as the recruitment, transportation and receipt of persons, by means of threat or force, for the purpose of exploitation.
- All countries and regions of the world – including developing, transition and industrialised countries – are affected by human trafficking as source, transit and destination countries.
- Many economic sectors, commodities and consumer goods are vulnerable to human trafficking, with some at greater risk than others.
- Women, children and youth, temporary and contract workers, indigenous peoples and others facing discrimination, and migrant workers – particularly irregular migrants – are among those most vulnerable to human trafficking.
- Human trafficking can occur over international borders (i.e. international or cross-border trafficking) or within the boundaries of a single country (i.e. internal trafficking).

VI. Quiz

1. Which of the following statements is most accurate?
 - A Human trafficking is a crime that affects poor and developing countries.
 - B Human trafficking is not a problem in countries with strong law enforcement systems.
 - C Human trafficking affects all countries in the world today either as source, transit or destination countries.

2. The international definition of human trafficking is found in a Protocol to which of the following United Nations instruments?
 - A Universal Declaration of Human Rights
 - B Convention on the Protection of the Rights of All Migrant Workers and Members of their Families

- C UN Convention on the Rights of the Child
 - D UN Convention against Transnational Organised Crime
 - E ILO Convention 29 on Forced Labour
 - F All of the above
3. Human trafficking always occurs over international borders. That is why it is so dangerous.
- A True
 - B False
4. Human trafficking that occurs within the boundaries of a single country is often referred to as:
- A Internal migrant trafficking
 - B Sex trafficking
 - C Internal or domestic trafficking
 - D Criminal or involuntary trafficking
5. Which of the following statements is correct?
- A Men are not likely to become victims of human trafficking and therefore need fewer protections.
 - B Children tend to be trafficked with their parents, so solutions should be focused on parents' needs.
 - C Men, women and children are all at risk of human trafficking, and protective measures should be addressed to each of them.
6. Based on your knowledge of the UN Palermo Protocol and what you have read so far, would you say the following is an accurate description of international or cross-border human trafficking?
- A person or group of persons is recruited or abducted in a country of origin, transferred through transit regions and exploited in a destination country.
- A Yes
 - B No

7. Although human trafficking is a crime that affects all countries and regions, research indicates that which of the following regions has the highest incidence of abuse?

- A Sub-Saharan Africa
- B Asia and Pacific
- C Industrialised countries
- D Latin America and Caribbean
- E Middle East and North Africa
- F Transition countries

8. Countries that have ratified the Palermo Protocol are required to make human trafficking a crime. As a result, it is a criminal offence in almost every country in the world today.

- A True
- B False

9. Deception, threats and force are common abuses that face the victims of human trafficking.

- A True
- B False

10. Women and children are at particular risk of trafficking for sexual exploitation.

- A True
- B False

1C, 2D, 3B, 4C, 5C, 6A, 7B, 8A, 9A, 10A

HUMAN TRAFFICKING  **A CRIME THAT SHAMES US ALL**  **HUMAN TRAFFICKING**  **A**

Module Two:

Why is human trafficking an issue for business?

“It’s very important to develop a core corporate strategy against human trafficking.”

**Mr. David Arkless, President – Corporate and Government Affairs
Manpower, Inc.**

You will need approximately 20 minutes to complete this module and a further 10 at the end to complete the quiz. Feel free to work through it at your own pace.

As with Module One, throughout this unit you will find links to additional information and resources. You are encouraged to explore this information.

I. Introduction

In Module One, you learned about the basics of human trafficking. You covered the:

- UN’s definition in international law;
- Location of human trafficking around the world;
- Economic sectors, industries and commodities at risk; and
- Identification of vulnerable peoples and victims.

Now, with this module, we move on to another question:

Why is human trafficking an issue for business?

– or –

Why should business take action against human trafficking?

In the previous module, we noted something relatively straightforward, something that few people will argue with: *human trafficking is a crime and it must be stopped!*

But what does that have to do with the private sector?

Module Two will answer these questions. It will examine the link between human trafficking and business, and set out two main arguments that make the case for taking action:

1. Business is at significant risk at various levels and should therefore take action to mitigate the risk (the so-called “negative” incentive).

– and –

2. Business is uniquely positioned to take action, having influence over parts of the economy and the employment relationship that few other stakeholders have (the so-called “positive” incentive).

Module Two learning objectives

By the end of this module, you will understand:

1. The legal, moral and broad business case for taking action against human trafficking;
2. That you may be at risk in different parts of your business, including your own operations, in your supply chain and with your business partners;
3. That there is a link between human trafficking and forced labour, and that this link comes with additional risks and challenges; and
4. That human trafficking is an issue for many stakeholders, not just business, but that the private sector is in a unique position to have significant impact.

II. Why is human trafficking an issue for business?

So, what do you think: Is human trafficking an issue for business?

- Yes
- No
- Undecided

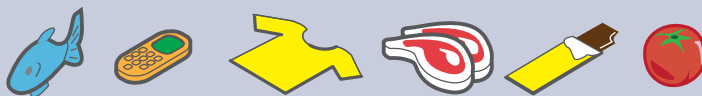
Option One: You answer “Yes”

Well, you’re right! It is an issue for business, and a significant one at that!

Option Two: You answer “No” or “Undecided”

Well, in fact, human trafficking is an issue for business, and this Module will show you why.

You may recall in Module One that we looked at different parts of the global economy and reported from industries as diverse as agriculture, garment manufacturing and construction. We also looked at consumer goods and commodities, and learned that so-called trafficked labour can sometimes be involved in their sourcing or production.



With this in mind, it stands to good reason that a **red flag** might be raised for companies with operations in these sectors or for those involved in the production, sourcing or sale of these goods. A link to *trafficked labour* would be a serious legal, financial and brand risk for any company, large or small.



But more on this – the **nature** of risk – later. For now, let’s look at the **location of risk** in more detail.

The location of risk to business

Until now, we have made a somewhat general statement about the risk of human trafficking in the global economy. For business, we located that risk in specific economic sectors, industries and commodities.

But where is this risk greatest for companies? And in what aspect of business should companies be most concerned?

These are challenging questions. Try to answer them here, keeping in mind your own profession and company, its products or its services. Some other questions can guide you through this complex maze.

Q&A

1. In what aspect of a company’s own operations do you think there might be a risk of human trafficking?
 - In the company workplace(s)
 - On company-owned properties or premises
 - In a trafficker’s use of company products or services (e.g. an Internet classifieds site or a commercial transport service)
 - All of the above

Option One: You answer “All of the above”

You’re right! Depending on the company, there is a risk of exposure to human trafficking in all of these locations.

Option Two: You answer one of the first three

Indeed! A company is at risk (insert participant’s selection). However, the correct answer here is that companies risk exposure to human trafficking in **all of the above** locations.

2. Do you think there could be a risk to companies that trafficked labour or victims of trafficking are present in the company supply chain, e.g. working for suppliers, sub-contractors or business partners?

- Yes
- No

Option One: You answer “Yes”

Correct! For many companies, the risk may not be immediately apparent. However, recent reports highlight cases of human trafficking in the global supply chains of multinational companies in various sectors.

Option Two: You answer “No”

Actually, the answer is “Yes”. Although for many companies this risk may not be immediately apparent, recent reports highlight many cases of human trafficking in the global supply chains of multinational companies.

3. Which of the following statements do you think is most accurate?

- A potential for risk exists for companies in the sourcing of *goods* used for day-to-day business, e.g. computers, telephones and office furniture.
- Risks to business present themselves in the sourcing of *services*, for example cleaning, security and/or construction or renovation services.
- A risk to business is posed by human trafficking in the sourcing of both *goods* and *services* for day-to-day business.

Option One: You select option three

Well done! This risk may be somewhat indirect, but it exists nonetheless; and it exists in the sourcing of both goods *and* services for day-to-day business.

Option Two: You answer one of the first two

Sorry. In fact, the correct answer to this question is that a risk to business is posed by human trafficking in the sourcing of both *goods* and *services* for day-to-day business. Although this risk may be somewhat indirect, it nevertheless exists; and it exists in the sourcing of both goods *and* services.

4. In short, thinking beyond your own company circumstances, in which of the following locations do you think businesses operate with a risk of human trafficking?

- In company operations and properties
- Amongst suppliers and their sub-contractors
- With business partners
- In the sourcing of goods and services for their company
- With the use of company products or services
- All of the above

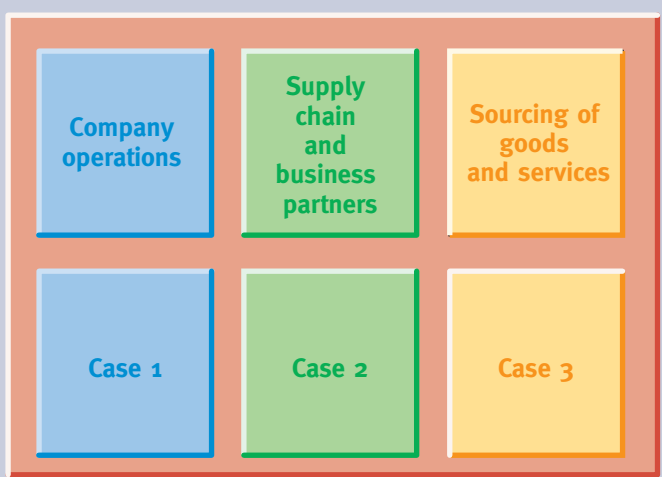
Option One: You answer “All of the above”

Correct! The right answer is “all of the above”. Companies are exposed to risk in all of these locations, depending on the nature of their operations. Let’s look at this in more detail with some examples from the global economy.

Option Two: You answer one of the first five

You’re partly correct. Although businesses certainly operate with risk (insert participant’s selection), in fact, they operate with risk in “All of the above” locations. Let’s look at this in more detail below with examples from the global economy.

Look at the cards below to read more about the exposure to risk in each of these three locations. Once you’ve looked at these, you can move on to the next part.



Case 1: Exposure to risk in company operations

This location of risk can include all manner of company-owned properties, for example hotels, travel resorts, restaurants and cafés in the tourism, travel and hospitality sectors. It can also include company branded products and services that are used by traffickers, for example in the media, IT or telecommunications industries. Use of commercial transport services and networks – e.g. by air, road or sea –also falls into this category.

In one case – the travel and tourism industry – a number of companies have already recognised the *severity* of this *risk*. They have taken significant steps in recent years to combat the *commercial sexual exploitation of children* and *child trafficking* linked to the tourism trade. Companies such as *Accor* and *Carlson*, which operate hotels around the world, are particularly active. They have sought to raise awareness of their own staff as well as their guests, and trained front-line personnel on *how to recognise* potential situations of *child sexual exploitation on company premises*.

Organization: The Code.org

Sector: Travel & Tourism, Hospitality

Location: Global

Background

All over the world, over 2 million children are subjected to commercial sexual exploitation. A global child sex trade has emerged involving exploitation mainly in South East Asia, Latin America, Africa and Eastern Europe, with Western countries accounting for the greatest amount of demand for child sex. Demand for this trade has increased, resulting in an increase in supply, and tourism destinations often act as meeting places between affluent Western travellers and potential victims of sexual exploitation and child trafficking.

The issue

The problem of the commercial sexual exploitation of children and its connection with the tourism trade is extremely complex. While the tourism industry is not accused of encouraging this unwanted phenomenon, its facilities and networks may be used for perpetrating exploitative practices. As a result, the business sector bears an indirect responsibility for protecting against such practices, and can play a potentially crucial role in preventing child sex tourism through training and awareness raising of its staff and personnel at destinations.

Responses

Following the World Congress I against Sexual Exploitation of Children

held in Stockholm in 1996, the tourism industry was asked to collaborate and react against the use of its networks and establishments for this purpose. A number of best practice initiatives developed to prevent and combat sexual exploitation of children.

The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism is one of the most developed voluntary systems for the prevention of child sex tourism. It engages the tourism industry to commit to and implement standard measures along the entire supply chain (including origin and destination countries) and to engage travellers.

The Code is an industry-driven socially responsible tourism initiative, seeking to increase the protection of children from sex tourism and the related phenomenon of child trafficking for sexual exploitation. The Code was initiated in 1998 by ECPAT Sweden, the UN World Tourism Organization and Nordic tour operators. It is co-funded by UNICEF and works closely with ECPAT International, becoming an international non-profit organization in 2004 led by a multi-stakeholder Board of Directors composed of representatives of the tourism industry and NGOs.

Signatory members of The Code are tour operators, hotels, travel agents and their umbrella organizations, and airlines. Company signatories currently number over 960 from 40 countries across Europe, Asia, Africa and the Americas, including major global brands such as Accor Hotels, TUI, Sol Meliá, Hoteles Barceló, Carlson, etc.

Companies and organizations adopting and endorsing the code commit to implement the following six measures:

- 1) To establish an ethical policy regarding commercial sexual exploitation of children;
- 2) To train the personnel in the country of origin and travel destinations;
- 3) To introduce a clause in contracts with suppliers, stating a common repudiation of commercial sexual exploitation of children;
- 4) To provide information to travellers by means of catalogues, brochures, in-flight films, ticket-slips, home pages, etc;
- 5) To provide information to local “key persons” at the destinations; and
- 6) To report annually.

The following provide examples of good practice in implementation by travel and tourism leaders:

ACCOR has been involved since 2002 in a large number of initiatives to eliminate the sexual exploitation of children. The company has signed The Code in 34 countries and, in 2009, trained 13,000 employees in these countries. Accor has also displayed ECPAT campaign materials in its hotels to raise awareness amongst guests.

CARLSON was the first major North American company to sign the Code in 2004. It has created a training kit for staff for assessing and recognizing potential situations of sexual exploitation of children, containing a Managers' Guide as well as visual presentations of 7 real-life scenarios that hotel personnel might encounter. Through its Chairperson, Marilyn Carlson Nelson, the company has also been an outspoken advocate of child-protection at high level forums such as the Clinton Global Initiative.

Results and impact

- The code is implemented globally by over 960 tour operators, hotels, travel agents and their associations, and tourism workers' unions from 40 countries in Europe, Asia, North America and Latin America.
- The number of tourists affected by the Code is estimated to reach over 30 million each year, travelling to destinations in 16 countries worldwide.
- The Code was recognized by British Airways in 2003 with a Tourism for Tomorrow award in the category of large-scale tourism. In 2007, The Code received the Ashoka Changemakers and Humanity United Ending Global Slavery Award, while in 2010 the collaboration between The Code and Carlson won the 2010 Ethical Corporation Award.

Further information: www.thecode.org

Case 2: Exposure to risk in the supply chain

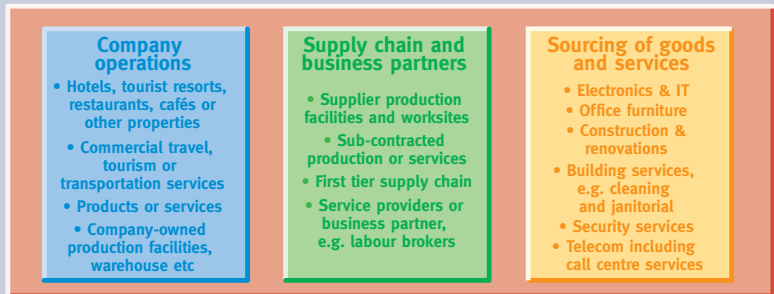
This location of risk comes through the activities and operations of business partners, suppliers and sub-contractors in the supply chain, whether known or unknown. Industries at risk include garments, consumer electronics and any other with a long and complex chain of production or supply.

One documented case in this category recently involved migrant “*guest workers*” in the *United States* working on farms in the state of Florida. These workers suffered *severe abuse*, including long hours of work, poor living conditions, surveillance by *armed guards* and debt bondage through the non-payment of wages over long periods of time.

In some cases, these workers had been directly *trafficked* to the US from Mexico, Guatemala and Haiti. The farms on which they worked produced vegetables – in particular, tomatoes – for a number of well-known *international fast food brands*.

Case 3: Exposure to risk in the sourcing of goods and services

In this location of risk, we are concerned with the sourcing of products necessary for day-to-day business operations (e.g. office furniture and IT items) as well as *contracted services*, for example for cleaning and security personnel. We can also include construction services in this category, keeping in mind the diverse properties owned and operated by companies of all sizes. The construction industry is frequently featured in media exposés on human trafficking in the global economy; however, it is rare for companies to recognise this potential location of risk.



Key resource: UN Global Compact, *Dilemma Human Trafficking: Workbook and Case Studies, 2009.*

Well done! You are now about half way through the module. Only a few more exercises to go before the quiz.

But before moving on to the next exercise, let’s look at something in a little more detail.

What is forced labour?

You may recall in Module One that we introduced the term “*trafficked labour*”. We said that, broadly speaking, this term refers to any individual or group of individuals that has been tricked, deceived, threatened or coerced by employers – or labour brokers – into highly exploitative working and living conditions.

Let’s now introduce the term *forced labour*. You may have heard of this term before, but perhaps you don’t know exactly what it means.

Forced labour is defined in international law 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.”

Now, not unlike the Palermo Protocol definition of human trafficking, this definition is somewhat complex. For our purposes, let’s just say that forced labour refers to any situation in which a worker enters into employment or service and cannot leave it without a penalty or the threat of a penalty.

Does this sound familiar?

That’s right. Some of the descriptions made above sound like they were referring to a situation of forced labour.

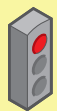
In fact, human trafficking not only leads to commercial sexual exploitation and prostitution, as we know from the Palermo Protocol. It can also lead to forced labour, to which the definition refers as well. In this case, we speak of *trafficking for forced labour* or for *labour exploitation*, other issues that businesses need to be aware of.

Key resource: ILO, *Combating forced labour: A handbook for employers and business, 2008.*



Having looked at the location of risk in some detail, let’s turn our attention to specific situations and issues. This will put your growing knowledge of human trafficking to the test.

Review the following three paragraphs. In each case, consider the details provided to assess the situation. You need to consider two things. First, does the situation present a risk of human trafficking to the company in question? And second, if it does, do you characterise the situation as a serious risk or a moderate/potential one. Follow the key below in providing your answers.



Select the red traffic signal if you think the situation constitutes a **serious** risk to the company, requiring immediate action at the highest level.



Select the yellow traffic signal if you think the situation constitutes a **moderate** or **potential** risk to the company requiring follow up as soon as possible.



Select the green traffic signal if you think the situation constitutes **no risk** at all to the company in question.

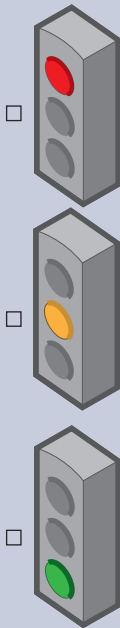
Case 1

Linh is a young woman looking for a factory job. She applied to a recruitment agency, was soon interviewed and subsequently offered a position at a garment company in the city. Linh was required to pay a service and recruitment fee of approximately 50 USD – an amount equal to one and a half month’s wages – and a deposit of a further 100 USD. She was told she would get the deposit back upon completion of her contract.

Linh did not have the money required to pay the fee, so the agency requested that she give up her identity papers until she had worked off the total amount. After a month, Linh wanted to leave the job, but the agency refused to hand over her identity papers and the deposit. Fearing the loss of these items, Linh returned to work.

Is this situation a risk of human trafficking to the garment company where Linh is employed or to a brand that might source from the company?

Please mark the correct box.



Option One: You answer correctly: “serious risk”

That’s right! Linh’s case does represent a *serious* risk to the garment manufacturer and to a brand that might source from it. She was required to hand over her identity documents as “security” until she had paid back the recruitment fee. This effectively bound her to the employment situation, although it was the recruitment agency and not the garment factory that exerted this pressure. When Linh wanted to leave, she was not able to do so and was forced to return to work.

Option Two: Participant answers incorrectly: “moderate/potential or no risk”

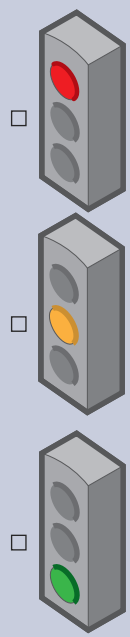
In fact, Linh’s situation represents a *serious* risk of human trafficking to the garment manufacturer and to any brand that might source from it. She was required to hand over her identity documents as “security” until she had paid back the recruitment fee. This effectively bound her to the employment situation, although it was the recruitment agency and not the garment factory that exerted this pressure. When Linh wanted to leave, she was not able to do so and was forced to return to work.

Case 2

Den is an unskilled worker who left his village to look for work in the nearest city. He heard that construction companies were always looking for temporary workers and was given the name of a place where workers were recruited on a daily basis. Den was soon hired for a week and started to work at a building site. He worked long hours, never received an employment contract and was bullied on the job. He wasn't sure it was legal to work this way, but was simply happy to be earning some money. At the end of the week, although he had worked day and night, he received a salary much lower than his co-workers.

Does this situation represent a human trafficking risk to the construction company?

Please mark the correct box.



Option One: You answer correctly: “moderate risk”

Well done! Den’s situation should be considered a *moderate* or *potential risk* of human trafficking. From the information provided, it is not clear that Den was deceived by recruiters or that he was threatened or forced to work. Although he did not receive an employment contract, had to work long hours and was bullied, at the end of the week, he received his wages and was free to leave. This is a moderate risk that warrants further investigation.

Option Two: You answer incorrectly “serious risk”

In fact, Den’s situation can more accurately be considered a *moderate* or *potential risk*. From the information provided, it is not clear that Den was deceived by recruiters or that he was threatened or forced to work. Although he did not receive an employment contract, had to work long hours and was bullied, at the end of the week he received his wages and was free to leave. This is not a clear case of human trafficking, but it certainly represents a risk that warrants further investigation.

Option Three: You answer incorrectly “no risk”

In fact, Den’s situation can more accurately be considered a *moderate* or *potential risk* of human trafficking. True, from the information provided, it is not clear that Den was deceived by recruiters or that he was threatened or forced to work. However, he did not receive an employment contract, had to work long hours, received comparatively low wages, was bullied on the job and was unsure the work was legal. Den’s is not automatically a case of human trafficking, but there is certainly cause for concern.

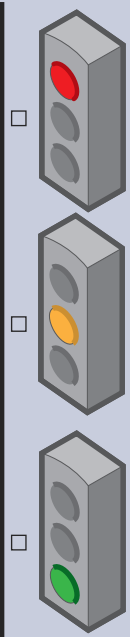
Case 3

In 2008, a media report highlighted the case of a man from Bangladesh working in Kuala Lumpur, Malaysia. He had sold land and borrowed money to pay a labour broker in his home country, who had promised him a good job and high salary with all the necessary work visas arranged in advance.

Once in Malaysia, the man worked as a contract janitor, cleaning grocery stores owned and operated by a chain based in Western Europe. He earned less than half the amount he had been promised, worked long hours, and additional deductions were made from his salary for food, lodging and to pay back the loan, although these deductions had not been agreed in advance.

Does this situation represent a risk to the European company?

Please mark the correct box.



Option One: You answer correctly: “serious risk”

Excellent! This case is definitely a **serious risk** of human trafficking to the European company that requires immediate action. The man in question was deceived at the stage of recruitment, promised working and employment conditions that did not materialise and unagreed deductions were made from his salary that further reduced his already low wages. With a loan to repay, earning much less than originally promised, and likely “tied” to the labour broker who originally arranged his work visas, the man is in a position of extreme vulnerability to exploitation. Although he is not directly employed by the European company, nevertheless his daily presence cleaning its properties represents a significant and serious risk to its business.

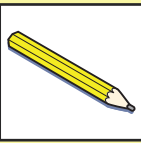
Option Two: You answer incorrectly: “moderate or no risk”

Actually, this man’s situation represents a **serious risk** of human trafficking to the European company that requires immediate action. He was deceived at the stage of recruitment, promised working and employment conditions that did not materialise and unagreed deductions were made from his salary that further reduced his already low wages. With a loan to repay, earning much less than originally promised, and likely “tied” to the labour broker who originally arranged his work visas, the man is in a position of extreme vulnerability to exploitation. Although he is not directly employed by the European company, nevertheless his daily presence cleaning its properties represents a significant and serious risk to its business.

The nature of risk

It's now time to turn our attention to the type of risk human trafficking poses to business. We have learned a great deal about trafficking itself and covered in detail *where* it might pose a risk to business; but we have not yet addressed the nature of this risk.

So, what is at stake when we are talking about business and human trafficking? Is it a legal risk? Is it a financial or business risk? Or is it a risk associated with brand and reputation? Let's look at this in more detail.



Review the headings and statements below. Match the two columns by linking the statements to the appropriate folders.



Legal Risk



Reputational Risk



Business & Financial Risk



Moral Risk

Allegations of human trafficking can present serious threats to brand or company reputation.

Human trafficking is punishable as a criminal offence in most countries in the world today.

A case or even an allegation of human trafficking can lead to an immediate loss of business or cancellation of contracts.

Companies must manage risk to brand value in an environment where it can emerge from the actions of the company itself, from suppliers and business partners, and from other actors.

Countries that have ratified the UN "Palermo Protocol" are required to make human trafficking a crime.

Links to human trafficking, alleged or real, can result in the loss of export licence and loss of access to international markets.

Companies found involved in trafficking or associated with it could face criminal prosecution.

Human trafficking is morally unacceptable!

Companies – in particular, those that supply consumer markets and have significant brand value – face new expectations that work and conditions involved in the production of goods comply with human rights criteria.

A confirmed case of human trafficking within company operations or amongst suppliers can lead to expensive lawsuits and/or other financial liabilities.

Allegations of abuse can also present an obstacle to attracting new business opportunities and partners. It can therefore also have a impact on future profit and growth.

Human trafficking is a violation of international human rights law.

Solution:

1. **Legal risk**

Human trafficking is punishable as a criminal offence in most countries in the world today.

Countries that have ratified the UN “Palermo Protocol” are required to make human trafficking a crime.

Companies found involved in trafficking or associated with it could face prosecution.

Human trafficking is a violation of international human rights law.

2. **Brand risk**

Allegations of human trafficking can present serious threats to brand or company reputation.

Companies must manage the risk to brand value in an environment where it can emerge from the actions of the company itself, from suppliers and business partners, and from other actors.

Companies – in particular, those that supply consumer markets and have significant brand value – face new expectations that work and conditions involved in the production of goods comply with human rights criteria.

3. **Business and financial risk**

A case or even allegation of human trafficking can lead to an immediate loss of business or cancellation of contracts.

Links to human trafficking, alleged or real, can result in the loss of an export licence and loss of access to international markets.

Allegations of abuse can also present an obstacle to attracting new business opportunities and partners. It can therefore also have a impact on future profit and growth.

A confirmed case of human trafficking within company operations or amongst suppliers can lead to expensive lawsuits and/or financial liabilities.

4. **Moral risk**

Human trafficking is morally unacceptable.

Key resource: *ILO, Combating forced labour: A handbook for employers and business, 2008.*

We have now covered in detail what has been called at the beginning of the module the “negative incentive” for taking action against human trafficking. Let’s turn our attention to the “positive incentive” by looking at the puzzle!

This argument focuses on the unique contribution that business – and business alone – can make in ending human trafficking; it looks at the opportunities and benefits that companies can derive from taking a proactive approach.

The puzzle on the next page illustrates the positive incentive for action and gives you a full picture of how to engage in anti-trafficking activities. You can see a compiled, bulleted list of each of the 10 statements, which can be copied and helps you to build your own case for engagement against human trafficking!

Congratulations!

You have now completed the learning portion of this module on why human trafficking is an issue for business. You are now ready to take a short quiz to test what you have learned.

Review a summary of key learning points before taking the quiz.

III. Summary of key points

- Human trafficking is a criminal offence and a severe violation of human rights. It is morally unacceptable and can present business with serious legal and financial threats as well as damage brand value and reputation.
- Human trafficking can affect business in its own operations; through the use of company goods, services and premises; in global supply chains; and through the actions of business partners.
- Human trafficking can be linked to other forms of human and labour rights abuse such as forced labour.
- Business alone cannot solve the problem of human trafficking, but it is uniquely positioned to have a significant impact in places where other stakeholders do not have influence.

10 statements of positive incentive for action



1. Assuming a leadership role: Taking an active role in the fight against human trafficking presents companies with a significant opportunity to be identified as leaders amongst industry peers and within society at large.

2. Brand value: Action against human trafficking can enhance brand value and company reputation amongst consumers and other influential stakeholders.

3. Stakeholder and community engagement: Taking action in the community of operation can help companies build trust and a strong foundation with stakeholders in that community.

4. Comparative influence in action: Companies have unique access to workers and work places as potential victims and sites of exploitation. Few other stakeholders in society have this access. As a result, the private sector has significant potential for greater comparative influence in taking action.

5. Business-to-business influence: Companies also have unique access and influence to their peers and other business actors. A company arguing the case for action against human trafficking may very well have greater impact than an external expert or civil society advocate.

6. Strengthening business relationships: Sustained action against human trafficking undertaken in partnership and co-operation with business partners can lead to stronger and more sustainable business partnerships.

7. Ensuring market access: Companies with strong engagement against human trafficking can better guarantee uninterrupted access to international markets and global business partners.

8. Strong investor relations: Companies can build strong relations with the investment community and gain access to capital and markets by taking a decisive stance against human trafficking.

9. Advocacy role: Businesses operating at national and international levels have an authoritative voice in advocacy and public policy debates against human trafficking.

10. New business opportunities: A company with strong policies and programmes to combat human trafficking can attract new clients and business opportunities, while also being recognised as a preferred employer within the labour market as a result of socially responsible engagement.

IV. Quiz

1. Human trafficking is punishable as a crime in most countries in the world today.

- A True
- B False

2. There are many stakeholders that have good reason to take action against human trafficking but business is not one of them.

- A True
- B False

3. Complete the following sentence, choosing the most accurate statement:

Human trafficking...

- A Is a serious moral problem, but it does not have an impact on business.
- B Is a significant legal, financial, business and brand risk for companies as well as a serious moral one.
- C Is a serious legal and financial risk for business. Allegations of trafficking can lead to expensive lawsuits and criminal charges.

4. Based on the cases you have read, at which of the following workplaces could business be exposed to a risk of trafficked labour?

- A Construction site
- B Garment factory
- C Supermarket
- D Food processing plant
- E All of the above

5. Prostitution and sex trafficking is a matter for the police to address not for business.

- A True
- B False

6. If a migrant workers' travel documents, including passport and residency permit, are withheld by his or her employer, does this constitute an indicator of risk of human trafficking?

- A Yes, it might
- B No, it does not

7. Which of the following products or services linked to business might a trafficker use for criminal activity?

- A Hotel rooms or tourism resorts
- B Commercial transport services
- C Restaurants, cafés or nightclubs
- D Internet, IT and telecom services
- E All of the above
- F a & c above

8. Reputable employers operating in full compliance with the law have no reason to be concerned about human trafficking.

- A True
- B False

9. Companies should not concern themselves about human trafficking in the procurement of goods and services; this is the responsibility of their business partners.

- A True
- B False

10. A key argument in the case for business engagement against human trafficking is that the private sector is almost alone among all stakeholders in having significant influence over certain parts of the economy and of employment relations.

- A True
- B False

1A, 2B, 3B, 4E, 5B, 6A, 7E, 8B, 9B, 10A

HUMAN TRAFFICKING  **A CRIME THAT SHAMES US ALL**  **HUMAN TRAFFICKING**  **A**

Module Three:

What can you do to take action against human trafficking?

In today's global economy, the combined efforts of business leaders can serve to combat this scourge (of human trafficking) internationally. Businesses can leverage their resources and existing alliances, and build on efforts that raise awareness among employees, partners and clients in companies

**Mr. David Arkless, President – Corporate and Government Affairs
Manpower, Inc.**

You will need approximately 20 minutes to complete this module and a further 10 at the end to complete the quiz. Feel free to work through it at your own pace.

As with Modules One and Two, throughout this unit you will find links to additional information and resources. You are encouraged to explore this information.

I. Introduction

Welcome to Module Three of the training course on business and human trafficking. This module will look at what business can do to take effective action against this form of exploitation and abuse.

In Module One, you learned about the basics of trafficking in persons. You covered the:

- UN's definition in international law;
- Locations of human trafficking around the world;
- Economic sectors, industries and commodities at risk; and the
- The private sector's impact on the fight against human trafficking.

In Module Two, you learned about the business' contribution to the fight against trafficking in persons. You covered the:

- Business cases for taking action against human trafficking;
- Risks for businesses;
- The link between human trafficking and forced labour;
- Vulnerable peoples and victims.

With this module, we move on to a different question:

What can companies or other business actors do to take effective action against human trafficking?

– or –

What practical and immediate steps can be taken by the private sector to help eliminate this abuse?

Module One noted something relatively straightforward, something that few people would argue with: human trafficking is a crime and it must be stopped.

But what does that mean for the private sector? What can business do to stop this crime?

Module Three will answer these questions. It will look at the link between human trafficking and business in detail, and give you some ideas about the many different things companies can do.

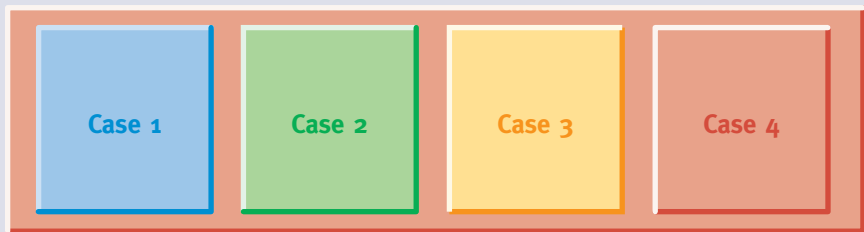
Module Three learning objectives:

At the end of this module, you will understand:

1. What types of action businesses can take to address human trafficking;
 2. Where this action can take place in company operations;
 3. What steps can be taken to protect victims of human trafficking; and
 4. That companies can work with a variety of stakeholders to ensure their engagement is more effective and sustainable.
-

II. What can you do to take action?

The cards below will explain more about what some leading companies and business organisations are already doing:



Case 1

Manpower, Inc. initiated a project in Colombia in 2007 focussed on the prevention of *human trafficking* amongst internally displaced persons in Medellin, the country's second largest city. The project sought to prevent the *forced recruitment of children* by *illegal armed groups* by *enhancing training and employment opportunities* for potential victims.

You can find the full example in Module 1 under *Mobilizing Business in the fight against human trafficking*

Case 2

With a strong track record in campaigning on social justice and human rights, the **Body Shop** launched a global campaign in 2009 to provide relief and support to *child victims of sex trafficking*. The campaign seeks to create long-term change through *awareness-raising* with the public and *lobbying* decision makers to strengthen *action against trafficking of children for sexual purposes*.

Company/Organization: The Body Shop International, ECPAT International
Sector: Cross-sectoral
Location: Global

Background
 With a strong track record in campaigning on social justice and human rights, The Body Shop approached ECPAT in 2007 to start a partnership and global campaign related to child trafficking. ECPAT was chosen as the global campaign partner because it is the only international organization and network specifically focused on combating commercial sexual exploitation of children, including child trafficking for sexual purposes.

The issue
 Child trafficking for sexual exploitation is an under-reported crime that affects millions of children and their families worldwide. Despite promises and commitments by governments, most countries are failing to uphold children's rights, and gaps in the child protection framework expose possibilities for exploiters to abuse children.

Responses and results
 The 'Stop Sex Trafficking of Children & Young People' Campaign is a global three year campaign (2009 to 2011) that aims to provide relief and support to child victims of sex trafficking and create long-term change through awareness raising with the public and by lobbying decision makers to strengthen action against the trafficking of children for sexual purposes.

The campaign and partnership has brought together the respective skills, commitments and strengths of The Body Shop and ECPAT, taking advantage of the latter's extensive network in over 75 countries and the former's ability to reach millions of customers through its over 2,500 stores in 64 countries. The Body Shop has shared its experience in creating social campaigns and its strengths in marketing and innovative communications, while ECPAT has provided technical expertise on the issue and its experience in advocacy on children's rights and child trafficking.

Campaign awareness raising activities – The campaign was launched in August 2009 with the release of a baseline report called Their Protection is in Our Hands – The State of Global Child Trafficking for Sexual Purposes. This report emphasises that trafficking of children and young people for sexual purposes is increasing in many countries and that governments need to do more to tackle the problem.

Following the global launch of the campaign, national ECPAT groups and The Body Shop hosted their own launch events to kick start awareness raising activities and the sale of “Soft Hands Kind Heart Hand Cream”, a new Body Shop product developed to help raise funds for anti-child sex trafficking initiatives.

The groups:

- Held press conferences and workshops on the issue of child sex trafficking;
- Provided information to the public via campaign brochures, the base-line report and videos;
- Promoted the “Soft Hands Kind Heart Hand Cream” in magazines and news articles;
- Enlisted the support of government officials and celebrities;
- Involved youth in implementing campaign activities.

During the first year of the campaign, ECPAT groups have reported an increase in enquiries from the public for information on the issue and from the media to run news stories.

Initiatives supported by the sales of “Soft Hands Kind Heart Hand Cream”

– The “Soft Hands Kind Heart Hand Cream” has sold 70% above expected sales targets during the first year of the campaign.

In each country, profits from the purchase of the product go directly to providing immediate support to children who have been affected by sex trafficking and towards prevention, awareness raising and other programmes implemented by ECPAT worldwide, including:

- Research on internal/domestic child trafficking;
- Lobbying for new legislation and laws to protect child victims of trafficking;
- Training for law enforcement officials and other stakeholders on how to identify child victims of trafficking and utilise the child-friendly approach;
- Creating a national referral mechanism and helpline for children;
- Empowering child survivors and at-risk youths in conducting advocacy against child trafficking;
- Creating shelters for child victims of trafficking that offer specialized care services; and
- Capacity training for care givers on the specialized care and rehabilitation services that child victims need.

Mobilizing governments for the protection of children – An important advocacy component of the campaign is the country Progress Card system that ECPAT and The Body Shop created to assess the progress of State action on upholding the rights of the child to protection from sex trafficking and all forms of commercial sexual exploitation.

In line with the 2008 Rio de Janeiro Declaration and the Call for Action to Prevent and Stop Sexual Exploitation of Children (From the World Congress III against Sexual Exploitation of Children and Adolescents), this tool provides readers with information on States’ action on combating child trafficking. A total of 42 Country Progress Cards and one Progress Card for the Middle East Region have been created. They will support the national campaign petitions that will be run in each country in Year 2 of the campaign. In Year 3 (2011), plans have been made to advance the momentum of the campaign by presenting national petitions to governments in each country and a global campaign petition to the United Nations.

This unique global partnership between The Body Shop and ECPAT demonstrates how stakeholders such as a global business and an international network of NGOs can work together to take powerful action towards improving the lives of millions of children worldwide.

Further Information:

The ‘Stop Sex Trafficking of Children & Young People’ Campaign is on-going. Visit the official campaign websites for the latest news and updates:

www.ecpat.net/TBS/en/about_campaign.html

www.thebodyshop.com/_en/_ww/values-campaigns/trafficking.aspx?

Case 3

Rehabilitation programmes for victims of human trafficking have been developed with the support of the private sector in India under a model of *public-private partnership*. These programmes involve **Nestlé, Hindustan Unilever Ltd.**, and many others, offering *skills development and enhancement of employment opportunities* as part of economic rehabilitation for victims.

Company/Organization:

Confederation of Indian Industry, Nestlé, Café Coffee Day, ITC, National Institute of Fashion Technology, Bharat Petroleum Corporation Ltd, International Institute of Hotel Management, Sinar Jernih (India) Private Limited, LANCO LIGHT Foundation, Hindustan Unilever Ltd, Dabur India, Taj Group of Hotels, Goa Chamber of Commerce and Industry

Sector: Cross-sectoral

Location: India

Background

Human trafficking is a global problem and a gross violation of human rights. In India, the abuse occurs largely for commercial sexual exploitation and forced labour, dramatically affecting the lives of its victims and preventing their growth and development. India acts as a source, transit and destination country for cross border human trafficking, but is primarily affected by internal trafficking within national borders.

The issue

The problem of human trafficking cannot be addressed by a single stakeholder, whether public, private, or non-governmental. In order to be effective and to provide a sustainable solution to the issue, engagement must be multi-stakeholder in approach and focused on partnership, particularly in a country where many organizations are working towards the same goal: the elimination of human trafficking. With a huge gap in efforts to provide economic rehabilitation to survivors of trafficking, it is also necessary to provide sustainable livelihood options to enhance their confidence and self-esteem.

Responses

The International Organization for Migration has spearheaded a series of PPPs in India that bring together representatives of the private sector alongside government and NGOs to collectively provide rehabilitation programmes to survivors of trafficking through skills development and the enhancement of employment opportunities. IOM has found that a focus on trafficking prevention and the provision of direct assistance to

victims of trafficking is the most effective contribution. Prevention activities have focused on addressing the root causes of trafficking and irregular migration, which include poverty, lack of livelihood opportunities and gaps in education and skills, particularly those demanded by the market. The PPP model was thus developed to promote skills development and the enhancement of employment potential.

The PPP approach has led to the establishment of various economic enterprises, including the Nestlé Amul food product parlours, gift shops and cyber cafés, the Xpress Coffee Day Café, food catering units, garment manufacturing, and car rental/travel agencies. IOM has also promoted enterprises like the Easy Shoppe mini supermarket; Easy Carry, a shopping bag manufacturer, supported in partnership with NGO GUIDE and corporate partner Lanco Group; and a mechanised laundry unit in Goa called Swift Wash, supported by various companies and the Goa Chamber of Commerce and Industry.

The partnership approach has also brought IOM together with the Confederation of Indian Industry (CII) and the International Institute of Hotel Management (IIHM) to provide skills training in housekeeping and food and beverage retail management. The Andhra Pradesh Tourism Development Corporation (a government agency) and a private company, Sinar Jernih (India) Private Limited (SJPL) provided employment opportunities to successful candidates of this joint training programme, following assessments and certification carried out by City & Guilds UK.

Since 2003, the multi-stakeholder approach to PPPs in India has tackled the rehabilitation of survivors and the prevention of human trafficking by providing employment and sustainable economic enterprises and opportunities. It has reached out to over 600 survivors, established partnerships with over 20 corporations and the same number of NGOs, and won the support of local government and law enforcement agencies. The key challenges have been the mobilization of resources in support of this engagement, the limited number of business actors sensitized to the issue of human trafficking, the relative lack of NGOs with skills in counselling and entrepreneurship, and lack of conceptual clarity concerning the process of economic rehabilitation relative to the magnitude of the problem.

Results

- PPP models have successfully provided skills and employment opportunities to survivors of human trafficking.

- The Government of India, in particular the Ministry of Women and Child Development, has recognised the PPP model and established a think tank with various ministries, corporate actors and IOM as a special representative.
- Given the complexity of the problem of human trafficking, existing PPPs are not yet visible enough, and there is a strong need for establishing models that can be scaled up and replicated.

Further information: www.iom.int

¹ Lanco Group is a leading construction company in India and member of the UN Global Compact. It operates philanthropic activities through the non-profit Lanco Foundation.

² SJPL provides integrated facilities management services to hotels, airports and private hospitals.

Case 4

The **China Enterprise Confederation** adopted a *Code of Practice* on Preventing Forced Labour and Trafficking in Persons in 2009. This code is among the most comprehensive sets of policies developed by a business association and is an excellent example of a national, cross-sectoral commitment by business.

You can find the full example in Annex 1 of Module 3

As you can see, many business actors at national and international levels are already taking steps to address trafficking in persons. Broadly speaking, their engagement can be categorized under the following two headings:

Prevention

and

Protection

Preventive action refers to any form of business engagement focused on the prevention of human trafficking. This can include:

- awareness raising activities;
- communications and media campaigns;
- even policy development and capacity building in the company.

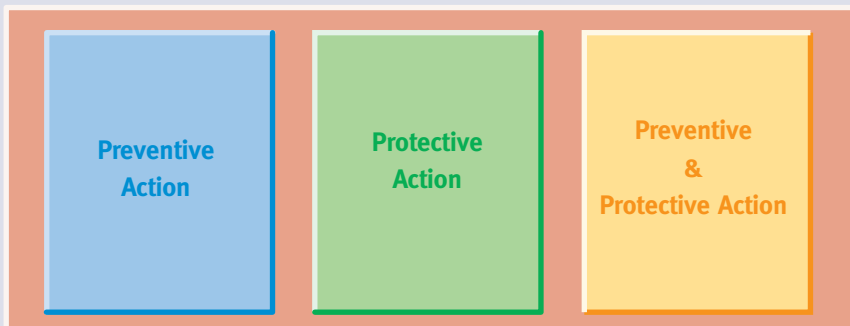
Prevention can target potential victims – for example, the poor or vulnerable in a community of operation – or it can target company personnel to help them set up effective anti-trafficking policies and procedures.

Protective action refers to any form of business engagement that provides protection to former victims of human trafficking. This can involve:

- skills training or the provision of employment opportunities to those who have been freed from abusive situations;
- support for victim service providers and anti-trafficking organisations (e.g. help lines, shelters or psychological assistance); or
- the immediate corrective action that companies can take to address potential victims’ needs.

Key resource: UN Global Compact, *Dilemma: Human trafficking – Workbook and case studies*

Now, have a look at the cases again, and evaluate them based on the categorization of preventive and protective action. Do you think they represent one or the other, or maybe both? Link each case to the appropriate box.



Preventive cases: Manpower, Inc. The Body Shop, China Enterprise Confederation

Protective cases: The Body Shop, Public-Private Partnership

Do you think your company could take actions such as those described above?

- Yes
- No
- Unsure

Option One: You answer “Yes”

Well, in fact, only you know the answer to this question. But based on the examples provided, it is quite possible that your business could join the global fight against human trafficking.

Option Two: You answer “No” or “Undecided”

Well, in fact, only you know the answer to this question. But based on the examples provided, it is quite possible that your business could join the global fight against human trafficking.

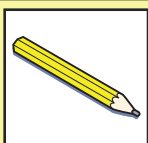
Let’s look at this more closely.

Companies may wish to begin engaging against human trafficking, but what would this mean in practice? How should they start?

Here are a few ideas based on what many companies are already doing:

- Start by speaking with your colleagues or *conduct research* on the issue to inform yourself;
- Set up an *internal working group* to discuss the matter more formally;
- Conduct a *risk assessment* to determine whether your company or industry is in fact at risk;
- Establish a *code of conduct* or revise an existing company policy to address human trafficking.

Many companies start with a review of corporate policy. Read Annex 2 of Module 3 to learn more about the example from the garment industry of a company – the Gap, Inc. – that revised its code of conduct in order to more fully address the risk of human trafficking faced by foreign contract workers in its supply chain.



What do you think?

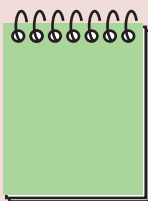
Would this be a good way for your company to get engaged?

Have a look at the two boxes below. They contain headings (Box One) and statements (Box Two), all relating to the risk of human trafficking.

Now consider you are part of a *working group* that has been set up by your company to revise corporate policy and establish guidelines to address the issue. As a member of the group, you are responsible for “brainstorming” the key issues that might be included in the policy.

Take the headings and statements below to develop your policy guidance. Insert them onto the page marked “*Policy brainstorming: Combating human trafficking*”. You **do not** need to select all of the headings and statements, only those that you think are most relevant.

Box One: Headings



Issues

Employment contracts

Fees and payments

Personal documents

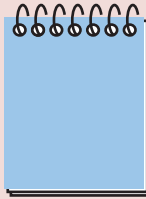
Personal freedom

Wages

Threats of violence or intimidation

Actions

Box Two: Statements



Issues

Employment contracts

- Workers - including migrant workers - will be provided written contracts of employment in language they can easily understand.
- No threats, harassment or intimidation will be used to conclude an employment contract.
- Deception, fraud and false promises will not be used in concluding an employment contract.
- Employment contracts will clearly outline rights and responsibilities with regard to wages, hours of work, etc.

Fees and payments

- Employers should not require workers to lodge a deposit or security payment.
- Excessive fees or costs for recruitment will not be charged to workers.

Personal documents

- Confiscating or withholding worker identity documents (or other valuable property) will be prohibited.
- Employers will not retain personal documents with the aim of binding workers to employment.

Personal freedom

- Workers will not be physically confined to the workplace or related premises, like employer-operated residences.
- Workers shall have freedom of movement.
- Personal freedom of workers will not be restricted outside working hours.

Wages

- Wages will not be withheld or unpaid, and will be paid to workers regularly.
- Workers will not be forced to work to pay off a debt, e.g. to a labour broker.
- Unexplained or excessive deductions from wages will be prohibited.

Threats of violence or intimidation

- Use or threat of physical or sexual violence is strictly prohibited.
- Threatening deportation to migrant workers is strictly prohibited.

Actions

- The policy should be integrated into core management policy as well as existing social/human rights policies.*
- Responsibility for implementing the policy should be assigned to a senior manager.*
- Commitment to the policy will be communicated across the company to all employees.*
- Commitment to the policy will be communicated to business partners, suppliers and sub-contractors.*
- Training on the new policy will be provided to employees and relevant managers.*
- The company should report on implementation of the policy, for example on the company web-site.*
- Instances of non-compliance with the policy will be addressed immediately.*
- Compliance with the policy should apply to all company operations.*
- Compliance with the policy should apply to all suppliers and sub-contractors as well as other business partners.*

Policy Brainstorming: Combating Human Trafficking

Issues

Actions

Option: Any selection of issues and actions

Well done! You've worked through a challenging set of issues and in the process brainstormed a strong set of suggestions for your company's policy or guidelines. You are an invaluable member of the anti-human trafficking working group!

Now let's turn our attention to the more difficult task of implementing that policy.

Having worked on a set of policy recommendations against human trafficking, let's now look at what a company can do in *policy implementation*.

Q&A

What would you do in this case? How would you choose to implement a new corporate policy against human trafficking? Would you:

- a) Widely publicize the policy and make sure it is disseminated across the company;
- b) Follow up with awareness raising and train relevant managers and employees;
- c) Communicate with suppliers or business partners about the new policy, encouraging them to join the fight;
- d) Speak publicly with other stakeholders and seek their support in addressing complex issues;
- e) Launch an awareness raising and media campaign in the community; or
- f) All of the above.

Option One: You select (a) through (e)

That's a great idea! Many companies have started with this type of action. In fact, all of these activities could give your company a good start in its engagement against trafficking. It just depends on the strategy and approach you wish to take.

Option Two: You select (f)

Excellent! You're right. All of these activities could give your company a good start in its engagement against trafficking. What's more, they can all be undertaken simultaneously.

As you are no doubt beginning to see, there is no shortage of things companies can do to take action once they've set their minds to it.

Have a look at the following diagram. It represents what might be called a *cycle of continuous engagement*, and can give you even more ideas of what you and your company can do.

Cycle of continuous engagement

II. Training

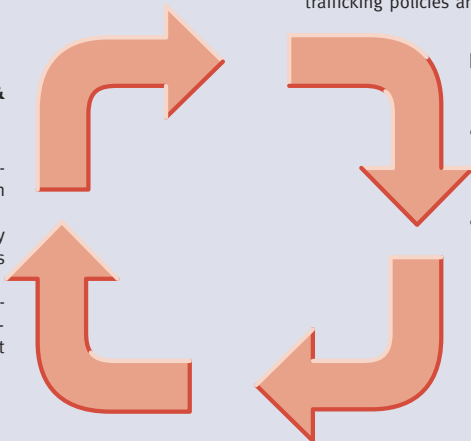
- Train managers, human resource personnel and other relevant employees on human trafficking,
- Consider providing joint training and awareness raising exercises with business partners, including suppliers.

III. Monitoring & measuring impact

- Establish measures to monitor suppliers and sub-contractors.
- Extend monitoring to include agencies that provide contract labour.
- Consider using third party groups to ensure anti-trafficking policies are being applied.

I. Risk assessment & policy

- Conduct a risk or impact assessment on human trafficking.
- Develop a clear policy that explicitly prohibits human trafficking.
- Identify risks and opportunities and priorities for action against human trafficking.



IV. Taking corrective action

- Develop appropriate strategies for taking corrective action before a problem occurs.
- If a case of human trafficking is suspected within the company's sphere of influence, provide for the protection of victims and support their rehabilitation and reintegration.

VI. Communications & reporting

- Communicate anti-trafficking policies and procedures to employees and business partners.
- Report to stakeholders on performance and progress of anti-trafficking activities and engagement.

V. Action in the community

- Launch a global, national or local campaign in co-operation with the media to promote awareness about human trafficking.
- Build bridges between government, law enforcement agencies and civil society to promote joint action against human trafficking.
- Support re-integration and prevention programmes by providing skills development, job training and/or employment opportunities to former victims of human trafficking.

Key resource: ILO, *Combating forced labour: A handbook for employers and business, 2008.*

Well done! You are now over half way through *Module Three*. Only a few more key points and exercises to go, and you can proceed with the quiz.

But for now let's expand on this idea of taking action. After all the examples and discussion of what companies can do, let's look at the detail and consider exactly *where* a company can engage.



1

Company operations

If you completed *Module Two*, you will know that companies face a risk of human trafficking in their own operations. This includes company-owned properties (for example, hotels or travel resorts in the travel and tourism industries), but can also include company-branded products or services that are used by traffickers, for example in the media, IT or telecommunications industries, or even in commercial transportation.

In the travel and tourism industry, a number of companies have already taken significant steps to address risks in this “location”. They have come together to *combat child trafficking* and the *commercial sexual exploitation of children* linked to tourism. Companies like *Accor* and *Carlson* have raised awareness of their own staff and guests in countries around the world, including in Latin America and the Caribbean, and trained front-line personnel on how to recognize situations of child sexual exploitation on company properties.

2

Supply chain

Companies are also exposed to risk in their supply chain where the activities of business partners, suppliers and sub-contractors can pose a threat to brand or company reputation.

To address this risk, *Gap, Inc.* – the US-based clothing retailer – has taken significant strides to become a leading company in the fight against human trafficking. It has worked closely with suppliers in countries like India to reinforce its “zero tolerance” policy against trafficking, while improving supply chain tracking mechanisms and making more robust its internal policies, procedures and programmes. The company has also worked closely with governments and NGOs on awareness raising campaigns in supplier countries, with the aim of promoting longer term *systemic change*.

3

Procurement of goods and services

Another location of engagement is often overlooked: the procurement of goods and services for day-to-day business operations (e.g. IT and telecommunications needs) and the contracting of services such as for cleaning and security personnel. This can also include construction services for the development of company properties.

If you completed Module Two, you will recall the allegations of human trafficking that faced a leading Western European grocery chain with retail outlets in Kuala Lumpur, Malaysia. The company had contracted cleaning services for its properties, and a number of workers were recruited from Bangladesh by the contractor. One such worker was quoted as stating he earned less than half of what he had been promised in his home country by a labour broker; worked long hours; and deductions were made from his wages for food and lodging without having been agreed in advance. Moreover, the worker had sold property and taken a loan in order to secure the job, meaning he found himself in a form of debt bondage, unable to leave because of his need to repay incurred loans.

4

Community of operations

Companies may also wish to take action in the community. This may not be directly linked to their business operations but it can still have a significant impact.

One example of this is the *Unlimited Potential* programme developed by *Microsoft*. Through this, the company partners with local NGOs in countries such as the Philippines to support projects aimed at empowering unemployed youth, marginalised women and rural communities. Microsoft enhances local employment opportunities by providing basic computer literacy skills and IT training to former victims of trafficking and vulnerable communities. In doing so, it provides both *protective* and *preventive* measures against exploitation.

See Annex 3 of Module 3 to read about the community-level work being done by global chocolate brands and other stakeholders against human trafficking and forced labour.

As you can see from this map, companies can take action in a number of locations linked to their business operations:

- 1 in the company itself;
- 2 in the supply chain with business partners; or
- 3 in the procurement of goods and services.

They can also engage in a location *indirectly* linked to their business but of great importance:

- 4 in the community of operation.

If we presented this as a graphic, it might look something like this:

Locating business engagement against human trafficking



If we included what we learned about the *Cycle of Continuous Engagement*, it might look like this:

Eliminating the risk of human trafficking



This graphic represents a comprehensive model of business engagement against human trafficking. It indicates not only *what* you can do, but *where* you can do it. Keep this in mind as you consider your own next steps of engagement.

Excellent! You're almost finished *Module Three*.

Now let's turn our attention to two final points:

- (1) the importance of stakeholder engagement; and
- (2) some appropriate steps for taking corrective action.



Until now, we have talked a lot about what companies can do and where they can do it. But we have not discussed the essential element of engaging with other stakeholders. Without the active involvement of a broad coalition of groups, human trafficking cannot be beat.

So, what can companies do, and with whom can they engage?

Have a look at the boxes and table below. On the left, you have a box containing a list of stakeholders; on the right, you have a series of different statements. Match the stakeholders on the left with the correct statement on the right. The statements provide a short indication of how each stakeholder can contribute to the fight against human trafficking.

Government	...are key to the enforcement of national laws and bringing to justice those that commit trafficking crimes. In some cases they may also be the first line of response in suspected cases of trafficking.
Civil Society Groups	...can include human rights, women's rights and anti-slavery organisations, among others. They are key to awareness raising and campaigning activities, while many provide direct assistance and protection to trafficking victims also.
Trade Unions	...can provide companies with direct assistance on policy development and implementation from a corporate perspective, but can also serve as useful forums for developing collective, cross-sectoral business responses to key issues.
United Nations	...a valuable partner that can provide the latest research, data and thinking on human trafficking from legal, social and other perspectives. It can be a valuable source to business of national and regional information on trafficking and related issues.
Law Enforcement Agencies	...plays the central role in reforming laws and setting national policies that are key to the fight against human trafficking. It can also play an essential role in public awareness campaigns.
Academia	...address labour and workplace rights, and are concerned with all forms of labour exploitation. They are a key partner in reaching out to vulnerable groups such as domestic workers, migrant workers and others.
CSR Organisations	...plays the key public policy role against human trafficking at the global level. It can provide specialist knowledge, guidance and support in anti-trafficking initiatives through different organisations focused on migration, labour, drugs and crime, and human rights.

Solution

Government	...plays the central role in reforming laws and setting national policies that are key to the fight against human trafficking. Government also plays an essential role in public awareness campaigns.
Law enforcement agencies	...are key to the enforcement of national laws and bringing to justice those that commit trafficking crimes. In some cases they may also be the first line of response in suspected cases of trafficking.
Civil society groups	...can include human rights, women's rights and anti-slavery organisations, among others. They are key to awareness raising and campaigning exercises, while many also provide direct assistance and protection to trafficking victims.
Trade unions	...address labour and workplace rights, and are concerned with all forms of labour exploitation. They are a key partner in reaching out to vulnerable groups such as domestic workers, migrant workers and others.
Academia	...is a valuable partner that can provide the latest research, data and thinking on human trafficking from legal, social and other perspectives. Researchers can be a valuable source to business of national and regional information on trafficking and related issues.
United Nations	...plays the key public policy role against human trafficking at the global level. It can provide specialist knowledge, guidance and support in anti-trafficking initiatives through its organisations focused on migration, labour, drugs and crime, and human rights.
CSR Organisations	...can provide companies with direct assistance on policy development and implementation from a corporate perspective, but can also serve as useful forums for developing collective, cross-sectoral business responses to key issues.

Now, for our last exercise, let's put your learning to the test. Read the following short paragraph. It describes an alleged case of human trafficking widely reported in the media a few years ago. Think about what you would do in this situation.

Case analysis: Corrective action against human trafficking

In 2008, a major, US-based sporting goods brand faced serious allegations of human trafficking at a Malaysian contract factory that produced its t-shirts. The alleged abuses involved workers from Bangladesh, China, India, Myanmar, Nepal and Vietnam, many of whom had paid steep fees to labour brokers for getting them a job. Media reports indicated that workers were housed in cramped, over-crowded and unhygienic dormitories; their wages were garnished; their passports taken; and they were not given a copy of their employment contracts. When the brand conducted its own investigation, it found that many of these allegations were accurate. Faced with a similar situation, what would you do?

Q&A

Answer the following questions. At the end of the exercise, we will tell you how the brand responded.

1. What would your immediate response to such allegation be?
 - (a) Ignore them
 - (b) Call a press conference
 - (c) Investigate yourself
 - (d) Call the factory to see what is happening

Option One: You answer (c)

That's right. The best answer here is (c) to conduct a thorough investigation into the allegations and to take action, if they prove to be accurate.

Option Two: You answer (a) or (b)

In fact, the correct answer here is (c) to conduct an investigation. This would be the necessary first step to determine the accuracy of the allegations and to take immediate action on the basis of this investigation, if required.

Option Three: You answer (d)

This would be a natural first step, but the most appropriate immediate response – keeping in mind the potential needs of the workers – would be to arrange an investigation of the facility to determine the accuracy of the allegations.

2. If your own investigation confirmed a majority of these abuses, what would you do?
 - (a) Send a team to investigate further
 - (b) Meet with factory management to agree on immediate changes
 - (c) Reassure your investors and consumers that you are handling the problem
 - (d) Call a meeting with your CSR team to discuss the appropriate response

Option One: You answer (b)

Excellent! The essential next step after having confirmed such abuses would be to lay the groundwork for immediate action and an improvement of the situation.

Option Two: You answer (a), (c) or (d)

Actually, in this case, the most appropriate next step – given the gravity of the situation – would be (c) to arrange a meeting with factory management and to agree on the immediate necessary changes.

3. It is clear that workers lived in sub-standard housing. What do you do to improve this situation?
 - (a) Ensure these workers are moved to new accommodation immediately.
 - (b) This is that least of your concerns. Factory management is best placed to address this.
 - (c) Hire a company to clean the dormitory and keep workers housed there.

Option One: You answer (a)

Well done! Given the overcrowding and unhygienic circumstances of the facility, the only option here would be to find an alternative housing arrangement and move the workers there immediately.

Option Two: You answer (b)

In fact, this is very much your concern, although you are correct that factory management has an essential role to play in improving the situation. It is important that you work to address all of the abuses discovered at the site.

Option Three: You answer (c)

Cleaning the dormitory seems like it would be an important first step. However, as the case indicated, the facility was overcrowded as well as seriously unhygienic. The best answer here would be to immediately arrange for new accommodation for these workers.

4. Workers paid a recruitment fee in their home country. There is nothing the brand can do about this.
 - True
 - False

Option One: You answer “False”

Bravo! This is a key element to the story of abuse at this factory. Workers arrived there already heavily indebted to labour brokers in their home country. Although this is one step removed from the factory, nevertheless, it is essential that the abuse be corrected, otherwise it cannot be resolved.

Option Two: You answer “True”

The correct answer is “false”. This is a key element to the story of abuse at this factory. Workers arrived there already heavily indebted to labour brokers in their home country. And although this is one step removed from the factory itself, nevertheless, it is essential that the abuse be corrected, otherwise the situation cannot be resolved.

5. After you’ve addressed the most pressing issues, you need to think about longer term, sustainable change. What do you do?

- (a) Set up a new policy to address these issues and make sure it applies to all contract factories.
- (b) Set up a free telephone hotline for workers in case of ongoing problems.
- (c) Continue working with factory management to encourage continuous engagement and improvement.
- (d) All of the above

Option One: You select one of the first three

You're right. In considering the medium or long-term actions that can be taken to address these issues, all of the above could be significant steps to help prevent the problem from recurring.

Option Two: You answer "All of the above"

You're right. This would be an appropriate step in considering longer term improvement. However, the best answer here is (d) all of the above. All of these actions might be considered effective in ensuring longer term, sustainable change and in preventing the problems from recurring.

Well done! Now let's look at what the brand actually did.

What corrective action was taken?

Following the allegations, the brand conducted an immediate investigation of its own. This investigation confirmed a number of serious abuses at the contractor. The brand then met with factory management to demand immediate corrective action, and the following actions were taken:

- All workers wishing to return home were provided return airfare irrespective of their contract requirements.
- All current migrant workers were reimbursed fees associated with employment, including recruitment fees paid to brokers.
- All workers were transitioned into new housing within 30 days.
- All workers have immediate, complete and unhindered access to their passports.
- A free hotline number leading directly to the brand was distributed to workers should there be ongoing abuse.
- A new policy was established to ensure that all fees associated with recruiting migrant workers were now paid by the contractor as a cost of doing business.

The brand then committed to working with the factory to support ongoing, lasting change; it conducted a review of its entire Malaysian contract factory base; and it rolled-out the new policies to all suppliers in the country.

Congratulations!



You have now completed the learning portion of Module Three on what business can do to take action against human trafficking. You are now ready to take the short quiz to test what you have learned.

Here you can review a summary of key learning points before taking the quiz.

III. Summary of key points



- The risk of human trafficking can be effectively addressed by business through action at a variety of levels: in company operations; in the supply chain and with business partners; in the procurement of goods and services; and in the community of operation.
- Broadly speaking, business engagement against human trafficking can be categorised as preventive and/or protection action.
- Concrete examples of business engagement include risk assessment and policy development; training and capacity building; monitoring and measuring impact; taking corrective action, including economic rehabilitation of victims; and communications/reporting on performance.
- Business alone cannot solve the problem of human trafficking, and working with other stakeholders can make business engagement more effective and sustainable.
- Companies should develop a comprehensive strategy to assist and protection victims of trafficking in their own sphere of influence. It is advisable to develop this strategy before a problem occurs.

IV. Quiz



1. Which of the following statements is correct?
 - A Business can take action against human trafficking, but its impact tends to be negligible.
 - B Business is a key stakeholder in the fight against human trafficking and can act with significant effect and impact.
 - C Government has the primary responsibility to address human trafficking; only it is positioned to take effective action.

2. Business engagement against human trafficking can be categorised as preventive and protective. Which of the following falls under the category of preventive action?
 - A Awareness raising activities
 - B Communications and media campaigns
 - C Supporting victim service providers
 - D Policy development and training for staff
 - E All of the above
 - F All of the above except (c)
 - G All of the above except (d)

3. Taking protective action against human trafficking can include providing skills training or employment opportunities to former victims.
 - A True
 - B False

4. In developing a policy or guideline on human trafficking, a company should consider including which of the following issues:
 - A Deception used in the recruitment process.
 - B Recruitment fees charged to workers.
 - C Retention of migrant workers' identity or travel documents.
 - D All of the above

5. Business or trade associations have only a limited role to play in the fight against human trafficking.
 - A True
 - B False

6. Establishing a working group and conducting a risk assessment to determine the level of company exposure to human trafficking can be an effective way to start engaging.
- A True
B False
7. The Cycle of Continuous Engagement involves which of the following key stages:
- A Training
B Risk assessment and policy
C Spreading the word
D Monitoring and measuring impact
E All of the above, except (c)
F All of the above
8. In some countries, laws or regulations require companies employing foreign workers to maintain their personal or travel documents. If they don't, they will be breaking the law. Under these circumstances, there is little a company can do to prevent a risk of trafficking.
- A True
B False
9. Which of the following stakeholders could most effectively help business in reaching out to vulnerable groups such as migrant or domestic workers?
- A Civil society groups
B Government
C Trade unions
D Law enforcement agencies
E UN organisations
10. An effective, strategic response to confirmed allegations of human trafficking would not only address the immediate forms of abuse but look beyond these to setting up a mechanism to ensure these problems do not recur.
- A True
B False

1B, 2F, 3A, 4D, 5B, 6A, 7E, 8B, 9C, 10A

Congratulations!



You have now completed the quiz for *Module Three*.

Annex 1:

Code of Practice

Preventing Forced Labour and Trafficking in Persons

Introduction

This code of practice articulates a set of guiding principles for employers and business to combat forced labour and trafficking in persons. The code will help companies manage and avoid the risk of association with forced labour and trafficking in their own operations and within their supply chains, including legal risks and threats to company reputation and value. Compliance with the code's provisions will facilitate integration into global markets, promote sustainable enterprise and play an important role in strengthening international business relationships.

The code is not a substitute for national legislation and regulations. It is a voluntary instrument that seeks to promote private initiatives to complement and support compliance with the law. The code is a management tool to help employers play an effective role in preventing and addressing forced labour and trafficking within their sphere of influence; however, it does not provide a certification of the absence of forced labour within an enterprise or amongst its suppliers.

The principles of the code are drawn from Chinese legislation and regulations; ILO Conventions and Recommendations; the ILO Declaration on Fundamental Principles and Rights at Work; and other international instruments, including the UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children. The code is organised as follows. Section I presents the Guiding principles to combat forced labour and trafficking in persons, which are drawn from national legislation and international instruments and set the normative framework of the code. Section II presents the Principles of implementation, which identify the basic steps that employers can take to implement the code.

I. Guiding principles to combat forced labour and trafficking in persons

Legal compliance

- i) The employer should comply with all applicable national laws and regulations concerning the prevention and elimination of forced labour and trafficking in persons.

Freedom of employment

- ii) All workers should be able to freely choose their employment and enter into an employment relationship fully informed, without the threat of a penalty and on the basis of their own free will.
- iii) No worker should be forced to do work that presents an imminent and serious danger to life and health.

Threat of violence, harassment and intimidation

- iv) Work or service should not be exacted from any person under the threat of any penalty, including the use or threat of physical or sexual violence, harassment and intimidation against the worker, his or her family, or close associates.

Termination of employment

- v) Workers should have the freedom at any time without penalty to terminate a labour contract in accordance with national law.

A single violation of provisions of this code related to conditions of employment may not automatically constitute forced labour. However, a pattern of violations, when taken together, may amount to forced labour in specific circumstances.

- vi) In the following circumstances, a worker should have the right to terminate a labour contract at any time with immediate effect:
 - a. If the employer resorts to violence, threats, intimidation or illegal restriction of personal freedom;
 - b. If the employer fails to pay remuneration agreed upon in the labour contract in full and on time; or
 - c. If the labour contract is invalid due to circumstances involving fraud, coercion or exploitation that can be attributed to the employer.

Labour contracts

- vii) An employer should not conclude a labour contract using any of the following means:
 - a. Threat or use of force or other forms of coercion;
 - b. Intimidation, fraud, deception or abduction;
 - c. The abuse of power or of a position of vulnerability of the worker; or
 - d. The giving or receiving of payments or benefits to achieve the consent of a person who has control over a worker.

Coercion relating to wages

- viii) Deception in wage payment, wage advances, and loans to employees should not be used as a means to bind workers to employment. Workers should not be forced to work in order to pay off an actually incurred or inherited debt.
- ix) Methods of payment are prohibited that deprive workers of the genuine possibility of terminating employment, including but not limited to payment in the form of vouchers, coupons or promissory notes, and payments “in-kind” in the form of goods or services.
- x) Workers should retain full and complete control over the money they earn.
- xi) Workers that earn wages calculated on a performance-related or piece-rate basis, and workers on a probation period, should not earn less than the legally mandated minimum wage, without being forced to work overtime.
- xii) Workers should not be compelled to make use of stores or services operated in connection with an undertaking. Where access to other stores or services is not possible, employers should ensure that goods or services are sold or provided at fair and reasonable prices, without the aim of indebting or otherwise coercing workers.

Security payments and personal documents

- xiii) Employers should not require workers to lodge deposits or security payments of any kind when concluding a labour contract.
- xiv) Confiscating or withholding worker identity documents or other valuable items for the purpose of binding workers to employment is prohibited.

Working Hours and Overtime

- xv) The employer should not force any worker to work overtime under the menace of a penalty, for example the threat of dismissal or deductions from wages.

Disciplinary Measures

- xvi) Disciplinary measures should not include sanctions that result in an obligation to work.

xvii) Compulsory labour should not be used to discipline workers or as punishment for participation in a labour dispute.

Freedom of Movement and Personal Freedom

xviii) The employer should not imprison or physically confine workers to the workplace or related premises, for example employer-operated dormitories. Mandatory residence in such facilities should not be made a condition of employment.

xix) The employer should not restrict workers’ use of private cell phones outside working hours.

Skills Development and Vocational Training

xx) Participation in skills development and vocational training programmes should be voluntary.

xxi) Employers that provide training opportunities should not unreasonably impose work or service as a means of recovering the costs associated with them.

xxii) In the event that a term of service is agreed between an employee and employer, and the agreement is broken by the employee, the amount of damages to be paid should be proportionate to the term that remains to be served.

Labour Market Intermediaries

xxiii) Within their sphere of influence and to the best of their ability, employers that engage labour market intermediaries to recruit members of their workforce should take measures to:

- a. Ensure that such intermediaries do not engage in fraudulent practices that place workers at risk of forced labour and trafficking for labour exploitation;
- b. Prevent the abuse of workers contracted by such intermediaries;
- c. Ensure that workers do not pay fees or costs related to recruitment;
- d. Use only those intermediaries that are licensed or certified by the competent authority.

xxiv) No fee or cost for recruitment should be charged directly or indirectly, in whole or in part, to the worker, including costs associated with the processing of official documents.

xxv) The labour market intermediary should not retain any part of a worker’s remuneration.

xxvi) Provisions of this code should apply equally to workers employed by labour market intermediaries.

xxvii) Workers should have the right to terminate their labour contracts with labour market intermediaries at any time without penalty.

Prison Labour

xxviii) The employer is encouraged to be aware of relevant provisions within global trade agreements concerning prison labour, existing national laws of countries that prohibit the import of products made using prison labour, and the expectations of international business partners on this issue.

xxix) The employer should be well-informed of the business practices of its suppliers and choose those that do not use prison labour.

xxx) Work or service performed by prisoners for a private enterprise must be voluntary, and prison workers must give their consent without being subject to a threat or penalty.

xxxi) Conditions for prisoners who have consented to work within a private enterprise should approximate conditions enjoyed by free workers, including access to similar wage levels,² social security benefits and occupational safety and health standards.

II. Principles of implementation

Commitment and responsibility

i) The code should be integrated into core management policy and practice as well as existing social policies, and responsibility for implementation should be assigned to a senior management representative.

ii) Procedures should be established to encourage compliance with the code across company operations and, to the greatest extent possible, amongst suppliers, sub-contractors and service providers.

iii) Employers should consult with workers and their representatives about activities related to this code and its implementation.

Communicating, raising awareness and building capacity

iv) Commitment to the code and its implementation should be communicated to employees, suppliers, sub-contractors, business

partners, and relevant stakeholders, as appropriate.

- v) Copies of the code should be publicly displayed on company premises, and information about it should be disseminated amongst workers and their representatives in language they understand.
- vi) Activities should be undertaken to raise awareness of the code amongst senior managers, supervisory personnel and other relevant employees to facilitate understanding and implementation of its provisions.
- vii) Employers should provide training to relevant staff to enable them to better identify, prevent and remediate possible cases of forced labour or trafficking in persons.

Human resource practices

- viii) Wherever possible, the employer should provide written labour contracts. In concluding a labour contract, the employer should inform the worker in good faith and in a language that he or she can easily understand of all rights and responsibilities regarding employment conditions related to preventing forced labour and trafficking in persons.
- ix) The employer should pay wages on time, in full in accordance with workers’ contracts and state regulations, and monthly, unless customary arrangements hold for more frequent periods of payment. Wages should be paid directly to the worker in legal tender.
- x) The employer should not make wage deductions or delay payment without justification and should not deduct taxes from workers’ wages that authorities have imposed for employing certain categories of workers, for example migrant workers.

Assessment and corrective action

- xi) Workplace monitoring should be used as a means to determine compliance with the code.
- xii) Instances of non-compliance should be addressed as and when they are discovered, and steps should be taken to implement changes where necessary to ensure that such instances do not recur.

Handling grievances

xiii) Employees should have access to confidential means to report grievances related to non-compliance with the code. Measures should be established to ensure that employees do not suffer disciplinary action for reporting grievances.

xiv) Employers should develop procedures to document, handle and follow-up on grievance reports.

Transparency and dialogue

xv) Implementation measures should include periodic communication with stakeholders about performance and progress related to the code.

Application to suppliers and sub-contractors

xvi) Compliance with the code should be a condition of business and integrated into contracts with suppliers, sub-contractors and relevant business partners such as staffing firms. Employers should make compliance with the code a condition of evaluation, selection and maintenance as a supplier.

Annex 2:

Code of Conduct by GAP, Inc.

Contract Labour Requirements

With respect to the following Contract Labour Requirements (“CLR”), the overall model contemplates vendor responsibility and accountability for ensuring that foreign contract workers (a) first receive full disclosure and then sign employment contracts in their home countries; and (b) can return home for any reason and at any time without fear of reprisal and without extraordinary debt.

Vendors that recruit or employ foreign contract workers must comply with all of the following provisions of the CLR except to the extent any term is expressly prohibited by law:

01. Employee Contract in Home Country: The vendor will be responsible for ensuring that each applicant receives a contract for employment (“Employment Contract”) in his or her home country. The vendor must thereafter execute the Employment Contract with each worker in the worker’s home country. (This requirement applies to all workers hired after March 1, 2001). The vendor may not impose any additional terms or requirements on the worker after the Employment Contract is signed unless expressly required by law.

02. Employment Contract Terms: The Employment Contract must be in the local language of the worker and must specify, among other things:

- (a) Term (duration) of the contract;
- (b) Minimum and overtime wage rates to be paid;
- (c) Maximum allowable overtime hours consistent with the laws of the host country and Gap Code (no more than 60 hours/week on regularly scheduled basis);
- (d) All benefits to be provided (including medical coverage, sick leave, annual leave and holidays);
- (e) All deductions to be taken (including charges for food and housing);
- (f) Estimated minimum net pay that the worker can expect to receive per month;
- (g) Recruitment fee restrictions (if imposed by applicable host or home country laws); and
- (h) Summary of the living conditions, including any curfews.

The Employment Contract will also set forth the substance of Sections 3,

6, 7, 8 and 9 of the CLR as well as the amount of the Return Fee (see Section 6 below) to be refunded to any worker who paid any recruitment fees to obtain employment and who returns to his/her home country without completing the contractual term, regardless of reason. Recruitment Fees are to be defined broadly to include all administrative and processing fees and any other amounts paid to secure employment in the home country.

03. Host Country Fees: The vendor must pay all host country fees and costs, including any levies, renewal fees or other costs associated with the use of foreign labour (per the Gap Code of Vendor Conduct). The vendor must also reimburse any host country fees paid by existing workers.

04. Recruitment Agency Fees: The vendor must take all reasonable steps necessary to ensure that it does business with reputable recruitment agencies which do not charge workers fees in excess of what is legally permitted by any applicable law of the host or home country. The vendor must also have a written agreement with the agency(ies) expressly requiring that total fees paid by the worker must not exceed any such legal limits. Wherever possible, the vendor should avoid using recruitment agencies altogether and instead either transfer existing workers from the vendors' home country facilities or hire workers directly.

05. Vendor Fees and Deductions: The vendor (including its employees and representatives) must not accept any reimbursements, kickbacks or other amounts from any recruitment agency or other person involved in the recruiting process. The vendor also must not charge back or accept reimbursement from any foreign contract worker to recover any fees paid by the vendor in the recruitment or hiring of said worker.

06. Return Fee: For all foreign contract workers hired after March 1, 2001, the vendor must pay all transportation costs from the home to host country. For any foreign contract worker (regardless of date of hire) who wishes to leave the factory FOR ANY REASON AND AT ANY TIME and elects to return to his/her home country after March 1, 2001, the vendor must arrange and pay for the worker's airfare and/or other reasonable transportation costs home. In addition, the vendor must pay to the worker a "Return Fee" (as defined below), in addition to any wages, benefits or other amounts due and owing to the worker. All of these sums must be paid to the worker contemporaneously with his or her return to the home country. The only exception to the requirement to pay a Return Fee will be where a vendor can demonstrate that the worker was hired without the use or involvement of, or payment to, any third party recruiter.)

The Return Fee will equal the estimated average recruitment fees incurred by workers in their home country (as determined from time to time by Gap in consultation with workers, vendors, local NGOs and government authorities as appropriate), less a pro rata portion based on the actual duration of stay vs. the contractual term. For example, if the estimated average recruitment fees incurred by any worker from Country A to secure employment in Country B are \$2,000, such a worker who entered into a two year contract but decided to return home after 6 months would receive a Return Fee of \$1,500 ($\$2,000 - 6/24 \text{ mos}$).

07. Control of Passport: The vendor must allow the worker full control over his or her passport and similar documentation and must provide the worker with a locked and secure storage space in which to keep this documentation. The worker may choose to allow the factory to keep his/her passport but this must be in writing and must not be a condition of employment.

08. Control of Earnings: The vendor must allow workers full and complete control over the monies they earn (as required in Gap's Code) and must not withhold any "guarantee money" or recruitment fee sums from pay otherwise due to foreign contract workers.

09. Same Minimum Wage: The vendor must pay the same minimum wage to foreign contract workers in the same job category as local workers.

10. Provision of Worker Lists: The vendor must make available to Gap or its representatives upon request current lists of all foreign contract workers employed at each facility, including the date of arrival, contract term, and anticipated date of return.

Annex 3:

Organization: International Cocoa Initiative

Sector: Agriculture

Commodity: Cocoa

Location: Ghana, Ivory Coast

Background

Established in 2002, the International Cocoa Initiative (ICI) is a multi-stakeholder partnership that brings together major chocolate brands, cocoa processors, labour unions and NGOs in an effort to eliminate child and forced labour in cocoa growing. Corporate members include ADM, Barry Callebaut, Cargill, Cadbury Schweppes, Ferrero, Ferrara Pan Candy, Hershey Foods, Kraft Foods, ICA, Mars Incorporated, Nestlé, and Toms.

The Issue

In the recent past, there have been cases of child trafficking and adult forced labour reported in the West African cocoa sector. These have occurred in the context of well-established and complex social and cultural relationships.

Responses and results

The International Cocoa Initiative takes a multi-stakeholder approach to tackling the problems of child and forced labour, and human trafficking in the cocoa sector. It works at national, industry and community levels with business, unions and civil society groups to raise awareness, develop effective and sustainable policies, build local capacity and change attitudes. It also helps support groups that provide social protection to victims of exploitation.

With a community-based focus, ICI sensitizes cocoa-growing communities about abusive labour practices such as trafficking, child labour and forced labour, and helps them plan how best to ensure these practices are eliminated. ICI draws on the support of others to invest in the community and to improve farming, infrastructure and other needs. As part of this approach, the organization provides training not only to global buyers and local farmers, but also to cocoa boards, key government agencies, co-operatives, local NGOs, and the media.

The following are among the key responses and results of engagement by ICI and its implementing partners:

- Over 7,000 community mobilization meetings have been organised on the issue of child labour, including trafficking. This outreach has sensitized over 250,000 community members.
- 1,625 key people in the public, private and civil society sectors have been trained on child and forced labour through almost 70 training programmes.
- Local communities have implemented 476 initiatives to reduce the vulnerability of children to child labour and trafficking, including new by-laws, school rehabilitation and recruitment of teachers.
- Local authorities have supported communities with 220 new initiatives to support the implementation of Community Plans of Action.
- New or rehabilitated school blocks have become available in 129 communities, representing an additional 329 classrooms and benefiting 16,450 pupils.

Further information: www.cocoinitiative.org

UN.GIFT

Global Initiative to Fight Human Trafficking



HUMAN TRAFFICKING A CRIME THAT SHAMES US ALL HUMAN TRAFFICKING

**United Nations Global Initiative to Fight Human Trafficking
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