

BUSINESS: IT'S TIME TO ACT.

DECENT WORK,
MODERN SLAVERY
& CHILD LABOUR



United Nations
Global Compact



IT'S TIME TO ... UNDERSTAND

Decent work cannot exist where modern slavery and child labour persist. The elimination of all forms of forced and compulsory labour and the effective abolition of child labour are two of the four Fundamental Principles and Rights at Work, on which two of the Labour principles of the United Nations Global Compact are based. Modern slavery is a human rights violation and a crime, yet it is alarmingly widespread.

Forced labour and child labour are more prevalent in some countries and economic sectors, but none are immune to these abuses.¹

25M people are estimated to be in forced labour. According to the ILO, 16 million of these women and men work in the private economy.²

152M children are estimated to be victims of child labour. Almost half of them — 73 million — are in hazardous work.

\$150BN estimated to be made per year in illegal profits from forced labour.³

77% of companies believe there is a high likelihood of modern slavery occurring in their supply chains, according to one survey.⁴

¹ [Global Estimates of Child Labour](#), Alliance 8.7, 20

² [Global Estimates of Modern Slavery: Forced Labour and Forced Marriage](#), Alliance 8.7, 2017

³ [Profits and Poverty: The Economics of Forced Labour](#), ILO, 2014

⁴ [Corporate Leadership on Modern Slavery](#), The Ethical Trading Initiative (ETI) and Hult International Business School, 2016

All businesses everywhere, regardless of size or sector, have a responsibility to respect human rights, as recognized by the UN Guiding Principles on Business and Human Rights.

THE CORPORATE RESPONSIBILITY TO RESPECT HUMAN RIGHTS

The UN Guiding Principles on Business and Human Rights are the authoritative global standard on business and human rights, unanimously endorsed by the UN Human Rights Council in 2011. The Guiding Principles apply to all states and all businesses worldwide and today are being implemented by companies, Governments and stakeholders on every continent.

A growing number of countries around the world have introduced new legislation which makes businesses **legally accountable for crimes related to modern slavery, and requires them to be publicly transparent about the steps they are taking** to prevent and address modern slavery. In 2015, the United Kingdom introduced a landmark Modern Slavery Act, which includes a “transparency in supply chains” provision, requiring certain businesses operating in the UK to report on how they are eradicating modern slavery from their organization and their supply chains.

This allows consumers, investors, campaigners and others to hold businesses to account and call on them to do more. Other countries, including France and Australia, have implemented or are planning on implementing similar reporting requirements.

THE UN SUSTAINABLE DEVELOPMENT GOALS A NEW GLOBAL AGENDA

8 DECENT WORK AND
ECONOMIC GROWTH



The United Nations 2030 Agenda and its Sustainable Development Goals (SDGs) call on the world to “leave no one behind.” Goal 8 on Decent Work and Economic Growth is of central importance to achieving this aim, as decent work is essential to a sustainable, just and equal society.

Goal 8.7 of the SDGs calls on Governments, companies and civil society to **“take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour... and by 2025 end child labour in all its forms.”**

Forced labour, modern slavery and child labour are complex problems associated with poverty, governance failures and inequalities in the global labour market. Tackling them requires a massive international effort, involving Governments, businesses, civil society organizations, trade unions and international bodies.

“Modern slavery” is an umbrella term that is commonly used to include forced labour, debt bondage, servitude and trafficking for the purposes of labour exploitation.

A common example of this is migrant labourers who are forced to work to pay off an initial “recruitment fee”.

“Child labour” is work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical or mental development, including by interfering with their education.

[More information on definitions and further guidance](#)

**IT'S TIME TO ...
ACT**

**WHAT YOUR BUSINESS
CAN DO IN 5 STEPS TO
HELP ELIMINATE
MODERN SLAVERY**

1

GET COMMITMENT AND RESOURCES

- Boards and senior executives should make a public statement that modern slavery has no place in their business and communicate this to everyone affected
- Revise corporate policies, systems and strategies, and allocate additional resources
- Train and build capacity within the business and with commercial partners to tackle this problem

2

ASSESS ACTUAL AND POTENTIAL LABOUR RIGHTS RISKS

- Assess country risks — the legal, social, political and economic factors that could enable modern slavery to thrive
- Assess business risks — map supply chains as a whole (including suppliers beyond the first tier), services and own operations
- Review business practices — e.g. terms of agreement with suppliers, sub-contracting
- Understand who works in your supply chain — e.g. migrant, agency workers
- Review credibility of information systems, e.g. audits
- Engage in policy dialogue with Governments to improve laws and policies that enable responsible business to operate and reduce the risk of modern slavery
- Collaborate with others (other businesses, civil society organisations, experts, the UN and international initiatives)

3

IDENTIFY CORPORATE LEVERAGE, RESPONSIBILITY AND ACTIONS

- Assess the scale and scope of the company's direct and indirect responsibility
- Assess the leverage of the business with suppliers, agents and sub-contractors
- Review sourcing strategies and purchasing practices
- Review recruitment practices — ensuring that no fees are paid by workers for a job
- Establish benchmarks and systems for monitoring improvements or termination
- Review corporate decision-making and accountability systems
- Partner with other businesses and stakeholders to increase leverage for change

4

REMEDY, MITIGATE AND PREVENT HARM TO WORKERS

- Compensate and apologize to workers subjected to labour rights abuses
- Ensure protection of victims from further harm and enable access to justice
- Take immediate steps to prevent and mitigate human rights abuses — identify and act on changes to working practices
- Enable workers in the supply chain and business operations to know their rights, including freedom of association and collective bargaining
- Establish and participate in effective grievance mechanisms and remediation strategies
- Build relationships with trade unions and independent worker representatives to pre-empt labour rights violations from occurring

5

REPORT, MONITOR, REVIEW AND IMPROVE

- Communicate commitments and actions — publish a Modern Slavery Statement
- Increase transparency with suppliers, investors, workers and other key stakeholders
- Develop modern slavery key performance indicators to track progress in reducing risks
- Improve the credibility of information for better risk analysis and decision-making
- Collaborate with other stakeholders — industry bodies, the UN, Governments, civil society organizations and trade unions
- Learn lessons and constantly review and revise systems, policies and actions

IN ADDITION TO MANY OF THE STEPS ABOVE

3 SPECIFIC STEPS TO HELP END CHILD LABOUR INCLUDE:

1 Monitor the risk of children being hired to work in your business or any part of your supply chain. Verify their age and national laws.

2 Make clear to all your commercial partners that if children are working within the terms of agreed national law, their working hours should be limited, and the type of work they do should not be harmful to them. They should be able to go to school and grow up to be healthy adults.

3 Ensure that all forms of hazardous child labour are banned from your business and supply chain, that children are not working at night, and that there is no risk of this occurring in the future.

ENGAGE WITH GOVERNMENTS

The UN Guiding Principles on Business and Human Rights set out clear roles for Governments to protect, and businesses to respect, human rights. They must also ensure effective remedy for victims of human rights violations.

Governments must set a level playing field for businesses. It is difficult for business to operate responsibly where laws, policies and regulations are weak and there are no clear rules or consequences for companies that exploit and abuse workers.

You can use your leverage to engage with Governments. Large and small businesses, operating globally and locally, can make a real difference by advocating for improved laws and policies that enable decent work to thrive.

Ask your Government to show leadership. Some Governments are putting in new (or strengthening existing) legislation on modern slavery, transparency and human rights due diligence. They are building partnerships with businesses, civil society organisations, trade unions and other Governments. This is the way forward.

THE ILO MNE DECLARATION

The MNE Declaration is the only ILO instrument that provides direct guidance to enterprises (multinational and national) on social policy and inclusive, responsible and sustainable workplace practices. The guidance provided is founded substantially on principles contained in international labour standards.

On the elimination of forced and compulsory labour it states that:

“Multinational as well as national enterprises should take immediate and effective measures within their own competence to secure the prohibition and elimination of forced or compulsory labour in their operations. ”

On effective abolition of child labour: minimum age and worst forms it states that:

“Multinational enterprises, as well as national enterprises, should respect the minimum age for admission to employment or work in order to secure the effective abolition of child labour in their operations and should take immediate and effective measures within their own competence to secure the prohibition and elimination of the worst forms of child labour as a matter of urgency .”

⁵ ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Multinational Enterprises and Social Policy

⁶ www.ilo.org/mnedeclaration

⁷ Paragraph 25 of the MNE Declaration

⁸ Paragraph 27 of the MNE Declaration

GIVE WORKERS CHOICE, VOICE AND REMEDY

Where all workers can organise and negotiate with their employers through collective, credible, democratic and independent trade unions, it is highly unlikely that you will find modern slavery or child labour in your business or supply chain.

A WORKER SHOULD HAVE, AT A MINIMUM:

- The right to choose their employer and the freedom to leave their employer
- The ability to choose or refuse the type of work they do
- Agreed working hours, the ability to refuse overtime or excessive hours
- Receive at least minimum wages or higher, especially where minimum wages do not enable people to survive and feed their families
- Safe and hygienic working environment with appropriate protective equipment
- Protection from threat, abuse, harassment or discrimination
- Access to a credible grievance mechanism
- Protection from further harm if subject to rights violations
- Access to remedy – an apology, compensation for harm caused, access to appropriate justice if victim of egregious labour rights violations
- The ability to exercise their right to join a trade union, organise and negotiate collectively through democratically elected representatives

WHY DO MODERN SLAVERY AND CHILD LABOUR EXIST?

Modern slavery and child labour sit at the most extreme end of a continuum of labour exploitation, where decent work lies at the opposite end.

There are many different factors that drive the problem, and there is no single cause or solution. Abuse and exploitation thrive in places where there is:

- Poverty, inequality, and discrimination and discrimination, including discrimination against women
- Poor governance
- The race to the bottom – cheaper and faster
- Conflict and humanitarian crises
- Lack of transparency in the supply chain
- Impunity for unscrupulous businesses
- Closed political space - no independent media or space for civil society to challenge
- Crime and corruption

Business can play an important role in addressing the systemic causes of human rights violations and decent work deficits in global supply chains. By taking action to accelerate efforts in realizing the rights of workers, their families and their communities, companies can make genuine progress in the world.

It is not enough for businesses to simply conduct audits, as modern slavery is mostly hidden. Long-term change calls for partnerships with suppliers, rather than a top-down compliance approach.

THERE IS A CLEAR CASE FOR TACKLING MODERN SLAVERY

CREDIBILITY AND REPUTATION: Businesses that are associated with modern slavery are exposed to the risk of public criticism, campaigning by civil society organizations and negative exposure in the media. This reputational harm may impact relationships with customers, clients and investors.

GREATER ACCESS TO BUSINESS OPPORTUNITIES: Enterprises are more likely to do business with other commercial partners that manage their human rights risks. Ethical businesses are also more likely to win new contracts because of new government procurement regulations in relation to human rights and modern slavery.

POSITIVE RECOGNITION: Businesses that align with universal goals can achieve international recognition and new opportunities for partnership.

BETTER BUSINESS PRACTICES: Businesses that manage their risks will have greater visibility of their operations and supply chains and improved oversight of their corporate practices. Where companies respect the rights and dignity of workers, they will feel the benefits of safer and more productive workplaces.

IMPACTS ON MARKETS: Businesses thrive in predictable markets where rule of law is respected. Companies that generate decent jobs contribute to stable societies and inclusive economic growth. Cheap labour generates lower spending power by consumers. Where children complete their education, the workforce is more skilled and productive.

INCREASING LEGISLATIVE REQUIREMENTS: Regardless of where businesses are based, if they operate in the UK and have an annual turnover above £36m, they are legally required to produce an annual statement on how they are tackling modern slavery in their supply chains. There is an increasing trend internationally requiring businesses to report transparently on how they are preventing modern slavery and other forms of labour exploitation in their supply chains. Australia, France and the Netherlands are all introducing or implementing new legislation.

IT'S TIME TO ... WORK TOGETHER

Goal 8 is ambitious. No country, business or other organization can achieve this goal alone, and urgent action is needed. But there are no quick fixes. Coordination and coherent, sustainable solutions are vital.

There are organizations with the expertise to help your business — work with them!

WHERE TO START KEY RESOURCES, INITIATIVES AND OPPORTUNITIES TO ENGAGE

DECENT WORK

[ILO Helpdesk for Business on International Labour Standards](#)

[Slavery and human trafficking in supply chains: guidance for businesses](#)

THE UNITED NATIONS GLOBAL COMPACT

[UN Global Compact Library](#)

The Ten Principles of the UN Global Compact, including:

Principle 1:

[Businesses should support and respect the protection of internationally proclaimed human rights](#)

Principle 2:

[Businesses should make sure that they are not complicit in human rights abuses](#)

Principle 3:

[Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;](#)

Principle 4:

[The elimination of all forms of forced and compulsory labour](#)

Principle 5:

[The effective abolition of child labour](#)

Principle 6:

[Businesses should ensure the elimination of discrimination in respect of employment and occupation](#)

[The Labour Principles of the United Nations Global Compact — A Guide for Business](#)

HUMAN RIGHTS DUE DILIGENCE GUIDANCE

[Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework](#)

[ETI Human Rights Due Diligence Framework](#)

[Tackling Modern Slavery Through Human Rights Due Diligence](#)

CHILD LABOUR GUIDANCE

[Eliminating and Preventing Child Labour: Checkpoints app](#)

[ILO-IOE Child Labour Guidance Tool for Business](#)

[ETI Base Code Guidance on Child Labour in global supply chains](#)

FORCED LABOUR GUIDANCE

[Eliminating and Preventing Forced Labour: Checkpoints App](#)

[IOE-ILO guidance note on the 2014 Protocol to the Forced Labour Convention, 1930](#)

[Combating forced labour: A handbook for employers and business:](#)

[ETI Guidance for companies - tackling Modern Slavery \(forced labour\) in global supply chains](#)

[ETI study on Corporate Leadership on Modern Slavery](#)

[Verité Trafficking Risk in Sub-Saharan African Supply](#)

[Chains \(with ABA ROLI and Solidarity Center\)](#)

[Verité Responsible Sourcing Tool](#)

[Verité & UNGC Eliminating Recruitment Fees Charged to Migrant Workers](#)

[Verité & UNGC: Addressing the Retention of Identity Documents](#)

[Verité eLearning modules on forced labour and human trafficking](#)

THE SUSTAINABLE DEVELOPMENT GOALS AND GOAL 8

[The UN Global Compact and the SDGs](#)

[UNICEF's role on the SDGs](#)

[Ethical Trade and the SDGs](#)

ENGAGEMENT PLATFORMS

[Alliance 8.7 – a global partnership to end forced labour, modern day slavery, human trafficking and child labour](#)

[ILO Child Labour Platform](#)

[ILO Global Business Network on Forced Labour and Human Trafficking](#)

[The UN Global Compact Decent Work in Global Supply Chains Action Platform](#)

DEFINITIONS

“Forced labour” is defined by ILO Convention 29 as “any work or service exacted from any person under threat of any penalty and for which the said person has not offered himself voluntarily.” ILO Conventions 29 & 105 and Protocol to the Forced Labour Convention, 1930 (No. 29) are binding legal instruments for all UN member states that prohibit the use of forced labour. These are included in the ILO’s Declaration of Fundamental Principles and Rights at Work, and are binding for all member states, regardless of whether they have ratified the relevant conventions.

“Child labour” is work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical or mental development including by interfering with their education. It is prohibited in all UN member states and defined in ILO Convention 138 (covering Minimum Age) and the Worst Forms of Child Labour is defined in ILO Convention 182. Children’s rights are enshrined in the UN Convention on the Rights of the Child and are universally binding human rights.

“Human trafficking” is defined in the UN Palermo Protocol to include the recruitment, transportation, transfer, harbouring of people by means of threat, use of force, coercion, abduction, fraud or deception. It involves the abuse of power in relation to vulnerable people, giving or receiving payments or benefits, and prohibits control over another person for the purposes of exploitation.

The UN Guiding Principles on Business and Human Rights, unanimously endorsed by the UN Human Rights Council in 2011, set out duties of Governments and responsibilities for businesses to ensure that they respect human rights. They are founded on three pillars: the state duty to PROTECT people against human rights abuses, the corporate responsibility to RESPECT human rights, and the right of people whose human rights are violated to access effective REMEDY.

The Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy adopted by Governments, employers and workers in the ILO sets out responsibilities of Governments and enterprises in the area of fundamental principles and rights at work, employment, training, conditions of work and life and industrial relations. It contains specific principles in relation to the elimination of forced labour and child labour.



United Nations
Global Compact



**Ethical
Trading
Initiative**

VERITÉ

For workers' rights. For better business. For 20 years.

ABOUT THE UNITED NATIONS GLOBAL COMPACT

The United Nations Global Compact is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues embodied in the Sustainable Development Goals. The UN Global Compact is a leadership platform for the development, implementation and disclosure of responsible corporate practices. Launched in 2000, it is the largest corporate sustainability initiative in the world, with more than 9,500 companies and 3,000 non-business signatories based in over 160 countries, and more than 70 Local Networks.

For more information, follow [@globalcompact](#) and visit www.unglobalcompact.org.

ABOUT VERITÉ

Verité is a global, independent, nonprofit organization with a mission to ensure that people worldwide work under safe, fair and legal working conditions. Verité conducts research, training, consulting, and policy advocacy across a variety of sectors globally in over 70 countries. Since its inception in 1995, Verité has worked with hundreds of multinational brands to illuminate labor rights violations in their global supply chains and to resolve them to the benefit of companies and workers alike. A Skoll Award for Social Entrepreneurship and a Schwab Award for Social Entrepreneurship winner, Verité is recognized as a leader in the field of supply chain social responsibility for its in-depth assessments and for its innovative approach to achieve improved working conditions through alignment of management systems with empowerment of workers.

www.verite.org

ABOUT THE ETHICAL TRADING INITIATIVE (ETI)

ETI is a leading tripartite alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. Our unique, collaborative approach enables us to support companies to take appropriate steps to trade ethically, and to tackle many difficult issues in global supply chains that cannot be addressed by individual companies working alone. ETI's corporate members have a combined annual revenue of over £1bn, sourcing from at least 129 countries with over 50,000 suppliers. ETI's internationally recognised Base Code provides a critical benchmark for large, medium and small businesses to assess their progress against. ETI's trade union members represent 160 million workers globally, and large and small specialist NGO members deliver research, policy advocacy and programmes on workers' rights in over 30 countries.

www.ethicaltrade.org