

# BUSINESS ACTIONS AGAINST FORCED LABOUR



# FOREWORD

## STANDING UP AGAINST MODERN SLAVERY

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

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

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

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

**NO WORKER  
SHOULD PAY  
FOR A JOB**

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

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



### ZEID RA'AD AL HUSSEIN

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

# FOREWORD

## STANDING UP AGAINST MODERN SLAVERY

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

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

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

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



### JOHN G. RUGGIE

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

# FORCED LABOUR PRIORITY INDUSTRY PRINCIPLES

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

EVERY WORKER SHOULD HAVE FREEDOM OF MOVEMENT

NO WORKER SHOULD PAY FOR A JOB

NO WORKER SHOULD BE INDEBTED OR COERCED TO WORK

## PROBLEM

**21 million people** are victims of forced labour

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

**\$150**

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

**No one can solve the problem alone**

## COMMITMENT

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

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

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

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

## SOLUTION

Turn **resolution into action**

Implement **Priority Industry Principles**

**Join this global movement and show leadership**

**Participate in open dialogues** with global stakeholders

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



## OUR POSITION

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

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



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

## OUR ACTIONS

Several initiatives support our commitment to human and labour rights:

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

## OUR LEARNINGS

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

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

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



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



## OUR POSITION

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

In recognition of our position as a global corporate citizen, we are committed to upholding and advancing the cause of human rights. We acknowledge the real and present threat of forced labour and are committed to working collaboratively and within our own network to identify and mitigate these risks. We do this in a variety of ways including supplier screenings, assessments, third-party audits, supplier engagement, and direct worker feedback.



**JOHN BRYANT**  
CHAIRMAN AND CEO  
KELLOGG COMPANY

## OUR ACTIONS

We recognise forced labour profoundly affects the lives of workers, families, and communities. Kellogg Company published our Prohibition of Involuntary Labour Policy in 2016. This policy aligns with the CGF Priority Industry Principles (PIPs) and our previous human rights and forced labour commitments found in our Global Supplier Code of Conduct and Human Rights Position Statement. We have also begun socialising the PIPs internally throughout our organisation including training our Human Resources leadership team, Global Security team, and functions that have visibility and influence on this risk. Externally, we are communicating our alignment with the PIPs during supplier events, training, and as part of best practice guidance.

We are continuing to execute our multi-pronged approach to addressing the risk of forced labour

through our work with Sedex, third-party audits, and internal facility reviews. Also, we are conducting on the ground assessments of migrant labour in commodity chains with high populations of vulnerable workers in regions with documented human rights risks.

No single entity can address these risks alone. We are working together with our supplier partners as well as industry partners such as the CGF and AIM-PROGRESS to ensure the full-scale adoption and execution of the Priority Industry Principles throughout all levels of supply chain operations.

## OUR LEARNINGS

In addition to building awareness of the Priority Industry Principles (PIPs), Kellogg is working with our industry partners through organisations such as the CGF, AIM-PROGRESS, and the Roundtable on Sustainable Palm Oil (RSPO) to assess working conditions that will give us visibility to challenges in our supply chains. For example, we recently completed a pilot programme in conjunction with AIM Progress and Sedex to gather information from targeted Tier 1 supplier employees using worker voice technology to gain insight into how factory management systems and policies influence worker well-being and workplace security.

In Autumn 2017, we will conduct our second round of auditor-facilitated worker interviews and farm assessments for portions of our Turkish apple supply chain to gather data and first-person accounts of living conditions, wage payment structures, and employment situations of migrant workers in the region. This initiative is in recognition of the unique challenges faced by migrant

workers in this area such as regional conflict and increased worker migration. We are working with our supplier partner to gain deeper insight into the needs and status of these workers to determine how best to support direct and actionable continuous improvement activities.

In our own operations we have developed a robust assessment process for contracted labour service providers, starting first with our Asia Pacific facilities. Through this process, we seek to increase the level of visibility into the operations of these providers to ensure all workers are being provided protections, fair pay, and fair working environments. This end-to-end approach begins with the request for proposal phase of the supplier relationship and continues throughout the duration of contracted services with periodic checks and best practice alignment.

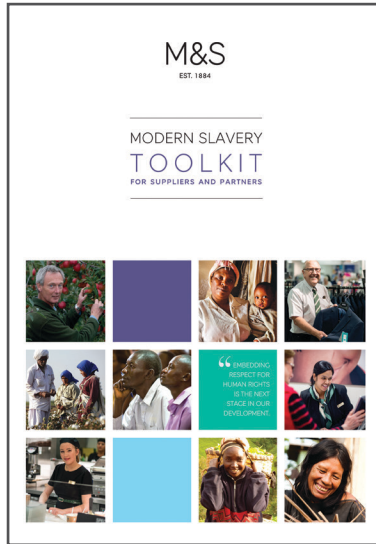


### Recognitions

- Ranked Top US-Based Company for Human Rights Performance on the 2017 Corporate Human Rights Benchmark
  - Ranked 7th on the 2016 Know the Chain Benchmark
  - Ranked 4th on the 2016 OXFAM Behind the Brands Scorecard



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



## OUR POSITION

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

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



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

## OUR ACTIONS

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

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

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

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

## OUR LEARNINGS

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

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



## OUR POSITION

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

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

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



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

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## OUR ACTIONS

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

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

Drawing on the United Nations Guiding Principles on

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

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

## OUR LEARNINGS

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

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

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

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

“ Corporate responsibility is important for METRO GROUP Buying (MGB) Hong Kong and compliance with social standards is an essential part of our business. The ban on Forced Labour, Child Labour and any form of exploitation therefore is a basic component of our purchasing terms and conditions. ”



**MICHAEL CIESIELSKI**  
**MANAGING DIRECTOR**  
**MGB METRO GROUP BUYING HONG KONG LTD.**



## **OUR POSITION**

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MGB Hong Kong is committed to evaluating its suppliers and ensuring adequate human rights and social standard within our supply chain. Our objective is 100% of our sourced products are from socially compliant and decent factories.

METRO GROUP is one of the founding members of the Business Social Compliance Initiative (BSCI). Our aim is to only cooperate with regularly audited producers in defined risk countries as evidence of fair and socially equitable standards. The BSCI Code of Conduct is based on the fundamental Conventions of International Labour Organization (ILO) which includes elimination of all forms of forced and compulsory labour, abolition of child labour and various human rights, basic labour and social standards as stipulated by the ILO. We accept either audits based on BSCI requirements or equivalent social standard audits.

## OUR ACTIONS

One of the central parts of our Conditions of Purchase is Social and Ethics Standards to ensure that the goods delivered are not manufactured by means of forced or exploited labour or any kind of unhealthy, slave-like conditions that violate human dignity.

To further measure and reinforce our social compliance standard, the “Deal Breaker” processes were defined in 2016 in addition to the BSCI standard processes. The assessment criteria comprises aspects of forced labour and suppliers and their producers who identify a deal breaker need to develop short term and long term solutions to remedy the critical findings. To make sure our suppliers and producers comply with these requirements, new orders or follow-up orders will be ceased until the findings of the deal breaker process have been rectified.

Our Social Standard requirements and measures on forced labour in our global supply chain align with the CGF Forced Labour Resolution and the CGF Priority Industry Principles.

## OUR LEARNINGS

Social standard systems are an essential part of the process and auditing of first-tier producers is a useful due diligence tool for the implementation of compliance with human rights and fair working conditions within our procurement channels. They can help us to identify and prevent potential risks by taking specific measures. To cover the risk of forced labour in our complex supply chains is a challenge we face. With our processes and standards however, we minimise the risks every day.

One of the main tasks still to conquer is to ensure fair working conditions within all parts of the supply chain and to make sure that no one can avoid regulations on social standards by outsourcing

to subcontractors. We believe that, in order to eradicate forced or exploited labour around the world, industry engagement through collaborative platforms such as the CGF are required to agglomerate a force of positive change and an emphasis on implementation.

# MIGROS

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



## OUR POSITION

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

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

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



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

## OUR ACTIONS

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

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

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

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

## OUR LEARNINGS

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

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

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



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



## OUR POSITION

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

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

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



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

## OUR ACTIONS

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

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

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

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

We ensure no forced labour takes place on Nestlé

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

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

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

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

## OUR LEARNINGS

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

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

Grievance mechanisms make a difference. Creating

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

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

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



**DAVE LEWIS**  
CHIEF EXECUTIVE OFFICER  
TESCO



## OUR POSITION

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

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

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

## OUR ACTIONS

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

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

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

## OUR LEARNINGS

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

and codes of conduct.

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

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

# The Coca-Cola Company

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



## OUR POSITION

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

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

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



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

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## OUR ACTIONS

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

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

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

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

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

## OUR LEARNINGS

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

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

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

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



## OUR POSITION

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

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



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

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## OUR ACTIONS

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

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

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

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

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

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

## OUR LEARNINGS

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

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

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

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



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



**PAUL POLMAN**  
CEO  
UNILEVER



## OUR POSITION

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

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

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

## OUR ACTIONS

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

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

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

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

## OUR LEARNINGS

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

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

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

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



**DOUG MCMILLON**  
CHIEF EXECUTIVE OFFICER  
WALMART

## OUR POSITION

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

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

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

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## OUR ACTIONS

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

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

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

We have partnered with two major produce

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

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

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

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

## OUR LEARNINGS

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

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

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