



HELP WANTED

Hiring, Human Trafficking, and Modern-Day Slavery

A Fair Hiring Framework for Responsible Business

FACT

161 countries are either a source, transit or destination country for human trafficking. In the U.S. alone, there are 10,000 or more people that are being forced to work at any given time.

MYTH

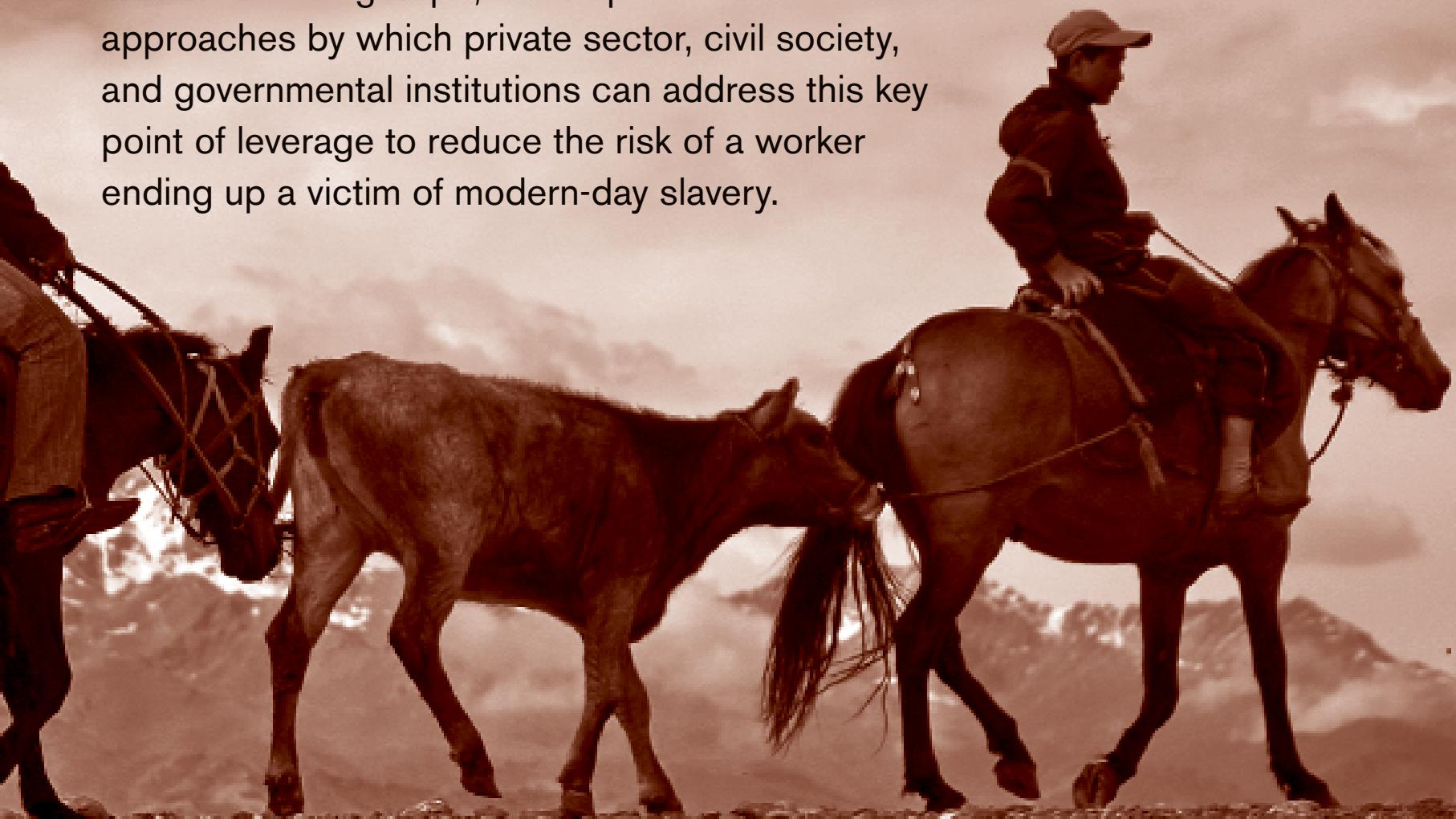
Trafficking and slavery are dying out and only take place in the “third world”

FACT

Global annual profits made from the exploitation of trafficked forced laborers is estimated at US\$ 32 billion.

Verité's **Help Wanted** initiative—a research and advocacy effort—aims to clarify and publicize the ways in which current labor broker practices can create hiring traps; and to provide concrete approaches by which private sector, civil society, and governmental institutions can address this key point of leverage to reduce the risk of a worker ending up a victim of modern-day slavery.

Verité gratefully acknowledges the support of Humanity United in conducting this initiative.



Labor brokers—middlemen in the recruitment, hiring and/or management of laborers – operate at the core of the global economy. Complex supply chains necessitate levels of coordination and expertise that are not easily found within a given company because the challenges are spread out over multiple countries and time zones, and workforces are in many instances comprised of workers from far-flung lands. Companies turn to labor brokers to manage many of these challenges, but the increasing use of labor brokers brings with it troubling issues of fragmented and opaque social accountability. For workers, labor brokerage increases migration and job acquisition costs and the risk of serious exploitation, including slavery.



Verité's Help Wanted initiative has produced a suite of resources to help companies and others address broker malpractice and migrant worker vulnerabilities where they occur, including:

- A Research Report—Help Wanted: Hiring, Human Trafficking and Modern-Day Slavery in the Global Economy (released June 2010)
- A Fair Hiring Framework for Responsible Business (June 2011)
- A Fair Hiring Toolkit (June 2011)
- A Fair Hiring Policy Brief (June 2011)
- Tailored risk assessments, consultations & trainings for brands and their suppliers (ongoing)¹

Verité's research report can be accessed at the Help Wanted website:
verite.org/helpwanted/

¹ Learn more about Verité's risk assessments, consultations and trainings for brands and their suppliers at verite.org/Training.

Verité's Fair Hiring Toolkit provides web-based approaches, guidance, policies and methods for multinational companies, and their suppliers to address labor brokerage risks in recruitment and hiring. It includes guidance and tools to help companies:

- Assess whether current monitoring and corporate accountability activities are protecting the company from broker-induced forced labor
- Establish and implement management structures and key performance indicators that will substantially reduce the risk of broker-induced slavery in corporate supply chains
- Interact effectively and safely with labor brokers either directly and/or in coordination with supply chain contractors
- Address the needs of victims where broker-induced abuses are found

About Verité

Verité is a US-based NGO whose mission is to ensure that people worldwide work under safe, fair, and legal conditions. Verité's programs leverage the power of multinationals to deliver positive change for vulnerable factory and farm workers in company supply chains. The organization's partnerships with Fortune 500 companies, global NGOs, trade unions and governments reduce child labor and forced labor; eliminate unsafe working conditions; increase incomes for workers; and decrease inequality and discrimination.

Verité was named winner of the 2007 Skoll Award for Social Entrepreneurship and 2011 Schwab US Social Entrepreneur of the Year. Verité is a member of the Alliance to End Slavery and Trafficking, and with 20 of the largest companies in the world a Founding Circle member of the Sustainable Apparel Coalition. Verité has regional offices in China, Southeast Asia, India and Latin America. For more information please visit www.verite.org.

Ahmed



Forty-year-old Ahmed lived in a small village in Kerala, India. Needing extra money to pay for his daughter's marriage, he paid a recruiter for a legal temporary job as a driver in Saudi Arabia. Ahmed borrowed the money to pay for the recruitment fee.

Once in Riyadh, Ahmed was forced to agree to a lower salary. Then, despite working 12 to 14 hour days and being on call 24/7, Ahmed was never paid at all. Ahmed's boss kept his passport so he wouldn't run away and threatened him physically and verbally. Ahmed fled home after eight months with an outstanding debt of \$1,340. He has not been able to recover any of his eight months' wages.

Fernando



Fernando was an upstanding young family man from an indigenous village in Guatemala. He borrowed money to pay a recruiter for a legal job in forestry in North Carolina.

Upon arrival, Fernando was trafficked to Connecticut, where he was forced to work 12-15 hour days, six days a week at a plant nursery – work not covered by his visa. Fernando's pay amounted to around US\$1.20 an hour. He was routinely threatened and abused by his boss.

Fernando was scared to complain, since he was now an illegal migrant in the United States and desperate to pay off his debt. He was eventually rescued by a church group. He is still living and working in the United States, and still paying off his recruitment debt.

Benny



Benny graduated from a four-year computer school in the Philippines and was unable to find work. He borrowed money to pay a recruiter for a legal job in an IT factory in Taiwan. When Benny got to Taiwan, he discovered that his recruitment debt had been increased by 150 percent, and his salary was only half what he was expecting.

Benny worked six to seven days a week, 12 hours a day with mandatory overtime for two years. When his contract was up, he returned home having barely dug himself out of the recruitment debt. With no savings and his family reeling from a storm that flooded their home, Benny plans to return to Taiwan to try again. This time, he says he hopes to go with an “honest” recruiter.

In these stories from Verité research², we meet three aspiring migrant workers who traveled through what they thought were legal routes to get jobs away from their homes. But in all three cases, going the legal route did not protect them from becoming trapped by debt and deception at their job sites.

There is a good chance that this sort of human trafficking is a part of your daily life, in the things that you buy or the services you receive. There are an estimated 2.4 million victims of human trafficking worldwide; and a growing portion of these victims are migrants who have been trafficked for “legal” employment in factories, on farms, at construction sites, in homes, and elsewhere.

The middlemen who facilitate employment for migrants are an important part of this trafficking picture. Typically referred to as recruiters or labor brokers, these middlemen often play a legitimate and useful role in job placement. But Verité’s research has found that this widespread system of labor brokerage is opaque, sometimes corrupt, and largely lacking in accountability. What’s more, the debt and deception that brokers often introduce into the recruitment and hiring process can create critical vulnerabilities to trafficking and forced labor for migrant workers.

² Verité's. *Help Wanted: Hiring, Human Trafficking and Modern-Day Slavery* in the Global Economy. June, 2010.



Resolving slavery and trafficking in supply chains is not easy. Contemporary global corporations do not choose consciously to traffic or enslave people. Companies are implicated because they do business in a way that obscures the places their products come from, and the people who do their work.

Global corporations routinely use middlemen-intermediaries to perform many vital business functions: manufacturing, sourcing, financing, and hiring. They do this at myriad levels within their supply chain. This inherent complexity means that companies often do not even recognize their own exposure to dire human rights violations like trafficking or slavery.

It is important to note that, while the resolution of trafficking and slavery is complicated, companies are not powerless; in fact they can and should take action to stem these egregious abuses in their supply chains. This Framework document lays out the key steps that companies and their suppliers can take to rid themselves of supply chain trafficking and slavery. In these pages you will find:

- **The Basics: What Every Company Should Know.** A review of the conditions facing migrant workers in circumstances of broker-induced exploitation and the common forms and international definitions of forced labor and human trafficking
- **What Should You Look For? Identifying Company Risk and Vulnerability.** An outline of Verité’s key indicators of migrant-worker abuse in the global economy—derived from our global research on trafficking and brokers—and a discussion of the risks that forced labor and human trafficking pose to business
- **Taking Action: A Fair Hiring Framework for Responsible Business.** A concrete set of recommendations for action against abuse, including guidance for both brands and suppliers, covering a wide range of issues at the recruitment and hiring stages

A Framework for Action for Responsible Business

What Brands Should Do

Improving codes of conduct & company policies

Raising awareness & building capacity

Strengthening assessments & social audits

Taking corrective action

Reporting & transparency

Multistakeholder and multibrand engagement & partnership

Public policy advocacy

What Suppliers Should Do

Improving codes of conduct & company policies

Raising awareness & building capacity

Screening & evaluating labor brokers

Managing labor brokers & monitoring for ethical recruitment and hiring

Ensuring good practice in human resources management

Establishing effective grievance mechanisms

Taking corrective action

This Framework takes as its foundation from the findings from Verité's global research on brokers and human trafficking, summarized in our June 2010 report, *Help Wanted: Hiring, Human Trafficking and Modern-Day Slavery in the Global Economy*.

What are forced labor & human trafficking?



The International Labor Organization (ILO) defines forced labor as “all work or service which is exacted from any person under the menace of any penalty and for which said person has not offered himself voluntarily.”³

This means a person is in a forced labor situation if they have entered into a job against their freedom of choice and cannot leave that job without facing a penalty or a threat of penalty of any kind. The penalty, in this case, could mean physical constraint or punishment, but it could also refer to other forms of abuse such as threats of deportation, the confiscation of passports, or the non-payment of wages that effectively binds a worker to a job or employer.

The United Nations Palermo Protocol of 2000⁴ states that human trafficking involves three key elements: actions, means and purpose.

- **Actions:** Include the recruitment, transportation, harboring, and receipt of a person—a woman, man, or a child
- **Means:** Refers to the threat or use of force, deception, or the abuse of vulnerability and power
- **Purpose:** Refers to exploitation, including forced labor, servitude, slavery, and practices similar to slavery





Human trafficking, as the definition clearly indicates, can lead to forced labor. It involves the movement of a person, usually across international borders though increasingly also within the boundaries of a single country, with the use of deception, threat, or the abuse of vulnerability for the purpose of exploitation.

But what does this mean in practice? What do forced labor and human trafficking look like in the global economy, and what is broker-induced forced labor? Legal definitions give us an overall framework to better understand the terms and concepts we use; but they can only take us so far.

KEY RESOURCE

ILO, *Combating Forced Labor: A Handbook for Employers & Business*

ilo.org/forcedlabor

The scope of forced labor and human trafficking in the global economy

According to the ILO, a minimum of 12.3 million people are victims of forced labor worldwide at any given time.⁵ Of these, over 2.4 million are victims of forced labor resulting from human trafficking, or nearly 20% of the overall total. Women and children are particularly vulnerable to these forms of abuse, but men are likewise affected. Workers in both formal and informal employment are at significant risk, although certain categories of workers—for example, migrant workers and in particular those with an irregular status—are more vulnerable to coercion than others.

Forced labor & human trafficking: The hidden abuse in global supply chains

Forced labor and human trafficking can be considered “hidden” forms of abuse in global supply chains. They are often found in the complex sub-contracting and outsourcing arrangements of first-tier manufacturers or at the margins of the formal economy, in home-based workshops or informal production centers. These “locations” are well beyond the reach of traditional CSR mechanisms and, hence, can be more or less invisible to the auditors of global brands.

Yet there are also a number of other reasons why these abuses may be difficult for auditors and employers to detect:

- Deception and lies are a defining factor of human trafficking and among the key means used by dishonest brokers to lure their victims into hiring traps;
- A condition of forced labor may be the result not of a single, easily identifiable abuse but rather that of a series of circumstances and violations committed by different actors.
- The abuse originates with the corrupt actions of a labor broker overseas, as in the case of debt bondage due to excessive recruitment fees.
- The management of workers by an on-site broker can make it more difficult to determine the nature of employment and working conditions for those involved.
- Auditors themselves may lack the skills, experience, and resources needed to recognize the warning signs of forced labor or human trafficking.

³ ILO C29 Forced Labor Convention, 1930 (www.ilo.org/ilolex)

⁴ Named after the city in which it was signed, the official name of the Palermo Protocol is: Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children. It is a document that supplements the UN Convention against Transnational Organized Crime. www.unodc.org/unodc/en/treaties/CTOC/index.html

⁵ ILO, A global alliance against forced labor, Geneva, 2005.

Forced labor and human trafficking are truly global phenomena. They exist in every region in the world and in every type of economy, whether a country is industrialized, developing or in transition. They affect both international and domestic markets, and no sector or industry can be considered untainted by a risk of these abuses. Key industries revealed in global research as vulnerable to trafficking and forced labor include:

- **Apparel manufacturing and footwear**
- **Agriculture and horticulture**
- **Construction and infrastructure**
- **Electronics manufacturing and information technology**
- **Forestry and logging**
- **Mining and extractives**
- **Food processing and packaging**
- **Health care and other personal care services**

*12.3 to 27 million people
are victims of forced
labor worldwide*

Labor brokers and hiring traps in the global economy



The ILO definition cited above acknowledges that coercion and force in the private economy can take many different forms. Among these are the issues of debt-induced forced labor, or debt bondage that is common across parts of South Asia, and the forced labor that results from exploitative labor contract systems and human trafficking on a more global basis.

There are an estimated 214 million international migrants in the world today.

Broker-induced forced labor is a part of this latter category of coercion. It occurs when a migrant worker is deceived by a labor broker during the recruitment and hiring process, often heavily saddled with debt that results from excessive recruitment and other service fees, and then faces any number of coercive circumstances at the workplace exacted by an employer that the worker is sometimes “tied to” as a result of restrictive work-visa regulations.

The result is a condition of force that is frequently referred to as modern-day slavery. Based on the findings of Verité’s own research, it is taking place around the world in countries as diverse as India, the United States, the Gulf Cooperation Council (GCC) States, Guatemala and Mexico, and across the countries of South East Asia.



In a labor broker-worker relationship, terms of the work, and the responsibility of the labor broker to the worker after the worker is on the job, are poorly defined and poorly understood. Big recruitment fees—sometimes legal, sometimes illegal—are often charged to the worker to obtain the job overseas. The worker might borrow money to pay the fees, wagering that the debt will be easy to pay off. But what if the terms of work—especially pay—wind up being less favorable than what the labor broker promised? Once a worker is on-site at the foreign workplace—with a big loan and attendant interest payments like a weight on her back and a work visa that ties her to one workplace—it is difficult, if not impossible, to escape.

**KEY RESOURCE**

Verité, *Help Wanted: Hiring, Human Trafficking & Modern Day*

Slavery in the Global Economy

www.verite.org/helpwanted



Verité calls this phenomenon the hiring trap, and there are few global workplace problems in more urgent need of attention. This Framework for Action for Responsible Business, and the Fair Hiring Toolkit and Policy Brief that accompany it, provide a suite of resources and guidance on addressing and stemming vulnerabilities to hiring traps throughout your supply chain.⁶

⁶ See www.verite.org/helpwanted for the Fair Hiring Toolkit and Policy Brief.

Red flags for risk & vulnerability



Verité's in-depth research has revealed a remarkably diverse set of circumstances and settings under which the actions of labor brokers can pave the way for migrant workers to become trapped in jobs overseas. Contrary to common perception, it is not always easy to identify a situation of coercion, deception, and human trafficking. As we saw above in the examples of Ahmed, Fernando, and Benny, even when migration for employment appears to be voluntary and even legal, a worker may, in fact, be trapped in a job he or she cannot leave.

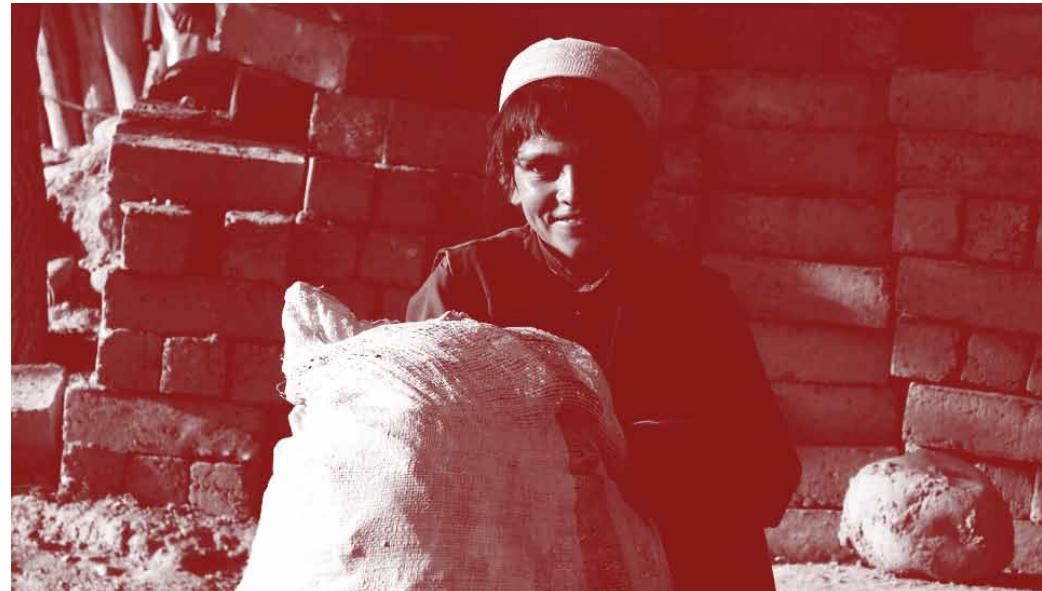
What, then, should companies look for in identifying potential cases of exploitation in their supply chains? And what should companies be aware of in seeking to prevent such abuse?

To help with this task, Verité has developed a set of indicators or “red flags” that can help to guide companies through an assessment process. Our research found that this cluster of factors—individually or in various combinations—can be considered as “enablers” or contributors to situations of human trafficking and forced labor. Identifying these “red flags” in your supply chain is a key first step in detecting and remediating abuse and promoting fair hiring in the global economy.

What should you look for? Red flags of vulnerability to broker-induced hiring traps

Setting the stage

- Migrant worker population at the worksite
- Extensive use of labor brokers to hire and manage migrant workers
- Use of temporary contract “guest worker” programs



The bait: recruitment & hiring

- Deception or false promises made regarding terms & conditions of employment, including job type, length of contract, salary & benefits
- Workers are charged illegal or excessive recruitment fees by brokers
- Fraudulent practices used in charging other fees, e.g. for travel, health, or documentation
- Contract substitution
- Fraudulent visa practices
- Workers hold substantial loans with excessive interest rates & onerous financing schemes



The switch: recruitment & hiring

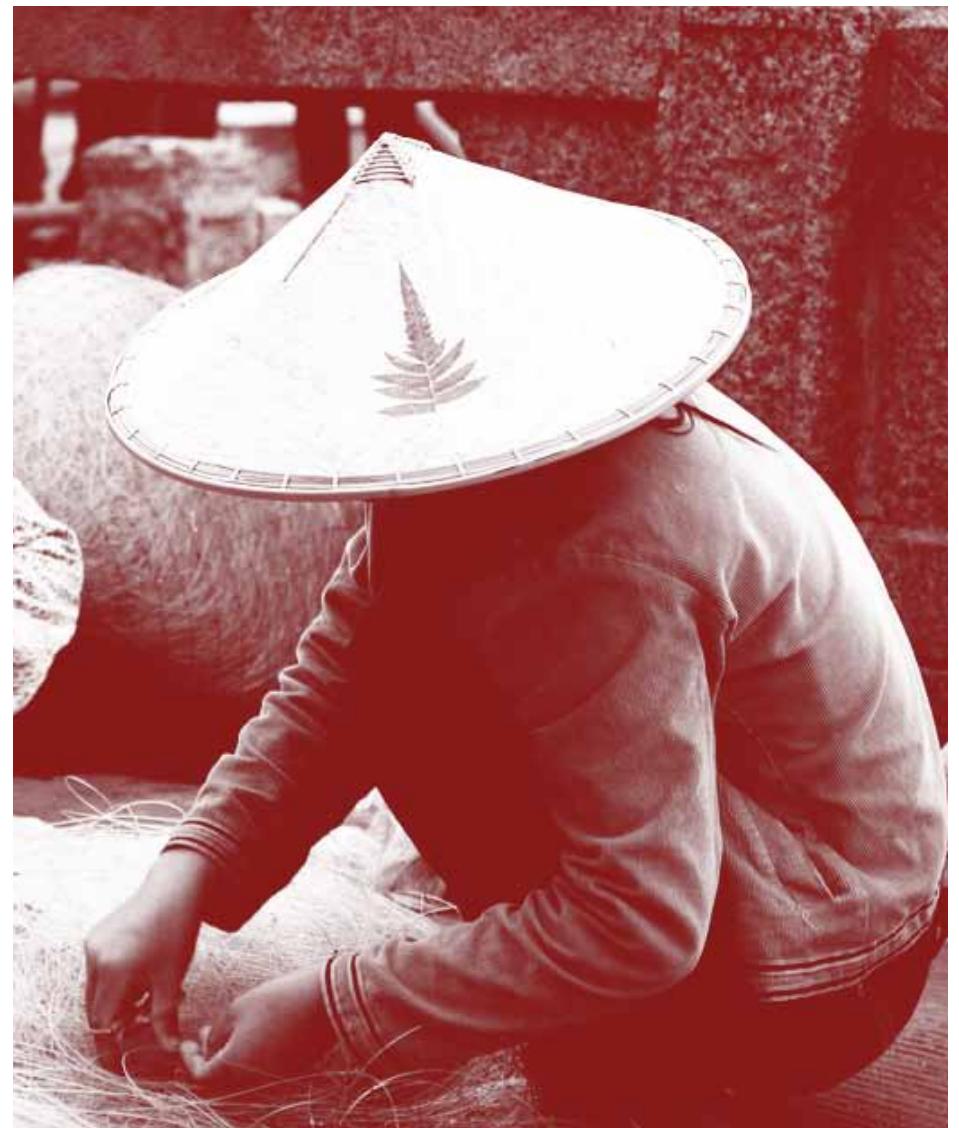
- Labor broker is the on-site manager of migrant workers
- Identity documents, passports, or other valuable personal possessions are confiscated or withheld
- Excessive, unexplained or illegal deductions are made from workers' salaries that result in induced indebtedness
- Wages are withheld, delayed, or unpaid
- Employer maintains control over workers' bank accounts
- Workers are forced to lodge financial deposits or "security" fees, e.g. as "runaway insurance"
- Workers tied to a single employer
- Freedom of movement is curtailed: imprisonment or physical confinement in the workplace or related premises, e.g. employer-operated residences
- Irregular migrants report being threatened with denunciation to authorities
- Limitations on freedom to terminate employment

Understanding the risk to business

Abuses such as these—the deception used by dishonest labor brokers, the induced indebtedness faced by workers and the coercive practices used by employers in the workplace—present myriad risks to businesses of all kinds. Global brands, their suppliers and subcontractors, and ethical recruitment industry representatives should all be concerned.

"The guest workers...aren't allowed to go anywhere. They have a contract with us and we have one with them. If they leave, it's our responsibility to inform ICE (Immigration & Customs Enforcement). That's why the guest worker program works."

**Co-owner of an apple farm in
Yakima Valley, Washington**



Risks take a variety of forms, including threats to brand value and company reputation. They are present in a variety of business “locations,” including:

- Within a company's own operations
- Across global supply chains
- Workers are forced to lodge financial deposits or “security” fees, e.g. as “runaway insurance”
- In the murky waters of extensive sub-contracting and outsourcing systems
- At the commodity “base” of the value chain; or
- Irregular migrants report being threatened with denunciation to authorities

Risk may be direct or indirect, and in some cases, the company may be completely unaware of its presence.

Thirty two percent of trafficking victims are trafficked for economic exploitation.

Victims of forced labor in the United States are found in a wide range of jobs, including domestic service, food service, factory production, and agriculture.

The chart below indicates the different types of risk that pose a threat to business. Taken together, they present a clear case for taking effective and preventive action against the risks of broker-induced trafficking and forced labor.

Forced labor and human trafficking: the risk to business

Legal risk

Forced labor and human trafficking are crimes in most countries around the world. Companies found involved or complicit in such activity could face prosecution resulting in criminal or civil sanctions including fines, compensation to victims, and imprisonment. Forced labor and human trafficking are also violations of international human rights law.

Threats to brand value & company reputation

Allegations of forced labor and human trafficking present serious threats to brand value and company reputation, particularly for those companies operating in consumer goods industries. Brand “contamination” is difficult to reverse. Allegations such as these threaten both existing and future business partnerships, and can lead to a loss of contracts and future business opportunities.

Trade-related risk

In some countries, trade regulations strictly prohibit the import of goods that have been produced by trafficked or forced labor. A recent example of this is legislation adopted in the US state of California. In such a regulatory environment, allegations of abuse can result in imported goods being seized by public authorities, inspected, and released only when shown to be untainted.

Threats to investment & finance

Allegations of human rights abuse, forced labor and human trafficking can significantly threaten investor relations and risk divestment from both ethical and mainstream investors. They also jeopardize access to public funds such as export credits, since public authorities are increasingly linking the financial support they provide to businesses with proven ethical performance.

California adopts new legislation to tackle slavery & human trafficking in global supply chains

In October 2010, Senate Bill 657 – the California Transparency in Supply Chains Act – was signed into law. This Act requires all retailers and manufacturers doing business in the state with annual revenues of more than \$100 million to disclose information about their efforts to eradicate slavery and human trafficking from their direct supply chains. The Act requires businesses to publicly post information on their websites and describe to what extent they engage in each of the following:

- Verification of product supply chains to evaluate and address risks of human trafficking and slavery;
- Performance of supplier audits to determine compliance with company standards; and
- Training of relevant company employees and management on human trafficking and slavery, particularly concerning the mitigation of risk within supply chains.

Verité's Fair Hiring Toolkit offers tools and resources to reduce company risk to forced labor and support the Fair Hiring of migrant workers in global supply chains.

Recent years have seen an explosive growth in awareness and acceptance of responsibility by multinational companies and other top-tier actors to map and understand inputs to supply chain production, trace carbon footprints, and in general embrace responsibility for the “big picture” of how their goods and services are made and delivered in a globalized economy.

Verité's Help Wanted initiative makes the case that—in the realm of worker protections—these efforts must be broadened to take account not only of working conditions in supplier factories and worksites, but also of the recruitment and hiring practices that precede the employment of workers. Indeed, the existing supply chain improvement goals of multinational companies will continue to be undermined by problems rooted in recruitment and hiring practices unless actions are taken to eliminate them.

There are an estimated 71,000 private employment agencies worldwide.

There is no shortage of action that companies can take to address the risk of forced labor and human trafficking in their supply chains. With a focus on recruitment and hiring, this engagement can touch on company policy, human resource practices, management systems, and stakeholder engagement and partnerships. Yet, whatever the focus of action is, a clear and comprehensive program is required to tackle these abuses effectively.

It will be necessary for the program to go beyond traditional checklist-based approaches to social compliance to embrace a more comprehensive plan of action. The program should leave no stone unturned to ensure that fair hiring and protection are available to all migrant workers within your sphere of influence.

The number of agency workers in full-time equivalent employment is estimated at 9.5 million worldwide.

Below, Verité outlines seven key areas in which brands and their suppliers can take steps to promote Fair Hiring. Together, these seven pillars of Fair Hiring constitute a management-systems framework for action.

In the coming months, Verité will also release a set of web-based tools, approaches and guidance that will assist brands and their suppliers in taking the steps we outline below. This Fair Hiring Toolkit will offer guidance and tools to help companies:

- Assess whether current monitoring and corporate accountability activities are protecting the company from broker-induced forced labor
- Establish and implement management structures and key performance indicators that will substantially reduce the risk of broker-induced slavery in corporate supply chains.
In the murky waters of extensive sub-contracting and outsourcing systems
- Interact effectively and safely with labor brokers either directly and/or in coordination with supply chain contractors
- Address the needs of victims where broker-induced abuses are found

A fair hiring framework for responsible business: What can brands do?

There are many steps that companies can take, at various levels of their supply chains, to detect and remediate broker-led trafficking or forced labor where it has occurred, and to prevent future instances of such exploitation. The most effective action will be multipronged, and will begin at the top, with clearly worded policies that are communicated directly to all staff involved in sourcing decisions—including managers, from corporate compliance, corporate responsibility, human resources, and procurement—and to top executives at supplier factories. Such high-level policy statements – when properly communicated and incentivized—lay the foundation for system-wide adoption of mechanisms and approaches to prevent abuse from occurring, embedding social responsibility in business practice.

Improving codes of conduct & company policies

Raising awareness & building capacity

Strengthening assessments & social audits

Taking corrective action

Reporting & transparency

Multistakeholder and multibrand engagement & partnership

Public policy advocacy

Improving codes of conduct & company policies

High-level company policies or code of conduct language should be revised if necessary to explicitly address the risks of forced labor and human trafficking in hiring and recruitment, and in particular those risks faced by migrant workers. Policies should apply to first-tier suppliers, sub-contractors, and business partners, including labor brokers. These policies should be integrated into business contracts as the basis for establishing a framework for subsequent assessments and social auditing.

Raising awareness & building capacity

A policy cannot be well implemented unless it, and the issue it addresses, are well understood. Companies should train managers, human resource and CSR personnel, auditors, and other relevant company staff on how to identify the red flags linked to trafficking and forced labor. Relevant concepts should be clarified (e.g., human trafficking, debt bondage and forced labor); good and bad practices in recruitment and hiring should be identified; and effective corrective action and remediation plans should be discussed. Companies should raise awareness broadly and deeply within their ranks, and work with suppliers to do the same throughout the supply chain.

Strengthening assessments & social audits

Social audits are the primary tool used by most multinational companies today to detect compliance violations and worker abuse. But auditors are often ill-equipped to recognize and respond to the trafficking and forced labor of migrant workers. Companies should consider whether new assessment and compliance strategies may be needed to effectively audit labor brokers and the private employment agencies used by their suppliers. Audit procedures that can fully address the red flags identified above should be developed and implemented, and auditors should be thoroughly trained. Measures to assess red flags should be present throughout the supply chain, including top tier suppliers, their sub-contractors, and labor brokers.



Key questions in action

- Do you have a clear policy or guideline that addresses the hiring and recruitment of migrant and foreign contract workers?
- Is your compliance and assessment program effective in identifying cases of human trafficking and forced labor?
- Do your auditors have the skills and resources they need to identify risks posed by labor brokers?
- Do you have an effective policy and procedure to guide your response to such problems, if they were to occur?

Taking corrective action

A corrective action plan is most effective when created and reviewed with key staff before problems occur. Corrective action plans should provide for the full protection of the worker(s) concerned, and measures should be taken to support their rehabilitation, repatriation (if desired by the worker) and/or reintegration into the labor market and community. Where possible, cooperation should be forged with public or non-governmental victim service providers with expertise in supporting migrant workers who have been trafficked.



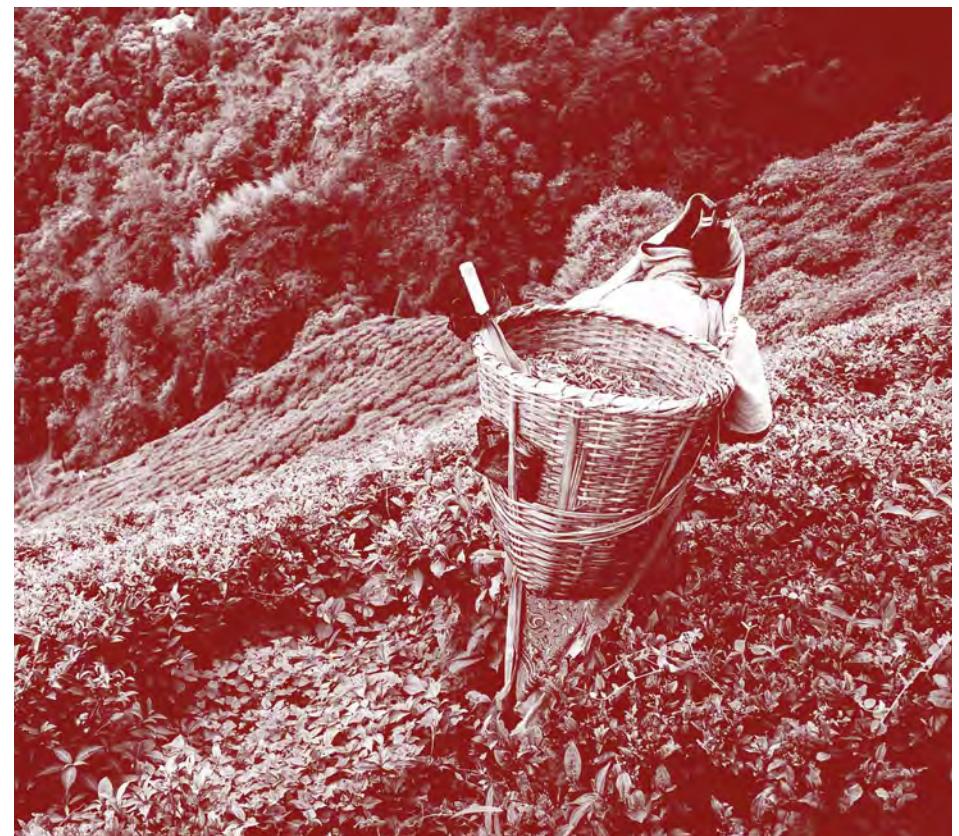
Reporting & transparency

Communicate and report on your anti-trafficking and forced labor policies, procedures and performance. Be transparent and provide relevant information to stakeholders, business partners, investors, consumers, and others using globally agreed upon labor and human rights reporting frameworks. Identify where risk may be present in business operations, and the measures put in place to address those risks.



Multi-stakeholder and multi-brand engagement & partnership

Work with other consumer brands, your full range of suppliers, sub-contractors, business partners, trade and industry representatives, and/or employers' organizations to tackle these issues. Participate in or establish an industry-wide or multi-stakeholder initiative to undertake joint training, awareness raising, communications, and advocacy.



Public policy advocacy

Engage your industry or national employers' organization to advocate for stronger public policy and regulatory oversight of labor brokers to ensure better protection for migrant workers in both sending and receiving countries. Consider engaging at the global level through UN or other international organizations and initiatives such as the Global Forum on Migration and Development.



A fair hiring framework for responsible business: What can suppliers do?

Like their clients—the global brands for which they manufacture goods or provide services—suppliers are in a strong position to take effective action against abuse at the recruitment and hiring stages of the employment relationship. They, too, can develop wide-ranging CSR programs along the lines of the model outlined above, establishing codes, self-assessment protocols, corrective action plans and partnership agreements that seek to address this abuse. They can also use their own human resource management systems to ensure the elimination of coercive practices that place migrant workers at risk. Taking these steps will not only protect suppliers from compliance violations at their facilities, but it will also help migrant-workers employees to begin their employment “on the right foot”. Setting the right tone in recruitment and hiring will pay dividends at the workplace, helping to ensure that you have a workforce that is happy, healthy and dedicated to working at your company.

A fair hiring framework for responsible business: What can suppliers do?

Improving codes of conduct & company policies

Raising awareness & building capacity

Screening & evaluating labor brokers

Managing labor brokers & monitoring for ethical recruitment and hiring

Ensuring good practice in human resources management

Establishing effective grievance mechanisms

Taking corrective action

Improving codes of conduct & company policies

Like brands, suppliers should have in place a code of conduct and/or high-level company policies that communicates a commitment to a fair and legal workplace and special considerations for the protection of the rights of migrant workers.

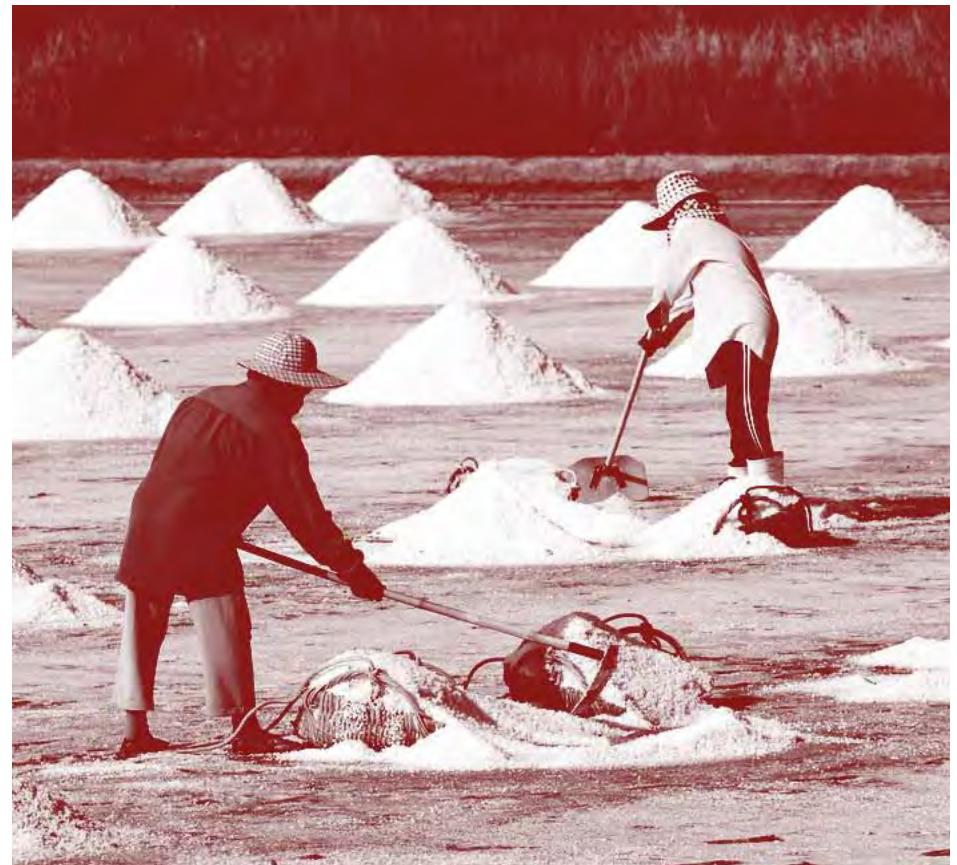
This will be particularly important for suppliers who produce their own line of product, and who have a brand identity to cultivate and protect. Where suppliers do not have their own codes, they can commit to the codes of their brand clients. Having a high-level company policy on the fair recruitment and hiring of migrant workers will signal to brand clients that you as a supplier are aware of the vulnerabilities that migrant workers can

face to trafficking and forced labor, and that you are serious about ensuring the ethical treatment of migrant workers. Putting in place code of conduct or high-level policy language on fair hiring is a proactive step that helps you to begin to discuss such issues with brands “on your terms”.

Taking such a step will also move your company away from a reactive and defensive position of responding only to the latest problem and applying band-aid solutions, and toward a management-systems approach that will root out and address problems where they exist and prevent more problems before they occur.

Raising awareness & building capacity

Suppliers should strive to boost the capacity of their human resources department, line managers, compliance experts, and others to ensure a fair and legal recruitment and hiring and the protection of the rights of migrant workers at the workplace, through workshops, trainings, and other activities. Staff should know how to identify the red flags linked to trafficking and forced labor. National and international legal norms should be understood; good and bad practices in recruitment and hiring should be identified, and effective corrective action and remediation plans should be discussed.



Screening & evaluating labor brokers

To prevent hiring traps, employers must be aware of the risks of forced labor before they contract labor brokers. They should put in place mechanisms to ensure that brokers employ fair hiring techniques and that migrant workers are protected from exploitation both before they set foot on the worksite and after they have begun working.

Here are some of the things employers can do to address potential risks:

- Implement a pre-selection review of labor brokers to ensure that those selected operate in compliance with the law and to the highest standard of ethics
- Contract only licensed and/or government registered agencies
- Avoid working with sub-agents if at all possible
- Require that labor brokers follow the “employers pay” principle: No fee or cost for recruitment should be charged to workers, directly or indirectly, in whole or in part
- Support voluntary accreditation programs for labor brokers, following a set of standards that encourage good labor broker practices
- Ensure that clear procedures are developed and put in place to manage labor brokers

Managing labor brokers & monitoring for ethical recruitment and hiring

Employers should audit their labor brokers during the period of contracting to ensure that recruitment and hiring has been performed legally and ethically, and in accordance with stipulated terms. New employees, particularly those that have been recruited by labor brokers, should be interviewed to determine the conditions under which they were recruited.

“They tell you that you will have a horse, lots of benefits, good treatment, a good salary, but when you arrive you find a huge surprise...”

Ricardo, a Chilean cattleherder held captive by his employer in the western United States

Recruitment fees: No fee or cost for recruitment should be charged to workers, directly or indirectly, in whole or in part. Establish and follow the principle of “employer pays,” and accept the cost of recruitment as a business cost.⁷



Employment contracts and documentation: Suppliers should take measures to ensure that clear and complete information about the terms and conditions of employment is provided to migrant workers well in advance of signing the employment contract; and that these terms are written in the employment contract in language that migrant workers understand. Suppliers should know the legal requirements and necessary documentation for migrant workers in both the sending and receiving country, and should ensure that proper legal procedures are followed and the necessary paperwork obtained.



Contract substitution: Suppliers should ensure that migrant workers have not been subject to “contract substitution” by their labor brokers—a process by which an original contract is substituted for one or more “new” contracts over the course of the recruitment and hiring process, each with less desirable terms. Suppliers themselves should refrain from adding “supplemental agreements” to contracts once migrant workers have arrived at the worksite. All terms and conditions of the job should be contained in the first and only contract signed by the migrant worker. This employment contract must be written in a language that the worker understands, and it must be completely transparent and well-understood by the migrant worker before s/he signs it.

⁷ It should be noted here that, according to the ILO's Convention 181, "In the interest of the workers concerned, and after consulting the most representative organizations of employers and workers, the competent authority may authorize exceptions to the provisions of paragraph 1 above [paragraph 1 states that Private Employment Agencies shall not charge directly or indirectly, in whole or in part, any fees or costs to workers] in respect of certain categories of workers, as well as specified types of services provided by private employment agencies." However Verité takes as its standard the "employer pays" principle that workers should never be charged – in whole or in part – any cost associated with the recruitment process. This is also the standard of the International Confederation of Private Employment Agencies (CIETT) in its Code of Conduct and Charter "Towards a Well Functioning Labor Market."

Pre-departure orientation: A predeparture orientation should be conducted either by a representative of the supplier company or by the labor broker. It is preferable that this orientation be conducted by a supplier representative. The orientation should include a review of contractual obligations, terms and conditions of work as stipulated in the contract (including but not limited to wages, benefits, work hours, living accommodations, and a list of legal wage deductions), required job skills, a description of dormitory rules and living conditions, and the legal requirements of the receiving country for migrant contract workers (including medical requirements). The orientation should also address the supplier company's policy on recruitment fees, any grievance mechanisms in place, and the supplier company's non-reprisal policy toward the lodging of complaints.



Ensuring good practice in human resource management

Employers should be aware that some common management practices can exacerbate the vulnerability of migrant workers to exploitation. These practices should be avoided. Not only are many of them against national and international legal norms, but they can create situations in which migrant workers are subject to forced labor at the worksite.



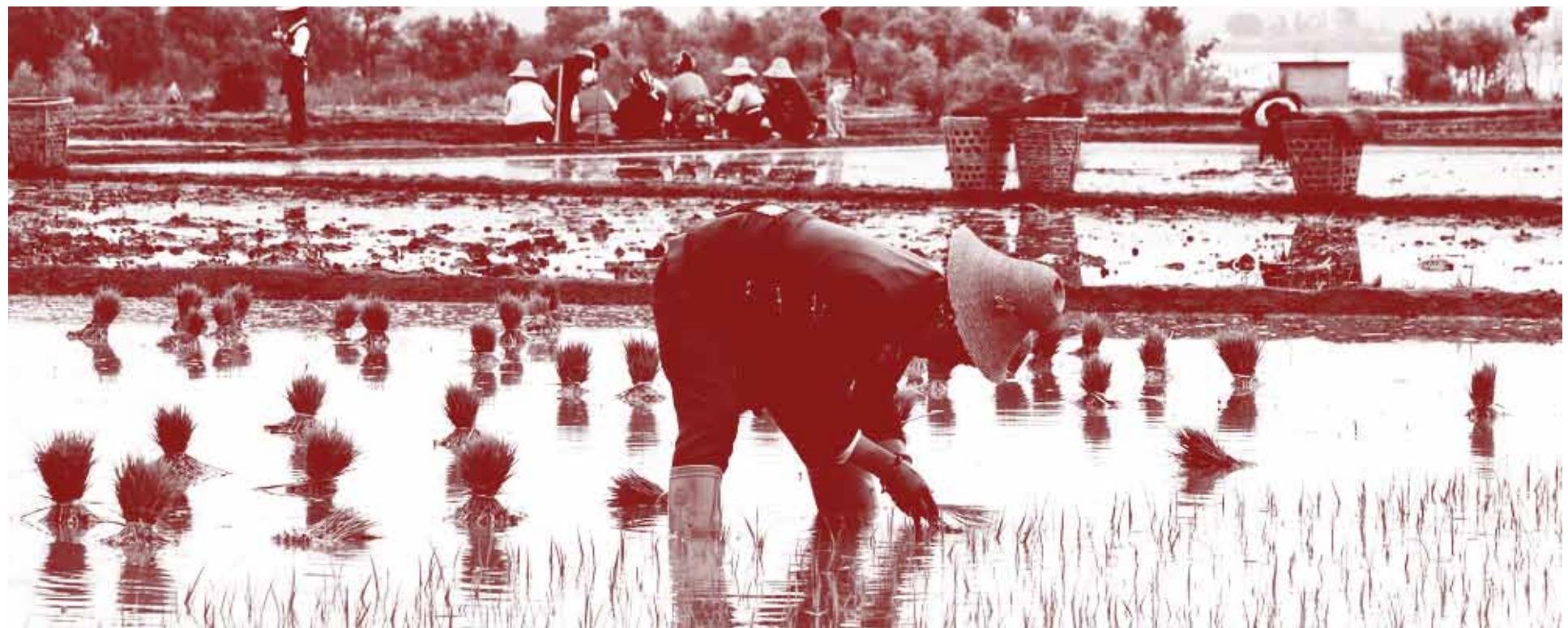
On-boarding & training: A thorough post-arrival orientation and training is a critical step to be taken in ensuring that migrant workers understand your company's policies and procedures with respect both to the work itself and to worker protections. Such an orientation should include a discussion of the legal rights and protections provided for by your company and your brand clients; the scope of national law on labor protections; worker feedback and communication, including grievance mechanisms; discipline, termination & repatriation; and dormitory regulation.



Deposits & advances or loans: Migrant workers or other employees should not be required to lodge deposits of any kind when they take up employment or at any time during their employment. Be cautious about providing workers with wage advances or loans. If you do, make sure they can be repaid in a reasonable amount of time by (1) providing smaller loans that amount to no more than one to three months' base wages, (2) charging very low or no interest on the loan, and (3) establishing short installment/financing periods.



Wage payments & deductions: Employees should be paid at regular intervals, on-time and directly, and in accordance with national law. Wages should not be delayed or withheld for any reason. Clear and transparent information should be provided about hours worked, wage rates and legal deductions, if the latter are made. Wage deductions should be appropriate and stay within legal limits. They should be calculated with transparency and with employee knowledge and consent.



Personal documentation: Do not confiscate or force migrant workers to hand over personal property or passports.



Dormitories and living conditions: Workers should be free to come and go from their living quarters at all times, and the presence of security personnel should not limit or impede their ability to do so. Living quarters should be safe, clean and hygienic, with adequate personal space and privacy. Migrant workers should not be required to live in company-provided housing; they should be given the choice whether to do so. Company-provided living quarters should have working payphones available for the use of residents at any time. These phones ideally should be placed in private locations. Workers should be advised of several different easily accessible locations where prepaid phone cards can be purchased.



Freedom of movement: Do not physically confine or restrict the movement of workers outside working hours, including in worker housing. During work hours, workers should be free to enter and exit the facility under reasonable circumstances, and the only restrictions should be reflective of legitimate concern for workers safety and security. If permission to leave the facility under reasonable circumstances is required, permission should not be unreasonably delayed.



Personal leave: Migrant workers should receive paid leave. The amount of leave should be stipulated in their original signed contract and should be in accordance with national law and international legal norms. The paid leave of migrant workers should not be less than that provided to country nationals employed at the facility. Migrant workers should be free to return to their home country during paid leave, without penalty or threat of termination.



Discipline, termination and repatriation: Disciplinary procedures should include an escalating series of verbal and written warnings prior to suspension or dismissal. Disciplinary measures should not include the use of punitive fines. Workers should never be forced to sign a letter of resignation or a blank paper. Workers should be able to terminate their employment with reasonable notice with no penalty. Outstanding wages must be paid promptly, as well as any accrued savings. The employment contract should stipulate a period of reasonable notice for termination initiated either by the employer or the worker. The supplier should pay the cost of the worker's return airfare when regulations are followed. Employers should not use false reasons or discriminatory reasons to terminate workers. The termination policy accorded to migrant workers should be the same as that for country nationals.

KEY RESOURCE

**UNGIFT, Human trafficking & business:
Good practices to prevent & combat
human trafficking**

ungift.org

KEY RESOURCE

**UN Global Compact,
Human rights & business dilemmas forum**

human-rights.unglobalcompact.org

DOs

- Be clear, transparent and honest about terms and conditions of employment
- Provide written contracts of employment in language that migrant workers understand
- Pay your employees on time and at regular intervals
- If you provide workers with advances or loans, make sure they can be repaid swiftly
- Ensure that any deductions from workers' salaries are legal, transparent and made with workers' consent

DON'Ts

- Do not deceive workers or make false promises about wage rates and other terms of employment
- Do not substitute or change contracts of employment unless to improve their terms and conditions
- Do not charge fees to workers
- Do not withhold or delay wage payments
- Do not require workers to lodge "security" deposits and exercise caution in providing advances or loans
- Do not confiscate worker passports
- Do not physically confine or restrict the movement of workers outside working hours

Establishing effective grievance mechanisms

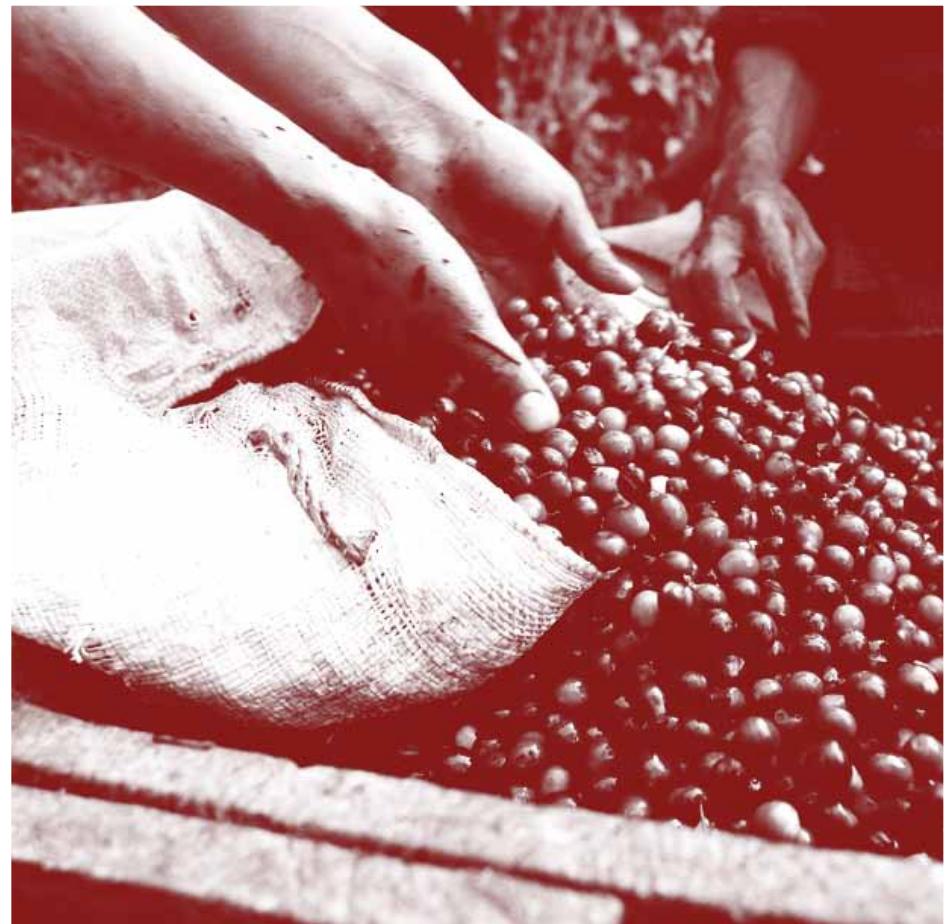
Employers should institute an effective enterprise-level or workplace complaints mechanism that is confidential, anonymous, and easily accessible to workers. This mechanism should be presented in clear terms to all new employees.



Taking corrective action

Corrective action plans are responses to problems when they are detected. But they are most effective when crafted and reviewed with key staff before problems occur.

Where the trafficking of a migrant worker is concerned, a corrective action plan should provide for the full protection of worker(s) concerned, and include measures to support their rehabilitation and repatriation (if desired by the worker) and/or reintegration into the labor market and community. In addition to the proper legal authorities, public and non-governmental victim service providers with expertise in supporting migrant workers should be consulted.



Reports & Tools

Business for Social Responsibility,
Good Practice Guide: Global Migration, 2010.

Business for Social Responsibility,
Migrant Worker Management Toolkit: A Global Framework, 2010.

Committee on Workers' Capital,
Investing in Decent Work: The Case for Investor Action on Forced Labor, 2010.

International Labor Organization,
Combating Forced Labor: A Handbook for Employers and Business, 2008.

International Trade Union Confederation,
How to Combat Forced Labor and Trafficking: Best Practices Manual for Trade Unions, 2010.

International Trade Union Confederation,
Never Work Alone: Trade Unions and NGOs Joining Forces to Combat Forced Labor and Trafficking in Europe, 2011.

United Nations Global Initiative to Fight Human Trafficking, *Human Trafficking & Business: Good Practices to Prevent & Combat Human Trafficking*, 2010.

Verité, *Help Wanted: Hiring, Human Trafficking & Modern-Day Slavery in the Global Economy*, 2010.

Websites

AntiSlavery International

antislavery.org

Business for Social Responsibility,

Migration Linkages Initiative

migrationlinkages.bsr.org

Institute for Human Rights and Business
Initiative on Strengthening the Protection
of Migrant Worker Rights in Supply Chains
institutehrb.org/migration

International Labor Organization, Special
Action Program to Combat Forced Labor
ilo.org/forcedlabor

International Organization for Migration
iom.int

International Trade Union Confederation

ituc-csi.org/forcedlabour.html

United Nations Global Compact

Human Rights & Business Dilemmas Forum

human-rights.unglobalcompact.org

United Nations Global Initiative to Fight Human
Trafficking (UNGIFT)

ungift.org

UN.GIFT/EHTN! Campaign eLearning Tool:
Business & Human Trafficking
microsoft.com/middleeast/humantrafficking

Verité, Help Wanted Initiative
verite.org/helpwanted

Verité gratefully acknowledges the support of Humanity United in conducting this Help Wanted initiative.

This Framework for Action was crafted under the supervision of Dan Viederman, Executive Director; Shawn MacDonald, Project Director; and Erin Klett, Project Manager. Philip Hunter served as principal author. Graphic design was performed by Charter 21 and DesignWorks at the Minneapolis College of Art and Design.

Verité also thanks the following translators for making this document available in six other languages; Natali Kepes Cárdenas (Spanish), the Translation Center at the University of Massachusetts Amherst (French, Portuguese, Arabic), the Association for Stimulating Know-How/ASK (Hindi), and Manying Wu (Chinese).

This Framework is based on the past and present work of Verité and its regional offices and partners worldwide. We would like to acknowledge in particular the groundbreaking work on issues of migration and fair hiring by our Manila-based Southeast Asia team, under the leadership and vision of Executive Director Marie Apostol and including Vida Aguilos, Melizel Asuncion, Cezar Bagadion, Coco Bagadion, Daryll Delgado, Tonette Marcella, Joey Pacis, Betty Quebec, Ruby Ramos, Nelson Robles, and Jet Urmeneta.