

## Insights

# DO YOUR NEW YEAR'S RESOLUTIONS INCLUDE TAKING STEPS TO PREVENT SLAVERY AND HUMAN TRAFFICKING IN YOUR BUSINESS OPERATIONS AND VALUE CHAINS?

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## SUMMARY

January is National Slavery and Human Trafficking Prevention Month in the US (culminating in the annual observation of National Freedom Day on February 1, 2020) and this year is the 20th anniversary of the Trafficking Victims Protection Act (US) that established trafficking and related offenses as federal crimes.

Human trafficking and modern slavery are often hidden and pervasive crimes that know no boundaries and include forced and compulsory labour, debt bondage / bonded labour, human trafficking, child slavery, descent based slavery or forced / early marriage. As many as 40.3 million people - adults and children – are trapped in a form of modern slavery around the world, including in the United States. However, in an inter-connected and transparent global business environment not only are these crimes increasingly visible but also the focus of targeted US domestic, US inter-agency and international governmental cooperation and business action. It is clear that human trafficking and modern slavery are an intolerable blight on any society dedicated to freedom, individual rights, and the rule of law, but these crimes fundamentally leverage economic exploitation and are often also financial crimes (or linked to other criminal economic activity).

The US Department of Labor's integrated program to combat these criminal practices domestically and internationally addresses 5 key areas:

1. **Teaming up across the government to ensure holistic practices** - such as, through interagency Anti-Trafficking Coordination Teams (ACTeams). US Border and Customs have also taken recent effective action to blacklist businesses where goods or services have produced with forced labour.
2. **Helping survivors**

3. **Securing commitments from key countries/partners** in areas, such as, robust visa practices and prohibitions on charging recruitment fees which increase risks of slavery and human trafficking

4. **Finding offenders**

5. **Providing technical assistance** – particularly in higher risk industry sectors, locations or practices, for example, reducing labor exploitation in textile or garment factories, brick kilns, mining, and agricultural production for cocoa, soy, palm oil, sugar and tobacco.

**Building a strategic slavery and human trafficking risk management approach**

Business also has a critical role, that complements government action in this context, to address slavery and human trafficking risks in their own operations or through business and supply chain relationships. This includes:

- Managing legal and regulatory compliance with the increasing specific modern slavery and human trafficking legislation implemented (or expected to be implemented) by a number of countries;
- Business interruption and financial costs if key business partners or suppliers use forced labour and are blacklisted by US Customs;
- Considering customer and US/international government procurement requirements;
- Stakeholder reporting; and
- Managing their own legal and reputation risk.

As a result, there are clear reasons why businesses should take steps this year to scope and implement a targeted human rights, modern slavery and trafficking legal and risk management approach (especially in higher risk industry sectors, jurisdictions and to address not only expanding legal and risk management requirements but strategic litigation that will continue to test the development and limits of “soft law” obligations and public company commitments regarding sustainability and responsible sourcing).. Such steps may include:

- A policy statement or commitment, Code of Conduct, Business Ethics or Integrity, and Supplier Codes or contractual commitments/provisions
- Integrated legal and risk governance and management systems including risk assessment, due diligence, tracking/monitoring, integrating findings and addressing issues, reporting/communicating on steps taken to stakeholders
- Integrated management of potential/identified issues through grievance mechanisms and/or dispute management

- Building collaborative partnerships and initiatives across their industry and/or on the ground to share knowledge, guidance and tools that work to identify, prevent and mitigate risks and harm.

The Department of Labor has developed a range of reports and key tools, that together with expert assistance, provide valuable resources for businesses to develop targeted and integrated legal and risk governance strategies and approaches. For example, business can use the Department's (Bureau of International Labor Affairs) international reporting on child labor, forced labour and human trafficking together with their:

- Sweat & Toil app – providing accessible research to inform risk assessments and due diligence approaches; and
- [Comply Chain](#)

We have designed an initial [risk scoping questionnaire](#) to be used by businesses – with either a US domestic or international operating and supply chain footprint – to scope your approach regarding slavery and human trafficking risks. Based on this scoping exercise, we can then assist you to implement, in phases, the necessary components of an integrated legal and risk governance management approach.

Please contact us to discuss how to scope, design and implement your strategic legal and social risk governance approach to address modern slavery and human trafficking risks.

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*This article was co-written with Trainee Solicitor Jessica Hanley.*

## **RELATED CAPABILITIES**

- Regulation, Compliance & Advisory

## MEET THE TEAM



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