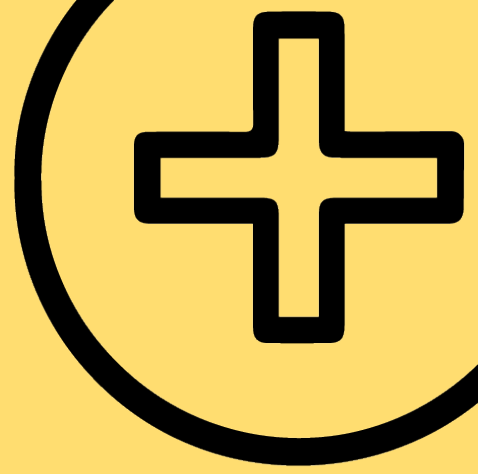


**NAVIGATION TOOL**



# **ETHICAL SOURCING**

*Ending Modern Slavery*





**Positive**

## **ETHICAL SOURCING TOOLKIT**

A practical guidebook to end modern slavery.

*First edition, Copyright © February 2022.*

*Positive - [www.makeapositiveimpact.co](http://www.makeapositiveimpact.co) - @PositiveRegen*

### **Acknowledgments**

This Navigation tool was developed over several months by the core team of Positive and Galia Orme who is an expert in modern slavery and founded Choc Chick.

**CH♥C CHICK**  
THE LOVELIEST SUPERFOOD ON THE PLANET



# Table of Contents

<b>Foreward</b>	<b>4</b>
<b>CHAPTER 1: Definition and Global Impact</b>	<b>5</b>
Modern Slavery Takes Many Forms	6
What Can You do to Prevent Modern Slavery?	7
<b>CHAPTER 2: Due Diligence: Checks &amp; Balances</b>	<b>8</b>
Assess Supply Chain Risk	9
Becoming Aware: Different Degrees of Exploitation	10
Risk Exposure Checklist	11
Creating a Slavery Free Culture	12
Establish a Modern Slavery Policy	
<b>CHAPTER 3: Shout Loud &amp; Proud!</b>	<b>15</b>
Inspiring your Team	16
What is Brand Activism?	17
A Modern Slavery Statement	18
Stories of Change	19
Action Steps	22
<b>Helpful Resources &amp; Links</b>	<b>23</b>

# FOREWARD

Welcome to the Ethical Sourcing Toolkit. Welcome to the Ethical Sourcing Toolkit. The purpose of this toolkit is to raise awareness of modern slavery which affects millions of people all over the world as well as on our own shores.

We want to support changemakers and company leaders everywhere to ensure our world is slavery-free. As individuals, many of us have unwittingly contributed to slavery in our purchasing habits whether that be because of elements in our mobile phones our fast fashion choices, or even the food we eat.

Most companies are just as unaware. By shedding a spotlight on the impact of modern slavery, and providing a solutions roadmap to eradicate it, our intention is to empower you and your organisation to become a leader in the anti-slavery movement.

We therefore include a series of practical action steps in a jargon-free toolkit to ensure you can eliminate your exposure from supply chains and within the workplace.

Contrary to popular belief, there are more people in slavery today than at any other time in history.



## CHAPTER 1

# DEFINITION AND GLOBAL IMPACT

Modern slavery is the serious, extreme or severe exploitation of people for personal or commercial gain.

It is a broad term that encompasses the control, coercion, the abuse of human rights and forced labour of individuals, for the benefit of others and can exist in supply chains, food service, factories as well as domestic environments. According to Anti Slavery International, 40 million people are estimated<sup>1</sup> to be trapped in modern slavery worldwide:

- 1 in 4 of them are children.
- Almost three quarters (71%) are women and girls.
- Over 10,000 identified as potential victims by UK authorities in 2019.
- Centre for Social Justice estimates 100,000 UK victims
- 1/3 of London's 100,000 migrant construction workers have worked without pay<sup>2</sup>

The Global Slavery Index's top 5 consumer goods areas most at risk of slavery in their supply chain are:

- Computers, laptops & mobile phones - over \$200 billion value globally
- Clothing/garments - over \$120 billion in value globally
- Fish - over \$12 billion in value globally
- Cocoa - over \$3 billion in value globally
- Sugar cane - over \$2 billion in value globally



**40 millions are trapped in modern slavery worldwide**

*Anti-Slavery International*

<sup>1</sup> <https://www.antislavery.org/slavery-today/modern-slavery/>  
<sup>2</sup> Focus on Labour Exploitation charity

# » MODERN SLAVERY<sup>3</sup> TAKES MANY FORMS

The most common types of modern slavery are:<sup>1</sup>

## Human trafficking

The use of violence, threats or coercion to transport, recruit or harbour people in order to exploit them for purposes such as forced prostitution, labour, criminality, marriage or organ removal

## Forced labour

Any work or services people are forced to do against their will under threat of punishment.

## Debt bondage or Bonded labour

The world's most widespread form of slavery. People trapped in poverty borrow money and are forced to work to pay off the debt, losing control over both their employment conditions and the debt.

## Descent-based slavery

Most traditional form, where people are treated as property, and their "slave" status was passed down the maternal line.

## Slavery of children

When a child is exploited for someone else's gain. This can include child trafficking, child soldiers, child marriage and child domestic slavery.

## Forced and early marriage

When someone is married against their will and cannot leave. Most child marriages can be considered slavery.



<sup>3</sup> <https://www.globalslaveryindex.org/resources/downloads/>

# »» WHAT CAN YOU DO TO PREVENT MODERN SLAVERY?

## Be a Responsible Business

Businesses have an important role in limiting the extent of modern slavery and exploitation in their supply chains and although only businesses with an annual turnover of more than £36m GBP in the UK now have a legal obligation under the Modern Slavery Act 2015, there should still be a moral responsibility for all businesses, small, medium and large, to recognise the risks of exploitation and take measures to prevent modern slavery from occurring in their supply chains and organisations.

Being transparent and following through with concrete action to eradicate modern slavery across supply chains sends a strong message to stakeholders. Companies that do not provide this information are more likely to face greater scrutiny from investors, NGOs and customers.

## Translate Awareness into Action

### » Step 1: Become Aware

Change first starts with an awareness of the possibility of modern slavery within your supply chain and clear communication with all employees to spread this awareness.

### » Step 2: Make a Commitment

You can then make a clear commitment to do all you can to prevent exploitation in the sourcing of your products, ingredients, employment and company policies.

### » Step 3: Take Action

You can convert this commitment into clear action steps by identifying the risks within your supply chain, assign responsibility within your organisation to develop policies, good management strategies and risk assessments.



## CHAPTER 2

# DUE DILIGENCE: CHECK AND BALANCES

- Identify your supply chain partners: transparently list all the suppliers and sources for your materials, ingredients, products, etc.
- Ensure you have a clear contact list and direct communication with your producers and suppliers
- Arrange video calls to familiarise yourself with your suppliers
- Break your supply chain down into tier 1, 2 and 3 suppliers (see example below)

### Tier 1 Suppliers

Partners that you directly conduct business with including contracted manufacturing facilities or production partners.



### Tier 2 Suppliers

Tier suppliers are where your Tier 1 suppliers get their materials.



### Tier 3 Suppliers

Tier 3 suppliers or partners are one step further removed from a final product and typically work in raw materials.





# » ASSESS SUPPLY CHAIN RISK

Are your products/materials sourced from countries with a high risk of slavery and exploitation? Consider your options:

» **Yes?**

Consider working with other suppliers, request guarantees from your suppliers, assurances and proof ensure you arrange site visits regularly, have a contact in the country of your supplier that can verify the working conditions for you.



» **No?**

Consider the possible risks in your supply chain, contact your suppliers to raise any questions and ask for assurances.

- What are the conditions of employees in the factories?
- Request transparency<sup>4</sup> of employment standards and policies
- Can you personally visit to assess yourself?
- Arrange video meetings and request they show you the manufacturing site
- Develop relationships with your suppliers and work with them to ensure transparency in all the manufacturing processes and employment policies

## **Traceability: Key Documentation**

- Ensure all your contracts and order confirmations include reference to your modern slavery policy
- Request copies of your supplier's modern slavery policy and commitment, to ensure fair working practices for employees
- Request a flow chart of the manufacturing process including the sourcing of materials, lot numbers, origins and farms/plantations where relevant
- Keep records

## **Verification: Ongoing Proactive Measures**

- Support suppliers to work ethically by working closely with them to understand the challenges and conditions they face
- Provide education and training for you staff, highlight the commitment to working ethically, raise awareness of modern slavery and the issues to look out for when sourcing supply chains.
- Arrange regular site visits. If you are unable to personally, then connect with a local person who can represent your organisation and visit the sites for you.

# » BECOMING AWARE: DIFFERENT DEGREES OF EXPLOITATION

Exploitation isn't always black or white. There are different degrees of exploitation.

Some more commonplace examples of abuses could include:

- Nonpayment of minimum wage
- Few or no breaks
- Demeaning treatment
- Long hours
- Inadequate health and safety or lack of personal protective equipment (PPE)

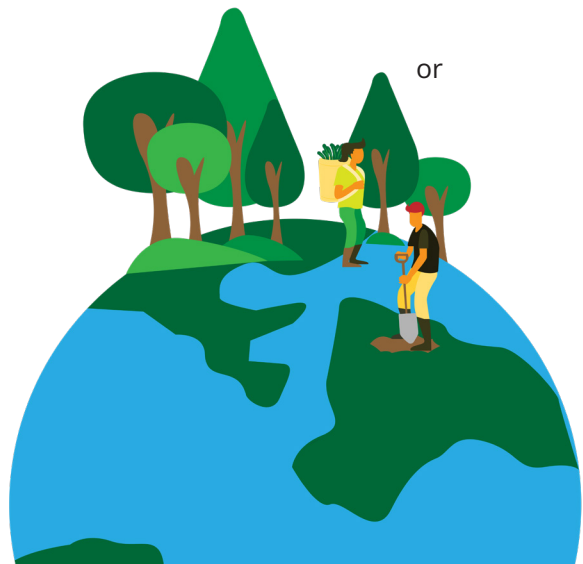
## **Vulnerable workers**

Vulnerable workers include those at risk of being exploited or who may also lack the capacity or means to enforce and uphold fair conditions and pay. This group is usually employed in low-skilled, low-paid jobs with little job security.

## **Forced Labour**

Forced labour happens when workers are controlled, forced or coerced to work against their will. It includes;

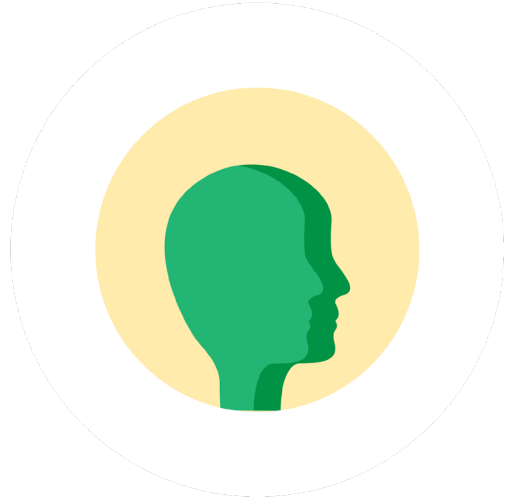
- Withholding payment
- Excessive wage reductions
- Retention of documents or valuables
- Restriction of freedom
- Confining workers in the workplace
- Threat of reporting to police authorities (i.e. illegal migrants)



# » RISK EXPOSURE CHECKLIST

Do You Work in Any of The Following At Risk Areas?

- Agriculture
- Apparel and textiles (including footwear)
- Beauty services include nail salons
- Cleaning and facilities services
- Construction
- Fishing and shellfish gathering
- Food processing and packaging
- Hand car washes
- Hospitality, catering and food service
- Manufacturing and electronics
- Recycling and waste
- Security services



Do You Work in Any of The Following At Risk Areas?

- Low-skilled or unskilled workers
- Low-paid workers and/or vulnerable workers
- Temporary, seasonal, agency workers or those employed by labour providers
- Workers performing dangerous or physically demanding work
- Isolated workers (rural locations, home-based or unmonitored environments).
- Workers who have self-employed status
- Workers who live on site or are provided



## »» **CREATING A SLAVERY FREE CULTURE**

Modern slavery and human trafficking thrive in the darkness. By raising awareness in the workplace, with your suppliers and partners, you can help to shed a light on this modern day scourge, and hopefully bring us all a step closer to the eventual eradication of these abhorrent practices.

## »» **ESTABLISH A MODERN SLAVERY POLICY**

The establishment of effective policies and incentives shape the environment and set the tone of an organisation in assessing, preventing and mitigating the risk of and working to influence and remedy modern slavery in their supply chains and organisation. Having a clear anti-slavery policy will demonstrate your organisation's commitment to this issue and ensures that appropriate and coordinated action is taken throughout the business.

Tackling modern slavery does not necessarily require a standalone policy. It could simply be adapting, and/or clarifying how existing policies and practices, programmes and management systems already work to prevent modern slavery. These policies and approaches may need upgrading as the years pass, and as understanding of the issue and approaches to address it improve.

In order to prepare for your modern slavery policy you need to identify risk areas within your workforce and supply chains. This risk assessment will include:

- A review of current ethical sourcing management systems, company policies and existing risk management tools
- Research into the challenges faced by suppliers at industry and country level for fresh produce and horticulture
- Recommendations on areas for improvement in addressing modern slavery hotspots and risks with suppliers

The research goes beyond an audit based approach and will involve meetings with suppliers operating in high risk areas, suppliers developing good practice, local NGOs, relevant industry bodies and local authorities.

It is important to understand existing challenges faced by suppliers locally and identify current initiatives to improve labour practices. This will provide them with information on the tools, policies and practices that are needed to support suppliers' sites to improve labour management systems and reduce the risk of modern slavery in the long term.

If an organisation is able to provide a clear policy on modern slavery, with clear rules in place about how the company will handle these sorts of issues, then the company should be able to take a consistent, sustainable and continuous improvement approach to tackling modern slavery. Clear policies should mean that all employees in the organisation and the organisation's suppliers know how to, and are resourced to prevent or identify exploitation. They should provide information about the first steps when modern slavery is identified and broadly how and with whom to partner (in and/or outside the business) in influencing remedy for workers (or ceasing of that business relationship in the worst cases).

Your modern slavery policy might reasonably cover:

- The process for policy development
- Policies governing business relationships, e.g. Supplier Code of Conduct
- Procurement policy and incentives to combat modern slavery
- Employee code of conduct
- Recruitment policy
- Staff training and increasing awareness of modern slavery
- Policies to address, provide justice and compensation for victims of modern slavery

Over time, consistent training for all staff, with increasingly clear policies and approaches (backed by past industry case studies or what has worked previously), should help to ensure that modern slavery is targeted more effectively and persistently, regardless of staff turnover or changes in the supply chain.

# POLICY CHECKLIST

1. What minimum labour standards are expected of the business, its subsidiaries and suppliers, and how do these align to industry standards?
2. Who in the business is responsible for a) ensuring efforts are made to investigate and remediate the risk of modern slavery in the business and/or supply chains, and b) ensuring that basic labour standards are met, and how are such leaders financially incentivised and resourced to do so?
3. How does the business factor legal and fair full labour costs into production and sourcing costs to avoid the need for seemingly cheaper slave or bonded labour in operations or the supply chain?
4. What is the company's policy where a supplier is found to have been involved in modern slavery?
5. When entering into a contract with a new supplier or renewing contracts with existing suppliers what checks, assurances, investigations will the company conduct or accept?
6. What support or guidance is available to business operations or suppliers willing to remediate situations of slavery or forced labour found?
7. What due diligence will the company commit to conducting regarding its supply chains (see section on due diligence)?
8. What is the company policy to support whistle-blowing? What procedures are in place to facilitate reporting, including reporting by workers through helplines?

## CHAPTER 3

# SHOUT LOUD & PROUD

You probably have more influence than you think. Perhaps you could inspire your team to support you in raising awareness of modern slavery, or you could even become an activist brand.

“

*Those who stand for nothing, fall for everything.*

*Alexander Hamilton*



## » INSPIRING YOUR TEAM

By introducing engaging, video-based awareness training to educate and aid understanding of modern slavery, you can help your team identify slavery and risks in the workplace and in your organisation's supply chain. By providing your own modern slavery awareness training and including real life examples of modern slavery you can equip your team to spot potential problem areas.

By educating your team and relevant decision-makers and leaders to have a more transparent recruitment process you can ensure that your workforce has a zero tolerance approach. Your team will then have a better understanding of their own human rights as well as being more able to spot the mistreatment of others.

If you make a commitment to be a slavery-free company, and take the necessary steps to be a slavery-free brand, you could become an activist brand and inspire your team to rally for a slavery-free world.

The companies that are most effective at tackling the complex issue of modern slavery are those which inspire their whole teams and bring awareness to every member of their workforce so that they too can become activists and evangelize the cause.



*Every member of your team is already a brand ambassador - by giving them a higher purpose you can inspire them to shout from the rooftops!*





# » WHAT IS BRAND ACTIVISM?

Brand activism is when a brand - acting from its own values and mission - takes a powerful stand to drive change. Brands can help movements go mainstream.

Here are 5 reasons why you should consider being an activist brand:

## 1. Gen Z are demanding a better world, and they want products that do too

Gen Z already make up one third of the global population. They also have a huge purchasing power estimated to be \$143 billion in the US alone.

## 2. People want their brands to do good

Edelman's Trust Barometer found that 81 percent of consumers say they expect brands to do the right thing, and 71 percent say that placing profit before people will lose their trust forever.

## 3. Purpose-driven brands perform better

A report by Deloitte found that purpose-driven companies witness higher market share gains and grow three times faster on average than their competitors, all while achieving higher workforce and customer satisfaction.

## 4. Activism is good PR

There are no shortcuts to credibility and a commitment to doing good requires a lot of serious effort in building strong foundations that are about much more than just putting together a good press release. However, if you can focus on impact over attention, you're likely to build good partnerships along the way and the press are more likely to sit up and listen and give you coverage.

## 5. Brand Activism is a great differentiator that pays dividends

Brands like Ben & Jerrys, Patagonia and Lush who lead with purpose, and are authentic in how they tell stories about their impact, and do so with empathy, generally outpace their competitors and inspire others in the process.



# » A MODERN SLAVERY STATEMENT

A company's slavery and human trafficking statement is about affirming its commitment to human rights and ethical behaviours. A statement is an opportunity for your company to showcase its commitment to tackling modern slavery. By making a public statement and brandishing your ethical credentials you should also substantiate your commitment by documenting processes, policies, action plans, and engagement with relevant stakeholders.

## 1. Make Clear Commitments

A company's modern slavery statement should make a clear commitment. You should be prepared to follow through on this commitment by risk-mapping, implementing policies, creating training procedures, action plans, and engagement with different stakeholder groups including workers, NGOs and trade unions. Getting ahead of modern slavery in your business will not only strengthen and enhance your corporate governance but also your brand image.

## 2. Be Transparent

Many companies producing their first modern slavery statement may have to work in phases to follow through. For example, risk-mapping beyond the first tier of the supply chain and supplier capacity-building may need more time. If this is the case, it is critical that your organisation acts transparently and highlights the areas that require further investigation. NGOs and customers may expect to see information on supply chain tiers, and action plans addressing modern slavery risk.

## 3. Be Realistic

If you do not have all the necessary information on, for example, your supply chain beyond the first tier, acknowledge that and explain what steps you are taking to gather it, and say when you expect to be able to disclose it in a future statement.

Likewise, explain when you expect to have policies in place, to have mapped your supply chain, conducted due diligence, established staff and supplier training etc. Set this out in your statement with a realistic timeframe. Above all, be realistic and avoid unrealistic targets and exaggerations. Modern slavery is a complex problem and NGOs understand that. The important thing is to get the ball rolling and to do so with integrity. Approve your statement by the board and put it on your website.

# STORIES OF CHANGE

## Choc Chick

Choc Chick is a small company with big dreams; to work differently and make a difference to how cocoa is sourced. From our establishment in 2009, our aim has always been to work ethically and sustainability, sourcing all our cacao directly from cooperatives in Ecuador and Peru. We understand the prevalence of slavery in cocoa supply chains and have developed policies and working practices that enable us to have complete traceability and reduce the risks of exploitation. We've been able to incorporate ethical sourcing into every aspect of our business; from regular visits to the processing plants, the cocoa collection centres and farming cooperatives to direct access to google docs and spreadsheets with the payments paid to farmers as well as developing friendships and personal relationships with many of our farmers, producers and their families. For us it's not just the right way to work but the pure joy in connecting directly with the people who help us create our cacao ingredients and vegan chocolates is the biggest benefit. It's a lovely way of working that benefits us, benefits our suppliers and ultimately benefits our customers.

## Fairphone

Bas van Abel, an industrial designer based first launched the Fairphone as an awareness campaign in 2010. Van Abel hoped that by inviting the public to collaboratively design a prototype of a "fair" smartphone, the campaign would raise the Dutch public's awareness of the link between mobile phones and minerals (particularly cobalt, a key component in mobile tech which is linked to child labour) which are mined in conflict areas in the Democratic Republic of Congo (DRC). By early 2013, the campaign had morphed into the social enterprise Fairphone. The Fairphone was intended as "a seriously cool phone putting social values first." Within six months of the company's founding, Fairphone attracted a large following in the media and among socially-conscious consumers across Europe. By mid-2013, these customers had financed the production of 25,000 smartphones through a crowdfunding initiative. The Fairphone team then had to learn how to produce a high-quality smartphone — a highly complex product — and make it a competitive offering within a competitive industry while at the sametime delivering on the mission of prioritizing the social welfare of underrepresented mine and factory workers along the mobile phone industry's supply chain. The company has also designed the phone in a modular way to make it easier for customers to conduct their own repairs.

## The Shop for Freedom

The Shop for Freedom is a marketplace that is born of a campaign by Justice Ventures International (JVI). All proceeds directly support the women who make these products and help fund JVI's legal anti-trafficking initiatives in India, Nepal, and China. Purchases help sustain freedom for women once held trapped in the sex trade - also supporting the fight against slavery and funds anti-trafficking efforts in Asia.

The Shop for Freedom fights Trafficking across 4 key focus areas –  
Legal Case Work Support -Seeking justice for victims of forced labor trafficking, sex trafficking, and other horrific forms of injustice through legal case work support services.

1. Human Rights Training -Empowering the oppressed and vulnerable through human rights trainings.
2. Rights-Based Advocacy Advancing changes in the public justice system and government through rights-based advocacy
3. Strengthening Justice Organizations Ensuring sustained freedom, justice, and restoration for the vulnerable by strengthening freedom businesses and other justice organizations.

## Done Good

Done Good positions itself as the “amazon of social good” for traceable goods. Founder Cullen Schwarz explains Done Good’s origin story: “In 2015, while working in Washington, D.C. with the Obama administration, I became painfully aware that all of the hours, votes, donations, petitions, and marches did not stand up to the thousands of dollars I was handing over to massive, profit-hungry corporations every year. So where can I go to discover companies that I can feel good about supporting?” DoneGood’s simple mission: to make it quick, easy and affordable to use purchasing power for good. The company saw that Americans give \$400 billion to charity each year, but only spend \$130 trillion buying everyday items - they understood that by redirecting even a small percentage of this spending to brands that are reducing poverty, fighting climate change, and otherwise making the world better would make a huge impact. Done Good scours the planet to find the brands that make the world better. For Done Good “good for people” means empowering workers, paying fair wages free of trafficking or child labor and unsafe working conditions. ”

## Yes Friends

Yes Friends is a UK-based fashion brand that creates sustainable, ethical, and affordable clothing for everyone. The business was created by Johnny Patterson who saw that the fashion industry had damaging practices and wanted to do things differently. Johnny saw that kinder, smaller-scale production often comes a hefty price tag, and truly good clothing wasn't as accessible as it could be if it were to have the necessary impact to transform the industry. Yes Friends is therefore pioneering a new model which uses smaller margins, larger sales volumes and ships direct to consumer. While attempting to set an example on environmental impact through to the treatment of workers, the issue which Yes Friends is most committed to is living wages in global supply chains. Because research shows that it would cost pennies extra per garment to pay a living wage, they only chose to partner with factories which offer a fair wage to their workers. Johnny hopes that Yes Friends shows that there is no excuse for other affordable brands not to pay living wages. The organic cotton is certified by Fairtrade and Global Organic Textile Standard (GOTS). The factory where the cotton is knitted, dyed, cut & sewn is certified by GOTS (leading organic textile certification), WRAP (Worldwide Responsible Accredited Production), and Oeko-Tex (non-hazardous end-products) and is also audited by Fair Wear Foundation. Every new factory Yes Friends works with is audited to meet the highest standards.

# ACTION STEPS

1. **Become Aware.** Learn about the impacts of modern slavery and alert and inform your colleagues and team.
2. **Undertake a preliminary risk assessment** to understand where you may have exposure. Pay particular attention to high risk areas.
3. **Make a commitment to zero tolerance of modern slavery and human trafficking.**
4. **Work on developing a modern slavery policy and roadmap with your team.**
5. **Educate the leaders in your organisation.** Pay attention to recruitment processes.
6. **Develop a training program for your wider team** so that they understand how to spot modern slavery and human trafficking and prevent it in the workspace.
7. **Work on a supplier code of conduct.**
8. **Ensure that all your Tier 1 suppliers are on boarded and meeting your criteria.**
9. **Make a public statement of your commitment to eliminating modern slavery and publish that on your website.**
10. **Work with your suppliers to eradicate Tier 2 and 3 issues.**
11. **Engage your stakeholders and customers.**

# USEFUL RESOURCES & LINKS

## Commitment example

Our company is committed to taking all necessary measures to ensure there is no exploitation or modern slavery in our supply chain. We are committed to implementing policies and procedures to ensure the suppliers with whom we do business understand the risks of modern slavery in supply chains and take appropriate action to identify and address those risks.

We are committed to raising awareness of the risks of modern slavery within our company, ensuring all employees are aligned with our policies and share our belief that all humans should be treated equally and respectfully. We hope that our commitment contributes in some way to the eradication of slavery in all its forms.

**Modern Slavery Guidance UK Gov:** <https://bit.ly/3uddkHh>

**Transparency in Supply Chains - a Practical Guide UK Gov:** <https://bit.ly/3AtGf11>

**Labour Exploitation Examples:** <https://bit.ly/345Hj8O>

**Responsible Sourcing Tool:** <https://www.responsiblesourcingtool.org/>

**Slavery Today:** <https://www.antislavery.org/slavery-today/modern-slavery/>

**UK Gov Response to Transparency Consultation:** <https://bit.ly/3IR11V9>

**Good Practice for Using Labour Providers:** <https://bit.ly/3fVgwPh>

**Managing Risks Associated with Modern Slavery:** <https://bit.ly/3nWecvN>

**Writing a Modern Slavery Statement:** <https://bit.ly/3nR4VFI>

**Stop the Traffik SME Toolkit:** <https://www.stophetraffik.org/tag/toolkit/>

**Marks & Spencer Modern Slavery Toolkit:** <https://bit.ly/3qYHuMa>

**Examples of modern slavery statements:** <https://bit.ly/3tXFCoI> ; <https://bit.ly/3tWVlPr>



**Positive**

**POSITIVE**

*[www.makeapositiveimpact.co](http://www.makeapositiveimpact.co)*

*@PositiveRegen*