



How to tackle forced labour in the value chain

Online workshop

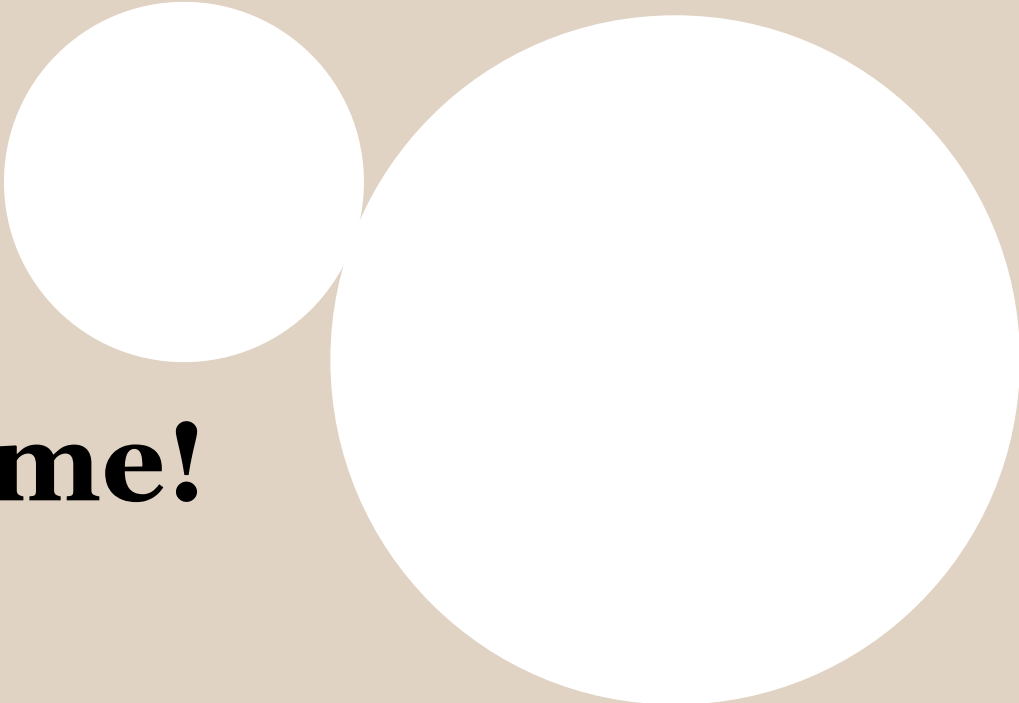
Business & Human Rights Group 4/4

05 Dec 2023

Jenni Strengell and Ulla Roiha

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Welcome!

Two overlapping white circles are positioned on the right side of the slide. The circle on the left is smaller and partially overlaps with the larger circle on the right. They are set against a solid beige background.

Agenda

9.00 **Welcome and introductions**

FIBS opening

Enact opening

09.15 **Break-out room**

09.30 **Latest “hotspots” of forced labour and regulatory landscape**

Sandra Adler, Director of Human Rights and Business Practice Group, Enact

09.55 **Due diligence practices and forced labour**

Case Epiroc, Camilla Goldbeck-Löwe, Vice President Sustainability

10.25 *Coffee break*

10.35 **Detecting and addressing forced labour in Nordic berry supply chains**

Ulla Roiha, Head of Enact Finland & Laura Kvissberg, Team Lead CSR Sourcing, Lidl

11.05 **Managing forced labour risk in temporary workforce**

Karin Iseman, Enact

11.25 **Break-out room**

11:50 **Sharing thoughts + wrap-up**



Break-out room



~15min

Forced labour as a topic

Discussing and sharing

1. Have you identified forced labour as a salient topic?
2. Could forced labour occur in your organization's value chain? Where? Where could you have it closest to home?
3. What are your expectations for today?

Discuss in groups and write your thoughts and questions for today's speakers.



Latest “hotspots” of forced labour and regulatory landscape

Sandra Adler, Enact

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Forced labor

Two large, solid orange circles are positioned on the right side of the slide. The larger circle is in the upper right, and a smaller circle is below it, partially overlapping the larger one. They are set against a dark red background.

Sandra Adler, human rights lawyer

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What is it?



Definition

"all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily."

1. Work or service refers to all types of work occurring in any activity, industry or sector including in the informal economy.
2. Menace of any penalty refers to a wide range of penalties used to compel someone to work.
3. Involuntariness: The terms “offered voluntarily” refer to the free and informed consent of a worker to take a job and his or her freedom to leave at any time.

Source: ILO FLC number 29

What are forced labour, modern slavery and human trafficking? (Forced labour, modern slavery and human trafficking) (ilo.org)

11 indicators for forced labor

ILO indicators of forced labour



International
Labour
Organization

1. Abuse of vulnerability
2. Deception
3. Restriction of movement
4. Isolation
5. Physical and sexual violence
6. Intimidation and threats
7. Retention of identity documents
8. Withholding of wages
9. Debt bondage
10. Abusive working and living conditions
11. Excessive overtime

Key questions:

Have the workers entered into employment **voluntarily**? Are they free to leave employment if they like?

Are **penalties** or **threats** used to keep workers from leaving employment?

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How bad is it?



**Trends and
statistics**

Statistics according to ILO

International Labor Organisation

Source: Global Estimates of
Modern Slavery: Forced
Labour and Forced Marriage,
Geneva, September 2022.

- In 2021, an estimated **27.6 million** were in forced labour
- Of the 27.6 million people in forced labour, **17.3 million** are exploited in the private sector; **6.3 million** in forced commercial sexual exploitation, and **3.9 million** in forced labour imposed by state.
- Women and girls account for **4.9 million** of those in forced commercial sexual exploitation, and for **6 million** of those in forced labour in other economic sectors.
- **12%** of all those in forced labour are children.
- The Asia and the Pacific region has the highest number of people in forced labour (**15.1 million**)
- The Arab States the highest prevalence (**5.3 per thousand people**).
- **Addressing decent work deficits** in the informal economy, as part of broader efforts towards economic formalization, **is a priority** for progress against forced labour.

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Against the law



Regulation

Regulation



International

- UN Guiding Principles on Business and Human Rights
- ILO Core conventions on forced labor
- Fundamental principles and rights at work, decent work agenda



European (regional)

- Proposed Forced Labor Regulation (FLR)
- Corporate Sustainability Due Diligence Directive (draft)
- Corporate Sustainability Reporting Directive



Domestic (examples)

- UK Modern Slavery Act
- Uyghur Forced Labor Prevention Act
- German Supply Chain Due Diligence Act
- French Duty of Vigilance Law

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An example.



A dilemma?

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Your guide to essential climate news and
hopeful developments across the globe

ADVERT

China uses Uyghur forced labour to make solar panels, says report

🕒 14 May 2021

Yes, the Atrocities in Xinjiang Constitute a Genocide

Beijing's own words and actions highlight the intent to end the Uyghurs as a people.

Don't Look Away from China's Atrocities Against the Uyghurs

April 19, 2021

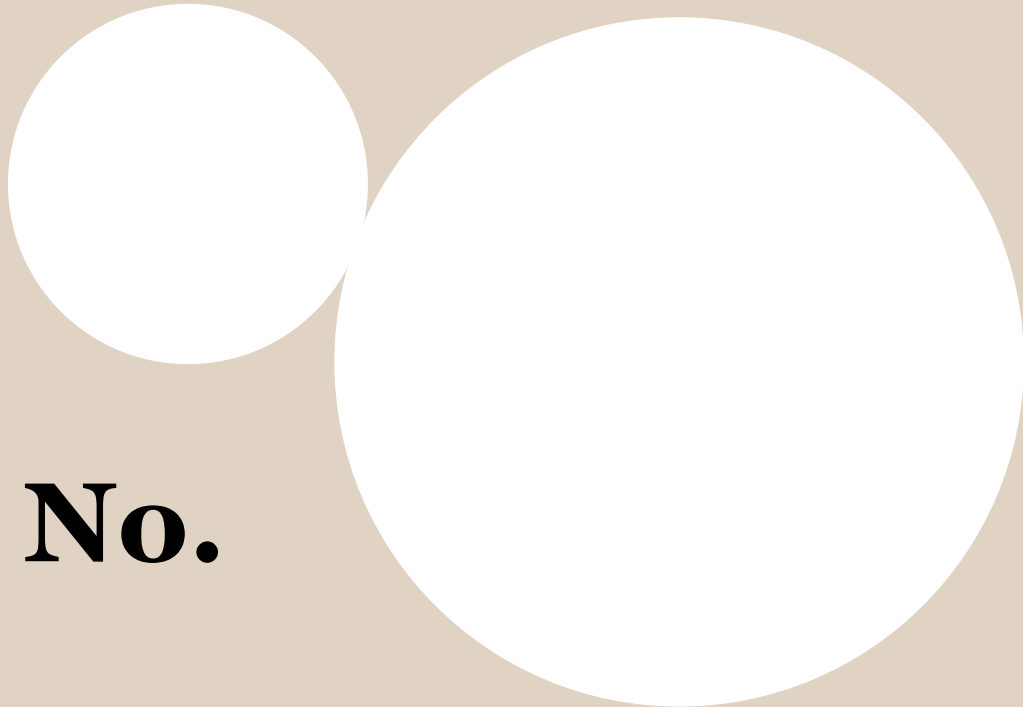
"Break Their Lineage, Break Their Roots"

China's Crimes against Humanity Targeting Uyghurs and Other Turkic Muslims

<https://foreignpolicy.com/2021/04/15/xinjiang-uyghurs-intentional-genocide-china/>
<https://www.usip.org/publications/2023/04/dont-look-away-chinas-atrocities-against-uyghurs>
<https://www.hrw.org/report/2021/04/19/break-their-lineage-break-their-roots/chinas-crimes-against-humanity-targeting>

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Only far away?



No.

INVESTOR SNAPSHOT

Forced Labor in the Construction Sector



Construction is a rapidly growing sector globally, with China, India, and the United States forecast to be the largest markets by 2030.³ The UN estimates that by 2025, 64% of the world population will live in urban areas, up from 55% today, which will require significant construction efforts.⁴ As part of China's Belt and Road Initiative, projects worth more than US\$500 billion have been or are being built.⁵

An estimated 7% of the global workforce is employed in the construction sector⁶ and the Gulf's construction sector alone employs around 10 million workers.⁷ Responsible investors have a role to play in ensuring this growth doesn't increase the risk of workers being forced into exploitation and abuse.

Why Should Investors Be Concerned About Forced Labor Risks?

HIGH-RISK SECTOR:

Construction is the second-highest-risk sector for forced labor (after domestic work),⁸ with an estimated 4.5 million construction workers in forced labor around the world.⁹ Exploitation in the construction sector occurs across the globe, from Angola, China and Qatar to Russia, the UK, and the USA.¹⁰

MATERIALS PRODUCED WITH FORCED LABOR:

Materials used in the construction sector, such as bricks, cement, or timber, may be produced with forced labor.¹¹

EXPLOITATIVE CONDITIONS:

Construction workers may receive no wages for long

What Does Good Practice Look Like?

Companies demonstrating good practice in the sector address exploitative recruitment practices that put migrant and other workers at risk of forced labor. For example:

Laing O'Rourke takes steps to prevent migrant workers from being charged recruitment fees. The company reports that it conducts due diligence and pre-qualification of recruitment agents, includes clauses requiring ethical recruitment in contracts, has oversight of the recruitment process in labor-sending countries, and makes mechanisms available to workers to report the charging of recruitment fees.¹²

Some companies disclose the means by which workers can raise grievances:

Vinci (OVV) facilitates a workers' union.



The long read

Are your tinned tomatoes picked by slave labour?

How the Italian mafia makes millions by exploiting migrants. By Tobias Leenaert

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Crime

Prosecutors to consider suspected human trafficking of Thai berry pickers

Investigators believe there are at least 170 suspected victims in the case, and could be as many as 2,000.



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Red flags



Red flag alerts



Forced labor in EU

- Temporary or seasonal workers
- Illegal / undocumented persons

Vulnerable stakeholders



- All work done “unseen”
- Low skilled work
- Work in informal sector

Type of work



- Construction
- Cleaning
- Canteen / food
- Domestic work
- Berry picking
- Manufacturing

High risk (impact) sector



- Decided only on low price
- Short term contracting
- Corruption or sketchy contracting

Purchasing practices





**Where does your
company have
(risk for) forced labor
in its closest
proximity?**

Q&A

Due diligence practices and forced labour

Case Epiroc, Camilla Goldbeck-Löwe



Coffee break

Detecting and addressing forced labour in Nordic berry supply chains

Ulla Roiha, Enact & Laura Kvissberg, Lidl

Commercial berry picking in the Nordics

- Swedish and Finnish forests have an abundance of bilberries in July-Sept, but it is **extremely hard work** and **difficult to find** berries.
- Each year, approx. 10 000 people travel from Thailand to Sweden and Finland to pick berries.
- In Finland, pickers are not employees whose conditions are governed by labour law but instead they are **entrepreneurs picking berries under everyone's rights**.
- Finnish berry suppliers are supported by coordinators in Thailand who take care of the recruitment process and are involved in organizing the **picking** in Finland.
- Swedish, Finnish, and Thai **authorities are involved in the recruitment process** (approvals, previously quotas, issuing visas).

Issues and impacts



- Almost all **risk is placed on pickers**. Pickers pay all the costs (incl. travel) and arrive with a **huge debt** compared to earning opportunities.
- **Working days are excessive**, with extremely little rest.
- **Few legal protections**, and ability to ensure income is accurate and paid.
- **Poor Health and Safety** with tough working conditions, carrying heavy loads, driving dirt roads with little sleep.

Debt bondage as forced labour

- Elements of forced labour:
 - Threat of penalty – wide range of penalties
 - Involuntary nature – absence of free and informed consent
- Forced labour can take several forms, including debt bondage.
- In debt bondage situation worker is
 - Forced to work for little or nothing to re-pay a debt
 - Forced to debt in order to access work, often lever for further abuses

Risk for forced labour inbuilt in the system

- There are **many “middle-men”** who are involved in the recruitment and organisation, they all need their cut.
- The system is made up of a **business model that “needs” pickers to take carry the risk** and take on the debt.
- The system allows for **forced labour**.
- Some pickers do make a decent income (after excessive working), however **some return home with a debt to pay**.
- Pickers who **fall sick**, or who **have to return home early**, struggle to make a surplus income. As do pickers who are **not as strong** or **struggle to find good spots**.
- The union in Sweden have been **very absent**.

Some solutions

Actions needed from Governments (& Unions)

Pause recruitment of Thai berry pickers until there are solutions

Stringent process for approving suppliers

Labour law and employment contracts

More comprehensive inspections and investigations

Actions needed from Business

Collaboration between all suppliers and buyers (principles and guidelines)

Employer Pays Principle (EPP)

HRDD in specific supply chains

Understand, manage, and monitor the situation from recruitment onwards

Stakeholder engagement

Lidl Suomi - How to tackle forced labour in the value chain

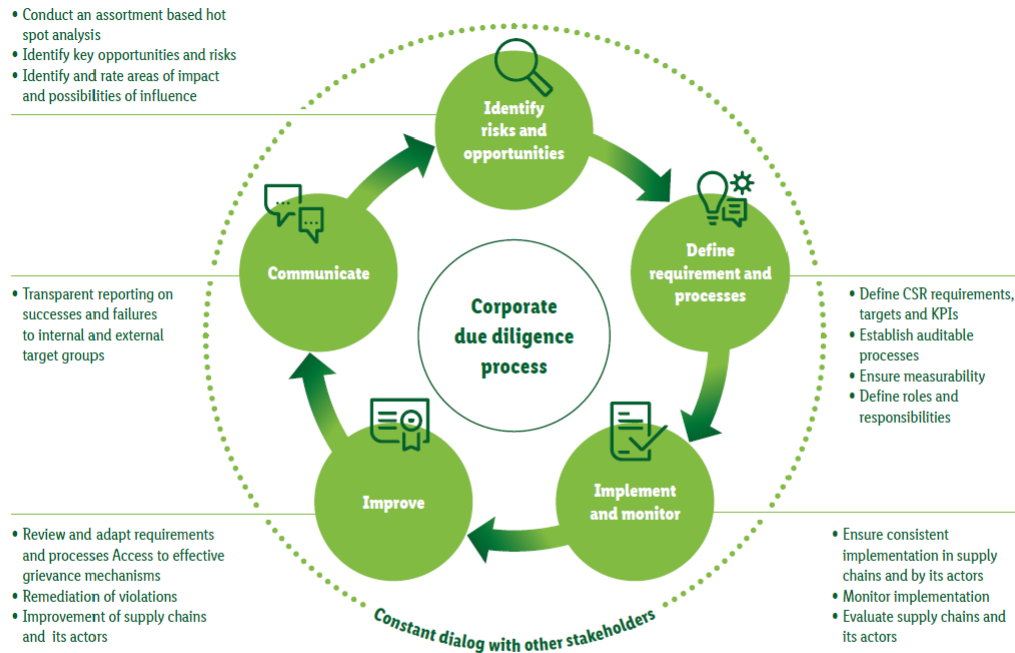
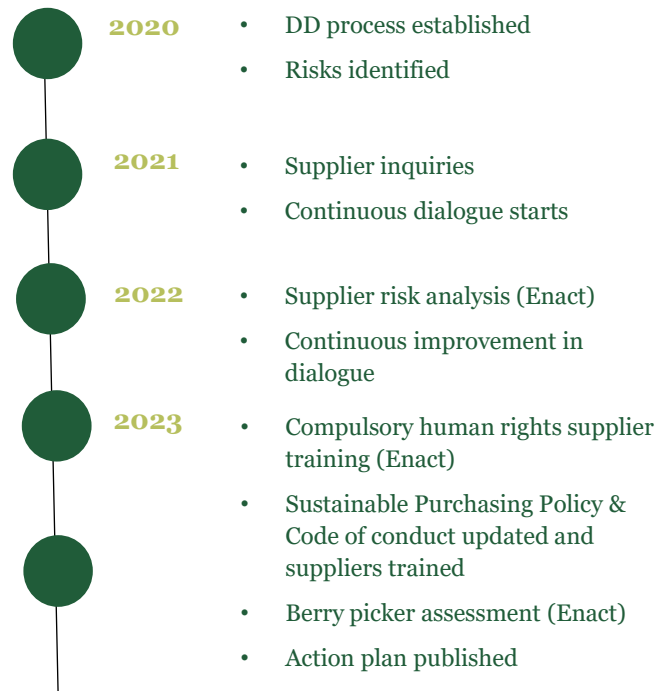


Diagram – CSR Purchasing management approach



Forced labour in temporary workforce

Karin Iseman, Enact

Background

Why this assessment came about

- UK Modern Slavery Act 2025 s 54
- Own operations and Supply Chain
- DC in Sheffield, high number of agency workers during peak (before Christmas and during sales)

Tasks

Investigation

- Assessing number of “pickers” in total (from HR) and number of agency workers during the year (peak fluctuations)
- Assessing nationality of agency workers

On-site Assessment & Training of Recruitment Agency

- Assess recruitment agency: review recruitment process, policies, training materials
- Provide training for recruitment agency: capacity building so that they understood the risks of forced labour in the UK and an understanding of *why* companies are asking these types of questions
 - All too many companies in the UK were confused and oblivious to the risks of forced labour in the UK
 - Focused information on fees and debt (and meaning of debt bondage)

Tasks

On-site Assessment & Training of DC

- Discussions in group settings, to understand the recruitment process (from the “pickers” point of view)
- Capacity building session with management + pickers
 - Informing of risks of forced labour in the UK
 - Informing of the risks with recruitment (fees, debts, forced overtime, withholding of passports, lack of knowledge of legal rights)
 - Informing of how to report
- Capacity building session with management
 - On how to “spot” signs of forced labour
- Hung up posters in relevant languages, with information of rights, and number for Gangmasters Licensing Authority hotline



Break-out room

Forced labour as a salient topic



Discuss in your respective groups in which parts of your value chain forced labour could occur, how and what you have already done.



Brainstorm together **efficient activities** to mitigate forced labour in your value chain.



You have 25 minutes

Guiding questions:

- In what form forced labour could occur in your value chain?
- If you already have identified forced labour as a salient topic, what have you already done in mitigating it?
- What could be your next steps in mitigating this and what kind of support would you need?
- What actions would you consider most effective? Consider also what you have learned today.

Groups

1

- Marika Korpilaakso, Paulig
- Reetta Kultalahti, Raisio
- Vilma Mitrunen, Kesko
- Kirsti Nyberg, Valio
- Teija Paananen, HKScan
- Mervi Turunen, Valio
- Hanna Kangasaho, Alko Oy

2

- Helena Hartiala, Metsä Group
- Liisa Heino, Konecranes
- Hanna Kelola-Mäkeläinen, Metsähallitus
- Turkka Kalliorinne, Elenia
- Satu Saarinen, Gasgrid Finland

3

- Elise Lajunen, Metsä Group
- Camilla Orko, Cargotec
- Anna Avilés, Vaisala Oyj
- Anni Herttuainen, Konecranes
- Yan Peng Ng, Neste

4

- Johanna Lipponen, Veikkaus
- Päivi Michael, Finnfund
- Paula Saavalainen, Finnvera
- Krista Sormunen, Miltton
- Hilla Kytökaari, Veikkaus

5

- Sudine Shrestha, Elisa Oyj
- Netta Skön, Fondia Oyj
- Sylvie Fraboulet-Jussila, Finnfund
- Minna Kröger, Elisa Oyj
- Tiina Lehti, Miltton
- Rita Azar, Miltton

6

- Satu Rauhala, Teknos
- Heidi Heikkinen, Suunto Oy
- Jaana Hänninen, Valmet Automotive
- Kaisu Kiiskilä, Valmet
- Päivi Koivisto, Cargotec

Choose **one person** to take notes from the discussion into **e.g. PowerPoint slide** and be prepared to share your thoughts in the end of this session. We will also **ask the notes to be collected** and will combine everything to be shared amongst the group later.



Sharing time!

Upcoming sessions

Plan and further wishes

Suggested topics

Below we present the initial plan and topics for the sessions. The plan will be confirmed, and topics agreed in collaboration with FIBS. We have used the feedback from the participants of 2023 to develop the plan.

1. Evolving regulatory landscape around human rights	2. Embedding human rights	2. Ensuring effective grievance mechanisms and remedy	4. Collecting data and reporting on HRDD
Overview on current regulatory frameworks and their implications.	How to support embedding human rights into relevant functions and processes. Means and best practices to secure buy in and to build human rights capacity across the organization.	UNGPs require companies to establish effective grievance mechanisms. The same is expected in CSDDD. Companies typically have their online channels for stakeholders to report on concerns and grievances. How make these more effective and how to establish other means? How to develop and communicate access to remedy?	Reporting on HRDD is one of the crucial requirements under CSRD and social ESRS standards. In addition, How to report on HRDD under CSRD? What are some of the best practices to collect data from suppliers?
Face to face meeting on 13.2.2024 at 8.30-12	Face to face meeting on 28.5.2024 at 8.30-12	Face to face meeting on 10.9.2024 at 8.30-12	Face to face meeting on 19.11.2024 at 8.30-12

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Thanks for today!

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Useful links

China focus:

- <https://www.shu.ac.uk/helena-kennedy-centre-international-justice/research-and-projects/all-projects/evidence-briefs>
- <https://jww.org/site/uyghur-china-forced-labor-database/>
- <https://www.cbp.gov/trade/forced-labor/UFLPA>
- <https://www.ohchr.org/en/documents/country-reports/ohchr-assessment-human-rights-concerns-xinjiang-uyghur-autonomous-region>

Other:

- <https://www.state.gov/reports-bureau-of-democracy-human-rights-and-labor/country-reports-on-human-rights-practices/>