HANDOUT

Human Rights, Value Chains and Business Responsibility:
Tackling Forced Labour Risks

Sustainable Stock Exchanges Initiative

FAST
FINANCE AGAINST SLAVERY & TRAFFICKING

ILO

WALK FREE

AGENDA

Topic:	
Introduction to the course and topic (15 mins)	**Q&A throughout**
Module 1 – Prepare (~30 mins)	
Module 2 – Align (~20 mins)	
Module 3 – Implement (~25 mins)	
Module 4 – Communicate (~25 mins)	
Wrap up (5 mins)	

Our learning journey today

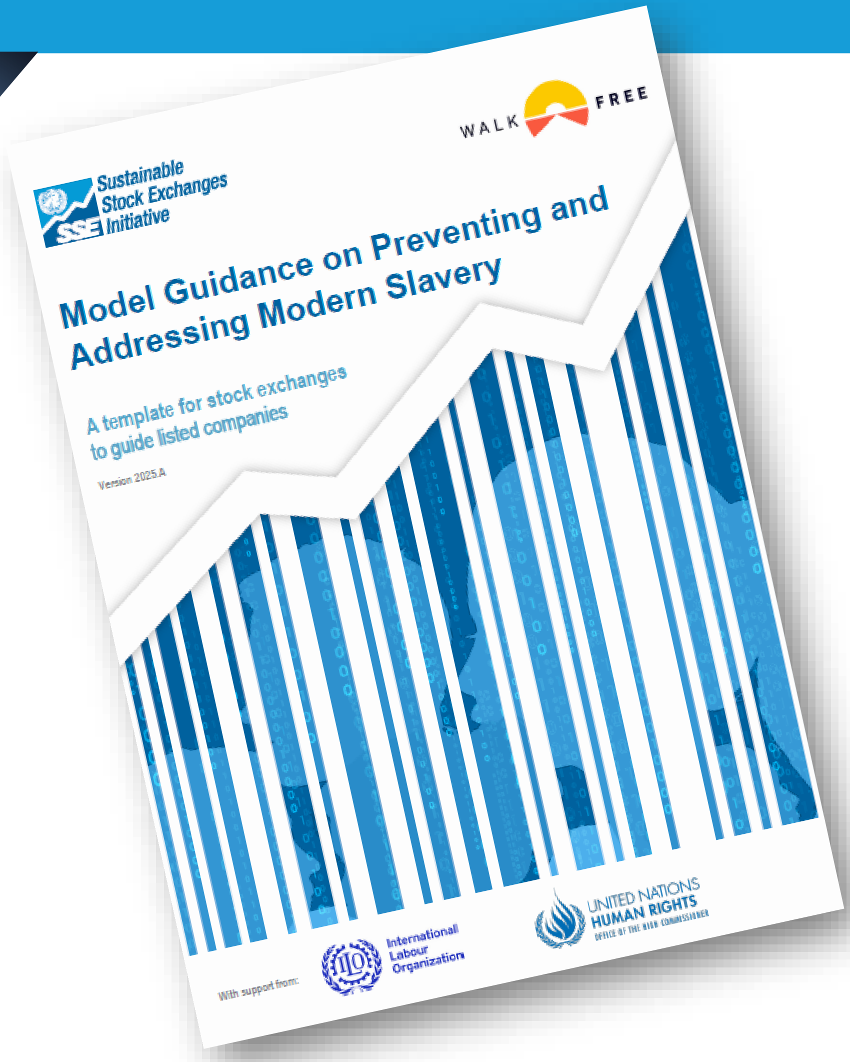
MODULE 4: COMMUNICATE
Where and with who to communicate your response to forced labour risks

MODULE 1: PREPARE
What is forced labour and **why** it is important for you to know

MODULE 3: IMPLEMENT
How to develop a comprehensive due diligence process

MODULE 2: ALIGN
What are the main standards, frameworks and guidelines

Key Resource



The SSE has a series of Model Guidance publications which help stock exchanges to write guidance for their markets on sustainability-related topics.

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GOALS

- Understand the relevance of forced labour for businesses
- Build familiarity with key standards and frameworks
- Identify actions to take to protect from reputational and legal risks
- Be able to structure effective communications for investors

Quick Quiz

1. How comfortable are you talking about Forced Labour in a work environment?

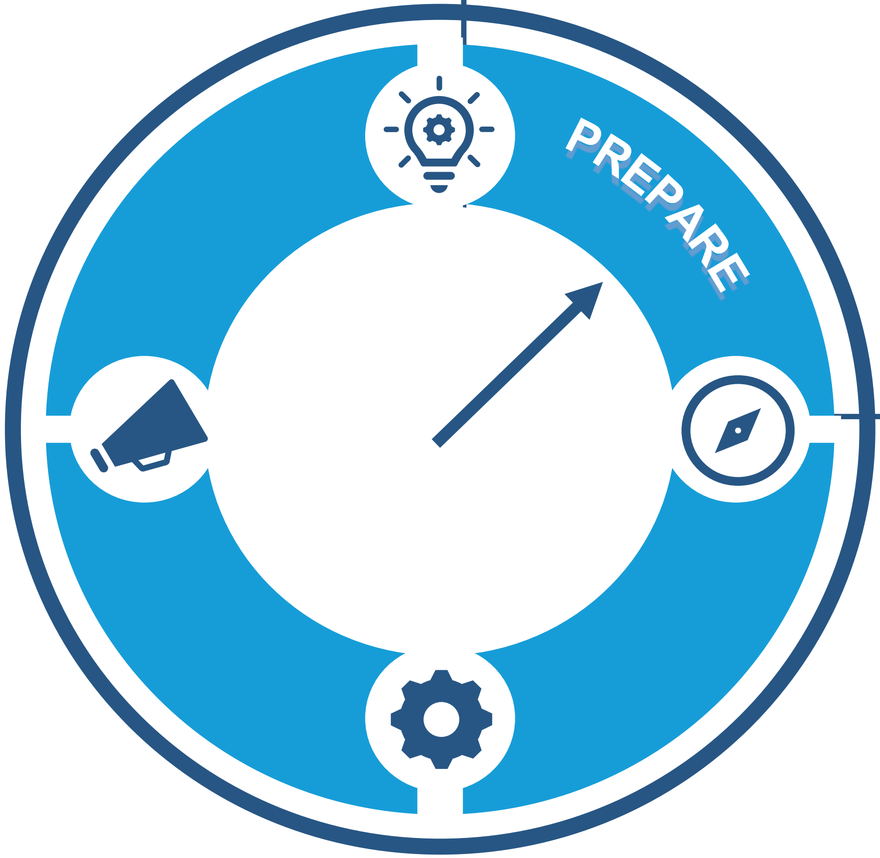
Rate your comfort level on a scale of 1-10

(1 for very uncomfortable,

10 for very comfortable)

A pop up box will shortly ask you to answer this question. If you do not see the quiz in zoom, you can answer in the chat box.

PREPARE



What is forced labour and how does it apply to your unique business?

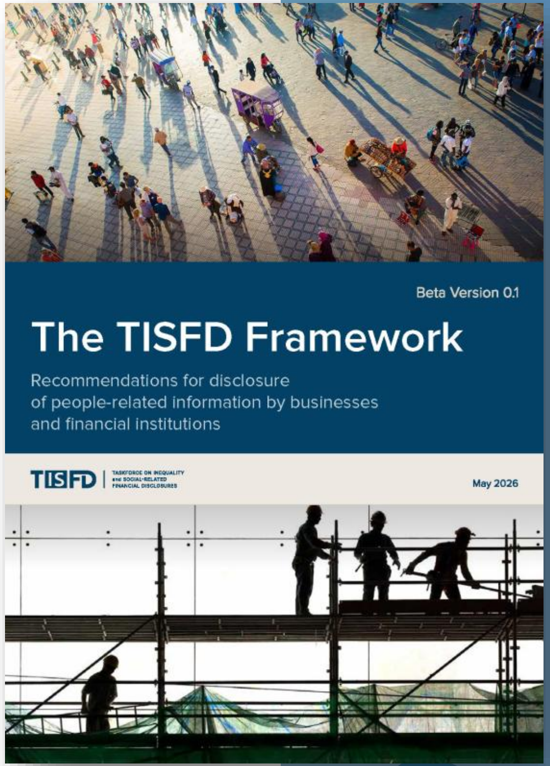
Menti

Please use the link in the chat to access the Mentimeter. Keep that window open in your browser as we will come back to it again.

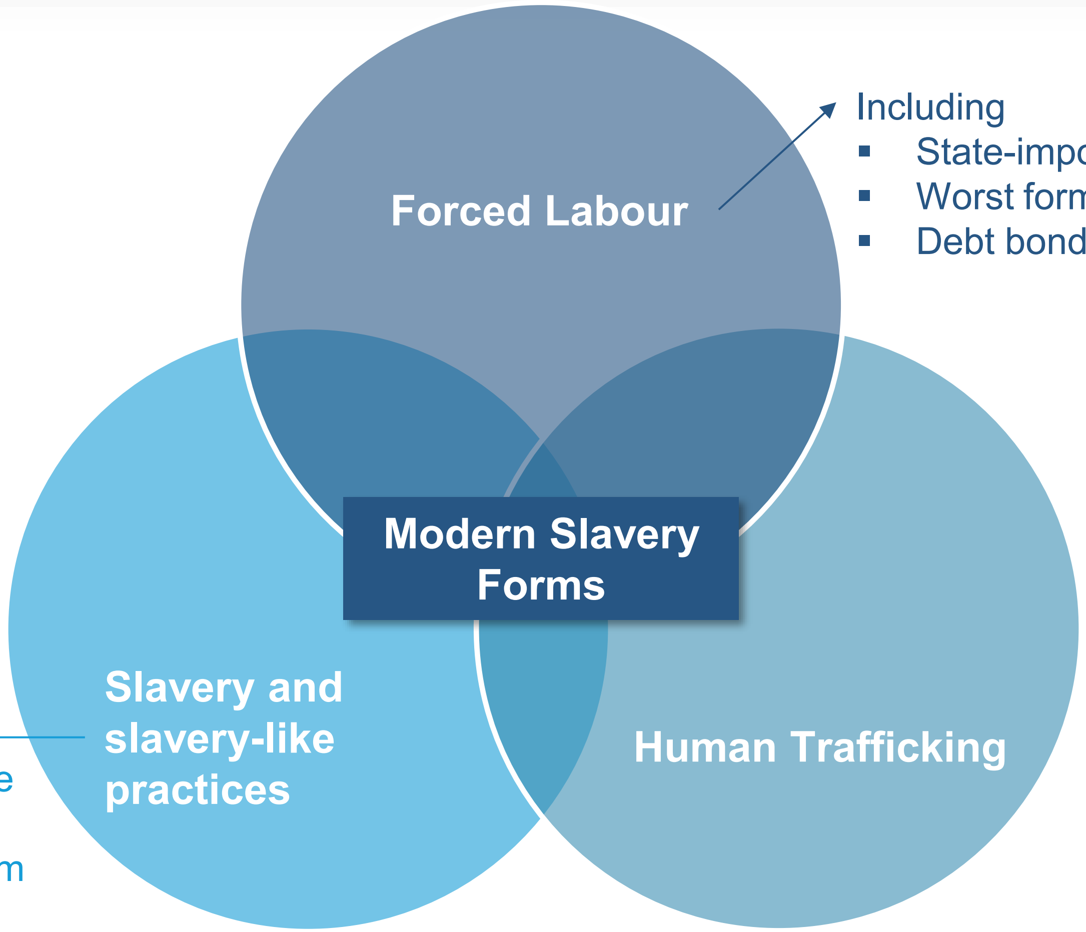
We will have a live interactive activity at this point of the workshop.

Join live to participate.

Examples of financial effects	Opportunities		Risks	Examples of financial effects
Reduced operating costs Productivity gains Cash flow predictability	Opportunities arising from strengthening working conditions, community relations and resilient value chains, leading to productive and continuous operations.	Operational	Risks associated with loss, disruption or diminished performance in an entity's operations. This includes both acute risks, such as site closures, and chronic risks, such as productivity decline.	Cost premiums Recovery expenses Hiring costs
Reduced liability exposure Lower compliance costs Access to capital	Opportunities created by anticipating and shaping policy developments, strengthening legal preparedness and enhancing regulatory trust.	Policy and legal	Risks associated with changes in policies, laws, regulations and caselaw that increase the likelihood and potential severity of contingent liabilities and the eventuality of legal claims	Fines and penalties Compliance spending Litigation costs
Higher brand equity Reduced recruitment costs Higher revenues	Opportunities created by building a strong reputation for responsible business conduct, enhancing customer loyalty, talent attraction and stakeholder confidence.	Reputational	Risks related to changes in perceptions concerning an organisation's actual or perceived adverse impacts, undermining customer loyalty, employee retention and stakeholder trust.	Lost revenues Higher cost of capital Reduced brand equity
Access to capital Access to skilled labor Increased growth potential	Opportunities arising from shifts in social conditions that expand market demand, strengthen labouravailability and enhance long-term asset values.	Market	Risks resulting from changes in the social environment that impactssupply, demand, access to (human) resources, and the value of assets.	Revenue declines Higher cost of capital Lower growth potential



Forced labour – a form of modern slavery



Including
- State-imposed forced labour
- Worst forms of child labour
- Debt bondage

Including:
- Forced marriage
- Descent-based slavery / serfdom

Source: UN SSE and Walk Free Model Guidance on Preventing and Addressing Modern Slavery

What is forced labour?

- **ILO Forced Labour Convention (No. 29):** “For the purposes of this Convention the term forced or compulsory labour shall mean all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.”
- **Possible indicators:**
  - vulnerability,
  - deception,
  - restricted movement,
  - isolation,
  - violence or threats,
  - confiscated identity documents,
  - unpaid wages,
  - debt bondage,
  - or unsafe conditions and excessive overtime.

Quick Quiz

2. Which statement best reflects the scale of forced labour today?

a) It is largely a historical issue
b) It occurs mainly in countries with weak human rights records
c) It occurs mainly in conflict zones
d) The number of people subject to forced labour is growing

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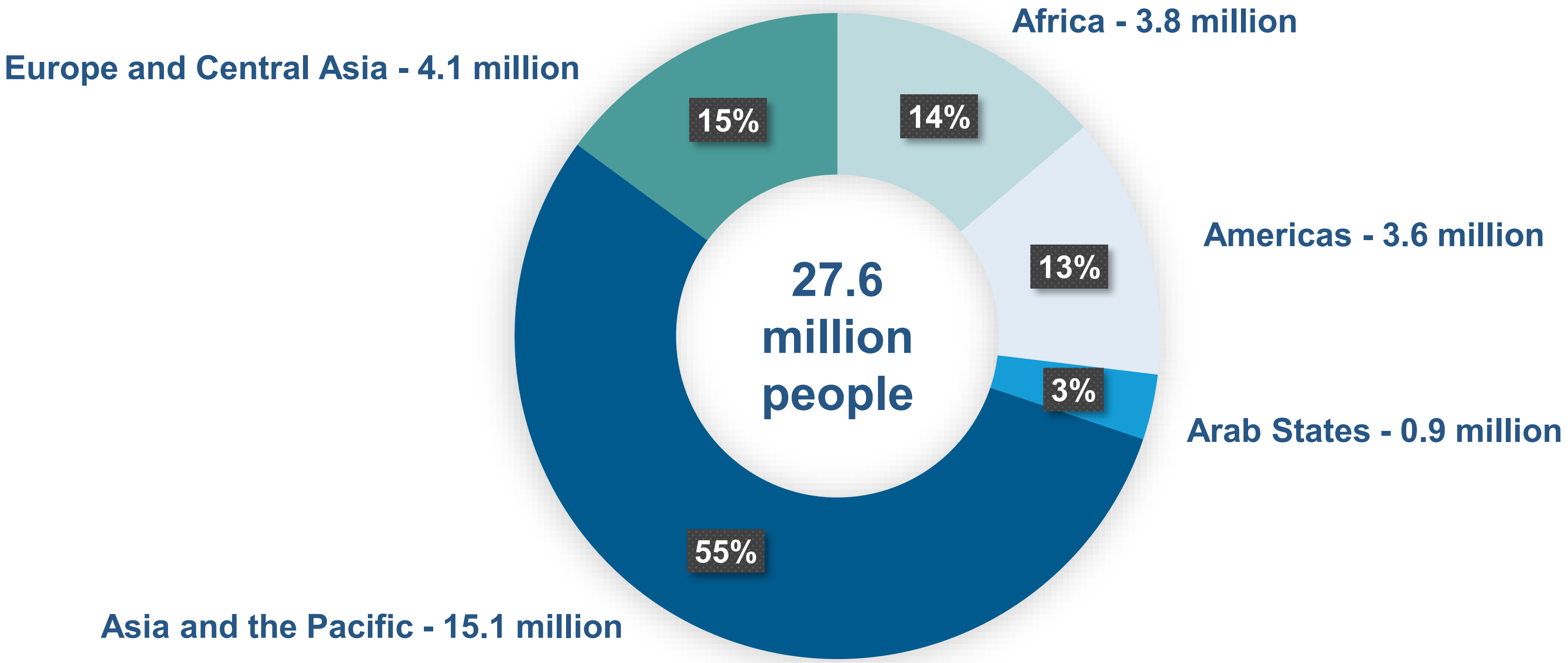
Number of people in forced labour

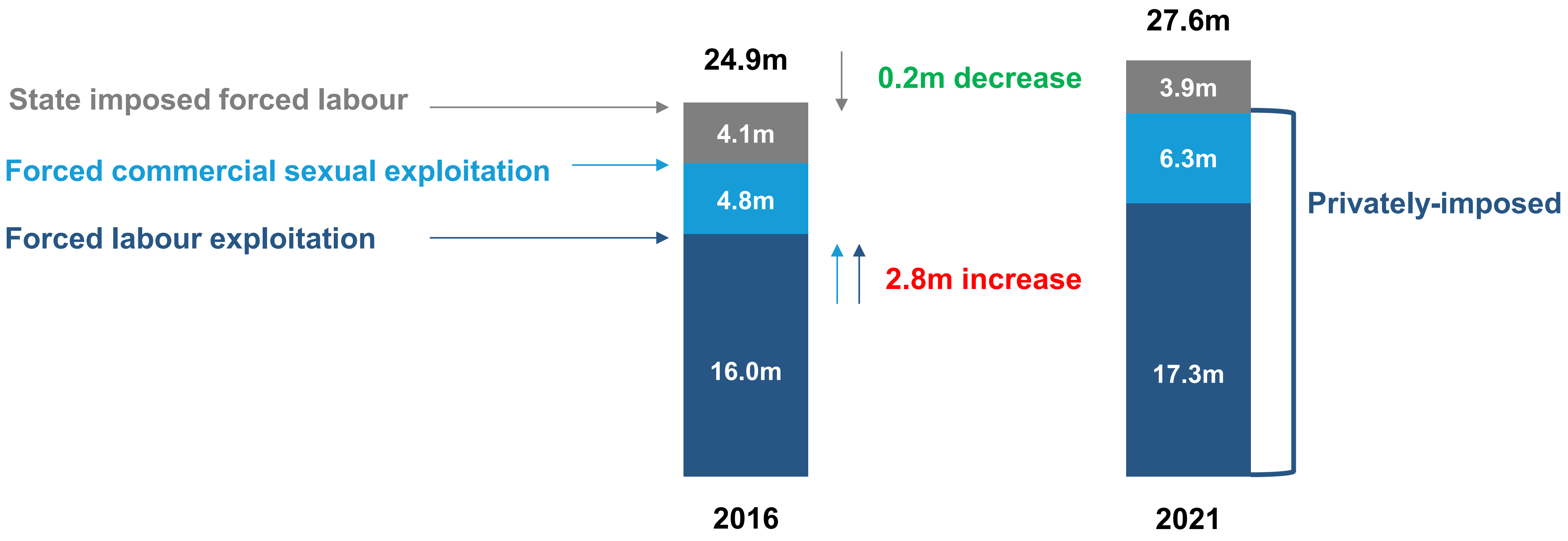


Source: ILO, [Profits and Poverty: The economics of forced labor](2024)

Official Use Only

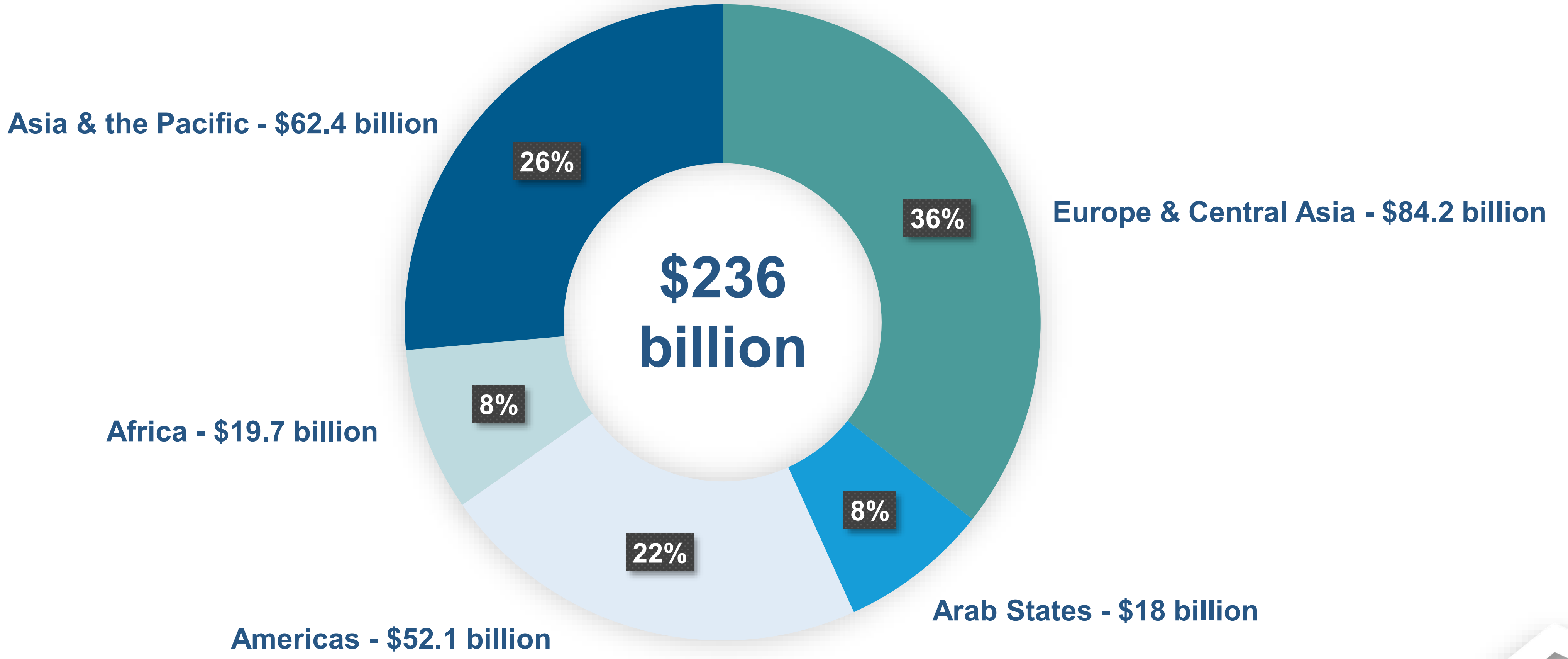
Who is responsible?

The rise in forced labour between 2016 and 2021 was driven entirely by privately-imposed forced labour



Source: (ILO, Walk Free and IOM) Global Estimates of Modern Slavery – Forced Labour and Forced Marriage

Illegal annual profits from forced labour



Source: ILO, Profits and Poverty: The economics of forced labor (2024)

Case Studies

What happens when risks are left un-managed?

About us

Who we are

info@ethicalsupplychain.org

A specialist responsible sourcing program – established in 2004

all programs & services applicable to any industry

award-winning worker well-being programs

support available for members and non-members

offices across **Europe, USA** & **Asia**

CASE STUDY

Langkat Palm Oil Forced Labour (Indonesia)

What happened?

Approximately **665 people** were allegedly confined and **forced to work** on palm oil plantations

Victims were reportedly confined, abused and forced to work long hours – **six deaths** were reported

The plantation owner was convicted and sentenced to **four years' imprisonment**.

Palm oil reportedly entered **international consumer supply chains**.

Risks that Materialized

Criminal Prosecution
Plantation owner imprisoned under Indonesia's anti-trafficking laws

Financial
No public financial loss disclosed; investigation, remediation and enhanced due diligence costs followed

Reputation
International media exposure linked the wider supply chain to forced labour

Investors
Heightened ESG and governance concerns.

Regulations
Increased enforcement against forced labour.

Customers & Brands
Supplier investigations and stronger sourcing controls.

Forced Labour deep within a supply chain can rapidly become a legal, reputational and investor issue for every connected business.

CASE STUDY

Bumble Bee Seafoods (USA)

What happened?

Four Indonesian fishers filed a **landmark lawsuit** in the United States

Workers alleged **forced labour**, **violence**, **withheld wages** and **excessive working hours**

US courts allowed key claims against Bumble Bee to proceed

Risks that Materialized

Litigation
Landmark US lawsuit alleging benefit from forced labour in the supply chain

Financial
Legal defence costs and potential future damages; no public settlement to date

Reputation
International media attention and NGO scrutiny

Investors
Higher litigation and ESG governance risk

Regulations
Growing expectations for effective supply chain due diligence

Customers
Greater demand for responsible sourcing and transparency

Companies can face litigation and reputational damage even where labour abuses occur several tiers below their direct suppliers.

PREPARE

Get started!

Start a conversation and share what you've learned

Internal conversations are the start of every new policy, practice and action. Many organizations don't act because they do not have the confidence or knowledge on how to act. Get the conversation started with information conversations and investigate holding a more formal training for your organization on this topic.

PREPARE

Recap & Tips

Start a conversation and share what you've learned

Contextualize	Understand your company's unique operations and partnerships
Situate	Gain a clear understanding of your supply chain to assess risk
Integrate	Understand the connections between broader sustainability or risk management topics

ALIGN

Understand the landscape of international standards, legislation and frameworks

Quick Quiz

3. When you think about aligning with standards on forced labour – what is/are your biggest challenge(s)?

a) Understanding which standards or frameworks are most relevant for to us

b) Translating standards into practical action

c) Keeping up with a rapidly changing regulatory landscape

d) Getting internal buy-in

e) Other (please share in the chat)

A pop up box will shortly ask you to answer this question. If you do not see the quiz in zoom, you can answer in the chat box.

Types of standards and frameworks

International standards on modern slavery

UN issue-specific treaties human rights and ILO standards

International frameworks for responsible business conduct

UNGPs, OECD guidelines, and SDGs

Legislation

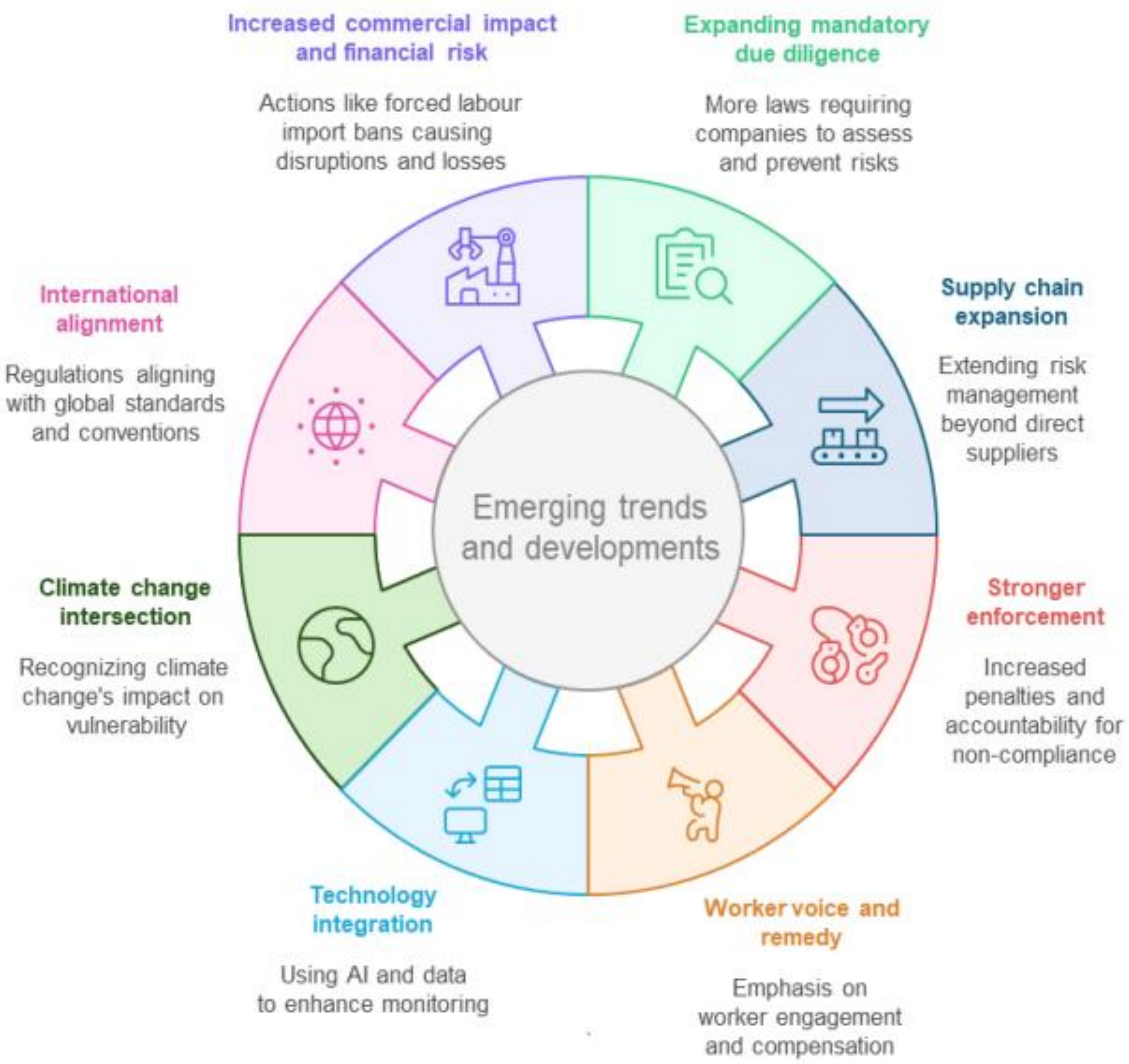
Legislation focused on combating modern slavery and other human rights risks

Other initiatives

Benchmarks, codes and guidelines

Source: UN SSE

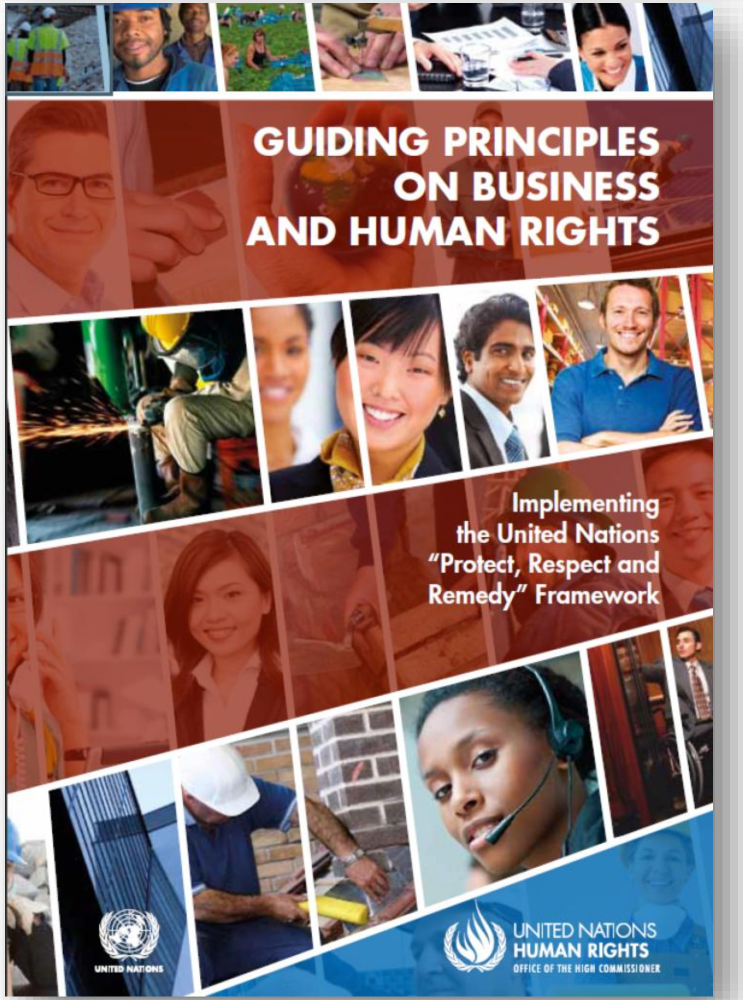
Emerging trends and future developments

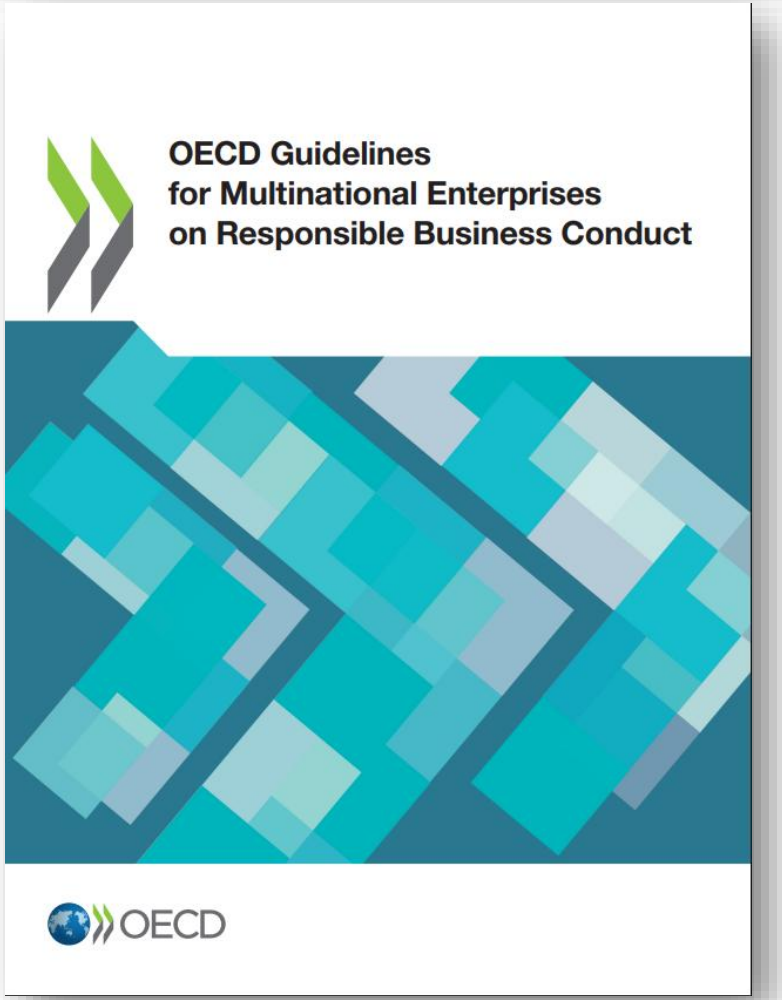


Source: UN SSE

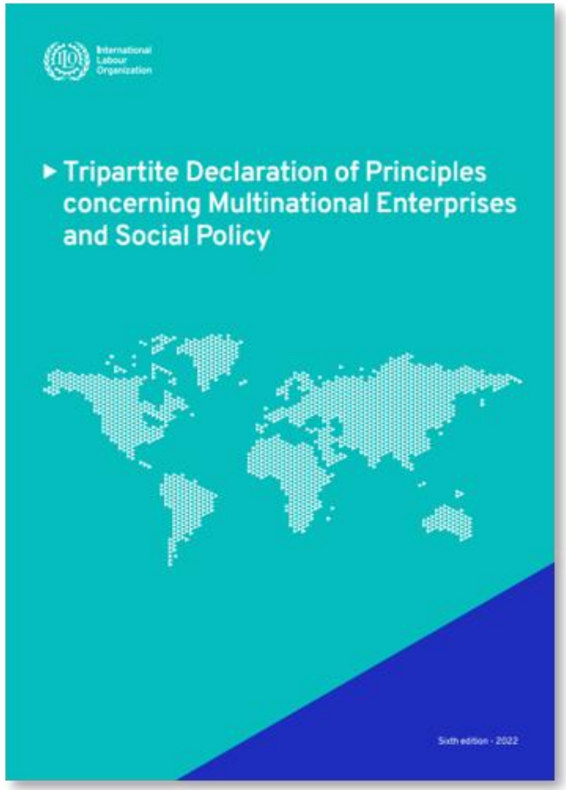
- Trends suggest a shift from voluntary disclosure to mandatory due diligence set to accelerate
- Growing alignment of anti-slavery measures with broader sustainability agendas
- Interconnectedness of modern slavery with issues such as climate change is an emerging area of critical importance.

Human rights guidance



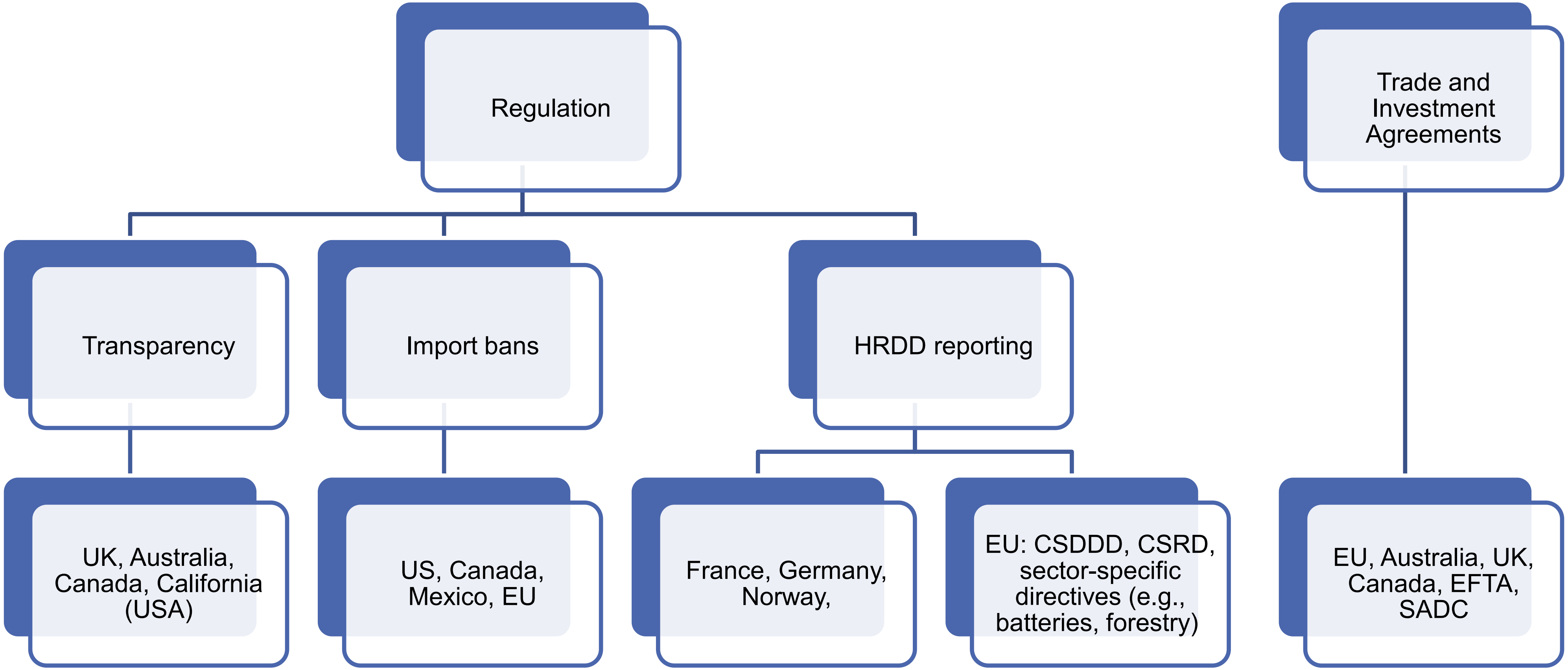


Foundation: International Labour Standards



- Origin: ILO
- International Labour Standards on forced labour:
  - Forced Labour Convention, 1930 (No. 29) - 181 ratifications
  - Protocol to the Forced Labour Convention, 2014 - 65 ratifications
- Fundamental Principles and Rights at Work
- The ILO MNE Declaration
  - Addresses both Government and Business

Drivers of Action to combat forced labour



Workers and their representatives

- Important partners in combatting forced labour
- Often the first to identify risks
- Collective bargaining and social dialogue can help eliminate abusive practices
- Unions can provide trusted channels for reporting and ensure that remediation responds to workers' real needs

ALIGN

Get started!

Familiarize yourself with key frameworks

Download the Guiding Principles, OECD Guidelines, ILO MNE Declaration, and ILO Standards on forced labour to get started

Find the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct here
Read more about the ILO MNE Declaration here
Find the ILO Standards here

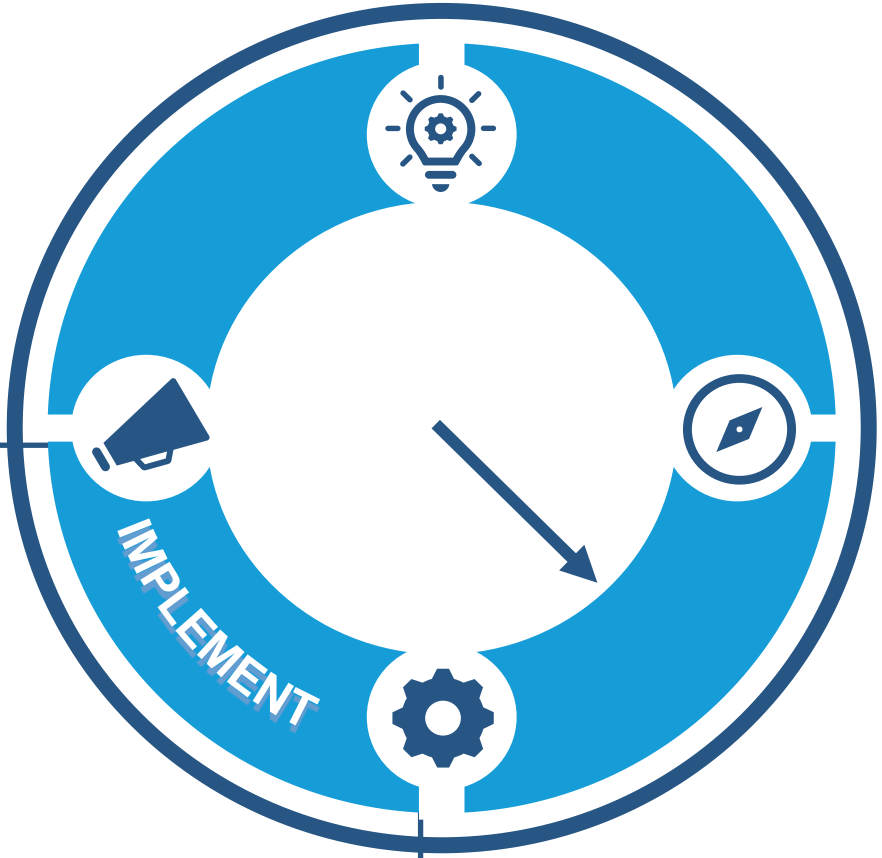
ALIGN

Recap & Tips

Familiarize yourself with key frameworks

Anchor	Treat international labour and human rights standards as non-negotiable baselines.
Embed	Use the UNGPs and OECD Guidelines as practical roadmaps.
Navigate	Build a clear understanding of the regulatory landscape.

IMPLEMENT



Implementing the appropriate processes for due diligence and remedy

Quick Quiz

4. Which case study would you like to explore more deeply?

a. Langkat Palm Oil
b. Bumble Bee Seafoods

A pop up box will shortly ask you to answer this question. If you do not see the quiz in zoom, you can answer in the chat box.

Case Study

Share your thoughts in the chat or via menti

What did the company do wrong?

Forced Labour Due Diligence

How Companies Can Reduce Risk and Protect Workers

1. Identify Risks

- Map the supply chain
- Identify high-risk countries, sectors and recruitment practices
- Prioritize highest-risk suppliers

2. Assess Suppliers

- Go beyond audits
- Engage directly with workers
- Review recruitment, subcontracting and labor providers
- Verify findings using multiple sources

3. Prevent Harm

- Set clear supplier expectations
- Build supplier capability
- Promote responsible recruitment
- Ensure effective grievance mechanisms

4. Respond & Remediate

- Investigate concerns promptly
- Protect affected workers
- Address root causes
- Use responsible disengagement only where remediation fails

5. Monitor & Improve

- Track corrective actions
- Verify improvements
- Continue worker engagement
- Learn from incidents

6. Report & Demonstrate

- Report transparently
- Measure outcomes, not just activities
- Demonstrate continuous improvement

Identify → Assess → Prevent → Remediate → Monitor → Report

ethical supply chain program

The objective is not simply to find forced labour. It is to prevent harm, protect workers and continuously improve supply chain performance.

Effective Remediation

Shared Responsibilities

EMPLOYER / SUPPLIER

- **Stop the abuse immediately**.
- **Protect workers** from **retaliation**.
- **Cooperate fully** with investigations.
- **Develop** and implement a **sustainable corrective action plan**.
- **Remedy harm suffered** by affected workers.
- **Demonstrate sustained improvement**.

CUSTOMER / BUYER

- **Raise concerns** promptly **when risks are identified**.
- **Work collaboratively** with the supplier to **develop a remediation plan**.
- Provide **realistic timeframes** for **corrective action**.
- **Support supplier capability building** through training and guidance.
- **Monitor progress** and **verify improvements**.
- **Recognise** and reward genuine **improvement**.
- Make responsible sourcing **decisions based on progress** & worker outcomes.

How can companies help suppliers improve

Support Capability Building

Collaborate on Improved Systems

Promote & Reward Continuous Improvement

Before Ending the Relationship, Ask:

- ✓ Has the supplier acknowledged the problem?
- ✓ Have affected workers been protected?
- ✓ Is there a credible remediation plan?
- ✓ Is meaningful progress being demonstrated?
- ✓ Is meaningful progress being demonstrated?
- ✓ Would terminating the relationship leave workers worse off?

IMPLEMENT

Get started!

Identify possible forced labour risks to your company

Building on the resources we discussed here, you can also make use of **UNDP's 10 minute risk mapping survey** to start thinking about forced labour risks in your company and supply chain and **Walk Free's Benchmarking Tool** to understand risks related to the way your business is operating.

IMPLEMENT

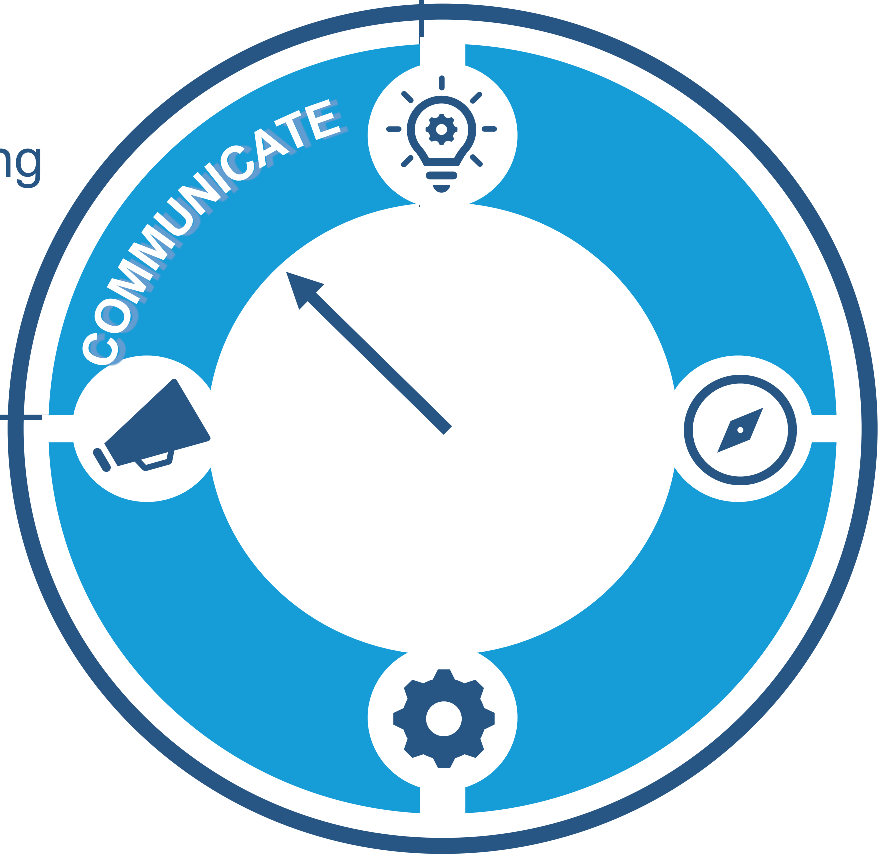
Recap & Tips

Identify possible forced labour risks to your company

Assess	Prioritize risks based on severity and likelihood, focusing on people most at risk. Revisit assessment regularly.
Map	Systematically assess operations and value chain against risk factors to identify where modern slavery is most likely.
Act	Embed risk findings into contracts, audits, and corrective action plans, building capacity across the value chain.

COMMUNICATE

Ensure transparent reporting and disclosure about the company's response to forced labour risk



Why public disclosure matters

ESG Integration

Investors are incorporating modern slavery into their ESG evaluations.

Legal Requirements

Legal requirements regarding modern slavery disclosure are increasing.

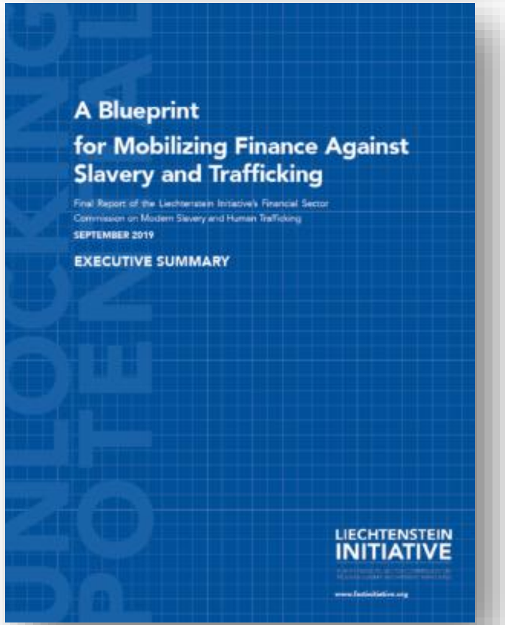
Reputational Damage

Public exposure of modern slavery incidents can harm a company's reputation.

Internal Alignment

Strengthens internal alignment and oversight

What is FAST?

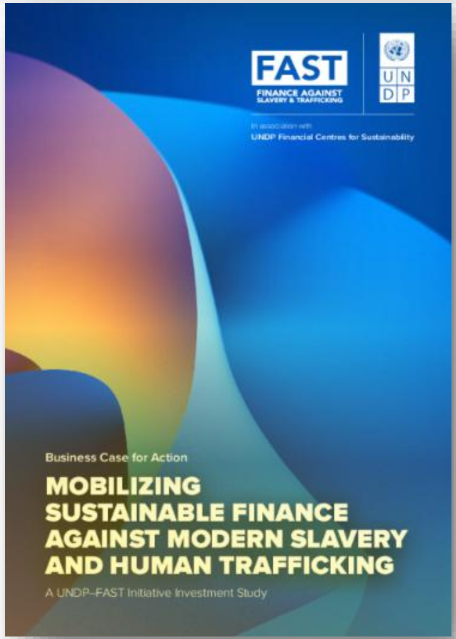


5 Goals for Finance:

1. Compliance with Laws
2. Knowing and Showing Risks
3. Leverage
4. Remedy
5. Invest in Innovation

FAST Workstreams

- Sustainable Finance
- Business + Human Rights
- AML-TIP
- Survivor Inclusion



- US$36 billion annual investment gap
- Impact Integrated Business Case
- Strategic roadmap (financial instruments and global finance tracker)

Forced labour disclosure as decision-useful risk information

Boohoo investors seek £100m in damages after minimum wage row

Legal move follows share price plunge after 2020 reports of company paying workers as little as £3.50 an hour

IndoAgri

Indofood Agri Resources – Material Risks from Contested Land and Labor Issues

Investors use disclosure to assess:

Exposure
Sector, geography, workforce, recruitment model, value-chain tier, high-risk suppliers.

Governance and risk management
Board oversight, senior accountability, HRDD integration, escalation, procurement controls.

Performance and effectiveness (Metrics and Targets)
Supplier mapping, grievance data, worker voice, recruitment-fee repayment, remediation, repeat findings.

Financial implications (Strategy)
Regulatory risk, import bans, litigation, operational disruption, revenue loss, valuation impact.

Input and Output metrics
Investors Against Slavery and Trafficking Asia Pacific

Find it

- Input: supplier mapping, risk assessment, worker voice, grievance channels, sector/geography screening.
- Output: risks identified beyond Tier 1; credible cases surfaced; stronger visibility of high-risk suppliers.

Fix it

- Input: investor engagement, voting, escalation, sustainability-linked finance, thematic/social (debt) instruments.
- Output: capital directed toward prevention, remediation, supply-chain accountability and survivor inclusion.

Prevent it

- Input: governance reforms, procurement controls, responsible recruitment, monitoring, board oversight, repeat-risk tracking.
- Output: fewer repeat findings; reduced recruitment-fee charging; stronger supplier resilience; lower regulatory and reputational exposure.

Input and Output metrics
UN Inter-Agency Coordination Group Trafficking in Persons

Risk identification

- Input: MS/HT integrated into ESG, HRDD, portfolio screening and due diligence.
- Output: clearer exposure data; better risk pricing; improved investor engagement priorities.

Capital allocation and stewardship

- Input: corrective action plans, remediation protocols, recruitment-fee repayment, worker protection, survivor-informed remedy.
- Output: workers compensated; grievances resolved; harms remediated; supplier practices improved.

System-level outcomes

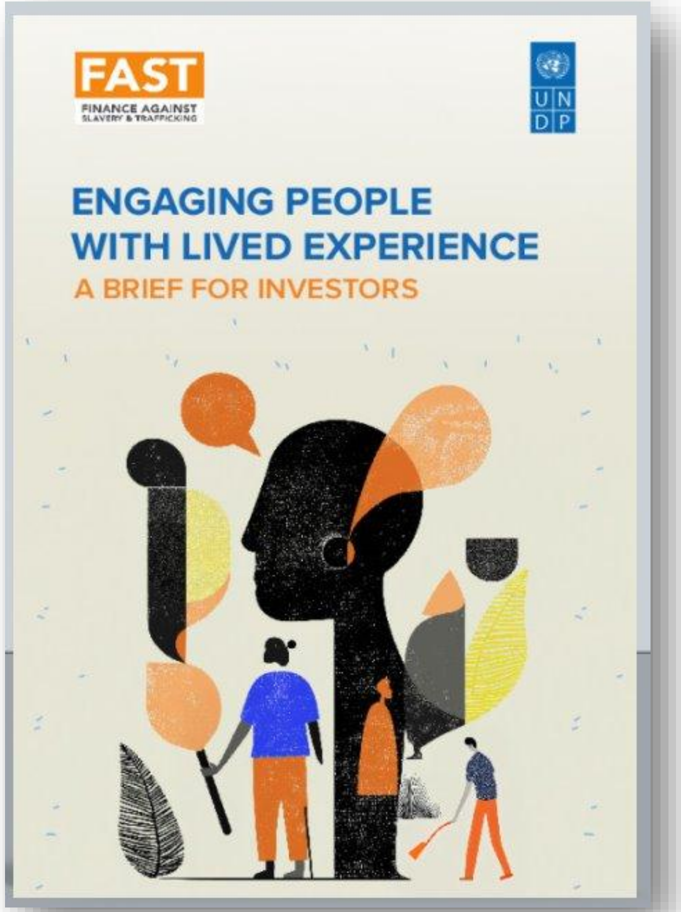
- Input: comparable indicators, disclosure requirements, finance trackers, impact metrics.
- Output: measurable reduction in vulnerability, stronger market accountability, and evidence that financed activities reduce MS/HT risk.

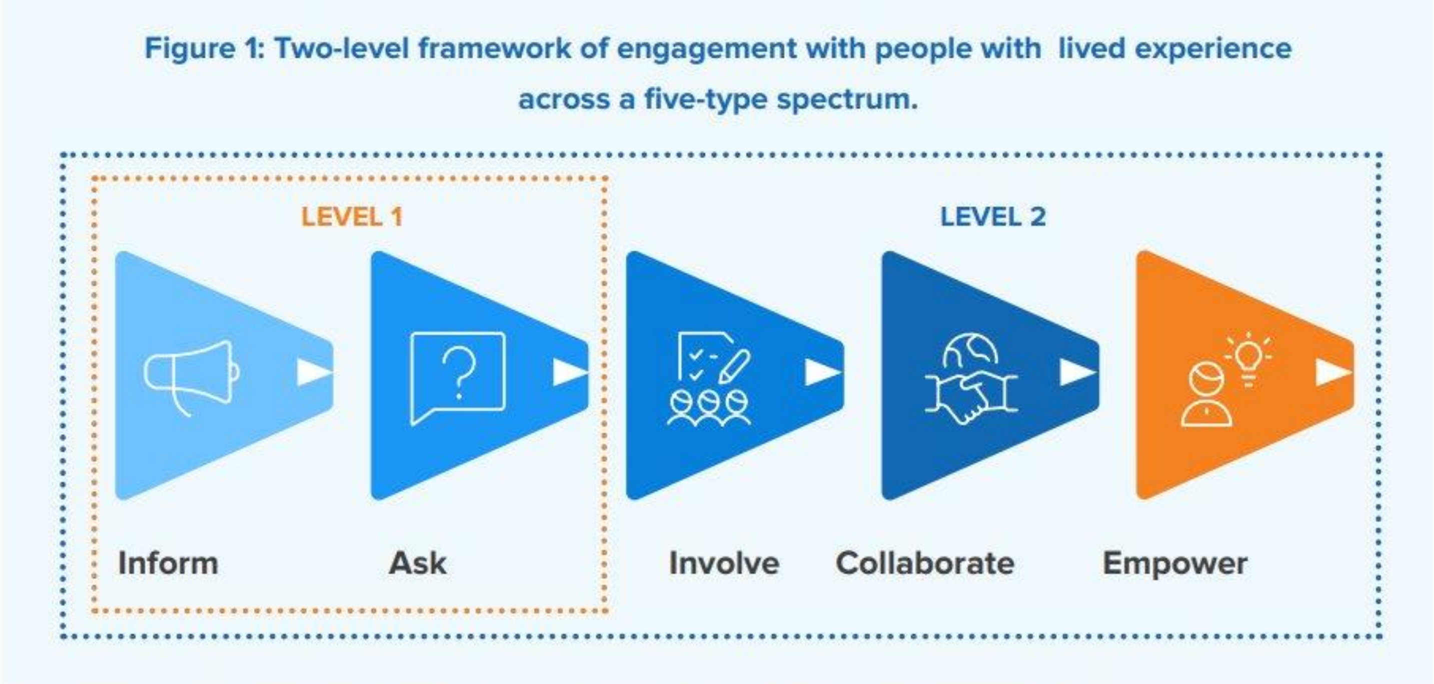
Working with survivor-informed data

The economic and human rights case

- Lived experience expertise
- Financial materiality
- Compliance with *standards*
- Compliance with *legally binding regimes*
- Avoiding regulatory penalties and corporate liability
- Humanization of adverse human rights impacts
- Strengthens compliance with *leading voluntary reporting frameworks*

The survivor and worker perspective





Source: Adapted from the Lived Experience Engagement Spectrum in Ash, C. and Otiende, S. (2025), The Meaningful Engagement Handbook, Collective Threads Initiative.

COMMUNICATE

Get started!

Assess what relevant data is already being collected

Before reporting, you first need to have the right data and information available to disclose. Start by identifying where you are now, then you can begin to chart the path forward.

COMMUNICATE Recap & Tips

Assess what relevant data is already being collected

Measure	Base your reporting on concrete indicators and metrics that track outcomes
Disclose	Publish meaningful information regularly, reporting on your forced labour governance, risk assessment, and due diligence
Improve	Treat disclosure as a tool for continuous learning to strengthen your due diligence process

Quick Quiz

5. How comfortable are you NOW, talking about Forced Labour in a work environment?

Rate your comfort level on a scale of 1-10

(1 for very uncomfortable,

10 for very comfortable)

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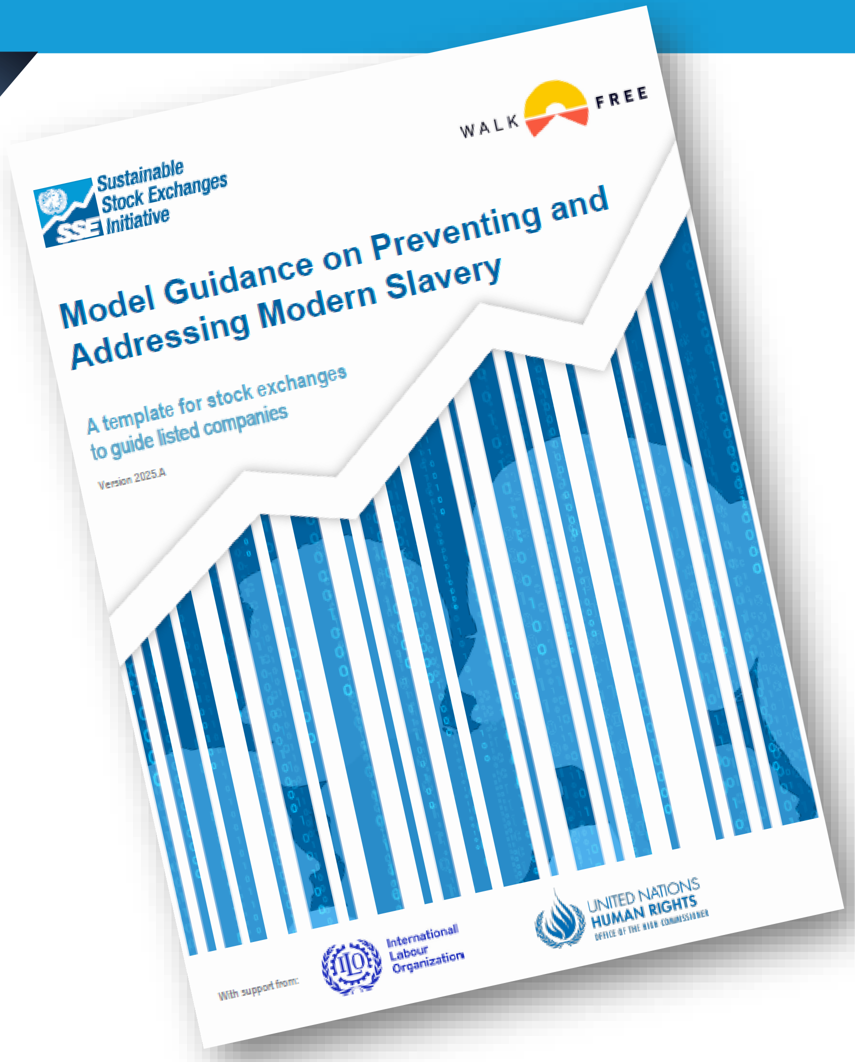
UN SSE CHECKLIST

- Start a conversation
- Familiarize yourself with key frameworks
- Identify possible forced labour risks to your company
- Assess what relevant data is already being collected

KEY RESOURCES

Key Resource



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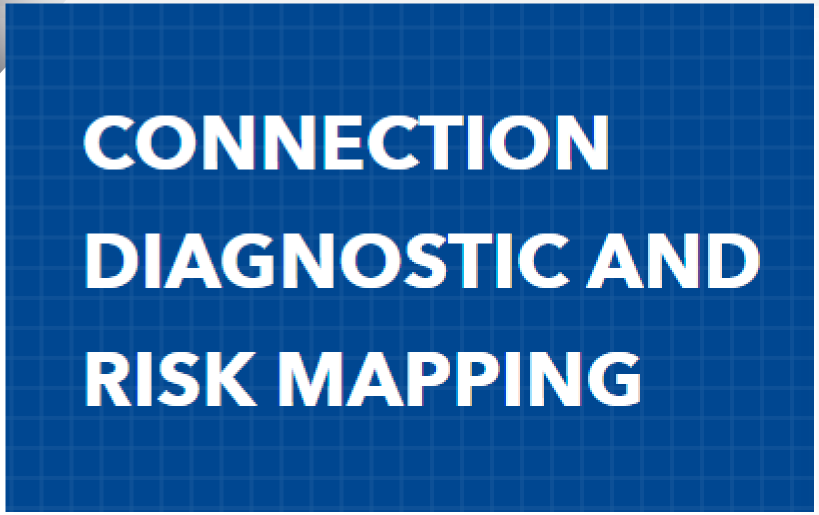
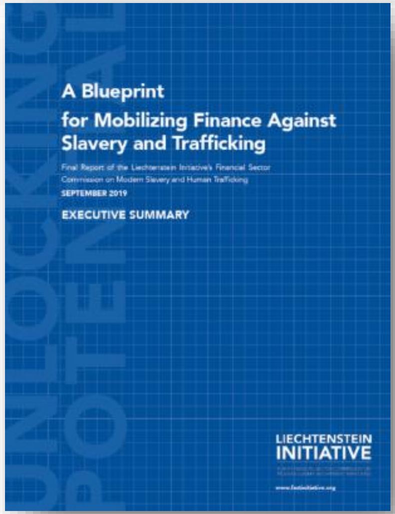
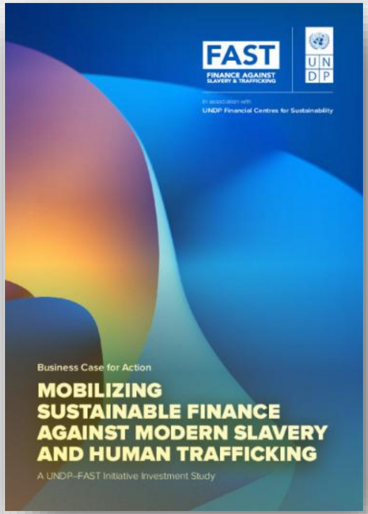
UNDP Tools







Learn about your organization's possible connections to modern slavery and human trafficking.

https://fastinitiative.net/risk-mapping/

Visit:

www.fastinitiative.net

LinkedIn: Finance Against Slavery and Trafficking

Email:

Jill Huinder – jill.huinder@undp.org

FAST@undp.org

ILO Tools

GLOBAL BUSINESS NETWORK ON FORCED LABOUR

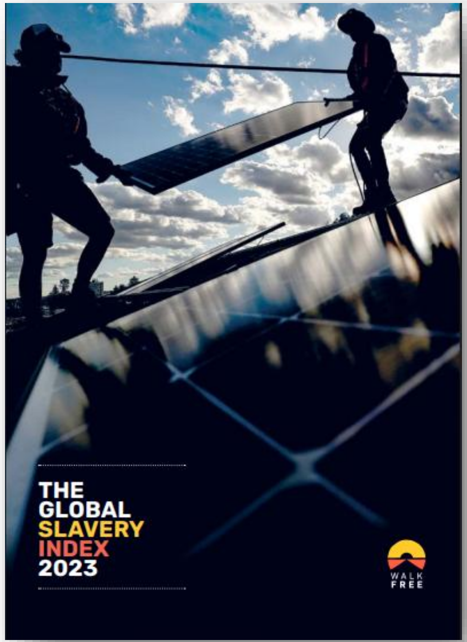
Visit:

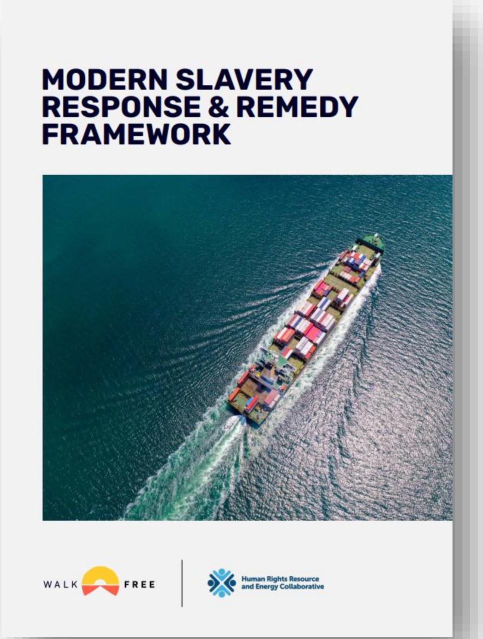
https://www.ilo.org/topics-and-sectors/forced-labour-modern-slavery-and-trafficking-persons

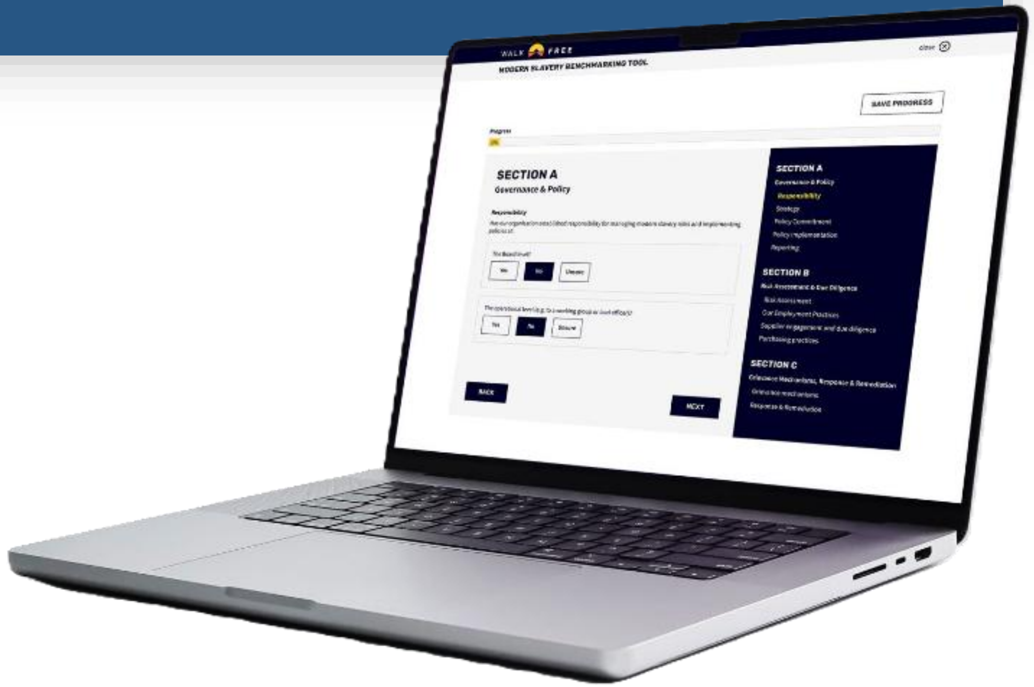
Email:

assistance@ilo.org

Walk Free tools and resources







- **Businesses:** **Modern Slavery Benchmarking Tool**
- **Investors:** **Modern Slavery Business & Investor Toolkit**
- **Policy makers, standard setters, exchanges, etc:** **Promising Practices database**

Help us improve this workshop

Your candid feedback is very valuable to us. Please take a moment to think about how we can further support your efforts to prevent and address modern slavery.

THANK YOU TO OUR OFFICIAL SUPPORTERS

Become an SSE Supporter today!

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Thank you!