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A Growing Problem

Written by
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In recent years, public awareness of human trafficking has increased, along with anti-trafficking action in Congress. Yet the problem persists. It's a human rights catastrophe, claiming more than 20 million victims worldwide. And contrary to the myth that it's a problem "over there," the United States is both a source and destination of victims. With \$150 billion in annual profits, trafficking is the world's fastest-growing criminal enterprise. The reason for the trafficking boom is no mystery: large profits, low risks.

Traffickers work hard to protect their lucrative business model. Victims are lured by the promise of a better life, often paying a fee for the promise of this new opportunity, and when they arrive at their destination, their identification papers are taken away and wages withheld to pay off the enormous debts they incurred and the false expenses manufactured by unscrupulous recruiters. To better protect potential victims, the US government recently banned federal contractors from charging workers recruitment fees at any stage in their supply chains. But the traffickers have caught on and are now charging workers fees under the guise of "mandatory" training or equipment, which they will never receive.

What we need is a comprehensive effort to stay one step ahead of the traffickers and change the financial equation. This must entail an increase in prosecutions, which are so infrequent—fewer than 4,500 convictions worldwide last year—that traffickers enjoy near impunity. But it must also entail an increased effort by businesses, working in partnership with government and law enforcement, to root out the problem. The US economy, still the largest in the world, has global reach; so, too, do efforts by American businesses to eliminate trafficking from their supply chain.

Businesses are starting to recognize that protecting human rights and investing in Environmental, Social and Governance (ESG) factors are important to all stakeholders. Ensuring that supply chains are free of human trafficking helps maintain trust with employees, customers, and investors and reduces risk and liability for companies.


A challenge, however, is measuring the impact of policies and tools designed to protect supply chains from forced labor and other human rights problems. To begin to address this question, the Corporate Human Rights Benchmark, a collaboration between investors, an NGO, a think tank and an

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investor research agency, just launched an effort to quantify the impact of investing in sustainability. This data will be critical for businesses to be able to illustrate to their stakeholders, investors, and customers the link between their sustainable business practices, including removing slavery from their supply chains, and their company performance.

As traffickers change tactics to skirt new laws, it's also vital that companies have policies to encourage transparency and tackle forced labor violations when they occur. These policies should flow down through their entire supply chains because forced labor problems are most likely to occur below the first tier of suppliers.

Both government and the private sector are taking steps to encourage transparency. Enacted in 2010, California's Transparency in Supply Chains Act requires companies to disclose what efforts they are taking to protect their supply chains from forced labor. And now, recognizing that respect for human rights should be a competitive advantage for companies, a group of investors—including firms such as Calvert Investments and Christian Brothers Investment Services, together representing more than \$1 trillion in assets under



Hawaii Bans Sex Trafficking

On July 5th, 2016, Governor David Ige signed a new bill into effect to explicitly ban sex trafficking. This became a historic day as **Hawaii** was the last US state to prohibit sexual slavery.

Thankfully, victims will now receive support services and be treated as victims of violent crimes. Such victims will have greater protection under the law and will no longer be forced to testify.

Learn More: www.capitol.hawaii.gov

Modern Slavery is a Brutal Reality Worldwide. Here is the Estimated Number of People Living in Slavery in 2016



Source: *The Global Slavery Index 2016*

The Prevalence of Modern Slavery: According to the 2016 Global Slavery Index, there are more than 45 million people living in modern slavery across the globe. India, China, Pakistan, Bangladesh, and Uzbekistan are the five countries with the most prevalent number of people in modern slavery. The available low-cost labor is a factor in some of these countries. On the other end of the spectrum are the countries with the lowest estimated prevalence of modern slavery including Luxembourg, Ireland, Norway, Denmark, Switzerland, Austria, Sweden, Belgium, the US, Canada, Australia, and New Zealand.

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management—are advocating for increased transparency in supply chains to better assess a company's exposure to human rights concerns.

At the same time, the marketplace is beginning to reward companies that are diligently working to protect their supply chains. An innovative, collaborative effort by the International Finance Corporation (IFC), the International Labor Organization (ILO), and participating brands is rewarding suppliers' performance on a set of sustainability factors, with a favorable lending rate far lower than what the supplier would qualify for on the commercial market. The Global Trade Supplier Finance program pegs lending rates to the strength of anti-trafficking efforts and other sustainability measures to incentivize suppliers to institute essential reforms.

Human Rights First is partnering with the corporate community and pressing for collaborations like the Global Trade Supplier Finance program and other public sector efforts that incentivize business to increase their efforts to protect their supply chains from forced labor because we believe this will be critical in dismantling the business of human trafficking.

As part of their commitment to eliminate modern slavery, organizations need to evaluate their supply chains to determine the greatest areas of risk as it pertains to modern slavery. Part of the analysis should examine factors such as industry, geographic location, and the nature of the work being performed, as part of the organizational program to prioritize due diligence efforts.



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The Campaign to Dismantle the Business of Human Trafficking

Globally there are an estimated 20.9 million victims of modern-day slavery, generating \$150 billion annually in illicit profits. With its history of slavery the United States has a moral responsibility to address this crime, and its legacy heightens this imperative.

As ambassadors of this important campaign we advocate for strategies to eradicate modern slavery that increase the risk to perpetrators and diminish their profits through a multi-sector approach involving the U.S. government, private sector, and civil society. This strategy includes pressing the U.S. government to:

1) Increase prosecutions of all criminal actors involved, to increase accountability and risks to perpetrators; **2) Strengthen partnerships with the private sector;** businesses, in partnership with government and civil society should adopt best practices to protect their supply chains from forced labor; and, **3) Increase resources** to create more sustainable efforts to combat this crime.

For more information please visit humanrightsfirst.org or email us at anti_trafficking_campaign@humanrightsfirst.org

Campaign Ambassadors

Elisa Massimino, Human Rights First; The Honorable **Louis J. Freeh**, Freeh Group International Solutions, Former Director, FBI; **General Charles C. Krulak**, USMC (RET.) Former Commandant, USMC; **David Abramowitz**, Humanity United; **Ernie Allen**, Allen Global Consulting LLC; **Anita Alvarez**, State's Attorney, Cook County, IL; **David Arkless**, CDI Corporation; The Honorable **William A. Bell**, Mayor, Birmingham, AL; **Laurel Bellows**, The Bellows Law Group; **Marilyn Carlson Nelson**, Carlson; **Fran Della Badia**, Retail Executive, Formerly of Coach, Inc.; **Katherine Fernandez Rundle**, State Attorney, Miami-Dade County, FL; **Michael Gerson**, *The Washington Post*; **Barry Koch**, Investigation Division, DANY; The Honorable **Mark P. Lagon**, Freedom House; The Honorable **Daniel E. Lungren**, Lungren Lopina LLC; **Amy Lyons**, Bristol-Myers Squibb; **Cindy McCain**, Arizona Human Trafficking Council; **Jacqueline D. Molnar**, Western Union; **Kenneth Morris**, Frederick Douglass Family Initiatives; **John Pepper**, National Underground Railroad Freedom Center; **Lisa Prager**, Schulte Roth & Zabel LLP; The Honorable **Kasim Reed**, Mayor, Atlanta, GA; **Bart Schwartz**, Guidepost Solutions LLC; **Dr. Donna Shalala**, Clinton Foundation; The Honorable **Olympia Snowe**, Bipartisan Policy Center; **Tracy Thompson**, NJDCJ; The Honorable **Melanne Vermeer**, Georgetown Institute for Women, Peace, and Security; and **General Charles E. Wilhelm**, USMC (RET.), U.S. Southern Command.