

# HUMAN TRAFFICKING: CAUSE AND CURE

How Forced Labor Creeps Into Your Supply Chain...  
And How to Keep It Out

IT'S HARD TO IMAGINE ANY COMPANY ACTUALLY  
CONDONING THE USE OF **HUMAN TRAFFICKING** IN ITS  
SUPPLY CHAIN. NO COMPANY WOULD ASK ITS SUPPLIERS  
TO USE FORCED LABOR. HOWEVER:

**21 million**

men, women and children are still  
the victims of modern slavery.

► **\$150 billion** Estimated illegal profits generated every year

► **136 products from 74 countries**

– from carpets in Nepal to fish in Thailand – are produced by forced labor

## HOW HUMAN TRAFFICKING HAPPENS

### MAXIMIZE PROFITABILITY

Companies want to produce goods as efficiently as possible to maximize profitability.

*To achieve this, there's often pressure to source components as cheaply as possible.*

### SUPPLIERS COMPETE ON PRICE

Who can produce with quality and reliability at the lowest out of pocket for the manufacturer?

*These Tier 1 suppliers, who've promised quality with efficiency, then look for the same promise from their own suppliers (sub-tiers), and so on down the line.*

### PRESSURE ON PROFITABILITY



So, the deeper the tier of the supply chain, the more pressure there is on keeping costs down.

**And labor is one of the primary targets for cost savings.**

WHY PAY WORKERS WHEN YOU CAN EXPLOIT THEM FOR FREE?

WHEN YOU CAN EXPLOIT THEM FOR FREE?



In populous, developing regions like southeast Asia, there's no shortage of poor, under-educated people desperate for work.

*In many cases, a supplier's supplier will hire "labor brokers" to bring these workers to the factory, farm or fishing boat.*

While labor brokers often play a legit and useful role in connecting companies to workers, global fair labor organization Verité calls the labor broker system

**"often opaque, sometimes corrupt, and largely lacking in accountability"**



Labor brokers will attract workers under the deceitful promise of a decent day's pay (this is the human trafficking that leads to forced labor).



After the forced labor victims are delivered to the supplier, instead of getting the pay they expect, they are forced to work long hours for no or little compensation, they're often beaten, and they're often held captive.



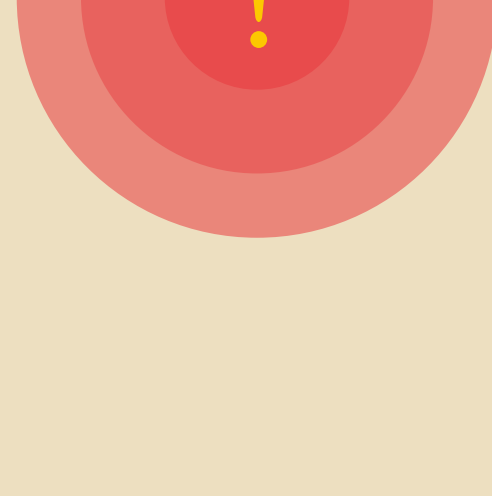
Because the labor brokers often bring them across international borders, the workers don't have the money or means to travel back to their homes if they were to get free. They are trapped.

**And because these practices often occur deep in the supply chain – where the suppliers of the suppliers and the suppliers of those suppliers operate – the the company that was looking to produce our food, makeup or mobile phone as quickly and profitably as possible has no idea it's going on.**

## HOW DATA AND ANALYTICS CAN KEEP IT OUT

### POTENTIAL RISK

Data and analytics are critical to creating a comprehensive, up-to-date and global view of human trafficking and forced labor risk in your supply chain. Data and analytics let you know where to focus your scrutiny on areas of highest potential risk.



HERE ARE THE FIVE KEYS TO DOING THIS EFFECTIVELY:

- **1 CREATE A HOLISTIC VIEW TO IDENTIFY RISKY SUPPLIERS.**  
Paint a complete picture of each supplier's corporate structure - including the parent company and subsidiaries.
- **2 ACT ON THE DISCOVERY.**  
Prioritize your customer base on whom to monitor first.
- **3 COMPLY AND REPORT.**  
Ensure that you track your status versus your internal goals and external regulations.
- **4 ADJUST AND MITIGATE.**  
Take immediate action to replace suppliers who have high risk of connection to forced labor.
- **5 MONITOR CONSTANTLY.**  
Stay on top of regulations and new hot spots - industries and geographies with higher likelihood of human trafficking.



## HOW DUN & BRADSTREET CAN HELP

With the launch of our new Human Trafficking Risk Index, we aim to help our customers combat this - empowering them to proactively shine the light on those dark corners of their supply chains and make sure they aren't inadvertently supporting these unethical labor practices.

Are you sure you aren't supporting forced labor? Visit

**[DNB.COM/HTR](https://dunb.com/htr)**

now to learn more.

dun & bradstreet

SOURCES: U.S. Department of Labor, International Labour Organization, Verité