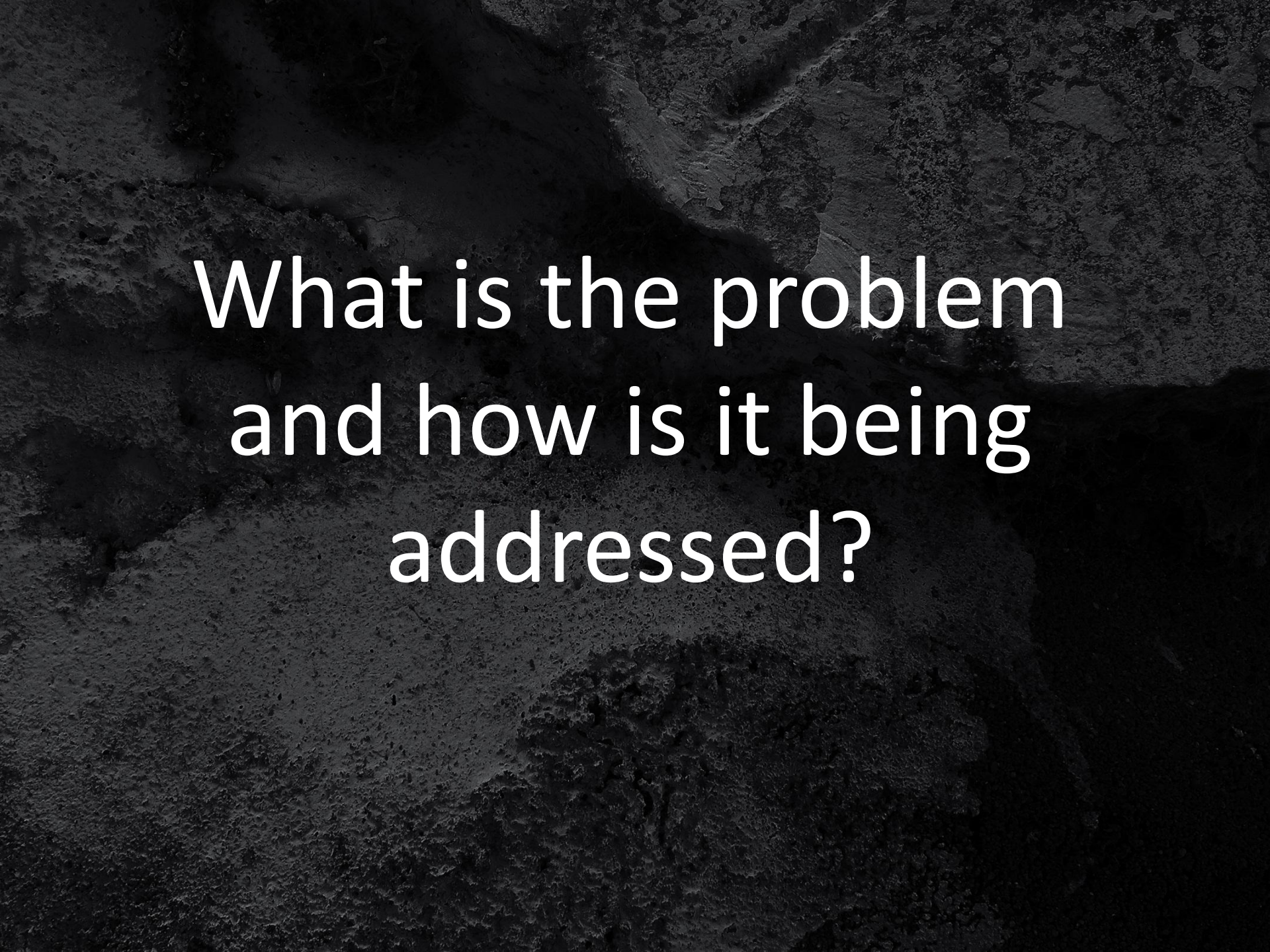




# Human trafficking: **Slavery** in our day and age



What is the problem  
and how is it being  
addressed?



# Forced Prostitution

**Fact:** 4.5 Million girls/women





# Slave Boats

**Fact:** 40,000 men/boys in Thailand





**Fact:** 14.2 million men,  
women and children

# Sweat Shops





# Domestic Servitude

**Fact:** 5.5 million women and girls



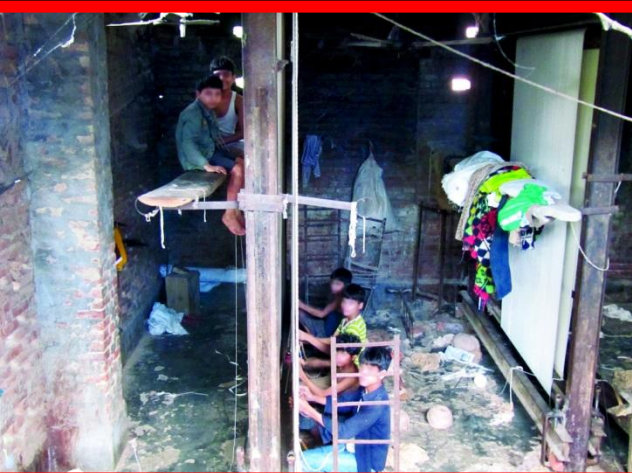


# What about our children?

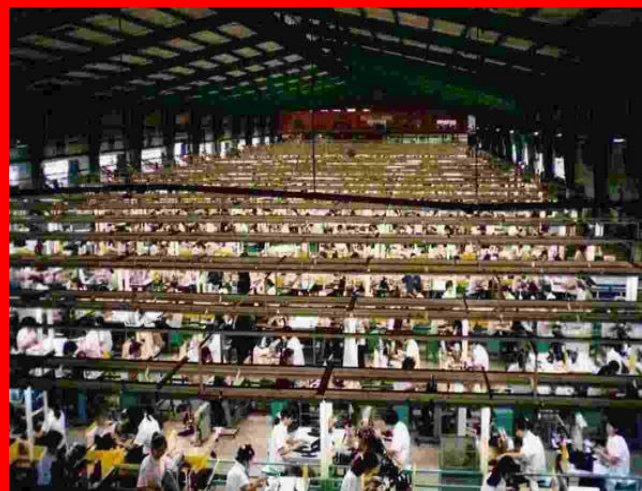
Fact:

5.5 million children





**Human  
Trafficking:  
Where misery  
thrives**





# Trafficking Adults (age 18)

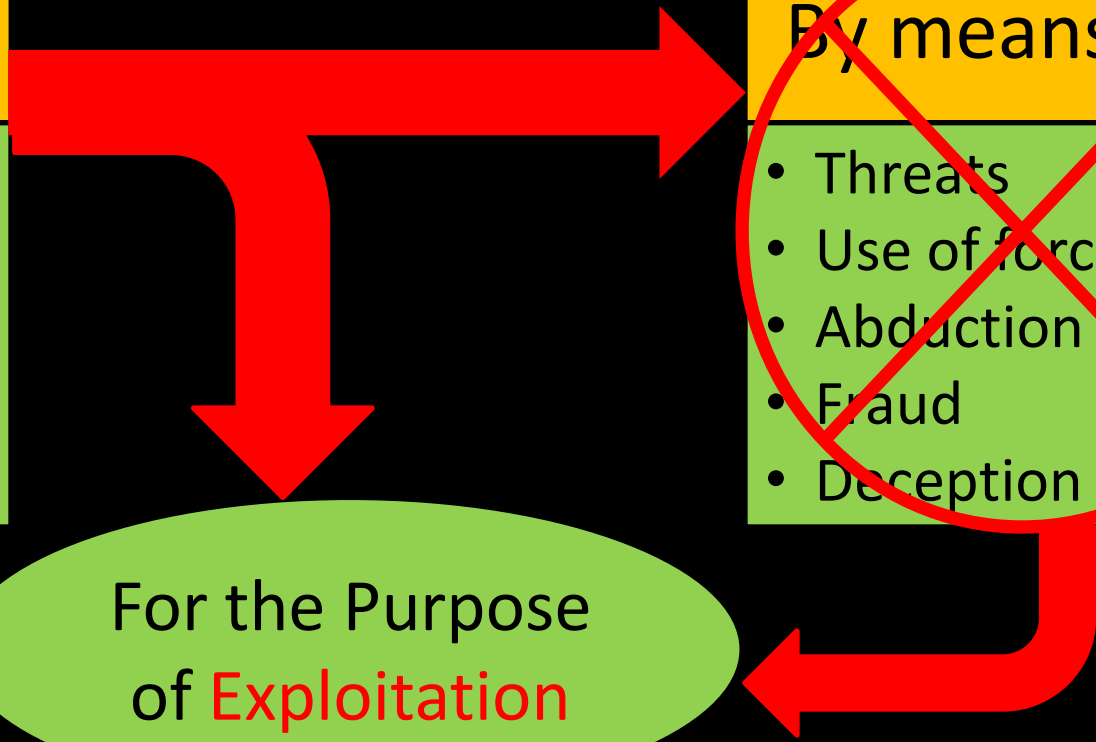
## The act...

- Recruitment
- Transportation
- Harboring

## By means of...

- Threats
- Use of force
- Abduction
- Fraud
- Deception

For the Purpose  
of **Exploitation**



# Human Trafficking = Slavery

## Withholding Wages

Debt and other forms of bondage

Retention of identify documents

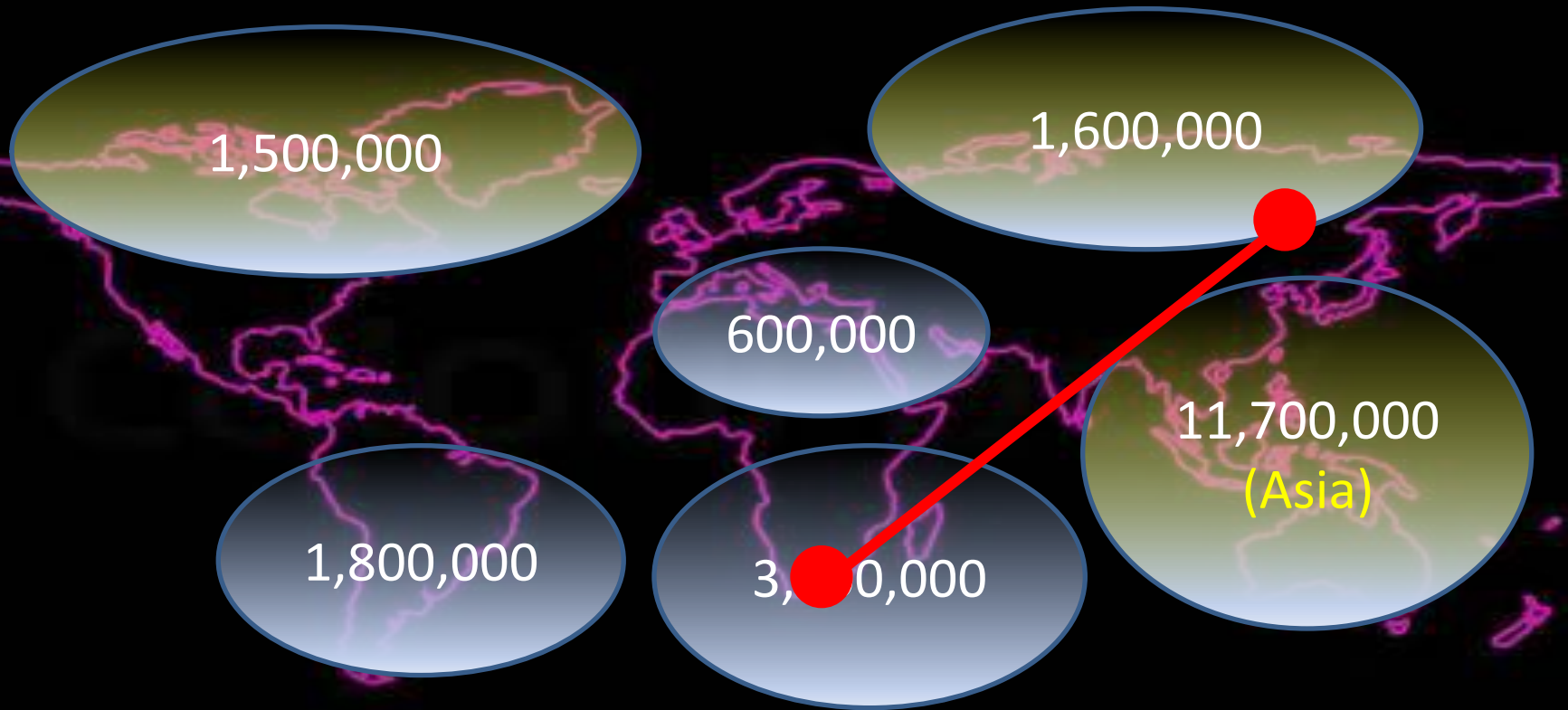
## Restricted movement

Physical and sexual violence

Threats to self or family

**Slavery  
Markers**

# There are 21,000,000 Slaves!



# Global Ranking

1)	India	13,900,000
2)	China	3,000,000
3)	Pakistan	2,200,000
4)	Nigeria	700,000
5)	Ethiopia	650,000

**Hong Kong:** 1,550

**Slavery Index: 2013**

# Rate of Exploitation



**2.1 million** new slaves per year



**5,800** new slaves per day

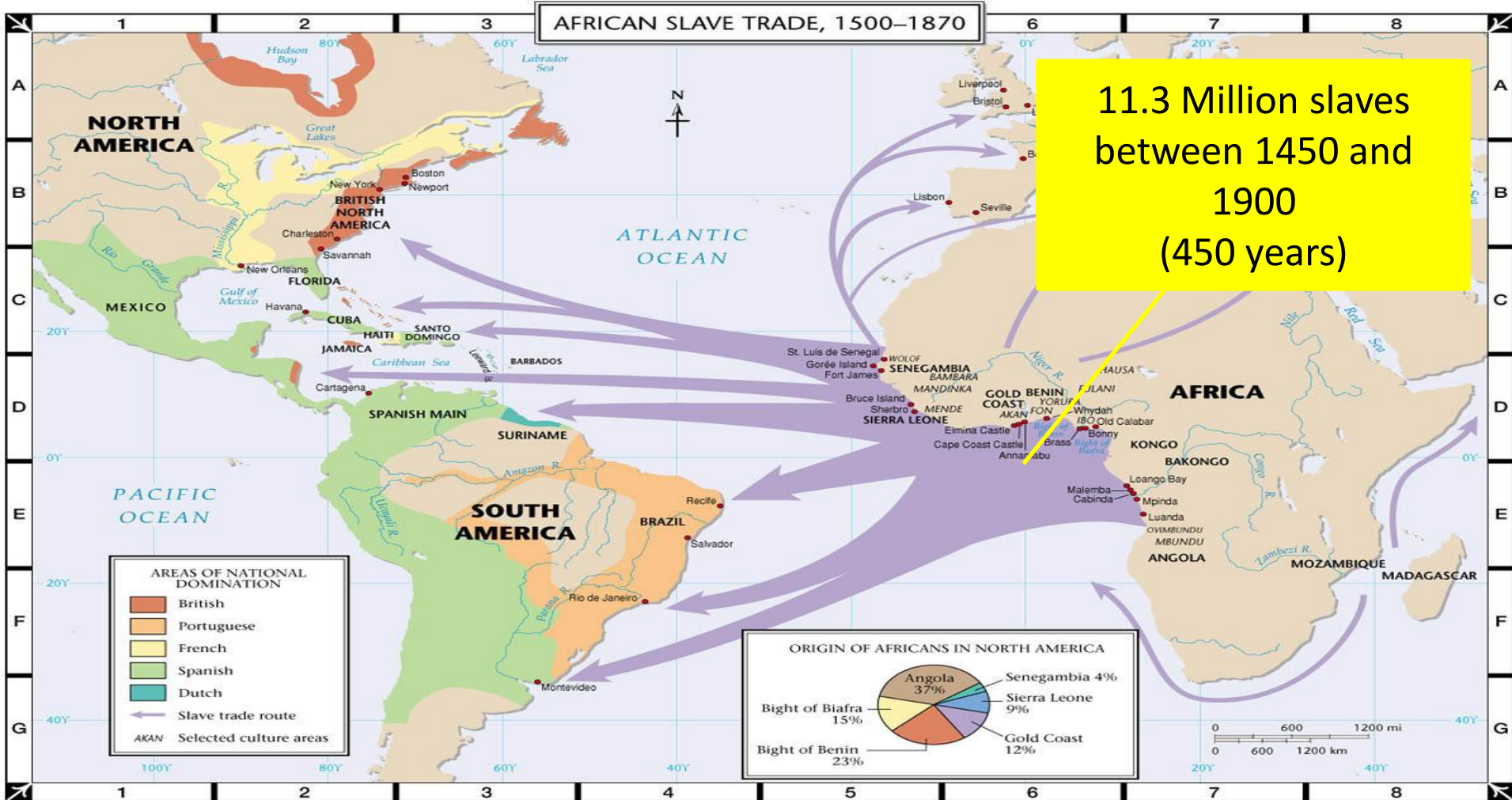


**240** new slaves per hour



**1 new slave** every 15 seconds

# Historical Perspective

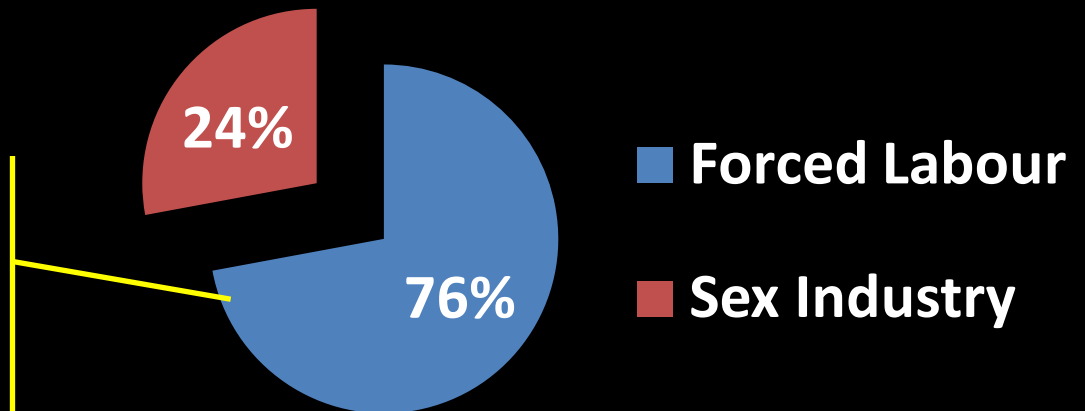


# Breakdown of Figures



## Forced Labor versus Forced Prostitution

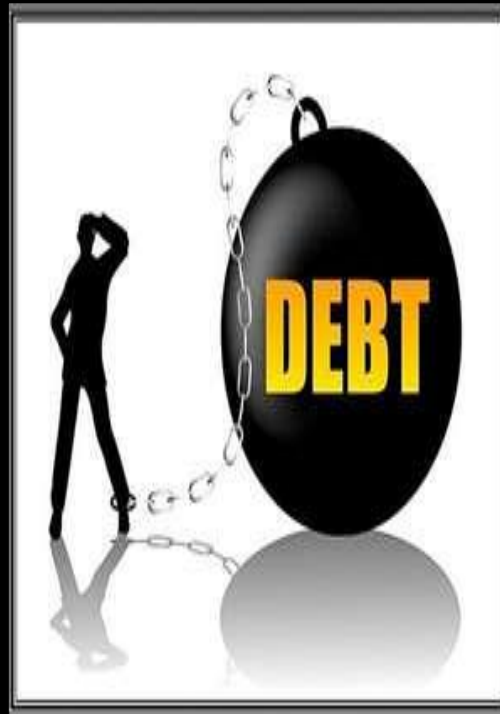
60 percent of the cases are associated with product supply chains (the items we all buy)



# How does the Process Work?



**Deception and  
Lies**



**Family Debt**



**Kidnapping**



# Price of a slave: Then and Now

An average slave in the American South in 1850 cost the equivalent of \$40,000 in today's money



Today a slave costs an average of \$90

# What Motivates Traffickers



# Who are the Criminals?

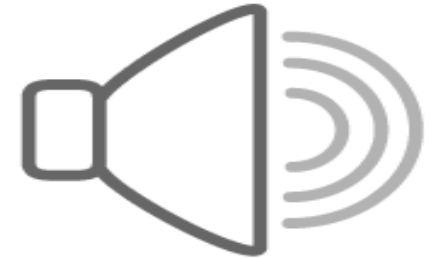


Recruiters

# Traditional Responses?

## Prevention

- Mongolia cellphone
- Nepal peoples tree



- Going after the "bad guys"
- Putting the criminals in jail

## Legal Response

## Victim Support

- Helping the victims
- Job Training



# Who are the traditional responders?

## Government

- Raids and rescues
- Sending victims home
- Helping victims

## United Nations

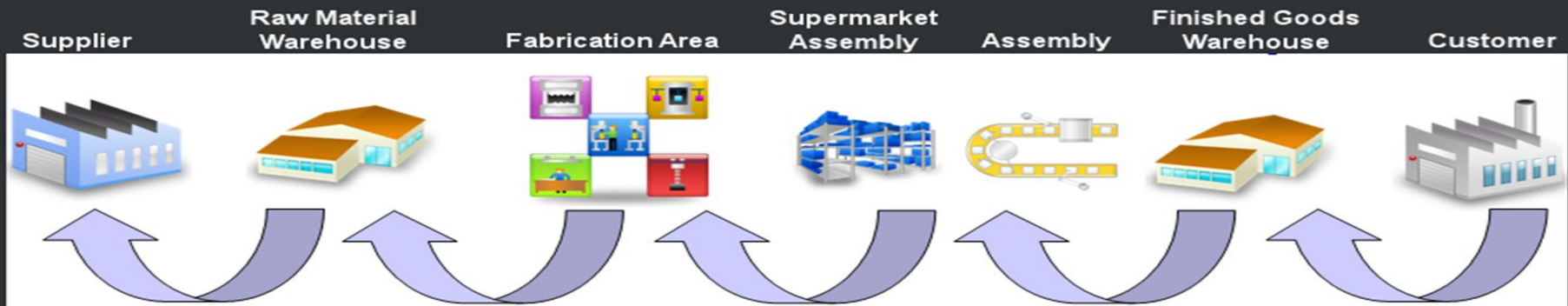
- Human rights
- Research
- Repatriation

## Civil Society

- Prevention
- Victim support
- Legal support

# New Responders

- Private Sector
- Consumers

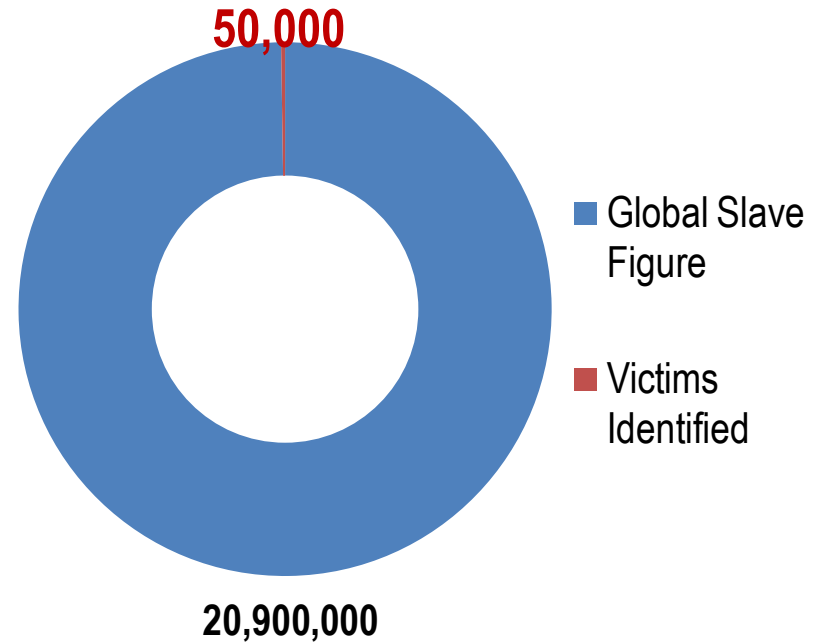
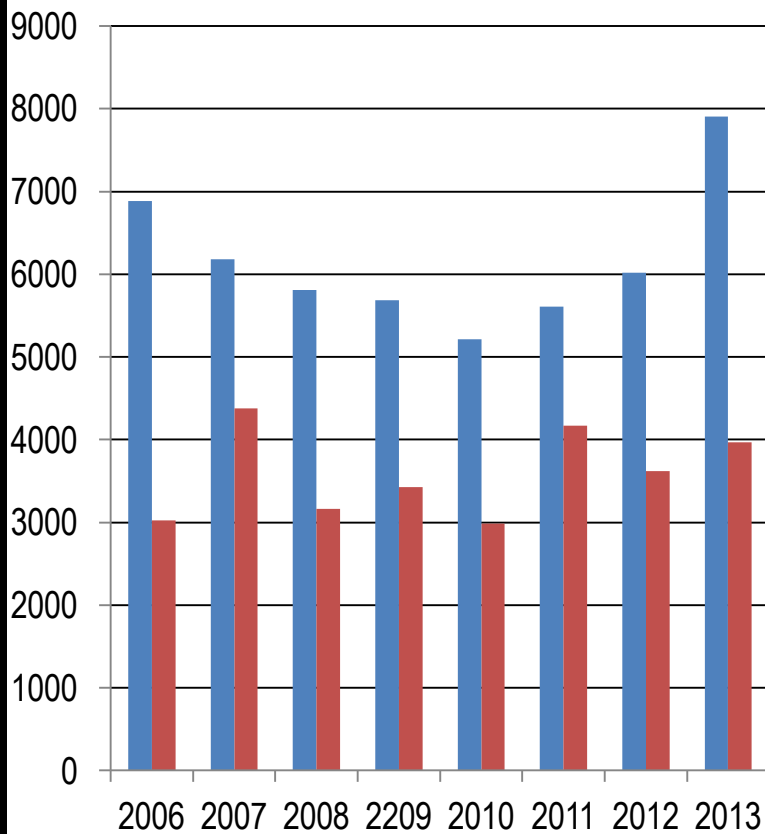


# Hong Kong

- **Cases found in:**
  - Sex industry
  - Unpaid labor
  - Domestic Servitude
- **Up until recently:**
  - Limited Arrests and Prosecutions
  - Limited social services
  - Law and Operational Plan absent



# How are we doing?



**4,000  
Convictions**

**50,000 Victims  
Helped**

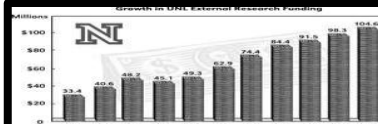


# Profits Versus Funding

This is more than the Profits  
of the Top Earners of last year  
Combined



0.23%



Annual Profits from Trafficking in Persons  
**\$150 billion**

Annual Amount spent on  
potato chips in America:  
**\$6 Billion**

Annual support for  
trafficking of persons:  
**\$350 million**

What is the Relevance  
of this topic to the  
Private Sector?

# There is a New Wave of Activism Focused on Slavery

# 1



# Expanding Resources

# 2

## Legislation Is Expanding

1. U.S. FAR Subpar 22.15: prohibition on federal procurement officials purchasing goods made with child labor.
2. The Trafficking Victims Protection Act of 2000 (TVPA), along with its subsequent amendments and reauthorizations, prohibits U.S. government contractors, subcontractors, and their employees from engaging in “severe” forms of trafficking
3. International Labor Organization Conventions 29, 105, 138 & 182: Provisions ratified by up to 175 countries towards the elimination of forced and child labor.
4. “Strengthening Protections Against Trafficking in Persons in Federal Contracts”; the Ending Trafficking in Government Contracting (ETGC) provisions of the Fiscal Year 2013 National Defense Authorization Act
5. UN Principles on Business and Human Rights 2011, covering: 1) the State Duty to Protect Human Rights; The Corporate Responsibility to Respect Human Rights; and the need for greater Access to Remedy for victims of business-related abuse.
6. European Union Council Decision 2006/618/EC: Requires each EU member state to adopt measures to prevent and combat trafficking in persons.
7. H.R. 2759, the Business Transparency on Trafficking & Slavery Act (federal version of the California Act.)
8. Future: UK and EU versions of similar Acts

# Basic Intention of this Legislation

- To create anti-human trafficking policies to detect, deter, and report human trafficking-related activity
- To encourage training programs
- To provide for responsible internal program oversight
- To encourage more third-party auditing and review

# One Example

## California Transparency in Supply Chains Act (SB 657)

# Background

- **When?** As of January 1, 2012.
- **Who?** All retailers and manufacturers with annual global revenues over \$100 million who do business in California
- **What?** Businesses must disclose *on their website homepage* what they are doing to remove slavery from their supply chains
- **Why?** “To educate consumers on how to purchase goods produced by companies that responsibly manage their supply chains”



# Five Requirements

- 1) **Verification:** Verify product supply chains to evaluate and address risks of human trafficking and slavery
- 2) **Auditing:** Perform independent supplier audits to evaluate compliance with company standards
- 3) **Certification:** Require certification by direct suppliers that materials incorporated into company products comply with the laws regarding slavery and human trafficking of the country or countries
- 4) **Internal Accountability:** Maintain internal accountability standards and procedures for employees or contractors that fail to meet company standards on slavery and trafficking
- 5) **Training:** Train relevant company employees and management on human trafficking and slavery, particularly concerning the mitigation of risk within supply chains.



# Penalty for Non-Compliance

- The California Attorney General will order the company to take **remedial action**
- Non-compliance may result in “**naming and shaming**” by advocacy groups and media



# Corporate Response: Ford



## Rosie the Riveter Worked at Ford

Facebook Slideshow: The WWII icon was once portrayed by Ford worker Rose Will Monroe. View some of our wartime female employees.



## All-New Ford Focus Debuts in ASEAN

The new Ford Focus debuts at Bangkok International Motor Show, setting new smart technology, fuel economy and design standards.



## Social Media Expands Ford Customer Service

Ford Customer Service Division reaches new audiences by using social media to engage with customers in real time.

Shop for a Vehicle

Search



## Dealership Employees Honored

The 2011 Employee Excellence Award is recognition for front-line dealership employees scoring the highest in customer satisfaction, sales and training.



## Ford Volunteer Corps Aids Local Families

Volunteers are galvanized to meet urgent community needs on Ford Accelerated Action Day.

21 Mar 2012

## Our Company

[Ford Global Sites](#)  
[Sustainability](#)  
[Ford Heritage](#)  
[Operations Worldwide](#)  
[Ford in the Community](#)  
[Ford Motor Company Fund](#)

## Vehicles

[About Ford & Lincoln](#)  
[Global Models](#)  
[Ford's Story](#)  
[Ford's DNA](#)  
[Auto Shows](#)

## Investor Relations

[Financial Reports & SEC Filings](#)  
[Stock Tools & Information](#)  
[Buy Ford Stock](#)  
[Investor News Alerts](#)  
[Corporate Governance](#)

## People & Careers

[Career Paths](#)  
[Diversity at Ford](#)

## News Center

[Media Newsroom](#)

## Ford Marketplace

Visit our global outlet showcasing Ford Merchandise

## Connect With Ford

[Facebook](#) [Twitter](#) [Flickr](#) [YouTube](#)



# Corporate Response: Ford

Report Home | Contact | Downloads | QR Index | UNCC Index | Site Map | Glossary

Fast track to data

OVERVIEW OUR OPERATIONS MATERIAL ISSUES GOVERNANCE ECONOMY ENVIRONMENT SOCIETY

MATERIAL ISSUES

- Materiality Analysis
- Climate Change
- Water
- Supply Chain
  - Supplier Relationships
  - Human Rights in the Supply Chain: Ford's Global Working Conditions Program
  - Sustainable Raw Materials
    - Conflict Minerals
    - Case Study: Forced Labor in the Pig Iron Supply Chain in Brazil
    - Supply Chain Environmental Sustainability
    - Supplier Diversity Development
  - Vehicle Safety and Driver-Assist Technologies
  - Sustaining Ford
  - Perspectives on Sustainability

Toolbox

- Print report
- Download files
- Share this page

## Case Study: Forced Labor in the Pig Iron Supply Chain in Brazil

In 2006, Ford discovered that charcoal produced in Brazil with the use of slave labor had found its way into our supply chain. Pig iron is a key ingredient in steel production, and in Brazil, charcoal is often used as fuel in the production of pig iron (see the [Pig Iron Producers](#) graphic below). The charcoal is made from wood harvested in remote areas of Brazil where instances of forced labor have been found to occur. At the time this issue was brought to our attention in 2006, pig iron was purchased directly by Ford and used at our Cleveland Casting Plant.

When we learned of the situation, we immediately stopped sourcing from the site that was identified in the investigation, but continued dialogue and assisted in management systems development with the supplier until such time as the supplier could ensure it was not supporting forced labor in the supply chain for pig iron. We then identified all potential points of entry for pig iron in the Ford value chain and engaged with all relevant suppliers, seeking assurances from them that forced labor was not employed anywhere in their value chain. This included an intensive mapping of five to six tiers of suppliers (including importers, exporters and trading companies). We also requested additional detail regarding our Tier 1 suppliers' systems for safeguarding human rights throughout their operations, including procurement.

The Cleveland Casting Plant was closed in 2010, and Ford no longer directly purchases pig iron. Regardless, we have continued, through integrated [supplier development programs](#) to convey our prohibition of forced labor and validate, where possible, supplier compliance. Validation continues to be challenging given the number of supply chain actors between Ford and the charcoal camps in Brazil. For this reason, in 2011 we renewed our inquiry into the potential points of entry for Brazilian pig iron and our supply chain and are evaluating specific supplier progress on management systems to ensure responsible procurement of this material. We also are working with the U.S. State Department, the International Labor Organization and the governing committee of the Brazilian National Pact to Eradicate Forced Labor to seek multilateral solutions that will help to validate information and improve transparency. Ultimately, we hope to enable responsible purchasing decisions throughout the supply chain.

### California's New Transparency in Supply Chains Law

Beginning in 2012, many companies manufacturing or selling products in the state of California will be required to disclose their efforts (if any) to address the issue of forced labor and human trafficking, per the California Transparency in Supply Chains Act of 2010 (SB 657). This law was designed to increase the amount of information made available by companies with regard to efforts to eradicate forced labor and human trafficking, thereby allowing consumers to make better, more informed choices regarding the products they buy and the companies they choose to support.

Forced labor and human trafficking can take many forms, including child labor. Ford has a zero-tolerance policy for both forced labor and child labor. As evidenced through our work with charcoal/pig iron in Brazil, we immediately took the opportunity to address the threat of this issue deep within our supply chain and have instituted a number of actions to safeguard against the use of forced labor. For example:

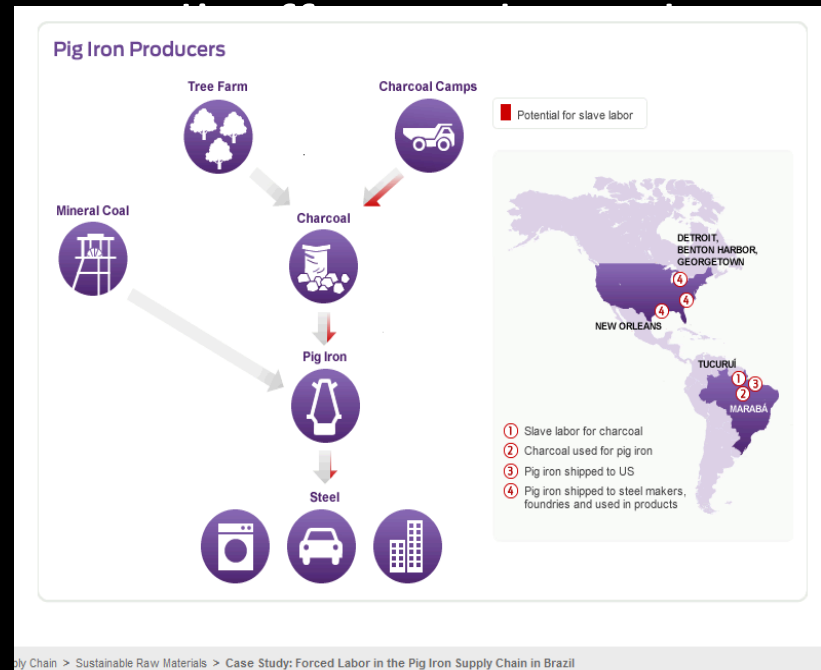
- We regularly assess risk related to our supply base. Preliminary assessment is based upon geography, the commodity purchased, the level of manual labor required for parts/assembly production, the supplier's ownership structure, supplier quality performance and the nature of the business transaction. This risk assessment is performed by Ford with input from external stakeholders. In-depth supplier self-assessments are conducted biannually with our [strategic suppliers](#) as a part of the development program.
- Our [Code of Basic Working Conditions](#) forbids the use of forced labor, child labor and physically abusive disciplinary practices. Our definition of forced labor is inclusive of trafficking, and this is being made explicit in 2011 revisions to our Code.
- Ford purchase orders require the certification of compliance with our prohibition of forced labor, child labor and physical disciplinary abuse as part of our Standard Terms and Conditions in supply arrangements. Included also in this certification is compliance with international standards and applicable laws and regulations regarding forced labor and child labor. We reserve the right to terminate our relationship with a supplier if issues of noncompliance with our policies are discovered and/or noncompliance is not addressed in a timely manner.
- Training and Capability Building
  - We regularly conduct internal training on our Code of Basic Working Conditions with all of

Related Links

This Report:

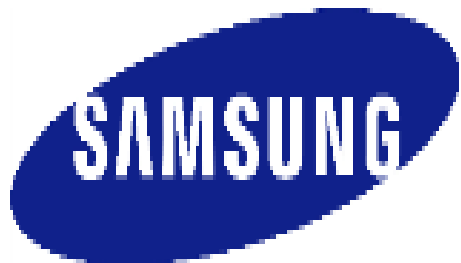
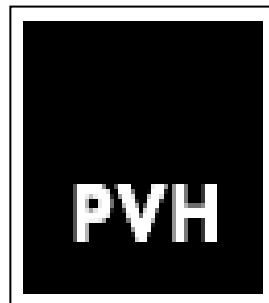
- Code of Basic Working Conditions
- Supplier Diversity Development

“Human Trafficking: CA Disclosure” goes to this webpage, which describes



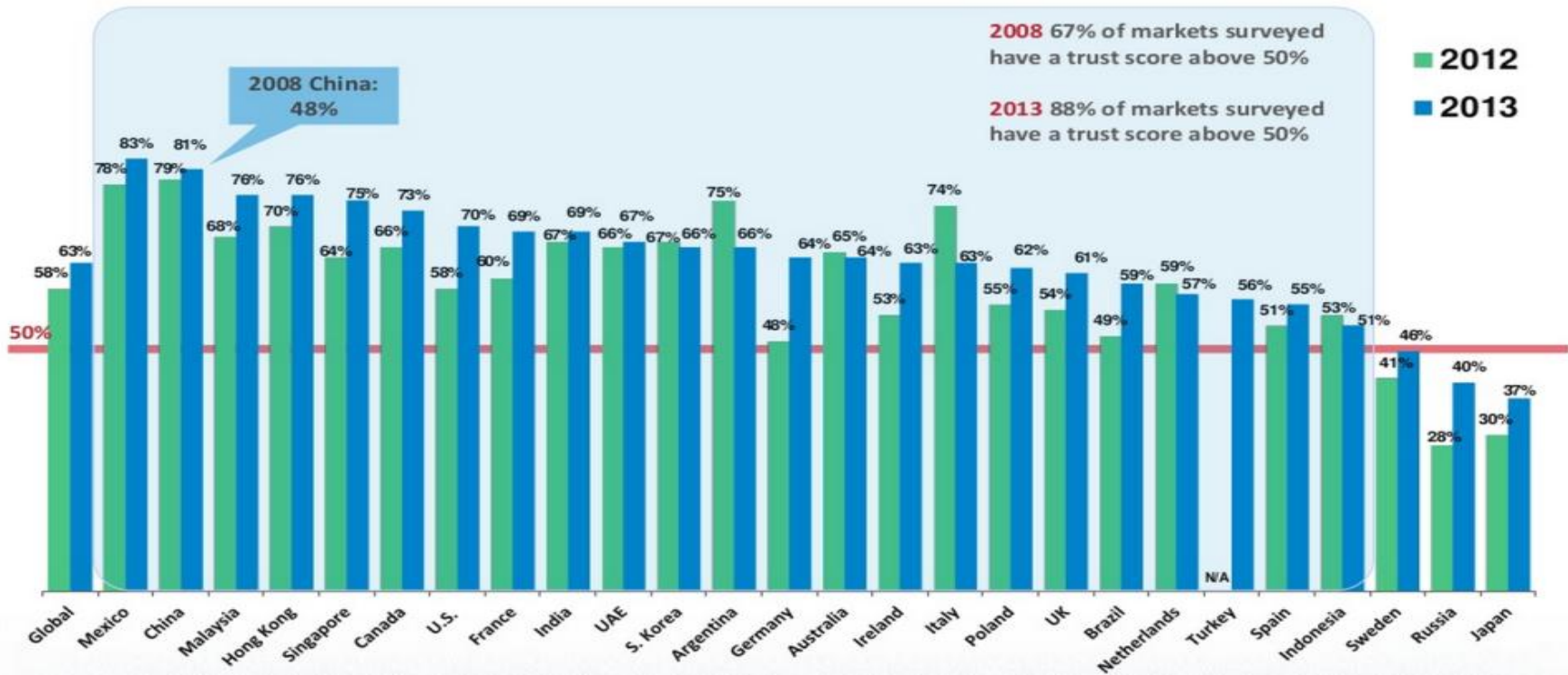
# Naming & Shaming is Increasing

3



# Media and NGOs most Trusted Institutions

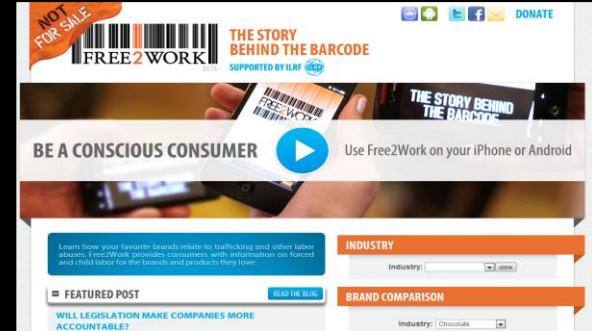
**NGOS REMAIN MOST TRUSTED INSTITUTION;  
FOUR OUT OF FIVE MARKETS WITH HIGHEST TRUST IN APAC REGION  
TRUST IN NON-GOVERNMENTAL ORGANIZATIONS (NGOs)**



Q11-14. [NGOs TRACKING] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a 9-point scale where one means that you "do not trust them at all" and nine means that you "trust them a great deal". (Top 4 Box, Trust) Informed Publics ages 25-64 in 20 country global total (excludes Argentina, Hong Kong, Malaysia, Singapore, Turkey and UAE) and across 26 countries

# NGO Activism: Online Tools For Consumers

Name and Shame  
Smartphone Apps



Interactive Maps



Social networks &  
online petitions



# Consumers becoming more Empowered

## 4

### The Bottom-line

- This is an issue of growing public concern (similar to environmental issues)
- Consumers are asking questions about the products they buy – “Are they slave free”?

### Passion in Action

Bull Market consumers contrast those in Bear Markets



# 5

## Why Should Business care?

- Not caring can hurt a business (naming and shaming)
- Labor trafficking under-cuts the costs of legitimate businesses
- It gives complete business sectors a “bad name” (e.g., seafood packing, fishing, etc.)
- Soon, it will be expected that all CSR declarations address this topic – this is already happening in the US and Europe



The background is a dark, almost black, textured surface that resembles weathered rock or concrete. It has various shades of gray and black, with some lighter, more granular areas and darker, more shadowed regions. The texture is uneven and organic. In the center of the image, there is a large, light gray, roughly rectangular area that serves as a backdrop for the text.

What can the Private  
Sector do to Help?

# One Approach



It started with a desire to help!!!

# PRIVATE SECTOR SUPPORT STRUCTURE VIA BOARD MEMBERS

**Winston & Strawn**  
Legal/Office Support



**Sedgwick  
Richardson**  
Brand Consultancy



**Edelman**  
PR/Comms



**Motherapp**  
Technology



**Onyx Hospitality  
Group**  
Hospitality



**Ernst & Young**  
Accounting

# SUPPORT MECHANISMS FOR MEKONG CLUB

Corporate in-kind support  
(via Board and others)

Individual  
volunteers

Donors  
(institutional/individual)



# EXAMPLE PROJECT SPECIFIC MODEL OF PRIVATE SECTOR SUPPORT

**Individual volunteers**  
Copywriting/Editing



**Sedgwick  
Richardson**  
Design/Branding



**Cathay Pacific**  
Supply Chain  
Intelligence



**Compliance  
Training**



**Winston and Strawn**  
law firm access  
to clients



**Edelman**  
Messaging/PR  
response/Communicatio  
ns

# 1

## Educating the private sector about the problem (Trafficking 101 and Basic Compliance Training)



# 2

## Merit-based Compliance Mark: Positive Emphasis

The screenshot displays the GoodGuide website interface. At the top left is the GoodGuide logo. To its right is a search bar with the placeholder text "Search scientific product & company ratings...". Below the search bar is a navigation menu with categories: Personal Care, Food, Household, Babies & Kids, Pet Food, Apparel, Electronics, Appliances, Cars, and Companies. The main content area has a blue background with the text "Select the issues you care about to view products that match your values." and a purple button labeled "Create your filter". To the right of this text is a white bottle icon with a callout box containing three items: "Tested on Animals" (with a red warning icon), "Fragrance-Free" (with a green checkmark icon), and "Recycled Materials" (with a red warning icon). Below the main content area is a navigation bar with five icons and labels: "Video Introduction", "Purchase Analyzer", "Your Personal Filter" (which is highlighted with a white triangle), "Transparency Toolbar", and "Mobile App". At the bottom of the page, there are two horizontal lines: a green line labeled "High Rated" and a red line labeled "Low Rated".

3

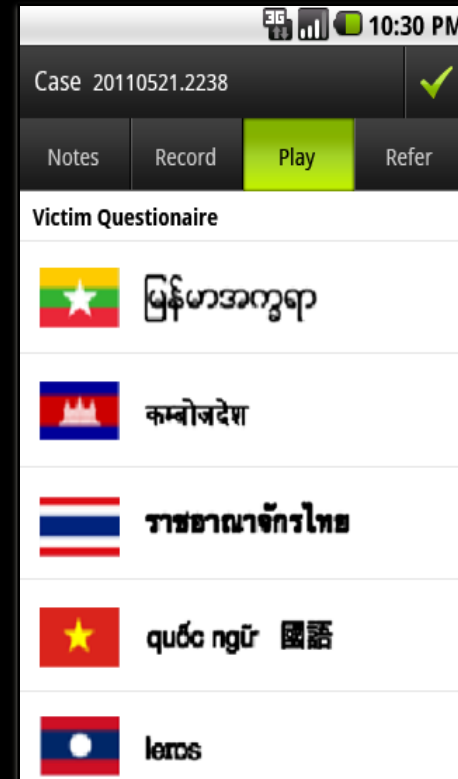
## Support Sex Trafficking Cases in Thailand





# 4

## Using Technology to address the problem



# “Business for Freedom Campaign”

- **Approach**: Establish Hong Kong as the 1st major world city where businesses are fully informed about human trafficking/slavery
- **Vision**: Businesses contribute their skills, influence & resources to help end human trafficking/slavery
- **Goal**: 100 companies trained



# Cathay Pacific: Case Example



# What can Companies do?

- 1) Annual Risk assessments (AML, ABC)
- 2) Due Diligence on all aspects of their business
- 3) Monitor Contractual Provisions
- 4) Internal Investigations
- 5) Training programs
- 6) Independent Testing: Third party Audits

# Relevance to the CPA World

- Profits generated by human trafficking that enter banks represent money laundering
- More and more companies are seeking audit support – financial forensic audits
- New auditing models are needed – expanding business opportunity
- Finance against Trafficking: US based group

# Business “Call to Action”

- Know your risks and address them
- Educate your company (training)
- Encourage volunteers to help
- Donate to the cause
- Encourage other companies to participate
- Use your platform to “be the solution”
- Help us to get more presentations – Join our fight

# Question: Something Helpful to Us

If this was your problem, how would you go about addressing it?

What can **you**  
personally do to help?



# Where were you?



# What can we all do to help her?

Learn all you can about the problem



Raise money for the cause

Tell your family, friends and co-workers

Volunteer with an organization

If you see someone being abused, report it

# What can we all do for her?

Be a  
responsible  
consumer

“Check out”  
the major  
products you  
buy

Slavery  
Footprint





Thank You!

[WWW/TheMekongClub.org](http://WWW/TheMekongClub.org)