

**Welcome to the
business of certainty**

**Six crucial
facts about
modern slavery**



BUREAU VAN DIJK



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Far from being a thing of the past, slavery continues to exist around the world in the 21st century. And, for companies operating in the global marketplace, especially those with large and diverse **supply**

chains, your risk of inadvertently being involved with or implicated in this abhorrent practice might be far greater than you realise.

To find out more about this issue, take a look at these six key facts on modern slavery:

There are 21 million victims of modern slavery across the globe

The **International Labour Organization** (ILO) has collected some sobering facts about the scale of modern slavery. They estimate that currently close to 21 million people globally are subject to some form of slavery or forced labour. Of this number, 9.5 million are men and boys, while approximately 11.4 million are women or girls. Private companies or individuals make up the bulk of exploiters, enslaving 19 million throughout the world. Something that sadly can be traced back to the huge amounts of money that can be made on the backs of the enslaved – the ILO projects that forced labour in the private economy brings in around \$150 billion in illegal profits per year.

Modern slavery takes many forms and faces

According to **statistics** gathered by the UK government, some of the most prevalent types of modern slavery include:

- Sexual exploitation and trafficking
- Domestic servitude (alarmingly, an estimated 24% of victims of this practice are children)
- Forced labour (in which people are coerced, often by violent means, to work for little or no pay in inhumane and frequently abusive conditions)
- Criminal exploitation

Slavery, in one form or another, exists today in **167 countries**. And, whilst the vast bulk of those subjected to slavery live mainly in only five countries – India, China, Pakistan, Bangladesh and Uzbekistan – this issue also occurs in G10 countries.

Modern incidence of slavery

Data from the Walk Free Foundation (2013)

Percentage of the population in slavery, by country

Percentage of the population in slavery
0.0
0.05
0.1
0.2
0.3
0.5
0.75
1.0
2.0
3.0
4.0

Rates of modern slavery are steeply on the rise in the UK

Despite enacting the **Modern Slavery Act** in 2015, in an effort to control the spread of this practice, the UK has seen modern slavery levels rise at an unprecedented pace. Figures from the **National Crime Agency** show a 245% increase in the number of potential victims trafficked to the UK over the past five years. In fact, research estimates that, at this very moment, there could be as many as 13,000 men, women and children suffering as victims of modern slavery in the UK.

Supply chains are particularly vulnerable to modern slavery concerns

The remarkably high incidence of forced labour in company supply chains presents a major issue for many businesses – one that they need to become more aware of and do everything in their power to solve. The organisation **Anti-Slavery International** notes that, due to the globalised nature of many industries today, it's possible to find evidence of forced labour and slavery at various stages of the supply chain for many everyday products.

For example, the use of forced labour in the production of cocoa, cotton and the raw materials used to make smartphones means that many companies in the food, textile and consumer technology industries run the very real risk of being associated with the practice.

Whatever sector your company operates in, you should know that you could cross paths with and even become involved with modern slavery in a variety of ways, both obvious and obscure. These span the spectrum from inadvertently dealing with suppliers who are directly engaged in these abusive and exploitative practices to simply procuring goods with component parts originally sourced from companies tainted by a connection to modern slavery. It is in order to encourage companies to educate themselves about and avoid all such situations that The Modern Slavery Act requires businesses to be fully transparent in regards to their supply chains.

Even the slightest connection to modern slavery can harm your business

Being implicated, no matter how tenuously or accidentally, in modern slavery and forced labour practices can have long-term, negative effects on your company. A recent report by the **Chartered Institute of Procurement and Supply** (CIPS) highlights some of the consequences of having your company associated with products or materials that have been produced unethically. For starters, you can expect to experience a precipitous drop in consumer confidence and a reduced market share. That's aside from the enhanced possibility of having to face legal action. In fact, if any part of your supply chain is found, or even rumoured, to be involved with the use of forced labour, no matter how tangentially, your reputation and your relationships with customers, the media, shareholders and other stakeholders will be in danger of suffering significant damage.

Certain simple steps can greatly reduce your risk of being tainted by modern slavery

Due to today's often-complex and even murky company ownership rules, it's prudent for businesses to implement certain procedures designed to help limit exposure to modern slavery through your supply chain. You can go a long way towards making certain that you stay away from supply chain members associated with modern slavery practices simply by staying as informed as possible about the nature of the companies and individuals with whom you do business. This includes being aware of any ownership permutations that might serve to conceal unsavoury connections. Performing this type of comprehensive supplier auditing offers an effective means for you to avoid entering partnerships with or conducting transactions with companies that are tied, in some way, to forced labour or modern slavery.

Importantly, if enough companies refuse to do business with firms that profit from exploiting others, we will have the power to end modern slavery and forced labour within a generation.

White paper: Really getting to know your third parties

We recently published an extensive white paper that shows you how to reveal crucial missing links in your supply chain and aids further research into the third parties you deal with.

Really getting to know your third parties: protecting your business reputation in an increasingly complex world of corporate compliance considers:

- How you can plug your third-party knowledge gaps
- Gathering corporate ownership data
- Technology that has emerged to address your business challenges

[Download the white paper](#)



The right data for the job

Our **Orbis** database offers information on more than 200 million companies worldwide, adding greater certainty and speed to your research as you validate and monitor potential suppliers. Orbis also gives you access to **environmental, social and governance** (ESG) metrics to help you address supply chain issues, such as modern slavery.

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Find out more:

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