Due Diligence to Combat Human Trafficking in Private Security Supply Chains

with support from the U.S. Department of State, Office to Monitor and Combat Trafficking in Persons
What are We Doing Today?

- Introductions (Who are we?)
- Definitions (What are we talking about, exactly?)
- Outlining Risks of Human Trafficking in the Private Security Sector (What's the problem?)
- Due Diligence Approaches (What can we do about it?)
- Resources Available on ResponsibleSourcingTool.org (But how?!)
Introductions

(Who are we?)
Remarks from U.S. Department of State, Office to Monitor and Combat Trafficking in Persons
International Code of Conduct Association (ICoCA)

Our mission is to raise private security industry standards and practices that respect human rights and international humanitarian law and to engage with key stakeholders to achieve widespread adherence to the International Code of Conduct globally. Discover the benefits for each stakeholder group below.

**Governments**
Demonstrating global leadership as regulators, donors and clients.

**Private Security Companies**
Committed to respecting human rights and international humanitarian law.

**Civil Society Organisations**
Monitoring and advocating for effective regulation, oversight, and accountability.

**Clients of Private Security**
Reducing risk and driving standards through responsible procurement.
About Verité

**Founded:** 1995

**Vision:** A world where people work under safe, fair, and legal conditions.

**Mission:** Provide the knowledge and tools to eliminate the most serious labor and human rights abuses in global supply chains.

**Our Goals:**
- Provide businesses with tools that help to eliminate labor abuses.
- Empower workers to advocate for their rights.
- Create publicly-shared resources that enlighten and drive action.
- Contribute our expertise to government labor and human rights policy.
Industries and Issues

We work globally with governments, multi-national corporations, suppliers, unions, NGOs, and labor advocates on mitigating risk to workers. Services include:

- assessments/investigations
- trainings for brands, suppliers, auditors
- consultations with governments, companies, initiatives

Focus issues include:

- human trafficking
- forced labor
- child labor
- gender discrimination
- unethical recruitment
- transparency and due diligence
With support from the U.S. Department of State, Verité developed the Responsible Sourcing Tool (www.responsiblesourcingtool.org)

- Provides a resource for federal contractors to meet the anti-trafficking compliance measures in the Federal Acquisition Regulations.
- Allows companies, federal procurement and contracting professionals, advocates, investors, and consumers to access comprehensive assessment of country and industry-based risks of human trafficking and a suite of tools and resources to address those risks.
Definitions
(What are we talking about, exactly?)
What is Human Trafficking?

The United Nations Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, 2000, or “Palermo Protocol” defines trafficking as:

- The recruitment, transportation, transfer, harboring or receipt of persons, by means of
  - the threat or use of force or other forms of coercion,
  - of abduction, of fraud, of deception,
  - of the abuse of power or of a position of vulnerability or
  - of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person,

- for the purpose of exploitation
  - Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labor or services, slavery or practices similar to slavery, servitude or the removal of organs.
What is Forced Labor?

• ILO Convention 29, (1930) is the most authoritative convention on Forced Labor.

• Article 2 of this Convention defines ‘forced or compulsory labor’ as “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.”
Outlining Human Trafficking Risks in the Private Security Sector
(What’s the problem?)
What are we talking about when we talk about the private security sector?

- **Guard services** at manufacturing, construction, mining, hotels and retail operations.
- **Military installations**: entry control and site security.
- **Stability operations**: maintaining peace and stability in conflict areas.
- **Logistics security** to ensure safe and secure movement of people and goods.
- **Maritime private security** to provide anti-piracy services for commercial shipping.
What’s the Problem?

• Opaque labor supply chain, with multiple layers of formal and informal labor agents
• High worker-paid recruitment fees and expenses
• Deception in recruitment, including contract substitution
• High presence of foreign migrants
• Postings in isolated and sometimes hazardous locations
• Difficult for workers to organize and advocate for rights, livable wages, and appropriate working conditions
• Long work shifts, mandatory overtime with little time off
• Forced labor caused or exacerbated by duties of personnel
Due Diligence Approaches in Private Security Supply Chains
(What can we do about it?)
What is Due Diligence?

- Expectation Setting
- Assess Risks in Supply Chain
- Assess System Effectiveness
- Remediation
- Monitor Performance
Expectation Setting

- **Codes of Conduct**
  - Commitment to prohibit trafficking in persons forced labor in their operations and performance of their duties
  - Requires suppliers and contractors – including recruitment agents - to adhere to international standards prohibiting forced labor
  - Incorporate the fundamental rights in the ILO Declaration on Fundamental Rights and Principles at Work

- **Internal expectations – Commitment and Governance**

- **Contract** terms and conditions

- **Training and capacity** building to meet expectations – internal and external
  - Provide stakeholders guidance and benchmarks on what meeting code standards looks like and how
Risk Assessment in Private Security

Country Level
- Evaluates TIP risk at the national level based on legal, political, socio-economic and environmental factors

Sector Level
- Looks at risks inherent to type of work (i.e., reliance on outsourced/contracted labor, vulnerable populations, danger, isolation)

Country-Sector Combination
- Examines the relationship between the sector and the country context. Uses overall country and sector data and adds authoritative documentation of risks/issues in a given context

Individual Company/Supplier Benchmarking
- Uses publicly available and/or proprietary information to benchmark specific suppliers, contractors and recruiters on labor issues
Risk Assessment (continued)

- Map the labor supply chain and assess risk to level of **sending country agents and sub-agents**
- Consider how different recruitment strategies could enable increased visibility and risk mitigation, including **direct hiring**
- Ensure country-based risk assessment accounts for **sector context**
- Understand the risks associated with the **location and type of work**
- Understand risk associated with **duties and activities of security personnel.**
Control of Identified Risks

Recruitment

• Due diligence of labor supply chain
• Service agreements with recruitment agents that prohibit fees, deception in recruitment, document withholding and other prohibited practices
• Guidance and capacity building for recruitment agents on ethical recruitment
• Direct recruitment of security personnel

Duties of Personnel

• Contracts between client companies and private security companies:
  ➢ Do not include duties that can cause or exacerbate conditions of forced labor
  ➢ Require security personnel to “treat all persons humanely and with respect for their dignity…”

• Written operational procedures
• “All Personnel performing Security Services receive initial and recurrent professional training...including those pertaining to international human rights”

1,2 from ICOCA Code of Conduct (https://icoca.ch/the-code/)
Performance Assessment (Monitoring)

• Ongoing evaluation of performance against Code and legal requirements
  ➢ Thorough evaluation of recruitment practices and actors
  ➢ Validating or “ground-truthing” information gathered elsewhere (grievance mechanisms, supplier SAQs)
  ➢ Worker-centric monitoring

• Key considerations
  ➢ who gets audited and how
  ➢ known problems in audit quality, corruption, and poor auditor training
  ➢ frequency of auditing

• Policy and practices for auditing all labor supply chain tiers and conduct of security personnel

• Public reporting on monitoring, results, and impacts
  ➢ Best practice and legal requirement
Worker Engagement

The ability for personnel to gain awareness of and advocate for their rights, to discuss workplace issues of concern and interest, to have channels for individual and collective advocacy and to communicate grievances is essential to the fight against human trafficking.

1 includes security personnel, employees of client, and other potentially impacted individuals
Note on grievance mechanisms…. they must be:

- **Legitimate**: enabling trust from workers and being accountable for fair implementation

- **Accessible**: known to workers and providing assistance to avoid any barriers to use

- **Predictable**: clear and known procedure with time frame for each stage, known types of process, outcomes available and ways to monitoring implementation.

- **Equitable**: aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms.

- **Transparent**: Parties to a grievance informed about its progress; sufficient information about the mechanism’s performance to build confidence in its effectiveness by external parties

- **Rights-compatible**: Outcomes and remedies accord with internationally recognized human rights.

- **Continuous learning**: Lessons for improving the mechanism and preventing future grievances and harms are systematically drawn and acted on.

- **Engagement and dialogue**: Workers are consulted on mechanism’s design and performance and engaged in dialogue as the means to address and resolve grievances.
Remediation in Private Security

How the company enables effective remedy (“fixes and prevents it”) if people are harmed by its actions or decisions in relation to forced labor.
Remediation in Private Security

- Risks associated with recruitment of security personnel
- Other risks tied to nature of the assignment (conflict, isolation, corruption, etc.)
- Impacts caused by actions of personnel
- Root cause assessment - beyond counting cases
- Work with client, CSOs or government bodies as appropriate for remediation
Resources Available on ResponsibleSourcingTool.org

(But how?!)
Private Security Tools

- Establishing strong policies
- Benchmarks of good practice in recruitment and employment
- Country-level review of legal protections
- Labor supply chain mapping and risk screening
- Criteria for screening and evaluating labor recruiters
- Subcontractor/supplier self-assessment tool
- Monitoring the performance of labor recruiters
- Guide to conducting worker interviews
- Sample security personnel staffing due diligence program
- Compliance plan template
Thank you!

Questions?

We'd love to hear from you:
aarbib@verite.org
mvaudreuil@verite.org

www.verite.org
www.responsiblesourcingtool.org