



RESPONSIBLE SOURCING TOOL

Construction
Industry |
Tool 6

PROTECTIONS AGAINST TRAFFICKING IN PERSONS

Supply Chain Mapping and Risk Screening in the Construction Industry

Supply chain mapping allows a construction company to trace the chain of custody and points of accountability for preventing human trafficking, including forced laborⁱ — to the lowest levels of materials and labor supply chains.

With a complete understanding of its materials and labor supply chains, construction companies can identify, prioritize, prevent and mitigate forced labor risks to construction workers they employ or that are employed by their subcontractors and suppliers.

Mapping can also identify and help prevent risks to workers at the lower tiers of materials supply chains; for example, in mines, quarries, brick making, and forestry operations.

Identifying first tier or “direct” suppliers is a straightforward process, but it can be more challenging to identify the suppliers’ suppliers, and then their suppliers, comprising the second, third, and lower tiers of the supply chain. In the context of construction supply chains, this means being able to trace products or raw materials back to the quarry where stone was cut, the mine where ore was extracted, as well as to the facilities where photovoltaic panels and HVAC equipment were manufactured.

Some supply chains are relatively short and transparent. For example, some building materials, such as lumber, may simply be harvested, milled, and shipped to distributors and retailers. This is most often true for “whole” products (e.g., wooden beams or stone slabs). However, where such raw materials are used simply as ingredients in processed

ⁱ The United States recognizes two primary forms of trafficking in persons: forced labor and sex trafficking. For the purposes of this and other tools in the set, several terms are used such as “trafficking in persons,” “human trafficking,” and “forced labor.” In relation to these tools, they refer to a crime whereby traffickers exploit and profit at the expense of adults or children by compelling them to perform labor.

products, such as furniture, more processing steps and supply chain tiers are involved, with each tier performing another process and adding more materials and components. Each additional tier of the supply chain can further obscure a material's origins, leaving little visibility into recruitment and hiring practices and working conditions along the way.

The primary forced labor risks in the construction industry arise from the recruitment and hiring of workers. By gaining information on how subcontractor and material supplier workers are recruited, hired, and managed at each supply chain tier and identifying any intermediaries involved, companies can gain deeper insight into their labor supply chain. This insight can help companies identify where and how risk might manifest. In some cases, construction industry subcontractors and materials suppliers hire personnel directly. However, in many cases, employees are hired through labor recruiters, or the company may hire a subcontractor that itself uses labor recruiters who in turn use agents and sub-agents to hire workers. Each layer can reduce visibility into how construction industry workers are hired.

This tool provides guidance on how companies can use supply chain mapping to help prevent forced labor among construction industry subcontractors and suppliers. The tool describes different types of labor supply chain scenarios common in the construction industry and shows how risk screening can be conducted for each layer of actors in the labor supply chain. It also outlines risks associated with different types of worksites.

POTENTIAL FORCED LABOR RISKS IN CONSTRUCTION

The construction sector covers a wide variety of economic activities, including the building, maintenance, demolition, renovation, and repair of structures such as factories, distribution centers, airports, roads, bridges, and stadiums. Enterprises within the construction industry include self-employed individuals, labor contractors, materials suppliers, and international engineering firms. Concrete, steel, wood, brick, and quarried stone are some of the many materials commonly used on construction sites that may

present the risk of forced labor in their extraction, harvesting, and processing.ⁱⁱ

Indicators of Forced Labor Risks Present in Construction

- Vulnerable, easily replaced and/or low-skill or low-wage workforce
- Use of labor recruiters
- Migrant workforce
- Hazardous/undesirable work

According to the ILO, construction is one of the primary sectors in which workers are highly vulnerable to forced labor. Because there are no formal training requirements for construction laborers, these low-skilled jobs are paid lower wages than more highly skilled construction trades jobs (e.g., steelworkers, plumbers, electricians), and engineers. These workers can be intimidated by the possibility that if they report a grievance, they can be quickly replaced. Temporary or casual workers, including day-laborers, are a particularly vulnerable group.

Incomes of temporary construction workers can be highly variable and seasonal. Temporary and day workers are “at-will” employees, and can be let go at any time, which discourages any expression of grievance. Economic insecurity may encourage them to accept poor working conditions such as hazardous work and forced overtime. Some types of subcontractors may even hire workers as “day laborers,” for unskilled work. Such workers rarely have a formal employment contract or receive benefits of any kind.

Children may be involved in construction in many countries. Because of the hazardous nature of construction tasks, children’s participation in the construction sector is generally considered a “worst form of child labor.” Children in this industry may work at heights, carry heavy loads, and use dangerous tools and machinery.

Migrant workers make up a significant proportion of the workforce on most construction sites and are particularly vulnerable to labor exploitation and human trafficking. Migrant workers often work informally, and they suffer from the risks that many low-skilled workers face, including low wages and the lack of social and/or legal protections. Lack of visa

ⁱⁱ Refer to the Design for Freedom Toolkit by Grace Farms: www.designforfreedom.org/home/design-for-freedom-toolkit/

portability, confiscation of passports, and high recruitment fees are some of the many risks that make migrant construction workers highly vulnerable to human trafficking.

Migrant workers are at risk of human trafficking in the construction industry worldwide. For example, construction and development of infrastructure in the Middle East is largely dependent on short-term labor migration, mostly from Asia and Africa. Migrant workers from India, Bangladesh, Nepal, and Pakistan may pay extremely high recruitment fees to recruiters for jobs in the construction sector in Gulf countries. Upon arrival, workers may find themselves in situations of debt bondage, with working conditions worse than they have been led to believe, but with no choice other than to work to repay their recruitment debt.

Construction for large special events often requires hurried recruitment of workers to meet deadlines. This can lead to quick recruitment – and subsequent exploitation – of migrant workers.

Many employment relationships in the construction industry are often informal, part-time, or temporary. Instead of permanent workers, these sub-contracted firms often hire temporary workers, on a project-by- project or daily basis. Because these workers are temporary, they often lack financial security, leaving them more likely to accept more dangerous conditions at work.

Product inputs to the industry consist of a wide variety of raw materials and manufactured products, from sand, gravel, and stone to sophisticated computer-managed HVAC systems.

Types of suppliers found in the construction industry supply chain include:

- Suppliers of sand, gravel, portland cement, bricks and stone;
- Manufacturers of glass, flooring and wall coverings, and stone facing;
- Manufacturers and suppliers of structural materials (e.g., steel, timbers, aluminum);
- Manufacturers and suppliers of power and hand tools, construction equipment, industrial trucks, and vehicles;
- Manufacturers and suppliers of HVAC equipment, electrical systems, telecommunications equipment, computers, and other electronic products;
- Subcontracted construction trades, such as steelworkers, electricians, pipefitters and glaziers; and
- Providers of security, housing, cleaning, catering, and other site services.

GUIDE TO SUPPLY CHAIN MAPPING

Many construction companies already conduct some form of supply chain or traceability mapping as part of procurement and contracting and to comply with sustainability standards (e.g., LEED) and safety regulations. Visibility is typically limited to direct suppliers, however, rather than sub-tier suppliers where risk is likely to be higher. A company with a full understanding of its supply chain can more accurately target its due diligence program on the worst labor abuses and forced labor.

The process of mapping a supply chain beyond direct/first-tier suppliers includes surveying first-tier suppliers to gather information about their suppliers (second-tier suppliers or indirect service providers, such as security staff). Second-tier suppliers can then be queried about their suppliers, and so on, to the bottom of the supply chain. Types of suppliers found in typical supply chains include:

- **Primary producers** that mine, extract, grow or harvest raw materials and include mines, timber harvesters, quarries, oil, and gas production, etc.
- **Processors**, such as lumber mills and smelters that transform commodities into components and production materials for further processing, manufacturing, and construction. Processing may be controlled by the producer of the commodity.
- **Manufacturers** that produce finished products and own the brand name, processes, and product specifications or simply make component parts and assemblies for final assembly by others. In the case of chemicals and wood products, the manufacturer may also be the producer.
- **Traders** that facilitate transactions of commodities between buyers and sellers. They may purchase goods from producers or other brokers and sell to processors or directly to construction companies (e.g., stone, timber, bricks).
- **Distributors** that arrange for the transfer of goods, but do not produce goods.
- **Logistics providers, shippers, or transporters** that physically move goods from one location to another and may also manage inventory for distributors and manufacturers.

In addition to tracing the flow of materials and services throughout the operation, companies must map their **labor supply chain**; that is, the involvement of third-party labor

providers or recruiters. In some cases, subcontractors and suppliers may hire their labor directly, but in many others, third-party labor recruiters have their own complex chain of sub-recruiters as well as origin and destination country agents.

The types of actors typically found in construction industry labor supply chains include:

- **Labor Recruiters** who recruit, and sometimes manage, workers for companies.
- **Agents and Sub-agents in the Countries of Origin** who advertise available jobs and process jobseekers' applications.
- **Outsourced Labor/Staffing Agents** who provide and manage workers for companies.

Companies can use the mapping process to gain an understanding about the geography and structure of their supply chains and inform risk assessment efforts (Table 1 below).

Information can be gathered from:

- supplier self-assessments/self-reportingⁱⁱⁱ
- supplier interviews
- supplier site visits and audits (documents, records, observations, and interviews)
- receipts and purchase orders

Table 1

Information to Gather from Subcontractors and Suppliers for Supply Chain Mapping		
Profile Information		Sources of potential risk
Minimum recommended profile information	Supplier name	
	Supplier headquarters address	Evaluate legal responsibilities for headquarters country (use Tool 4).
	Location of supplier facilities and worksites	Evaluate risks relevant to country of operation (use Table 2).
	Type of product or service provided by each facility or worksite	Evaluate human trafficking vulnerability tied to type of production . <ul style="list-style-type: none"> • Use Table 3 for general sector risks.

ⁱⁱⁱ Use Tool 8, Supplier Self-Assessment, and the Design for Freedom Supplier Questionnaire (2022): www.designforfreedom.org/home/design-for-freedom-toolkit/#anchor7

		<ul style="list-style-type: none"> Refer to the Design for Freedom Toolkit^{iv} for the raw and composite materials at highest risk for trafficking persons.
Additional recommended profile Information	Approximate number of workers hired directly	Only those workers hired and employed directly by the subcontractor or supplier without the use of recruitment agents or labor contractors.
	Approximate number of workers hired through recruitment agents and labor contractors	<p>___ hired with recruiter; employed by subcontractor/supplier.</p> <p>___ hired and employed by recruiter or labor contractor.</p> <p>Use of third-party labor recruiters or labor contractors increases forced labor risk overall in any given operation. Prioritize work sites with more subcontracted workers than directly hired workers.</p> <p>Use Tools 7 and 9 for more information on screening and evaluating labor recruiters.</p>
	Seasonality of production or service delivery	Production or service levels that fluctuate by season may suggest increased risk of temporary or casual labor and therefore particular attention should be paid to potential use of labor recruiters and labor contractors (reference above).
	Types of jobs at worksite or supplier facility	Prioritize worksites and facilities with relatively higher concentrations of low-skilled, low-paid, hazardous, or otherwise undesirable work .
	Presence of migrant workers (Y/N)	Migrant workers are particularly vulnerable to forced labor in many contexts within supply chains.
	Origin country of migrant workers	Evaluate risks relative to country of labor supply . <i>Use the Department of State’s annual Trafficking in Persons Report www.state.gov/trafficking-in-persons-report/</i>

Once a map of suppliers is assembled, a company can begin to identify geographic regions, products, and particular suppliers most likely to have elevated human trafficking risk in their operations. A solid initial approach to risk screening involves evaluating the risks associated with the economic sector or industry in question, in combination with an appraisal of the risk factors associated with the countries in which the supply chain operates or from which it draws its workforce.

Ideally, a company will assess the risks of a specific supply chain in a specific geographic location. For example, while a country overall may have low rates of migrant workers,

^{iv} Design for Freedom Toolkit, Grace Farms (2022): www.designforfreedom.org/home/design-for-freedom-toolkit

migrant workers may be concentrated in certain types of industries (such as construction, security, and other support services). Examining both the supply chain and country dynamics in combination also allows for a more thorough review of incidents of exploitation previously documented.

In supply chains characterized by sector, location-based forced labor risk, or both location and sector, companies should exercise heightened due diligence through efforts to enhance visibility into individual supplier practices.

There are a variety of commercial and public resources available to assist with a forced labor risk assessment at the level of sector/industry and geographic location, including the RST tools at www.responsiblesourcingtool.org and the Design for Freedom Toolkit at www.designforfreedom.org/home/design-for-freedom-toolkit provide insight into the factors listed below.

POTENTIAL RISK FACTORS IN SUPPLY CHAINS

Table 2

Country-based Risk Factors

1. **Legal/Policy Risk Factors** (see Tool 4):
 - a. What level of legal protection for civil liberties and workers' rights does the law provide?
 - b. What ILO Conventions on forced labor or rights of workers and migrants have been ratified?
 - c. What laws criminalizing forced labor have been established?
2. **Political Risk Factors:**
 - a. Level of political instability or conflict
 - b. Level of crime and violence
 - c. Level of state persecution
 - d. Level of corruption

3. Socio-economic Risk Factors:

- a. Presence and concentration of migrant workers
- b. Presence of migrant workers from vulnerable countries
- c. Level of national economic development
- d. Level and extent of poverty
- e. Degree of gender inequality
- f. Degree of landlessness and dispossession

Table 3**Sector-based Risk Factors**

1. **Structural Supply Chain Features** that enhance vulnerabilities to forced labor:
 - a. Long, complex, and/or non-transparent supply chains
 - b. Seasonal surges in labor demand
 - c. Short production cycles
 - d. Undesirable and hazardous work
2. **Indicators of a Vulnerable Workforce:**
 - a. Migrant labor
 - b. Casual, temporary labor
 - c. Child labor
 - d. Gender inequality
 - e. Restricted freedom of association
 - f. Indigenous populations
 - g. Hereditary/traditional 'slavery'
 - h. Presence of labor intermediaries

The factors listed above are described in greater detail at:

www.responsiblesourcingtool.org

Table 4**Cross-sector Risk Factors**

Gender: In countries with high degrees of gender inequality, women typically have fewer rights and legal protections than men and less access to the education necessary to obtain high-skilled jobs. Women in gender-unequal societies are often structurally dependent on men for financial security and access to land. Those who lack access to male protection or wealth (for example, widows, unmarried women, and girls from poor families) and with few resources of their own might be forced into undesirable or hazardous jobs, or mistreatment by unethical employers.

Large-Scale Land Acquisition: Large-scale land acquisition or consolidations, sometimes referred to as land grabs, often leave local populations without livelihood options. The loss of land for subsistence agriculture, cash crops, or other traditional livelihoods can create a local labor force that must either accept work for the company operating on the acquired land or migrate out of the area in search of work.

Women and indigenous groups may be at increased risk for displacement as their property rights are often not protected or acknowledged under some country legal regimes.

Environmental Degradation: Environmental issues can displace people from their land, disrupt traditional livelihood strategies, cause illness, and generally increase the vulnerability of local populations to forced labor and other forms of exploitation. Deforestation, the collapse of fisheries, recurring drought, or disease of staple crops may also lead to greater risk for forced labor. Such hardships are known to lead to pervasive poverty and insecurity among the populations who depend on the affected resource bases.

Assessing Risks of Individual Suppliers

After a company has developed a working supply chain map, they should seek to gain insight into the actual practices of individual suppliers and the labor recruiters those suppliers engage. The following tools provide guidance on conducting these risks assessments:

1. Labor Recruiter Screening Tool (Tool 7)

2. Sample Supplier Self-Assessment Questionnaire (Tool 8)
3. Labor Recruiter Monitoring Tool (Tool 9)
4. Migrant Worker Interview Tool (Tool 10)