

Tool 1: A Guide to Corrective Action and Systems Improvement Planning

Forced labor and human trafficking are crimes under international human rights law and in most countries around the world. A case of this abuse discovered in the supply chain – among the worst forms of exploitation in the world of work – will demand immediate corrective action on the part of the facility, its sub-tier suppliers and any brokers involved. Abuse of this kind will always be treated as a major breach of code compliance.

Corrective action will need to be comprehensive and systematic, involving both short and long term strategies. It should be focused on the needs and well-being of the trafficking victim(s) first and foremost, and involve key stakeholders such as victim service providers, health care professionals, and other public or civil society organizations, wherever necessary. This is a clear case where companies should strongly consider joint engagement in the best interests of the workers concerned.

IMMEDIATE ACTION

If a case of forced labor or human trafficking is identified at the facility or in the supply chain (for example as a result of a social audit or another means of assessment), it is essential that the company respond immediately and unequivocally. This should involve an immediate investigation including the participation of brand client representatives, a clear identification of the workers affected, and a full understanding of the nature of the abuse. Together with the brand, the supplier company will need to determine the extent and form of the problem before it can institute the full protective measures that will be required.

It will be necessary for the supplier company to act quickly to remediate the problems that have occurred and to reverse the cycle of abuse. Workers may need to be paid back wages; excessive recruitment fees may need to be reimbursed; and passports may need to be returned. Whatever the nature of the abuse, the company will need to ensure that comprehensive corrective action is taken. To help with this process (and to ensure a full and timely response), it may be necessary to draw up a plan of action – a corrective action/performance improvement plan – that identifies priorities, responsibilities and timelines for each of the actors involved: the company, sub-tier suppliers, and broker(s).

At the center of the company's response may be the need to consider repatriation for migrant workers. These workers – if they have suffered deception and abuse in the recruitment and hiring process – will have the right to return to their country of origin, if they desire. They may also require important assistance in reintegration into local labor markets and their communities of origin. A key element in ensuring the success of remediation efforts and a full transition for the migrant worker out of forced labor is the transition of that worker into free and fair employment.

ADDRESSING ROOT CAUSES: FROM CORRECTING PROBLEMS TO PREVENTING THEM

To fully address an issue like forced labor, it isn't enough to take immediate and short-term measures like these, as important as they are. It is also essential to consider longer-term actions to ensure that the problem(s) do not recur.

The supplier company will need to consider a few things. First, how is it that forced labor and human trafficking are present in the facility in the first place, and do they exist in other company facilities or elsewhere in the supply chain? Second, what needs to be done to ensure that these problems are solved and the company is no longer at risk?

To answer these questions, it will be necessary to look beyond the facility in question and the specific case of abuse. The company will need to take a thorough look at its systems and protocols, policies and assessment procedures, and other aspects of its social responsibility program to determine the root causes of what went wrong and where. As part of this, it may be advisable to conduct a thorough review and risk assessment across the supply base, including labor brokers.

Whatever the nature of the abuse, a review of this kind will lead to stronger policies and procedures, and move the company away from piecemeal, reactive engagement towards proactive and preventive engagement. Responding in this way and developing new protections for migrant workers to promote fair hiring and recruitment, will promote a cycle of continuous improvement that will benefit both the company and its suppliers.

Further guidance on taking a step-by-step approach to corrective action is provided in the next tool: **Developing a Strategy for Corrective Action and Systems Improvement Planning**. Review it to learn more about analyzing the problem, identifying root causes and brainstorming possible improvements.

In Focus

From Corrective Action Plans to Systems Improvement Planning

In cases where a specific problem has occurred, it will be important for the company to develop a corrective action plan to ensure that remedial action is effective, timely and organized, and involves all the key players. In other cases, where no problems have been identified but where a potential for risk is present, a company may nevertheless wish to take a proactive approach and conduct preventive action planning. In this case, the company may wish to take the necessary steps to develop a strategy for taking preventive action before problems occur. This means the company will be prepared to meet a problem head on, should one occur in its supply chain.

LONG TERM ENGAGEMENT: TACKLING COMPLEX CAUSES

Corrective action taken to address a specific incident of forced labor or human trafficking is likely to be immediate and time-bound. The company will seek to identify the problem and its root cause(s) and address it quickly, working with the facility and the broker in question.

For some “red flags” of forced labor, this is an appropriate strategy. The company can work through the problem directly, address the key issues, develop new policies and procedures, prohibit bad practice and thereby ensure greater protection for migrant workers. In other cases, however, problems are too complex for a “quick fix” approach and will demand a more nuanced and long-term strategy. In these cases, the company may need to look beyond its own operations and those of its suppliers to address broader, industry-wide or even nation-wide concerns. This will involve tackling the fundamental causes of workplace or recruitment-based problems, and necessitate a multi-stakeholder or partnership approach, including with brands and customers.

A broader vision and strategy is needed to tackle the complex and diverse manifestations of forced labor and human trafficking in the supply chain effectively and sustainably. The solution to the fundamental causes of these problems lies beyond the reach of any single company or stakeholder. Broader engagement on a national or industry-wide basis, with peer companies, brands, public policy actors and civil society can help companies and other business actors engage more effectively to root out these problems from their own facilities and supply chains, and from economies around the world.

