

FREEDOM COLLABORATIVE
TO END HUMAN TRAFFICKING TOGETHER.

Webinar

NEW OPPORTUNITIES TO COMBAT TRAFFICKING AND FORCED LABOUR IN GLOBAL SUPPLY CHAINS

Thursday April 15, 9 am EST / 2 pm BST / 8 pm ICT

freedomcollaborative.org



Why Are Supply Chains so Complicated

Supply Chain Management – Boundaries and Relationships: an integrating function with primary responsibility for linking major business functions and business processes within and across companies into a cohesive and high-performing business model. It includes **all of the logistics management activities** noted above, as well as manufacturing operations, and it **drives coordination of processes and activities with and across marketing, sales, product design, finance, and information technology.**



Child labor & slavery in supply chains?

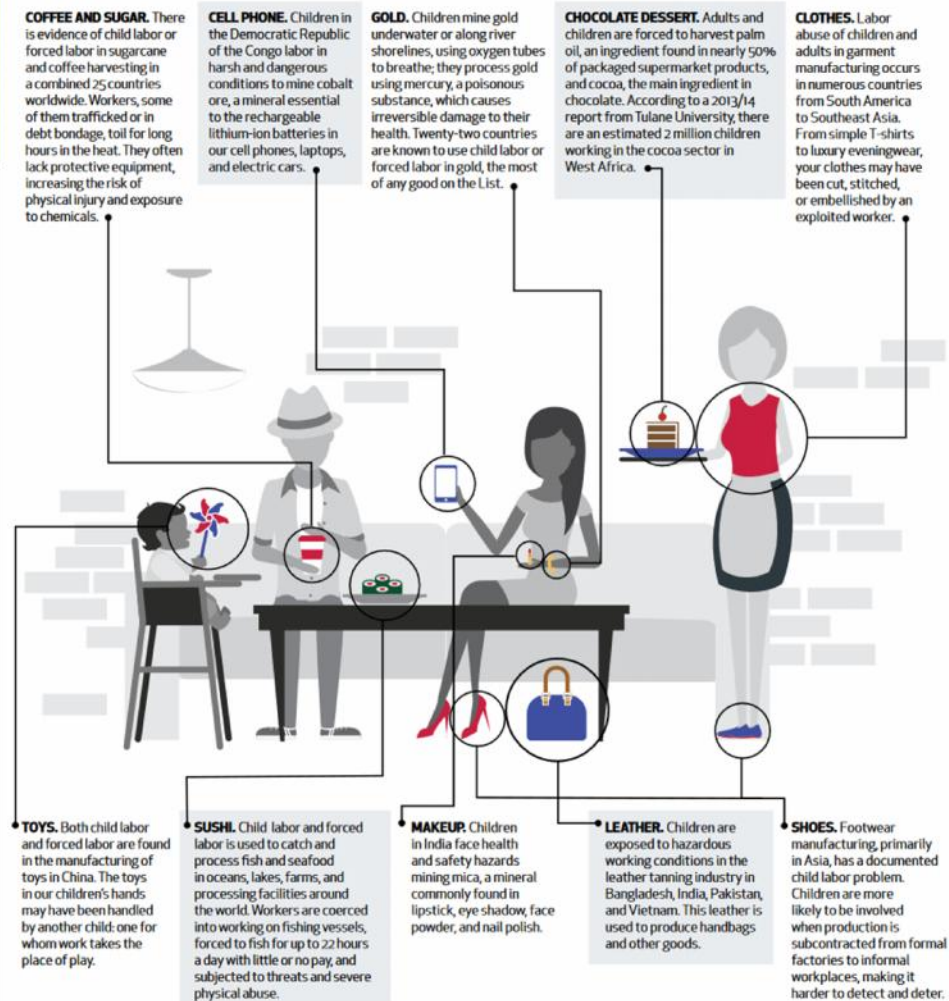
- YES!
- Many everyday commodities
- More prevalent in certain countries
- Serious brand risk
- Target for activism against a brand
- Often complex, multifaceted challenges to solve (powerful economic drivers)

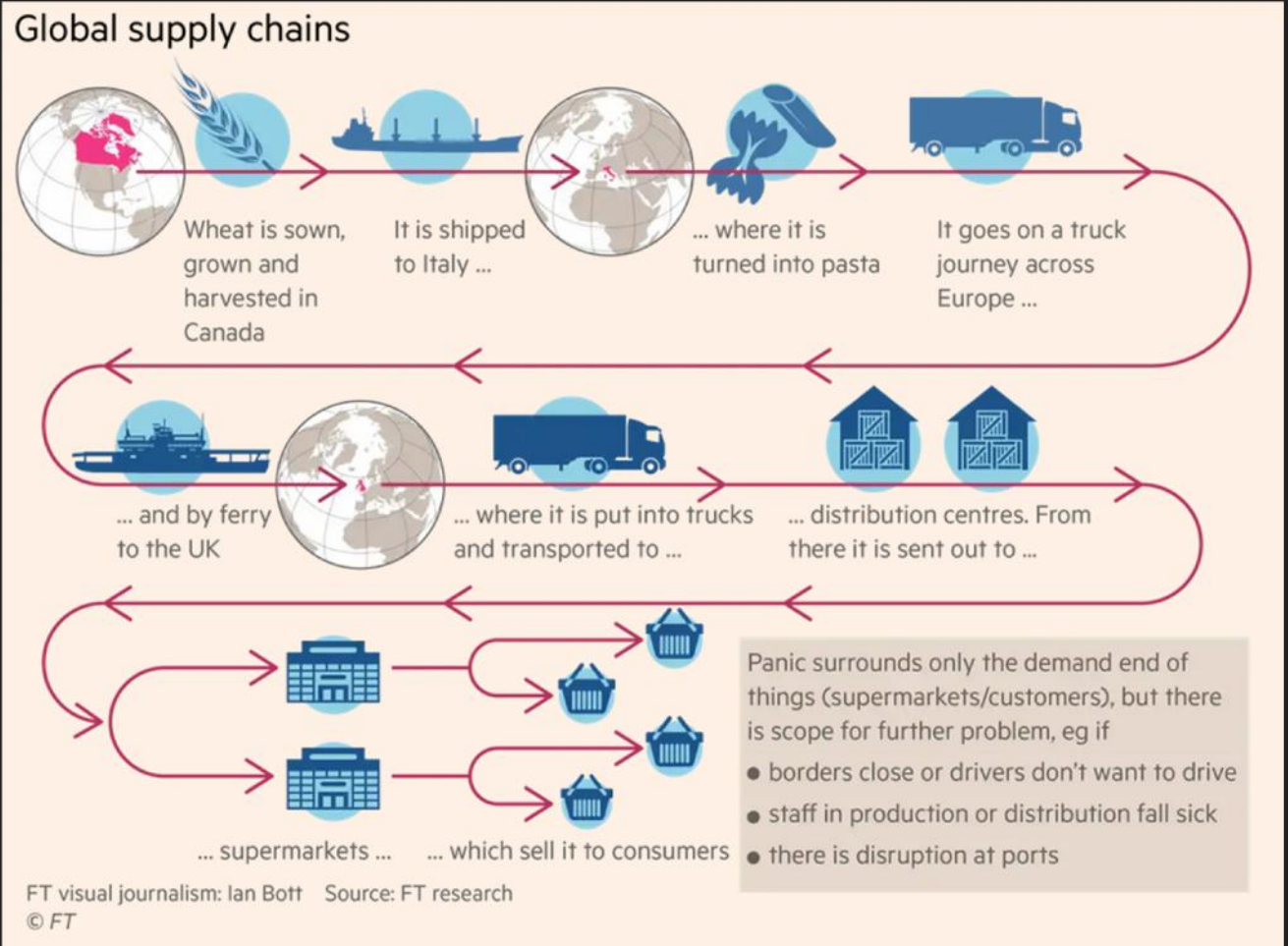
Source: U.S. Department of Labor (2018, page 20)

Figure 2

Think About It

Do you know how your favorite goods are made? You may be surprised to learn that items you use every day may be produced by child or forced labor.



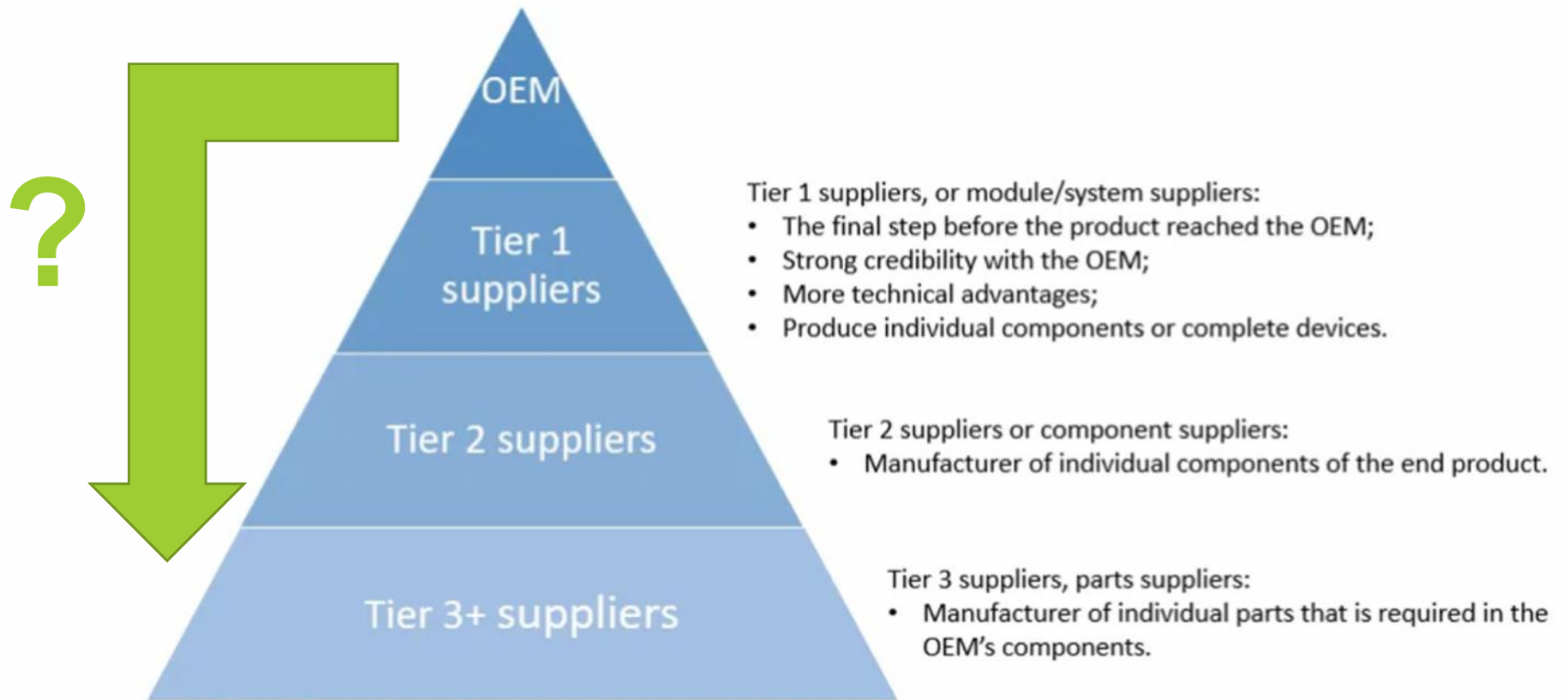


Source: Terazono and Evans (2020, March, 26). How Coronavirus is affecting pasta's complex supply chain. *Financial Times*, Supply chains. Retrieved from <https://www.ft.com/content/5456bc24-6dd4-11ea-9bca-bf503995cd6f?sharetype=blocked>

Yellow fin tuna from Southern Philippines



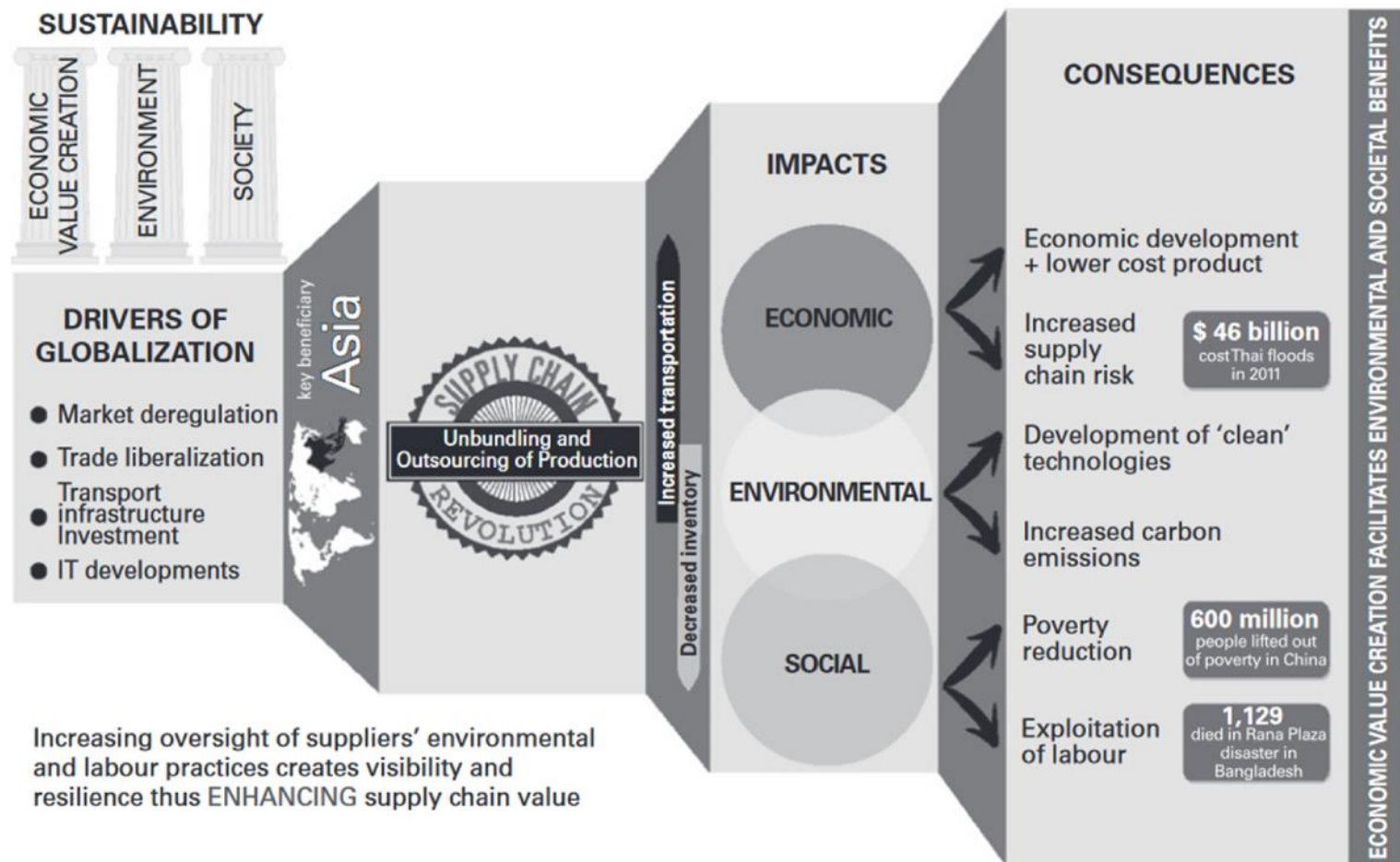
R. M. Rosales, et al. (2017). Value chain analysis and small-scale fisheries management. *Marine Policy* (V 83).



Source: Insight Solutions. <https://insightsolutionsglobal.com/what-is-a-tier-1-company-or-supplier/>

Switching to CSR

Figure 1.1 The three pillars of triple advantage



Source: Manners-Bell, J. (2017, page 17)

Example of Why It Takes So Long to Change



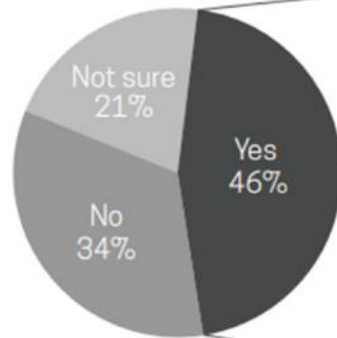
- Brand attributes
- Quality control
- International store distribution with complex supply chains
- Franchised
- Menu is cyclical

STATE OF SUPPLY CHAIN SUSTAINABILITY 2020

MIT Center for Transportation & Logistics
Council of Supply Chain Management Professionals



Are you receiving pressure to adopt supply chain sustainability practices?



From where are you receiving pressure to adopt supply chain sustainability practices?

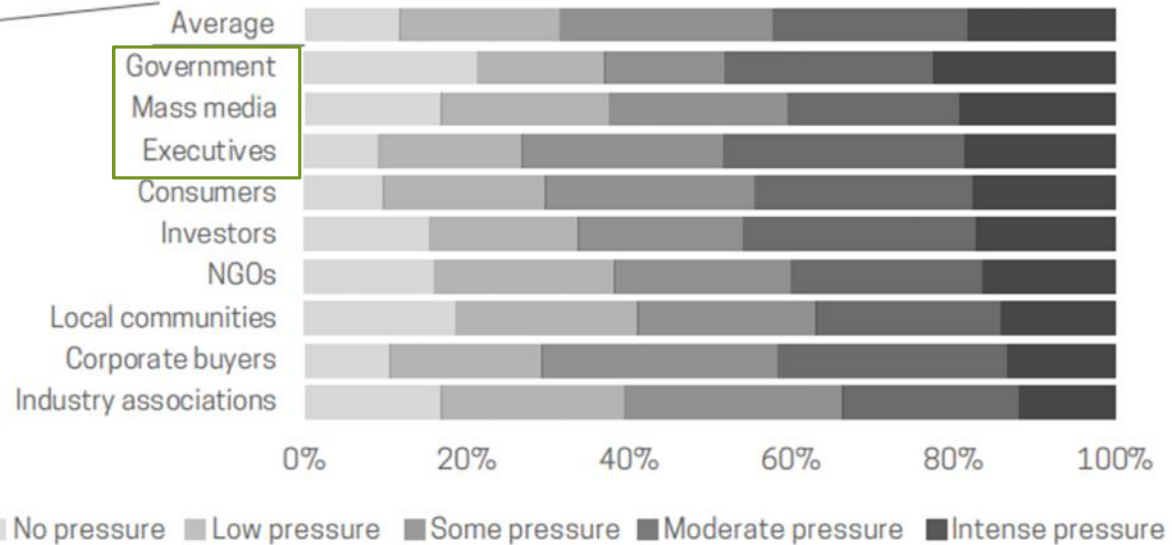
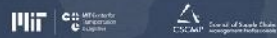


Figure 2: 46% of respondents said they feel pressure to increase supply chain sustainability, 34% said they feel no pressure, and 21% weren't sure. Of the 46% that feel pressure, the pressure is diffuse across multiple sources with each source exerting a similar average of pressure, but government, mass media, and executives as placing the most intense pressure. N = 701.

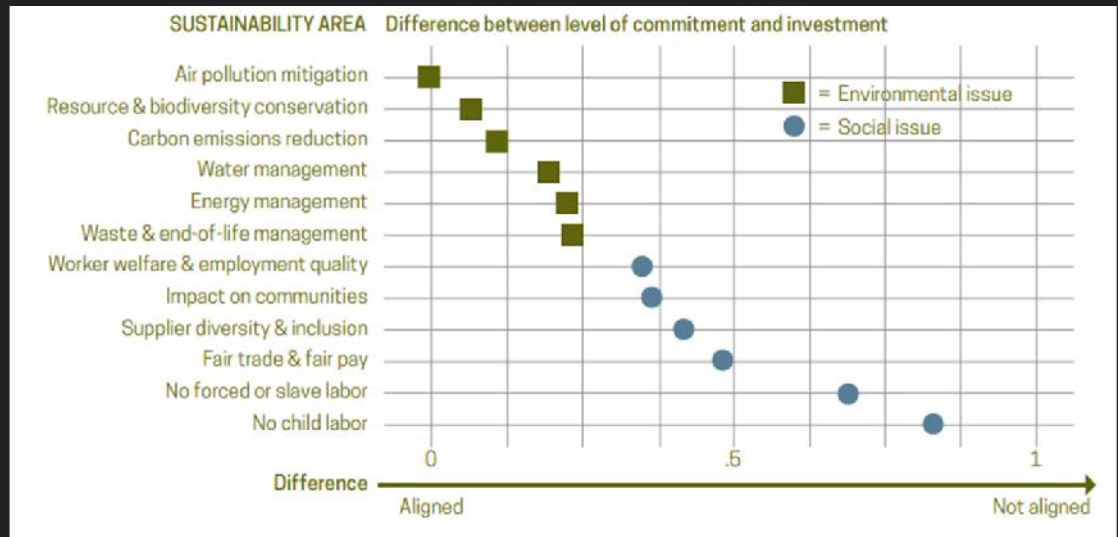
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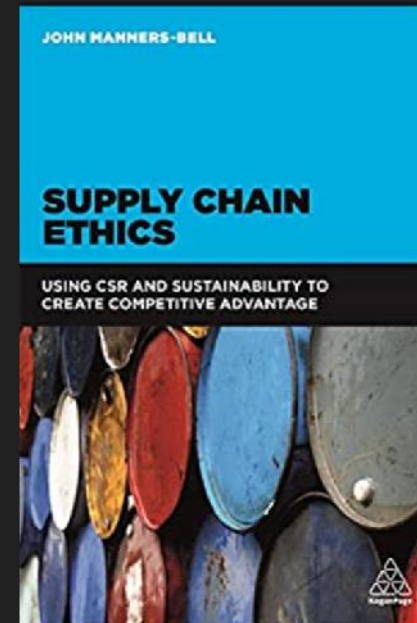
Highly touted goals may not match with significant investment

Investment more important than goals!



Challenges outlined in Manners-Bell

- **Audits don't always work**
- **Ethical commitment must run through "corporate DNA"**
 - Not a sub-organization
- **Complex supply chains are MUCH more difficult to change**
 - Tier 1, tier, 2, and tier 3 (completely obscure)
- **Collaboratively work with suppliers to improve behavior, even after significant problems.**



First Look at the Supplier Code of Conduct



Some nice attributes

- Eight pages with title slide
- References both internal and external standards and codes of conduct
- Definition of key terms
- Integrity line for whistle blowers

Whirlpool Corporation

SUPPLIER CODE OF CONDUCT



If any Suppliers aggressively or passively impose gifts or entertainment on Whirlpool employees (even with the best of intentions), this will be reported and could result in immediate loss or termination of business.

Child Labor

Suppliers must comply with local laws regarding the minimum age of employees. The minimum age for workers must be the greater of: (a) 15 years of age or 14 years of age where local law allows such an employment age consistent with International Labor Organization guidelines; or (b) the age for completing mandatory (compulsorily) education; or (c) the minimum age established by law in the country of manufacture. In addition, Suppliers must comply with all legal requirements for the work of authorized young workers, particularly those pertaining to hours of work, wages, safety, working conditions, and the handling of certain materials.

Human Trafficking and Forced Labor

Human trafficking, forced, debt bonded, indentured and slave labor are unacceptable, and Whirlpool is committed to preventing these practices in its operations and supply chain. Whirlpool's Code of Conduct prohibits harsh or inhumane treatment, including corporal punishment or the threat of corporal punishment, or forced labor. Our Suppliers must meet these requirements and be compliant with the law, codes and policies.

Harassment

Suppliers must treat all workers with respect and dignity. No workers shall be subject to corporal punishment, physical, sexual, psychological or verbal harassment or abuse. In addition, Suppliers will not use

monetary fines as a disciplinary practice.

Wage and Benefits

Suppliers must pay workers at least the minimum compensation required by local law and provide all legally mandated benefits. In addition to payment for regular hours of work, workers must be paid for overtime hours at such premium rate as is legally required or, in those countries where such laws do not exist, at least equal to their regular hourly payment rate. In addition, Suppliers must provide accident insurance to their workers for work-related accidents and compensation for work-related accidents resulting in permanent disability.

Hours of Work

Suppliers must ensure that on a regularly scheduled basis, except in extraordinary business circumstances, workers are not required to work more than (a) 60 hours a week, including overtime, or (b) the limits on regular and overtime hours allowed by the laws of the country of manufacture. In addition, except in extraordinary business circumstances, all workers are entitled to at least one day off in every seven day period.

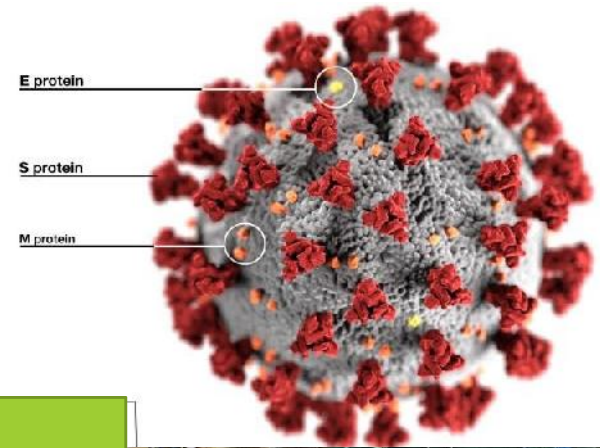
Health and Safety

Suppliers must provide workers a clean, safe and healthy work environment in compliance with all legally mandated standards for workplace health and safety in the countries in which they operate. This includes any residential facilities a Supplier provides to its workers.

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Clarifies Positions For:

- Anti-bribery and anti-corruption
- Child labor
- Environment
- Gifts and entertainment
- Human trafficking and forced labor
- Harassment
- Health and safety
- Hours of work and wages
- Unions
- Women's rights



Thank You

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