

Fighting Human Trafficking and Modern Slavery

A Global Issue for All Industries

Human trafficking is a global crisis affecting over **40 million people; 1 in 4 victims are children.**¹ It is the fastest growing criminal industry in the world and second only to drug trafficking in total valuation.² In addition to the moral imperative to help victims, **modern slavery can pose significant risk to companies** with complex supply chains.

Companies Face Significant Reputational, Financial, Operational, Legal and Regulatory Risk

The exploitation of forced labor or failure to identify forced prostitution exposes companies to risks extending beyond their corporate social responsibility commitments or their reputation. As regulators are beginning to demand more accountability, it is imperative that companies assess these risks within its supply chain and business operations. Additionally, investors and key stakeholders are increasingly focused on ESG and sustainability strategies.

*Industries particularly vulnerable to human trafficking and modern slavery risks exposure include hospitality, agriculture, apparel, manufacturing, food and beverage, and construction... **But it can occur in any industry.***

Multi-Tiered Supply Chains Create Visibility Challenges

Companies that outsource to countries with lower labor standards can inadvertently support human trafficking in their supply chains. In a multi-tier global supply chain, visibility may be limited beyond the first tier when multiple parties are involved in sourcing raw materials, manufacturing the goods and delivering to consumers. Companies may not realize that behind their primary suppliers, they are actually supporting forced labor situations in their supply chain.

Collaborative Effort is Critical to Combat Human Trafficking

While governments around the world are making significant efforts to implement human trafficking regulation, companies play a critical role in driving systemic change and deploying action-based solutions. Commitment from executive leadership can push companies to conduct risk assessments, implement effective compliance programs, remediate known issues and monitor successes through meaningful KPIs.

¹ <https://www.ilo.org/global/topics/forced-labour/>

² <https://www.justice.gov/usao-ri/human-trafficking>



— HOW FTI CAN HELP

FTI Consulting understands how human trafficking and forced labor affects companies and has worked with clients in a broad range of industries to manage and address risks.

Proactive Advisory Services

- *Risk Assessment* – Conducting a gap analysis and benchmarking exercise to identify strengths and weaknesses in the company’s approach to forced labor or forced prostitution, particularly in a landscape of increasing regulations.
- *Due Diligence* – Applying sophisticated investigative research to develop comprehensive profiles of suppliers and implementing a risk-based approach to generate intelligence through discreet source inquiries and boots-on-the-ground investigations.
- *Compliance Program Assessment* – Conducting holistic assessments of internal controls, corporate compliance and governance programs to help companies mitigate the likelihood of human rights violations.
- *Supply Chain and Export Control Management* – Implementing innovative technology-driven solutions to help clients manage increased forced labor supply chain scrutiny, comply with regulations and respond to enforcement actions including Withhold Release Orders (“WRO”) by the U.S. Customs and Border Protection (“CBP”). Our team improves the traceability of all aspects of the supply chain to create an irrefutable digital record of compliance.
- *Blockchain and Cryptocurrencies* – Helping companies use blockchain to enhance human trafficking prevention, detection and reporting.

Blockchain can help track raw materials from the farms through manufacturing, verifying that those raw materials were sourced from sustainable locations and trusted suppliers.

- *SEC Disclosure Advisory* – Advising clients on managing the increased scrutiny and disclosure requirements pertaining to ESG and supply chain operations that are being considered and implemented by the SEC.

Continuous Monitoring and Communication

- *Data Mapping and Generation* – Our experts dive into our clients’ data systems to understand their existing data and apply artificial intelligence (“AI”) to develop insightful KPI metrics for actionable intelligence that can withstand the scrutiny of industry sustainability standards, best practices and ESG ROI tracking.
- *AML Transaction Monitoring by Financial Institutions* – We help financial institutions develop compliance, detection and risk-management programs that identify human trafficking typologies and red flags, strengthening the first line of defense against criminal behavior.
- *Strategic Communications* – An integral part of the FTI team, our communication advisory experts are involved from Day 1 to shape the communication of sustainable business initiatives to key stakeholders, building a narrative and echo chamber of supportive third-party validators to tell our clients’ story.

Reactive Advisory Services

- **Investigations** – Whether triggered by whistleblower complaints, NGO allegations, regulatory action, or a class action lawsuit, our expert team of investigators, former law-enforcement officials, industry experts, federal prosecutors and data analysts collaboratively sift through complex data and apply proven investigative methods to support executive boards and legal counsel to conduct independent investigations.
- **Litigation Support** – With our front-line experience dealing with forced labor and sex exploitation, we are highly credible when providing litigation and expert witness services.

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