



**Understanding & Addressing Forced
Labour in Global Value Chains**

Why it matters & how we can take action



What is forced labour?

“All work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.”

- The International Labour Organization (ILO), ILO Forced Labour Convention, 1930 (No. 29)

ILO has defined 11 indicators of forced labour¹ that represent the most common signs or “clues” that point to the possible existence of a forced labour case¹:

1. Abuse of vulnerability
2. Deception
3. Restriction of movement
4. Isolation
5. Physical and sexual violence
6. Intimidation and threats
7. Retention of identity documents
8. Withholding of wages
9. Debt bondage
10. Abusive working and living conditions
11. Excessive overtime

¹ https://www.ilo.org/wcmsp5/groups/public/-/ed_norm/---declaration/document/s/publication/wcms_203832.pdf

Why is forced labour an urgent issue?




 Forced labour is a widespread and growing problem affecting global value chains.


 Many jurisdictions now explicitly require companies to identify and mitigate any forced labour risks and take action along the value chain.

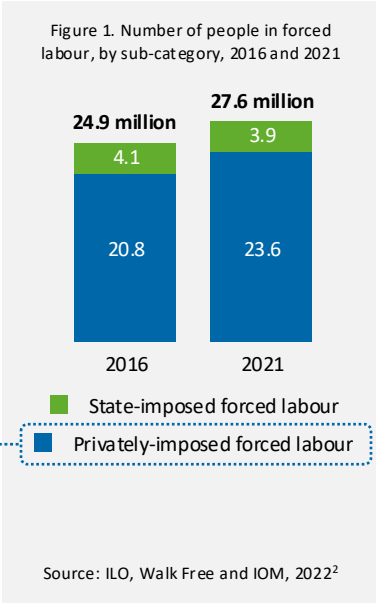

 Increased awareness and collaboration among all industry actors are essential to combat this issue

This guidance aims to support everyone at Umicore and Umicore’s business partners in addressing forced labour by providing information and recommendations on how to identify, mitigate and remediate forced labour risks.

According to the Walk Free¹ organization, there were 27.6 million people in forced labour on any given day in 2021, which is an increase of 2.7 million compared to 2016.

The March 2024 ILO report² states that the increase in forced labour comes from the “increase in the number of people in privately-imposed forced labour” rather than governmentally imposed.

The private sector has a big role to play in eradicating forced labour.



¹<https://www.walkfree.org/>
²https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_norm/@ipec/documents/publication/wcms_918034.pdf

What do we expect from our business partners?

At Umicore we expect our business partners to have systems in place that will mitigate, identify and remediate forced labour in their operations and supply chains. This includes ensuring the following:

1. **Freely Chosen Employment**
All workers have the right to enter employment voluntarily and freely, without facing threats or penalties. This includes the right to choose their work without coercion.
2. **Clear Contracts**
Employers shall provide written contracts of employment in a language that workers can easily understand. Contracts should outline workers' rights, responsibilities, payment of wages, working hours, and valid grounds for termination.
3. **No Recruitment Fees**
Workers should not pay any recruitment fees or related costs, including for medical checks, training, visas and work permits, travel and lodging, administrative services, as defined by ILO's Definition of recruitment fees and related costs¹. All of the costs should be borne by the employer as per The Employer Pays Principle | Institute for Human Rights and Business (ihrb.org)².
4. **Wages**
Employers must pay wages regularly and directly to workers. Employers cannot use wage deductions to create debt bondage or job dependency. Limits should be in place, and only authorized deductions are permitted.
5. **Debt-free Work**
Workers shall not be held in debt bondage or forced to work for an employer to repay incurred or inherited debts.
6. **Overtime Consent**
Workers cannot be forced to work overtime beyond legal limits under the threat of dismissal or other punishment.
7. **Document Safety**
Practices such as confiscating or withholding worker identity documents are prohibited.
8. **Freedom Of Termination**
Employers must not use means to restrict a worker's ability to terminate employment. For example, they cannot use unreasonable notice periods, require deposits, withhold employee documentation, threaten violence, or impose financial penalties.

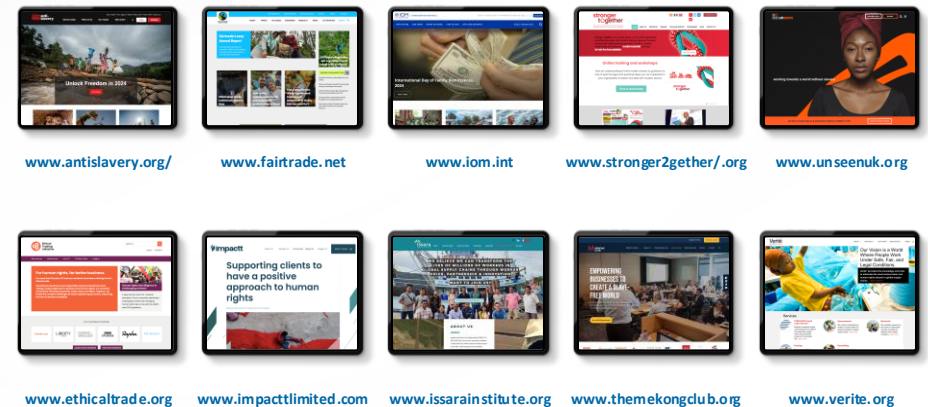
Guidance for Assessing and Addressing Forced Labour Risks

Building on 11 indicators of forced labour¹, this guidance provides additional tips/recommendations to help our business partners meet our expectations and identify potential signs of forced labour in their operations and value chain.

Please remember that a single indicator does not necessarily confirm the presence of forced labour. It is important to assess each situation holistically, considering the context, workers' experiences, and the potential for other indicators to be present.

If our business partners identify any indicators of forced labour, they should plan their remediation actions to ensure workers are no longer affected.

Since both, the identification and remediation of forced labour can be complex and challenging, we recommend partnering with the expert organizations listed below to assist in the process:



¹https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_norm/@declaration/documents/publication/wcms_536755.pdf

²<https://www.ihrb.org/employer-pays-the-employer-pays-principle>

¹https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_norm/@declaration/documents/publication/wcms_203832.pdf

1. Abuse of vulnerability

“Anyone can be a victim of forced labour. However, people who lack knowledge of the local language or laws, have few livelihood options, belong to a minority religious or ethnic group, have a disability or have other characteristics that set them apart from the majority population are especially vulnerable to abuse and more often found in forced labour.”¹

Vulnerable groups may include:



Have you identified vulnerable people in your value chain?

Do you employ migrant workers, agency or contracted workers, people from ethnic or religious minorities?

How can you support these vulnerable groups?

- ensure workers are clear on their rights (for migrant workers this means additional language support)
- help them reach supporting organisations such as NGOs, trade unions
- ensure to include them in your due diligence: audits, grievance channels, SAQs etc.

2. Deception

“Deception relates to the failure to deliver what has been promised to the worker, either verbally or in writing. Victims of forced labour are often recruited with promises of decent, well-paid jobs. But once they begin working, the promised conditions of work do not materialize, and workers find themselves trapped in abusive conditions without the ability to escape. In these cases, workers have not given free and informed consent. Had they known the reality, they would never have accepted the job offer. Deceptive recruitment practices can include false promises regarding working conditions and wages, but also regarding the type of work, housing and living conditions, acquisition of regular migration status, job location or the identity of the employer. Children may also be recruited through false promises, made to them or their parents, concerning school attendance or the frequency of visits by or to their parents.”¹

In practice, it is false information about:

- Working and/or living conditions
- Wages
- Job type
- Location
- Related costs (for recruitment, equipment, training etc.)
- Costs of living

Do you ensure that workers have written contracts detailing their rights and benefits?

Do you know what information is shared with workers before they start working at your site?

Do you know how workers are recruited by your recruitment agencies?

Do you know how workers are recruited by your business partners?

We recommend you work with recruitment agencies and business partners on ensuring ethical recruitment practices (as per [IOM's standards](#))

¹ https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_203832.pdf

¹ https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_203832.pdf

3. Restriction of movement

“Forced labourers may be locked up and guarded to prevent them from escaping, at work or while being transported. If workers are not free to enter and exit the work premises, subject to certain restrictions which are considered reasonable, this represents a strong indicator of forced labour. Legitimate restrictions might include those relating to protection of the safety and security of workers in hazardous work sites, or the need to request prior permission of the supervisor to attend a medical appointment. Forced labourers may have their movements controlled inside the workplace, through the use of surveillance cameras or guards, and outside the workplace by agents of their employer who accompany them when they leave the site.”¹

In practice, it could mean:

- Workers are not allowed to leave the worksite.
- Workers are guarded and locked up at work or in their accommodation.
- Workers’ movements are closely monitored both inside and outside the workplace. This includes camera surveillance and immediate response requirements for phone calls. They are picked up and dropped off at their accommodation without freedom to leave.
- Workers are bound to the accommodation provided by employers or agents.
- To leave the country or workplace, workers need exit visas, which require permission from their employer.

Do you know if workers are free to leave the worksite without special permits?

Did you notice any excessive surveillance at the site?

Are workers free to choose a mean of transportation to and from workplace?

Do you ask your business partners any of these questions?

If identified, try to understand how it might affect workers and work on removing a any potential restrictions to workers’ freedom of movement.

4. Isolation

“Victims of forced labour are often isolated in remote locations, denied contact with the outside world. Workers may not know where they are, the worksite may be far from habitation and there may be no means of transportation available. But equally, workers may be isolated even within populated areas, by being kept behind closed doors or having their mobile phones or other means of communication confiscated, to prevent them from having contact with their families and seeking help. Isolation can also be linked to the fact that the business premises are informal and not registered, making it very difficult for law enforcement or other agencies to locate the business and monitor what is happening to the workers.”¹

In practice, it could mean:

- Remote Location:** Workers are placed in remote areas, including rural regions or difficult-to-access locations.
- Kept Behind Closed Doors:** Workers are confined and restricted from interacting with the outside world.
- Language Barrier:** They may not know the local language, leading to further isolation.
- Language-Disparate Groups:** Workers are intentionally grouped with others who do not share a common language.
- Mobile Phone Confiscation:** Their mobile phones are taken away, preventing communication.
- Concealed Work Premises:** The working environment is hidden from public view.
- Restricted Interaction:** Workers are prohibited from interacting with fellow workers or the local community

Are migrant workers provided language classes to reduce isolation?

Do workers have free access to internet to contact their families and outside world?

Do you facilitate and encourage interactions with local communities?

Do you ask your business partners any of these questions?

¹ https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_203832.pdf

¹ https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_203832.pdf

5. Physical and sexual violence

“Forced labourers, their family members and close associates may be subjected to actual physical or sexual violence. Violence can include forcing workers to take drugs or alcohol so as to have greater control over them. Violence can also be used to force a worker to undertake tasks that were not part of the initial agreement, such as to have sex with the employer or a family member or, less extreme, to undertake obligatory domestic work in addition to their “normal” tasks. Physical abduction or kidnapping is an extreme form of violence which can be used to take a person captive and then force them to work. As violence is not acceptable as a disciplinary measure under any circumstances, it is a very strong indicator of forced labour.”¹

In practice, it could mean:

- Violence against workers or threats of violence (also by subjecting one worker to violence in front of others)
- Forcing or coercing workers into taking drugs or alcohol, to have greater control over them
- Using fight dogs or intimidating individuals as guards.
- Spreading rumours about corporal punishment as a deterrent against complaints.

Are all managers and supervisors trained on human rights and workers’ treatment and are aware that violence and harassment are prohibited?

Do workers trust available grievance channels enough to use it even when they feel threatened?

Do you ask workers if they were ever subject to any type of violence?

Do you ask your business partners any of these questions?

Does the site have systems in place allowing for a just and independent investigation of such cases?

6. Intimidation and threats

“Victims of forced labour may suffer intimidation and threats when they complain about their conditions or wish to quit their jobs. In addition to threats of physical violence, other common threats used against workers include denunciation to the immigration authorities, loss of wages or access to housing or land, sacking of family members, further worsening of working conditions or withdrawal of “privileges” such as the right to leave the workplace. Constantly insulting and undermining workers also constitutes a form of psychological coercion, designed to increase their sense of vulnerability. The credibility and impact of the threats must be evaluated from the worker’s perspective, taking into account his or her individual beliefs, age, cultural background and social and economic status.”¹

In practice, it could mean:

Verbal abuse, shouting, insults, intimidation – these often make workers feel more vulnerable, disempowered to speak up

Threat of reporting to immigration authorities – migrant workers might not be fully aware of their immigration status, as they rely on employers to organise their work permit

Threat of losing wages or access to housing or land, sacking of family members, further worsening of working conditions or withdrawal of “privileges” such as the right to leave the workplace

Did you see or hear any unacceptable behaviour at workplace (shouting, intimidation, insults)?

Do you ask workers if they were ever subject to any intimidation or threats?

Can workers access grievance channels outside of their employment without fear of reprisal?

If you identify intimidation and threats make sure disciplinary actions are taken against perpetrators and workers are protected from harm.

¹ https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/document/s/publication/wcms_203832.pdf

¹ https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/document/s/publication/wcms_203832.pdf

7. Retention of identity documents

“The retention by the employer of identity documents or other valuable personal possessions is an element of forced labour if workers are unable to access these items on demand and if they feel that they cannot leave the job without risking their loss. In many cases, without identity documents, the worker will not be able to obtain other jobs or access essential services, and may be afraid to ask for help from authorities or NGOs.”¹

In practice, it could mean:

Workers’ passports, identity documents or other personal documents are withheld by employer or recruitment agents

Workers’ other valuable possessions are confiscated



Do workers have unrestricted access to their passports, documents and possessions?

Do workers have a safe storage to keep their valuables in?

Do employers return workers’ passports as soon as possible (straight after visa or work permit processing)?

Do you ask your business partners and recruitment agents any of these questions?

If identified, workers documents and possessions should be returned to the workers or an alternative system allowing unrestricted access should be put in place.

¹ https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/document/s/publication/wcms_203832.pdf

8. Withholding of wages

“Workers may be obliged to remain with an abusive employer while waiting for the wages that are owed to them. The fact of irregular or delayed payment of wages does not automatically imply a forced labour situation. But when wages are systematically and deliberately withheld as a means to compel the worker to remain, and deny him or her of the opportunity to change employer, this points to forced labour.”¹

In practice, it could mean:

Delayed and irregular payment wages

Only partial payment of wages

Payments of wages onto accounts not controlled by workers

Do you check if your business partners, contractors and labour agencies pay their workers on time?

Do you know how workers receive their wages (cash, bank transfer into their account, vouchers)?

Do you prohibit withholding of wages across your value chain?

Do you ask your business partners, contractors and labour agencies any of these questions?

If identified, all wages should be repaid with interest for the period of time that wages were withheld.

¹ https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/document/s/publication/wcms_203832.pdf

9. Debt bondage

“Forced labourers are often working in an attempt to pay off an incurred or sometimes even inherited debt. The debt can arise from wage advances or loans to cover recruitment or transport costs or from daily living or emergency expenses, such as medical costs. Debts can be compounded as a result of manipulation of accounts, especially when workers are illiterate. Debt bondage may also arise when children are recruited in exchange for a loan given to their parents or relatives. Employers or recruiters make it difficult for workers to escape from the debt, by undervaluing the work performed or inflating interest rates or charges for food and housing. Debt bondage – or bonded labour – reflects an imbalance in power between the worker-debtor and the employer-creditor. It has the effect of binding the worker to the employer for an unspecified period of time, anything from a single season, to years, or even successive generations. It bears no resemblance to taking a “normal” loan from a bank or other independent lender, for repayment on mutually agreed and acceptable terms.”¹

In practice, it could mean:

- Workers are paying off a debt incurred during recruitment to cover recruitment fees, administrative costs, travel and lodging, passports and visas and other related costs that should have been covered by the employer
- To cover these costs, workers take a loan with their employer, recruitment agency, a bank or another lender, most often with excessive interest and additional charges
- Workers often don't have a choice of loan providers and need to accept unfavourable terms and conditions of the loan
- Workers must pay fines for e.g. not following health and safety rules, or work mistakes.

Did you ask workers in your operations and your value chain if they had to pay anything for their recruitment or employment (to recruitment agency, employer or loan provider)?

Do you ensure employer covers all the recruitment costs (as per [Employer Pays Principle](#))?

Do you know how your workers and through which channels were recruited?

Do you ask your business partners, contractors and labour agencies any of these questions?

If you identify debt bondage, ensure workers are reimbursed all recruitment fees and costs (we recommend the following guide on repayment:

[PRINCIPLES AND GUIDELINES FOR THE REPAYMENT OF MIGRANT WORKER RECRUITMENT FEES AND RELATED COSTS \(fairrecruitmenthub.org\)](#)

¹ https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/document/s/publication/wcms_203832.pdf

10. Abusive living and working conditions

“Forced labour victims are likely to endure living and working conditions that workers would never freely accept. Work may be performed under conditions that are degrading (humiliating or dirty) or hazardous (difficult or dangerous without adequate protective gear), and in severe breach of labour law. Forced labourers may also be subjected to substandard living conditions, made to live in overcrowded and unhealthy conditions without any privacy. Extremely bad working and living conditions alone do not prove the existence of forced labour; unfortunately, people may sometimes “voluntarily” accept bad conditions because of the lack of any alternative jobs. However, abusive conditions should represent an “alert” to the possible existence of coercion that is preventing the exploited workers from leaving the job.”¹

In practice, it could mean:

Conditions at workplace: dirty, hazardous, without access to drinking water and toilets, lack of PPEs

Conditions at accommodation: degrading and humiliating, overcrowded, unsanitary, very hot or cold, without privacy, infested



Have you visited workplaces and accommodation of workers within your value chain?

Do you require your business partners to follow regulations with regards to working and living environment?

The following guide will be helpful in assessing and addressing poor living and working conditions:

[Workers' accommodation: processes and standards \(ifc.org\)](#)

¹ https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/document/s/publication/wcms_203832.pdf

11. Excessive overtime

"Forced labourers may be obliged to work excessive hours or days beyond the limits prescribed by national law or collective agreement. They can be denied breaks and days off, having to take over the shifts and working hours of colleagues who are absent, or by being on call 24 hours a day, 7 days a week."¹

In practice, it could mean:

Workers work excessive overtime over long periods

Workers do not have an option to refuse overtime without punishment (e.g. dismissal)

Workers must work overtime to earn minimum wage

Workers work without breaks and/or days off



Do you check working hours of your own workers and workers within your value chain?

Do you require your business partners to follow local laws and international standards on working hours and annual leave?

Do you ask workers if they can refuse overtime?

Do you ask your business partners and contractors any of these questions?

If excessive overtime is found, ensure setting a clear system in place that will allow workers freely refuse overtime without penalties.

¹ https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/document/s/publication/wcms_203832.pdf

Checklist for Addressing Forced Labour Risks

- Do you have policy or statement on forced labour?
- Do you have systems in place to identify, mitigate and remediate forced labour?
- Do you provide training on forced labour to HR personnel, labour and recruitment agencies and your subcontractors?
- Do you provide training to workers about their rights?
- Do you conduct risk assessments to identify forced labour across your value chain?
- Do you provide remedy when forced labour is identified?

If you answered "yes" to these questions, then you have systems in place to address forced labour risks.

Assess your systems using the [Walk Free Modern Slavery Benchmarking Tool¹](https://www.walkfree.org/resources/modernslavery-benchmarking-tool/).

¹ <https://www.walkfree.org/resources/modernslavery-benchmarking-tool/>

Additional Resources

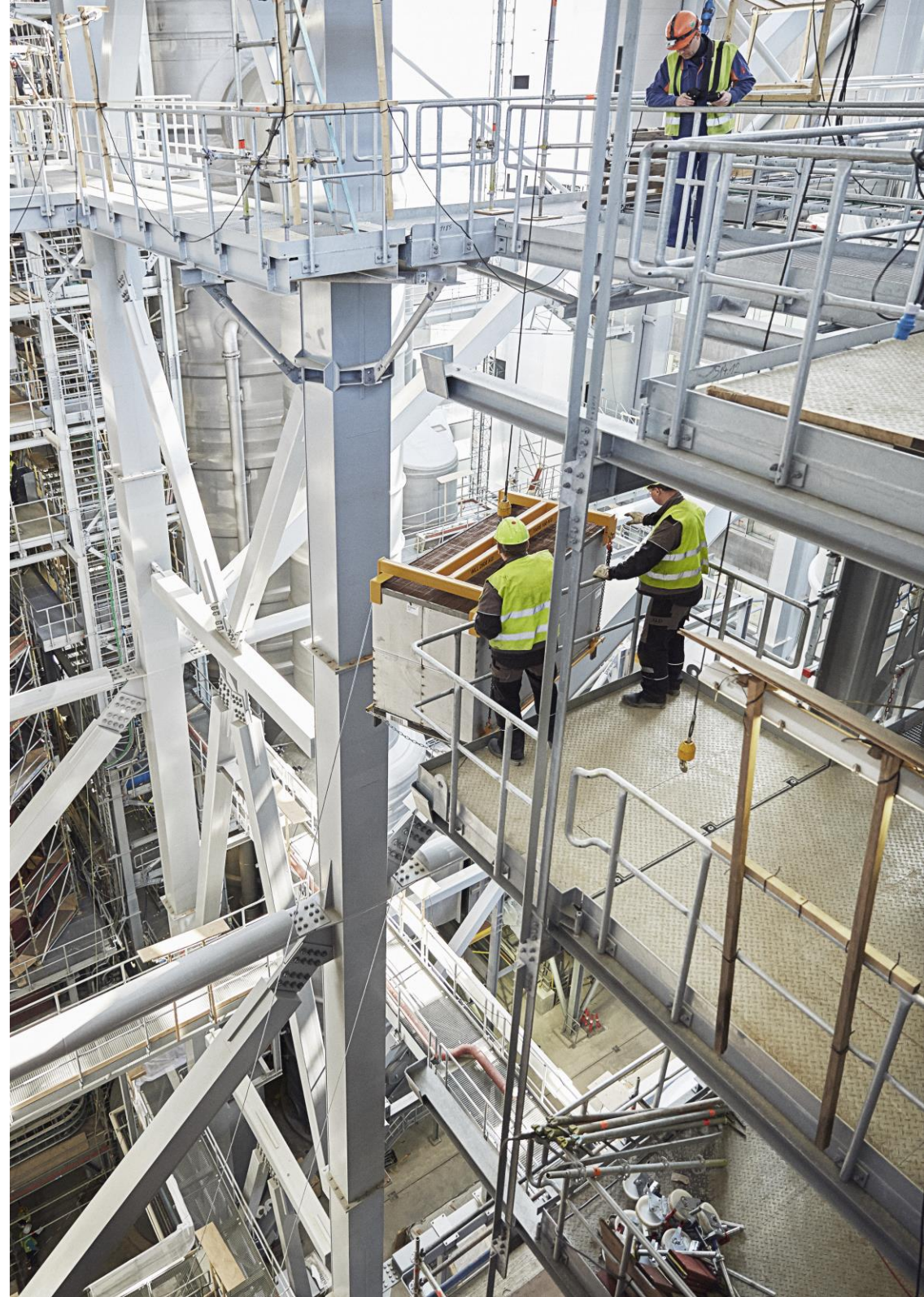
For further reference, we recommend the following tools and resources to increase your awareness and skills in addressing forced labour

Tools and training:

1. Responsible Sourcing Tool » Is Forced Labor Hidden in Your Global Supply Chain?
<https://www.responsible sourcingtool.org/>
2. MOOC on combating forced labour through skills and lifelong learning | ITCILO
<https://www.itcilo.org/courses/mooc-combating-forced-labour-through-skills-and-lifelong-learning>
3. An Introduction to Forced Labor https://verite.org/wp-content/uploads/articulate_uploads/An-Introduction-to-Forced-Labor-v2/story.html
4. Modern Slavery Benchmarking Tool | Walk Free
<https://www.walkfree.org/resources/modern-slavery-benchmarking-tool/>

Further reading and reference documents:

1. ILO INDICATORS OF FORCED LABOUR_wcms_203832.pdf
https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_norm/@declaration/documents/publication/wcms_203832.pdf
2. eti_base_code_guidance_modern_slavery_web.pdf
https://www.ethicaltrade.org/sites/default/files/shared_resources/eti_base_code_guidance_modern_slavery_web.pdf
3. <https://www.stopslaverynetwork.org/wp-content/uploads/2017/07/Sedex-Guidance-on-Operational-Practice-and-Indicators-of-Forced-Labour.pdf>
4. https://www.ilo.org/wcmsp5/groups/public/--ed_norm/--ipecc/documents/publication/wcms_914768.pdf
5. IRIS Standard Report
<https://iris.iom.int/sites/g/files/tmzbdj201/files/documents/IRIS%20Standard%20Report%20.pdf>
6. Workers' accommodation: processes and standards
<https://www.ifc.org/content/dam/ifc/doc/mgrt/workers-accomodation.pdf>
7. Principles and guidelines for the repayment of migrant worker recruitment fees and related costs https://www.fairrecruitment.org/sites/default/files/2022-03/Final_Impactt-Repayment-Standards_Revised_15.10.21.pdf



For inquiries and additional information please contact

Umicore

Naamloze vennootschap – Société anonyme

Broekstraat 31 Rue du Marais

1000 Brussels Belgium

Tel.: +32 (0)2 227 71 11

Fax: +32 (0)2 227 79 00

www.unicore.com/contact