

## FREEDOM INITIATIVE



## **COMMITMENT TO RESPECTING HUMAN DIGNITY**

Responsible companies around the world recognize that eliminating the taint of Forced Labor (which includes trafficked, slave, child, bonded, indentured, and other forms of involuntary or coerced labor) from their supply chains, products, and services not only is today's top compliance imperative, but more importantly is simply the right thing to do. The Freedom Seal, developed by the Tronie Foundation in collaboration with Perkins Coie's <a href="Supply Chain Practice">Supply Chain Practice</a>, and uniquely endorsed in 2017 by the Global Sustainability Network following the Joint Declaration of the 2014 World's Religious Leaders Against Slavery, provides a tangible touchpoint for companies and consumers, highlighting that qualifying companies take seriously their legal, ethical, and moral obligations to eliminate forced labor from their supply chains.

Qualifying for the Freedom Seal, moreover, critically provides qualifying companies the comfort of knowing that they by singing on to this one initiative taking the necessary steps towards simultaneously ensuring compliance and alignment with:

- Laws and Regulations. Key Forced Labor laws impacting today's supply chains, including the <u>Federal Acquisition Regulations concerning trafficking in government contracts</u> (FAR 52.222-50), Tariff Act of 1930 (19 USC § 1307), <u>Customs and Facilitations and Trade Enforcement Act of</u> 2009, and the Trafficking Victims Protection Reauthorization Act,
- 2. **Industry Standards**. Industry codes of conduct governing supply chains, including perhaps most prominently the Electronic Industry Citizenship Coalition Code of Conduct.
- 3. **US Government Standards**. The US Department of Labor's <u>hallmarks</u> of a "good code of conduct."
- 4. **Disclosure Regimes**. The disclosure requirements mandated in consumer-facing recently-enacted supply chain regimes, including those set forth in the <u>California Transparency in Supply Chains Act</u> and the <u>UK Modern Slavery Act of 2015</u>.

Specifically, a company wishing to qualify for the Freedom Seal must at a minimum have in place – and enforce –Forced-Labor policies governing:

- **Suppliers' compliance with applicable laws** related to human trafficking governing both the jurisdiction where the work is performed and where the employer is headquartered, as well as discipline for non-compliance (including termination and reporting to the appropriate authorities).
- The general conduct of vendors/business partner, including supplier certifications concerning the absence of Forced Labor in their products and/or services.
- A zero-tolerance policy prohibiting company employees and suppliers from engaging in any Forced Labor-related activities, including:

- (i) Recruiting Practices. Using misleading or fraudulent recruitment practices during the recruitment of employees, such as failing to disclose basic information or making material misrepresentations regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, living conditions and housing (if employer provided or arranged), any significant costs to be charged to the employee, and if applicable, the hazardous nature of the work;
- (ii) Recruitment Fees. Charging employees recruitment fees;
- (iii) <u>Identity Documents</u>. Destroying, concealing, confiscating, or otherwise denying access by an employee to the employee's identity documents, such as passports or driver's licenses; and
- (iv) Return Travel Costs. Failing to pay return transportation costs upon the end of employment for an employee who is not a national of the country in which the work is taking place and who was brought into that country for the purpose of working for this employer.
- (v) <u>Employment Agreements</u>. Failing to provide employment agreement (if required) in employee's native tongue and prior to employee's departure from home country.
- Maintenance of internal accountability standards and procedures for those employees and vendors who fail to meet company standards and expectations.
- Safe and appropriate housing for those instances in which the Company arranges housing; such housing must meet applicable housing and safety standards in light of local conditions, and ensures reasonable levels of decency, hygiene and comfort (including adequate water supply, sanitary and washing facilities, privacy, and appropriate protection against heat, cold, damp, noise, fire and disease carrying animals).
- Requirements of full cooperation and agreement to unannounced audits of key suppliers, investigations, or other actions to ascertain compliance with the Company's Forced Labor policies and compliance with applicable laws.
- Anonymous hotline reporting so that Company employees and supplier employees are able to anonymously report suspected trafficking-related activity to the Company or supplier without fear of retaliation and in accordance with national privacy laws.
- **Rule against convict labor** so that good made wholly or in part in a foreign country by prison labor are not imported into the US.
- **Verification of the Company's supply chain** to evaluate/address "risks of human trafficking and slavery."
- **Auditing of suppliers** to evaluate compliance with company standards. Unannounced and through independent auditors?
- Periodic certification from direct suppliers that materials incorporated into goods comply with local anti-trafficking and slavery laws.
- **Training to employees/management** with supply chain responsibility (focus on mitigating supply chain risks and identifying trafficking).

For more information on what steps to take to ensure that your company or organization has in place "best practices" code of conduct provisions that will both (1) help ensure that it is policing its supply chain in a manner that will be viewed positively by regulatory, enforcement, consumer advocacy, and

non-governmental organization authorities, as well as (2) qualify it for the Freedom Seal as a tangible sign of adherence to sound supply chain practices, please <a href="mailto:adopttheseal@troniefoundation.org">adopttheseal@troniefoundation.org</a>.