

Institute for the National Pact to Eradicate Slave Labour



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Instituto Pacto Nacional pela
Erradicação do Trabalho Escravo



- In 1995, the Brazilian government officially **recognized the existence of slave labour** in Brazil;
 - ✓ 1997 founding of the “Mobile Inspection Group” to monitor and combat forced labour
- In 2003, the Government of Brazil established the National Registry of Employers to convict companies at an administrative level regarding slave exploitation, known as the “**Dirty List**”;
- In this context, the **National Pact** was launched in 2005 by a coalition of the:
 - ✓ Ethos Institute
 - ✓ International Labour Organization (ILO)
 - ✓ NGO Reporter Brazil
 - ✓ Social Observatory Institute



- **Article 149.** Reducing an individual to a status analogous to that of a slave,
 - subjecting a person to **forced labour**
 - **arduous (debilitating) working days;**
 - subjecting such a person to **degrading working conditions;**
 - **restricting**, in any manner whatsoever, his mobility by reason of a debt contracted in respect to the employer or a representative of that employer.



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DEGRADING WORK CONDITIONS



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DEBILITATING OR ARDUOUS WORKDAYS



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Main Goals



- Monitoring compliance of companies and comparing results with the PACT's commitments
- Mobilizing businesses and raising their awareness toward the prevention and eradication of slave labour in their supply chains while at the same time promoting decent work conditions
- Support companies to adopt policies and programmes to support economical and social reintegration of their employees exploited;
- Encourage creation of seminar and coaching programmes and policies among their suppliers, both directly and indirectly. To promote a chain reaction to prevent slavery
- Engage different groups and stakeholders to develop collective action and influence public policy at both national and local levels.

Our Output



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- ✓ Generate specific information on supply chain risks through research
- ✓ Advocate public policy engagement
- ✓ Monitoring of a system that includes setorial reports of companies actions
- ✓ Raise awareness of fair and good practices that promote working conditions
- ✓ Hold seminars and discussions in small groups concerning issues related to defining decent work conditions while eliminating exploitation
- ✓ Establish and lead working groups to address specific supply chain problems possibly leading to slavery;
- ✓ create an **action plan goal by companies**



Transparency List – the “Dirty List”

- Recognizing, applying, and advertising its use

Commitments to workers

- Observe the legal forms of employment and spread these values throughout the supply chain
- Enforce these commitments during business negotiations

Communication and benchmarking

- Show their commitment to the public
- Discuss these at internal and external events
- Show results and share strategies

FLAGSHIP: Monitoring



- InPACTO's flagship principle is this monitoring process, that **create an accurate diagnosis**, which allows **InPACTO to guide its actions** and to subsidize its members with more effective means to control and mitigate their supply chain risks;
- The goal is to identify the obstacles and measure the progress that InPACTO member companies are verifying with their actions on the prevention and eradication of slave labour. Also have a sectorial approach, in order to identify difficulties faced by each sector, and to propose solutions shared by all members in that sector;
- Each company receives their own specific report as valued on the Likert scale, which rates them in relationship to other companies and to the scale itself.
- This information allows companies to build up their own action plan based on their weakness and strengths



Does a company use the “Dirty List” as a criteria to select their suppliers?

Company answer:

Yes, for almost all of the supply chains

Congratulations! InPACTO knows how hard it is for companies to monitor effectively the entire supply chain. Keep up the good work!





Does your company stimulate the suppliers to adopted the “Dirty List” as a tool to mitigate risks?

Company answers:

We recommend only those suppliers that are considered critical for a specific section, region or product within the entire supply chain.

Very Good! The ideal would be to recommend that all of your suppliers use the “Dirty List” . When this strategy is applied throughout the supply chain, the results are broader and more effective at risk mitigation and control.



Members



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de Ceras
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Certificadora
Holandesa

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Nestlé Brasil
Marfrig
Minerva Foods

Ferro e Aço

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Vale do
Pindaré
Viena
Siderúrgica

Energia

Celesc
Eletronorte
Ipiranga
Petrobrás
Petrobrás
Distribuidora



- Necessary for less-qualified and unskilled workers
- Less mechanization or automatization
- Raw materials in general
- Many layers/tiers of outsourcing
- Lack of a transparent channel regarding recruitment fees and/or complicated recruitment processes;
 - Lack of transparency on possible working conditions, and/or inadequate legal protections. No Due Diligence or audit settled
 - Lack of monitoring procedures on this specific issue in a company's supply chain

UK Case



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In an article published in the “Chartered institute of Procurement & Supply”, regarding supply chains, and with the UK Government’s Elliot Review of the horse meat scandal anticipated in the coming weeks, almost three quarters (72%) of British supply chain professionals say they have zero visibility in their supply chains beyond the second tier, with only 11% saying they have visibility of the entire chain. As a result, only 21% of supply chain professionals saying that they are able to guarantee there is no malpractice in their supply chains with the majority (51%) saying the horse meat scandal has not led to supply chain risk being taken more seriously.

<https://www.cips.org/en/News/news/Professional-leaders-say-UK-could-be-sleepwalking-into-another-supply-chain-crisis/>

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