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Your company may unwittingly be conducting business with human traffickers: How can you prevent this?

Katherine Taken Smith*, Teresa Betts

Arthur J. Bauernfeind College of Business, Murray State University, Murray, KY 42071, U.S.A.

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Abstract A new concern is beginning to gain notoriety in society: human trafficking. This issue, which can result in slavery, should concern businesses. Almost 30 million slaves exist globally today. The fact that human trafficking is a $32 billion business indicates either indifference for human rights or an ignorance of the injustice occurring. Even though companies may be against the idea of human trafficking, they may not recognize that they could be contributing to this problem through their business operations and relationships. However, companies can exercise social responsibility by using their influence over suppliers and business partners to prohibit human trafficking. This article examines the extent to which companies are involved in combating human trafficking, and helps companies identify where they are at risk for involvement with human trafficking. Moreover, steps are suggested to prevent human trafficking from occurring within company operations and supply chains.

1. Consider this

A poor, young girl gets on a bus with the promise that there is a job awaiting her. She is drugged and wakes up in a brothel. If she tries to escape or does not perform for customers, she is beaten and starved, possibly to death. At the end of the year, she may have endured multiple abortions as a result of being raped thousands of times (Bilheimer et al., 2011). In an interview with a girl who had been rescued from a brothel, she described how customers were allowed to do whatever they wanted with her; no one came to help, no matter how loud she screamed. Human trafficking exists in part because there is a demand for the products and services connected to it. In some business dealings across the globe, paying for commercial sex is an acceptable form of entertainment for guests.

A 15-year-old boy, a school dropout, is recruited by a broker who promises him a good job. Instead, the boy is confined to a factory to work. He is given little food; is severely beaten, branded, or burned with cigarettes; and is allowed only a few hours of

* Corresponding author
E-mail addresses: ksmith68@murraystate.edu (K.T. Smith), tbetts1@murraystate.edu (T. Betts)

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sleep each night. The boy is occasionally allowed to talk on the phone with his parents, but the factory owner is always present and threatening. Someone is keeping this factory in business by purchasing its products. Could it be your company?

In the United States, nine owners of convenience stores were arrested in 2013 for participating in human trafficking and oppressing dozens of people through forced labor in their stores. Human trafficking is more rampant than most people realize, and unbeknownst to you, it may be occurring in your business or your community. What businesses supplied products to these convenience stores? What vendors stocked the shelves? Did anyone notice employees who looked under-nourished, wouldn't look people in the eye, or seemed afraid? While there are laws against forced labor and human trafficking, Secretary of State John Kerry admits that millions of victims go unnoticed by law enforcement every year ("Modern Day Slavery," 2013).

The purpose of this article is to examine the extent to which corporations are involved in combating human trafficking and to help companies identify and avoid situations in which there is a potential for human trafficking.

2. Should human trafficking be included in corporate social responsibility?

Corporate social responsibility (CSR)—the duty companies have to society beyond their duty to stockholders—is in a continuous state of transformation (Human Rights Council, 2011). In 1998, the most common issues regarding CSR were community/civic involvement, the environment, education, and charity (Esrock & Leichty, 1998). Since then, the focus of CSR has broadened. In 2012, community and environment were still key issues, but additional concerns emerged pertaining to health and wellness, diversity, and ethics (Smith & Alexander, 2013).

CSR has evolved to include the ethical, legal, economic, and philanthropic expectations society has for businesses (Carroll, 2010). Furthermore, a new concern is beginning to gain widespread notice in society, thus emerging as an issue about which businesses should take note: human trafficking. Some governments have declared human trafficking as one of the worst abuses of human rights of our time (Fukuda-Parr, 2003). Public outcry and legislation have not been strong enough to abolish the human trafficking industry, but a problem of this magnitude requires the efforts of *all* participants in a civilized society: citizens, governments, and businesses.

3. Specifics of human trafficking

According to the United Nations Trafficking Protocol (UNODC, 2014), human trafficking represents the recruitment, transport, transfer, harboring, or receipt of persons by threat, coercion, force, abduction, or deception for the purpose of exploitation. Exploitation includes prostitution, forced labor, slavery or similar practices, servitude, and the removal of organs. Human trafficking entails three basic elements: (1) the act of recruitment, transportation, transfer, harboring, or receipt of persons; (2) the means employed, such as threat, coercion, force, abduction, or deception; and (3) the purpose of exploitation.

Other terms are used in connection with human trafficking: modern-day slavery, forced labor, and debt bondage. Common to all these terms is the idea that a person is being deprived of his or her freedom for the purpose of exploitation. Although human trafficking is often equated with slavery, they are not technically the same thing. According to the Merriam-Webster Dictionary, slavery occurs when someone is legally owned by another person and is forced to work for that person without pay. Victims of human trafficking may not start out as property, but they may become slaves. In today's marketplace, a human being is an inexpensive commodity; the cost of a slave reached a record low of $90 in 2011. With an increase in the world's population, especially in developing countries, there is a bountiful supply of 'slaveable' people (Inocencio, 2011).

Forced labor is estimated to be the largest category of human trafficking, with sexual exploitation ranking second (Farrell, 2012). An estimated 50% of human trafficking victims are children (U.S. Department of State, 2004), and almost 70% of children involved in sexual exploitation are between the ages of 1 and 10 years old (Enough Is Enough, 2013). Children are in demand for pornographic websites, often in highly abusive scenarios. In addition to labor and sexual exploitation, children may be used in beggars' networks or for the brutal act of forcibly removing their organs for sale. Victims may be lured in or abducted and then sold into bondage, or daughters and sons may be sold by parents who are either deceived or hard-hearted.

The Global Slavery Index (2013) provides information regarding the number of slaves within countries globally and the amount of human trafficking occurring in and out of each. The actual number of slaves in the world is hard to measure because it depends upon the goals of each researcher and the definition they use for slavery. However, according to the Global Slavery Index published by the Walk Free Foundation—the goal of which is to end slavery—there are

Table 1. Regional analysis of slaves around the world

Region	Number of slaves	% of world's slave population (29.8 million)
Asia	21.49 million	72.14%
Sub-Saharan Africa	4.87 million	16.36%
U.S.A. & Canada	1.12 million	3.78%
Russia & Eurasia	1.00 million	3.36%
Middle East & North Africa	.75 million	2.54%
Europe	.54 million	1.82%

Source: Global Slavery Index (2013)

29.8 million people enslaved worldwide today. Walk Free's strategy for eradicating slavery includes enlisting the help of corporations to drive change in those industries where slavery is most rampant.

Table 1 provides a breakdown of the amount of human trafficking occurring in different regions around the world. According to the Global Slavery Index (2013), 72% of victims are in Asia: over 21 million people. Sub-Saharan Africa contains 16% of the world's slaves, and the United States and Canada house almost 4%. This may sound like a small percentage in North America, but it equates to more than 1 million victims. Europe possesses the lowest percentage of slaves, almost 2%, which still represents an appallingly large number of victims: in excess of half a million.

The Global Slavery Index (2013) ranks countries according to the number of enslaved people within their borders. The ten countries with the highest numbers of slaves are:

1. India
2. China
3. Pakistan
4. Nigeria
5. Ethiopia
6. Russia
7. Thailand
8. Democratic Republic of the Congo
9. Myanmar
10. Bangladesh

India is by far the worst violator in terms of human bondage, with approximately 14 million slaves. Debt bondage and bonded labor occurs among men, women, and children. China is the second largest, with about 3 million. China's treatment of people is abusive in many ways, from forced labor, to forced begging, to sexual exploitation. Pakistan is ranked third for enslaving more than 2 million people. The remaining countries on the list each contain less than a million slaves. Altogether, the 10 countries listed account for 76% of the global estimate of 29.8 million slaves (Global Slavery Index, 2013).

4. What is the role of commerce in human trafficking?

Some companies have larger economies than developing countries and can therefore be very influential over their suppliers and business partners. Companies possess myriad resources and may be able to impact social and political arenas, as well as the marketplace (United Nations Human Rights, 2012). Fortunately, corporate social responsibility compels businesses to do what they can to make a better world.

Human trafficking is a $32 billion industry that operates globally (Belser, 2005); it is the second most lucrative criminal activity, following drug dealing (Balch, 2013). About half of the profits from victims of forced labor are netted in industrialized countries (Belser, 2005). The dreadful act of people being sold across international borders is an ongoing reality, but as long as consumers are willing to purchase products and services connected to human trafficking, the industry will thrive. The fact that human trafficking is a profitable business indicates either a disregard of human rights or an ignorance of the injustice occurring.

Legitimate companies that knowingly or unknowingly do business with people in the human trafficking industry facilitate the continuation of this illegal trade. Members of the human trafficking supply chain include the recruiter, the transporter/smuggler, and the final exploiter (Belser, 2005). Human trafficking obviously involves criminals and organized crime networks; however, some people in the supply chain may have legitimate jobs and may not be aware that they are facilitating illegal behavior. These facilitators may include Internet providers, transportation providers, hotels, and dating sites.

Manufacturers and retailers may also unknowingly assist in human trafficking by using products or services garnered from victims of forced labor. Companies risk being associated with human trafficking by employing a workforce supplied by third-party agents over which they have limited oversight. A company that knowingly partners with a supplier who uses forced labor is, in essence, joining in the exploitation of trafficking victims.

In 2011, the United Nations (UN) Human Rights Council endorsed the Guiding Principles on Business and Human Rights, implementing the UN Protect, Respect, and Remedy framework. The respect component of this document addresses the corporate responsibility to respect human rights. Businesses should avoid violating human rights through their company activities and should prevent adverse human rights impacts linked to their operations, products, or services. The document states that companies have a social responsibility to stop human rights infractions that are linked to business relationships, even if the company has not contributed to those infractions (United Nations Human Rights, 2012). To show employees and stakeholders that human rights are important, a company should have appropriate policies in place. The company should also have processes to identify, prevent, and halt human rights violations (Human Rights Council, 2013).

As human trafficking gains attention, companies are considering the social responsibility implications involved in global supply chains. The Global Business Coalition Against Human Trafficking (gBCAT) is an organization whose mission is to mobilize the business community in order to end human trafficking. The co-founder of gBCAT, Robert Rigby-Hall, made the following statement: "Non-governmental organizations and governments are very passionate about fighting trafficking, but until corporate America gets behind this issue, nothing really in my mind is going to change" (Balch, 2013). Prominent corporations such as Microsoft, Coca-Cola, Ford, and ExxonMobil support the mission as board members of gBCAT.

gBCAT provides companies with orientation and operational guidance to understand human trafficking and how it affects business. Members of this organization also facilitate connections between businesses and governments, international organizations, non-profits, and civil society for the purpose of sharing solutions to address human trafficking. As a way to achieve its mission of ending human trafficking, gBCAT focuses on the following tasks:

- Implementing training programs for employees, vendors, and sub-contractors.
- Identifying and preventing forced labor in supply chains and operations.
- Raising awareness of company policies to combat sex trafficking, notably in travel and tourism.
- Exercising thought leadership and transferring best practices.

As a practical example of how a company can combat human trafficking, Delta trains its employees to identify signs of trafficking on its international flights. Coca-Cola, a founding member of gBCAT, has identified human trafficking possibilities within its business operations and has implemented policies to mitigate them (O'Neill, 2013). Microsoft has taken steps to make it harder for traffickers to use its products. The company also trains employees to become aware of situations in which they could come into contact with human trafficking.

Since 2000, legal tools have emerged to help fight human trafficking. On a worldwide basis, the UN General Assembly adopted the UN Protocol to Prevent, Suppress, and Punish Trafficking in Persons. That same year, the United States passed the Trafficking Victims Protection Act (Gozdziak & Collett, 2005). In 2012, the European Commission (2013) adopted the EU Strategy toward the Eradication of Trafficking in Human Beings. Although some people might think that human trafficking could be eradicated by legal means—that is, simply mandating that it is illegal—it is more complex than that. Culture and religious beliefs play a role in whether or not a society values human life and is willing to tolerate abuses such as human trafficking and slavery.

While all nations suffer from human exploitation, Western nations have lower rates of trafficking and slavery. These lower rates can be traced to historical and cultural roots, including the West's dominant religion of Christianity. William Wilberforce, who served in the British Parliament, had a significant impact on the anti-slavery movement. After becoming a Christian in adulthood, Wilberforce was instrumental in Parliament voting to abolish slavery throughout the British Empire in 1833 (Smith, 2014). The movement to end slavery in the United States was led by Christians such as Quakers, Presbyterians, Congregationalists, and Evangelicals (Stafford, 1992). These denominations upheld the assertion in the U.S. Declaration of Independence that: "All men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness." Slavery was abolished in the United States in 1865.

Consumer demand and profitability are also integral components of human trafficking. However, companies and consumers can work together to decrease the demand for products connected to human trafficking. While there is a moral reason for companies to combat human trafficking, it also makes good business sense. Allegations of human trafficking can destroy a company's reputation and, in turn, hurt profitability. Besides risking the disdain of consumers, business partnerships and investors may be affected. In contrast, companies that contribute to the good of society have been associated with better financial performance, increased creativity and innovation, and improved competitive standing in the marketplace (Kassinis & Vafeas, 2006). Research indicates that consumers and stakeholders prefer doing business with good corporate citizens (Smith, Smith, & Wang, 2010).

Many businesses voluntarily adopt codes of conduct that include the protection of human rights. These principles may be within a firm's social responsibility report, code of ethics, corporate citizenship, or some other document on corporate policy. However, according to the United Nations, most existing codes of conduct do not specifically include human trafficking. Even though companies may be against the idea of human trafficking, they may not recognize that they could be contributing to this problem through their business operations and relationships. Consequently, companies often do not consider human trafficking as part of their social responsibility and lack policies to prevent trafficking from occurring in their supply chains (United Nations Human Rights, 2012).

5. Are Fortune 500 companies addressing the problem of human trafficking?

As previously discussed, human trafficking is slowly gaining the attention of society and business. Corporations can help in the battle to end this inhumane activity, yet not all corporations treat human trafficking as a priority issue and address it within their realm of corporate responsibility. To determine the number of Fortune 500 companies that *are* specifically addressing human trafficking, data was collected in the fall of 2013. The study determined which of these leading corporations that drive the American economy—and, to a large extent, the world economy—included the issue of human trafficking on their websites or in company documents linked to the websites. Corporate social responsibility applies to companies of any size; however, the focus tends to be on large organizations because they are more often in the public eye and have more clout (Carroll, 2010).

5.1. The findings: A minority of companies are in the fight

Of the Fortune 500 companies, 31% (155 companies) specifically address the issue of human trafficking. Information regarding policies and procedures related to the trafficking of persons is placed either directly on the company's website or via links to a social responsibility report, corporate citizenship report, code of ethics, or some other document regarding company policy.

Fortune 500 companies can be categorized into three industry types: manufacturing, retail, and service. Table 2 shows the number and percentage of firms within each category that address the issue of human trafficking through their websites. Around 40% of manufacturers and retailers discuss their stand on human trafficking and the policies they have in place to help combat this problem. Only 11% of service companies discuss human trafficking on their websites.

Since there are three times more manufacturers than retailers listed in the Fortune 500, the actual number of manufacturing companies with human trafficking standards is, of course, larger: 106 manufacturing companies versus 29 retail companies. In the service industry, 20 out of 180 firms presented standards on human trafficking. Since the retail and service industries have a relatively small number of companies interested in human trafficking, the specific companies are listed in Table 3.

Several service industries are trying to combat human trafficking. One example is the trucking

Table 2. Fortune 500 companies that address human trafficking*

Category	Number in Fortune 500	Number that address human trafficking	% within category that address human trafficking
Manufacturing	248	106	43%
Retail	72	29	40%
Service	180	20	11%
Total companies	500	155	31%

* by industry category

Table 3. Retail and service companies that address human trafficking

Retail companies	Arrow Electronics, Bed Bath & Beyond, Best Buy, Costco Wholesale, CVS Caremark, Dick's Sporting Goods, Dollar General, Dollar Tree, GameStop, Gap, J.C. Penney, Kohl's, Kroger, Limited Brands, Lowe's, Macy's, Nordstrom, Office Depot, Rite Aid, Safeway, Sysco, Target, TJX, Toys "R" Us, TravelCenters of America, United Stationers, Walgreen, Walmart, Whole Foods Market
Service companies	Automatic Data Processing, Avaya, Baker Hughes, Cisco Systems, Computer Sciences, Con-way, Corning, General Electric, Harris, International Business Machines, Kinder Morgan, Manpower, Marriott International, McDonald's, SAIC, Sprint Nextel, Starbucks, Walt Disney, YRC Worldwide, Yum Brands

industry. Thousands of truckers have received training on how to recognize the signs of human trafficking. Additionally, the group Truckers Against Trafficking distributes information regarding the National Human Trafficking Resource Center hotline and how to help victims (Grimes & Myles, 2014). The financial sector is another industry that could help detect trafficking: it can report suspicious money transactions potentially connected to illegal trafficking operations. The human trafficking industry frequently uses hotels in its operations; therefore, trained hotel staff also can help detect and rescue victims of sex trafficking. Prevention is not limited to service industries, though; all sectors can help increase public awareness of human trafficking and the availability of resources to stop the illegal activity and help victims (Grimes & Myles, 2014).

Many companies are now addressing the problem of human trafficking on their websites in response to a bill passed by the State of California. The California Transparency in Supply Chains Act, which came into effect in January 2012, requires every retailer and manufacturer with annual worldwide revenues in excess of $100 million to disclose on their website information about company efforts to prevent human trafficking in their supply chains. The motivation behind this bill is the belief that businesses and consumers are unintentionally facilitating human trafficking through the purchase of goods and services associated with violations of human rights. Without knowledge of a company's supply chain, consumers do not have oversight and are unable to identify whether the company practices good corporate citizenship that prevents human trafficking. California's goal is to provide consumers with the information they need to make a wise choice regarding the products they buy and the companies they support (California Transparency in Supply Chains Act, 2010).

Companies that do business in California must disclose information regarding their efforts to conduct audits and about how they ensure their suppliers are in compliance with company rules on trafficking. Companies must divulge whether or not they require direct suppliers to certify that materials incorporated into the product comply with standards regarding trafficking. They are also required to report whether they institute internal accountability for trafficking standards. Lastly, a company must reveal the training programs it has in place to help employees recognize and prevent trafficking (United Nations Human Rights, 2012).

The California Transparency in Supply Chains Act is enforced by the California Franchise Tax Board and the California Attorney General's Office. Companies that are engaged in manufacturing or retail trade with gross receipts of at least $100 million are examined once a year for compliance. The attorney general reviews each company's website for disclosure of its efforts to avoid the use of slaves and human trafficking in its supply chain. In response to violations, the attorney general has the power to impose an injunction to correct corporate behavior. Yet, the Act does not create a private right of action (Luxton, 2011). While there is not a direct penalty for non-compliance, an injunction can be an effective motivator in order to maintain a good company reputation (Gonzalez Marcos, 2011).

Ford Motor Company has an aggressive strategy against human trafficking that constitutes a strong response to the California Transparency in Supply Chains Act. Ford regularly assesses risk related to its supply chain. External stakeholders, along with Ford employees, consider several factors in determining the risk level of human trafficking occurring in the supply chain. In 2012, the company made revisions to its Code of Corporate Responsibility to specifically comply with human trafficking standards. Regular employee training occurs as regards human rights and the global working conditions program. Suppliers in high-risk markets are also required to undergo training. Ford regularly audits at-risk supplier factories to monitor compliance with human rights standards. In response to the audits, suppliers must implement corrective action plans from Ford (Ford, 2013).

Company policies and procedures regarding human trafficking vary. Some companies post a broad commitment that they will not tolerate the trafficking of human beings. Other companies simply state compliance with a specific law regarding trafficking. At the opposite end of the spectrum, some companies post a code of conduct or social responsibility report detailing extensive procedures in place to prevent trafficking in their operations.

Kroger's Code of Conduct is an integral part of the Kroger Standard Vendor Agreement. It requires that suppliers not use child or involuntary labor in the manufacture of products sold to Kroger. As part of the Code of Conduct, vendors may be required to provide Kroger with a copy of a third-party audit evidencing compliance. Kroger's Code of Conduct follows the U.S. Department of Labor regulations and the Fair Labor Standards Act, while also fulfilling the California Transparency in Supply Chains Act (Kroger, 2014).

The J.M. Smucker Company exemplifies how companies might enforce a zero-tolerance stand against human trafficking. In its corporate social responsibility report, Smuckers states that its auditors look for evidence of human trafficking and slavery during their quality assurance audits of suppliers. Their goal is to identify risks that could threaten the company's dedication to doing the right thing (The J.M. Smucker Company, 2013).

Perhaps the best company example is Walmart, which has been a leader in many areas regarding business practices. Walmart does not tolerate trafficking in human beings and enforces this through rigorous standards for its suppliers. After a factory is approved to produce merchandise for Walmart, accredited and internationally recognized auditing firms perform unannounced audits. An audit includes a factory walk-through and discussions with employees on the production floor; private talks with a sample of employees, without management being present; and a check on personnel records for legal and company compliance. Audit results are then reviewed and a risk assessment is made by the Walmart Ethical Sourcing Assessment Team (Walmart, 2013).

6. Steps to combat human trafficking within your company

In order to identify human trafficking within a company's domain, managers must first educate themselves regarding the risk. Third-party organizations have documented risk based on country, industry, and culture. Companies should therefore utilize these external resources to identify high-risk areas. Informed supply chain managers can then develop an audit process that matches the rigor of the audit with the risk of the supplying company.

Top management commitment will be critical to the sustainable success of any supply chain management program which seeks to eliminate human trafficking and slavery from within its domain. Top management buy-in will be crucial to invest resources for (1) creating a supplier scorecard, (2) evaluating suppliers on a regular basis, (3) developing a reward system/penalty system for suppliers who are performing well/poorly, and (4) conducting unannounced audits with global suppliers to ensure that standards are being followed.

In the context of this research, the steps identified in the Deming Wheel can be used to address how companies should consider, develop, implement, and audit their global supply chain for adherence to a supplier code of conduct that specifically addresses human trafficking and slavery. The Deming Wheel continues to be a practical methodology utilized to solve problems. The Deming Wheel consists of four separate but linked activities: plan, do, check, and act (Swink, Melnyk, Cooper, & Hartley, 2011).

6.1. Step #1: Plan

The first step in combating human trafficking within your company is to identify supplier standards. It is relatively easy for a company to indicate on a website that it is strongly against human trafficking, but what does that mean to the company and its suppliers? As stated previously, human trafficking has been defined by the United Nations as the recruitment, transfer, harboring, or receipt of persons by force or deception for the purpose of exploitation. Forced marriage, child marriage, and debt bondage are a part of some countries' cultures, yet would be considered slave labor in the United States. A global supply chain code of conduct must explicitly include the definitions of human trafficking and slavery. Best practices would incorporate supplier standards, which include cost, quality, delivery, and social responsibility guidelines. Within the social responsibility guidelines, companies should include language that strictly prohibits human trafficking and slavery.

6.2. Step #2: Do

The second step for companies is to implement their supplier code of conduct across their supply chains. Companies can extrapolate from a classic supply chain framework developed by Kraljic (1983) to make informed decisions regarding how to implement their policy. Although this framework was developed in 1983, it is still the predominant approach used in the profession (Knight, Tu, & Preston, 2014). This framework categorizes sourcing strategies based on the level of supply risk and value to the firm. It consists of four categories:

- *Strategic parts purchases* are essential to the firm's performance and typically represent unique products. Companies should build partnerships that incorporate explicit human rights expectations in order to foster collaboration with these suppliers, as options for alternate sourcing are limited.

- *Bottleneck parts purchases* are critical to a company's performance because production may be delayed if these parts are missing. Fundamentally, a company should seek multiple suppliers for bottleneck parts in order to minimize risk. Suppliers may be incentivized to comply with a company's expectations regarding human rights if those expectations are incorporated into a supplier scorecard that includes measures of human rights expectations, and company business is awarded between or among suppliers based on their supplier scorecard rankings.

- *Leverage parts purchases* involve standard goods or services with many available suppliers. A proposed tactic in this category is to consolidate purchases with one or a few suppliers to achieve discounts and create incentives for complying with supplier standards that incorporate expectations regarding human rights. Business volumes may be awarded to suppliers based on their level of compliance with supplier standards, including human rights expectations.

- Finally, *noncritical parts purchases* have minimal impact on performance and typically represent a low percentage of overall spending within a company. Normally these parts are ordered frequently from many suppliers, so their logistics and transportation costs tend to be higher. A proposed tactic for this category is to minimize the number of suppliers through purchasing management and to focus on reducing transaction costs by efficiently processing orders and optimizing order volumes and inventory levels. Because there are often multiple suppliers in this category and the buyer does not want to increase transaction costs by auditing suppliers and renegotiating volumes and contract terms, the buyer should require all companies bidding on contracts in this category to provide supplier-standard certification that meets and/or exceeds the minimum level of standards identified in the planning stage.

6.3. Step #3: Check

Once a supplier code of conduct has been agreed upon and implemented across the supply chain, it is incumbent upon the buyer to audit (check) the supply chain to ensure—to the best of its knowledge—that suppliers are following the code. Audits have been identified as a basic element when seeking to develop and maintain an environmental management system (Wu, Melnyk, & Calantone, 2008), which is a component of social responsibility. Since human trafficking and slavery also fall under the umbrella of social responsibility, it is reasonable to assume that audits would be a basic element in assuring the compliance of suppliers to a supplier code of ethics. Buyers can require or conduct audits with differing degrees of rigor to ensure that suppliers are complying with the code. Following are listed the least rigorous to the most rigorous types of audits: (1) suppliers audit themselves, (2) buyers schedule audits with suppliers, (3) buyers conduct unscheduled audits with suppliers, and (4) buyers utilize a third party to conduct independent audits. The type and frequency of these audits should be based upon an informed decision that considers the degree of risk relevant to industry, global region, culture, and company history.

6.4. Step #4: Act

After reviewing the information collected during the check step, buyers should take corrective action as necessary. Corrective action, at its most basic level, involves enforcing the rewards/penalties clauses incorporated into supplier contracts, which are based upon the adopted supplier code of conduct. The next round of audits are then scheduled and results from the current round of audits are input into the planning stage. These results can be used to redefine supplier codes of conduct and possibly to inspire nontraditional incentive forms, such as training programs for women and scholarships for minors.

7. Summary and contacts for reporting human trafficking

Companies can reduce the risk of human trafficking occurring in their business operations by mapping their supply chains, tracing commodities to raw materials, and conducting risk assessments to identify risks at all levels of the supply chain. If a company uses suppliers believed to have a high risk of trafficking, it can insist the suppliers become certified by external auditors and/or agree to unannounced audits. It can also train employees on the basics of human trafficking and how to identify and report such behavior. Once anti-trafficking policies and procedures are in place, a company must rigorously monitor the implementation of these policies.

If an anti-trafficking violation occurs or an employee identifies a potential case of trafficking, a company should have in place corrective actions to take. One option is to report suspicious activity to the U.S. Immigration and Customs Enforcement.[1] Another option is to call an anti-trafficking hotline. One such hotline in the United States is the aforementioned National Human Trafficking Resource Center (NHTRC), a program of the Polaris Project (2014), a non-profit, non-governmental organization.[2] The anti-trafficking hotline is answered 24 hours a day, 7 days a week by trained specialists. Calls requiring urgent action receive an immediate response from the NHTRC staff, but non-urgent calls—such as requests for information or training—are processed within 2 to 5 business days. Calls involving suspicion of trafficking involving minors are handled immediately; other such suspicious behavior is reviewed by NHTRC supervisors and regional specialists before follow-up. The latter may involve reporting the tip to the appropriate local, state, or federal law enforcement or anti-trafficking task force. NHTRC has an extensive database of law enforcement and service providers for victims; consequently, a caller can be immediately connected to emergency and crisis responders in his or her area.

For companies or employees who reside outside the United States, a company policy may include contacting local authorities or international anti-trafficking organizations, such as the International Justice Mission or the Polaris Project, which can provide guidance and counsel. Besides civil society organizations, companies may publish a list of local support agencies for victims. An organization such as the Global Business Coalition Against Human Trafficking (gBCAT) can help companies create operational guidelines on how to prevent trafficking in their company operations and business relationships. The Polaris Project also provides companies with project support, consultations, and training in the area of human trafficking. A company can better avoid trafficking by being in compliance with the appropriate government regulations, such as the California Transparency in Supply Chains Act and the labor regulations within the country of operation.

Human trafficking is a growing problem, but one that is gaining attention globally. Many have voiced the opinion that the issue can only be solved with the help of the business community. By exercising corporate social responsibility and performing the steps outlined in this article, we hope that companies will do so and help eradicate this pressing social injustice.

[1] Contact can be made through the U.S. Immigration and Customs Enforcement tips website (www.ice.gov/tips) or by calling 866-347-2423 (for the U.S., Mexico, and Canada) or 802-872-6199 (for other countries globally).

[2] The NHTRC phone number is 888-3737-888. The unusual grouping of the numbers is intentional.

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