

Modern Slavery - Who Really Pays the Price



Procurement and Supply Chain Management Made Simple.

Foreword

Global supply chains move goods worth trillions of pounds across borders every year. Yet, Walk Free's Global Slavery Index estimates that 50 million people were living in modern slavery on any given day in 2021, including 28 million in forced labour. That figure rose by 10 million in five years. Behind competitive pricing and reliable delivery, real people are sometimes coerced, deceived or trapped in debt to produce the goods organisations buy.

The hardest risks usually sit beyond the immediate supplier. Buyers often know their Tier 1 relationships well while having almost no visibility of the factories, farms, mines and labour agencies operating further upstream. The G20 alone imports an estimated £370 billion of goods at risk of modern slavery each year, spanning electronics, garments, palm oil and solar panels. Exploitation flourishes precisely where poverty, migration and weak enforcement intersect with commercial distance.

Responsibility cannot rest with suppliers alone. The ILO calculates that forced labour generates £185 billion in illegal profits worldwide annually, much of it extracted through underpaid wages and unlawful recruitment fees. Buying organisations shape working conditions through the prices they negotiate, the lead times they demand and the payment terms they impose. Commercial pressure travels fast through supply chains until it reaches whoever has the least bargaining power to resist it.

Technology, mapping tools, independent verification, and worker engagement all strengthen an organisation's ability to identify hidden risks, but none is sufficient on its own. An audit can miss concealed exploitation; a certificate can offer false reassurance; artificial intelligence can only interpret the data fed into it. Effective human rights due diligence therefore combines evidence, professional judgement and meaningful worker voice with a genuine willingness to investigate uncomfortable findings.

Ethical sourcing is not demonstrated by declaring zero tolerance for forced or child labour. It is demonstrated by building procurement systems capable of discovering exploitation, preventing foreseeable harm and delivering effective remediation when problems occur. Complete visibility across every tier may remain elusive, but ignorance becomes harder to defend as credible risk indicators multiply. Commercial value should never depend on exploiting people who remain invisible to the organisations that ultimately benefit from their labour.

Why Human Rights Abuses Persist in Global Supply Chains

Human rights abuses persist partly because supply chains have become extraordinarily complex. A single product may pass through manufacturers, processors, labour agencies, farms, mines and subcontractors spread across a dozen countries before reaching a UK buyer. Each additional tier adds distance between the purchasing organisation and the people performing the work. That distance reduces visibility, fragments accountability and lets forced labour and exploitative conditions remain concealed from view.

Economic pressure compounds the problem. Suppliers operating on margins as thin as 2–3% face demanding prices, short lead times and penalties for late delivery. These pressures cascade downward, where smaller subcontractors typically hold the least bargaining power and the weakest employment controls. Excessive overtime, withheld wages, illegal recruitment fees and unauthorised subcontracting often emerge as suppliers attempt to meet commercial terms that cannot realistically be met under lawful, safe labour conditions.

Weak governance widens the gap further. Labour laws may exist on paper in high-risk sourcing countries, but enforcement is often inconsistent due to scarce inspection resources, widespread informal employment, or corruption that undermines oversight. Migrant, child and temporary workers, who make up a disproportionate share of the 27.6 million people in forced labour worldwide, often have little practical ability to challenge an abusive employer without risking dismissal or deportation.

Organisations can unintentionally sustain abuse by relying too heavily on supplier declarations, codes of conduct and scheduled audits. A Tier 1 supplier may pass every compliance check while purchasing materials from subcontractors that receive far less scrutiny, exactly the pattern later exposed in Leicester's garment sector, where workers were found earning as little as £3.50 an hour against a legal minimum of £8.72. Ethical sourcing demands that buyers look beyond the contract and ask where the labour risk actually sits.

Beyond Tier 1: Understanding the Multi-Tier Supply Chain

A Tier 1 supplier is the organisation with which the buyer holds a direct contract, but it rarely represents the whole supply chain. Behind it typically sit manufacturers, subcontractors, processors, labour agencies and raw-material producers whose activities contribute directly to the finished product or service. Understanding these relationships matters because serious human rights risks frequently arise beyond the organisations that receive purchase orders and undergo routine supplier assessments.

Tier 2 suppliers generally provide goods, components or services to Tier 1 businesses, while Tier 3 organisations supply those operating at Tier 2. The chain can stretch considerably further for commodities, electronics, textiles, food and construction materials. Eventually, procurement activity connects with farms, mines, plantations or informal workshops thousands of miles from the buyer, where contractual influence typically diminishes precisely as human rights exposure increases.

The structure is rarely a simple linear chain. Modern supply networks resemble interconnected webs in which manufacturers source from numerous suppliers, intermediaries consolidate materials from different origins, and subcontractors redistribute work when capacity is constrained. Labour providers add a further layer by recruiting workers separately from the businesses that ultimately employ them, meaning even suppliers themselves may lack full knowledge of everyone contributing to their own production.

This complexity matters because the risk of human rights violations is not evenly distributed across a supply chain. A UK distributor may pose relatively little labour risk, while the overseas factory producing its goods operates in weaker regulatory territory. Further upstream, raw materials might originate from regions associated with child labour, debt bondage or dangerous conditions; the G20's £370 billion in annual at-risk imports illustrates the scale involved. Assessing only Tier 1 performance can create a false impression of compliance.

Effective ethical sourcing consequently requires organisations to understand supply chains according to risk rather than attempting to map every supplier at every tier simultaneously. Priority should go to high-risk commodities, countries, production processes and workforce arrangements, followed by progressively deeper investigation where exposure warrants it. Mapping transforms an unknown network into a manageable risk structure, allowing procurement teams to direct scarce due diligence resources to where workers are genuinely most vulnerable.

The Deep-Tier Visibility Gap

Most organisations hold reasonable information about direct suppliers but lose visibility rapidly further upstream. Procurement systems typically record the entity that received the purchase order, not every business involved in producing the materials, components, or services included in it. A Tier 1 supplier may itself purchase through distributors, agents and subcontractors, leaving the buyer several commercial relationships removed from the workplace where meaningful oversight becomes genuinely difficult.

Visibility is weakened further by constantly changing supply networks. Suppliers may switch factories, appoint new subcontractors, use temporary labour agencies or source commodities through intermediaries without informing customers. During peak demand, production can even shift to unauthorised facilities to meet deadlines. Standard supplier questionnaires capture conditions at a single point in time and cannot reliably reveal these changes, leaving buyers dependent on information that quickly ages.

Commercial reluctance creates a further barrier. Suppliers may treat details of their upstream relationships as commercially sensitive, since disclosure could expose pricing structures or strategically important sourcing decisions. Smaller suppliers frequently lack the systems needed to map their own extended networks in the first place. Buyers therefore encounter resistance even when requesting legitimate transparency, which is why disclosure requirements should be included in contracts from the outset rather than introduced only after concerns have surfaced.

Complete visibility across every supplier and subcontractor is unrealistic for organisations managing thousands of product lines and complex international networks. The objective should be meaningful visibility rather than exhaustive data collection. Procurement teams can prioritise the highest-risk countries, commodities and labour models, requiring deeper disclosure precisely where exposure is greatest, combined with traceability tools and independent intelligence to concentrate resources where hidden relationships could cause the most serious harm.

High-Risk Countries, Sectors and Commodities

Human rights exposure varies significantly between sourcing locations, industries and commodities. Walk Free ranks North Korea, Eritrea and Mauritania as having the highest prevalence of modern slavery, while Switzerland, Norway and Germany rank lowest, reflecting the strength of governance and enforcement. Migrant workers face additional risk where employment depends on recruitment agents or employer-controlled immigration status. Country risk should inform due diligence, though geography alone should never determine whether a workforce is assumed compliant.

Certain sectors carry heightened risk because their commercial structures depend heavily on low-skilled, temporary or migrant labour. Agriculture, construction, textiles, fishing, mining, hospitality and cleaning regularly require particular scrutiny. Long subcontracting chains intensify exposure because responsibility for employment fragments among contractors and agencies. Where labour represents a substantial share of cost on narrow margins, commercial pressure can directly encourage practices that undermine wages, hours and basic employment protections.

Commodity risk extends exposure well beyond the immediate supplier's location. Cocoa,

coffee, cotton, palm oil, rubber and timber can originate within fragmented networks involving smallholder farms and informal labour. At the same time, minerals used in electronics and batteries pass through mines, traders and smelters before reaching manufacturing. The Rana Plaza collapse in Dhaka in April 2013, which killed 1,134 garment workers producing for at least 29 international brands, remains the starkest reminder of how far commercial pressure can travel before it kills.

Risk also arises from how workers are recruited rather than simply what they produce. Recruitment fees, withheld passports, employer-controlled accommodation and debt bondage make migrant workers particularly vulnerable to forced labour. Children enter supply chains where household poverty and weak access to education intersect; UNICEF and the ILO estimate 160 million children remain in child labour worldwide. Procurement assessments should examine recruitment arrangements alongside conventional country and commodity indicators.

High risk does not automatically mean organisations should withdraw from a country, sector or commodity. Immediate withdrawal can result in the loss of legitimate employment without addressing root causes and may shift business to less responsible buyers. A stronger approach is risk-based sourcing: identify heightened exposure, investigate suppliers more deeply, establish proportionate controls and verify improvement. Where serious abuse cannot be prevented or remedied, continued commercial relationships may ultimately become unacceptable.

UK and International Human Rights Legislation

Human rights responsibilities within supply chains are shaped by overlapping national legislation and international standards. In the UK, organisations must navigate requirements addressing modern slavery, employment rights, discrimination, health and safety, bribery and corporate governance, alongside procurement-specific obligations under the Procurement Act 2023 where applicable. The legal direction increasingly reflects one principle: serious labour exploitation within a supply network cannot be treated as separate from an organisation's own governance simply because it occurs overseas.

Internationally, the framework extends beyond individual national laws. The UN Guiding Principles on Business and Human Rights establish expectations for businesses to respect human rights, conduct due diligence and address adverse impacts with which they are involved. ILO conventions set fundamental standards on forced labour, child labour, discrimination, and freedom of association. OECD guidance translates these into practical due diligence principles for identifying, preventing and accounting for adverse impacts throughout supply chains.

The regulatory direction favours greater corporate accountability and evidence-based due diligence. Multinational organisations increasingly encounter different legal requirements across jurisdictions, including the EU's Corporate Sustainability Due Diligence Directive, while smaller UK suppliers face similar expectations indirectly through customer contracts. Procurement professionals must therefore distinguish minimum legal compliance from effective human rights governance, since meeting statutory requirements alone rarely demonstrates that significant risks are actively identified, addressed and monitored.

The Modern Slavery Act and the Changing UK Regulatory Landscape

The Modern Slavery Act 2015 established an important framework for addressing slavery, servitude, forced labour and trafficking in the UK. Section 54 introduced supply chain transparency requirements for qualifying commercial organisations with annual turnover of at least £36 million. These organisations must publish an annual slavery and human trafficking statement explaining the steps taken to prevent modern slavery within their operations and supply chains, or disclose that no such steps occurred.

The legislation significantly raised board-level awareness, but its transparency model has real

limitations. It principally requires organisations to report their actions rather than prescribe a mandatory due diligence process or guarantee effectiveness, and the quality of statements has varied considerably. In 2024, 19,125 potential victims were referred into the UK's National Referral Mechanism, a 13% rise on the previous year and the highest annual figure since the mechanism began in 2009, suggesting reporting alone has not curbed exploitation.

The wider UK regulatory environment continues to evolve. From April 2026, the new Fair Work Agency consolidated HMRC's minimum wage enforcement, the Employment Agency Standards Inspectorate and the Gangmasters and Labour Abuse Authority into a single body with stronger civil penalty powers, including fines of up to £20,000 per underpaid worker. International developments, including the EU's due-diligence directive, are also shaping expectations for UK businesses supplying overseas customers, so procurement teams cannot treat Modern Slavery Act compliance as a complete framework.

Strong governance therefore moves beyond producing an annual statement. Organisations should integrate modern slavery risk into procurement strategy, supplier selection, contract management and escalation procedures. The Home Office estimates the total cost of modern slavery to UK society at between £3.3 billion and £4.3 billion a year, or roughly £330,000 per victim once support services, lost output and enforcement are included, underlining why prevention delivers far greater value than remediation after the fact.

International Standards and Due-Diligence Frameworks

International standards give organisations a structured foundation for managing human rights risk where domestic legislation alone offers limited guidance. The UN Guiding Principles on Business and Human Rights are particularly influential, establishing the corporate responsibility to respect internationally recognised rights. They expect businesses to avoid causing or contributing to adverse impacts, address impacts when they occur, and prevent or mitigate harm directly linked to their operations through business relationships, including those several tiers removed from the buyer.

The OECD Guidelines for Multinational Enterprises translate these principles into a practical approach. Organisations are expected to embed responsible conduct into policies and management systems, identify and assess adverse impacts, prevent or mitigate them, monitor implementation and communicate how impacts are addressed. Where harm has occurred, businesses should provide or cooperate in remediation. Due diligence is continuous and risk-based, rather than a single questionnaire completed during onboarding.

ILO standards provide the employment principles against which workplace conditions can be assessed: freedom of association, elimination of forced labour, abolition of child labour, non-discrimination and safe working environments. These matter most where domestic enforcement is weaker. Procurement teams can incorporate relevant expectations into supplier codes, specifications, contractual requirements, and ongoing monitoring, recognising that the ILO now estimates 27.6 million people are in forced labour globally, up from 24.9 million a decade earlier.

More specialised frameworks strengthen due diligence in particular commodities. OECD guidance covers minerals, garments and footwear, while certification and traceability schemes operate across forestry, cocoa and cotton supply chains. Such mechanisms provide valuable evidence, but certification should never be automatically treated as proof that abuse is absent; procurement professionals should understand what each scheme actually examines and whether its coverage extends to higher-risk tiers.

Taken together, these frameworks establish a common principle: responsible organisations should know where significant human rights risks exist and demonstrate what they are doing about them. Effective due diligence is proportionate to severity and likelihood rather than simply supplier spend. A relatively small contract involving vulnerable migrant labour may warrant greater scrutiny than a considerably larger, lower-risk purchase, concentrating resources where potential harm to people is genuinely greatest.

Embedding Human Rights into Procurement Strategy

Human rights considerations work best when built into procurement strategy before individual sourcing exercises begin. Organisations should define ethical sourcing principles, identify significant areas of exposure and set clear expectations for suppliers from the outset. Category strategies can then weigh country, sector, commodity, and workforce risk alongside price, quality, and continuity, preventing human rights from becoming an afterthought considered only once commercial decisions have already been made.

Risk segmentation allows procurement teams to apply proportionate controls rather than identical requirements for every purchase. Low-risk categories may require standard contractual provisions and basic declarations, while higher-risk categories warrant enhanced due diligence, supply chain mapping, independent verification, and ongoing monitoring. Strategies should document why particular controls were selected, creating an auditable connection between identified exposure, sourcing decisions and the scrutiny subsequently applied to individual suppliers.

Commercial objectives must also support responsible employment. Strategies that prioritise lower prices, shorter lead times and maximum flexibility can unintentionally transfer unsustainable pressure onto suppliers and, ultimately, workers. Ethical sourcing requires consideration of payment terms, forecasting accuracy, and realistic delivery expectations, since a supplier absorbing a 10% price cut on a 3% margin has few options besides cutting wages, hours, or safety spending to survive.

Responsibility should continue throughout the contract lifecycle rather than ending at supplier appointment. Human rights expectations can be built into specifications, evaluation criteria, contractual obligations, key performance indicators and supplier reviews. Clear escalation and remediation procedures should determine how concerns are investigated and addressed. Embedding these mechanisms makes respect for human rights part of routine commercial decision-making rather than a separate corporate responsibility exercise running alongside procurement.

Pre-Qualification and Supplier Due Diligence

Pre-qualification offers an early opportunity to identify human rights risk before an organisation enters a contractual relationship. Assessments should examine more than whether policies exist, considering ownership structures, operating locations, subcontracting arrangements, workforce composition and exposure to high-risk commodities or countries. Questions concerning modern slavery, recruitment practices, and previous violations can reveal genuine concerns, but responses should be supported by proportionate evidence rather than automatic acceptance simply because a supplier completed a standard questionnaire.

Due diligence should deepen progressively as identified risk increases. Lower-risk suppliers may require basic declarations and policy evidence, while higher-risk suppliers may require supply chain mapping, independent audit reports, worker information, and evidence of corrective action. Procurement teams should also consult credible external risk intelligence, such as country-level indices or sector-specific alerts, since a supplier's willingness to disclose meaningful information itself signals whether governance extends beyond formal paperwork.

Due diligence should inform procurement decisions rather than merely generate documentation for the contract file. Significant concerns may require clarification, enhanced contractual safeguards or further verification before award; where risks cannot be adequately controlled, the organisation may need to reconsider appointment altogether. Suppliers demonstrating transparency and credible improvement should not automatically be excluded because risk exists, since effective due diligence distinguishes unmanaged exploitation from suppliers genuinely working to prevent harm.

Contractual Requirements and Supplier Codes of Conduct

Contracts translate an organisation's human rights commitments into enforceable obligations

for suppliers. Appropriate provisions can require compliance with applicable labour legislation, prohibit forced and child labour, establish minimum employment standards consistent with applicable statutory wage requirements and recognised international labour standards, and require equivalent expectations to pass through relevant subcontracting arrangements. Clear obligations establish, from the outset, that responsible labour practices are part of contractual performance rather than a voluntary aspiration.

Supplier codes of conduct complement contractual provisions by setting out expected behaviours in greater practical detail, addressing working hours, wages, recruitment fees, freedom of movement and treatment of migrant workers. Effective codes should apply proportionately throughout relevant supply chain tiers and require suppliers to communicate expectations to their own subcontractors. Requiring suppliers to accept a code provides little assurance, however, unless compliance is subsequently monitored against credible evidence.

Contracts should provide appropriate rights to obtain information, map relevant supply chains, commission audits and investigate suspected breaches. Suppliers may also be required to disclose material changes to production locations or labour providers, which is particularly important where unauthorised subcontracting could shift production to facilities that present greater risk. Audit and information rights should nevertheless remain proportionate and practically exercisable rather than becoming extensive clauses that buyers never actually enforce.

Remedies should distinguish deliberate exploitation, inadequate controls and problems that suppliers identify transparently and seek to correct. Automatic termination for every breach can discourage disclosure and worsen outcomes for affected workers. Contracts can instead provide corrective action plans, remediation requirements, escalation mechanisms and termination rights reserved for serious, repeated or unresolved violations, combining enforceability with responsible remediation rather than simply transferring risk elsewhere.

Mapping Tier 2, Tier 3 and Deep-Tier Suppliers

Supply chain mapping traces the organisations, locations and activities that sit behind a direct supplier. Beginning with Tier 1, procurement teams can identify key Tier 2 manufacturers and service providers before progressively examining Tier 3 suppliers, processors, and raw material sources. The objective is not to map every commercial relationship immediately, but to establish sufficient traceability to investigate the people, processes and locations associated with genuine risk.

Mapping should prioritise categories in which country, commodity, or workforce characteristics indicate heightened vulnerability. Suppliers may be required to disclose production sites, significant subcontractors, and sources of critical materials, supported, where appropriate, by transaction records or traceability data that identify where production actually occurs rather than merely corporate headquarters. Visualising these relationships can reveal geographic concentrations and dependency on organisations that have never undergone meaningful human rights assessment.

Deep-tier mapping should be treated as an evolving process because supply networks continually change: new subcontractors emerge, factories relocate, and commodity sources vary with the seasons. Procurement teams should establish triggers requiring suppliers to report material changes and periodically refresh higher-risk maps. Combined with risk intelligence and worker-level evidence, mapping moves organisations beyond assumptions and directs due-diligence resources towards the points of greatest potential harm.

Verifying Labour Conditions Rather Than Accepting Supplier Assurances

Supplier assurances are an important starting point, but they cannot provide sufficient evidence that workers are treated responsibly. Policies and codes of conduct describe what should happen rather than what actually occurs in factories, farms, or subcontracted workplaces. Suppliers may possess sophisticated ethical sourcing documentation while

weaknesses remain further upstream, so procurement teams should distinguish stated compliance from verified conditions, particularly where country or workforce characteristics indicate elevated risk.

Verification requires evidence from multiple sources rather than reliance on a single supplier response. Employment records, payroll data, working-hour logs, recruitment documentation and health and safety records can help establish whether stated standards reflect reality. This is precisely where the Leicester garment sector failed: suppliers holding apparently satisfactory paperwork were simultaneously paying workers roughly 40% below the legal minimum wage, a gap that ordinary desk-based documentation review never surfaced.

Workers themselves provide essential evidence because exploitation may be invisible within management records. Confidential interviews, independent surveys, trade union engagement and accessible grievance mechanisms can reveal excessive hours, intimidation, recruitment fees or restrictions on movement that conventional assessments overlook. Worker engagement should be designed carefully to prevent retaliation. Where language, immigration status or employment insecurity creates vulnerability, independent facilitators significantly improve the reliability of information obtained.

Verification should also extend beyond scheduled site visits, since suppliers can prepare facilities and documentation for announced audits, creating an artificially compliant picture. Risk-based unannounced visits, independent investigations and triangulation with external intelligence provide stronger assurance where circumstances justify them. Procurement teams should compare evidence from different sources rather than treating any single audit or database result as definitive proof that conditions across an extended supply network are acceptable.

The purpose of verification is not to prove that every supplier is entirely free from risk, but to establish whether credible systems exist to identify and address harm. Organisations should investigate warning signs, document findings, agree corrective actions and monitor whether improvements actually occur. Suppliers that disclose problems and remediate them effectively may provide greater assurance than those claiming perfect compliance, since ethical sourcing depends on evidence and continuous improvement rather than contractual promises alone.

Supplier Audits: Strengths, Weaknesses and False Assurance

Supplier audits remain an important component of human rights due diligence because they provide structured opportunities to examine working conditions, employment records and compliance with agreed standards. Effective audits can identify unsafe workplaces, excessive hours, unlawful deductions and weaknesses in subcontractor controls, creating evidence against which corrective actions can be monitored. When targeted according to risk and conducted competently, audits provide considerably stronger assurance than supplier declarations alone.

However, audits capture conditions at a particular location and at a particular moment in time. Announced visits allow suppliers to prepare facilities, records, and workers in advance, while even unannounced audits may fail to expose practices deliberately concealed from inspectors. Workers can be reluctant to speak openly for fear of dismissal, particularly when interviews take place in the workplace. Fraudulent records and coached employees can consequently produce apparently satisfactory results while serious exploitation remains hidden elsewhere in the chain.

False assurance arises when organisations treat a successful audit as proof that risk has been eliminated. An audited Tier 1 factory may meet required standards. At the same time, production is simultaneously subcontracted to unexamined facilities, exactly the pattern behind Rana Plaza, where the building's owner had illegally added extra storeys housing garment production never assessed against any safety standard. A high audit score demonstrates only what the methodology successfully examined; it cannot establish that unidentified problems do not exist.

Auditing should consequently be one element of a broader assurance system that incorporates mapping, worker voice, risk intelligence, and continuous supplier monitoring. Findings should be analysed for recurring patterns rather than treated as isolated failures, with corrective actions assigned clear responsibilities and deadlines. The strongest assurance comes from triangulating evidence from different sources, explicitly recognising that no single audit methodology can provide complete visibility across a complex, multi-tier supply chain.

Worker Voice, Grievance Mechanisms and Independent Verification

Worker voice provides insight that management systems, documentation and conventional audits cannot always capture. Employees may directly experience excessive hours, withheld wages, recruitment fees or intimidation while official records suggest compliance. Confidential interviews, anonymous surveys, trade union engagement, and independent worker hotlines can considerably strengthen due diligence. These mechanisms are particularly valuable where migrant, temporary or agency workers may be reluctant to raise concerns directly with supervisors.

Effective grievance mechanisms must be accessible, confidential and genuinely trusted by the people expected to use them. Workers should understand how to report concerns in appropriate languages without paying fees or risking retaliation or dismissal. Complaints should trigger defined investigation, escalation and remediation processes, with outcomes actively monitored. An apparently perfect record containing no grievances may indicate fear or lack of awareness rather than satisfactory conditions.

Independent verification strengthens assurance by separating evidence gathering from organisations with a commercial interest in demonstrating compliance. Specialist auditors, non-governmental organisations, trade unions and other credible third parties can provide additional perspectives, particularly within high-risk locations. Their findings should be triangulated with supplier information and worker testimony rather than treated as automatically definitive, making concealed exploitation considerably more difficult to sustain over time.

Technology, Traceability and Supply Chain Transparency

Technology can significantly improve supply chain transparency by connecting information that traditionally sits across separate procurement, logistics and supplier systems. Digital platforms can record supplier identities, production locations, subcontractors and material origins, building more detailed pictures of extended supply networks. Combined with geographic and human rights risk data, these systems can highlight where particular countries, commodities, or workforce models require greater scrutiny and help procurement teams prioritise limited due diligence budgets.

Traceability technologies follow products and materials through successive stages of production. Digital product records, serialisation, blockchain-based systems, and specialised commodity platforms can create auditable links between raw materials, processors, manufacturers, and finished goods, which are particularly valuable when materials pass through numerous intermediaries before reaching Tier 1. Traceability nevertheless depends on reliable information being entered at source; sophisticated technology cannot transform incomplete or deliberately falsified data into credible evidence.

Greater transparency also supports continuous monitoring rather than periodic supplier assessment. Procurement platforms can combine audit findings, corrective actions, supplier disclosures, adverse media, and sanctions information into dashboards that automatically flag emerging concerns. This enables organisations to move from static annual questionnaires towards more dynamic oversight, though alerts should trigger informed human assessment rather than automatically determining whether a supplier is compliant.

Technology should therefore strengthen rather than replace human rights due diligence. Digital traceability can reveal relationships and anomalies, but it cannot independently

establish whether workers are experiencing coercion or intimidation. Effective transparency combines reliable supply chain data with worker voice, independent verification and professional judgement, converting greater visibility into timely intervention wherever evidence indicates that people within the supply chain may be exposed to harm.

AI and Data Analytics in Human Rights Risk Detection

Artificial intelligence and data analytics can strengthen human rights due diligence by identifying patterns across volumes of information that procurement teams could never realistically review manually. Systems can combine supplier records, audit findings, geographic risk indicators, adverse media and workforce data to highlight potentially higher-risk relationships. Predictive models may detect unusual patterns, such as repeated subcontracting changes, enabling professionals to prioritise suppliers requiring closer investigation.

Analytics become particularly valuable when organisations combine internal procurement information with credible external intelligence. Spend data, supplier locations, commodity classifications and corrective actions can be analysed alongside country and sector risk indicators to create dynamic risk profiles. Natural-language processing can also screen large volumes of reporting for emerging allegations, shifting human rights monitoring from periodic assessment to continuous detection and allowing potential warning signs to surface earlier than an annual review cycle would.

AI nevertheless creates risks of its own. Models may reproduce biases within underlying datasets, generate false positives or overlook exploitation that has never been documented digitally, as is common with informal or undocumented labour. Poor-quality supplier information can create an illusion of analytical precision without reliable evidence to back it up. Human oversight remains essential, with AI prioritising investigation over autonomous compliance determination.

The Role of Procurement Professionals

Procurement professionals occupy a critical position because they influence which suppliers receive business and the commercial conditions under which contracts operate. Their responsibilities extend beyond obtaining competitive prices to understanding whether sourcing decisions create unacceptable human rights exposure. This requires identifying higher-risk categories, conducting proportionate due diligence, and ensuring that appropriate contractual safeguards are established, making ethical sourcing part of professional commercial judgement rather than a separate corporate responsibility.

Procurement teams also influence supplier behaviour through everyday purchasing decisions. Unrealistic lead times, aggressive price reductions and unpredictable order volumes can place pressure on suppliers that ultimately reaches workers through excessive overtime, insecure employment or unauthorised subcontracting. Professionals should therefore consider whether commercial requirements are consistent with the labour standards demanded from suppliers, combining commercial challenge with realistic planning and collaborative improvement where genuine weaknesses are identified.

Procurement professionals cannot eliminate human rights abuse on their own, but they can ensure that warning signs are neither overlooked nor treated as somebody else's responsibility. Serious concerns may require collaboration with legal, compliance, sustainability and independent specialists. Procurement should maintain appropriate records, escalate credible allegations and monitor remediation throughout the contract lifecycle, connecting ethical commitments with the commercial decisions that determine how organisations actually spend public and private money.

Price Pressure, Purchasing Practices and Unintended Consequences

Human rights risk is not created solely by supplier behaviour. The purchasing practices of buying organisations contribute directly to the commercial pressures that make exploitation

more likely. Persistent demands for lower prices, shorter lead times and greater flexibility can leave suppliers absorbing costs they cannot realistically sustain. Where labour represents one of the few adjustable expenses, pressure is ultimately transferred to workers through reduced wages, excessive hours or insecure employment.

Poor forecasting and volatile ordering create similar consequences. Suppliers asked to accommodate sudden increases in demand may rely on temporary agencies, excessive overtime, or unapproved subcontractors to expand capacity rapidly. Conversely, abrupt order cancellations can leave factories unable to maintain employment or pay workers properly. Ethical sourcing requires buyers to consider how ordering behaviour affects labour conditions, particularly where suppliers operate on narrow margins or are heavily dependent on a single customer.

Payment practices also influence whether suppliers can maintain responsible employment standards. Extended payment terms, disputed invoices and late payments create cash-flow pressures that travel through successive supply chain tiers. Smaller subcontractors may respond by delaying wages or relying on informal labour arrangements. Buyers seeking responsible supply chains should recognise prompt, predictable payment as part of ethical procurement rather than treating payment terms solely as a working-capital lever.

Commercial negotiations should consider whether requested savings can genuinely be achieved through productivity or process improvement. Where a buyer demands substantial reductions without understanding the supplier's underlying cost structure, savings may instead be extracted from wages or staffing levels; a supplier quoting below the National Living Wage benchmark of £12.71 an hour for UK-based labour, once National Insurance and holiday pay are added, is very likely cutting corners somewhere in its workforce.

Responsible purchasing does not require organisations to abandon competition or accept inefficient costs. It requires commercial discipline applied with an understanding of consequences. Realistic lead times, accurate forecasting, fair payment and constructive supplier relationships can support both value for money and acceptable labour conditions. Ethical sourcing therefore begins partly with the buyer: organisations cannot credibly demand responsible suppliers while maintaining purchasing practices that make responsible behaviour progressively harder to sustain.

Responding to Suspected Forced or Child Labour

Suspected forced or child labour requires an immediate but controlled response. Procurement teams should escalate credible concerns through established safeguarding, legal, compliance and senior management channels rather than confronting individuals without preparation. The priority is protecting potentially affected workers while preserving evidence and establishing reliable facts. Allegations should be documented carefully, confidentiality maintained where appropriate, and specialist expertise obtained where intervention could expose workers to retaliation or further exploitation.

Investigation should establish the nature, scale and severity of suspected abuse using evidence from multiple sources, including worker testimony, employment records, recruitment arrangements, wage documentation and age verification. Independent investigators or appropriate local organisations may be required where internal teams lack expertise or access. Supplier management should not control the investigation, as this could compromise evidence, intimidate workers, or prevent an accurate understanding of actual conditions.

Immediate termination may appear decisive, but abruptly withdrawing business can worsen the position of affected workers. Children removed from employment without appropriate support may move into more dangerous work, while migrant workers carrying recruitment debt could lose income, accommodation or immigration security. Responses should first focus on preventing harm and protecting individuals; remediation may include repayment of recruitment fees, the safe withdrawal of children from work, and access to appropriate education and support.

Serious cases may also require notification to competent authorities, depending on jurisdiction, circumstances and applicable legal obligations. In the UK, this can include referral into the National Referral Mechanism, which processed a record 19,125 potential victims in 2024 alone. Procurement should maintain a clear audit trail documenting allegations, evidence, decisions and subsequent monitoring, since continued business should depend on the supplier's willingness and ability to remediate harm and prevent recurrence.

Remediation Versus Supplier Termination

Discovering human rights abuse creates a difficult decision between supporting remediation and ending the commercial relationship. Immediate termination may protect the buyer from further association with an abusive supplier, but it does not necessarily protect affected workers. Lost orders can result in unemployment, unpaid wages, or greater vulnerability, particularly among workers who are migrants and indebted through recruitment fees. The appropriate response should consider the severity of harm, the supplier's conduct, and the consequences for affected people.

Remediation is generally more appropriate where the supplier acknowledges the problem, cooperates transparently and demonstrates credible capacity to correct it. Actions may include reimbursing recruitment fees, restoring withheld wages, reducing excessive hours or ensuring children are safely removed from inappropriate work and supported into education. Corrective action plans should establish responsibilities, deadlines and independent verification, with continued purchasing providing leverage for improvement only where progress is measurable and workers genuinely benefit.

Termination becomes more appropriate where exploitation is deliberate, severe, or systemic; where suppliers conceal evidence, refuse access, or repeatedly fail to implement corrective actions. Procurement teams should establish escalation criteria in advance so decisions remain consistent rather than reactive. Responsible disengagement may require notice, worker protection measures, and cooperation with relevant specialists, since the objective is neither to preserve supplier relationships nor to achieve symbolic zero tolerance, but to achieve the strongest practicable human rights outcome.

Measuring Ethical Sourcing Performance

Ethical sourcing performance should be measured using indicators that demonstrate whether human rights risks are being identified and reduced, rather than simply whether compliance activities have been completed. Useful measures include the proportion of high-risk suppliers assessed, the percentage of priority supply chains mapped beyond Tier 1, the number of significant findings identified, and the number of corrective actions completed within agreed timescales. These measures provide far greater insight than counting policies or audits without considering what they actually achieved.

Supplier-level indicators should combine preventative and outcome-based measures. Procurement teams might monitor recruitment fees identified and reimbursed, excessive working-hour findings, wage violations, unresolved grievances and repeated audit failures. Worker-related evidence is particularly important because improvements in documentation do not necessarily mean improvements in working conditions. Data should incorporate worker feedback and grievance resolution, distinguishing procedural compliance from meaningful changes that people in the supply chain actually experience.

Performance measures should also examine the buyer's own behaviour. Indicators covering payment performance, forecasting accuracy, order changes and lead-time expectations can reveal whether commercial decisions are supporting or undermining responsible labour conditions. Category managers should understand whether persistent cost reductions or volatile demand are creating pressure further upstream, reinforcing shared accountability rather than assuming human rights risk originates exclusively with suppliers.

Reporting should ultimately support intervention rather than become an exercise in producing

increasingly sophisticated dashboards. Senior management needs visibility of significant risks, overdue corrective actions, recurring supplier failures and areas where transparency remains inadequate. The strongest measurement frameworks combine quantitative indicators with qualitative evidence, recognising that ethical sourcing success is demonstrated by reduced harm and improved worker outcomes rather than perfect compliance statistics alone.

Developing a Risk-Based Ethical Sourcing Framework

A risk-based ethical sourcing framework enables organisations to concentrate resources where potential harm to people is greatest. Rather than applying identical due diligence requirements to every supplier, procurement teams should assess exposure by sourcing country, sector, commodity, workforce vulnerability, and subcontracting complexity. Severity should receive particular attention because relatively low expenditure can still pose substantial human rights risks, so the framework should prioritise potential impact on workers rather than procurement value alone.

The first stage is establishing a consistent risk-screening methodology across relevant categories and suppliers. Procurement teams can combine internal supplier information with credible country, sector and commodity risk indicators, such as Walk Free's Global Slavery Index rankings, to establish preliminary classifications of low, medium and high risk. Additional factors might include migrant labour, seasonal employment, and limited supply chain visibility, with classifications automatically determining subsequent due-diligence requirements.

Different risk levels should correspond with clearly defined assurance measures. Lower-risk suppliers may require standard contractual provisions and periodic declarations, while medium-risk relationships could involve enhanced questionnaires and additional contract management. High-risk suppliers may require deep-tier mapping, worker engagement, independent audits and formal improvement plans. Establishing these requirements in advance creates consistency while allowing professional judgement where particular circumstances justify greater scrutiny.

The framework should also define escalation, remediation and disengagement procedures. Warning signs need predetermined routes for investigation, with responsibilities allocated across procurement, legal, compliance and senior management functions. Serious findings should trigger proportionate corrective actions and increased monitoring, while deliberate concealment may justify suspension or termination. Decisions should consider consequences for affected workers, ensuring commercial responses seek to remedy harm rather than merely distance the buying organisation from reputational exposure.

Risk assessment must remain dynamic because supply chains and operating environments continually change. Suppliers can relocate production, appoint new subcontractors or begin sourcing from different regions, while political instability and economic disruption create new vulnerabilities. Higher-risk relationships should be reassessed periodically and whenever significant changes occur. A mature framework combines initial screening, continuous monitoring and documented escalation, turning ethical sourcing from an occasional compliance exercise into systematic procurement governance.

Can Forced and Child Labour Really Be Eliminated?

Eliminating forced and child labour from global supply chains remains an extraordinarily difficult objective. Exploitation is connected to poverty, migration, conflict, weak governance and unequal bargaining power, much of which sits beyond the direct control of any procurement organisation. Complex supply networks also mean that abuses can migrate between suppliers or disappear further upstream as scrutiny increases, so no organisation can credibly guarantee that every worker across every tier is permanently protected.

That does not make elimination an unrealistic ambition. Organisations can substantially reduce the conditions that allow exploitation to remain hidden by improving supply chain visibility, strengthening due diligence and responding effectively when problems emerge.

Responsible purchasing practices can remove commercial pressures that contribute to poor labour conditions. At the same time, collaboration between buyers, suppliers, governments, trade unions and civil society can address systemic problems no single organisation can resolve independently.

The meaningful test is therefore not whether an organisation can claim a completely abuse-free supply chain, but whether it can demonstrate credible efforts to find, prevent and remedy exploitation wherever significant risk exists. Organisations that investigate deeply may initially uncover more problems than those conducting superficial checks, which can indicate stronger governance rather than poorer performance. Progress ultimately requires sustained transparency and measurable change, replacing reassuring declarations of zero tolerance with genuine evidence.

Summary - Best Practice Recommendations

Effective ethical sourcing begins with recognising that human rights risk rarely stops with the contracted supplier. With 50 million people estimated to be living in modern slavery worldwide, organisations should identify where their greatest exposure exists by considering countries, sectors, commodities and workforce characteristics. Procurement teams should then map priority supply chains beyond Tier 1, concentrating resources where potential harm is most severe rather than applying identical scrutiny to every supplier, regardless of underlying exposure.

Due diligence should test evidence rather than depend on supplier assurances. Pre-qualification questionnaires, policies, and codes of conduct provide useful starting points, but they cannot independently demonstrate working conditions, as Leicester's garment sector and countless other cases have shown. Higher-risk relationships require stronger verification through employment records, worker engagement, independent audits and external intelligence, comparing evidence from different sources so that apparently satisfactory documentation does not mask exploitation concealed within deeper supply chain tiers.

Human rights expectations should be embedded throughout procurement rather than added once contracts have already been awarded. Specifications, evaluation criteria, supplier codes, contractual obligations and key performance indicators should reinforce appropriate labour standards, with suppliers understanding requirements before bidding. Clear escalation and remediation provisions matter equally, enabling procurement teams to respond consistently when concerns arise rather than improvising decisions after serious allegations have already emerged.

Organisations must also examine their own purchasing behaviour. Continual price reductions, unrealistic lead times, inaccurate forecasts and delayed payments create pressures that travel through supply chains and ultimately affect workers. With the ILO estimating £185 billion in annual illegal profits from forced labour worldwide, procurement professionals should ensure commercial requirements are genuinely compatible with the labour standards expected from suppliers, pursuing value for money through sustainable efficiencies rather than practices that make exploitation more economically attractive.

When problems are identified, protecting affected workers should remain central to decision-making. Remediation can often yield better human outcomes than immediate supplier termination, particularly when suppliers acknowledge their failures and cooperate with corrective measures. Serious, deliberate, or repeated exploitation may nevertheless require responsible disengagement, with decisions that are documented, proportionate, and supported by appropriate expertise. Success should be measured by reduced harm, effective grievance resolution, and demonstrable improvements in working conditions, rather than by activity statistics.

No procurement system can guarantee that exploitation will never occur within a complex global supply chain costing UK society alone an estimated £3.3–4.3 billion each year. Strong ethical sourcing instead creates the capability to identify risk earlier, uncover problems that

might otherwise remain hidden, and respond effectively when harm occurs. Transparency, worker voice, technology and professional judgement all contribute to that capability, in pursuit of a supply chain where commercial value is never achieved by treating vulnerable workers as an invisible cost of doing business.

Additional articles can be found at [Procurement and Supply Chain Management Made Simple](#). This site examines procurement and supply chain management issues to assist organisations and individuals in improving the quality, efficiency, and effectiveness of their product and service supply, to the customers' delight. © Procurement and Supply Chain Management Made Simple. All rights reserved.