

### WHAT IS MODERN SLAVERY AND HUMAN TRAFFICKING?

Modern Slavery and Human Trafficking are grave human rights violations involving the exploitation of individuals through force, fraud, or coercion. Modern Slavery encompasses various forms, including forced labour, debt bondage, human trafficking for labour or sexual exploitation, child labour, and more. Victims are often trapped in situations where they're unable to escape due to threats, violence, or manipulation. Efforts to combat these issues involve international laws, awareness campaigns, and collaboration between governments, NGOs, and law enforcement agencies.





## CONDUCTING A MODERN SLAVERY OR HUMAN TRAFFICKING RISK ASSESSMENT IN

# 12 STEPS



**Commitment and Leadership:** Obtain commitment from senior management to prioritise this assessment and allocate necessary resources. Designate a responsible team or individual to oversee the process.

STEP 01



**Mitigation Strategies:** Develop strategies to mitigate identified risks. This might involve enhancing due diligence, implementing monitoring mechanisms, conducting supplier audits, and promoting responsible recruitment practices.

STEP 07

STEP 02

**Scope and Objectives:** Clearly define the scope of the assessment, including the geographic areas, industries, and suppliers to be covered. Set specific objectives for what you aim to achieve through the assessment.



STEP 08

**Action Plan:** Create an action plan that outlines the steps to be taken for each identified risk. Specify responsibilities, timelines, and key performance indicators (KPIs) to track progress.



**Gather Information:** Collect data on your supply chain, including suppliers, subcontractors, and other stakeholders. Obtain information about labour practices, working conditions, recruitment methods, and geographical risks.

STEP 03



**Implementation:** Execute the action plan, which may involve engaging with suppliers, enhancing contractual terms, conducting training for employees and suppliers, and implementing monitoring and reporting systems.

STEP 09

STEP 04

**Risk Identification:** Analyse the collected data to identify potential risk areas. Consider factors such as high-risk sectors, countries with weak labour regulations, and suppliers with inadequate labour standards.



STEP 10

**Monitoring and Review:** Continuously monitor and review the effectiveness of your mitigation strategies. Adjust your approach based on new information, changing risk profiles, and emerging best practices.



**Assessment Criteria:** Develop criteria to assess the severity and likelihood of risks. These criteria can include factors like geographical location, sector, labour conditions, and compliance with regulations.

STEP 05



**Reporting and Communication:** Regularly communicate your progress to stakeholders, including employees, customers, investors, and suppliers. Transparent communication demonstrates your commitment to addressing these issues.

STEP 11

STEP 06

**Risk Assessment:** Evaluate each identified risk based on your assessment criteria. Categorise risks as high, medium, or low based on their severity and likelihood.



STEP 12

**Continuous Improvement:** Use the insights gained from the assessment to improve your organisation's approach to preventing modern slavery and human trafficking. Incorporate lessons learned into future risk assessments.



## About Arctic Intelligence


Arctic Intelligence ([www.arctic-intelligence.com](http://www.arctic-intelligence.com)) is a multi-award winning, RegTech firm that specialises in audit, risk and compliance software related to financial crime compliance and risk management. Arctic Intelligence has helped hundreds of large and small clients across over 20 industry sectors and 20 countries and has also developed strong industry partnerships around the world.

Arctic has developed two leading cloud-based software solutions that leverage technology to re-engineer the way in which major financial institutions and other regulated businesses manage their enterprise-wide financial crime and non-financial crime risks.

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