

European Institute for Crime Prevention and Control,  
affiliated with the United Nations (HEUNI)

# GUIDELINES FOR BUSINESSES AND EMPLOYERS FOR RISK MANAGEMENT IN SUBCONTRACTING CHAINS



PREVENTING LABOUR EXPLOITATION AND HUMAN  
TRAFFICKING IN FINLAND

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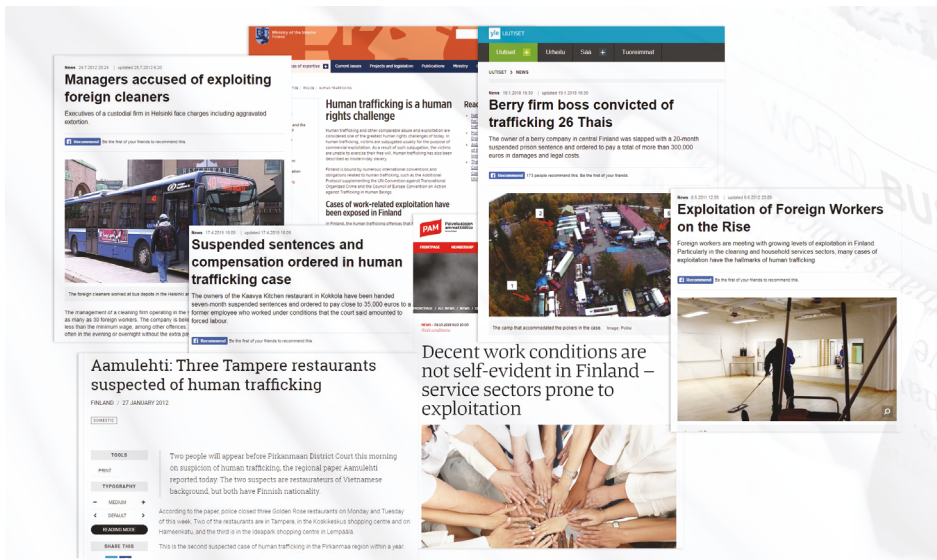
# THE GUIDE

The purpose of this guide is to give companies a brief overview on the risks of labour exploitation and demonstrate how the involvement in such scenarios can be avoided. The content is intended to be used as an information and risk management tool, which can help to promote ethically defensible enterprise that respects human rights.

Even though the content is somewhat geared towards the Finnish context, *any* company that is or may become involved in labour exploitation, one way or another, can make use of the guide. It also features checklists, which contain various measures with which companies are able to reduce the risk of exploitation, especially in subcontracting and production chains.

Such measures are of extreme importance, since companies may find themselves in dire straits, should signs of labour exploitation be discovered in, for instance, their subcontracting chains. Even simple misunderstandings can be damaging, since rumours are known to spread rapidly in the media, affecting the way clients and people in general view companies. Negative publicity can seriously affect the company's reputation, which in turn can translate to the loss of customers or profit. And should worst come to worst, the discovery of labour exploitation within the company's operations can result in police investigation, charges and, eventually, criminal convictions.

Labour exploitation can be found especially in business lines where subcontracting chains consist of numerous links, e.g. in the construction and cleaning industries. The more links there are to the chain, the more difficult it is to survey how the subcontractors carry out their business. This means that companies are in danger of being involved in labour exploitation or even human trafficking due to possible abuse or neglect of working conditions on the subcontractor's part.



Three different checklists (A, B, C) can be found at the very end of the guide. They include various measures for detecting and preventing labour exploitation. The checklists have been designed as general guidelines, meaning that certain sections should be adapted to the size and field of the company.

# WHAT IS LABOUR EXPLOITATION AND HUMAN TRAFFICKING

The recent years have seen numerous problems regarding the use of foreign workforce in Finland, especially in terms of abuse. Such instances can even meet the criteria for trafficking for labour exploitation at worst. Problems have arisen particularly in the industries where employees are poorly educated: services sector, cleaning industry, catering, construction, farming industry, berry-picking and childcare.<sup>1</sup>



In practice, exploitation and human trafficking often include deception, pressure or misleading in a way that the victim has to concede to working conditions which are considerably worse or different from the originally promised ones. The victim cannot quit the job voluntarily without facing the threat of punishment, retaliation or other harmful consequences. They may also be dependent on the job or the employer because of, for instance, poor language skills, debt and lack of knowledge. These factors help to explain why the victim may choose to remain in the exploitative situation and continue working.

At worst, labour exploitation can even amount to human trafficking, though it often is considered less harmful than the latter. In Finland, cases of this sort are usually dealt with as crimes *related* to human trafficking, such as work discrimination (Criminal Code 47 3 §), extortionate work discrimination (CC 47 3(a) §) – often applied in cases where foreign employees have been exploited at work –, employment agency offence (CC 47 6 §), unauthorised use of foreign labour (CC 47 6(a) §), usury (CC 36 6 §) and aggravated usury (CC 36 7 §), all of which have been criminalised in the Criminal Code.<sup>2</sup>

<sup>1</sup> Jokinen, A., Ollus, N. & Viuhko, M. (2011): *Work on Any Terms: Trafficking for Forced Labour and Exploitation of Migrant Workers in Finland*, HEUNI report No. 68, <https://www.heuni.fi>, pp. 31-164, Jokinen, A. & Ollus, N. (2014): "We've got people lined up behind the door": Placing the Trafficking and Exploitation of Migrant Workers in Context in the Restaurant and Cleaning Sectors in Finland, HEUNI report No. 76, <https://www.heuni.fi>, pp. 31-170, Sams, Anni & Sorjanen, Anna-Majja (2015). Finland. Social Fieldwork Research (FRANET). *Severe Forms of Labour Exploitation. Supporting Victims of Severe Forms of Labor Exploitation in Having Access to Justice in EU Member States. FRA; The National Assistance System for Victims of Human Trafficking, Overview 1 January–31 December 2018*: [http://www.ihmiskauppa.fi/files/454/Auttamisjärjestelman\\_tilannekatsaus\\_1.1.-\\_31.12.2018\\_ENGLISH.pdf](http://www.ihmiskauppa.fi/files/454/Auttamisjärjestelman_tilannekatsaus_1.1.-_31.12.2018_ENGLISH.pdf)

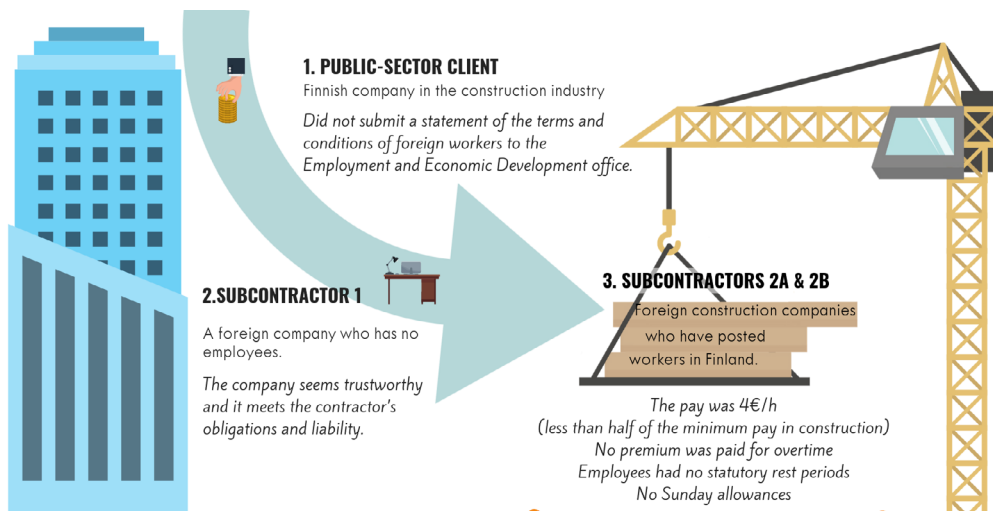
<sup>2</sup> Human trafficking and forced labour have been defined in the Finnish Criminal Code (CC 25 3 §, 3(a) §, 650/2004), in line with international obligation, and in the Convention of the International Labour Organisation (Convention 29).

Regrettably, labour exploitation and human trafficking have been on the rise in most EU countries during the recent years. This trend will most likely continue its upward climb due to increased migration and changes in the labour market, among other things, but also because the detection of exploitation has been patently improved of late.

The growing numbers also underline the risk that companies are facing even in Finland. In the inspections<sup>3</sup> of migrant workers, conducted within the purview of the Regional State Administrative Agency (i.e. the labour inspectorate) for Southern Finland in 2016, it was noted that, in the case of the catering industry, there were problems with the salaries in over 50% of the inspected catering companies. A similar situation was found with posted construction workers: during the inspections on how well Finnish construction companies adhere to the universally applicable collective agreement, deficiencies had been discovered in every third instance. The 2017 findings were strikingly similar: nearly half of the inspected companies in catering, real estate services and construction had been paying less than the collective agreement stipulates.<sup>4</sup>

In 2015, the inspectors filed 30 different reports requesting preliminary investigation in Southern Finland alone, and, in 2016, the total sprang to 65. All the reports had to do with working rights. The most deficiencies were detected in the cleaning industry: during every fourth inspection, at least one employee was discovered who did not have the right to work there. It is groups of this kind that are especially vulnerable to exploitation.

### An example of labour exploitation in construction



Source: Regional State Administrative Agency for Southern Finland, area of responsibility: occupational safety and health

<sup>3</sup> Regional State Administrative Agency (2017): The Ulti team report from 2016. Regional State Administrative Agency for Southern Finland, area of responsibility: occupational safety and health. 29.1.2017.

<sup>4</sup> Retrieved from the Vera surveillance data system used by the Occupational Safety and Health Administration in Finland.

## EXAMPLE

An example of aggravated usury and work discrimination in the cleaning industry



A private cleaning company operating in the Helsinki Metropolitan Area had employed dozens of foreigners and asylum seekers, most of whom were originally from Sri Lanka and Morocco. The firm, who sold cleaning services to bus operating companies, had a total of 35 foreign employees in its roster. In order to get work, part of the employees had had to pay a recruitment fee to the mid-level managers of the company.

The employees cleaned buses at late hours in different garages between the years 2009 and 2011. They did not receive extra pay for overtime or night and evening shifts. They were also dependent on their position, because their work was contingent on working rights, which in turn enabled them to reside in Finland in the first place. Furthermore, the mid-level managers exerted strict control over the employees, making it quite clear that any complaints would result in getting fired.

The owner of the cleaning company (among others) was given a suspended sentence of 1 year and 10 months by Vantaa District Court for aggravated usury and work discrimination. (Vantaa District Court 28.9.2012. R 12/2139; preliminary investigation report 9186/R/61009/09.)

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Source: Jokinen, A. & Ollus, N. (2014): "We've got people lined up behind the door": <https://www.heuni.fi>

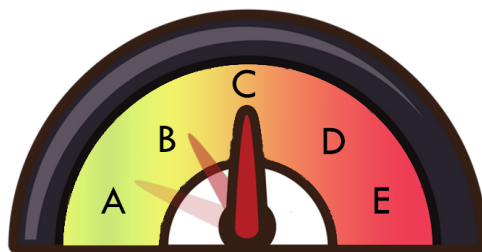
The difference between labour exploitation and human trafficking is not clear-cut. If signs of abuse and exploitation begin to manifest themselves on a recurring basis, the criteria for human trafficking may be met before long. A trafficking crime does not need to include physical violence or deprivation of liberty – instead, a vulnerable person may be pressured into the situation.

The next picture illustrates the different degrees of working conditions; in other words, it shows the continuum of exploitation, whose different stages stand as examples for potential situations. The earlier the employer can intervene in working conditions issues and in less serious forms of exploitation, the better the chances for preventing even more severe exploitation and human trafficking.



## The exploitation continuum – the degrees of working conditions from decent work to human trafficking

**DECENT WORK**  
The working conditions are in accordance with the international standards, ILO Conventions and the national legislation.



**SERIOUS EXPLOITATION AND HUMAN TRAFFICKING**  
Human and working rights are being seriously violated.

**A**

The employees work in proper, **generally acceptable** working conditions. In addition, the workers have **good housing conditions** and they are **justly paid**.

**B**

The employees are aware of the nature of their work, but they end up working in **relatively bad conditions** and have **low pay** – however, these still conform to the national employment terms and international labour standards.

**C**

The employees are aware of the nature of their work, but they **do not have enough information or experience to understand** that, in reality, they will end up working in **unjust conditions**.

**D**

The employees have been **deceived, pressured** and misled during the recruitment process, and so they **end up working in an exploitative job**. The workers **are forced to carry on working** under duress and to put up with abuse and exploitation.

**E**

The employees have been **subjected to coercion and severe exploitation**. They may have also faced **deprivation of freedom, physical and/or sexual violence**.



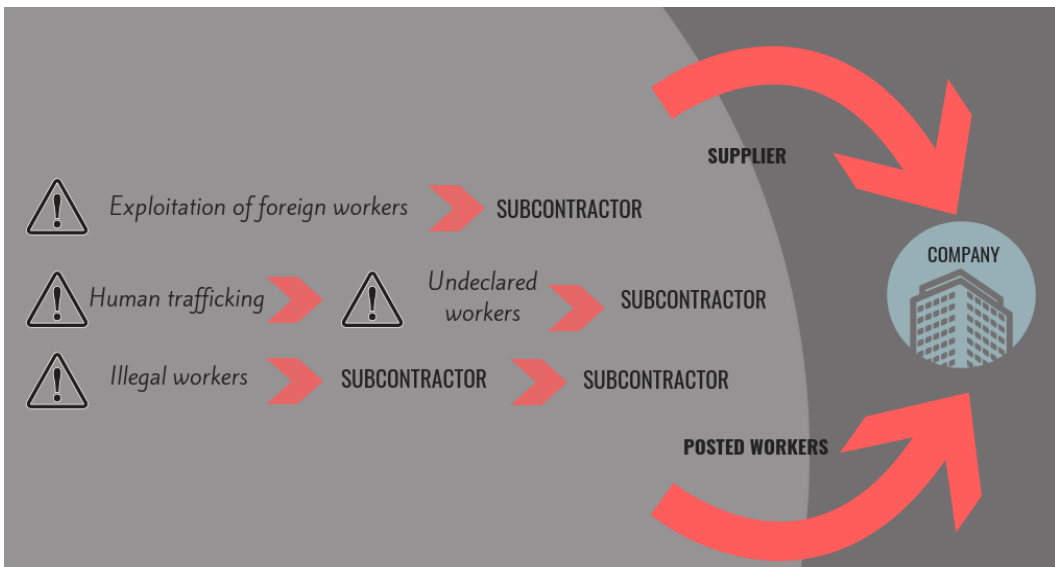
# HOW CAN LABOUR EXPLOITATION AFFECT YOUR COMPANY?

**Your company may end up being involved in labour exploitation or human trafficking in the following ways:<sup>5</sup>**

**Subcontracting:** An excessive use of subcontractors may diminish the transparency of supply chains and increase the risk that subcontractors might be using illegal workers or workers without the appropriate permits. In the worst-case scenario, lengthy supply chains may reveal serious forms of exploitation or even human trafficking, particularly in a situation where the real employer is unknown to the employee. The associated risks include that the work may be carried out by a completely different person from what was expected initially and that the work may take place in sub-par working conditions.

**Posted workers:** The pay of a posted worker may be lower than that of a worker employed in the destination country and the minimum conditions may perhaps not be respected. The foreign workers may also be unaware of their rights.

**Use of products or services:** The suppliers of exploited workforce may use the services of a travelling agency, hotel or transport operator to transfer the victims to (or via) the destination country. Hence, the reputation of such service providers may be soiled in the process in case of possible exposés.



**Possible negative repercussions for companies resulting from the involvement in labour exploitation and human trafficking:**

- Breaking the law:** The company may be accused of complicity, which in turn can lead to lengthy investigations and even sanctions.
- Damage to reputation and brand:** Despite not being directly involved in the crimes, the company's reputation may be tarnished because of the sheer act of association. Such negative associations can lead to the loss of clients and investors and to a decrease in sales and profit. It may even become more difficult to get state grants or participate in public procurement.

<sup>5</sup> This guide does not take into account global supply chains and the exploitation and human trafficking that may be incidental to them. Hence, it is not concerned with the risks involved in the purchase of products or how to recognise and prevent them.



**Danger to safety and business secrets:** If people whose identity is not properly verified move about the premises, it might constitute a general safety risk. This might even place the business secrets of the company in danger. The subcontractors who are careless in their duties may also jeopardise the workers' safety by neglecting the occupational health and safety rules. This may then have an effect on the company who commenced the order.

## EXAMPLE

An example of labour exploitation in the cleaning industry



*An example from Denmark: In 2012, the joint reporting efforts of trade unions and media uncovered a big exploitation scandal in the second largest cleaning company of Denmark. The victims were Romanian people who had been recruited locally by a Romanian firm. In hope of a good salary, they arrived in Denmark, only to face substandard housing conditions and physical violence and threats. In addition to this, their IDs and bank cards were confiscated.*

*The exploitation took place in the subcontracting chain and so the cleaning company was not directly involved. Regardless, the reputation of the company was considerably damaged upon the discovery. The company lost a great deal of its clientele and the turnover slumped by more than 1/4 in just one year. The result was that the cleaning company stopped working with subcontractors altogether and reformed its employment procedures by increasing its monitoring on every operational level. (Danish Center Against Trafficking)*

*An example from Finland: "We were struggling because we have over 300 facilities with numerous partners, most of whom also use subcontractors. Monitoring the employers who work in the subcontracting chains and their duties posed a great challenge, and so we decided that we could not go on like this [...] With subcontracting chains, it is difficult to figure out who works in the facility and what the conditions are like. Even if the paperwork had been done properly, it does not mean that the working terms are flawless [...] It is important to be aware of the phenomenon. One can blink at it fairly easily, but we know that there have been problems and that they are on the increase." Facilities Manager Aino Aho, Helsingin Sanomat 14.4.2017, translated.*

### **The advantages gained by the company upon managing risks and taking social considerations into account:**





**Clients and partners:** Most public procurers, private companies and employers' organisations have compiled guidelines for responsible activity which must be adhered to when co-operating with the entities in question. By meeting the prerequisites for responsible activity, companies will be able to improve their market position. Conversely, the companies whose activities are deemed irresponsible may end up in a very precarious position.



**Social responsibility:** Taking the social perspectives into consideration in corporate social responsibility activities consolidates the company's profile as a responsible and proactive business.



**Reputation management and image:** Managing the risks related to labour exploitation enhances the company's image in the eyes of the employees, clients and partners.

-  **Preventing unfair competition:** When responsible business activities are facilitated, one of the positive outcomes is that unfair competition is prevented at the same time. The symptoms of unfair competition usually include unreasonably low salaries or the neglect of occupational health and safety regulations.
-  **Productivity:** By acting responsibly and justly towards its employees, the company can facilitate the work itself and further the motivation of the workers. These in turn will be reflected in the quality, efficiency and safety of the work. Ultimately, it all shows up as an increase in productivity.

## COMPANIES AND HUMAN RIGHTS ACROSS THE GLOBE: STANDARDS AND PRINCIPLES

International regulation on responsible business activities has been amplified considerably over the last few years. This is reflected in the increasingly competitive global market, where a growing emphasis is put on responsibility – a trend which, in turn, has a significant impact on Finnish companies.

The aim of this section is to present certain international principles and conventions that influence the way responsible business is carried out. The principles are not legally binding, and so they are merely recommendations, whereas the conventions, pursuant to the international law, obligate countries to put different sections into practice.

**Human and labour rights are the core international obligations** on which the regulation is based. In consequence, companies ought to uphold the freedom of association and recognise the right to collective bargaining effectively. Moreover, they should be committed to supporting the elimination of forced and child labour and preventing the discrimination in respect of employment and occupation.

Similar principles lie at the foundation of the **UN Global Compact**<sup>6</sup> – an initiative focusing on corporate social responsibility. By joining the Compact, companies commit themselves to Ten Principles on corporate sustainability.

Taking human rights into account in business has received increasing attention during the recent years. Concurrently, the prevention of forced labour and human trafficking has been steadily on the rise, and there has also been growing interest in corporate responsibility and proactivity. Hence, generally speaking, the problem is not the lack of national legislation supporting such responsibility – it is the deficiencies in implementation and regulatory control (such as that of labour inspectors).

The **Guiding Principles on Business and Human Rights**<sup>7</sup> of the United Nations Human Rights Office of the High Commissioner (2011) constitute a standard for countries and companies which seeks to prevent, redress and raise awareness of matters which have an adverse impact on human rights.<sup>8</sup>

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*Respecting human rights is our common duty. Companies should abide by internationally recognised human rights. Hence, they must ensure that their business activities will not, in any way, further any actions which would constitute a violation against these rights.*

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<sup>6</sup> United Nations Global Compact (2017): <https://www.unglobalcompact.org/>

<sup>7</sup> United Nations Human Rights Office of the High Commissioner (2011): *Guiding Principles on Business and Human Rights*: [http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)

<sup>8</sup> "An adverse impact on human rights" denotes a situation in which a certain action hinders or prevents a person's chances or ability to enjoy their own human rights.

While the Guiding Principles do not directly refer to forced labour or human trafficking, some preventive measures are outlined therein which could be also employed in that regard.

The prevention of forced labour is included in **the UN Sustainable Development Goals**<sup>9</sup> Goal 8 focuses on decent work and economic growth. Forced labour and labour rights are some of the issues raised therein (in sections 8.7 and 8.8 respectively).

The **International Labour Organization ILO** plays a central role in developing the obligations related to working life. The ILO Declaration on Fundamental Principles and Rights at Work (1998), to which all member states are committed, includes the eradication of the all forms of forced labour as one of its objectives. Most states have also ratified the ILO Forced Labour Convention (No. 29) and the Abolition of Forced Labour Convention (No. 105). Moreover, the Protocol of 2014 to the Forced Labour Convention<sup>10</sup> seeks to prevent trafficking for labour exploitation, in particular, and to aid and help the victims in terms of damages, for example. These preventive measures include “supporting due diligence by both the public and private sectors to prevent and respond to risks of forced or compulsory labour”<sup>11</sup>.

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*The public and private sectors should ensure that proper measures are taken to deal with and prevent forced labour. In practice, this means that both sectors are engaged in socially responsible business.*

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Great steps have been taking in promoting corporate responsibility in terms of international law. A good example of this is the UK's **Modern Slavery Act (2015)**<sup>12</sup>, which states that companies whose annual turnover is larger than £36 million must produce an annual “slavery and human trafficking statement”. The statement must include the measures the company has taken during the fiscal year to ensure that it has not been involved in modern slavery at any part of its operation. The Act might also have an effect on the companies who work with such UK companies. Likewise, subcontractors and e.g. Finnish companies who operate in the UK might also be subject to the Act.

France also has actively participated in promulgating the principle of responsibility. At the beginning of 2017, it passed an act which states that multinational companies should act with due diligence in matters concerning responsibility. Furthermore, the companies are required to draw up concrete operation and monitoring plans in order to ensure that the workers’ rights are respected. The act also applies to subcontractors, producers and manufacturers.

## **CORPORATE SOCIAL RESPONSIBILITY IN FINLAND**

Finland has a National Action Plan (2014)<sup>13</sup>, which is based on the aforementioned UN Guiding Principles. It states that, for the successful promotion of human rights, companies should put a strong focus on international co-operation, more effective communication, transparency and adherence to their obligations.

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<sup>9</sup> United Nations (2017): Sustainable Development Knowledge Platform <https://sustainabledevelopment.un.org/?menu=1300>

<sup>10</sup> The Protocol and the related Act came into force on 27/1/2017

<sup>11</sup> Article 2 (e): [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:P029](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:P029)

<sup>12</sup> Home Office (2017): Modern Slavery: <https://www.gov.uk/government/collections/modern-slavery>

<sup>13</sup> Ministry of Employment and the Economy (2014): National Action Plan for the implementation of the UN Guiding Principles on Business and Human Rights. MEE publications, competitiveness 44/2014: <http://tem.fi/documents/1410877/2132280/yritykset-ja-ihmisoikeudet-toimeenpanosuunnitelma/25887fdf-aacf-42fa-a3c4-6e0454963d69> (The English abstract is on p. 89)

According to the Corporate Responsibility Survey of the Finnish Business and Society network (FIBS) 2017<sup>14</sup>, social responsibility “has become a central corporate responsibility issue alongside environmental responsibility, which traditionally held the top position”. Despite the promising words, the survey found out that only one third of the participant companies were taking the UN Sustainable Development Goals into consideration.

As for human rights, they were considered to be one of the least important corporate responsibility issues, with only 21% of the companies regarding human rights as essential. The majority of the participants thought that supply chain management was the most challenging area of responsibility, and nearly 70% of them told that they had set specific requirements for their suppliers.

The Act on the Contractor's Obligations and Liability when Work is Contracted Out<sup>15</sup> came into force around the turn of the year 2007. It states that contractors must request the subcontractors to give information and certificates (specified in the Act) on their operation (see checklist C, pp. 19–21). The Act does not require a contractor to check on the subcontractor's employment process. The contractor is only required to request “an account of the collective agreement or the principal terms of employment applicable to the work” before closing the deal. If the contractor wishes to have a more detailed account of the employment process, they should include a stipulation in the contract, giving them the right to request for more details considering the matter, if need be (see checklist C, pp. 19–21).

The Act is designed to combat the grey economy and to prevent contracting out work to entities who do not take care of their social obligations. The Act states that the contractor is only responsible for their immediate contractual partners. However, the good practice is that information and certificates are required from each link of the subcontracting chain.

Of course, certain requirements regarding further subcontracting can be stipulated in the contract. In Finland, for example, Helsinki Cooperative Society Elanto (HOK-Elanto) has decided to rule out the possibility of subcontracting from their cleaning service partners. This procedure has been in effect since 2013, and nowadays Elanto only have direct contractual partners.

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*Pursuant to the 2016 Amendment to the Accounting Act (29.12.2016/1376), large public-interest entities – to wit, public companies, credit institutions and insurance companies – are required to report on their operations connected to environment, employees, social issues, human rights and the prevention of corruption.*

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The employers' organisations in Finland have a salient role in monitoring and promoting social responsibility. A good example of this is the Real Estate Employers' organisation, whose members are obligated to abide by specific ethical guidelines, stricter than the legal requirements.<sup>16</sup> Another good instance of such conduct is in the grocery shop line, where several retailers, NGOs and authorities drew up a document on how to implement the UN Guiding Principles on Business and Human Rights in supply chains. The document includes examples of possible risks involved in the chains and recommendations on how to prevent human rights violations.<sup>17</sup>

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<sup>14</sup> FIBS (2017): FIBS Corporate Responsibility Survey 2017: [https://www.fibsry.fi/wp-content/uploads/2017/05/FIBS\\_CR-Survey\\_2017\\_Summary-.pdf](https://www.fibsry.fi/wp-content/uploads/2017/05/FIBS_CR-Survey_2017_Summary-.pdf)

<sup>15</sup> The official English translation of the Act can be found here: <https://www.finlex.fi/en/laki/kaannokset/2006/en20061233.pdf>

<sup>16</sup> The Real State Employers (2017): Ethical guidelines (in Finnish): <https://www.kiinteistotyonantajat.fi/jasenyys/jasenysehdot/eettiset-ohjeet/>

<sup>17</sup> Ministry of Economic Affairs and Employment of Finland (2015):

A common view on the adherence to the UN Guiding Principles on Business and Human Rights in relation to the grocery retail supply chains (20 August 2015 – in Finnish)

Notwithstanding the national and international progress, legislation and central principles merely represent the minimum requirements with which to secure human rights. In order for the labour exploitation risks to be properly managed, corporate responsibility should not stop at the threshold of legislation or standards. This could be achieved by, for instance, increasing risk management and implementing the systematic precautions outlined in the following chapters.

# SEVEN STEPS TOWARDS BETTER RISK MANAGEMENT

Your company can improve the management of subcontracting, production and supply chains by investing in social responsibility issues. By following the seven steps below, it is possible for your company to lower the risk of being involved in labour exploitation or human trafficking.

**01**

Planning: Read the following instructions and acquire more information on the risks of labour exploitation and human trafficking. Also, pay heed to the steps and recommendations outlined in this guide.

**02**

Conduct a risk assessment for your company and your subcontractors. Make use of the “Quick risk assessment for your company” section, p. 15.

**03**

Prepare recommendations on labour exploitation or the prevention of human trafficking for your staff. Make use of the “Checklist A – general precautions” section, p. 16.

**04**

Prepare recommendations on recruitment and employment from the perspective of labour exploitation. Make use of the “Checklist B – direct recruitment and employment” section, pp. 17–18.

**05**

Prepare recommendations for contracting out work and requirements for the prevention of labour exploitation in relation to subcontractors. Make use of the “Checklist C – precautions when working with subcontractors” section, pp. 19–21.

**06**

Inform the employees and subcontractors on how to prevent and detect labour exploitation. Fill them in on the company’s recommendations above (04 and 05). Make use of the “How to detect labour exploitation and human trafficking” section, pp. 22–23.

**07**

If you have reasonable grounds to believe that labour exploitation or human trafficking is taking place, please contact the police, occupational health and safety officials or the assistance system for the victims of human trafficking. See contact information and links pp. 24–26.



## MONITORING

Conduct risk assessments on a regular basis and make use of monitoring. Use the checklists included in this guide (A, B, C) and check that the criteria are met regularly.

Commit to the prevention of labour exploitation and human trafficking within the business by including these themes in your social responsibility strategy. E.g. you could make use of <https://sdgcompass.org/> Inform your stakeholders and employees about these decisions.

<http://www.ihmiskauppa.fi/en>

for more information on labour exploitation, human trafficking and related material.



## QUICK RISK ASSESSMENT FOR YOUR COMPANY

Few business lines can escape the threat of labour exploitation and bad working conditions. These risks come to the fore especially when the work is contracted out and while working with employers' who do not belong to any association. In Finland, cases of labour exploitation have cropped up especially in cleaning, catering, services, construction and berry-picking sectors.

By going through the questions below, you can conduct a quick, preliminary risk assessment for your company. If the answer to some or all of the questions is "yes", there may be a high risk of labour exploitation.



1. Does your company have **untrained, temporary** and/or **seasonal workers**?
2. Does your company employ many foreign workers who **are not familiar with the Finnish terms and conditions of employment**?
3. Does your company have employees or temporary staff members who work through foreign or Finnish **employment agencies**?
4. Does your company make use of **subcontractors** (possibly with many different links per chain), staffing services and/or **short-term seasonal workers**?
5. Does your company outsource certain jobs for foreign workers in a way that is not directly visible for the rest of the staff because the work is carried out **at night** or **in a remote location**?
6. Does your company work **in a line of business** in which cases of illegal workforce, social dumping and human trafficking have emerged?

## LOWER THE RISKS BY DOING RESPONSIBLE BUSINESS

**CHECKLISTS:** The following checklists include measures with which your company can increase their share of social responsibility and decrease the risk of labour exploitation in supply and subcontracting chains. The different items in the lists are recommendations, intended to inspire preventive action.<sup>18</sup> Ultimately, the line of business and the size of the company determine how far the items can and should be applied. For instance, medium-sized and large businesses could benefit from formulating a strategy against labour exploitation and human trafficking as part of their responsible business policy, whereas, for small companies, this might not be very relevant. The best way to reduce the risks is to use the checklists together with the detection help found on pages 22–23.

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<sup>18</sup> More info on how your company can respond to its corporate social responsibility can be found e.g. here: Sorrentino, Liliana & Jokinen, Anniina (2014): Guidelines to prevent abusive recruitment, exploitative employment and trafficking of migrant workers in the Baltic Sea region <https://www.heuni.fi>



## A: GENERAL PRECAUTIONS

- Is the company aware of labour exploitation / human trafficking and the relevant legislation?
- Has the company drawn up internal guidelines for the prevention of human trafficking and labour exploitation (e.g. as part of the responsible business policy)?
- Has the company considered including the following points in its general guidelines or corporate policies?
  - The obligation to combat forced labour in connection with direct employment and subcontracting.
  - The measures to be taken in case labour exploitation is detected.
  - The guarantee that employees have the right to enter into employment and are free to terminate it.
  - The constant conducting of risk assessment and the monitoring of the working conditions of the employees and subcontractors e.g. by making surprise inspections.
- Does the annual report of the company mention the guidelines and measures taken/planned to prevent labour exploitation?
- Is the company aware that any of its employees might be vulnerable for exploitation? Is the company aware of the conditions which make certain people more vulnerable for exploitation?
- Does the company work with authorities, such as labour inspectors, employers' associations and trade unions to detect labour exploitation and to report the detected instances thereof?
- If the company has guidelines for preventing exploitation, are they shared with the possible subcontractors?
- Is the middle management of the company in regular and informal contact with the workers (incl. those of the subcontractors) to hear what they have to say about the working conditions and possible points of contention?
- Does the company have a communication channel through which anyone could safely and (if need be) anonymously share their suspicions or inform about deficiencies?
- Do the managers of the company have sufficient information on the work permits and the workers' right to choose their employment?



## B: DIRECT RECRUITMENT AND EMPLOYMENT

- Does the company have systematic recruitment procedures, so that it is clear who is responsible for recruitment and who is the most immediate superior to whom one answers?
- Does the employment process always include a personal meeting in the premises of the company, and is a written contract always made and signed jointly?
- Does the company ensure that the contract is drawn up in a language which the new employee understands and that the employee is aware of all the details in the contract?
- Does the company use an impartial interpreter during the sign-up in case the employee does not speak Finnish?
- Are the following documents required in the interview?
  - Personal ID (incl. photo), e.g. a passport
  - Finnish working permit or residence permit (from people not from the EU, ETA or Switzerland)
  - Any required security clearances
- Does the company make sure that the documents are genuine and that they correspond to the person in the interview? Always contact the police if you suspect that the documents are counterfeited.
  - Check the dates in each document.
  - Consult translation services or embassies in case the content of a document is unclear.
  - Check on permit application process regularly if the employee has an application pending.
  - Check that the details of the person correspond with the photo.
- Does the company copy all employment documents and file them in?
- Has the company specific contracts intended to be signed by new employees regarding the rights and obligations of the workers (e.g. that the employee is not allowed to bring unauthorised persons to the workplace)?
- Has the company considered giving the employee an ID card (with photo and expiration date) which is required at the workplace? In case of a construction company operating in Finland, does it ensure that each employee has a name tag with their photo and tax number on it? In case of a cleaning company, does it utilise similar name tags?
- Has the company considered paying all the expenses incurred in the recruitment process?

- Are the following questions asked in the job interview:
  - How did the person find out about the job?
  - Has the person paid a third party in order to come to Finland?
  - Has the person had to borrow money in order to pay for the expenses incurred in the work permit application process?
  - Has the person paid a third party, either willfully or unwillingly, in order to be employed? Is the person in debt because of this?
  - Has the person had to sign an additional contract with an employment agency, stipulating unreasonable payments?
  - Where does the person live? Who is their landlord? What is the person's phone number and who should be contacted in case of emergency?

See the "How to detect labour exploitation and human trafficking" section on pp. 22–23.

- Is the employee informed of the central terms and conditions of employment, such as pay rate, working hours, freedom of association and whom to turn to in case of difficulties? This ought to be done before the first pay period at the latest.



## C: PRECAUTIONS WHEN WORKING WITH SUBCONTRACTORS

- Has the company proper instructions on how to avoid labour exploitation within subcontracting chains?
- Has the company included a permanent clause in the contracts made with partners, stating that labour exploitation or human trafficking will not be tolerated? Can the company end the contract immediately if this clause is not adhered to?
- Has the company a clear strategy on how to deal with / redress a possible situation in which the company or authorities have detected a breach of contract? While ending the contract, it is important to consider what possible repercussions would be felt by the victim and to ensure that the exploitation will not continue in other forms after the termination.
  - Does the staff know how to act and whom to contact, should exploitation occur? (See contact information and links on pp. 24–26).
  - Has the company specific strategies/procedures for working with contractual partners and subcontractors? Pay close attention to the following:
    - Is the contractual partner allowed to further contract out the work / part of the work?
    - Do the workers have to be employed by the contractual partners or could it be done by the subcontractors?

**NB!** If the workers have to be employed directly by the contractual partners, the same terms should apply to all contractors.

- Are the contractual partners obliged to ensure that the workers employed by them (and the subcontractors) in Finland have the working conditions and pay that are relative to those of the Finnish labour market?
- Do the contractual partners monitor both their and their subcontractors' operations?
- Are the obligations of the contractual partners clear and are they part of a written contract? Has the contractor made sure that everything happens in accordance with the collective agreement, legislation and regulations made by authorities? Has the company made sure that:
  - The contractor ensures that the subcontractors meet the same requirements and obligations as the contractor themselves?
  - The company can at any point request proof that the aforementioned requirements and obligations are met from both the contractual partners and their subcontractors (e.g. by requesting proof of paid salaries and the working hours?)

- Has the company made sure that the contractor may only use subcontractors who have signed a contract and that the contractor is not involved in an on-going criminal case or that they have not been found guilty previously? According to Finnish law, the contractor should also request:
  - Information on whether the enterprise is entered in the Prepayment Register, the Employer Register and the Value Added Tax Register.
  - Extract from the trade register.
  - Information showing that the enterprise does not have tax debts, or a certificate provided by an authority showing the amount of the tax debt.
  - Certificates of employee's pension insurances taken out and of pension insurance premiums paid, or an account that a payment agreement on outstanding pension insurance premiums has been made.
  - An account of the collective agreement or the principal terms of employment applicable to the work.
  - Information showing that the occupational health care services are provided.
  - A certificate showing that the contracting party has taken out insurance in compliance with the Employment Accidents Insurance Act (in construction work).
  - Valid certificates stating how the social security of the workers in question is determined before the workers in question start their work.
- Does the company monitor the contractor's obligation status of the whole subcontracting chain regularly? Does the company also take the obligations regarding foreign entities into account, as per the Act? (The procedure must be equally comprehensive.)
- Has the company signed a written contract with the recruitment agencies / subcontractors which ensures that posted or temporary workers are not obligated to pay any recruitment fees?
- Does the company check that the contractual partners abide by the following? (See: "How to detect labour exploitation and human trafficking", pp. 22–23).
- The contractual partner sees to their statutory obligations as employers.
  - The workers have been informed of the general terms and conditions before they start in the job. The company can request the contractor to dispatch a copy of the terms within five working days.
  - The workers should be employed by a contractor or subcontractor authorised by the company. The workers may not use other people, family members etc. to do the work.
  - The workers must have a visibly displayed ID card provided by the contractor or subcontractor. The card should include a photo and an identity code, such as an employer number or personal identity code.

- The company has a right to contact any worker of the contractual partner and its subcontractors without prior notice in order to get information on the identity of the worker.
- The contractual partner guarantees that its workers all have the necessary permits for work.
- The employer ought to keep a document containing the grounds for a person's right to work readily available at the workplace, should a labour inspector make a visit. In case of foreign companies, the Finnish contractor is responsible for the verification of the rights. It can also be stipulated that the information on the grounds for each foreign worker must be presented to the contractor.
- The contractual partner must guarantee that the salaries, income taxes and deductions are reported to the tax authorities as per the rules and regulations applying to employers.
- The worker has been given easily recognisable working clothes (if relevant) by the employer and wears them when necessary.
- The company receives an up-to-date list of the staff employed by the partner.
- Does the company brief the subcontractor's workers and is this done in a language which the workers can understand? Does the company make sure that the workers have understood what the briefing is about?



# HOW TO DETECT LABOUR EXPLOITATION AND HUMAN TRAFFICKING

The workers who have experienced labour exploitation or human trafficking often keep silent for fear of the consequences. For example, the residence permits of many foreign workers may be contingent on the job, thus placing them in a dependent position in relation to the employer. Hence it is very likely that the actual reporting of the incident is done by someone else, such as the authorities, co-workers, trade unions or ordinary citizens. For instance, there was a case in the Helsinki suburb Kallio, where a restaurant patron uncovered a case of human trafficking by contacting the authorities after witnessing the questionable treatment of a young, migrant worker.

It is often difficult to be sure whether someone is a victim of labour exploitation/human trafficking. That is why immediate steps must be taken if there are any suspicions that something is wrong.

The following points can be used to detect labour trafficking. If several of them are applicable to a case, further examination of the situation is needed, and hence the authorities should be contacted (see contact information on pp. 24–26).

## SIGNS: RECRUITMENT AND EMPLOYMENT

<b>1</b>	The foreign workers are presented to the employer by a person (often of the same national or ethnic origin as the workers) who speaks good Finnish or English, purporting to be a friend/family member etc. This person speaks on behalf of the whole group and is present during the job interviews.
<b>2</b>	The submitted documents filled in by the workers are written in much better Finnish than could be expected.
<b>3</b>	A "friend" or "family member" submits the documents on behalf of the worker. The worker seems nervous or secretive and/or acts as if instructed by a third party.
<b>4</b>	The worker seems nervous or secretive and/or acts as if instructed by a third party.
<b>5</b>	A third party contacts the company in order to discuss on behalf of a friend or a family member who wishes to be employed.
<b>6</b>	A company uses workers who do not speak Finnish, are of a certain nationality and who work for a subcontractor who is of the same nationality.
<b>7</b>	The workers have submitted identical information as regards their phone number, address and bank account information.
<b>8</b>	Several workers have given the contact information of the same person whom to contact in case of emergency.

## SIGNS: AT THE WORKPLACE

<b>1</b>	The workers are taken to and from work by a person who does not work there.
<b>2</b>	The workers cannot decide where or what to eat. In other words, they lack proper lunch breaks and/or they have to eat leftovers.
<b>3</b>	The workers show signs of physical injury, they are malnourished, their general appearance is untidy and their clothing does not correspond to the weather conditions.
<b>4</b>	The workers appear nervous and scared (afraid of the employer/authorities).
<b>5</b>	The workers remain quiet or give roundabout answers to questions about the working conditions, working hours and about their arrival to Finland.
<b>6</b>	The workers are not allowed to move around without a third party being present and their movement is restricted considerably at work and/or where they are housed.
<b>7</b>	The workers are not paid, unreasonable deductions are made, or the pay is extremely low.
<b>8</b>	The workers have not signed any contracts.
<b>9</b>	The workers work long hours, including weekends and night shifts, though these have not been stipulated in the contract.
<b>10</b>	The workers have no statutory rest breaks, and/or they have to work while ill.
<b>11</b>	The workers do not have the contact information of their manager.
<b>12</b>	The workers owe a lot of money to their manager, recruitment agency or other parties.
<b>13</b>	The workers do not have IDs. The personal papers and documents appear to have been confiscated and the workers cannot leave the workplace or prove who they are.
<b>14</b>	The workers present counterfeited IDs and/or travelling documents.
<b>15</b>	Someone has threatened to inform the authorities about the workers or to impose physical violence on them.
<b>16</b>	The workers have no or only limited access to healthcare.

## SIGNS: HOUSING

<b>1</b>	The workers are housed by an employee of the subcontractor/recruitment agency.
<b>2</b>	The employer/subcontractor for example organises the food and housing with high prices and deducts them from the pay so that the workers have more or less no income.
<b>3</b>	The workers' housing conditions are bad, and/or they have to live in close quarters with others.
<b>4</b>	The workers live at the workplace (e.g. in spaces where construction work is carried out, back rooms or cellars).



## CONTACT INFORMATION AND LINKS

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If you suspect someone might be involved in human trafficking, you can contact the assistance system for victims of human trafficking. The assistance system maintains a 24/7 information hotline **+358 2954 63177**.

More information on human trafficking:  
<http://www.ihmiskauppa.fi/en>

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**If you notice that your subcontractor is breaking the law, please contact the police or occupational health and safety authorities.**

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You can use this form to submit **non-emergency** information to the Police for any suspicious material you find on the Internet: <https://www.poliisi.fi/nettivinkki>

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Minor offences that do not require immediate police intervention can be reported online:  
[https://www.poliisi.fi/crimes/reporting\\_an\\_offence\\_online](https://www.poliisi.fi/crimes/reporting_an_offence_online)

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Information on human trafficking:  
[https://www.poliisi.fi/crimes/trafficking\\_in\\_human\\_beings](https://www.poliisi.fi/crimes/trafficking_in_human_beings)

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If you detect problems in employment contracts or the working conditions of subcontracting chains, you can contact the Occupational Health and Safety Authorities:  
<https://www.tyosuojelu.fi/web/en/home>

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The information leaflet by the Occupational Safety and Health Administration “As a foreign employee in Finland” contains information on the principles of working in Finland: [https://www.tyosuojelu.fi/documents/14660/2426906/engl\\_ulkomaal\\_tyontekij\\_netti.pdf/2131c409-81ec-44c5-a61e-0e3f32f4335b](https://www.tyosuojelu.fi/documents/14660/2426906/engl_ulkomaal_tyontekij_netti.pdf/2131c409-81ec-44c5-a61e-0e3f32f4335b)

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**Trade unions and employers' organisations are also responsible for making sure that the terms and conditions of employment are respected. If your company belongs to an employers' organisation, you can consult e.g. their information, consultation and legal services for further information.**

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The Central Organisation of Finnish Trade Unions, SAK, maintains an employee rights advisory service for immigrants. Foreign workers can ask questions about employment by calling **0800 414 004** (between 9 and 11 a.m. and between 12 and 3 p.m. on Tuesdays and Wednesdays) or by e-mailing [workinfinland@sak.fi](mailto:workinfinland@sak.fi).

<http://www.sak.fi/workinfinland>

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Finnish Immigration Service gives information on e.g. the employer's obligations:  
<https://migri.fi/en/home>

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**Many organisations are actively engaged in combating human trafficking, such as the ones listed below:**

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Victim Support Finland <https://www.riku.fi/en/various+crimes/human+trafficking/>

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Pro-tukipiste <https://pro-tukipiste.fi/en/>

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Monika – Multicultural women's association, Finland <https://monikanaiset.fi/en/>

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Finnish Refugee Advice Centre  
<https://www.pakolaisneuvonta.fi/en/legal-services/>

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The IOM Country Office in Finland has published a quick reference guide to businesses about responsibility, focusing on seasonal workers in Finland:

[http://www.iom.fi/sites/default/files/leaflets/IOM\\_Pikaopas\\_Kausity%C3%B6\\_FINAL\\_FI.pdf](http://www.iom.fi/sites/default/files/leaflets/IOM_Pikaopas_Kausity%C3%B6_FINAL_FI.pdf)

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Living for Tomorrow, an Estonian NGO operating in Tallinn, has published a guide for businesses on how to prevent exploitation (2016):

<http://www.lft.ee/inimkaubitsemine/publikatsioonid-2-1/vastutustundlik-ettevõte>

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SHIFT, a non-governmental organisation and a center of expertise on the UN Guiding Principles on Business and Human Rights:

<https://www.shiftproject.org/>

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UN High Commissioner for Human Rights – The Corporate Responsibility to Respect Human Rights (2012):

[http://www.ohchr.org/Documents/Publications/HR.PUB.12.2\\_En.pdf](http://www.ohchr.org/Documents/Publications/HR.PUB.12.2_En.pdf)

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FAQ about the UN Guiding Principles on Business and Human Rights (2014):

[http://www.ohchr.org/Documents/Publications/FAQ\\_PrinciplesBusinessHR.pdf](http://www.ohchr.org/Documents/Publications/FAQ_PrinciplesBusinessHR.pdf)

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FIBS & IOM collaborative publication (2018) "Migration, human trafficking and forced labour: How to avoid risks and increase transparency in labour supply chains"

[https://www.fibsry.fi/wp-content/uploads/2018/02/FIBS\\_IOM\\_2018\\_Final.pdf](https://www.fibsry.fi/wp-content/uploads/2018/02/FIBS_IOM_2018_Final.pdf)

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Finnwatch, Hansel Oy (the Finnish government's central purchasing body) and KL-Kuntahankinnat Oy (the central purchasing body for Finnish municipalities) have produced a report which includes information about a tendering process focusing on responsible procurement. The report draws on a procurement pilot programme, which takes the human rights into account.

<http://finnwatch.org/images/pdf/Vastuulliset-hankinnat.pdf>

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A Publication of the Ministry of Economic Affairs and Employment (2018) "Human rights impacts of own operations: insights for due diligence":

<http://julkaisut.valtioneuvosto.fi/handle/10024/160573>

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This guide was prepared under the auspices of a joint Nordic project. The guide is based on guidelines prepared by the Danish Centre against Human Trafficking. HEUNI, in collaboration with Katja-Pia Jenu (from the Occupational Safety and Health Division at the Regional State Administrative Agency for Southern Finland) and representatives of businesses, revised and adapted the Danish guidelines to suit the Finnish context. The guide includes examples and practices from Finland, with the aim of providing a concrete tool for the prevention of labour exploitation.

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