

Child and Forced Labor Due Diligence Questions for Asset Owners¹



Standard Scenario:

Where there are low wage, low skill, or workers from vulnerable populations (see definition below) in the companies in your portfolio or its supply chains, what protections do you have in place for them, and how do you monitor, verify, and enforce them?



Heightened Risk Scenario:²

1. If you have identified child or forced labor in a portfolio company or supply chain in the past, what steps did you take to gauge the impact (gravity and number of individuals affected), and remediate the affected individuals?
2. How do you work with others (industry peers, other business, government agencies, civil society) in multistakeholder initiatives to address child and forced labor? For example, if a tier one supplier does not feel obligated to provide/manage protections, is there a collaborative solution for downstream suppliers that is worth engaging?
3. How do you engage with investees on child or forced labor and review lobbying/advocacy assess impact on treatment of low wage, low skill or workers from vulnerable populations?

Indicators Of Heightened Risk Scenario

Indicator	Detail
Context 	<u>Operating Context</u> <ul style="list-style-type: none"> • Geographies with weak regulation or governance, corruption, conflict, migration, displacement, emergencies, or state-sponsored forced labor <u>Corporate Context</u> <ul style="list-style-type: none"> • Historical issues involving child labor or modern slavery • Corporate direct or indirect lobbying or grassroots lobbying communications to weaken labor protections
Supply Chain Structure 	Use of labor agents/staffing agencies, seasonal or short product lifecycles, complex or opaque supply chains, reliance on shift work, sub-contractors and lower-tier suppliers, reliance on migrant labor
High Risk Sectors³ 	Mining and Quarrying; Waste and Sanitation; Construction; Manufacturing (including Footwear, Apparel, and Electronics); Administrative, Support, and Building Services (including Call Centers); Transportation and Storage; Accommodation and Food Services; Agriculture, Forestry, Fishing
Presence of Vulnerable Groups 	Out-of-school children, children whose parents don't earn a living wage or have access to quality childcare, children living without parents, children of disadvantaged minorities or migrants, children living in the rural US, and children in conflict-affected areas

¹ Please refer to the LP Child Labor Full Question Bank if needed

² Relevant standards/references: UN Guiding Principles on Business & Human Rights, Convention on the Rights of the Child, ILO Core Conventions, [UNICEF's Tackling Child Labor](#)

³ High risk sectors are not in any order and should be examined. They often include business models that rely on the lowest cost to consumers of goods or services or the sourcing of commodities that are priced independent of farmer income