

AUGUST 21, 2023

Addressing Forced Labor in Brazil

THE ISSUE

In February 2023, the media in Brazil reported on one of the country's [worst cases of modern slavery](#). The investigation uncovered more than 200 workers who were subjected to forced labor, including the use of [electric shocks and pepper spray to keep them in captivity](#). The workers were forced to harvest grapes for various wineries located in southern Brazil in the [Bento Gonçalves Municipality](#), which is in the State of Rio Grande do Sul. Most workers were domestic migrants lured with false promises from the northeast State of Bahia. On February 22, 2023, a joint operation by the Ministry of Labor and Employment, the Federal Highway Police and the Federal Police rescued the workers after three weeks of confinement.

Even though Brazil has a robust legal system to address forced labor, some workers continue to face slave-like working conditions. According to Brazil's Ministry of Labor and Employment, the Labor Inspection Department rescued 2,575 workers from forced labor conditions during 2022 through 422 inspections across the country, finding instances of forced labor in 16 of the 20 states. The Ministry of Labor and Employment has reported that from January to March 2023, [523 victims of forced labor](#) have been rescued, including in the [sugarcane sector](#). Other reports have highlighted forced labor in the [meat industry](#), [coffee sector](#), and several others.

This issue brief sets out the information FLA members should be aware of regarding forced labor risks in Brazil and steps companies should take to mitigate risk.

FORCED LABOR STANDARDS

FLA Standards on forced labor

The [FLA Workplace Code of Conduct](#) (FLA Code) states that there “shall be no use of forced labor, including prison labor, indentured labor, bonded labor or other forms of forced labor” and details [more than a dozen indicators](#) for companies to evaluate the human rights commitments of their suppliers and/or producers.

Beyond the requirement that “workers shall have the right to enter into and to terminate their employment freely,” the FLA Code prohibits “prison labor [and] bonded labor.” The FLA Code also requires that workers:

- Must not be bound to their job by debt;
- Must not be indebted or pay for their job;
- Must have reasonable freedom of movement at work; and
- Must not be forced to work overtime.

Brazilian legal framework on forced labor

Article 149 of the Brazilian Criminal Code (Law-Decree N° 2,848) sanctions the following forms of forced labor:

- Subjecting a worker to forced labor or exhausting workdays, a condition analogous to a slave;
- Degrading working conditions;
- Restricting, by any means, workers' movement due to debt with the employer;
- Restricting the use of any transportation by the workers, to retain them at the workplace;
- Maintaining ostensive surveillance in the workplace or taking possession of workers' personal documents or objects to retain them at the workplace; and
- If any of the above is committed against a child or adolescent, or due to prejudice against race, color, ethnicity, religion, or origin, the penalty is increased.

Brazil has ratified two ILO Conventions on forced labor, which are in force in the Brazilian legal framework:

- Convention C29 ([Forced Labor Convention, 1930](#)). Ratified on April 25, 1957.
- Convention C105 ([Abolition of Forced Labor Convention, 1957](#)). Ratified on June 18, 1965.

FLA RECOMMENDATIONS

To address the risk of forced labor in supply chains in Brazil, companies should:

1. **Check the “Dirty List” posted by Brazil’s Ministry of Labor:** An innovative effort implemented by the Brazilian authorities in 2003 to combat forced labor was the creation of the “Dirty List” (*Lista Suja*). This public tool contains the names of employers (individuals or companies) that have been identified as using slave labor. In addition to suffering reputational harm, names on the list faced financial penalties and cannot access credit at public banks. [The Dirty List](#) is updated biannually by the Brazilian Ministry of Labor. Companies should refrain from doing business with any company or individual whose name is included here.
2. **Do not use informal/unregistered recruitment agents and monitor the practices of hired third parties’ agencies providing workers:** In Brazil’s agriculture sector, individuals acting as recruiters (commonly known as *gatos*) commonly provide workers to agricultural companies. Sometimes the *gatos* do not meet all the legal requirements relevant to a formal employment relationship (e.g., signed *Carteira de Trabalho*, written employment contract, provision of legal benefits). Companies should avoid doing business with suppliers who use these types of subcontracting agents. Furthermore, companies should institute a process to monitor the practices of third-party agencies that provide workers.

3. **Conduct a risk assessment:** Companies should conduct a risk assessment to identify vulnerable populations (women, migrants, children, Indigenous populations), high-risk areas (based on geographic location, type of operation and commodity, supply chain tier, and own operations), and number of impacted workers. In Brazil, companies can use additional regional indicators provided by the [Brazilian Ministry of Labor and Employment](#) in their risk assessment process:

Geographic criteria: Brazilian states with the highest prevalence of forced labor during 2022 were: i) Minas Gerais; ii) Goiás; iii) Bahia. When assessing the historical record of data handled by the [Ministry of Labor](#), other risky states are Maranhao, Mato Grosso and Pará.

High-risk commodities: The highest prevalence of forced labor instances occurred on farms or plantations of apples, coffee, garlic, soy and sugarcane. Other risky activities in rural areas are cattle raising, charcoal production, and timber extraction. A higher risk of forced labor affecting children and adolescents has been found on rice and Bahia coconut plantations.

Workforce and social profiles: Companies should prioritize supply chains that are characterized by the presence of domestic or international migrant workers; especially, in places with the presence of Brazilian workers coming from northern regions, or with the presence of international migrant workers, coming from Argentina, Bolivia, Haiti, Paraguay, Peru or Venezuela. Other vulnerable groups are Afro-descendent and Indigenous workers.

Use of labor contractors or recruitment agencies is another risk to be considered.

In all cases presented above, companies should prioritize the monitoring activity, by increasing the frequency, using forced labor-focused modules, assigning additional person-days to focus on these issues, or by commissioning verification audits in shorter time-gaps.

4. **Implement regular monitoring activities:** Companies should regularly monitor processing facilities, farms, and plantations to assess the potential occurrence of forced labor, engage with experienced and qualified assessors, and consider the use of translators in cases where migrant workers or Indigenous/ethnic groups are present, or in cases where workers are not able to communicate in Portuguese. Companies should ask assessors to focus on forced labor and responsible recruitment criteria.

Some key actions to consider are:

- i. **Assess responsible recruitment practices** to ensure that workers: i) have not paid recruitment fees; ii) have control over their identity documents; iii) have freedom of movement at workplace and dormitories; and iv) receive full and clear information on employment terms and conditions (in their language) before accepting the job, and that such terms and conditions are met in practice.
- ii. Verify that employment relationships are formalized through a **written employment contract**, with a copy provided to the workers in the language they

understand. Verify that all hired workers have been provided with *Carteira de Trabalho Assinada*, as the Brazilian local labor law requires.

- iii. **Check payment records** to verify that i) legal wages and benefits are paid within the legal and/or agreed timeframes, following the agreed terms and conditions of employment; ii) payments are directly made to each worker; iii) wage advances never exceed three months of salary; iv) workers are provided with salary slips that provide a breakdown of their compensation; and v) employers keep documented evidence of salary and benefits payments, as well as accurate records of working hours. Ensure that piece-rate workers earn legal wages without having to fulfill difficult to attain, high-production targets.
 - iv. **Inspect dormitories** for workers and, where possible, assessors should consider visiting dormitories outside of working hours and talking to workers. Ensure that workers' **confidentiality is maintained** in such a way that they are not subject to retaliation.
 - v. **Engage with workers** and conduct worker surveys, focus group discussions, and individual interviews to seek direct feedback on working conditions.
 - vi. Verify workers' awareness of available channels to **anonymously submit grievances** related to forced labor and other issues, and ensure that such information was provided in the workers' native language. This includes the existing channels developed by the Brazilian authorities (presented in the Annex).
5. **Provide access to grievance mechanisms:** Companies should facilitate workers' access to information on all the existing channels to submit anonymous grievances related to forced labor and other working conditions issues (see Annex 1, Official Channels for Reporting Slave Labor in Brazil).
 6. **Remediate issues quickly and effectively:** If instances of forced labor are discovered, companies should work with the supply chain partner(s) to properly and immediately remediate the issue. We recommend contacting the Ministry of Labor, and/or any other public entity or initiative to seek additional assistance on how to deal with the case and to seek the most adequate protection for the affected workers. See Table 4 for a list of government entities that can be contacted.
 7. **Engage with relevant stakeholders:** Companies should engage with relevant stakeholders (see Annex 2) working in Brazil on forced labor issues. Engagement could focus on i) consultations on forced labor matters (trends, legal framework); ii) technical assistance for self or business partners; or iii) assistance in handling detected forced labor cases. Companies should ensure confidentiality for victims at all stages of the process.

For additional in-depth guidance on forced labor issues, FLA members should visit the Resource Library at [MyFLA](#).

Annex 1: Official Channels for Reporting Slave Labor in Brazil

Ipê System is a [website](#) designed in partnership with the ILO for submitting anonymous reports on slave labor to the Brazilian Ministry of Labor.

The “Disque 100” hotline is a Ministry of Labor-managed service, available 24/7.

Options 1 and 4 can be used to report any human rights violations, including complaints related to working conditions analogous to slavery.

Option 6 can be used by Spanish speakers.

Users should click the blue button to begin filing a complaint.



Annex 2: Relevant Stakeholders Regarding Forced Labor in Brazil

Public institutions	<p><u>Grupo Especial de Fiscalização Móvel (GEFM)</u></p> <p><i>Special Mobile Inspection Group</i></p>	<p>This partnership among government entities is coordinated by the Ministry of Labor. The GEFM is responsible for receiving and following up on complaints related to slave labor through the system Ipê.</p> <p>Phone: (61) 2031-6174</p>
	<p><u>Comissão Nacional de Erradicação do Trabalho Escravo (CONATRAE)</u></p> <p><i>The National Commission for the Eradication of Slave Labor</i></p>	<p>Linked to the Ministry of Women, Family, and Human Rights, in collaboration with other public offices and the private sector, CONATRAE provides consultation and advice, and commissions studies in support of the different government actions against slave labor.</p> <p>Phone: (61) 2027-3978</p> <p>Email: cgcte@mdh.gov.br</p>

	<p><u>Ministério do Trabalho e Emprego (MTE)</u> <i>The Ministry of Labor and Employment</i></p>	<p>The federal institution responsible for managing all aspects of labor. Within the MTE, there are two main departments in charge of the following topics related to slave labor:</p> <p>Undersecretary of Labor Inspection (SIT) Phone: (61) 2031-6632 (61) 2031-6174</p> <p>Division of Inspection for the Eradication of Slave Labor Phone: (61) 2031-6174 Email: detrae.sit@mte.gov.br</p>
<p>Non-governmental organizations</p>	<p><u>Oxfam Brasil</u></p>	<p>This organization defends human rights and works to promote a fairer and more sustainable Brazil. Phone: (11) 3811-0400</p>
	<p><u>InPACTO</u></p>	<p>InPACTO was created to build coalition between the public, private and non-profit sectors around the issue of slave labor. Phone: (11) 94055-7923</p>
	<p><u>Instituto Observatório Social do Brasil</u></p>	<p>This organization conducts research and provides training and technical assistance on social areas, including labor. Phone: Not available</p>
	<p><u>Repórter Brasil</u></p>	<p>Formed by journalists, social scientists, and educators, this organization promotes reflection and action on human rights violations against workers and people of Brazil. Phone: (11) 2506-6570</p>
<p>Trade unions or associations</p>	<p><u>Confederação Nacional dos Trabalhadores Rurais Agricultores e Agricultoras Familiares (CONTAG)</u> <i>National Confederation of Rural Workers</i></p>	<p>CONTAG promotes freedom of association and union formation among rural workers. Phone: (61) 2102-2288</p>
	<p><u>Sindicato da Indústria de Café do Estado de Minas Gerais (Sindi-Café - MG)</u> <i>Union of Coffee Industries of the East of Minas Gerais</i></p>	<p>Sindi-Café - MG is a union organization that provides support to member workers from the coffee sector, in topics related to labor and tax laws. Phone: (31) 3226-2757</p>