PROMOTING RESPONSIBLE RECOVERY

Detecting, Mitigating, & Remediating Modern Slavery in Supply Chains
Briefing note: Webinar Three
Predicting and Verifying Modern Slavery Risk: Practical Applications of Artificial Intelligence and Data Analytics

Introduction to the series

This briefing is part of a broader five session series of webinars designed to tackle contemporary issues related to modern slavery in supply chains, calling for candid discussion and pragmatic solutions. The goals of these sessions are to:

• Discuss pragmatic actions in modern slavery risk assessment, mitigation, and remediation

• Identify gaps in guidance, services, or products to address modern slavery in supply chains

• Produce briefing documents following each webinar with actionable recommendations for supply chain stakeholders

A full overview of the series is provided at: www.gfems.org/event-webinar-series-responsible-recovery
About webinar session three:

Modern data analytics have the potential to improve detection of modern slavery in supply chains. They can narrow the focus allowing supply chain teams to better prioritize their efforts. They can make predictions that enable preventative action, not just reaction. No perfect app or model has yet emerged. But progress is steady, and breakthroughs appear imminent. In this session, we looked at efforts already underway, the challenges they face, and what companies can do to help unlock the full potential of AI and other forms of data analytics in the fight against modern slavery.

1. The webinar was held Tuesday, July 14, 2020, 9:00-10:30am EDT.

Moderator:
- Dan Viederman (Managing Director, Working Capital Fund)

Panelists:
- Ranit Sinha (Engagement Manager, Weave)
- Filippo Sebastio (Senior Analyst, ELEVATE Limited)
- Declan Croucher (Senior Director of Advisory Services, Verité)
- Ka Ea Lim (Senior Program Manager, Responsible Business Alliance)
- Adam Brown (Senior Manager- Procurement Transformation, British Telecom)
Understanding the core issues at stake: A discussion

Technology was showcased and critiqued in Webinar Two, highlighting its specific capabilities to empower and amplify worker voice. In this session, participants were able to build upon the discussion, exploring more broadly additional practical applications of AI and data analytics in predicting and verifying modern slavery across all tiers of a supply chain. As noted in a recent article by GFEMS, stakeholders, from brands to NGOs, looking to take action on modern slavery risks, lack the appropriate data to make targeted changes within their realm of influence. Others may have an incorrect or outdated understanding of information on their supply chains. And at the same time, there may be opportunities to further utilise and enhance data that is already available. Hence, greater investment in research and analysis of modern slavery in supply chains needs to be made.

Artificial intelligence and other data analytics have the potential to narrow in on the incidence and probability of slavery across diverse, global supply chains. In so doing, there may be potential to highlight nuances of modern slavery, such as sector-specific risks or regional patterns of exploitation and abuse. Further, as also noted by GFEMS, “artificial intelligence is [...] offering the private sector and regulatory bodies an opportunity to better target enhanced social audits, ramp up capacity building measures, and make better informed procurement decisions. Data analytics can also indicate when and where erratic purchasing or planning shortfalls may be putting undue pressure on suppliers, heightening the risk for slavery or slave-like conditions of workers to try and meet purchaser demand.”

And as the Tech Against Trafficking collaboration highlighted, “Through their expertise, capacity for innovation, and global reach, technology companies can play a major role in preventing and disrupting human trafficking and in empowering survivors. Digital information and communication technologies offer opportunities for a step change in tackling this crime.”

2. See here for more information.
3. See here for more information.
Summary of key advantages of using AI and other data analytics across the supply chain....

- There are many challenges to directly overseeing operations within complex and multinational supply chains. The use of AI and other data analytics allow businesses to conduct better supply chain tracing, enhanced screening of labor recruitment practices, and more comprehensive monitoring of employment conditions across the entire production process.

  - Certain sectors and/or geographic hotspots may hold systemic risks of modern slavery. Risk assessments derived from AI or other innovative uses of big data can help businesses make decisions on where to target audits and invest in capacity building efforts. Information can support an informed, proactive response.

- Many companies have begun integrating worker voice technologies as a routine addition to supply chain monitoring. Analyzing data in aggregate and maintaining data dashboards that update regularly can offer businesses real-time insights into the conditions of workers in their supply chains.

- AI and other forms of data analytics allow for the automated aggregation and analysis of information at a scale and speed impossible by humans. This significantly enhances efficiency for business as they undertake due diligence processes. At the same time, these tech-based solutions can provide more comprehensive and exhaustive assessments of risk as they can quickly scan a much larger universe of available data within a far shorter period of time.

- Innovation is at the core of AI and data analytics, allowing for cutting-edge techniques, rapid iteration, and adjustments in response to changing conditions, to identify and ultimately end modern slavery.

“Users can slice and dice via country, migration corridor, risk types, sources, time periods. They can compare impact of intervention and remediation efforts”.

(Webinar discussant)
Promising Practices and Products: Business Examples

Digitizing the supply chain: Triangulation of different data sources to support comprehensive vantage points

Managing a network of suppliers and their workers in many corners of the world, many multinational companies face the same issue — how to obtain and maintain accurate and credible knowledge of their often opaque and far-ranging supply chains in an efficient and effective manner.

The use of AI and data analytics is increasingly perceived as a sound commercial way to collect and synthesize large-scale information and support audits requiring much less effort and cost to better manage risk. Employing diverse tools, such as predictive analytics, worker voice platforms, and satellite imagery, businesses are able to look in detail and with regularity across the full spectrum of their supply chains—workers, contractors, and sub-contractors. Without some degree of automation, pursuing such a comprehensive understanding would be too cost- and time-intensive to be feasible for many, if not all, multinationals.

In partnership with GFEMS, and with support from the UK Government, ELEVATE is developing a predictive model to help companies map risk of unauthorized subcontracting — as a proxy for forced labor — in their supply chains.

The tool will draw on ELEVATE’s supply chain audit data, supplemented with on-site validation. This balance of data and in-person verification is among the best practices discussed during the webinar. When the tool identifies heightened risk, ELEVATE will provide companies with a set of tools to address unauthorized subcontracting and forced labor and mitigate risk.

Careful data collection on production combined with data that is collected as a matter of course by governments have opened a new opportunity to gather multiple truth points about a business that can uncover instances where a business reports preposterous production relative to its size and reported labor force, as Weave has shown in work supported by GFEMS through funding from the U.S. Department of State. This type of supply chain opacity and
complexity may create an enabling environment in which forced labor occurs without detection or remediation.

**The combined power of technology and human analysis**

While advancements in technology, AI, and data analytics have allowed for information to be collected on a scope and scale never previously possible, there still remain limits to the reach of technology. To understand the full extent of risks of modern slavery across the supply chain, information and data must be considered with human analysis. Informed by data, stakeholders must interpret that evidence, including on-site validation, and take steps such as remediation for high-risk suppliers, operational adjustments, and policy development. As one panellist highlighted, behind the data “there is a need for diverse teams with diverse skills, with hands on field experience, so that they can quickly understand and validate issues”.

Verité’s CUMULUS Forced Labor Screen™ enables member companies to map their labor supply chains through a secure online platform, to proactively screen for forced labor risks introduced by supply chain partners’ recruitment practices and recruitment agents. Supply chain data shared with Verité by member companies is cross-referenced with field research and publicly available risk information, then analyzed by Verité to develop comprehensive risk profiles. Members are provided with previously unavailable, actionable data to prioritize due diligence and recommend preventive measures4.

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4. Reports include: information on supply chain mapping; employer and recruitment agent risk profiles; worker counts by country of origin, recruitment agent and employer; Due Diligence and Audit Reports; recruitment agents and employers with highest risk factors; highest risk types in members’ labor supply chains by entity; forced labor risk patterns over time.
The scale and complexity of supply chains makes actionable risk assessment a challenging undertaking. As the multi-stakeholder, ILO-led Alliance 8.7 noted, “the complexity of global supply chains poses challenges for gathering information on supply chain actors and their human rights performance.” Panellists noted a number of key challenges:

- **Data integrity & technology is not neutral:** AI technology can present bias, reify inaccuracies, or otherwise prove unreliable.
- **Security risks & ethics:** Without adequate controls in place, data can be acquired by bad actors and used to further control or abuse workers. Mishandled data can also open up new avenues for exploitation.
- **Duplicative efforts:** The ongoing innovation in the field increases risk of duplication of efforts or an oversupply of inefficient or ineffective AI and other data analytical
platforms. Similarly, collecting data without a clear objective and purpose, and without plans for remediation, could expose workers to retribution and harm.

- **Partial solution:** AI is a means to identify risk, but it cannot address the root causes. Doing so requires complementary action.

**Key recommendations for supply chain actors:**

- Invest in the tools to detect, investigate, and remedy modern slavery risks across supply chains
- Seek innovation while ensuring integration
- Work through collaboration, not competition
- Automate for efficiency while being human-centered in design and follow-up

**Recommendations for businesses**

- Invest in the tools to detect, investigate, and remedy modern slavery risks across supply chains: While there may be initial start-up costs to utilizing AI and data analytics to investigate modern slavery risks, the return on that investment would yield dividends year on year as the amount of available data for these models continues to grow, making them more precise and informative. Such investments can streamline due diligence operations, creating efficiencies for companies while meeting corporate and international human rights obligations. To note, companies should have remediation plans in place to efficiently and transparently address instances of forced labor that these tools may unearth. The topic of remedy is further discussed in webinar five.

- Seek innovation while ensuring integration: Businesses should research the tools available to them and employ those best suited to industry needs. These tools should then be integrated into existing and everyday practices to ensure their applicability, acceptance, usage, and success.

- Work through collaboration, not competition: There may not be a one-size-fits-all approach to the use of AI and data analytics across different industry supply chains because of specific operational contexts. But when businesses can share best practices, this not only leads to innovative partnerships but ensures greater impact, collective responsibility, and solidarity. Where risks to modern slavery are exposed as systemic within specific geographies or industries, there is huge power and potential to be leveraged in working together through collective action to resolve and redress. Businesses and technology developers can then replicate the good practices of others within that geography or industry rather than reinvent through trial and error. Avoiding duplication further enhances efficiency and effectiveness.

- Automate for efficiency while being human-centered in design and follow-up: Technology helps detect modern slavery risks in new and innovative ways, and the automation of processes further enhances efficiency and effectiveness. But technology has not yet entirely replaced the value of human engagement in the process. Engaging all supply chain actors in the design, development, and usage of the tools enhances relevance and acceptance. At the same time, where data is cross-referenced with different sources, and further contextualised, data analysts, and ultimately businesses, are able to have a comprehensive and holistic understanding of risks to modern slavery across supply chains.

5. For additional information please refer here.
Additional Resources

• Verité’s CUMULUS https://www.verite.org/cumulus-forced-labor-screen/
• Responsible Sourcing Tool https://www.responsiblesourcingtool.org/
• Sourcemap https://www.sourcemap.com/
• Sedex Advance https://www.sedex.com/our-services/sedex-advance/
• Elevate EiQ https://www.elevatelimited.com/services/analytics/eiq/
• iPoint SustainHub https://www.ipoint-systems.com/solutions/sustainhub/
• EcoVadis https://ecovadis.com/
• Tech Against Trafficking https://techagainsttrafficking.org/interactive-map/