Technology to Address Human Trafficking & Forced Labour in Supply Chains

A Landscape Analysis and Recommendations for Brands, Developers and Investors

This paper examines how supply chain due diligence solutions that aim to uncover human trafficking activity can contribute to systemic solutions that transform supply chains. The overall vision is to not only rid production networks of modern day slavery, but become engines of opportunity for workers. As Issara continues to use technology to drive long-term, sustainable solutions and impact across whole supply chains, this paper provides recommendations to brands, investors and developers for an industry-level analysis of the viability and reach of such products, and prioritizes the need for primary sourced, worker-informed data collection.

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METHODOLOGY

This paper draws from Issara's experiences with workers, suppliers, brands and factories, desk research, and interviews and conversations with many of the featured technology solution developers. It explores many but not all of such solutions on the market today, providing a sense of the overall industry. This paper does not evaluate nor is it meant to critique individual existing solutions. It is intended as a guide to the industry to further connect the innovation in technology with transformative change on the ground.

The market for technology-enabled human trafficking due diligence solutions

Global brands and retailers have been using various established third party or in-house due diligence tools at their disposal to monitor suppliers for a variety of risks including financial, political, environmental and reputational. Due to heightened awareness and increasing regulatory frameworks about human trafficking, child and forced labour connected to the production of goods, some global brands have also demonstrated a need to source information about related risks in their supply chains. Subsequently, established and new companies have emerged to provide this information to them, utilizing various methodologies, technologies and data capabilities. The presumption has been that providing this information to supply chain managers in an easy-to-use format will inspire action, generally in the form of pressure on dubious sub-contractors to improve on-site working conditions. Though there are some good examples of this occurring, further action is needed to convert the information gleaned from technology-enabled products to near-term interventions on the ground and long-term transformational impacts.

Some companies have increased spend on procuring such technology-enabled due diligence solutions specifically to ascertain human trafficking related risks. However, it is largely public and private donor entities and investors (for example, Humanity United, the C&A Foundation, the U.S. Agency for International Development and others) that are currently driving the market for product creation, utilization and innovation. Some small to medium enterprises, as well as larger global brands, are also incorporating such solutions, though at a limited scale in parts of their supply chain monitoring activities.

The goal: transforming industries. The practice of continuously monitoring and responding to labour risks throughout production chains can and should become standard operating procedure for global brands in the coming years, particularly given how technology has made such efforts significantly more effective and cost-effective than in the past. The technology-based product developers outlined in this paper each employ remarkable innovations and demonstrate that it is possible to glean insights from workers at the farthest rungs of a complicated supply chain. It is this innovation that needs to be rewarded with investments that can bring the technology to scale so that entire industries can be transformed for best practices to become the norm. In order to fulfil this vision, Issara Institute believes that at this juncture in technology-enabled human trafficking due diligence product and market development, it is beneficial to gauge the advantages of existing and emerging tools from an industry perspective, and establish recommendations for developers, brands and investors on an informed way forward.

Supply chain due diligence at-a-glance, and slavery due diligence v1.0

A corporation faces many risks when entering into a financial and operational relationship with another entity. To manage risks and prevent disruptions, they conduct due diligence to better understand and predict what issues may arise. Technology, typically computer-aided research capabilities that assist in sourcing, aggregating and managing information, has facilitated due diligence of multiple entities across geographies. The variety of data sources has increased significantly, however so have concerns about accuracy and validity. Generally, such due diligence was limited to environmental, political or governance factor that could cause a disruption in a supplier's ability to deliver on its contract, activity that could cause reputational risk, and in some cases harm to a worker or community. Only until recently have these methodologies been applied to specifically uncover labour abuses and human trafficking activity in supply chains as well.

Made in a Free World's Slavery Footprint app and Labor Voices have been some of the original pioneers in harnessing technology for human trafficking due diligence. They were among the first generation of product developers who showcased how technology can be used as an operational tool to inform a manager about the working conditions that site level workers experience, or a consumer about labour risks in products they buy.

In the past five years, technical capability has improved significantly, as have political will and regulatory frameworks that compel and incentivize supply chain managers to source such information. Thus, established due diligence and supplier management companies have entered the market with products and services, as have nonprofit and for-profit social entrepreneurs who have developed data enabled technology solutions primarily to uncover human trafficking, forced and child labour in supply chains.

The pioneers. Labor Voices was one of the first product developers to use SMS technology to poll workers regarding working conditions, while Slavery Footprint was one of the first apps to connect consumers and their consumption behavior with possible slavery.

Human trafficking due diligence: general methodologies employed

The general objective of human trafficking due diligence products is to inform and enable the reduction of risk in global supply chains. Some may have the more ambitious goal of enabling systematic improvement of working conditions by providing intelligence about human trafficking risks at the supplier or production level.
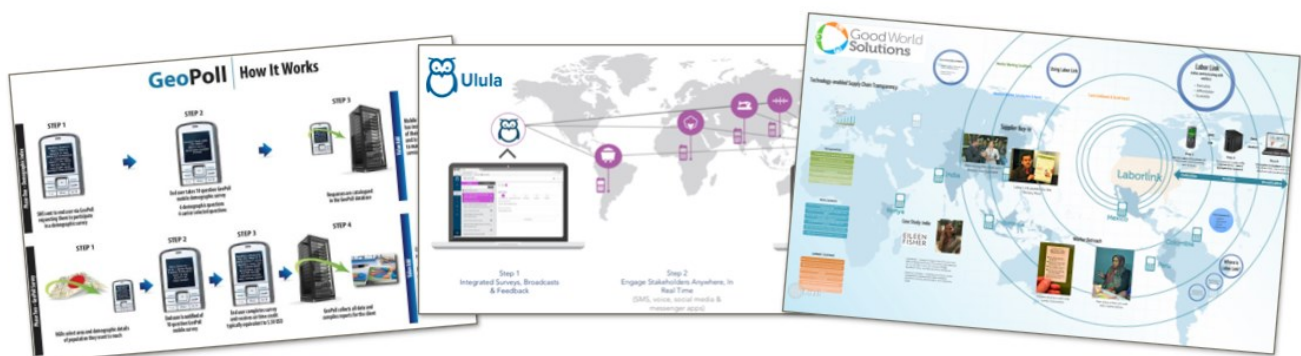
A number of solution providers collect and aggregate open source data (e.g. news reports, court filings, public records, NGO reports) about factories, suppliers or geographies of operation. Others utilize mobile-phone based channels such as SMS, IVR-Interactive Voice Response, telephone hotlines, or smartphone apps to collect information from workers directly in the communities and production facilities being investigated or monitored. Some conduct additional data analyses by combining this primary data with other data streams, both primary and secondary, to gain added context and insight.

Generally, depending on the product, these data are then aggregated, analyzed and provided to an end user (e.g. a supply chain manager at a brand/retailer) through a customizable dashboard, report, or data feed. Thus, product developers aim to operationalize the input of worker voice and/or other sources of data as factors in supply chain decision making.

> **The challenge of proxy measures for human trafficking.** Human trafficking and slavery are widely recognized as hidden, underground crimes requiring proxy indicators to measure risk. For example, in the sustainable seafood sector, indicators of illegal fishing practices are often assumed to be reliable indicators of illegal trafficking activity as well, with the assumption that fishing operators willing to break some laws would be likely to break others. The danger comes when positive data checks on those proxies are assumed to provide positive data checks on trafficking and slavery, when in reality they should not. For example, fishing vessels with relatively strong traceability systems for their product and legal registration and equipment have been found to use forced labour. The challenges of these misleading assumptions and proxies can all be addressed through applications that source information directly from workers, which can generate large data streams of verifiable information directly concerning working conditions.

Tools collecting primary data. GeoPoll, Ulula, and Labor Link all collect primary data of different forms, through different technological interfaces.

Turning worker voice into solutions. Issara Institute's locally-based team of labour experts are of the same nationality as foreign migrant workers in destination countries, allowing them to verify and validate incoming data through a variety of data streams, and work with local businesses to understand and eliminate the labour risks and abuses identified.

DEFINITIONS

Primary Data: Original content ideally sourced directly from workers (generally through an on the ground presence in their communities and/or through technology enabled channels like SMS, IVR, Mobile APP, worker social media feeds) and directly relevant to labour; provided in summary, aggregate, visualized and/or as individual response form to the user. Sometimes proxies are used, with varying relevance to labour issues. Primary data should be collected in line with ethical standards and principles, which include building communications channels with workers that enable developers to interact with workers they are sourcing data from and, at minimum, ensure their informed consent in the data collection and usage.

Secondary Data: Summaries of information generally from open source materials such as news reports, public records, legal filings, and NGO and government reports. Also referred to as "second-hand information."

Tertiary Data: Synthesizing information gathered from online and digital sources such as data obtained through scraping internet sites (e.g. blogs, social media sites). The verification and validity of this data is often challenging and problematic. While this data may be removed from the worker voice and subject to the publisher's interpretation, such (big) data can also reveal unique behavioral insights.

Data Verification & Validation: Verification of data sourced varies by product developer. Those who utilize mobile technology to source information from workers directly are able to use the same channels to verify the results for accuracy. They can also use other means facilitated by their own on-the-ground presence in worker communities, through trusted local partners, or technologically via incidence checking, continued surveying or by comparing worker surveys with other primary or secondary data sources. Product developers relying only on secondary or tertiary data sources may find it difficult to verify the accuracy of the data they source directly, however, many only use reports from sources they trust such as local NGOs, iNGOs or government agencies and tripartite entities. However, often assumptions about proxy indicators of labour risk may not be tested.

Data Aggregation & Presentation: Whether the developer utilizes a process to gather and disseminate data in summary form for the purposes of statistical or other analysis.

Data Analytics: Whether the developer examines and provides analysis of raw, primary source data for the purposes of drawing conclusions specific to those data sets.

Research & Analysis: Whether the developer engages in a transparent (while protecting proprietary and privacy concerns) process to glean insights and meaning from the data gathered and applies it to human trafficking prevalence in supply chains; and, if the individual sets of data are reviewed and analyzed to establish a finding.

Solutions On the Ground: This category indicates the extent to which the developer is directly linked to programs and mechanisms that create measurable impact for workers on the ground. In some methodologies employed, on the ground activity (such as brand pressure on suppliers as a result of disclosures) may be confidential and thus not publicly disclosed.

In Focus: On-the-ground solutions with measurable impact

Issara Institute has been partnering since 2014 with a range of US, UK, and European global brands and retailers to use worker voice technology to identify labour risks in Southeast Asian supply chains, and address them through preventive and corrective actions that are implemented by the suppliers in partnership with Issara's on-the-ground team of labour experts. Issara's worker voice technology started as a multi-lingual hotline, and has now expanded to smartphone technology, taking advantage of the fact that the great majority of migrant workers in the region have smartphones. A key aspect of the model includes having an on-the-ground technical team to cross-check and verify incoming data, respond to worker needs, and support suppliers in the implementation of improvements to eliminate labour risks from their labour recruitment and management practices. Just in the first year of Issara's pilot, improvements were made in factories impacting 40,000 workers, nearly 5,000 of them in forced labour. Issara Institute is a not-for-profit so the hotline and migrant worker smartphone apps are public goods developed first and foremost to empower and assist migrant workers, with the information being analyzed to also inform suppliers, global buyers, anti-trafficking actors, and others engaged in responsible sourcing and decent work for migrant workers. Business partners at present include brands/retailers Mars, Nestlé, Red Lobster, Sainsbury's, Tesco, Waitrose and Walmart; importers include Lyons Seafoods, Seafresh Group, and World Wise Foods.

LaborVoices is a supply chain analytics company that leverages a data-driven, technology approach to advance transparency in global supply chains. It crowdsources data from workers about workplace conditions via their mobile phones and communicates this intelligence in real-time to brands. LaborVoices has operated in 15 languages in 10 countries across 4 continents, reaching over 100,000 workers. In 2016, LaborVoices launched Symphony, a mobile technology platform that engages workers outside of factories, independent of brand and employer involvement, to anonymously rate their employers on various social compliance metrics. By publishing Symphony factory data every six months, LaborVoices aims to encourage a race-to-the-top among employers who, with increased transparency and accountability, will improve their workplace conditions to attract brand customers and employees. Simultaneously, Symphony helps workers learn about the best employers in their area, enabling them to vote with their feet to find the best jobs throughout their working lives. Since its launch in early 2016, the Symphony platform has rapidly scaled to include data on 160+ apparel factories from 10,000+ workers in Bangladesh and Turkey.

TECHNOLOGY TO ADDRESS HUMAN TRAFFICKING IN SUPPLY CHAINS: SELECTED PROVIDER CAPABILITIES

Products are all operational in different geographies and may focus on varying issues and sectors. As the below matrix indicates, developers specialize in various aspects of data collection and analysis, each with their own value to users. The matrix below is not a checklist, and only indicates publicly disclosed methodologies directly addressing trafficking and labour risks in global supply chains.

	EcoVadis	GeoPoll	Issara Institute	Kroll	Labor Link	Labor Voices	Lexis Nexis	Made in a Free World	RepRisk	Sustainability Incubator	Ulula
DATA SOURCE											
Primary	○	●	●	○	●	●	○	○	○	○	●
Secondary	●	○	●	○	○	○	●	●	●	●	●
Tertiary	○	○	○	○	○	○	○	○	○	○	○
DATA VERIFICATION & VALIDATION	○	●	●	○	●	●	○	○	○	○	○
DATA CURATION & MANAGEMENT											
Data Aggregation & Presentation	●	●	●	●	●	●	○	●	●	●	●
Data Analytics	●	●	●	○	●	●	○	●	●	●	●
Research & Analysis	●	○	●	●	○	○	○	●	●	○	○
SOLUTIONS ON THE GROUND	○	○	●	○	●	●	○	○	○	○	○

DESCRIPTIONS OF A SAMPLE OF PRODUCTS & TOOLS

Ecovadis

CSR analysis system that covers 21 criteria across four themes of environment, Fair labor practices, ethics/fair business practices and supply chain.

GeoPoll (Mobile Accord Inc.)

Supply chain monitoring solution directly reaches workers (over 300 million mobile users in database) and gathers information about conditions and experiences, while feeding the information back to relevant stakeholders via a dashboard to drive improvements.

Issara Institute

On the ground worker voice focused technology including a 24/7 migrant worker helpline and smartphone App used as intelligence to drive systemic improvements in the supply chains of global brands and retailers that are Issara partners.

Kroll

Investigatory and compliance services to organizations facing financial, cyber, human and other risks through a global team of trained investigators and analysts.

Labor Link (Good World Solutions)

Utilizes mobile phone surveys to collect information and opinions from workers and farmers around the world. Responses are collected in real-time, aggregated and analyzed and returned to partners. Can also broadcast content to survey participants on any topic.

Labor Voices

SMS system that polls workers' mobile phones on safety and working conditions, to identify and solve problems in their supply chains before they become critical.

Lexis Diligence

Dashboard providing access to millions of public and private company profiles, in-depth country risk analysis reports, and biographical sources plus other open sources such as global, national and regional newspapers to blogs.

Made in a Free World

Private and secure software that identifies hot spots of risk in a supply chain and builds a customized action plan by providing a customized dashboard based on a company's purchase data.

RepRisk

ESG Risk Platform is a due diligence, research and monitoring tool that allows the user to dynamically identify and assess the ESG risks related to companies, projects, sectors, countries and other entities that may present compliance, reputation and financial risks.

Sustainability Incubator

Analyses information found in the public domain about various social issues in fisheries around the world to generate scores in low, medium and high categories of risk.

Ulula

Multi-language supply chain management, stakeholder engagement and M&E software that allows for seamless global auditing and engagement and supports almost any communication channel with workers.

RECOMMENDATIONS > Driving improvements for workers through data and technology

Though due diligence of suppliers and production chains is not a new concept, the past five years has seen a rapid growth in the proliferation of technology tools that provide insight into human trafficking and forced labour specifically. SMS, IVR and mobile Apps can now be deployed relatively quickly and at a lower price point. At the same time, mobile phone penetration of migrant worker populations is in areas as high as >90%, for example among Burmese migrant workers in Thailand. Coupled with advances in capabilities to analyze large, multiple and disparate data sets, supply chain decision makers are poised to benefit from the unprecedented ability to use technology to drive transformations in production networks.

That said, a due diligence product is only as good as the accuracy and breadth of data that it is built on. It is critically important to understand the scale and shortcomings of any product offering to be able to conduct a comprehensive verification process. Aside from technological challenges, all solutions are limited to the geographic locations that they are deployed in, their ability to scale, myriad local governance issues and resources to contribute to systemic changes. Regional geopolitical challenges can also hinder a product developer to deploy a mobile based tool in certain areas, or access partners who can verify primary source data without compromising a worker's or surveyor's safety.

While much value is derived from secondary data sources, transparency in representation of data types and analytical methodologies is paramount. If the data is not derived from trusted or verified site level gathering channels and with direct relevance to labour issues, then characterizing otherwise can result in a false positive which will only continue to mask the criminal conduct of an unscrupulous supplier, and negate the valid due diligence efforts of a supply chain manager. However, since there are many challenges to primary source data collection—transparency in any data sourcing methodology utilized can enable a user to deploy other tools to add to and complement these efforts.

Issara thus makes the following recommendations for various stakeholders and supply chain decision makers:

Brands

The majority of these solutions are developed to assist brands, however, multinational companies who face many such risks have not adopted such solutions at an enterprise level. This landscape analysis shows the variety and breadth of products on the market today— yet brands are slow to adopt them. Despite increasing regulatory frameworks and fears of reputational risks, conducting systematic due diligence for trafficking does not appear to have become part of standard operating procedure for many brands and is often relegated to separate, limited corporate responsibility or ethical sourcing departments.

- **Make the investment**: It is recommended that brands fully incorporate diligence for human trafficking and forced labour into core sourcing functions and invest in the optimal product/s for your business needs. Brand investment will spur further innovations, drive down costs, enable expanded data collection and sharing, and fuel scaling. Most importantly brand investments and commitments can ensure that workers' rights are protected and violations prevented, and that long term responsible sourcing practices are advanced.

- **Know what you are buying**: When subscribing to a due diligence product, investigate the source and accuracy of information being provided and be cognizant of the tool's limitations. While analyzing a product, the following questions (among others) should be asked and reviewed:

  ☑ What are the data collection and verification processes of primary data collectors?

  ☑ Does the data capture realities on the ground through worker voices?

  ☑ Is secondary and tertiary data verified by the provider? What are the sources of this data and methods of verification?

  ☑ Can the inferences and analyses be generalized locally, regionally and/or sector wide?

  ☑ How much of the data is actionable?

  ☑ What are the protocols already established for remedial action if the data gathering is uncovering human trafficking and forced labour? What are the gaps in those remedial actions?

  ☑ Does the developer adhere to a strict data privacy policy that protects workers who participate, and ensures informed consent?

- **Be aware of limitations**: It is important to note that product developers may not offer a comprehensive set of services (from diligence to worker-level interventions and remediation), nor should they be expected to do so. Brands are encouraged to invest in a multi-stakeholder approach to institute needed, systemic reforms. Due diligence providers and product developers are integral parts of such partnerships that drive long term solutions. Furthermore, the implementation of any remedial initiatives deployed can also be verified by product developers that have the ability to collect and verify primary data.

Brands may also be concerned about public disclosure of such information and the legal and reputational risk such broader dissemination of data might pose. Companies can work with due diligence product developers and agree to disclosure procedures to proactively manage issues and address situations before they become risks, however, such protocols must be guided by the stated best interests of workers.

Investors

Investors are currently the primary drivers of the nascent market for human trafficking due diligence tools. They should also continue to ask critical questions of products that they are supporting and sustaining.

- **Incentivize brand adoption**: Investors also play a unique role in their ability to incentivize brands for enterprise-wide adoption of such due diligence tools to uncover human trafficking activity. For example, by partnering with brands to drive usage, investors can contribute to a path for sustainability and can alleviate some of the initial costs associated with product adoption, or use their convening power to forge partnerships between companies and product developers. Ultimately it is the financial and operational responsibility of brands to ensure that their production networks are free of human trafficking and thus any cost sharing by investors should not come at the expense of less resources for worker support initiatives.

- **Support multi-stakeholder initiatives**: Investors can increase their support of effective multi-stakeholder initiatives that bring brands, developers and social sector NGOs together to deploy a continuum of services to uncover and act upon abuses.

- **Conduct due diligence**: When evaluating a product to support, investors should also pose

the same questions to investment-seekers listed above in our recommendations to brands.

- **Continue to drive innovation**: Investors should continue to support the ingenuity and creativity of product developers and provide resources to apply latest developments in technology to supply chain diligence. Investors who are often guided by social change metrics are also in better positions than brands to invest in emerging technologies that can be experimented with to reach underserved communities of workers.

Government, private and foundation donors and investors have largely driven product innovation, development, and incentivized the market for such due diligence solutions. While continuing to invest in technology developments and innovations, we encourage investors to remain grounded in the end goal of ensuring that the tools do indeed impact workers' lives on the ground.

That is, the technology application is not in itself the solution—resulting improvements for workers at the production level are.

Product Developers

Product developers often face the dual challenge of continued innovation and revenue generation. Spending on products by brands (customers) is limited, especially in relation to the sheer volume of workers impacted by human trafficking, child and forced labour. Many rely upon investors, donors and partnerships to sustain their efforts and survive in a nascent market. Developers have done an admirable job of harnessing technology with social impact and producing operational solutions that can and do have an impact.

- **Authentic**: Brands rely upon the information received to make supplier decisions that impact workers lives and livelihoods. Full disclosure of data sources and data types (primary, secondary and tertiary) as well as the methodology of collection (while protecting proprietary business practices) will further assist customers to accurately assess their risks and deploy tools and comprehensive solutions.

- **Transparent:** Be transparent about information gathering resources and limitations, as well as the methodology employed to verify data sources and proxies. Incorporate privacy policies and responsible data practices that protect vulnerable populations.

- **Realistic:** Product developers have technology expertise, but not necessarily the subject matter expertise to impact change on the ground. While technology developers should continue to focus on their core competencies, they should not make representations that their data, analytics, or dashboards are indeed a "solution." They are in fact important tools that indicate risk and uncover problems that need to be solved. Developers should also work with brands (customers) and investors to ensure that they are part of a continuum of supply chain visibility measures that are tied to programs that implement changes on the ground.

Responsible data policies and practices.

Are developers and key users of data engaging with privacy concerns and proactively managing potential risks and harms when collecting and analyzing data on vulnerable populations?

A responsible data approach is sensitive to data that are ultimately comprised of personal information on real people, many of whom may be vulnerable. Businesses, investors, and developers are strongly encouraged to develop and deploy technology that treats their personal data responsibly— including concerns over privacy, personally identifiable information, informed consent, and (cyber) security, as well as policy questions such as: who has access to the data, and who is it shared with? Is the data shared in aggregate? Will the data be sufficiently anonymized? How is data shared directly with workers to empower them and inform their own choices?

Ensuring workers are protected[1].

Before asking workers to participate, the organisation collecting the data should always:

- ☑ Conduct a risk assessment, especially in cases where there is risk of employers accessing the data, resulting in negative consequences for workers.
- ☑ Respect workers time: data workers are being asked to source should be data that cannot be easily sourced through secondary or tertiary sources, so as not to burden workers where this isn't necessary.

During any data collection process, it is critical that:

- ☑ Workers have provided informed voluntary consent, with no coercion, and have been provided with information on the possible risks and benefits of their participation.
- ☑ Anonymity and confidentiality is ensured to the greatest extent possible and workers are aware of what they can expect.
- ☑ No harm is done to workers, and personal safety and security is prioritized.
- ☑ Interpreters and field teams have been adequately selected and prepared

END GAME

This paper is intended as a guide to developers, investors and brands to provide key considerations as we collectively drive the market towards universal adoption of technology-based human trafficking due diligence products that inform long-term solutions. The paper is not intended as a critique or evaluation of existing tools, but as an objective analysis of strengths, capabilities and value propositions of such types of products towards an industry-level analysis. We aim to advance the discussion around the critical role of technology in this field and re-prioritize the goal of providing business intelligence that amplifies the voices and respects the lived experiences of workers.[1]

Workers themselves are (or should be) the primary trusted source of information about the working and living conditions they face. Technology is now playing a powerful and effective role in collecting their perspectives and providing it in aggregate to supply chain decision makers. The working hypothesis has been that once supply chain managers can easily access such information, they and their company will act upon it. However, the technology and the information it allows easy access to is just a tool, and not a substitute for the political will necessary to act upon credible information about human trafficking activity.

The technology tools and their capabilities presented in this paper help us accomplish this end goal. The tools themselves, however are not replacements for the site-level execution of strategies required to improve conditions for and with workers.

[1] For more information see: United Nations Inter-Agency Project on Human Trafficking (2008) . *Guide to Ethics and Human Rights in Counter-Trafficking.*