How Canadian companies can use tech to identify forced labor in their supply chains

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Levi Strauss Canada is yet another company facing allegations of forced labor in its supply chain. The allegations, which Levi Strauss denies, center on whether the company is working with suppliers using Uyghur

forced labor. With over [27 million people worldwide](#) in forced labor, we can expect to witness similar allegations elsewhere in the coming years.

While Canada enjoys strong protections against labor exploitation, the issue of involuntary work may hit closer to home than expected. The reality is that forced labor [could have been used to produce many of our everyday items](#), including clothing, electronics and vehicles.

Canada has taken a significant step in addressing this problem through the [Fighting Against Forced Labor and Child Labor in Supply Chains Act](#). As of Jan. 1, 2024, companies with significant operations in Canada will be legally obligated to pay closer attention to the working conditions in their supply chains.

This act brings Canada's efforts to address forced labor in alignment with other regions such as the [United States](#), the [United Kingdom](#) and [Australia](#).

Under this act, any entity with significant operations in Canada will be obligated to annually report on its efforts to prevent and remediate forced and [child labor](#) in its supply chains.

This includes disclosing information about relevant policies, due diligence processes, [supply chain](#) hotspots, employee training and remediation measures. The act also includes provisions for corrective measures and punishment.

Identifying forced labor with technology

The complex nature of supply chains makes identifying when and where forced or child labor occurs a significant challenge. Supply chains can contain thousands of suppliers that span continents. Even major international companies like Levi Strauss, which has a strong [supplier](#)

[code of conduct](link), can end up facing allegations of violations in their supply chains.

To explore how forced and child labor can be identified in supply chains, we [conducted over 30 interviews with experts from around the world](link). These experts included representatives from non-governmental organizations, companies and auditing bodies, providing insight into how emerging technologies can be used to support identifying such practices.

The difficulty of identifying far-flung suppliers, for instance, could be simplified by using DNA to identify a product's origin, as is done with [cotton](link), [seafood](link) and chocolate.

Drones and satellite imaging can be used to identify potential forced labor hotspots, such as remote [brick kilns](link), [mines](link) or [areas of illegal deforestation](link). AI can also [predict areas at high risk of forced and child labor](link) and direct attention to these regions.

Additionally, [emerging technologies](link) can help identify some forms of deception. Blockchain technology, for example, can provide an [unalterable ledger of transactions in real time](link), preventing later manipulation. Artificial intelligence can quickly process immense quantities of data, which aids in [detecting unusual patterns indicating potential fraud](link).

Addressing the risk of deceptive practices

In some cases, there are incentives for businesses to conceal illegal and immoral practices. Transparentem, a non-profit group focused on eradicating labor abuse, found [evidence of deception during supply chain audits in garment factories in India, Malaysia and Myanmar](link). These deceptive practices include falsifying documents, coaching workers to lie and hiding workers who appeared to be unlawfully employed.

Based on in-depth interviews with auditors, suppliers, brand representatives and workers in the apparel industry, Human Rights Watch has found these risks are [elevated when companies have advance notice of an upcoming audit](#).

Integrating sensors, cameras and other cloud technology can enable [real-time](#) monitoring of working conditions, mitigating the risks of [advance notice of audits](#). Sensors and cameras, for example, have been used on [fishing vessels](#) to remotely transmit data in near real-time.

Worker voice platforms, such as those used in the [electronics industry](#), allow workers to provide feedback directly through smartphone apps. This can serve as a real-time whistleblower mechanism for workers trapped in forced labor.

Technology is only part of the solution

Despite its potential benefits, technology still has weaknesses, like high costs, susceptibility to manipulation and weak data security, that need to be addressed. Blockchain technology, for instance, [can codify manipulated or incorrect data](#) unless the necessary precautions are taken.

Meeting the requirements of the Fighting Against Forced Labor and Child Labor in Supply Chains Act will require grounding technology in a broader risk-based approach consisting of supplier screening, monitoring and auditing.

In addition, even when technology does indicate the presence of forced or child labor, on-the-ground verification and follow-up is often required. Identification is just the first step. The act requires reporting on remediation, which is typically based on long-term collaborative relationships with local parties.

Addressing the issue of forced and child labor in supply chains is difficult and complex. While technology can help companies fulfill their reporting obligations under the act, identifying and remediating these crucial issues will require ongoing and concerted efforts.

The first report is due on May 31, 2024, so companies have no time to spare in working to comply with the act.

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