Labor Risk Dashboard

Labor exploitation is pervasive across the private sector—and a scourge for businesses globally

Forced labor refers to any work or services that individuals are compelled to perform against their will under threat, coercion, or deception. It is a severe violation of human rights and is one of the most pervasive forms of modern slavery. Forced labor generates $236B[1] annually and touches nearly all aspects of the private economy: there are an estimated 28M[2] people in forced labor today worldwide—two-thirds of which are exploited in the private economy. Child labor is also endemic across many sectors, with 79M[3] children worldwide involved in some form of hazardous work.

As awareness and attention around these critical issues grows, the risk to business is increasing

For businesses, forced labor and child labor are material issues due to the significant legal, financial, and reputational implications. Companies found to be involved in exploitative labor practices, either directly or within their supply chains, face severe penalties, potential litigation, and damage to their brand image. Furthermore, it undermines the principles of fair trade and competition, distorts global markets, and poses a threat to sustainable economic development.

KPMG can help assess your risk and prioritize action

KPMG has developed a data-driven solution that analyses your supply chain data for high-risk supply chains and trade lanes. Our data-rich, technology-enabled, end-to-end platform is hosted in the KPMG Digital Gateway and supplemented by industry information and our professionals' expertise.

Risk Assessment, Supply Chain Mapping, & Ongoing Monitoring

Collect & cleanse data
- Understand supply chain footprint
- Identify top manufacturers and suppliers
- Cleanse data using internal tech flows

Screen against high-risk indicators
- With AI and fuzzy logic, screen against:
  – Entity lists
  – Product lists
  – High-risk countries

Map high-risk supply chains
- Collect documentation to map supply chain to raw goods producer
- Assess documentation against ILO indicators

Ongoing monitoring
- Continue to monitor as enforcement develops
- Update entity lists and risk indicators; cross-reference with supplier data

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[1] ILO, Profits & Poverty: The Economics of Forced Labour, 2024
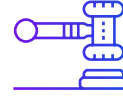[2] ILO, IOM, & Walk Free, Global Estimates of Modern Slavery, 2022
[3] ILO & UNICEF, Child Labour Global Estimates, 2020

An estimated **50M people** are living in modern slavery today
(Source: ILO, IOM, & Walk Free, *Global Estimates of Modern Slavery,* 2022)

Forced Labor generates **$236B in illegal profits** annually—an increase of $64B since 2014
(Source: ILO, *Profits & Poverty: The Economics of Forced Labour.* 2024.)

An estimated **160M children** are in situations of child labor, with 79M involved in some form of hazardous work
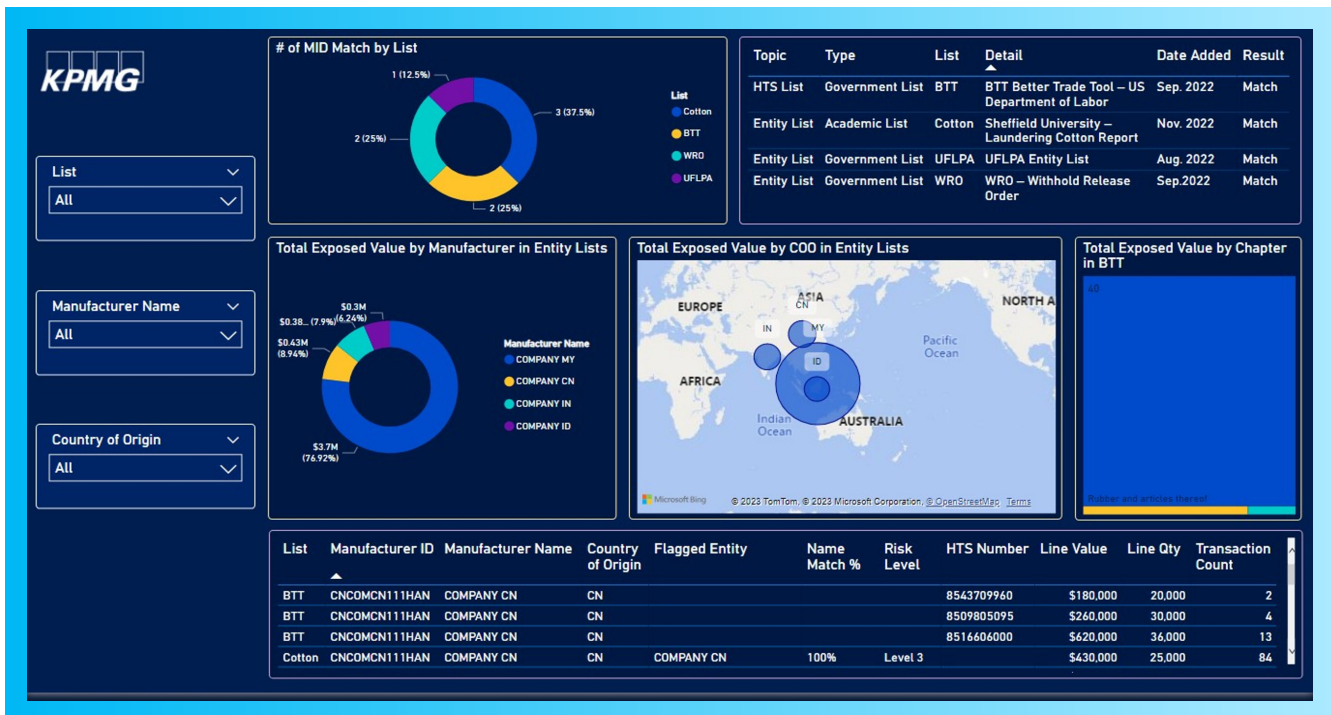(Source: ILO & UNICEF, *Child Labour Global Estimates.*2020.)

KPMG has supported clients to identify and address labor risks in the following industries:

Medical Device	Chemicals
Apparel	Rubber Gloves
Footwear	Agriculture
Retail	Electronics
Industrial Manufacturing	

Why Act Now?

1 → **Global Regulations**
2 → **Financial Risk**
3 → **Legal Risk**
4 → **Reputational Risk**
5 → **Administrative Burden**

KPMG Labor Risk Dashboard

KPMG supports Fortune 500 companies in monitoring their forced labor risk via KPMG proprietary dashboard.

- KPMG tailors a dashboard to reflect a client's needs—all elements are **modifiable and scalable.**
- Clients have incorporated dashboards into their **broader risk assessment** processes

- Dashboard output is used to issue **"requests for information"** to identified higher-risk suppliers
- **Inputs** can include US Customs data (ACE), Customs Broker data, ERP data or other relevant data sources
- **Sources** include U.S. Forced Labor Enforcement Task Force entity list, Sheffield Lists, Department of Labor Better Trade Tool data, and many other resources relevant to identifying forced labor and child labor risks.

Additional Support for Clients

KPMG offers a wide range of professional expertise, experience and technology to tackle the complexities as well as the demanding compliance expectations set forth in the anti-forced labor environment.

Supply Chain Mapping	Supported clients in the **medical device and retail industries** in mapping their supply chain, leveraging US Customs and ERP data as a baseline in conducting data-driven risk assessments. Through this process, also identified problematic suppliers that were publicly identified as high-risk.
Risk Assessment	Developed a tailored, industry-specific risk assessment for **an apparel and electronics company** to identify high-risk supply chain lanes. Our assessment is based on an established methodology that leverages industry information, as well as the experience of our professionals in order to focus on the highest risk areas.
Training	Developed and delivered training on forced labor to **a global multi-national company** with 15 industrial business segments. Training provided a regulatory overview, as well as industry best practices and recommendations on monitoring/escalation.
Policies/ Procedures	Revised policies and procedures for a **global multi-national company** to incorporate new regulatory developments, as well as updates to their California Transparency in Supply Chains Act and UK Modern Slavery statements.
Auditing	Conducted a program review for a **consumer goods company**, as well as transactional audits for an **apparel company** to conduct due diligence in their supply chain, including their readiness to comply with the UFLPA.

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