

Use Case Library

Mitigating Forced Labor in Global Supply Chains

Executive Summary written by GBBC

KnowTheChain's 2018 Food & Beverage Benchmark Findings Report evinced that even the most responsible of the largest food and beverage companies are not doing enough to eradicate forced labor from their supply chains. The average score in the report was a 30 out of 100, "indicating that all benchmarked companies need to take further action to address forced labor risks across commodities and tiers." To combat this issue, Coca-Cola partnered with the U.S. State Department, Blockchain Trust Accelerator (BTA), Bitfury, and Emercoin to develop a blockchain-based pilot project.

For the pilot project, Bitfury and Emercoin are tasked with building the blockchain platform while the State Department provides its knowledge on labor protections and BTA provides its expertise on using blockchain for social good. The aim of the project is "to create a secure registry for workers and their contracts using blockchain's validation and digital notary capabilities." While details on the ongoing project are limited, the project is attempting to create a blockchain platform that can ensure Coca-Cola's supply chain does not include forced labor.

While the results of the project have not yet been released, it already has some important takeaways. First, that a corporation that operates in every country besides North Korea has identified blockchain technology as a tool to make its supply chains more responsible. Second, it shows that the U.S. government is willing to explore potential applications of blockchain. Deputy Assistant Secretary Scott Busby explained that blockchain-verified contracts cannot compel compliance with contracts, but instead encourage compliance by creating a "validated chain of evidence." It is encouraging to see that major corporations and some areas of the U.S. government understand both the benefits and limitations of blockchain technology.