



White Paper



## FORCED LABOUR: PROOF + REMEDIATION

*From Policy Ambition to Operational Reality*

Author: **Kaveri Andersson**

*Cultural Director, United Diplomatic Council  
& Social Sustainability Strategist & Advisor*

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# Executive Summary

In December 2024, the European Union formally adopted a groundbreaking piece of legislation — the **EU Forced Labour Regulation (EUFLR)** — designed to ban products made with forced or compulsory labour from being placed on the EU market or exported from it. The law entered into force on **13 December 2024** and will become fully applicable from **14 December 2027**. ([Covington & Burling](#))

Unlike previous supply-chain laws that target specific sectors or companies above certain thresholds, this regulation applies to all products — including components — across all industries, without size or sector exemptions. ([Littler](#)) Forced labour is defined by reference to the International Labour Organization’s Conventions on forced and compulsory labour, a globally recognised standard that includes forced child labour. ([Clifford Chance](#))

This regulatory shift marks a strategic inflection point: enforced human rights due diligence is no longer a risk mitigation add-on for global corporations — it is a **core operational mandate** with legal teeth, market implications, and strategic consequences. When fully applied, any product, regardless of origin, that has been manufactured or substantially processed using forced labour at any stage of its value chain cannot lawfully enter, be sold, made available, or be exported from the EU. ([Sidley Austin](#))

This whitepaper shows why most compliance frameworks will fail to meet the new reality — because they were built for procedural checklists rather than proof+remediation systems — and outlines how organisations must redesign their approach to human rights and labour compliance as **a capability that mitigates risk, protects reputation, and fuels resilience** in an interconnected global economy.

## 1. The EU Forced Labour Regulation: Scope, Scale, and Context

Forced labour is not an abstract concern. According to the International Labour Organization (ILO), an estimated **27.6 million people worldwide** were living in conditions of forced labour in recent years — an issue deeply intertwined with poverty, migration, discrimination, and systemic supply chain pressures. ([blog.worldfavor.com](https://blog.worldfavor.com))

Historically, the EU and its Member States have prohibited forced labour in legal frameworks such as the Charter of Fundamental Rights and conventions enforced through national law. National due-diligence frameworks (e.g., Germany's supply chain law) also targeted human rights abuses, including forced labour, albeit with thresholds and exemptions. ([CMS Law](#))

### The EUFLR is different:

- 1) It bans products made — wholly or in part — with forced labour at any point in their value chain, covering activities from raw material extraction to final manufacturing. ([Nordic Sustainability](#))
- 2) It applies to all economic operators placing products on the EU market or exporting them, including distant sales and e-commerce — with no de minimis or size exemptions. ([Littler](#))
- 3) Its enforcement regime empowers authorities to ban, withdraw, or dispose of products found to violate the ban, and penalisations will be set at the Member State level. ([Fieldfisher](#))

In short, forced labour compliance is no longer a matter for some companies or sectors — it is a universal trade condition for access to the EU marketplace.

**Strategic implications:** companies cannot rely solely on legacy compliance systems that tick boxes; they must build **proof ecosystems** capable of demonstrating that products are free of forced labour risks, and **remediation systems** capable of addressing adverse findings before they escalate to enforcement actions.

## 2. Why Traditional Due Diligence Frameworks Are Insufficient

In the last decade, many companies have responded to calls for human rights due diligence by adopting frameworks modelled on the UN Guiding Principles on Business and Human Rights or the OECD Due Diligence Guidance. (**CSIS**) These frameworks emphasise:

- **Risk identification**
- **Mitigation**
- **Reporting and policies**
- **Engagement with stakeholders**

**Yet these processes have frequently fallen short in practice. Common weaknesses include:**

- Incomplete value chain visibility — especially in upstream tiers where labour conditions are worst.
- Reliance on supplier self-reporting or certification that doesn't withstand independent scrutiny.
- Weak documentation and audit trails that fail to meet legal evidentiary standards.
- Limited focus on remedy and worker-centred outcomes when violations are identified.


**Companies must already have rigorous due diligence processes in place not just because it is good practice — but because failure to demonstrate the absence of forced labour will lead to legal prohibition of products. (Littler)**

This shifts firms from procedural compliance to a **proof burden** — requiring traceability, documentation, and demonstrable remediation.

### 3. Proof at Scale: What ‘Proof’ Means in Practice

Under the EUFLR, proof of compliance means more than having a policy. It demands **operational evidence** that products placed on the market were not made with forced labour at any stage.

#### This requires:

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- 1) Comprehensive Supply Chain Mapping : Organisations must know — at minimum — the key suppliers, sub-suppliers, and production nodes involved in each product. This can extend into complex multi-tier networks where direct visibility is limited, and where forced labour risk is often greatest.
  - 2) Traceable, Verifiable Data : Data must be structured, temporally accurate, and defensible. This might include employment records, worker contracts, time-and-motion logs, facility access records, and payment timelines. Informal arrangements or verbal assurances will not meet evidentiary needs in enforcement scenarios.
  - 3) Ongoing Monitoring + Cross-Functional Assurance : Proof is not a snapshot but a process. Human rights and labour conditions can change rapidly due to commercial pressures, subcontracting dynamics, or socio-political shifts. Continuous monitoring, triggered alerts, and incident reporting systems are essential.
  - 4) Remediation Systems That Work : Where forced labour risks or incidents are identified, companies must have credible remediation systems that protect workers’ rights, restore conditions, and prevent recurrence. Remediation here must be worker-centric (not just procedural satisfaction). This includes meaningful engagement with affected workers or communities.

This shift from general due diligence to documented proof + cure represents a **fundamental upgrade in organisational capability** — one that must be engineered, not improvised.

## 4. Operating Challenges: Scaling Proof and Remediation

### Multi-Tier Blind Spots

Economic modelling suggests that supply chains are highly interconnected. Network analyses show that companies often have hundreds of thousands of supplier links, and only a small percentage of suppliers account for a large share of risk exposure. In simulated supply chain networks reflective of EU firms, more than **99 % of companies had potential human rights concerns by the third tier of their supply chains**, including forced labour risk nodes. ([arXiv](#))

This means that organisations cannot assume that visibility in Tier 1 equates to responsible supply chains; most risk often lurks deeper.

### Informality and Fragmentation

In agriculture, textiles, mining, and informal manufacturing sectors — where forced labour prevalence risk is highest — suppliers may lack formal recordkeeping, contracts, or systems that allow easy extraction of proof.


A significant portion of forced labour globally takes place in informal or semi-formal contexts where data reliability is weak. This complicates proof generation and raises the need for **alternative evidence mechanisms** including worker interviews, third-party observations, and physical evidence collection.

### Cultural and Power Dynamics

Forced labour risks are not merely operational ones — they are social and relational. Fear, power imbalances, and economic coercion can silence workers and intermediaries alike. True proof systems must incorporate psychological safety mechanisms — channels that allow workers to report concerns without fear of retaliation. These mechanisms are often deeply cultural and require investment in organisational trust systems and local norms understanding.

## 5. Remediation as a Strategic Capability


Proof without remediation is brittle. When a forced labour risk or incident emerges, effective remediation involves:

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- 1) Worker-centred solutions : Safe exit pathways, livelihood support, restitution where appropriate.
  - 2) Contractual adjustments : Ensuring suppliers adopt corrective action plans with verifiable timelines.
  - 3) Incentive redesign : Moving away from punitive exclusion strategies toward co-development of better practices.
  - 4) Cross-stakeholder engagement : Collaborating with NGOs, unions, governments, and community groups.

Many organisations mistake remediation for a “paper exercise.” In reality, meaningful remediation is deeply operational and involves human cost, cultural trust building, and often significant resource commitment.

## 6. Proof + Remediation Operating Model

A new operating model — similar to those seen in financial control systems but tailored for human rights risk — includes:

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- 1) Governance Architecture : cross-functional ownership across procurement, legal, compliance, operations, and human rights teams.
  - 2) Risk Mapping : Ensuring suppliers adopt corrective action plans with verifiable timelines.
  - 3) Data Assurance : Moving away from punitive exclusion strategies toward co-development of better practices.
  - 4) Worker Engagement Systems : Collaborating with NGOs, unions, governments, and community groups.
  - 5) Remediation Protocols : action plans with measurable outcomes, worker outcomes tracking, and independent validation.
  - 6) Leadership Scorecards : Integration into executive performance evaluation to ensure accountability.

This system shifts forced labour compliance from a regulatory checkbox into strategic risk infrastructure that protects reputation, markets, and long-term viability.

## 7. Investor and Market Signals

Institutional investors increasingly factor human rights risk — including forced labour — into investment decisions. Forced labour risk often correlates with operational disruptions, reputational damage, and long-term financial underperformance when hidden abuses emerge in public scrutiny. ([sustainalytics.com](https://www.sustainalytics.com))

Companies prepared with transparent proof and active remediation systems not only avoid losses but are also increasingly seen as lower risk by lenders, insurers, and customers in an age of heightened social expectations.

## 8. Leadership Imperatives for 2025-2027

### Build Proof Systems Now

Waiting for 2027 enforcement is not a strategy. Early adopters are already documenting and testing proof mechanisms that go beyond compliance protocols.

### Integrate Across Functions

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### Invest in People + Culture

Systems without culture fail. Inclusive, trust-based engagement with suppliers and workers is as important as any IT upgrade.

### Design Remediation Into Contracts

Contracts should reflect shared responsibility and support continuous improvement — not just punitive risk shifts.

## Conclusion: Compliance Isn't Enough — Proof + Remediation

The EU Forced Labour Regulation makes it clear: **Any product made with forced labour at any point in its supply chain — no matter how distant — cannot enter, be sold, or be exported from the EU. (Sidley Austin)**

Surviving in this environment requires organisations to move from compliance to capability — building systems that can prove the absence of forced labour and remediate when risks surface.

This is not purely a legal requirement — it is a **strategic transformation** with profound implications for supply chain resilience, brand credibility, investor confidence, and global ethical leadership.

## Sources and Statistics

### EU Forced Labour Regulation Basics

- The EU Forced Labour Regulation (EUFLR) bans products made with forced labour from being placed on or exported from the EU market. (**Covington & Burling**)
- The ban applies to products made with forced or compulsory labour at any stage of supply. (**Nordic Sustainability**)

### Timeline

- The regulation entered into force on 13 December 2024 and will be fully applicable from 14 December 2027. (**Bird & Bird**)

### Definition and Scope

- Forced labour is defined with reference to ILO Conventions, including forced child labour. (**Clifford Chance**)
- The regulation applies to economic operators of all sizes and all products. (**Littler**)

### Supply Chain Risk Context

- Network analysis suggests that nearly all companies have supply chain links with potential forced labour risk at third tiers. (**arXiv**)
- Institutional investors increasingly see forced labour risk as material to financial performance and reputation. (**sustainalytics.com**)

### Regulatory Landscape Interaction

- The EUFLR complements the Corporate Sustainability Due Diligence Directive (CSDDD) and other human rights frameworks. (**CSIS**)

## Context & Governance



The United Diplomatic Council (UDC) serves as the governing sponsor of this Think Tank because it brings together diplomats, policymakers, business leaders, and international institutions around a shared mission: advancing sustainable, inclusive global cooperation.

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## About the Author



**Kaveri Andersson**

This white paper contains the views and analyses of **Kaveri Andersson** is a strategist and thought leader focused on sustainable transformation, organisational culture, and equitable operational systems. She leads research at Impact Think Tank, blending policy insight, systems design, and social sustainability frameworks to help organisations build resilient, inclusive, and future-ready enterprises. Kaveri has worked extensively on issues of organisational equality, social sustainability, and cross-sector transformation, bringing an integrative perspective that connects regulatory evolution with human systems and long-term performance.