

Preparing for the EU Forced Labour Regulation

A practical guide

forvis mazars

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Introduction

The primary goal of the **EU Forced Labour Regulation**[1] **(EU-FLR)** is to ensure that products produced wholly or partially with forced labour are neither sold in nor exported from the EU market. Under this regulation, authorities from Member States and the European Commission may investigate suspicious goods, supply chains, and manufacturers, taking a risk-based approach. If they determine that a product has been made with forced labour, it cannot be sold on the EU market (including online), and any such shipments will be stopped at the EU's borders. This applies to all products and components, regardless of where they come from: inside or outside the EU. The regulation will be fully enforced starting **14 December 2027**. As a regulation, EU-FLR applies directly and does not require transposition into national law.

In responding to an investigation, companies are required to provide evidence of due diligence proving their products are free from forced labour. Although the EU-FLR does not impose new due diligence obligations beyond those already set by Union or national laws, businesses must be in a position to provide documentation to authorities where an investigation is initiated.

The Union Network Against Forced Labour Products, established specifically for this purpose, is responsible for coordination between Member State authorities. In June 2026, the EU Commission published Guidelines on the application of the EU-FLR (Guidelines)[2].

What is forced labour?

Forced labour is a severe human rights violation and a form of modern slavery in which people are forced to work against their will and cannot freely refuse or leave their work. The EU-FLR adopts the International Labour Organization (ILO) definition of forced labour as "all work or service which is exacted from any person under the menace of any penalty and for which the person has not offered himself or herself voluntarily".

An estimated 27.6 million people worldwide[3] are in situations of forced labour, producing products that end up in markets everywhere, including the EU. 3.9 million of these people are in state-imposed forms of forced labour and 3.3 million are children. In line with the objective to eliminate forced labour from supply chains, the EU-FLR introduces a ban on products made with forced labour.

Which businesses are in scope?

The EU-FLR applies to all products, regardless of their origin. It applies to all "economic operators", meaning any natural or legal person or association of persons placing or making available products on the Union market or exporting products from the Union market. In the remainder of this guide, economic operators will be referred to as businesses.

Businesses are responsible for ensuring that their products are free from forced labour.

The ban covers:

- All products (including agricultural and extractive products) and components, whether imported into or produced in the EU, excluding services
- All geographic areas, while recognising that some areas may present a higher risk of forced labour
- All businesses placing products on the EU market or exporting them from the EU, including manufacturers, importers, distributors, retailers and online sellers.

[1] Regulation (EU) 2024/3015 of the European Parliament and of the Council of 27 November 2024 on prohibiting products made with forced labour on the Union market and amending Directive (EU) 2019/1937. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202403015

[2] Document C(2026)4386 – Commission Notice Guidelines on the application of Regulation (EU) 2024/3015 on prohibiting products made with forced labour on the Union market. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=PI_COM%3AC%282026%294386

[3] International Labour Organization (ILO), 2022: Global estimates of modern slavery – Forced labour and forced marriage. https://www.ilo.org/publications/major-publications/global-estimates-modern-slavery-forced-labour-and-forced-marriage

How does the EU-FLR relate to other human rights regulations?

Overview of relevant related regulation

Forced labour and modern slavery are addressed through different regulatory approaches, ranging from transparency and due diligence obligations to restrictions on market access. The table below provides an overview of selected regulations related to and relevant in the context of the EU-FLR. While modern slavery legislation has traditionally focused on transparency and corporate due diligence, newer regulatory approaches increasingly link forced labour compliance directly to product and market access.

Regulation	Application scope	Date of application	Key requirements for companies	Primary lever
EU Forced Labour Regulation (EU FLR)	All products placed or made available on, or exported from, the EU market; applies to companies of all sizes	14 December 2027	Companies under investigation must provide due diligence documentation to prove that products are free from forced labour	Restriction or suspension of market access
EU Corporate Sustainability Due Diligence Directive (CSDDD)	EU companies with >5,000 employees and >€1.5bn worldwide net turnover; non-EU companies with >€1.5bn net turnover in the EU	26 July 2029	Conduct risk-based human rights and environmental due diligence across own operations, subsidiaries and relevant chains of activities	Due diligence & reporting
United States Uyghur Forced Labor Prevention Act (UFLPA)	Goods mined, produced or manufactured wholly or in part in Xinjiang, or by entities on the UFLPA Entity List, imported into the US	In force	Demonstrate that detained goods are not subject to the UFLPA or rebut the forced-labour presumption with clear and convincing evidence	Import prohibition
UK Modern Slavery Act	Commercial organisations carrying on business in the UK, supplying goods or services, with annual turnover of ≥£36m	In force	Publish an annual statement on steps taken to prevent modern slavery in the organisation's business and supply chains	Transparency & reporting
Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act	Canadian-listed entities, or entities with a Canadian business/assets meeting ≥2 of 3 thresholds: C$20m assets, C$40m revenue, 250 employees; applies to entities producing or importing goods	In force	Report annually on steps taken to prevent and reduce forced- and child-labour risks in activities and supply chains	Transparency & reporting
Australian Modern Slavery Act	Entities based or carrying on business in Australia with ≥A$100m annual consolidated revenue	In force	Publish an annual statement on modern-slavery risks in operations and supply chains and actions taken to address them	Transparency & reporting



Further related regulations

EU regulations focusing on specific products, sectors, materials or commodities

The EU Deforestation Regulation (EUDR) and the EU Conflict Minerals Regulations require companies in scope to establish due diligence processes regarding specific commodities. The EU Batteries Regulation (EUBR) focuses on supply chain due diligence concerning battery raw materials and human rights risks. In contrast, while the EU-FLR does not prescribe how companies ensure that their products are free from forced labour, it is not limited to specific products or sectors.

United States Tariff Act of 1930, Section 307

Prohibits imports of goods mined, produced or manufactured wholly or partly using forced labour. U.S. Customs and Border Protection enforces it through mechanisms including Withhold Release Orders and findings that can lead to seizure and forfeiture. Both target goods and market access, but Section 307 is an import prohibition whereas the EU-FLR also covers domestic sales and exports.

United States Trade Act, Section 301

In 2026, the United States Trade Representative invoked Section 301 to impose tariffs, including against EU products, citing failures to ban or enforce prohibitions on goods produced with forced labour. In this context, forced labour has moved from being a human-rights compliance issue to becoming a trade-policy instrument.

China: Decree No. 834 (Supply Chain Security Provisions)

This regulation targets foreign ESG due diligence and supplier audits. It limits or bans “undue” information gathering on Chinese supply chains, particularly within sectors labelled as key industries. In addition, Decree No. 835 (Countering Improper Extraterritorial Jurisdiction) empowers the Ministry of Justice to formally identify foreign laws that inappropriately extend beyond their borders and may harm Chinese sovereignty or business. This updated legal framework places multinational companies in a compliance dilemma, penalising entities that comply with Western rules at the expense of Chinese interests.

Note:

This is not an exhaustive list of related regulations. Many other regulations exist or have been announced that aim to combat forced labour specifically or require companies to conduct human rights due diligence generally. If a company is active in or sources from multiple jurisdictions, it is important to assess the different requirements, understand which of those can be addressed by an integrative human rights due diligence approach and identify potential compliance conflicts that must be navigated.

What are the risk indicators to identify forced labour?

Common circumstances or indicators of forced labour:	Common structural indicators that are relevant to forced labour imposed by a state:
a) **forced recruitment;** b) **deception;** c) **exploitation of debt;** d) **hazardous or degrading working conditions;** e) **onerous working hours or work schedule;** f) **degrading work-related living conditions;** g) **abusive additional obligations;** h) **physical or sexual violence;** i) **abuse of isolation;** j) **restrictions on workers' movements;** k) **retention of cash, assets or identity documents;** l) **withholding of wages;** m) **threats or intimidation; and** n) **abuse of vulnerability.**	a) imprisonment and detention; b) manipulation of custodial conditions; c) financial penalty imposed by the state; d) withdrawal or denial of state services, legal status and social entitlements; e) expropriation or confiscation of property, land, housing or means of production; f) employment sanctions imposed by the state or state enterprises; g) legal prohibition on employment termination; h) surveillance and social monitoring; i) state-induced psychological coercion and ideological pressure; and j) collective and third-party penalties. *Source: Document C(2026)4386*

What are the requirements of the EU-FLR for businesses?

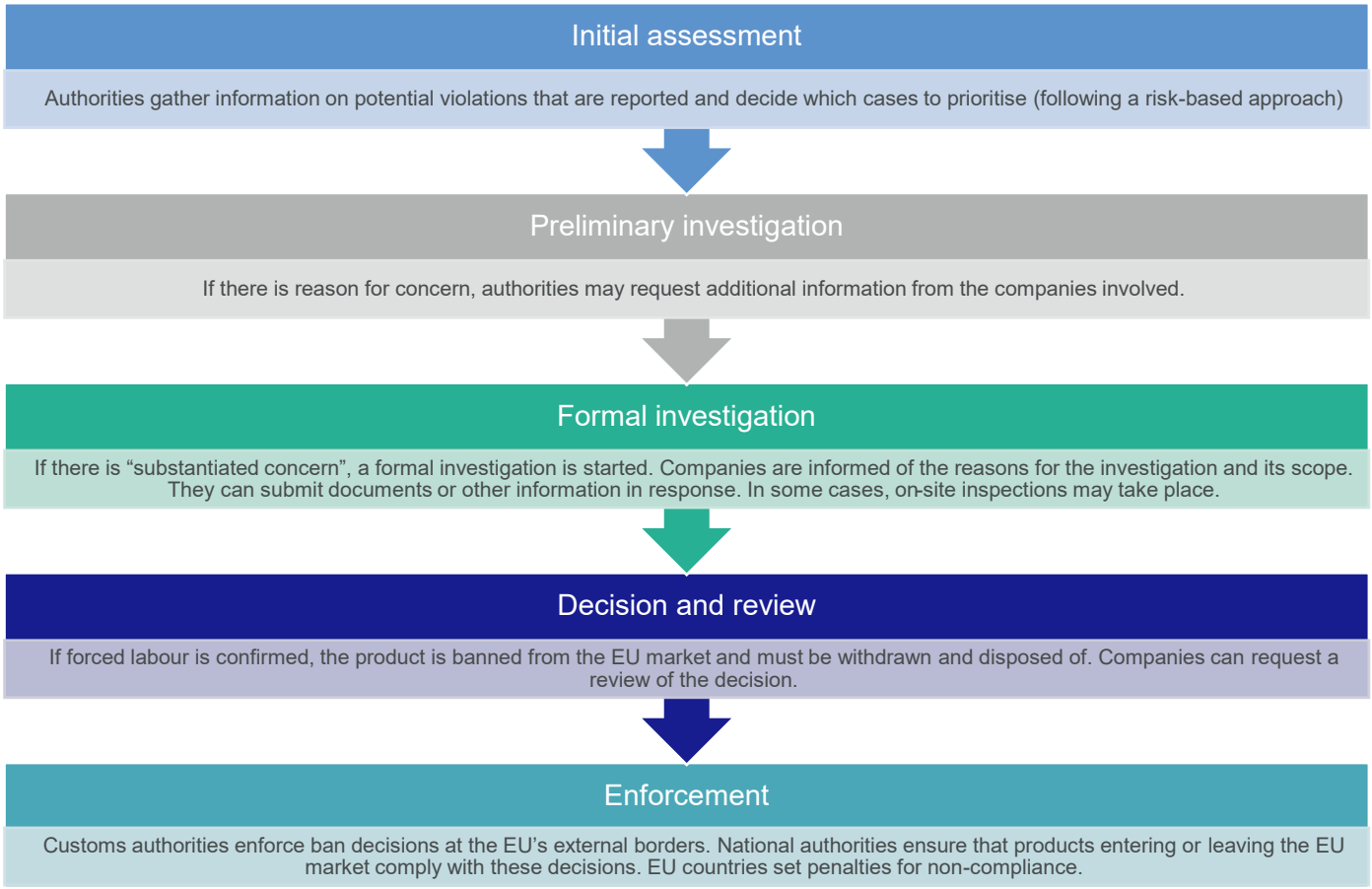
The EU-FLR does not introduce procedural requirements for businesses. Businesses are free to decide how they ensure their products are not produced with forced labour.

Human rights due diligence is a structured way for businesses to identify, prevent, mitigate, bring to an end and/or remediate risks of forced labour. This process enables businesses to collect necessary documentation to evidence that their products have not been produced with forced labour.



How is the EU-FLR enforced?

The investigative and enforcement process follows multiple steps:



At any stage of the investigative process, the lead competent authority, meaning the authority responsible for assessing submissions of information, conducting investigations and taking decisions, is empowered to request information from businesses that make the products under assessment available on the EU market and, where relevant, from product suppliers established outside the EU.

Where the suspected forced labour takes place in the territory of an EU member state, a competent authority of that member state acts as the lead competent authority. Where the suspected forced labour takes place outside the EU, the European Commission acts as the lead competent authority.

What are the criteria authorities will consider?

The following criteria will be considered by authorities to determine the overall risk of violation:

Scale and severity of suspected forced labour

While all instances of forced labour can be considered severe, some situations can be considered particularly severe based on elements such as:

- the number of forced labour indicators that are present
- the difficulty or impossibility of remediating the situation,
- the long duration or recurring nature of the forced labour practices, or
- the systemic nature of the alleged forced labour, such as the involvement of the state itself in imposing, or being complicit in, the forced labour.

Quantity or volume of products

The larger the quantity or volume of affected products placed or made available on the EU market or exported from the EU market, the higher the priority with which the case should be handled, as more EU businesses and consumers are exposed to products at risk of forced labour. Depending on the availability of data, the following aspects need to be considered when assessing the quantity or volume of the affected products: (i) physical quantity or volumes; and (ii) monetary worth or sales volumes.

Share of the product suspected to have been made with forced labour

The greater the share of the part or component suspected of being made with forced labour within the final product and its supply chain, the higher the priority with which the case may be handled. This criterion takes into account the physical, functional or economic significance of the respective part or component in relation to the final product.

What type of information might authorities request from a company[4]?

In the preliminary phase of investigations, following a request for information by the lead competent authority, the company must respond to the request within 30 working days. During a formal investigation, the lead competent authority is to set a deadline between 30 and 60 working days for businesses to provide information. Businesses can request an extension of that deadline with a justification (criteria for the decision to grant an extension include the size and economic resources of the company).

Examples of information on actions to identify, prevent, mitigate, bring to an end, or remediate risks of forced labour in their operations and supply chains in relation to the products

- Policies, codes of conduct, governance documents, management oversight responsibilities
- Training materials for management, employees and suppliers
- Procurement policies, supplier codes of conduct, contract clauses on prohibition of forced labour and supplier onboarding and monitoring
- Sectoral risk-assessments
- Documentation evidencing the establishment of preventive measures
- Documentation evidencing the establishment of a grievance mechanism
- Documentation evidencing participation in multi-stakeholder or industry certification schemes
- Stakeholder and rightsholder engagement and consultation with NGOs, trade unions and communities
- Reports on due diligence efforts undertaken, including those in compliance with applicable national and EU laws
- Corrective action plans and performance evaluations
- Third-party independent audit reports

Examples of information on working conditions at the site of the alleged forced labour, where the products were manufactured or from where they originate

- Worker interview transcripts and written testimonies
- Social audits
- Photos/videos of working conditions and/or dormitories
- Notes of conversations and copies of messages and e-mail correspondence
- List of workers, employee agreements/contracts, payrolls and financial records
- Results of surveys conducted (e.g. by trade unions or workers' representatives on working conditions)

[4] This is a summary of the EU-FLR guidance. The full guidance document is available under the following link: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=PI_COM%3AC%282026%294386

- Remediation information evidencing workers' satisfaction, compensation, corrective and prevention measures.

Examples of information on the products under assessment

- Identification of the product (including traceability evidence, certificates of origin, bills of materials)
- Supply chain structure and actors (description of the supply chain, list of manufacturers, producers and suppliers in key production steps, supply chain maps covering tiers and sub-tiers and showing both direct and indirect suppliers, information on ownership structures and relationships between actors)
- Facility and location information (identification of locations and facilities at key extraction, harvest, production, manufacturing, or mining stage)
- Supporting location evidence when available such as satellite imagery, GPS coordinates or other geolocation data
- Transactional and logistics records (purchase orders, invoices and receipts for all suppliers, packing lists, payment records, supplier and buyer inventory records, shipping and transport documentation, import/export records)
- Production and capacity evidence (production orders, factory production-capacity reports, evidence demonstrating consistency between input volumes and output volumes for the products extracted, harvested, manufactured, produced or mined.

Further examples can be found in the Guidelines[5].

What are the obligations for businesses in the investigative process?

Businesses must cooperate fully in the investigative process. According to the EU-FLR guidelines, this means:

1. engaging constructively in the investigation;
2. providing all the requested information;
3. ensuring that the information provided is accurate, meaningful, relevant and complete; and
4. providing the information by the given deadline.

My business needs to prepare for the EU-FLR. What are my next steps?

Although the EU-FLR does not prescribe a specific due diligence process, businesses will be expected to demonstrate to authorities that they have taken appropriate steps to prevent forced labour risks connected to their products. Businesses that already apply human rights due diligence frameworks, such as the UN Guiding Principles on Business and Human Rights (UNGPs) or the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, will be well positioned to prepare for the regulation.

Practical steps businesses can take now

A structured approach helps businesses not only reduce risks but also efficiently respond to information requests from authorities and business partners. Businesses could take a 4-step approach:

1. Identify

Businesses should identify where forced labour risks may occur in their products and supply chains. The European Commission will publish a non-exhaustive database of forced labour risks which can be utilised by businesses to identify high-risk products and geographies. Existing human rights risk assessments can often be used as a starting point, supplemented with a focus on forced labour indicators, high-risk sourcing regions, vulnerable worker

[5] Document C(2026)4386 – Commission Notice Guidelines on the application of Regulation (EU) 2024/3015 on prohibiting products made with forced labour on the Union market. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=PI_COM%3AC%282026%294386

groups and sector-specific risks. A risk-based approach helps prioritise resources and focus efforts where the likelihood and severity of potential impacts are greatest.

2. Engage

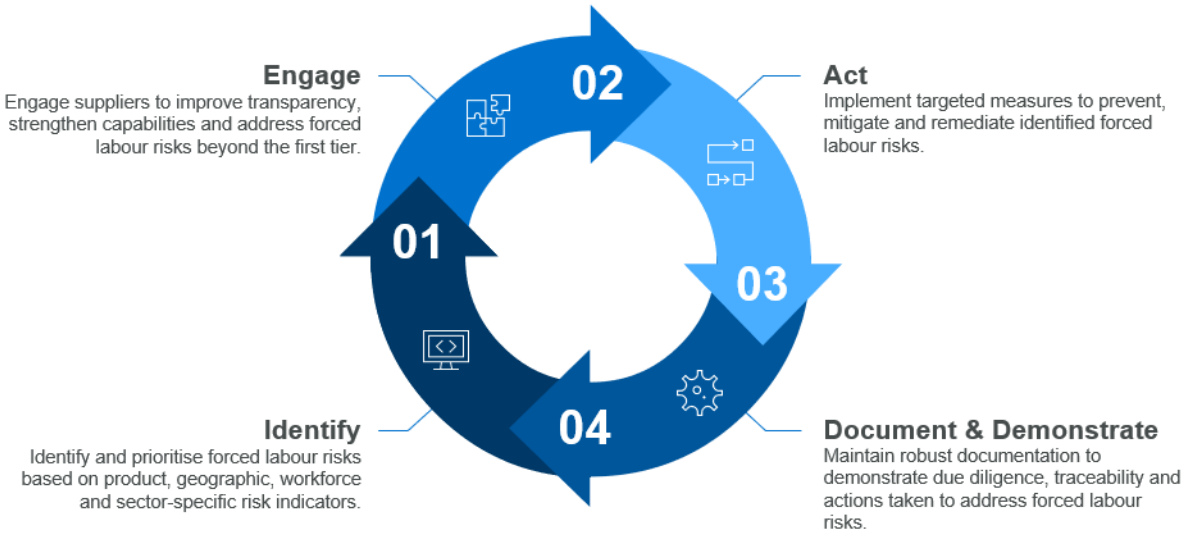
Effective supplier engagement is essential for understanding working conditions and labour practices beyond the first tier of the supply chain. Businesses should communicate clear expectations, strengthen supplier requirements where appropriate and work collaboratively with business partners to improve transparency. Training, awareness-raising and capacity-building initiatives can help suppliers strengthen their own processes and address identified risks.

3. Act

Where risks or concerns are identified, businesses should implement targeted mitigation and remediation measures. Depending on the circumstances, these may include corrective action plans, enhanced monitoring activities, worker grievance mechanisms, supplier improvement programmes or collaboration with industry initiatives and external experts. The objective should be not only to identify risks but also to demonstrate meaningful action to prevent, mitigate or address them.

4. Document & Demonstrate

Authorities may request comprehensive information on due diligence activities, supply chain structures, working conditions and product traceability. Businesses should therefore establish robust processes to systematically collect, maintain and update relevant documentation. This may include risk assessments, supplier information, audit reports, training records, policies, grievance mechanism data, traceability information and evidence of corrective actions. Well-structured documentation not only improves preparedness for potential investigations but also enables businesses to demonstrate that they have taken appropriate steps to identify, prevent and address forced labour risks in their products and supply chains.



Guidelines and tools to support businesses in preparing for the EU-FLR

The following publicly available guidelines provide further suggestions on how to prepare for the EU-FLR.

- **https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/16292-Forced-labour-guidelines-on-the-implementation-of-the-EU-rules_en**
- **https://single-market-economy.ec.europa.eu/single-market/goods/forced-labour-regulation/which-products-and-areas-are-risk-forced-labour_en** (Database still in development at time of publication of this guide)
- **https://single-market-economy.ec.europa.eu/document/download/1c1064b9-9ffe-4e47-93ef-fc2328f59ea8_en?filename=11.%20Guidelines%20for%20companies%20on%20voluntary%20due%20diligence%20on%20forced%20labour.pdf**
- **https://single-market-economy.ec.europa.eu/single-market/goods/forced-labour-regulation/other-useful-resources_en**
- SME Anti-Forced Labour Preparedness Checklist: **https://webgate.ec.europa.eu/circabc-ewpp/d/d/workspace/SpacesStore/fa295c74-a033-40bd-8d1d-706b721859b4/download**

How Forvis Mazars can support you

Our value chain experts at Forvis Mazars can support you with:

- Navigating the complex interaction between legislative requirements on human rights and forced labour across multiple jurisdictions
- Integrating human rights risks into your risk management system
- Understanding how you can meaningfully integrate your due diligence and reporting obligations stemming from different ESG regulations
- Conducting a value chain risk assessment to help you understand your exposure to forced labour risks and to prioritise risks based on severity and likelihood of occurrence
- Setting up systems and processes to collect and update information that might be requested by authorities or your business partners
- Drafting policies or supplier codes of conduct as well as setting up suitable governance structures
- Establishing supplier engagement on forced labour risks
- Set up indicators to measure effectiveness of due diligence process / tailored to forced labour
- Providing training to your management, procurement department and suppliers
- Setting up suitable documentation and providing guidance on what to prioritise

Despite the meticulous care taken in preparing this publication, Forvis Mazars may not be held liable for any errors or omissions it might contain.

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