

EU Forced Labour Regulation

Preparing your business to import, export, distribute or sell products in line with new EU forced labour supply chain regulation.

The EU Forced Labour Regulation prohibits products made with forced labour being sold in the EU or exported from the EU. Recital 15 of the Regulation states: *"It is a matter of public moral concern that products made with forced labour could be available on the Union market or exported to third countries without an effective mechanism to ban or withdraw such products"*.

It applies to **all** businesses involved in the import, export, sale, or distribution of products within or from the EU market regardless of their size or where they are headquartered.

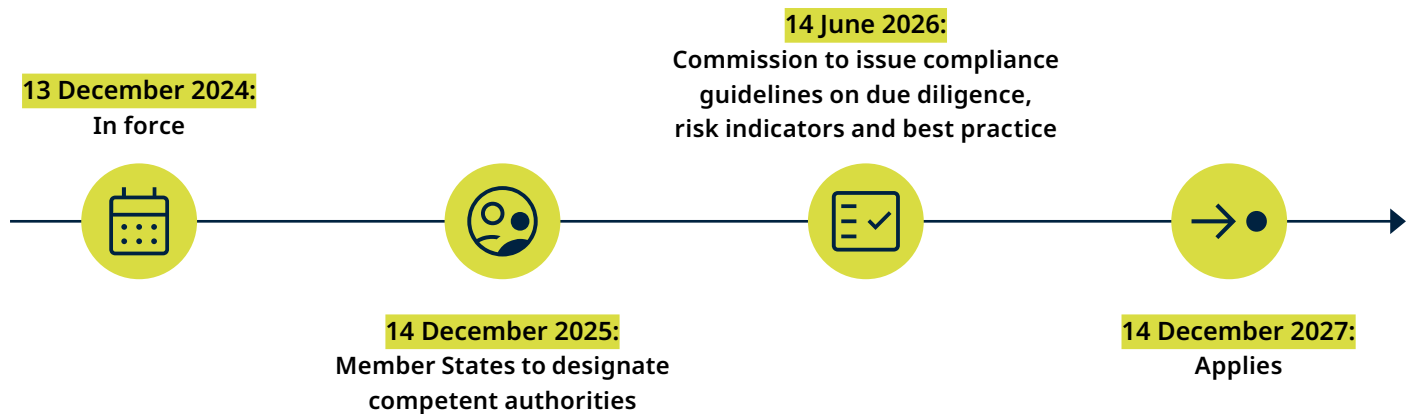
The Regulation applies at **any stage of the supply chain** where forced labour (including child labour) has been used.

Recital 18 states: *"To ensure the effectiveness of this Regulation, the prohibition of products made with forced labour should apply to products for which forced labour has been used at any stage of the production, manufacture, harvest or extraction of those products, including in the working or processing related to such products. The prohibition of products made with forced labour should apply to all products, of any type, including their components, and should apply to products regardless of the sector, the origin, whether they are domestic or imported, or placed or made available on the Union market or exported"*.

What the Regulation covers



Timeline



Key points to consider for businesses in all sectors **now**

Until now, EU law did not empower Member State authorities to directly detain, seize, or order the withdrawal of products based solely on evidence that they were made wholly or partially using forced labour – that changes with the EU Forced Labour Regulation.

Due diligence is no longer optional

If your business is subject to a preliminary investigation by the European Commission or a member state authority, you will be asked to demonstrate what due diligence you have undertaken to prevent forced labour in your supply chain. A response of “none” will leave you without a credible defence.

What should you do now?

The Regulation's long lead-in time is deliberate. It acknowledges the complexity and global reach of modern supply chains and gives businesses time to prepare. Recital 45 sets the benchmark and states: “*Carrying out due diligence in relation to forced labour should contribute to helping the economic operator to be at a lower risk of having forced labour in its operations and supply chains. Appropriate due diligence in accordance with relevant Union law and international standards can help to identify and address forced labour in the supply chain*”.

This is the standard against which your practices will be assessed.

Key enforcement features

- Enforcement will be on a risk-based approach with high-risk sectors to be identified.
- We expect there will be heavy NGO reporting of allegation of forced labour, through the so called “Single Information Submission Point” that will be set up as a conduit for raising concerns.
- Online marketplaces selling products made with forced labour to EU consumers are within scope, even if the seller is outside the EU.

Consequences of non-compliance

If a violation is found to have taken place after investigation, consequences will include:

- Financial penalties
- Seizure of goods at customs and orders to withdraw or dispose of products
- Reputational harm, with banned products listed on the “Forced Labour Single Portal”

You need to prepare now!

How we can help you

DLA Piper's Employment, Litigation, and Regulatory teams are fully equipped to support your organisation across the entire scope of obligations under the EU Forced Labour Regulation.

With a truly global footprint, our specialists, based both across Europe and internationally, bring deep expertise in existing regulatory frameworks, relevant EU and international law, and global standards on human rights and labour practices.

We understand the complexity and impact of the new requirements and offer a flexible, tailored service to meet your specific needs.

Our dedicated EU Forced Labour Regulation team will work closely with you to identify the most relevant areas of support, which may include:

Phase 1: Preparation and compliance before Regulation applies

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| Legal risk assessment and strategic advice | Assessment of the regulatory landscape |
| | Mapping to identify supply chain risk |
| | Advice on enforcement risk in light of mapping |
| Supply chain remediation | Undertake supply chain due diligence – strategy and implementation |
| | Ensure alignment with international standards |
| Policies and contracts | Update supplier contracts |
| | Development of internal policies |
| Training and awareness | Employee and supplier training |
| | Scenario planning |

Phase 2: Ongoing support and risk and reputation management once Regulation in operation

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| Regulatory engagement | Liaison with authorities |
| Regulatory representation and support – Investigation underway | Assistance with appeals and legal defence |
| | Remediation plans |
| Reporting | Advising on reporting standards |
| | Integration with CSRD and CSDDD and related ESG requirements |
| Preparing for dawn raids | Employee and supplier training |
| Case studies and contingency planning | Scenario planning |

For further information please contact Jonathan, Paul, or your usual DLA Piper contact:



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