

# **EU Forced Labour Regulation**

## **LEGISLATION FACTSHEET**

The Council of the European Union <u>reports that</u> "approximately 27.6 million people work in forced labour conditions around the world, in many industries and in every continent. Most forced labour takes place in the private sector, while some is imposed by public authorities".

To investigate and combat instances of forced labour, the EU Forced Labour Regulation (EUFLR) entered formally into force on 13 December 2024. The Regulation bans economic operators from placing or making available (including online and by other means of distance sales) products made with forced labour on the EU market or exporting such products.

## **Objective**

The EU's Forced Labor Regulation (EUFLR) aims to improve the functioning of the internal market and contribute to the fight against forced labour.

Forced labour is defined in line with the definition in the International Labour Organization's Convention No. 29 which is: "all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily."

# Which companies are in scope?

The EUFLR applies to all economic operators, irrespective of size, that are operating within or selling goods to the EU via online platforms, as well as to companies exporting from the EU.

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## Which aspects of the value chain are covered?

The prohibition applies to all products sourced or manufactured by the economic operators described above. This also includes the product's components, regardless of geographic origin or industry. All aspects of the life cycle of the product (and its components) are affected, including any stage of its production, manufacture, harvest or extraction, in whole or in part.

### **Enforcement**

If the competent authority identified by the individual Member States determines a violation of the EUFLR, it shall order:

- a ban on placing or making the products available on the EU market, as well as on exporting them;
- the withdrawal of any affected products already placed or made available on the EU market;
- the investigated business to dispose of the affected products.

Penalties will follow in case of non-compliance and will be determined by individual Member States.

## The Forced Labour Single Portal

The EU Commission will create the Forced Labour Single Portal, which will act as a central hub including, among other things:

- A Forced Labour Database providing provide indicative, non-exhaustive, evidence-based, verifiable and regularly updated information on forced labour risks in specific geographic areas, or with respect to specific products or product groups.
- Guidance for SMEs on compliance and carrying out investigations. This will include risk indicators and ways to engage with authorities.
- Guidelines on due diligence, remediation of forced labour, and responsible disengagement.
- A submission point, for anyone to submit information when products made with forced labour are allegedly being placed and made available on the EU market.

#### What's next?

By the end of 2025, the Member States shall confirm their designated competent authorities to the Commission and other Member States, which will be made publicly available on the Forced Labour Single Portal. The Portal will be available by 14 June 2026. The EU Forced Labour Regulation will become applicable from December 2027.

#### **Further resources**

- <u>European Council information page</u>
- Human rights due diligence at ETI

ETI cannot determine an individual company's legal liability. ETI encourages companies to consult their legal teams, who should have full knowledge of the company's contractual relationships across the value chain and are best placed to determine the applicability of relevant laws to their operations. In navigating human rights due diligence legislation, ETI's advice is to continue to act in line with the UNGPs, the OECD guidelines, and the ETI Base Code.

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