

The Fair Trade Movement's input to the Call for evidence for the Guidelines on the implementation of the EU rules on forced labour

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The Fair Trade Movement's contribution

The Fair Trade movement welcomes the opportunity to contribute to the development of the **Guidelines on the implementation of the EU rules on forced labour**. The Forced Labour Regulation (EUFLR) represents a significant step towards ensuring that products made with forced labour do not enter or remain on the EU market, while also promoting responsible business conduct in global value chains.

Fair Trade organisations work closely with producer organisations, workers, civil society actors, and businesses across a wide range of sectors and geographies. Through certification systems, partnerships with producer networks, and long-standing engagement in human rights due diligence processes, the Fair Trade movement has accumulated practical experience in identifying, preventing, and addressing labour rights risks, including forced labour, in global supply chains.

The forthcoming guidelines will play a crucial role in ensuring that the Regulation is implemented in a predictable, effective, and rights-holder-centred manner. Clear guidance is particularly important to support competent authorities, economic operators, and stakeholders in understanding how evidence should be assessed, how investigations should be conducted, and how remediation should be implemented in practice. At the same time, the guidelines should ensure coherence with existing international standards, including the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

The Fair Trade movement therefore provides the following input, drawing on its experience in responsible supply chain governance, engagement with smallholder producers and workers, and implementation of certification systems and due diligence mechanisms.

What are the main types of evidence that should be considered by the Commission and competent authorities during the investigative process? (Article 11, point (c) FLR.)

The guidelines should provide **a list of potential evidence** that the competent authorities should consider when they are investigating the company and product. At the preliminary stage, companies have already submitted information on their due diligence processes. Authorities also have access to data from the Forced Labour Database, information from petitioners via the Single Information Submission Point, as well as any past decisions and information from other authorities.

During the investigation phase, companies should provide more detailed information on the product, the supply chain actors involved, and the various facilities where the product is manufactured. Relevant documents and evidence may include:

- Supplier contracts, codes of conduct, and audit reports or data.
- Supplier wage records and payment practices, including documentation showing workers' gender, age, or migration status.

In addition to information provided by the economic operator, competent authorities should consult or seek inputs from other stakeholders such as NGOs, local CSOs, and trade unions. Information from interviews, reports, academic studies, or media articles can be used as evidence. Workers' testimonies, photos of work premises and employer-provided housing are particularly valuable.

In all cases where authorities engage with petitioners, their representatives, or workers, the confidentiality and protection of the informants must be ensured.

What are the main types of documentation that economic operators could provide in the preliminary phase of the investigation? (Article 11, point (g) FLR.)

The economic operators should show evidence of how they conduct HREDD in their operations and supply chains in line with the UNGPs and OECD Guidelines. Economic operators could submit:

- **Policies:** their human rights commitment, policies (e.g. on their most salient issues such as forced labour), codes of conducts, supplier codes of conducts where they e.g. explicitly require their suppliers to not apply recruitment fees), also if the company can explain about its purchasing practices (lead times, volume commitments, long term relationships)
- **Risk identification:** For identification of risks a company should demonstrate it has mapped its suppliers across all tiers (including informal settings and homework), submit information about its human rights assessment process/HRIAS and their results.
- **Engagement:** Explanation on how the company has engaged with rightsholders as part of its due diligence process, especially with the most affected stakeholders such as migrant workers, consulted trade unions, and co-operated with local civil society organisations, and e.g. child-rights experts.
- **Grievance mechanisms:** Information about company's grievance mechanisms, grievance data at the company and supplier levels.
- **Action and monitoring:** Action plans that the company has in place and information on how it tracks the impact of its activities. What the company has concretely done to prevent and mitigate FL, especially on **Supplier support:** Any support provided to suppliers, especially SMEs (technical support, financial support, capacity building)
- **Supplier relationship:** Information if the company has suspended business relationships or disengaged and how this has happened.

- **Remediation:** Information on how the company has provided or contributed to remediation (process) and what the remedy outcomes have been, and if the remediation outcome has included both victim centred measures and actions to prevent recurrence of future violations.
- **Participation in voluntary initiatives:** Information whether the company is part of any MSIs or certification scheme /voluntary scheme (VSS). Even if each economic operator is responsible for its own HREDD, VSS can support companies in several DD steps, depending on the scheme.

The Fair Trade movement is composed also by certification schemes, in particular Fairtrade International considers important that **the role of VSS and how it is assessed by the competent authorities and the European Commission** is clearly explained in the guidance, aligned with the work that the Commission is doing with regards fitness criteria for VSS in the CSDDD framework. Certifications don't provide any safe harbour for companies and are no guarantee of zero forced labour violations, but it should be made explicit that robust certification schemes subject to third party audits are relevant, as part of a company HREDD tool box. Standards and auditing are not enough but many VSS also go beyond by tackling the root causes, provide platforms for addressing the violations through projects and programs and enable remediation.

The guidelines should clarify how each type of documentation will be assessed by competent authorities. In particular, they should indicate whether certain due diligence steps – such as risk identification and addressing risks – are considered especially important and therefore require stronger and more detailed documentation from economic operators and weigh more when authorities assess if there is substantiated concern.

Also, the competent authorities can collect information from other than the economic operators, such as “other product suppliers” e.g. manufacturers or smallholder co-operatives. **The guidelines should specify which supply chain actors and how would other product suppliers be engaged in the investigation process and what time frames apply.** Understanding that smaller suppliers such as smallholder producer organisations may not have capacity to engage and at least not quickly, it should be clear, through examples, what kind of information could be asked and how long they have, to answer.

What types of documentation and evidence should stakeholders provide when submitting information on alleged cases of forced labour? (Article 11, point (h) FLR.)

Stakeholders should be able to submit information in a way that is accessible and safe. The guidance and point of submission should be made available in languages beyond the EU official languages to reduce barriers. It should also be possible to submit anonymously if there is a risk of retaliation (with the condition that an email address for follow up is provided).

What are the best practices for conducting forced-labour-related due diligence (including identifying, assessing and preventing the risks of forced labour as well as bringing forced labour to an end) across product groups or economic sectors? (Article 11, points (a), (e) and (f) FLR.)

Risk scoping

It is a best practice when companies incorporate structural income indicators into their risk scoping methodologies. Persistent gaps between actual earnings and established living income or living wage benchmarks are strong indicators of heightened vulnerability to forced labour. Where self-employed workers or smallholders earn below subsistence or living income thresholds, risks such as debt bondage, recruitment-related exploitation, excessive overtime, and dependency on labour intermediaries increase significantly.

Companies should therefore be expected to:

- Integrate living income and living wage benchmarks into their risk mapping;
- Identify product–country–sector combinations where income gaps and known forced labour risks converge;
- Treat income deficits as risk multipliers requiring enhanced due diligence

Scoping should not rely exclusively on country-level risk indices but should consider sector dynamics, migration patterns, recruitment systems, and supply chain structure.

Contractual cascading

Clear expectations should be established regarding contractual cascading. Here, the resources provided by the Responsible Contracting Project serve as guidance on best practices.¹ Companies should be required to include binding contractual clauses that:

- Prohibit forced labour in line with internationally recognised indicators;
- Require elimination of recruitment fees;
- Mandate transparency of employment terms;
- Oblige suppliers to cascade equivalent requirements to their own suppliers

Importantly, as the cited resources by the Responsible Contracting Project note, traditional risk-shifting contracts are not fit for purpose in a trade-ban environment. Clauses that place full responsibility for forced labour on suppliers, combined with automatic termination triggers, incentivise concealment rather than disclosure. This directly undermines HRDD and increases enforcement risk. Contractual cascading should therefore:

- Embed a shared-responsibility approach, requiring both buyer and supplier to conduct and share due diligence;
- Oblige suppliers to impose equivalent human rights clauses on their own suppliers and subcontractors;

- Create structured cooperation mechanisms for identifying, addressing, and eliminating forced labour indicators.

Guidance should explicitly caution against zero-tolerance automatic termination clauses, clauses that impose all trade-ban costs solely on suppliers, and contract structures that treat any forced labour finding as a material breach without cure rights. These constitute worst practices as they undermine HRDD and conflict with responsible disengagement principles under the CSDDD and EUFLR. Instead, cascading should follow best practices, wherein contracts include cure periods where feasible, require cooperation in investigations and preserve termination as a last resort in private-sector forced labour cases.

Contractual clauses alone are insufficient, as is clearly stated as well in the recitals of the CSDDD. Companies should demonstrate that cascading obligations are implemented in practice, including through monitoring, verification, and commercial incentives. Cascading requirements must be supported by commercial practices that enable compliance, and as recognised by the CSDDD, support for business partners who are SMEs. If buyers impose pricing structures, lead times, or payment conditions that undermine suppliers' ability to meet labour standards, cascading clauses risk becoming ineffective or purely defensive tools. Best practices among companies therefore includes assessing whether:

- Contract prices enable compliance with wage and living income benchmarks;
- Lead times are compatible with lawful and decent working hours;
- Volume commitments provide sufficient predictability to reduce vulnerability;
- Payment terms prevent liquidity crises that may push suppliers toward exploitative labour arrangements.

EU guidance should make explicit that effective leverage involves both contractual requirements and supportive measures that enable compliance.

Alignment of purchasing practices

Forced labour risks are often exacerbated by purchasing practices that create economic pressure within supply chains. Existing best practices in identifying forced labour risks therefore involve companies assessing whether their purchasing practices contribute to vulnerability, including through:

- Price pressure inconsistent with living wages or incomes;
- Unpredictable order volumes;
- Short lead times;
- Unstable or short-term contractual arrangements;
- Late payments

Due diligence should extend to a review of commercial terms and pricing models. Zeeman and other members of Fair Wear are examples in the garment sector where examining purchasing practices as a risk factor is already taking place.

Responsible disengagement and “staying and investing”

Immediate termination of suppliers in high-risk contexts can increase harm by removing leverage and pushing labour further into informality. EU guidance should therefore clarify that disengagement is a measure of last resort and how this should take place to be in line with the OECD Guidelines and the UNGPs. Before termination, companies should:

- Develop time-bound corrective action plans;
- Support remediation efforts;
- Assess the impact of withdrawal on affected workers;
- Use their leverage to drive structural improvements
- Engage with stakeholders, notably affected rightsholders, on the potential impacts of termination

In cases of state-imposed forced labour, best practices differ and strategies must take into account that using leverage is not possible.

What best practices can be used for remediating forced labour and the harm caused by an economic operator? (Article 11, point (b) FLR.)

The EUFLR emphasises bringing forced labour to an end, eliminating its effects, and providing remedy to affected persons. Remediation must therefore be comprehensive, rights-holder-centred, and proportionate to the economic operator’s involvement.

As emphasised by the Responsible Contracting Project², contracts should prioritise remediation ahead of traditional commercial remedies (suspension, cancellation, termination). This aligns with both the UNGPs and the EUFLR’s emphasis on bringing forced labour to an end and providing remedy. If remediation is not contractually structured in advance, it will be significantly more difficult to obtain access to lower-tier information, require supplier cooperation, and implement corrective action plans. Best practice under the EUFLR therefore requires that contracts:

1. Explicitly define remediation obligations, including elimination of forced labour indicators and rights-holder restoration.
2. Require cooperation in investigations, including access to documents, workers, recruitment intermediaries, and subcontractors.
3. Create enforceable corrective action frameworks, rather than relying on discretionary or ad hoc arrangements.
4. Extend remediation obligations downstream through cascading clauses.

Absent these elements, economic operators may lack the contractual leverage necessary to meet EUFLR expectations during preliminary investigations or post-decision review.

Traditional contracts often include zero-tolerance clauses and automatic termination for breach of human rights commitments. Such clauses create strong incentives for concealment. Suppliers facing immediate termination risks are unlikely to disclose forced labour indicators voluntarily. This

directly conflicts with the EUFLR’s emphasis on elimination and remediation. Best practice requires a remediation-first contractual architecture, structured around the following elements:

1. Right to cure (time-bound, tied to a formal corrective action plan, and with verification mechanisms)
2. Corrective Action Plan Framework (which allocates clear responsibilities and includes specific steps for remediation)
3. Allocation of remediation responsibility (whereby contracts distinguish on who caused/jointly caused the forced labour)

Further, changing suppliers cannot be treated as a substitute for eliminating forced labour in the product concerned. Best practices include that contracts – and company practice – consider termination a last resort, only after remediation efforts fail or are demonstrably infeasible. Further, a critical best practice under the EUFLR is ensuring that remediation obligations survive contract termination. Contracts should specify that obligations to compensate affected workers, to cooperate in ongoing investigations, to provide access to documentation and to complete agreed corrective measures remain enforceable even after commercial disengagement. Without such “survival clauses”, termination may eliminate the contractual basis for completing remediation, undermining compliance with EUFLR objectives.

In addition to the guidelines, what complementary resources (e.g. FAQs) would be helpful in understanding and complying with the Regulation?

- Some complementary resources which could be helpful in understanding and complying with the Regulation is establishing a helpdesk as a tool to include guidelines, information on bans, a database of risk areas and sectors, as well as publicly available evidence and a whistleblower portal. This can play a key role in keeping stakeholders well informed and equipped to meet the regulation’s requirements, and could include the following resources:
- **Organised Q&A section:** Creating an organised Q&A section, co-created with stakeholders across the supply chain to ensure it addresses their concerns through inclusive and targeted responses. The answers, provided in multiple languages, should be tested for clarity and accuracy. Additionally, the Q&A section must be regularly updated to reflect new questions and emerging challenges.
- **Risk identification support:** The helpdesk should support identifying the risks, which could be done by referencing available tools for mapping supply chain forced labour risks. This helpdesk could also include examples and/or best practices or tools on ensuring origin level traceability
- **Step-by-step investigation guidance:** Operators should have access to detailed documents outlining the steps to take before, during, and after an investigation. This guidance will help businesses prepare effectively for the implementation of the EUFLR. The documents should also clarify the roles and provide contact details of the competent authorities. Additionally, they should include referral advice on existing accompanying measures, which support understanding, capacity-building, and partnership development among stakeholders.

- **Training materials:** The helpdesk should offer training materials, including e-learning modules, webinars, and workshops, to help economic operators build the skills needed to address forced labour risks and to prepare to meet the EUFLR requirements. Providing sector-specific guidelines would be essential also. Templates for submitting evidence and a checklist of the acceptable forms of evidence could be provided through the helpdesk.
- **Sector-specific helpdesk structure:** The helpdesk should be arranged per high-risk sector (including risk heatmaps per sector, displacement routes and migratory flows of workers, for instance), so that more targeted advice tailored to the specific risk is provided. In that, the helpdesk should also feature a map, list, or database of relevant support organisations, including NGOs, trade unions, certification schemes and bodies, etc., focused on combating forced labour. This resource would help businesses connect with experts and build partnerships to enhance compliance efforts. For stakeholders in third countries, the platform should provide materials and resources tailored to address local challenges in meeting the regulation's requirements.
- **Guidance on remediation and grievance mechanisms:** The helpdesk should provide clear guidance on remediation processes and grievance mechanism and responsible disengagement practices, outlining the steps businesses must take to resolve forced labour cases. As well as templates to show steps of escalation and for documenting the steps taken would be helpful tools. By incorporating these resources, it would ensure that businesses not only comply with the EUFLR but also contribute to the long-term resolution of forced labour in their supply chains, supporting workers' rights.
- **Online accessibility portal:** The helpdesk should be established as an online platform accessible through the websites of DG TRADE, DG GROW, and DG INTPA and should be made available in all EU official languages, as well as in other languages relevant (such as Chinese and Arabic).

What kind of training or capacity-building support would be most useful for economic operators to help them comply with the Regulation?

- Mechanisms that address corruption and other barriers to implementation
- Incentives for SMEs to act on forced labour with view to eradicating it, including access to cost-sharing schemes for independent audits, digital traceability tools, and participation in verified group certification models, which can help aggregate compliance capacity for small producers.
- EU delegations supporting partnerships, facilitating dialogue, and developing targeted projects that address the root causes of forced labour. Also raising awareness about the regulation's requirements and connecting impacted communities with relevant partners. They could also take a more active role by de officio monitoring local forced labour practices and reporting challenges, as manifested by national labour inspections. By leveraging their on-the-ground presence and local expertise, they can ensure that the regulation is effectively implemented while promoting sustainable and fair working conditions across global supply chains.

- The Commission and national competent authorities should check the veracity and validity of information provided by investigated economic operator to be cross checked with information coming from potentially affected workers. The guidelines for competent authorities should provide concrete instruction on meaningful engagement with stakeholders, explicitly including engagement with affected stakeholders, while paying particular attention to the needs, interests and safety of groups in situations of heightened vulnerability.
- Providing access to trainings, education, and social safety nets to address socio-economic vulnerabilities, such as power imbalances prevalent largely in agricultural chains. Small farmers need financial, technical, and in-kind support so that they do not have to bear the burden of these long-term plans and ongoing efforts alone.
- Poverty alleviation programs that promote sustainable livelihoods, education, and social safety nets to reduce vulnerability to exploitation.
- Team Europe Initiatives could support the development of the helpdesk given TEI's expertise in providing tools, guidance, and resources to public and private actors in strengthening global value chains.
- Each economic actor, including farm groups, should be supported to develop their own due diligence management systems, so that they can be proactive in preventing, mitigating and remediation forced labour risks. This can be supported by providing training and resources to businesses, especially SMEs on how to integrate human rights and labour standards into their operations. Governments can facilitate this through the creation of accessible guidelines and tools to conduct risk assessments and report progress of operators.
- Accompanying measures such as co-investments, grants, capacity-building initiatives, and training programs which focus on empowering workers to organise, demand better conditions, and advocate for their rights. Governments, businesses, trade unions and other organisations/committees that represent workers have a shared responsibility to ensure that workers—especially those in high-risk sectors such as agriculture, textiles, and mining—are equipped with the tools, protections, and opportunities they need to challenge exploitative practices.

Further, the **Fair Trade movement, together with allies that include producer networks, has prepared a framework of accompanying measures that could be looked into for effective implementation of EUFLR.** Text available [here](#).

The effective implementation of the EU Forced Labour Regulation will depend not only on strong enforcement but also on clear guidance that promotes meaningful due diligence, responsible business practices, and access to remedy for affected workers.

The guidelines should therefore ensure that investigations are informed by diverse and credible sources of evidence, including information from workers, civil society organisations, and other stakeholders in producing countries. They should also clarify how competent authorities assess companies' due diligence efforts, recognising those robust systems—while not providing safe harbour—can play an important role in identifying risks, preventing violations, and enabling remediation.

In addition, the guidance should promote best practices that address the structural drivers of forced labour in supply chains. This includes responsible purchasing practices, fair contractual arrangements, meaningful stakeholder engagement, and remediation processes that prioritise the rights and needs of affected workers. Complementary tools such as helpdesks, training resources, and targeted capacity-building—particularly for SMEs and producer organisations—will be essential to support effective compliance and ensure that the Regulation contributes to lasting improvements on the ground.

The Fair Trade movement stands ready to continue engaging with the European Commission and other stakeholders in the development and implementation of the guidelines, with the shared objective of eliminating forced labour and strengthening fair, sustainable global value chains.

About the Fair Trade Advocacy Office (FTAO):



The Fair Trade Advocacy Office (FTAO) leads political advocacy for the Fair Trade Movement at the EU level. It has the purpose of promoting justice, equity and sustainable development at the heart of trade structures and practices so that everyone, through their work, can maintain a decent and dignified livelihood and develop their full human potential.

The FTAO is a joint initiative of Fairtrade International, the World Fair Trade Organization, and the World Fair Trade Organization-Europe.

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