

EU Forced Labour Regulation Compliance Guide

A step-by-step guide to
compliance using FRDM

Enforcement begins
December 14, 2027

What this guide does

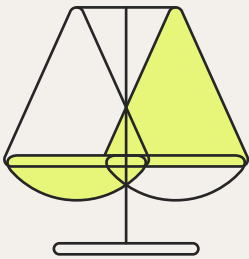
The EU Forced Labour Regulation (FLR) prohibits products made with forced labor from being placed on, made available on, or exported from the EU market.

**Enforcement begins
December 14th, 2027.**

This guide walks compliance teams, procurement leaders, and executives through each required action to achieve compliance, and shows exactly how FRDM handles it.

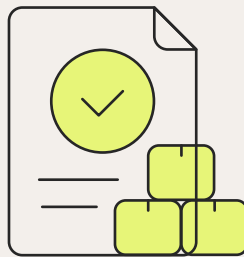
The Regulation imposes an obligation of result. That means authorities don't care about your intent. They care whether forced labor exists in your supply chain. FRDM gives you the evidence to prove it doesn't.

Who this is for



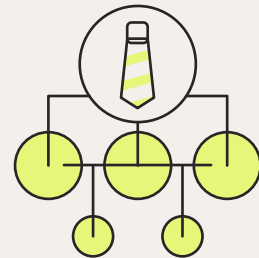
Legal

Understand the investigative process, evidentiary standards, and penalty exposure your company faces.



Procurement

Know which suppliers and sourcing regions create risk and what documentation you need.



Executives

Understand the financial and reputational exposure and what your team needs to be doing now.

Key facts before you begin

The ban covers **all products, all sectors, all company sizes**. No exceptions.

Forced labor at any tier of your supply chain makes your product **noncompliant**.

Investigations can be triggered proactively by authorities. You do not need to be reported.

A ban decision **applies to the product**, not just the named company. **Everyone selling it gets caught**.

Failure to cooperate with an investigation is treated as **evidence of guilt**.

Products found in violation are withdrawn, seized at the border, and disposed of **at your expense**.

Map your supply chain

Know who makes
your products
and where



1. Map your supply chain

Authorities prioritize investigations based on three factors: **the scale and severity of suspected forced labor, the volume of your products on the EU market, and how much of the product is suspected to involve forced labor.**

You cannot defend yourself against an investigation if you don't know your supply chain. Tier 1 visibility is not enough. The guidelines explicitly flag that forced labor commonly occurs at deeper tiers.

What you need

Full supplier list across tiers 1 through 3 at minimum

Country and region of production for each supplier

Product categories linked to each supplier

Identification of which suppliers operate in high-risk geographies or sectors

How FRDM does this for you

Automatically maps your supply chain up to 8 tiers deep without sending questionnaires

Identifies supplier locations, production regions, and commodity linkages

Flags suppliers operating in known high-risk geographies including Xinjiang, forced labor hotspots, and sanctioned regions

Delivers multitier maps on day one using AI-driven supplier intelligence

Identify forced labor risk

Assess where
risk exists across
your supplier
network



1. Identify forced labor risk

Once you know your supply chain, you need to assess it. The guidelines require a two-stage process: a broad scoping exercise to identify where risk is most likely, followed by an in-depth assessment of the highest-risk areas.

For state-imposed forced labor (SIFL), such as forced labor in Xinjiang, traditional audits are explicitly flagged as unreliable. Authorities expect desktop research, expert analysis, and independent data sources.

What you need

Risk assessment by geography, sector, and product category

Identification of SIFL exposure including Xinjiang and state-linked labor programs

Forced labor indicators assessed across your supplier base

Documented evidence that assessment was conducted

How FRDM does this for you

Screens every supplier against 100+ risk data sources continuously with no manual effort

Flags SIFL exposure including Xinjiang Production and Construction Corps (XPCC) linkages

Maps ILO forced labor indicators to specific suppliers and commodities

Generates risk scores by geography, sector, and supply chain tier

No questionnaire required. FRDM does the research so your suppliers don't have to self-report

Document your due diligence

Build the
evidentiary
record authorities
will ask for



3. Document your due diligence

The Regulation does not mandate due diligence. But when investigators come, they will ask for evidence that you identified and addressed risk. Companies with no documentation have no defense.

The guidelines list specific documents investigators will request. Here is what you need to have ready.

What you need

How FRDM does this for you

Supplier codes of conduct with forced labor prohibitions

Centralizes all supplier due diligence documentation in one audit-ready platform

Procurement policies with supplier onboarding and monitoring processes

Tracks corrective actions and remediation steps with timestamps

Corrective action plans for identified risks

Stores certification evidence, audit reports, and compliance attestations by supplier

Third-party audit reports (where applicable and credible)

Generates exportable compliance reports for investigators, auditors, and board reporting

Grievance mechanism documentation

Training materials for staff and suppliers

Maintains a full activity log showing when risks were identified and what actions were taken

Evidence of stakeholder engagement

Establish traceability

Link your
finished products
back to their
origin



4. Establish traceability

Investigators will ask for documentation that links your finished product to its raw material source. The guidelines state explicitly that a complete lack of traceability information where a product may contain high-risk components will weigh negatively in any assessment.

For companies sourcing from SIFL risk regions, traceability is not optional. It is your primary evidence.

What you need

Chain of custody certificates for key commodities

Bills of materials showing component origins

Certificates of origin from production sites

Supply chain maps showing both direct and indirect suppliers

HS or CN codes for products under assessment engagement

How FRDM does this for you

Generates supply chain maps showing both direct and indirect supplier relationships

Links finished products to raw material sources through multitier supplier data

Supports commodity-level traceability for high-risk materials

Produces documentation that meets the evidentiary requirements outlined in the FLR guidelines

Monitor continuously

Risk changes.
Your compliance
program must
keep up.



5. Monitor continuously

A one-time audit is not compliance. The guidelines require ongoing monitoring. Investigations can be triggered at any time by new information reaching competent authorities.

New sanctions, newly identified SIFL programs, supplier ownership changes, and emerging NGO or media reports can all trigger an investigation into your supply chain. You need to know before authorities do.

What you need

How FRDM does this for you

Continuous screening of your supplier base against updated risk data

Monitors your entire supplier network continuously, not just at onboarding

Alerts when new forced labor risks emerge for your suppliers or sourcing regions

Sends real-time alerts when new risk signals emerge for specific suppliers or regions

Regular updates to your risk assessment when sourcing changes

Updates risk scores automatically as new data sources are published

Monitoring of regulatory developments across jurisdictions engagement

Tracks regulatory changes across UFLPA, EU FLR, UK Modern Slavery Act, LkSG, and more in one platform

Respond to & remediate risk

Know what to do
when risk is
confirmed



6. Respond to & remediate risk

When forced labor is confirmed or cannot be ruled out, the Regulation requires action. Depending on the nature and severity of the risk, response options range from corrective action plans and supplier engagement to responsible disengagement.

For SIFL cases, the guidelines acknowledge a hard truth: disengagement may be the only compliant path if you cannot change the situation.

What you need

A documented corrective action process with timelines and responsibilities

Evidence that you exercised leverage with suppliers to address risk

A responsible disengagement policy for irremediable situations

Remediation records if forced labor is confirmed including restitution, rehabilitation, and compensation steps

How FRDM does this for you

Documents corrective action plans with assigned owners and completion tracking

Records supplier engagement history including communications and responses

Flags when responsible disengagement criteria are met based on risk severity and remediation failure

Produces a full remediation audit trail that meets the FLR's evidentiary standard for review and appeal

Prepare for an investigation

If authorities come, be ready



7. Prepare for an investigation

The guidelines are detailed on what investigators will ask for. The preliminary phase alone can require responses within 30 working days. The formal investigation phase allows 30 to 60 working days for document submission.

Companies that are unprepared spend those days scrambling to find documents that should already exist. Companies using FRDM have them ready on day one.

What you need

Products
HS codes, supply chain maps, bills of materials, certificates of origin, traceability records, transaction and logistics documentation

Suppliers
Names, addresses, EORI numbers, ownership structures, roles in the production process

Due diligence
Policies, codes of conduct, audit reports, corrective action plans, grievance mechanism records, training materials

Working conditions
Worker interview transcripts, social audits where credible, payroll records, employee contracts

How FRDM does this for you

Maintains all required documentation in an organized, exportable format

Generates investigation response packages with supplier data, risk evidence, and compliance records

Provides a clear audit trail showing when risks were identified and what steps were taken

Supports legal counsel with structured, timestamped evidence for regulatory submissions

What noncompliance costs

Penalties are not imposed for having forced labor in your supply chain. They are imposed for failing to comply with a ban decision once issued. That distinction matters but it doesn't reduce exposure.

Member States set their own formulas within the EU framework. Two approaches are outlined in the guidelines:

Product based

A percentage of the total value of noncompliant products, scaled by gravity and duration of noncompliance.

High gravity cases can reach 30 to 60 percent of product value.

Turnover based

A percentage of annual global turnover. High severity cases can reach 1 to 4 percent of global revenue.

Aggravating factors that increase the penalty include **prior violations, obstructive conduct, and any financial gain from the noncompliance.**

Key dates

June 26/2026

European Commission published official implementation guidelines

December 4/2026

Member States must notify the Commission of their penalty rules

December 14/2027

Regulation enters into force. Products placed on the EU market from this date are subject to enforcement

July/2029

CSDDD mandatory due diligence obligations begin for large in-scope companies

Get started with FRDM

The companies that will be ready in December 2027 are the ones building their compliance infrastructure now. FRDM compresses the work that would take months of manual effort into days.

Multitier supply chain mapping with no questionnaires

Continuous forced labor risk screening across 100+ data sources

Audit-ready documentation and exportable compliance reports

Coverage across EU FLR, UFLPA, LkSG, UK Modern Slavery Act, and more

Speak with our team about your EUFLR readiness.

Visit frdm.ai to request a demo

frdm.ai | hello@frdm.co

