





Addressing Forced Labor Through HRDD and Responsible Contracts

Phase of Action	Human Rights Due Diligence (HRDD)		Responsible Contracts
<p>Pre-Ban: Before an investigation is launched and a ban is issued</p>	 <p>EU Forced Labor Regulation</p>	 <p>US Tariff Act & Uyghur Forced Labor Prevention Act</p>	<p>Traditional contracts incentivize suppliers to hide problems by making them solely responsible for upholding human rights and environmental (HRE) standards and by prioritizing traditional remedies, such as order cancellations, suspension of payments, and termination.</p> <p>Responsible contracts foster trust and transparency and enable prevention by:</p> <ul style="list-style-type: none"> • Committing the parties to work together to address forced labor risks as they arise; and • Committing the buyer to support the supplier via responsible purchasing practices. <p>Responsible contracts support effective remediation by:</p> <ul style="list-style-type: none"> • Setting out a roadmap for remediation; and • Placing human rights remediation ahead of traditional contract remedies.
	<p>Conducting effective preventive measures as part of HRDD can:</p> <ul style="list-style-type: none"> • Reduce the occurrence of forced labor, thus reducing the risk of enforcement. • Potentially prevent escalation of investigation when forced labor is indicated. • Allow imports to continue. <p>Conducting effective remediation measures as part of HRDD can:</p> <ul style="list-style-type: none"> • Potentially prevent escalation of investigation if forced labor is indicated; and • Allow a company to continue to import even if the goods were found to have been made with forced labor. 	<p>Conducting effective preventive measures as part of HRDD can:</p> <ul style="list-style-type: none"> • Reduce the occurrence of forced labor, thus reducing the risk of enforcement. <p>Conducting effective remediation measures as part of HRDD can:</p> <ul style="list-style-type: none"> • Effective remediation will not impact enforcement, as tainted goods cannot enter the US market, regardless of remediation efforts. However, remediation may help to expedite a ban modification as discussed below. 	
<p>Post-Ban: After a ban has been issued</p>	 <p>Conducting effective remediation to eliminate forced labor indicators and address rights holder grievances can:</p> <ul style="list-style-type: none"> • Lead to the authorization to resume shipping and importing of goods into the EU. 	 <p>Conducting effective remediation to eliminate forced labor indicators and address rights holder grievances can:</p> <ul style="list-style-type: none"> • Expedite the modification or lifting of a WRO with respect to future shipments. (Goods that have been seized because they're made with forced labor are never allowed into the US). 	<ul style="list-style-type: none"> • Same as above.