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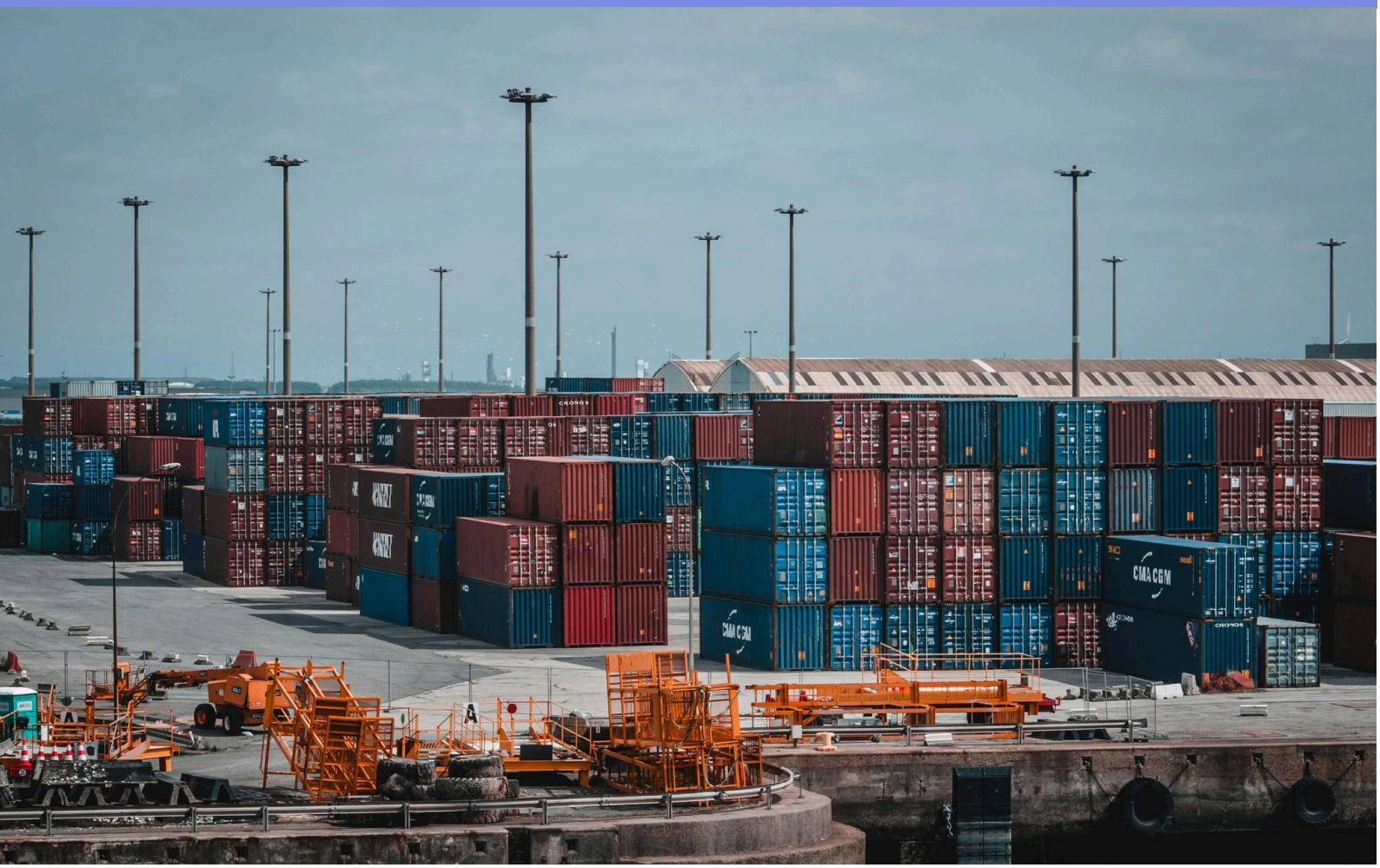
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Impacts of mandatory human rights and environmental due diligence and forced labour trade ban laws on rightsholders

Research Summary

October 2026

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Research by

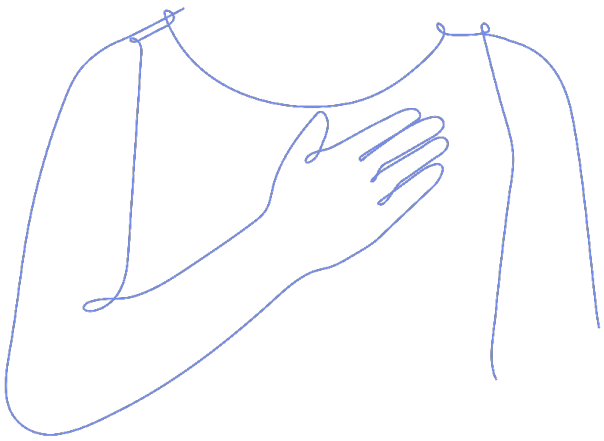
British Institute of International and Comparative Law

This is the summary of the report 'Impacts of mandatory human rights and environmental due diligence and forced labour trade ban laws on rightsholders,' a research project conducted by Dr Sofia Gonzalez de Aguinaga funded by the Modern Slavery and Human Rights Policy and Evidence Centre (PEC) led by the University of Oxford, which is funded by the Arts and Humanities Research Council (AHRC). The full report can be accessed here.

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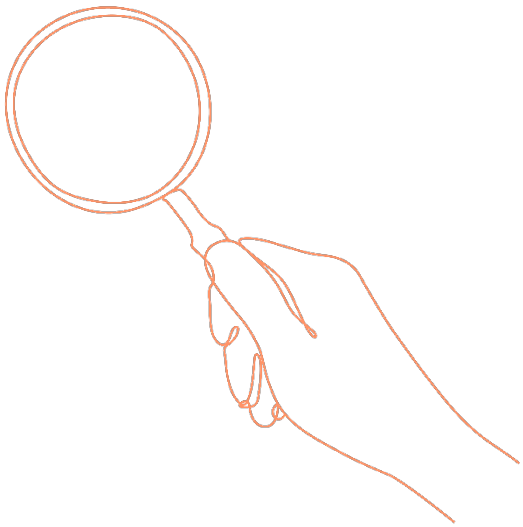
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Overview

This report explores and compares the impacts on rightsholders of mandatory human rights and environmental due diligence and forced labour trade ban laws drawing from desk-based and empirical research.

The research finds that while the evidence remains limited, both types of laws have had different yet complementary impacts. Together they have contributed to a range of remedies for various groups of rightsholders within and outside the countries with these laws, not least because CSOs and trade unions have been leveraging them. However, these impacts fall short of the expectations of people with lived experience, academics, civil society and human rights experts. Remedy remains the exception rather than the rule, and mostly in relation to past harm and to workers who are visible, formally employed and organised or attempting to organise. To increase remedy especially preventative forms, amplify reach across groups of rightsholders especially those most at risk, and prevent potential unintended consequences, both types of laws need to be designed, enforced and implemented together and in collaboration with rightsholders and their representatives.



Background

Countries around the world are increasingly developing mandatory human rights and environmental due diligence (mHREDD) and forced labour trade ban (FLTB) laws. While it is expected that these have positive impacts on rightsholders, there are also concerns about their potential to do so. Because of this and the potential of these regulatory regimes to complement each other, this research explores and compares the impacts on rightsholders of both types of laws.

mHREDD laws and FLTB laws are very different supply chain regulatory measures, including in their aims, design, scope, and enforcement. FLTB laws require an obligation of result, not effort. They prevent goods made with forced labour from entering (and in some cases also exiting) a given market when found or suspected to have been made with forced labour. mHREDD laws are a standard of business conduct based, to varying degrees, on the United Nations Guiding Principles on Business and Human Rights (UNGPs). They impose a duty on companies to undertake human rights due diligence (HRDD) processes to prevent human rights abuses (including but not limited to forced labour and to some extent those related to the environment), and report on their efforts or face legal consequences for non-compliance such as financial penalties or civil liability.

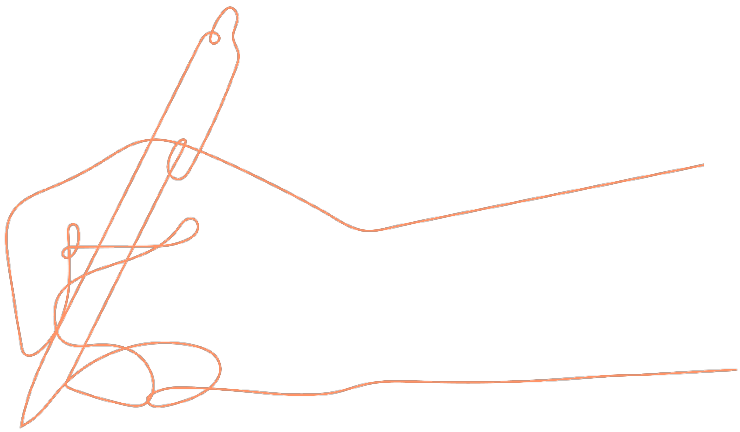
Despite their differences, academics, civil society, and human rights experts expect each of these laws to have positive impacts on rightsholders such as workers, people with lived experience, local communities, and Indigenous Peoples, either preventive (preventing harm or its re-occurrence) or remedial (addressing past harm). mHREDD laws are expected to contribute to achieving human rights and labour outcomes and to support worker-led binding and enforceable agreements. Similarly, FLTB laws, especially those targeting privately imposed forced labour, are expected to provide remedies such as back wages and compensation as well as to prevent further forced labour or re-exploitation including through enforceable brand agreements.

Because of their differences, these regulatory models are also expected to complement each other and work together to deliver positive impacts on rightsholders.

At the same time, there are concerns that both types of laws may have unintended consequences on rightsholders resulting from a reduction of international trade with high-risk countries and job losses linked to companies cutting ties with risky suppliers.

Previous PEC research found that the evidence base on the actual impacts (positive or negative) of these laws on rightsholders was limited and recommended future empirical work that centred on rightsholders. Therefore, this report explores and compares the impacts on rightsholders of mHREDD and FLTB laws. It does so by synthesising and building the evidence base on the effectiveness of these regulatory measures on rightsholders through desk-based and empirical research. In particular, this report draws from interviews and roundtables with multiple stakeholders, including thirty-two interviews with people with lived experience of forced labour and labour exploitation across regions and sectors and focus groups with thirty-four workers in Malaysia at palm oil plantations targeted by FLTB enforcement actions.

By providing evidence of what has worked and what challenges persist in ensuring that mHREDD and FLTB laws work for rightsholders, this report aims to influence a better design, enforcement, implementation and evaluation of laws that aim to tackle forced labour and human rights abuses in global supply chains. The report is valuable to governments and policymakers developing and enforcing mHREDD and FLTB laws and to civil society organisations (CSOs) and trade unions as well as businesses, all of which play a key role in ensuring these laws work for rightsholders.



Methodology

This research adopted a qualitative approach, using a mix of desk-based and empirical research methods and was conducted in collaboration with two lived experience consultants and a regional consultant. Primary and secondary information was analysed following a thematic analysis technique, which triangulated across sources. Only mHREDD and FLTB laws that have been widely implemented were in the scope of this project. Namely, the French Duty of Vigilance law (FDVL), the German Corporate Due Diligence in Supply Chains law (LkSG), Norway's Transparency Act, section 307 of the US Tariff Act of 1930 and the US Uyghur Forced Labour Protection Act (UFLPA).

This research aimed to answer the following questions:

1. What are rightsholders' perceptions and expectations of these laws?
2. What is the evidence regarding actual impacts of mandatory human rights due diligence laws and forced labour trade bans on rightsholders?
3. What factors facilitate or hinder these impacts?

The desk-based element of the research consisted of a rapid evidence review, which included systematic collation, review, and synthesis of publicly available academic and non-academic evidence on the impacts of these implemented laws on rightsholders.

The qualitative empirical data was gathered through interviews, focus groups, and roundtable discussions with multiple stakeholders including thirty-two interviews with people with lived experience across regions and sectors, fifteen interviews with representatives from trade unions and civil society organisations across Europe, UK, US and the Global South, and three interviews with representatives from UK business and investors. A case study was developed focused on SD Guthrie (previously Sime Darby) in Malaysia, which consisted of seven focus groups discussions with thirty-four current workers across two palm oil plantations. The case study report is published separately as a stand-alone report which can be accessed here.

Two roundtable discussions were also conducted to collect additional data and validate preliminary findings. One with twenty-two representatives from CSOs and trade unions across regions, and another with eleven UK business representatives. In addition, validation presentations to discuss preliminary findings were undertaken with, policymakers and with the PEC's Lived Experience Advisory Panel.

Limitations

The report's findings should be read as indicative rather than conclusive considering the project's research caveats. In particular, the findings are based on a limited evidence base of publicly available English language sources and on a small sample of research participants that while represent various stakeholder groups do not cover all rightsholders groups nor do they represent all members of such stakeholder groups. More information on the methodology used and its limitations can be found in the full research report.

Findings

- **mHREDD and FLTB laws have played a key role in the delivery of some remedies to rightsholders, including migrants and non-migrant workers.** However, the impacts have mostly been in relation to workers that are visible, formally employed and organised, or attempting to organise. There is little to no evidence of these laws reaching workers in the informal economy, or of reaching Indigenous Peoples or ethnic minorities. The lack of evidence may be related to the lack of research focused on these groups (in some cases due to access limitations) but also partially to the design of these laws including in relation to their material and value chain scope and their enforcement mechanisms. The lack of evidence of impact on ethnic minorities may also be partially related to the fact that these are generally the target of State-imposed forced labour in authoritarian countries where remedy is not possible to achieve through these laws alone.

- **So far, these impacts have mostly been in the form of remedy for past harm such as reimbursement of recruitment fees or financial compensation for harm rather than preventative forms of remedy.** As a result, remedy has mostly been delivered on a one to-one basis rather than addressing systemic issues and root causes. It is likely that because these laws have been implemented relatively recently, remedies for past harm are easier to observe as they may be easier to implement in the first place and take less time to materialise than preventative ones, but the evidence also suggests that so far, preventative forms of remedy have not been explicitly required by the laws or enforcement authorities.

- **Trade unions and CSOs play a key role by leveraging these laws and working towards preventative forms of remedy for rightsholders such as**

collective bargaining agreements and enforceable brand agreements. Both types of laws are therefore a tool for advocates to facilitate outcomes for rightsholders. However, these actors also depend on the effective enforcement of these laws to use formal and informal mechanisms for leverage and face critical resource and capacity constraints as well as a rapidly shrinking civic space.

- **Rightsholders have largely been excluded from the design, enforcement, monitoring and evaluation of both types of laws.** Workers and people with lived experience interviewed for this study have little knowledge of these laws, partially due to a lack of access to legal information and policy spaces. The existing evidence as well as the interviews also show that when remedy has been delivered it has not been designed in collaboration with those affected. As a result, there is a significant distance and disconnection between the laws and rightsholders' needs and priorities.

- **Most human rights reporting by businesses remains focused on processes with little to no reporting on outcomes of human rights due diligence, including remedies.** This is partially related to the laws' lack of clarity and specificity regarding remediation obligations and outcome-oriented reporting requirements.

- **There is little evidence of negative impacts of these laws on rightsholders.** While trade data-based studies show a decrease in imports from high-risk countries to countries enforcing these laws, without qualitative data from rightsholders and their representatives, it cannot be concluded that these trade impacts negatively affect rightsholders. Interviews with rightsholders, CSOs and trade unions suggest that both types of laws may be associated with different negative unintended consequences on rightsholders. For example, increased surveillance in the workplace, a reduction in recruitment of certain migrant workers, as well as safety issues when using grievance mechanisms. Yet, these seem to be related to inadequate HRDD processes established by companies or poor responses from governments, suggesting these could be prevented and mitigated through an appropriate design and enforcement of these laws, especially through meaningful engagement with rightsholders and their representatives.

- **mHREDD and FLTB laws can complement each other.** The enforcement of both types of laws has contributed to a greater number of instances and range of remediation to a broader scope of rightsholders compared to the enforcement of only one type of law. However, because these two regimes have not been implemented in tandem yet, it remains unclear how they would reinforce each other in practice.

Recommendations

For Governments considering or designing and enforcing mHREDD and/or FLTB laws

1. **Meaningfully engage with rightsholders (or their representatives) when designing, enforcing, monitoring and evaluating mHREDD and FLTB laws:** Both types of laws have generally not been designed in collaboration with rightsholders and there is a significant distance and disconnection between these and rightsholders as illustrated by the lack of awareness and knowledge of these laws from the rightsholders interviewed for this study. To facilitate these engagements, create policy spaces and establish formal mechanisms such as Lived Experience Advisory Groups and rightsholder-led monitoring mechanisms. FLTB laws for example should mandate that enforcement authorities engage with rightsholders (or their representatives) before imposing and lifting a ban to prevent unintended consequences and ensure remedy is sufficient from the rightsholders' perspectives.

2. **Require companies to design and implement remedial measures in collaboration with affected rightsholders and incentivise forward-looking (preventative) forms of remedy under both mHREDD and FLTB laws.** Across both regimes, impacts on rightsholders are mostly in relation to remediating past harm rather than preventing it and when remedy has been delivered it has not included the needs and priorities of those affected. The interviews with rightsholders undertaken for this study show that both types of remedy are important. Rightsholder-centred approaches to remediation should be required by enforcement authorities, not least because they are likely to lead to more forward-looking (preventative remedy). In the case of FLTB laws for example, enforcement authorities should require companies to remediate harm and meaningfully engage with workers in the remediation processes (except in cases of State-imposed forced labour where remediation is not possible).

3. **Require authorities responsible for enforcing mHREDD and FLTB laws as well as businesses falling in scope of mHREDD laws to publicly and regularly report on outcomes for rightsholders resulting from complaint mechanisms and enforcement actions.** There is a lack of transparency from enforcement authorities under both regimes and from businesses on outcomes for rightsholders. Enforcement authorities and businesses should report (in anonymised form as appropriate) on what remedy was provided to rightsholders that submitted complaints to allegation/grievance

mechanisms and how its adequacy was assessed. For this, enforcement authorities as well as businesses should ensure that allegation/grievance mechanisms are open to everyone and establish feedback loops with CSOs, trade unions and rightsholders involved.

4. **Design mHREDD laws that are aligned with the UNGPs and that establish corporate civil liability for damages arising from the failure to prevent human rights adverse impacts.** There is little evidence of remedies to rightsholders from State-based judicial mechanisms under mHREDD laws. Where mHREDD laws establish a civil liability mechanism, high evidentiary thresholds, information asymmetries and challenges in establishing causality remain important barriers to access to justice. Moreover, some rightsholders such as informal workers are excluded from the scope of these laws restricting who can seek remedy. mHREDD laws that cover all internationally recognised human rights, cover all the value chain and that establish strict liability for harms are more likely to result in remedies. Under a failure to prevent model a company will automatically be liable for damages unless it can prove reasonable HRDD processes. What constitutes reasonable should be clarified in guidance. This model is compatible with the UNGPs and has been found legally feasible by the British Institute of International and Comparative Law.[1]

5. **Clarify the interoperability of the two regimes:** People with lived experience and advocates interviewed for this study believe that these two types of laws should work together to address forced labour and labour exploitation as no single law is perceived as capable of doing so on its own. Either through legislation or guidance, clarify how mHREDD laws would interact with FLTB laws, including in cases of State-imposed forced labour, and how enforcement will be coordinated across both regimes including in relation to information sharing. Guidance should also clarify how information on corporate implementation of HRDD processes would be used in the enforcement of FLTB laws.

For Businesses

1. **Build safe and effective grievance mechanisms:** As part of your HRDD obligations, ensure that internal grievance mechanisms comply with the UNGP's effectiveness criteria, including that these are designed in collaboration with rightsholders themselves. Establish feedback loops with those that report grievances and ensure their safeguarding. These mechanisms work as early prevention tools to prevent escalation as well as enablers for remediation.

[1] See standalone case study: https://www.biicl.org/publications/impacts-of-mandatory-human-rights-and-environmental-due-diligence-and-forced-labour-trade-ban-laws-on-rightsholders

2. **Engage meaningfully with rightsholders to deliver both backward-looking and forward-looking remedy:** Make an effective use of resources by not only remediating specific instances of past harm but also putting in place measures that can prevent future harm and increase business resilience. For example, work with suppliers to improve working conditions (including those that address underlying vulnerabilities), ensure workers in your operations and your supply chains have collective bargaining agreements that guarantees them adequate wages, freedom of association and representation from independent trade unions, and use worker-centred models for remediation such as that developed by Electronics Watch.

3. **Publicly and regularly report on outcomes for rightsholders, including those from grievance mechanisms:** Track and publicly report on the remedy outcomes of your HRDD processes, including grievance mechanisms, and their adequacy from the rightsholders perspectives. Consider developing a Theory of Change to connect your HRDD processes to outcomes. A Theory of Change follows an "if/then" logic that outlines the causal pathway through which inputs and activities are expected to translate into outcomes for people. Ensure your reports include both, processes and outcomes.

4. **Engage in good faith with trade unions and CSOs:** To address issues proactively before they escalate to legal enforcement actions, engage in dialogue and negotiation processes with trade unions and CSOs. Where possible, do so in collaboration with relevant business partners in your value chain as appropriate.

5. **Collaborate with competitors to address systemic risks:** To address systemic risks in your industry, work in pre-competitive collaboration with competitors to develop and implement collaborative sector-wide solutions, including remedies.

For Civil Society Organisations and Trade Unions

1. **Continue raising rightsholders' awareness of these laws and advocating with governments for the effective design and enforcement of these laws:** Continue raising awareness of these laws among different groups of rightsholders including those in informal working arrangements, migrant workers and undocumented workers. And continue advocating with governments to design and enforce these laws in collaboration with rightsholders.

2. **Provide capacity building to affiliates (for international and national trade union bodies):** Increase awareness and build capacity of local trade unions on these types of laws and how to use them. Look to establish transnational networks of allies and connect local trade unions and CSOs in the Global South with those in the Global North.

3. **Use mHREDD and FLTB laws as a source of leverage**: CSOs and trade unions can use these laws as leverage to achieve outcomes for rightsholders and broader impacts. Follow and build on existing guidance developed by CSOs and trade unions on how to do so.

4. **Participate in confidential research that documents impact:** Participate in confidential research to build the evidence base on the impacts achieved through leveraging these laws, and how these laws are used in practice, including possible interactions in specific cases.

5. **Design new approaches to facilitate protection to migrant workers (for trade unions):** Design systemic approaches to facilitate the organising of migrant workers and informal workers, including local communities, who are under-represented.

For Funders and Donors

1. **Fund qualitative rightsholder-centred research:** Prioritise funding empirical research (including longitudinal studies) that puts rightsholders' voices at the centre to better understand the impact of these laws on rightsholders, especially in relation to less visible and harder to reach rightsholder groups such as informal workers and Indigenous Peoples.

2. **Support trade unions and CSOs:** Channel resources towards building the capacity of trade unions and CSOs to leverage these laws for rightsholders and to build transnational connections (especially between the Global North and the Global South). While their role is key in raising awareness and achieving outcomes for rightsholders, CSOs and trade unions are increasingly facing shortages of funding, partially related to US aid cuts.

3. **Support lived experience leaders and advocates:** Channel resources towards building the capacity of lived experience leaders and advocates to raise awareness of these laws among people with lived experience and how to leverage them in collaboration with trade unions and CSOs.

Areas for Further Research

- Empirical research collecting data directly from Indigenous Peoples, informal workers, and ethnic minorities (and/or their representatives) on the actual and potential impacts of these laws (positive and unintended).
- Empirical research collecting data from trade unions and civil society organisations in the Global South on how these laws can be leveraged across different contexts.
- Research on how business compliance with mHREDD laws can translate into outcomes for rightsholders, including in relation to future-looking (preventative) remedy.
- Research on the interaction of mHREDD laws and FLTB laws within a given jurisdiction that implements both regimes.

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The Centre funds and co-produces high quality research with a focus on policy impact, and brings together academics, policymakers, businesses, civil society and survivors to collaborate on solving this global challenge.

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