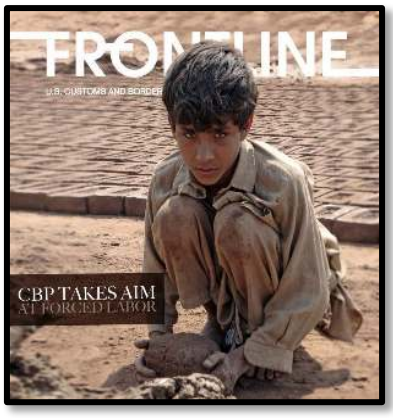
Stopping Forced Labor in the Supply Chain - Updated

Last Updated: July 24, 2026



This Customs Trade Partnership Against Terrorism (CTPAT) Alert addresses some of the U.S. government efforts designed to stop imports into the U.S. that were mined, produced or manufactured wholly or in part by forced labor. It also serves as a reminder that the minimum security criterion on forced labor is now a requirement.

U.S. Customs and Border Protection defines forced labor as all work or service which is exacted from any person under the menace of any penalty for its nonperformance and for which the worker does not offer work or service voluntarily. Indentured labor is defined as work or service performed pursuant to a contract, the enforcement of which can be accomplished by process or penalties. This includes forced or indentured child labor.

Background on Forced Labor – Forced labor persists in the 21st century, driven largely by the complexities of the global economy. It often arises when companies fail to properly vet their suppliers, allowing exploitative labor practices to stay hidden. As a result, forced labor can enter the supply chain at any point – from gathering raw materials to final assembly, often hidden behind many layers of subcontractors.

Over the last few decades, companies have increasingly outsourced production to foreign countries to lower wages and increase profits. This practice is particularly prevalent in sectors involving unspecialized or manual labor – such as harvesting, mining, and fishing – where long and complex supply chains make oversight difficult. As the number of layers of stakeholders, suppliers and distributors increases so do the risks and challenges to a company's ability to manage and monitor its supply chain.

A critical component of this outsourcing strategy involves the recruitment of migrant labor from vulnerable populations. When industries face labor shortages, they often turn to foreign workers to fill these roles. For example, the Malaysian palm oil industry has historically sourced labor from other countries when local workforces were unavailable, creating environments where forced labor exploitation can thrive.

Furthermore, forced labor is not limited to private sector outsourcing; it is also facilitated by state-sponsored programs. Governments in countries such as China, Turkmenistan and North Korea have been implicated in utilizing state-sponsored forced labor, integrating coerced individuals directly into the production of goods for global trade.

The use of forced labor provides trading partners with an unfair competitive advantage, putting American industry at a disadvantage. CBP levels the playing field for U.S. businesses and workers by investigating and acting upon allegations of forced labor in supply chains, holding bad actors accountable and preventing products made with forced labor from entering the U.S.

Publication Number: 5654-0726

CBP's Enforcement Role and Legal Basis – CBP plays a critical role in the enforcement of forced labor laws, particularly Section 307 of the Tariff Act of 1930 through issuance of Withhold Release Orders and findings. In 2016, the Trade Facilitation and Trade Enforcement Act of 2015 repealed the "consumptive demand" clause contained within the Tariff Act that allowed for the importation of forced-labor-made goods if the goods were not produced in such quantities in the U.S. as to meet the consumptive demands of the country. Repealing this clause removed a significant barrier to full enforcement of the law.

Building upon this authority, CBP also enforces the Countering America's Adversaries Through Sanctions Act of 2017. The act establishes a rebuttable presumption that goods produced wholly or in part by Democratic Peoples' Republic nationals or citizens are prohibited under the Tariff Act of 1930, making them ineligible for entry at any U.S. port.

Most recently, the Uyghur Forced Labor Prevention Act came into effect June 21, 2022, as a response to the Chinese government's systemic use of forced labor against Uyghurs and other ethnic minorities in the Xinjiang Uyghur Autonomous Region. This act creates a rebuttable presumption that all goods, articles, wares, and merchandise mined, produced, or manufactured wholly or in part in the Xinjiang Uyghur Autonomous Region of the People's Republic of China or by entities on the UFLPA Entity List are produced by forced labor and therefore the importation of the goods into the U.S. is prohibited. Even those not importing directly from China may have goods detained if the materials used to produce the imported goods at any point in the supply chain are tied at any level to Xinjiang Uyghur Autonomous Region or the entity list. Companies need to ensure their supply chains do not include such goods.

CBP's Impact

Over the last six years, multiple entities have taken corrective measures to remediate indicators of forced labor due to CBP's aggressive enforcement actions. To account for their unfair trade practices and to be able to import into the U.S., they have paid over $85 million in withheld wages and recruitment fees back to workers. CBP is committed to enforcing against forced labor to level the playing field and protect American businesses.

The Role of the Private Sector in Combating Forced Labor – Governments cannot address the presence of forced labor practices in the supply chain alone. A holistic effort is needed where government partners with the trade and civil society to enhance and improve information collection, prevention, enforcement, and remediation. The enforcement of national laws and international mandates should be aligned with pre-existing government-endorsed initiatives like the Customs Trade Partnership Against Terrorism program.

Companies with responsible supply chain practices not only attempt to protect vulnerable workers, but they also guard against legal, reputational, and financial risks. The more companies proactively engage in responsible supply chain management, the better equipped they will be to respond when a disruption occurs. Those that do not could face financial and legal risks, in addition to the tarnished perception of their brand and image.

Publication Number: 5654-0726

Customs Trade Partnership Against Terrorism Members Forced Labor Requirement – Beginning Jan. 1, 2023, criterion 3.9 changed from a "should" or recommendation to a "must" or mandatory requirement. This criterion applies to CTPAT importers, exporters, and foreign manufacturers. Criterion 3.9 is a Business Partner Category requirement, and it now reads as follows:

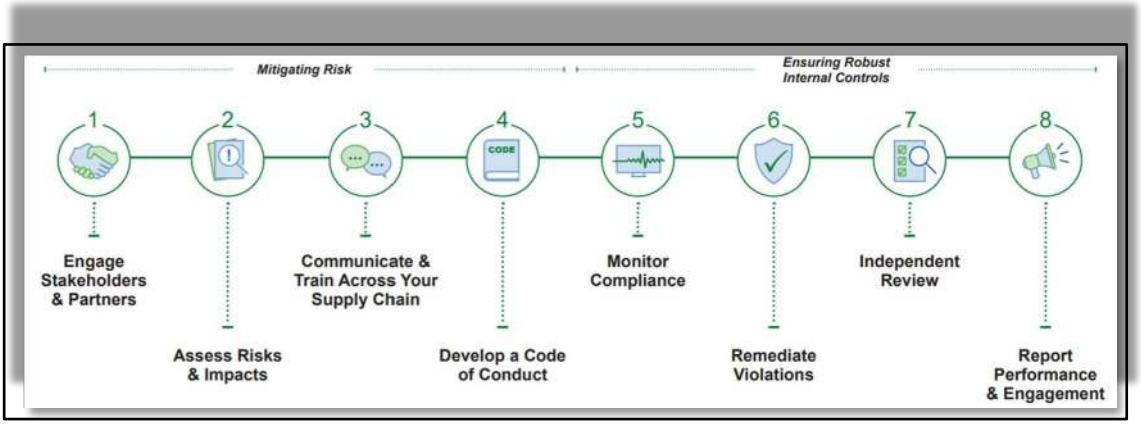
CTPAT Members must have a documented social compliance program in place that, at a minimum, addresses how the company ensures goods imported into the United States were not mined, produced or manufactured, wholly or in part, with prohibited forms of labor, i.e. forced, imprisoned, indentured, or indentured child labor.

What Customs Trade Partnership Against Terrorism Members Need to Do – Customs Trade Partnership Against Terrorism importers, exporters and foreign manufacturers must include the threat of forced labor – an illegal activity under U.S. and international law – into the company's risk assessment methodology. As a trade community member, conducting due diligence to address forced labor is critical – not only for compliance with U.S. forced labor laws, such as the UFLPA, CAATSA, and 19 U.S.C. § 1307 – but also for protecting the integrity and competitiveness of U.S. businesses. This due diligence includes conducting supply-chain audits, verifying supplier practices, maintaining traceability of goods back to the raw material stage, and being prepared to demonstrate that goods were not made, wholly or in part, with forced labor. You can learn more about aforementioned procedures in CBP's new Forced Labor Enforcement Operational Guidance for Importers. This document provides a consolidated overview of the three authorities mentioned above that CBP uses to prevent the importation of goods produced with forced labor into the U.S. in a single, accessible document, and gives users greater transparency across CBP's enforcement landscape.

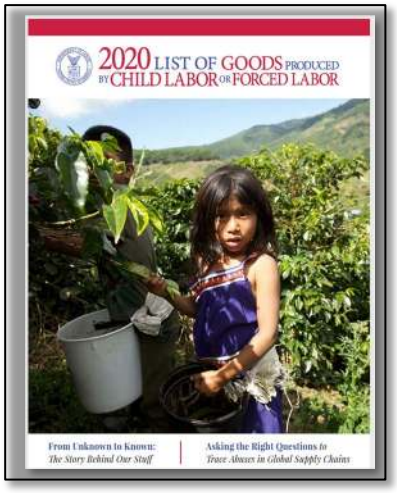
Customs Trade Partnership Against Terrorism importers, exporters and foreign manufacturers must also document how they address this threat through a social compliance program – also referred to as a social responsibility program or responsible sourcing. A social compliance program is a set of policies and practices through which a company seeks to ensure maximum adherence to the elements of its code of conduct that covers social and labor issues. Social compliance refers to how a business addresses its responsibilities in protecting the environment, as well as the health, safety, and rights of its employees, the communities in which they operate, and the lives and communities of workers along their supply chains.

Some of the key elements of a social compliance program are already part of the Customs Trade Partnership Against Terrorism program; they just need to be expanded to include the threat of forced labor. Customs Trade Partnership Against Terrorism members need to be proactive and take steps like the ones outlined below to be able to document in their security profile that they have done their due diligence to mitigate the risk of forced labor in their supply chains. Many of these actions are fully explained by the U.S. Department of Labor's Sourcing Strong.

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1. **Engage Stakeholders and Partners** – By involving your stakeholders, you will gather more ideas and have a broader range of people with whom to vet issues and solutions. Stakeholder involvement allows you to gather a variety of perspectives before you commit to a particular approach. Some examples of stakeholders and partners that you may engage include community and religious leaders, union leaders, and nongovernmental organizations. The ILO's Global Business Network on Forced Labor (GBNFL), for example, brings together businesses of all sizes to eradicate forced labor. Operating across all sectors, members work to engage smaller enterprises, develop actionable resources and tools, and devise local solutions.
   CBP is working with our **partners** to combat forced labor, **share best practices** and build a "whole of society" approach to protect American industry. This includes collaboration with **trade associations, nongovernmental organizations, U.S. federal agencies and foreign governments** to globally combat forced labor through case initiation and investigations as well as develop an effective response to forced labor.



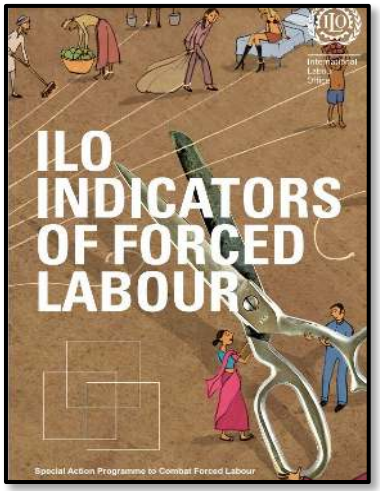
2. **Assess Risks and Impacts** – Identify and document the risk of forced labor use in your supply chain to your current CTPAT risk assessment process and develop strategies to mitigate that risk. Leverage industry associations, U.S. government, nongovernmental organizations and international resources that have robust tools and guidelines to assist in the due diligence process.

   The company's risk assessment process should also identify the potentially adverse impacts the company may face as a result of being involved, directly or indirectly, in forced labor practices.

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These are some of the key steps a company needs to take in completing this risk-based approach:

- Have full visibility into your supply chains. Delve into how the company's goods are produced, by whom, and under what labor conditions, from obtaining raw materials to the finished goods.
- By doing this, the company will be able to collect enough information to identify any possible red flags.
- Use reliable and credible resources to determine the level of risk in your supply chains in terms of forced labor. The resources you use must include:



a. The International Labor Organization's Indicators of Forced Labor – Review the ILO's Indicators of Forced Labor to better understand what indicators to look for in determining risk. These 11 indicators represent the most common signs or "clues" that point to the possible existence of a forced labor case.

b. The U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor – The Department of Labor's Bureau of International Labor Affairs maintains a list of goods and their source countries, which it has reason to believe are produced by child labor or forced labor in violation of international standards. As of September 2024, the list comprises 204 goods from 82 countries.

c. ImportWatch: Identify Reputational Risks in Global Supply Chains | U.S. Department of Labor This innovative tool integrates existing reporting developed by the ILAB with U.S. import trade data, including Harmonized Tariff Schedule codes. ImportWatch's search feature enables users to select a specific country, good, type of labor exploitation and year from the respective dropdown lists. The default view presents data for all countries, goods and labor exploitations.

d. CBP's Withhold Release Orders and Findings List – CTPAT members must check this list for information on any merchandise that may be subject to exclusion and/or seizure. This resource lists, by country, the type of merchandise under the withhold release order or findings - video games, tomatoes, etc. - and the entities subject to that order or finding. Forced labor is most often found in Southeast Asia, China and Central Africa so the more deeply a company is deployed in those regions, the higher the likelihood of forced labor in its supply chains.

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e. CBP's Uyghur Forced Labor Prevention Act (UFLPA) Enforcement Statistics Dashboard
The Uyghur Forced Labor Prevention Act Enforcement Statistics Dashboard provides insights into enforcement actions under the act. It includes data on the number and value of shipments stopped or subject to review, as well as the industries and countries most affected. The dashboard is fully interactive, allowing users to filter data and view metrics based on their selections. It is accessible from CBP's Forced Labor webpage and on the CBP Public Data Portal.

f. Strategy to Prevent the Importation of Goods Mined, Produced, or Manufactured with Forced Labor in the People's Republic of China – This strategy was developed by the Forced Labor Enforcement Task Force, and it incorporates input from various public and private sector stakeholders and takes into account public comments received through the task force's Federal Register request for information and the UFLPA public hearing.

3. **Engage in Robust Communication** – CTPAT Members must have clear policies in place that prohibit all forms of forced labor. Moreover, its leaders need to emphasize the importance of the company's opposition to all forms of forced labor so that everyone understands the company's position and expectations. This message from the top of the organization needs to be consistent and should be communicated to its employees, suppliers, and business partners worldwide. This communication may be verbal but should also be documented on the company's website and in any public-facing written communications.

4. **Train Internally and Across your Supply Chain to Ensure Understanding** – Training should focus on identifying and mitigating risks within supply chains. As employees and managers become aware of what forced labor is and how it manifests itself – International Labor Organization's *Indicators of Forced Labor* - they will be able to identify red flags and address them accordingly. Educating suppliers and their workers empowers them to know and exercise their rights. Several NGOs and nonprofit organizations offer training and can provide industry-specific presentations, such as Fair Wear Foundation, Verité, Fair Labor Association, etc.

5. **Require Codes of Conduct from Suppliers** – CTPAT members must have a code of conduct in place per criterion 11.5. They should also require a code of conduct from their suppliers that addresses the need for the supplier to avoid any involvement in any type of forced labor practices – particularly those suppliers in high-risk regions of the world for forced labor or those involved in the production, mining, or manufacturing of goods that have been associated with forced labor in the past.

6. **Allow Confidential Reporting** – Consistent with CTPAT criterion 7.25, companies should set up a mechanism where employees, suppliers and other stakeholders can confidentially report the existence of forced labor and other violations of the company's policies. This mechanism may be a toll-free hotline, a suggestion box, postal address, or an email address. Companies should publish the details of their anonymous reporting mechanisms with assurances that supplier employees can remain anonymous and need not fear retaliation.

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7. **Contractual Obligations** – CTPAT members should also include contractual obligations with their first-tier suppliers in terms of adhering to their codes of conduct, U.S. laws and international mandates against forced labor practices. Contracts should also require the direct supplier to ensure that upstream suppliers implement codes of conduct. Contracts may also require direct suppliers to specify the activities they are implementing as part of their social compliance commitments, such as allowing auditors and verification organizations unrestricted access to production facilities, having grieving mechanisms in place for workers, and providing training to its personnel on the prohibition of forced labor in all company activities.

   Members may also want to amend their contracts with high-risk suppliers to impose large financial penalties if these suppliers fail to disclose their use of suppliers who are found to be involved in forced labor practices.

8. **Monitor Compliance: Targeted Audits and Pro-Active Worker Participation** – Conduct and document oversight by conducting targeted, risk-based audits and personally visiting suppliers. Auditing is one of the most important ways to verify whether the supplier is meeting its obligations according to its code of conduct.

   Questionnaires with targeted questions that require a detailed answer – not just "Yes" or "No" answers – may also be employed in addition to visiting suppliers. It is important to note, however, that those involved in forced labor practices go out of their way to conceal their operations, so a cursory examination or social responsibility audit may not always reveal any wrongdoing. For starters, companies need to be aware of possible vulnerabilities associated with some social responsibility audits, to include the following:

   - Potential for a conflict of interest between the auditors and those commissioning the audits;
   - Exclusion of workers' input;
   - Threats and coercion of workers to lie when interviewed by the auditors or an outside party; and,
   - Possible falsification of audit results.

   Information collected from suppliers or via audits should not be taken at face value. Audits should therefore not be the only approach in terms of ensuring compliance. Companies should also require that worker participation and engagement be at the core of their strategy to improve adherence to human rights, and they can do this by asking their suppliers to enable their workers to contribute to the development and implementation of policies and decisions that affect them on issues such as grievance mechanisms and the adoption and monitoring of globally accepted human rights standards.

   Companies may use other avenues to monitor compliance beyond the traditional audit process, such as relying on the use of technology, which is playing an increasing role in the ability of companies, NGOs and other groups to capture worker feedback. Many initiatives rely on smart phone technology to administer anonymous surveys that poll workers on their working conditions in factories and fields. See SourcingStrong for examples.

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9. **Remediate Violations –** Auditing uncovers problems; it does not solve them. It is one piece of the larger social compliance system. Remediation includes the actions taken in response to an identified violation, and they should strive to both fix the problem and prevent it from recurring. Remediation actions should be documented. If remediation is not possible, the member should cut ties with the supplier.

10. **Independent Review –** While not a program requirement, it is one that is strongly recommended, particularly for those importers sourcing from areas of the world at high-risk for forced labor. As the Comply Chain makes clear, "… independent third-party verification consists of an assessment of a company's complete social compliance system, to determine whether it is being implemented properly and thoroughly." This verification should be done at least annually for high-risk suppliers.

11. Report Performance – Public reporting on social compliance used to be largely voluntary, although some industry and multi-stakeholder groups required public disclosure of audit findings and other program elements as conditions for membership. Though most reporting is still voluntary, a growing number of consumers, shareholder groups, and NGOs have come to expect companies to share social compliance information with the public and increasing numbers of companies have undertaken sharing such information to demonstrate engagement and leadership in their policies and programs.

If a company discovers or suspects there is still forced labor in its supply chain after the above procedures have been implemented, the company should seriously consider working with a different supplier or business partner. While this might increase the cost of the goods being imported, it will be worth it in the long run. It is better for the CTPAT member to be proactive rather than reactive, avoiding possible damage control after a forced labor violation has been made public.

International Efforts to Combat Forced Labor – The U.S. is not alone in its efforts to root out forced labor. Many European countries, such as Germany, as well as other countries, such as Australia and New Zealand, have passed laws that hold companies accountable for forced labor in their supply chains. The United States-Mexico-Canada Free Trade Agreement introduced formal elements to incentivize companies to improve their labor practices and established the United States-Mexico-Canada Free Trade Agreement Forced Labor Enforcement Task Force to lead U.S. enforcement activities to prohibit import of goods produced by forced labor, under both the trade agreement and the Tariff Act of 1930. Both Canada and Mexico have worked towards strengthening their forced labor laws. Mexico's new forced labor law, for example, condemns the importation of goods made with forced or child labor.

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Additional Forced Labor Resources

- CBP Forced Labor Website – This website provides streamlined resources on forced labor enforcement, laws, compliance and reporting violations. This website includes a list of the active Withhold Release Orders and Findings issued by the agency and links to important resources on forced labor to help the trade community access the information and tools it needs to understand CBP's forced labor enforcement and remain in compliance with forced labor enforcement.

  Forced Labor Operational Guidance for Importers - This document provides a consolidated overview of the three authorities CBP uses to prevent the importation of goods produced with forced labor into the United States in a single, accessible document: Tariff Act of 1930, the Uyghur Forced Labor Prevention Act and the Countering America's Adversaries Through Sanctions Act. Importers are encouraged to review this new guidance and conduct due diligence of their suppliers prior to importation of their goods.

- Everybody's Business: The Xinjiang Goods Entering Global Supply Chains - Report from C4ADS

- Responsible Sourcing Tool – This tool is the result of the collaboration of four institutions committed to fighting human trafficking: the State Department's Office to Monitor and Combat Trafficking in Persons, Verité, Made in a Free World, and the Aspen Institute.

- OECD Guidelines for Multinational Enterprises – These guidelines from the Organization for Economic Cooperation and Development are recommendations addressed by governments to multinational enterprises operating in or from adhering countries, including the U.S. The guidelines provide nonbinding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognized standards. The guidelines are the only code of responsible business conduct that governments have committed to promoting.

- OECD Due Diligence Guidance for Responsible Supply Chain in the Garment and Footwear Sector – The garment and footwear sector is one of the largest consumer goods sectors in the world. Adopted in 2017, these guidelines establish a common understanding of due diligence in the garment and footwear industry.

- OECD-FAO Guidance for Responsible Agricultural Supply Chains – These guidelines from the Food and Agriculture Organization and the Organization for Economic Cooperation and Development are Food and Agriculture Organization's central framework for addressing supply chains, due diligence and development in the agricultural sector. This guidance is relevant to companies upstream and downstream in the agricultural supply chain and lays out responsible business conduct and development from farm to consumer.

- U.S. Department of Commerce – Training on Human Trafficking: Forced Labor Training for Global Supply Chains.

Publication Number: 5654-0726

Publication Number:
CBP.GOV/CTPAT
1300 Pennsylvania Avenue, NW Washington, DC 20229

Publication Number: 5654-0726