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EU Forced Labour Regulation to the Rescue?

Can the EU's Forced Labor Regulation confront the gendered face of forced labor?

The European Union is set to adopt a firm stance against forced labour. With the imminent implementation of the EU Forced Labour Regulation in 2027, companies are preparing to ensure their supply chains are free from forced labour and child labor as well, as defined by the ILO's Convention on Forced Labour of 1930 in Article 2.¹ This regulation aims to address economic incentives that perpetuate forced labour by discouraging companies from engaging in such practices.

According to the International Labor Organization's (ILO) April 2024 report on the economics of forced labour, profits generated from forced labour within global supply chains amount to approximately USD 63.9 billion annually. Forced labour exhibits a pronounced gender dimension, with notable occurrences in industries such as food production, apparel and textiles. Of the ILO's 2022 estimated 17.3 million individuals subjected to forced labour in the private sector globally, women and girls comprise six million.

Looking at a single sector, the ILO estimates that 100 million workers are employed in the sugar industry, and 50 million of them in India. India's sugar industry—its second largest agricultural commodity—is driven and tainted by forced labour, exploitation and severe human rights breaches. Workers are paid EUR 290 – 400 for an entire season and it is estimated that 200,000 children under the age of 14 work in the industry.

But the gendered patterns of labor exploitation are perhaps the most striking. In 2024, a *New York Times* series revealed that "female sugarcane cutters in the western Indian state of Maharashtra were coerced into illegal child marriages to enable them to work alongside their husbands. Indebted to their employers, these women were compelled to return to the fields season after season." The series and the Bombay High Court report that preceded it documented cases in which "women faced pressure to undergo hysterectomies for routine ailments such as menstrual pain, often borrowing money from their employers to cover surgical costs."

Given the severe problems in the sugar industry, it is highly probable that European consumers, among others, have unknowingly consumed sugar produced under these exploitative conditions. Major multinational corporations such as Coca-Cola, PepsiCo, Unilever, and General Mills had received supply chain sustainability certifications from Bonsucro, the sugar industry-backed organization that monitors working conditions. Bonsucro had, it seems, been aware of these serious human rights violations before the revelations of *The New York Times*.

¹ Definition of forced or compulsory labour [from Article 2](#): "[T]he term **forced or compulsory labour** shall mean all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily."

Combatting Forced Labour

With the EU Forced Labour regulation about to come into force, the stakes for these firms, their regulators and workers are climbing. A key question arises: how will the regulation function in practice? Will it help end these abuses?

The introduction of the Forced Labour Ban represents a significant expansion of the EU's enforcement toolkit in its international trade agenda. Since 2019, European trade policy has increasingly prioritized values- and rules-based approaches. While the EU's 2024 Corporate Sustainability Due Diligence Directive (CSDDD) holds companies accountable for unethical business practices, the issue of forced labour necessitated a distinct legislative instrument.

But since their adoption, concerns have been raised regarding the sustainability of the EU's legislative framework. The European Commission has controversially proposed a streamlining ('Omnibus revision') of CSDDD and its companion reporting directive (CSRD). Observers acknowledge that the Omnibus process is designed to weaken the new rules and re-open the legislative text. Now known as 'Omnibus Gate' in Brussels policymaking circles, this precedent could undermine future decision-making in the European Union.

While companies rightly seek clarity, corporate lobbying is exploiting legislative ambiguities in the proposed Omnibus to produce a less stringent set of rules. If this cutting back extends to the EU's commitment to combatting forced abuses, the number of forced labour victims is likely to rise. Given the European Union's status as a defender of human rights, failing to uphold its own legislative commitments would severely damage its credibility at home and deny hope, relief and remedy to hundreds of millions of workers along Europe's global supply chains—many of them in the Global South. Workers, the legislation's designers and many global firms see these policies as ground-breaking. They at last make mandatory and uniform the basic labor and environmental standards that for decades have been subject only to private, voluntary enforcement in the food, fashion and other sectors.

Setting a standard, investigating claims

In 2022, several Members of the European Parliament urged the European Commission to develop a standalone legislative instrument addressing forced labour, independent of the CSDDD. The European Commission ultimately proposed a separate Forced Labour Regulation. The European Parliament underscored the importance of remedy mechanisms to ensure reparations and compensation for victims. These mechanisms remained a focal point of inter-institutional negotiations and the topic of remediation was incorporated—albeit to a limited extent—into the final regulation. The case study of the sugarcane industry in India illustrates the importance of a workers-centered approach in a later stage of the EU forced labour regulation.

The Forced Labour Regulation is a product-based instrument that exclusively targets goods entering the EU single market, whether wholly or partially produced under forced labour conditions. This regulatory framework is particularly relevant in cases such as the Indian sugar industry. Where appropriate, the ban will apply to specific components of products found to be linked to forced labour. For instance, if Maharashtra sugar is identified as being produced under forced labour conditions, products containing this sugar will be prohibited from sale within the EU. But if forced labour is detected in the production of for example a specific car component—such as a wheel—only the affected wheel will be barred from the

market until corrective action is taken. Here the specific component can be separated from the whole product. If forced labour is identified within the EU, the relevant Member State will be responsible for conducting investigations. Conversely, in cases of forced labour occurring outside the EU, the European Commission will assume investigative authority. In the context of the Indian sugar industry, the European Commission will be tasked with leading the investigation.

A fundamental element of the Forced Labour Regulation is the risk database. This database will consolidate information on forced labour risks on geographic areas, product categories and products, and instances of state-imposed forced labour. Additionally, it will document completed investigations and product bans. The database will operate on a risk-based approach, facilitating cooperation between Member States and the European Commission to ensure uniform enforcement. The publicly accessible part of the database will not disclose the names of implicated economic operators or companies. Therefore, a product-specific ban may not damage their reputations at first, but it will directly result in financial losses. This aligns with the regulation's objective of dismantling the economic incentives that sustain forced labour, particularly in industries reliant on inexpensive labour. The Forced Labour Regulation provides an avenue for prohibiting products linked to exploitative labour conditions while encouraging companies to reform their supply chains to eliminate forced labour. Firms will be required either to ensure the ethical production or to source alternative supplies from labour rights-compliant providers.

The investigative framework is built upon high evidentiary standards and fact-based evidence. Investigations may be triggered through various channels, including complaints submitted by individuals, civil society organizations, and other relevant stakeholders.

Forced labour in Indian sugar production

To trigger an investigation in this specific case, the European Commission or the competent authority can be informed by individuals, experts, research organizations and civil society organizations during stakeholder consultations, or journalists who submit their research. Ideally, the publicly available information on this case can serve as the basis for the European Commission to initiate an inquiry and engage with India through mechanisms such as bilateral dialogues. Given that negotiations on a new trade agreement with India are currently underway, this presents momentum to address labor issues in the sugar industry and advocate for higher labor standards and improvements. Human rights violations cannot be ignored during these dialogues. It is worth noting that 6,000 EU companies are based in India and therefore operative. The EU is India's second-largest trading partner — [this trade relationship](#) is worth 120 billion Euros. This creates enormous leverage for the European Union to demand change and improvements in supply chains.

The [investigative reporting](#) conducted by *The New York Times* in collaboration with the Fuller Project has provided substantiated evidence, which should meet the threshold required to initiate an investigation and trigger the preliminary phase. But is also worth noting that the [Bombay High Court directed the state](#) to improve working conditions in the sugarcane industry. According to the Regulation, 'substantiated concern' refers to objective and verifiable information, that leads competent authorities to suspect the involvement of forced labor in the production process.

An order like that of the Bombay High Court is verified and rooted in jurisprudence — the problem cannot be any clearer. During this phase, the company utilizing the implicated sugar will be required to submit relevant information within 30 working days. This includes an opportunity to demonstrate due diligence

efforts and outline any remediation actions undertaken. But in the case of the sugarcane industry — sustainable improvements are lacking. Hence the Bombay High Court order. It is improbable that the companies involved and implicated have already implemented corrective measures, given their delayed participation in the human rights task force established by Bonsucro in response to the *New York Times* and Fuller Project findings. The lack of prompt engagement shows the reluctance of the private regulatory regime to hold member companies accountable and to compensate the affected female workers for violations of their bodily integrity and core labor rights.

Since the relevant Regulation will not be implemented until December 2027, companies still have sufficient time to prepare for compliance. However, failure to take adequate preparatory steps may result in the European Commission initiating an investigation based on the (online) available or submitted information. In cases of non-cooperation or failure to respond, the European Commission or the competent authority may rely solely on ‘any other facts’ to reach a decision.

As part of such an investigation, field inspections may be conducted under exceptional circumstances. The European Commission can file for such request with the authorities in India. This case could warrant such an inspection; however, it is also likely that Indian authorities may be reluctant to cooperate with the European Commission. Article 13 of the Regulation states: “International cooperation with authorities of third countries shall take place in a structured way as part of the existing dialogue structures with third countries or, if necessary, specific ones that will be created on an ad hoc basis.” This provision allows the European Commission and its EU delegation abroad to raise the issue during dialogues with India, particularly within the context of ongoing EU-India trade negotiations. And EU delegations should take upon the task to inform governments about the implications of the EU FLR and create awareness. In the case of non-cooperation the European Commission can solely base its decision on the evidence submitted by their sources — this will lower the evidentiary standards that need to be applied during an investigation under the EU FLR.

The continuation of such an investigation will enable the European Commission to consult additional stakeholders and gather further fact-based evidence. In this particular case, given the extensive reporting on labor conditions in India’s sugar industry, obtaining substantial proof should not pose a significant challenge. If verifiable and substantiated evidence is found, a potential outcome may involve banning the specific product in question. Such a decision would prevent the company, producer, or manufacturer from placing the product on the EU single market until compliance is ensured, meaning the supply chain is free of forced labour. In this case, the sugar would need to be substituted before the product could be reintroduced to the market. The implications of this decision could extend to other products containing the same ingredient—sugar. For instance, if a complaint were filed against a specific Coca-Cola company, the lead competent authority could initiate further investigations into similar products and brands likely using the same sugar source. A single substantiated complaint has the potential to trigger a so-called domino effect, underscoring the importance of proactive cooperation among all companies within the sector or industry to address and resolve the issue effectively.

Using the Cornell GLI Labor Outcomes Metrics

Identifying forced labour in global production requires that companies (and their regulators) conduct thorough risk assessments of their supply chains. Companies should be aware of labor practices and risks in the regions and the sub-sectors in which they produce and source. But the attacks on CSDDD and CSRD

mean that the scope will likely narrow and reporting requirements will loosen, not tighten. How will regulators and lead firms—as well as researchers, campaigners, journalists, investors—know which firms are running the highest risks? How could FLR implementation capture the labor outcomes data that matters most?

The Cornell GLI [Labor Outcomes Metrics](#) divide the measures of impacts on workers into six groups — sourcing, workforce, working conditions, rights and representation, work-climate impacts and intelligence/audit. The metrics track not inputs such as corporate policy or hours spent in training programs but actual impacts on workers. Effective regulation, whether by governments or lead firms, requires uniform, quantitative outcomes metrics comparable across firms and over time.

These outcomes metrics assist in implementation of CSDDD and ease CSRD reporting. They also identify risks of forced labour. In the case of the sugarcane industry in India companies can start to identify possible risks based on the 25 labor outcomes metrics that GLI has developed. For example, outcome metrics for gender pay equity and gender-based harassment and violence can help detect gendered forced labour. Companies will need to measure here the average monthly pay by gender for similar work (and for the same level of tenure) and calculate the ratio of female supervisors to female workers to identify the risk of gender-based harassment.

But gendered forced labour can show itself through other outcomes metrics too: wage theft, excessive hours. Those violations should be standard data in high-quality social audits. Regulators committed to combatting forced labour should require that firms apply and disclose on all 25 outcomes metrics.

If the firms implicated in the reports from the Bombay court and the *New York Times* scrutinized their supply using these outcomes metrics, they would find (or have found) evidence of bad outcomes and significant data gaps—both indicating grave risks of harms to workers.

It is imperative that the EU Forced Labour Regulation be implemented as soon as possible. The date set is December 2027. But this deadline will come up quickly for companies. With the expected publication of the database and guidelines—due in the summer of 2026 — companies will be confronted with the risks of their operations in very soon . Waiting until 2026 to scrutinize the entire supply chain would be a mistake. Given the delay with the implementation of CSDDD—the start of the EU FLR will mark an important shift in the EU’s new mandatory regulation to achieve corporate accountability.

What stakeholders in Brussels should not forget is that the EU FLR does not seem to be on the ‘ballot’ for simplification or even deregulation. Even the most critical and active advocates in the ‘Brussels Bubble’ against mandatory corporate accountability—do not dare to take a public stance against the EU FLR. This would put at risk their reputations as lead firms or lawmakers. Who can seriously argue that acting to win justice and decent work for almost 28 million victims of forced labour should no longer be an EU priority?



"[Sugar Cane Fields](#)" in India by [Jo](#), [CC BY 2.0](#), Flickr