

# **Reference Guidelines for Enterprises on the Prevention of Forced Labor (Abridged)**

To help enterprises and related organizations better understand the core principles of the Ministry of Labor’s “Reference Guidelines for Enterprises on the Prevention of Forced Labor,” the key points of the guidelines are summarized below. For more detailed regulations and practical implementation methods, please reference the full text of the guidelines.

## **(1) Background and Objectives of the Guidelines**

In recent years, international regulation of supply chain related human rights has increased significantly, evolving from moral advocacy into legally enforceable trade restrictions and import control measures. Of these, “forced labor prohibitions” are universally recognized core labor standards and a fundamental right all workers should enjoy.

On February 13, 2026, the Ministry of Labor issued the “Reference Guidelines for Enterprises on the Prevention of Forced Labor” to safeguard the basic dignity of workers, based on the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization’s international labor standards (Conventions No. 29 and No. 105, as well as the 2014 Protocol to the Forced Labour Convention), and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. These guidelines provide a reference to help enterprises establish policies that prohibit forced labor and develop risk management control mechanisms. They also ensure companies that have not yet established labor and human rights policies better understand what constitutes forced labor and build an initial action framework. The guidelines include: The “Eleven Indicators of Forced Labor” and their meaning, a framework for enterprise action plans, self-assessment items and reference documents, summaries of major international codes of conduct, audit standards and procedures, as well as practical case studies and Q&A examples for reference purposes.

## **(2) Indicators of Forced Labor and their Meaning (Concentric Circle Framework)**

To help enterprises identify forced labor risks, the MOL’s guidelines adopt the International Labour Organization’s “Eleven Indicators of Forced Labor” as a basis on which to provide internal risk warnings and assessments. Real world observations indicate that forced labor is not a single act but rather systematic exploitation centered around “debt bondage” that expands outward through such overlapping and reinforcing methods as deception, control, exploitation, and intimidation. As such, these guidelines present the 11 indicators in the form of

“concentric circles” (see figure 1 on the next page), to highlight the relationship between different layers as forced labor expands outwards.

### **1. Core Layer: Debt Bondage**

Of all the indicators, debt bondage is the central indicator. That does not mean outer indicators are less important, rather that debt bondage often leads to many of the other indicators. When workers become trapped in debt due to factors such as excessively high recruitment fees, they become extremely vulnerable, lose bargaining power and may be forced to accept continued exploitation.

### **2. Inner Layer: Key Control Mechanisms**

These represent the initial control mechanism used to push workers into forced labor, primarily through deception and exploitation, including abuse of vulnerability, deception and confiscation of identity documents

### **3. Middle Layer: Derived Exploitation**

Once workers are constrained by debt and inner-layer mechanisms, employers can impose further exploitation and restrictions, so individuals are subject to long-term forced labor. This includes withholding wages, excessive overtime, harsh working and living conditions and restrictions on movement.

### **4. Outer Layer: Enhanced Control Methods**

These refer to social, psychological, and violent methods used by employers to increase the obedience and fear of workers, making it difficult for them to escape exploitation, including isolation, physical and sexual violence, intimidation and threats.

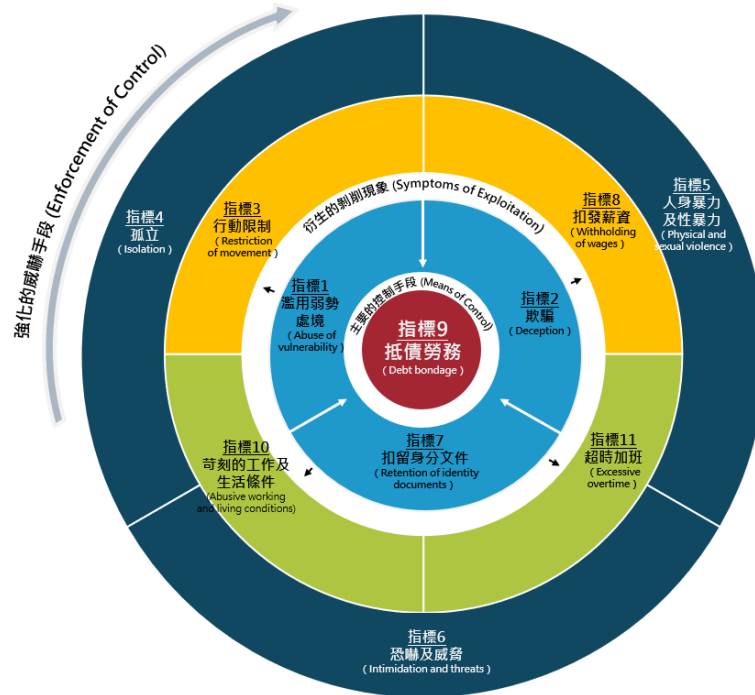


Fig 1. International Labour Organization’s “Eleven Indicators of Forced Labor

Although the concentric circle diagram explains the layers and cause and effect relationship between all 11 indicators, it also details each individual indicator, providing an important basis for enterprises to identify forced labor. While the guidelines indicate that a single indicator is not necessarily the same as forced labor, if multiple indicators exist simultaneously and, after a general assessment, are found to involve coercion, lack of freedom, and informed consent, this strongly suggests a high risk that workers are being subjected to forced labor.

### (3) The Five Major Dimensions of the Enterprise Action Program and Self-Assessment

To ensure enterprises and their supply chains effectively prevent forced labor risks, the guidelines include an “Enterprise Action Program” to help companies gradually implement measures to prevent and prohibit forced labor. The guidelines recommend an incremental phased approach initially focused on the management responsibilities of the company itself and its subsidiaries, while prioritizing the building of internal management capacity. This is progressively extended to high-risk and key suppliers based on level of risk and management capacity, with the prevention of forced labor ultimately implemented across the entire value chain. To effectively help enterprises prevent forced labor the guidelines recommend they conduct prevention actions based on the “five major dimensions” detailed below:

#### 1. Corporate Policy Commitment

Enterprises should draft “human rights policy commitments,” or “forced labor zero-tolerance policies,” that are communicated to employees and external stakeholders.

## **2. Internal Inventory**

Enterprises should regularly review whether there are forced labor risks within the company (including subsidiaries and branch offices). This includes compiling related internal information and related records (work rules, labor contracts, payroll records, complaints). These should be backed up by on-site observations, and anonymous surveys or interviews, to improve assessments and the identification of forced labor risks.

## **3. Response and Improvement Measures**

If forced labor risks are discovered inside an enterprises all improper conduct must be stopped immediately and an internal investigation undertaken. Based on the identified risk level a corrective action plan should be drafted and implementation priorities detailed.

## **4. Identification of Potential Risks and Preventative Measures**

Enterprises should conduct regular forced labor risk assessments and establish preventative measures for potential risk factors. At the same time, employee and management training should be enhanced, with complaint and whistleblower protection mechanisms put in place.

## **5. Supply Chain Management**

Enterprises and subsidiaries should first build implementation capacity to ensure policies and actions banning forced labor are effectively enforced. At the same time, companies are also encouraged to cooperate with industry organizations or third-party resources to improve their ability and that of supply chain partners to identify and respond to forced labor.

To help enterprises conduct an internal inventory, the guidelines not only offer a series of assessment indicators and proposed certified documents, they also provide a “Forced Labor Risk Self-Assessment Form.” This includes “54 inspection items,” “risk-level evaluation,” “recommended additional or corrective measures” and an “assessment of improvement timetables.” Firms should select appropriate documents and methods for assessment based on their own operational model, management system and risk characteristics.

## **(4) International Codes of Conduct and Auditing Standards**

The guidelines provide enterprises with an action plan and preparatory structure to follow. They enable companies to develop a basic understanding of forced labor and develop related internal management mechanisms, but are not

intended to replace formal international standards or the need for third-party audits. Indeed, in recent years, international industry alliances, commercial organizations, and certification bodies have established various codes of conduct and monitoring systems, with companies subject to different standards depending on the industry or supply chain to which they belong. Moreover, as these standards reflect the characteristics and focus of different industries the evaluation mechanisms also diverge.

To help enterprises clarify the above differences and better grasp the focus of related rules, the guidelines highlight four representative international codes of conduct: RBA (Responsible Business Alliance), SA8000 (Social Accountability International Standards), SMETA (Sedex Members Ethical Trade Audits) and FLA (Fair Labor Association). The guidelines highlight applicable industries, key focus areas and audit methods as a reference for enterprises to ensure they are aligned with international supply chain norms.

### **(5) Case Study Analysis and Forced Labor Q&A**

To help enterprises develop an enhanced understanding of forced labor in the real world and the consequences of involvement in such practices, the guidelines compile and adapt domestic and international cases into nine individual categories of forced labor. In each case, an analysis is provided of which forced labor indicators are involved and corresponding legal liability, commercial risks and consequences (including increased risk to brand and supply chain reputation, goods being detained by foreign governments etc.). This serves as a practical reference and reminder to enterprises to review and manage the human rights risks in their supply chains.

In addition, to help enterprises better understand forced labor and the practical application of the guidelines a dedicated Q&A section is included detailing frequently asked forced labor related questions and scope of application. This concise question-and-answer format ensures companies can more quickly understand and adapt related practical knowledge.