



FORCED LABOR RISK IN SUPPLY CHAINS:

Considerations for the Healthcare and Public Health Sector

*Step 1: Embed Strong Anti-Forced Labor Policies
Into Organizational Management Systems*

Joint Forced Labor Working Group Members



ADMINISTRATION FOR
CHILDREN & FAMILIES
Office on Trafficking in Persons



U.S. Department of Homeland
Security Center for Countering
Human Trafficking



Office to Monitor and Combat
Trafficking in Persons
U.S. DEPARTMENT of STATE



U.S. Department
of Transportation



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Background

These considerations are published by the Joint Forced Labor Working Group (JFLWG) of the [Healthcare and Public Health Sector Partnership](#) under the [Critical Infrastructure Partnership Advisory Council](#). The JFLWG is a public-private working group that exists to mitigate the risk of forced labor in healthcare and public health (HPH) supply chains. It is open to private sector partners across the HPH industry and Federal, State, local, Tribal, and territorial government agencies. For more information or to get involved, visit the [JFLWG webpage](#) and the [Mitigating Human Trafficking Risks in the Health Care Supply Chain](#) resource.

Purpose of this Publication

The purpose of this publication is to provide considerations endorsed by leading HPH agencies in both the private and public sectors to help administrators and supply chain and human resources personnel across the industry—including those in government—take steps toward complying with Federal forced labor laws. Specifically, this publication aims to help the industry mitigate the risk that forced labor presents to its supply chains, in both purchased goods and services, by embedding due diligence on forced labor into its management systems.

The Risk of Forced Labor in Healthcare and Public Health Supply Chains

The International Labor Organization estimates that [27.6 million people](#) are in forced labor globally across various industries. The HPH sector is no exception. In Xinjiang, there have been [reports](#) of the Chinese government forcing members of persecuted groups to produce medical devices, personal protective equipment (PPE), and raw material inputs for other HPH products.

Forced labor wherever it occurs globally puts supply chains at risk of disruption and companies, including those based in the United States, at risk of legal, financial, and reputational harm.

The [Tariff Act of 1930](#) prohibits the import of even essential health products, like PPE, from entering the country if made with forced labor. In 2021, Congress passed the [Uyghur Forced Labor Prevention Act](#) (UFLPA) which created a rebuttable presumption that imports from the Xinjiang Uyghur Autonomous Region of China and entities on the UFLPA Entity List are in violation of the Tariff Act and are prohibited from entry to the United States. Since it went into effect in June 2022, the Federal Government has denied entry, re-exported, or reviewed more than [\\$2 billion](#) in goods tied to forced labor, including shipments of electronics, pharmaceuticals, and health products.

Additionally, the [Victims of Trafficking and Violence Protection Act of 2000](#) (TVPA), as amended by the [National Defense Authorization Act for Fiscal Year 2013](#), prohibits recipients (and subrecipients) of Federal grants or contracts from engaging in trafficking in persons, including forced labor and related conduct. This includes healthcare institutions receiving Federal grants and contracts. Penalties for recipients found to have forced labor in their supply chains can range from termination of the responsible employee or Federal funding to disqualification from future funding and a referral to criminal investigation.

Finally, healthcare and public health organizations can be [criminally](#) and [civilly](#) liable for forced labor in their supply chains under TVPA.

JUST A FEW EXAMPLES OF FORCED LABOR OUTSIDE OF CHINA INCLUDE:

- ▶ Recruitment agencies trafficking migrant workers to make [PPE in Malaysian factories](#)
- ▶ Staffing agencies [trafficking Filipino nurses](#) to work in U.S. hospitals
- ▶ Children in Bolivia and Burma [forced to produce sugarcane](#), which is used to make hand sanitizer

Steps for Implementing a Forced Labor Due Diligence Program

1

Embed strong anti-forced labor policies into organizational management systems

2

Assess forced labor risk

3

Map high-risk supply chains

4

Monitor and measure supplier and/or contractor compliance within those supply chains

5

Remediate forced labor and associated conduct when identified



Embed Strong Anti-Forced Labor Policies Into Organizational Management Systems

This document provides considerations for Step 1: Embed strong anti-forced labor policies into organizational management systems. For information about the other steps for implementing a forced labor due diligence program, visit [Mitigating Human Trafficking Risks in the Health Care Supply Chain](#) and www.acf.hhs.gov/otip/jflwg.

The JFLWG reviewed organizational policies in the health sector and beyond, as well as promising new practices in social compliance and forced labor due diligence to develop the following considerations:

A. Get buy-in from the top

To establish appropriate accountability and communicate the importance of forced labor due diligence, the person or people with the ultimate responsibility for the program must have the requisite authority to ensure compliance at every level of the organization and its high-risk supply chains. How to secure executive leadership support in your organization may depend on the type of entity you work for and the specific authority needed to implement policies, leverage resources, and take appropriate action.

B. Embed due diligence on forced labor into a broader program of environmental, social, and governance (ESG) due diligence

Your organization likely already engages in due diligence to comply with environmental, social, and governance (ESG) requirements and other business priorities. To leverage the structures and political will that support these efforts, forced labor due diligence activities should be integrated into these existing programs rather than implemented in a silo. For example, the staff overseeing the organization's forced labor due diligence activities should be on the same team as (or otherwise coordinate with) staff responsible for other due diligence efforts. Organizational commitments and expectations pertaining to forced labor can be embedded in existing policies, codes of conduct, and contract clauses already a regular part of the organization's onboarding, procurement, and training protocols, rather than standalone documents that must be developed from scratch and could easily be omitted by accident.



C. Develop and adopt policies, codes of conduct, and contract language

Together, organizational policies, codes of conduct, and solicitation and contract language including Requests for Information (RFIs) and Requests for Proposal (RFPs) can make up an initial blueprint for operationalizing a forced labor due diligence program.

- **Policies** lay out the organizational commitments and expectations on forced labor for all employers, suppliers, recruitment agencies, contractors, and clients to see, setting the tone for the organization and a starting point for internal accountability. These policies can also express the intent to hold external vendors accountable and hold them to the same standards as your organization.
- **Codes of conduct** provide concrete guidelines for employees, suppliers, and recruitment agencies to abide by the organizational policy.
- **Contract language** legally binds suppliers, recruitment agencies, and contractors to abide by an organization's policy and code of conduct and establishes consequences for violations.

A database of existing forced labor policies, codes of conduct, and contract language across the health sector is available at [Mitigating Human Trafficking Risks in the Health Care Supply Chain](#). To add yours, contact endtrafficking@acf.hhs.gov.

D. Establish cascading requirements

The policies, codes of conduct, and due diligence expectations your organization has for its employees, contractors, direct order suppliers, and distributors should cascade to all tiers of your organization's supply chain through contract language. Policies and codes of conduct can easily be incorporated into all contracts, along with a requirement that contractors include identical policies and codes of conduct in their subcontracts.

For high-risk supply chains, organizations can also cascade due diligence requirements. For example, the organization can contractually require a first-tier supplier to report certain due diligence metrics (see section F) and require that the first-tier supplier include an identical reporting requirement in its subcontracts. Training requirements can also be cascaded.

If your organization receives federal contracts, Federal Acquisition Regulation (FAR) 22.17 requires you to include [clause 52.222-50](#) in all subcontracts.



FEDERAL CONTRACTORS OR GRANT RECIPIENTS:

If your organization receives Federal contracts or grants, it is likely subject to the forced labor policies and contract language laid out in subparts [22.15](#) and [22.17](#) of the FAR or [2 C.F.R. 175](#), respectively. Even non-Federal funding recipients can use the policies and contract language in these regulations as a blueprint for developing their own. For more information, see [Federal Statutory and Regulatory Framework on Forced Labor in Healthcare and Public Health Supply Chains](#).



WORKING WITH GROUP PURCHASING ORGANIZATIONS AND STAFFING AGENCIES:

If your organization uses group purchasing organizations (GPOs) or staffing agencies—or otherwise outsources aspects of procurement or recruitment—you might consider collaborating with other customers of those same companies to standardize or adopt uniform forced labor policies, codes of conduct, and contract language. Leveraging a greater market share may help secure buy-in from GPOs and staffing agencies and decrease the administrative burden on these companies that would otherwise have to adhere to multiple customers' similar but slightly different due diligence requirements.

E. Designate responsible officials

In high-risk supply chains, your organization should identify—either directly or through cascading (see section D)—a contact at each supplier who is responsible for overseeing implementation of the due diligence requirements for their respective contract or subcontract, including any reporting or training requirements. To the extent your organization conducts audits related to these requirements, identifying a specific person at each supplier would also allow your organization to have a point of contact and obtain cooperation.

F. Set metrics for measuring compliance

Although the considerations in this document do not cover monitoring and measuring compliance (see p. 3), setting metrics, sometimes called benchmarks or key performance indicators (KPIs), should be part of the first step in developing a due diligence program. Setting benchmarks or KPIs at the outset enables metrics to be embedded in contracts for goods or services with high-risk supply chains and establishes the goalposts for monitoring and measuring compliance once the due diligence program is up and running. Your organization can also consider auditing these metrics at certain intervals to ensure the integrity of the relevant supply chains. For sample metrics, see the Responsible Sourcing Tool's [Sample Benchmarks of Good Practice in Recruitment and Employment](#).

G. Regularly review policies

All policies, codes of conduct, and contract language should be regularly reviewed and revised to incorporate evolving best practices and lessons learned. This process should involve a signoff by senior leadership to renew buy-in from the top. The process should also involve input from the workers that the due diligence program is designed to protect and/or organizations representing these workers (e.g., community-based organizations, unions). For more information on worker engagement, see the Responsible Sourcing Tool's [Worker Engagement tool](#).

