



FORCED LABOR RISK IN SUPPLY CHAINS:

Considerations for the Healthcare and Public Health Sector

*Step 2 & 3: Assessing Forced Labor Risk and
Mapping High-Risk Supply Chains*

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



Acknowledgments

*The Joint Forced Labor Working Group would like to thank
CommonSpirit Health and Taylor Goodspeed for their significant
contributions to these considerations.*

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 their supply chains, in both purchased goods and services by assessing risk and mapping high-risk manufacturing supply chains.

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



Assess Forced Labor Risk and Map High-Risk Supply Chains

This document provides considerations for Steps 2 and 3: Assess forced labor risk and map high-risk supply chains. 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 risk assessments and supply chain mapping practices in the health sector and beyond, as well as promising practices in social compliance and forced labor due diligence to develop the following considerations:

A. Assess forced labor risk by product or service, geography, and spend

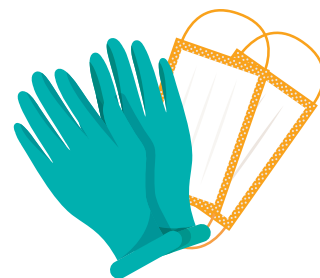
Procurement and human resources personnel at your organization should develop a forced labor risk assessment to help determine high-risk products, contracts, and services. To do this, your organization can use federal resources, including:

- The U.S. Department of Labor [List of Goods Produced by Child or Forced Labor](#)
- The U.S. Department of Labor [List of Products Produced by Indentured or Forced Child Labor](#)
- The U.S. Department of Homeland Security [Withhold Release Orders and Findings List](#)
- The U.S. Department of Homeland Security [Uyghur Forced Labor Prevention Act Entity List](#)
- The U.S. Department of State [Trafficking in Persons Report](#)
- The U.S. Department of State-Supported tool: [Identify Risks in Your Company's Global Supply Chains](#)

For example, at the time of publication, the previously mentioned sources indicate that latex gloves from Malaysia are on the List of Goods Produced by Child or Forced Labor and have been the subject of several

Withhold Release Orders (WROs). The next step would be to identify whether your organization procures latex gloves manufactured in Malaysia. If so, your organization should implement additional due diligence to determine if those suppliers have procedures in place to prevent forced labor in their supply chains, particularly at points of the contract when your organization has leverage (e.g., before renewing the contract or exercising any options to extend the contract).

All high-spend contracts (for both goods and services) should be evaluated for forced labor risk, even if the products or services do not present



an obvious concern. For example, a construction contract to build a new wing of the hospital or a food services contract for the facility's cafeterias should be evaluated for the use of migrant labor, subcontractors, and high-risk products (e.g., brick, cement, fish, rice, cotton). Companies that rely heavily on migrant labor, subcontracting, or high-risk products from high-risk locations should be subject to additional due diligence measures.

B. Embed the forced labor risk assessment in existing due diligence programs

Your organization already has a number of business priorities that factor into procurement decisions (e.g., price, quality, resiliency, sustainability, compliance, social responsibility). When your organization develops a forced labor risk assessment, that assessment should be integrated into existing decision-making frameworks for efficiency. For example, if your organization already uses a certain data provider or platform for assessing other types

A MATURE RISK ASSESSMENT PROCESS WILL CONSIDER AND INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Geographical location of supplier (e.g., historical and current concerns with forced labor, geo-political climate, etc.)
- Potential connections and relationships for each supplier (e.g., sub-tier supply relationships)
- Finished goods, raw materials, products, and services sourced
- Spend with supplier
- Revenue supported by supplier

THE NATURE OF THIS ASSURANCE MAY DIFFER DEPENDING ON THE MATURITY OF THE VENDOR/SUPPLIER'S INTERNAL FORCED LABOR PROGRAM; HOWEVER, EXAMPLES OF ASSURANCES MAY INCLUDE:

- Legal affidavits
- Evidence of supply chain mapping (inclusive of sub-tiers)
- Assurance from third-party audit providers

of risk, the forced labor risk assessment should, ideally, be built into that system. This way, the system flags forced labor risks in the same way it might flag cybersecurity or weather-related risks, without procurement personnel needing to conduct numerous individual assessments. Once a risk has been flagged, vendors and suppliers should be required to provide assurance that their supply chain (and the supply chain supporting your organization) is free of forced labor.

C. Assess forced labor risk at the pre-award phase

Your organization should not only assess the risk of existing contracts but also integrate the forced labor risk assessment into the pre-award process. In this way, your organization can better prevent ever contracting with companies that use forced labor.

For example, if your organization issues an RFI about latex gloves, checking the Department of Labor lists and the lists of WROs and Findings to see if

there are forced labor concerns associated with this product may be appropriate. As of October 2024, rubber gloves from Malaysia are on Department of Labor's List of Goods Produced by Child or Forced Labor and some disposable gloves from Malaysia are subject to a WRO, so the responses to that RFI should be assessed for other risk factors. It is known from WROs that the forced labor concerns relate to latex gloves manufactured in Malaysia. So, when suppliers respond to the RFI, the organization will want to know where their products are manufactured. If a supplier's gloves are manufactured in Malaysia, it does not necessarily mean the organization cannot award the contract to that supplier, but it does indicate the manufacturer's supply chain might be high-risk for forced labor. If that supplier still seems like the best choice, you should do additional due diligence pre-award and during the contract period to determine if the supplier has procedures in place to prevent forced labor in their supply chain. To do this, better-than-average visibility into the supply chain will be required (See sections D and E).

Creating a standard set of questions related to forced labor is a great way to consider this risk in all RFIs the healthcare organization releases.

D. Map high-risk supply chains by verifying data with suppliers rather than relying solely on tech platforms

The first step of mapping a high-risk supply chain is to gather data from the Tier 1 supplier—that is, the supplier with whom the organization has a direct contractual relationship. For hospitals, this is often a group purchasing organization (GPO) or distributor. Know the contact information, location of business, and policies on forced labor. Then survey that supplier on their suppliers' information (i.e., Tier 2 suppliers). Continue this process through the supply chain—all the way to raw materials, if possible. Work with the healthcare organization's legal department or other relevant departments



within the organization to establish contractual obligations for Tier 1 suppliers to provide this information about Tier 2 suppliers, and so on. This language may also be built into the GPO's contract language. To learn more about using contract language to cascade due diligence requirements up the supply chain, see [Consideration D in Embedding Strong Anti-Forced Labor Policies into Organizational Management Systems](#).

Due to the complex, international nature of many health sector supply chains, technology platforms that harness the power of large datasets, artificial intelligence, and data visualization can be useful to assist with the mapping process. Many vendors offer this type of service and have the knowledge and bandwidth to perform these surveys. When selecting a supply chain mapping platform, it is prudent to learn about the quality of a vendor's data, avoiding those that rely exclusively on open-source data, which can be especially inaccurate and/or incomplete. Regardless of where a vendor's data come from, it is important to keep in mind that most tech platforms are a supplement, rather than a substitute for verifying data with suppliers and workers directly.

E. In addition to components of production, map labor recruitment in high-risk supply chains

In addition to products and their components, it is critical to map labor recruitment in high-risk supply chains. At each stage of the supply chain, from raw

materials to manufacturing and distribution, there is a chance that the companies rely on labor recruiters to find workers. The use of labor recruiters increases the risk of forced labor because the recruiters might charge recruitment fees that cause workers to fall into debt bondage or use fraud to attract migrant workers to jobs in foreign countries where they do not feel free to leave. If a supplier has labor recruiters in its supply chain, additional due diligence is needed to ensure worker protections.

F. Join with other purchasers to adopt a standardized risk assessment, thereby leveraging market share and reducing the burden on suppliers

GPOs, distributors, and staffing or recruitment agencies play a major role in many health sector supply chains. End users, like hospitals and other healthcare facilities, may face challenges assessing risk and mapping supply chains beyond the GPO tier. Depending on its size, a single healthcare system may not have the financial leverage to demand GPOs, distributors, or staffing or recruitment agencies be responsive to that healthcare system's specific risk assessment and mapping processes.

To combat this imbalanced market dynamic, end user organizations can join together to develop a common risk assessment, supply chain mapping survey, or both. When a critical mass of customers demand the same standards, there is more incentive for GPOs,

distributors, and staffing or recruitment agencies to expend the resources it takes to be responsive. Moreover, it is less of a burden for them to respond to the same risk assessment and supply chain mapping data collections across all customers than it is to reply to a different set of surveys and demands for each end-user organization.

Some health sector organizations have already joined together to adopt [common risk assessments](#) for certain high-risk products, like latex gloves. For more information visit [Mitigating Human Trafficking Risks in the Health Care Supply Chain](#).

