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Supply Chain Mapping: From ESG Gold Star to National Security Requirement

Anti-forced labor measures are driving a new era of supply chain transparency and risk management

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Under the Uyghur Forced Labor Prevention Act, the importer must rebut the presumption that their imported good was made in whole or in part with forced labor from the Xinjiang Autonomous Region in China. PHOTO: VCG VIA GETTY IMAGES

Surprisingly, it is anti-forced labor measures, where the regulatory landscape, mounting geopolitical pressures, and the expanding corporate responsibilities all converge, driving a new era of supply chain transparency and risk management.

Supply chain mapping has evolved from a component of environmental, social, and corporate-governance compliance into a pivotal tool for managing national security risks.

Like a broken record, trade compliance teams have long sung the old song iterating the importance of traceability and supply chain due diligence. Recently, the tune has shifted.

Granted, supply chain mapping remains a key exercise for companies with global sourcing operations to determine where their raw materials are sourced and what methods are used for the manufacturing of products. However, the underlying motivation for mapping has evolved from environmental, social, and governance incentives (EU regulations like the Corporate Sustainability Due Diligence Directive (CSDDD) and the EU Deforestation Regulation (EUDR) to national security and commercial requirements (Defense Federal Acquisition Regulation Supplement: Prohibition on Certain Procurements From the Xinjiang Uyghur Autonomous Region (DFARS) and Section 232 smelt and cast requirements).

Under the traditional ESG framework, companies often mapped only their immediate (Tier 1) suppliers and relied heavily on self-reported data concerning provenance and labor practices. But with the rise of national security concerns, companies are now expected to trace their supply chains upstream to the raw materials, mines, and refineries, as well as downstream to component manufacturers, particularly for high-risk products like batteries, electronics, and critical minerals.

This shift carries serious consequences. In the ESG era, a failure to map supply chains thoroughly might result in reputational damage, investor divestment, or public backlash. In the current national security era, it could mean detentions, fines, seizure of goods at U.S. ports, or exclusion from federal government contracts. Notably, importers will be scrutinized and held liable for their supply chains and sourcing practices.

Three years on from the UFLPA's enactment

In the case of a Uyghur Forced Labor Prevention Act, know as UFLPA, detention, the importer must rebut the presumption that their imported good was made in whole or in part with forced labor or show that their product is outside of the scope of the UFLPA (not made in the Xinjiang Uyghur Autonomous Region (XUAR) of China).

In the context of Section 232 origin reporting for aluminum and steel goods, importers must report the country of smelt/cast (aluminum) or melt/pour (steel). It is no easy feat to trace metals through their supply chains back to their origin or risk a 200% duty usually reserved for Russian-origin imports.

As a result, companies are racing to upgrade their supply chain mapping programs to meet these new standards. This includes deploying advanced traceability technologies, conducting third-party audits, and hiring geopolitical risk analysts to assess vulnerabilities. In a world where commerce and security are more intertwined than ever, supply chain mapping is no longer an optional ESG exercise. It is a strategic necessity that could determine a company's ability to operate in the global economy.

With this regulatory melody as the backdrop, U.S. Customs and Border Protection, or CBP, serves on the front lines of supply chain mapping enforcement by requiring reasonable care of importers to exercise a degree of diligence and caution that a reasonable person would use in similar circumstances when importing merchandise.

Extended due diligence responsibilities with respect to forced labor

While due diligence efforts related to forced labor have traditionally been focused on import functions, companies often overlook the export-side implications. In the U.S., the UFLPA prohibits the importation of goods made with forced labor, particularly those linked to entities listed on the UFLPA Entity List.

However, forced labor compliance in the U.S. extends well beyond the UFLPA. Additional legal authorities, including the Tariff Act of 1930 and the Trafficking Victims Protection Reauthorization Act also impose obligations. Under the TVPRA, a party can be held liable if it "knowingly benefits" from forced labor or other forms of human trafficking. On a criminal level the TVPRA makes it a federal crime to knowingly provide or obtain labor or services through force, threats, physical restraint, or fraud.

Given this legal framework, due diligence should not be limited to imported merchandise alone. Companies also need to assess their exports and U.S. activities, specifically, who they are selling to and whether their goods or services could be used by entities engaged in or benefiting from forced labor practices. We're starting to see the need to screen customers not only against the UFLPA Entity List but also through broader human rights risk assessments.

Withhold Release Order Guidance from CBP

Up until June 2025, companies did not have a clear barometer for compliance programs to institute pre-emptively to avoid agency action.

On June 2, 2025, CBP issued its first ever [Withhold Release Order \("WRO"\) and Finding Modifications Guide](#). The Guide serves as a road map for importers facing a possible WRO or Finding due to allegations of forced labor in the supply chain of their goods imported into

the U.S. It provides guidance on information to be included in a modification petition, identifies possible cases in which CBP might request additional information, and provides resources for importers facing a WRO or Finding.

The Guide also introduces a “Identify, Correct, and Prevent” framework for the remediation of forced labor claims.

Identify: “Identify” means that an entity subject to a WRO or Finding should conduct a comprehensive review of its supply chains to identify forced labor risks. CBP recommends involving workers to the greatest degree possible in this process, particularly in the form of engagement with independent, worker-led organizations to detect forced labor risks and obtain a better understanding of working conditions.

CBP also recommends that companies familiarize themselves with all 11 of the International Labor Organization (“ILO”) Indicators of Forced Labor to ensure that they can proactively recognize situations which meet some or all of ILO Indicators. Finally, CBP recommends that companies employ an independent auditor certified in social compliance and experienced in identifying the presence of forced labor for an in-person review of their workplace.

Correct: “Correct” means that following a thorough review of workplace standards, entities are recommended to develop a Corrective Action Plan, or CAP, as a structured way to address existing forced labor issues and to prevent such issues in the future. Again, CBP recommends close engagement with workers to inform the development and implementation of the CAP.

The Guide contains a list of possible measures to be taken during the CAP to provide redress to workers whose rights have been violated, including financial compensation, rehabilitation, nonfinancial compensation, improved working and living conditions, and access to a confidential grievance mechanism.

The CAP should include the following:

- All adverse audit findings, including forced labor indicators from the WRO or Finding, and any additional indicators identified in the assessment.
- An analysis of the systemic problems and root causes linked to those indicators.
- List of workers’ responsibilities in each functional area.
- A plan with specific action(s) to remedy the forced labor indicators identified, with timelines for their implementation, and responsible parties for their completion.
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A plan for how each action will be verified and confirmed, including by record review, employee interviews, establishing new mechanisms to detect forced labor in the workplace, or other means.

- **Training for all management on forced labor and new policies, procedures, and expectations of management.**
- **An analysis of supply chain procurement practices, contracts, and pricing pressures to determine whether these factors contributed to forced labor conditions.**

Preventing Recurrence: “Prevent” means that entities subject to a WRO or Finding must address the causes of forced labor in their facilities more broadly. Remedies at this level include strengthening internal controls, ensuring more direct communication with employees and worker representatives, and ensuring that workers can engage with the entity to report grievances and violations in a transparent, accessible, and understandable way.

The Guide provides recommendations to entities regarding the implementation of strategies to prevent the recurrence of forced labor conditions. The Guide focuses in large part on the development and implementation of internal controls across all levels of an organization. The five components of an internal control are:

- **The control environment.**
- **Risk assessments.**
- **Control activities.**
- **Information and communication; and**
- **Monitoring**

CBP recommends that companies continuously update and assess internal controls to ensure their continued applicability to ongoing risks.

Ultimately, the core melody of supply chain mapping remains the same. Consulting firms, auditors, and law firms will have their hands full as they advise multinationals and assist their compliance efforts. CBP is giving companies a clear road map of implementing systems and procedures to be compliant and avoid agency enforcement. Companies are encouraged to take heed of CBP’s guidance and rapidly move to implement a robust anti-forced labor compliance program—failure to do so could be costly.

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