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BEYOND COMPLIANCE:

How to design effective mandatory Human Rights Due Diligence laws

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wikirate INTERNATIONAL

Cover Image:
Hatay, Türkiye, May 2024.

Seasonal farm workers work on a farm in Amik Plain, located on the Syrian border of Türkiye. Türkiye has the highest prevalence of modern slavery in Europe and Central Asia with migrant and seasonal workers particularly vulnerable to exploitation. Photo by MURAT KOCABAS/ Bakr Al-Azzawi/AFP via Getty Images.

Dunkirk, France, March 2025.

Aluminium smelter workers refine raw materials used in industries such as automotive manufacturing and renewable energy, where complex supply chains can mask risks of exploitation. Photo by Nathan Laine/Bloomberg via Getty Images.

EXECUTIVE SUMMARY

As governments move towards mandatory human rights due diligence, understanding what makes these laws effective is critical. This analysis compares three mHRDD frameworks to transparency-only models to identify what truly drives better reporting and outcomes.

These findings indicate that, when suitably designed and enforced, mHRDD laws are the gold standard for advancing corporate accountability, going beyond transparency-only models such as MSAs. The varying quality of the statements assessed under Norwegian, German, and French mHRDD laws demonstrate that effectiveness of such laws depends on how the due diligence obligations are drafted and enforced. The following findings indicate which features of mHRDD laws deliver stronger outcomes and highlight where improvements are required.

METHODS

Between November 2024 and February 2025, Walk Free and Wikirate collected data from corporate disclosures published under mandatory Human Rights Due Diligence (mHRDD) laws in Norway,[1] France,[2] and Germany.[3] These laws were chosen because each requires companies to identify, prevent, and address human rights and environmental risks, albeit with differing scopes, reporting obligations, and enforcement mechanisms. To understand how these differences may affect disclosure quality, statements under the mHRDD laws were compared with those submitted under the UK and Australian Modern Slavery Acts (MSAs), which focus on transparency and do not impose a duty to conduct due diligence.

In total, 99 mHRDD statements and 126 MSA statements were analysed using five core due-diligence metrics aligned with the UN Guiding Principles, covering risk identification, incident disclosure, remediation, whistleblowing mechanisms, and preventive measures. Companies were drawn from a mix of sectors under each legislation type (see Figure 1 in the appendix). While the analysis does not offer a direct like-for-like comparison due to differences in legal frameworks and reporting periods, it provides meaningful indications of broader trends in disclosure quality.

KEY FINDINGS ON EFFECTIVE HUMAN RIGHTS DUE DILIGENCE LAWS AND POLICY IMPLICATIONS

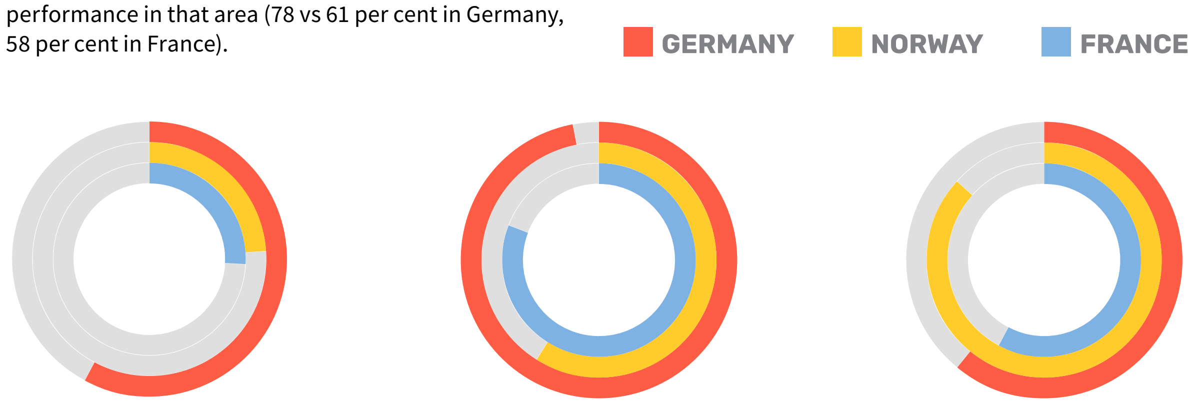
01 Specific and detailed obligations drive transparency in mHRDD laws

FINDING: WHERE OBLIGATIONS ARE PRECISE, DISCLOSURE IMPROVES SIGNIFICANTLY.

The German Act's mandatory incident disclosure provision resulted in 58 per cent of companies reporting worker exploitation, as compared with 24 and 26 per cent under the less prescriptive Norwegian and French Acts. Similarly, explicit requirements to report on whistleblowing accessibility for supply chain workers in France and Germany drove stronger disclosures (81 and 97 per cent respectively), compared to 59 per cent in Norway. At the same time, Norway's more detailed requirements on risk identification led to stronger performance in that area (78 vs 61 per cent in Germany, 58 per cent in France).

WHY THIS MATTERS:

These differences show that the way obligations are drafted directly determines which parts of the due diligence process companies report on in detail.



REPORTED WORKER EXPLOITATION

WHISTLEBLOWING ACCESSIBILITY

RISK IDENTIFICATION

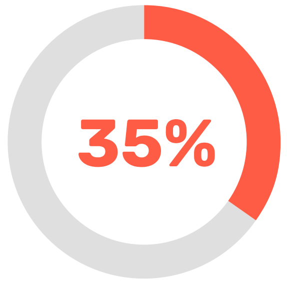
POLICY IMPLICATION:

mHRDD laws must include clear, measurable requirements to yield meaningful transparency:

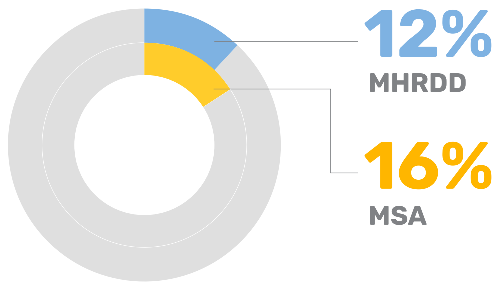
- Embed mandatory disclosure obligations across all key due diligence steps (risk identification, incident reporting, whistleblowing, remediation, prevention efforts).
- Require both quantitative (e.g., incident numbers) and qualitative (e.g., how incidents were uncovered, remediation steps) metrics for each step.
- Standardise definitions and categories to enable comparability across companies and countries. For example, shared definitions of "risk", "incident", and "remediation", and common categories for reporting different types and responses.

02 Forced labour must be explicitly prioritised in mHRDD laws

REPORTED AT LEAST ONE INCIDENT OF EXPLOITATION



CATEGORISED INCIDENT AS MODERN SLAVERY OR FORCED LABOUR



FINDING: FORCED LABOUR RISKS MAY BE OBSCURED

Although 35 per cent of companies disclosed at least one incident of exploitation, only a small minority explicitly categorised them as relating to modern slavery or forced labour risks (12 per cent under mHRDD, 16 per cent under MSAs). The higher number of modern slavery incidents disclosed under MSAs is likely due to the fact that MSAs focus narrowly on this issue, while mHRDD laws have a broader scope that span the continuum of human rights concerns. Unless explicitly mandated, forced labour risks may be subsumed within broader human rights concerns in mHRDD regimes. Existing research reinforces this, highlighting that mHRDD laws vary in terms of the rights they cover and lack consistent prioritisation of severe abuses, which risks diluting attention to forced labour within broader reporting.[4]

WHY THIS MATTERS:

Forced labour, as a form of modern slavery, sits at the most severe end of the labour exploitation spectrum. Without explicit inclusion in mHRDD laws, attention and subsequent efforts to address the issue may be reduced.

FINDING: INCIDENT DISCLOSURES LACK CLARITY AND COMPARABILITY

Even when companies disclose incidents, reporting is often vague and difficult to interpret. Complaints and violations are grouped into broad categories such as "social standards" or "human resources," with little information on the nature, location, or scale of the problem. Few companies clarify whether incidents were substantiated, investigated, or resolved. This reflects a transparency paradox, where companies may downplay details to avoid scrutiny.

WHY THIS MATTERS:

Without specificity, disclosures provide little insight into whether companies are effectively remedying or preventing abuses. At the same time, policymakers must foster a disclosure culture where reporting incidents and providing remedy is recognised as evidence of strong due diligence rather than treated as corporate complicity.

POLICY IMPLICATION:

To address both the invisibility of forced labour and the vagueness of incident disclosures, mHRDD laws must set clearer and stronger requirements, such as:

- Mandate explicit reporting on forms of modern slavery such as forced labour, with clear definitions of reportable issues.
- Require detailed disclosures on incidents, including nature, location, scale, and outcomes for affected workers.
- Provide tailored guidance for high-risk sectors and geographies where forced labour is prevalent.
- Introduce standardised categorisation systems, such as the ILO's Indicators of Forced Labour,[5] to ensure comparability across companies.

03 Worker voice and remediation remain critical weaknesses in mHRDD laws

FINDING:

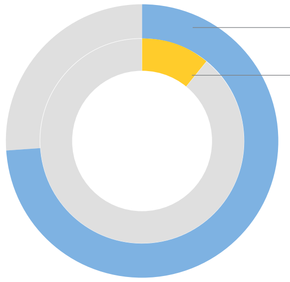
Although 74 per cent of companies reporting under mHRDD laws mention remediation processes, only 11 per cent of those companies explicitly mention worker-centred remediation – remedies that directly address affected workers' needs, such as compensation. This gap matters because worker-centred approaches are critical for restoring rights and preventing further harm.

Over 40 per cent of all companies assessed refer to having a remediation process but provide no details on how it was or would be implemented. Without such detail, it is impossible to assess whether remediation is effective or compliant with legal obligations. Meaningful transparency in this area involves clear descriptions of remedial actions, outcomes and worker involvement.

WHY THIS MATTERS:

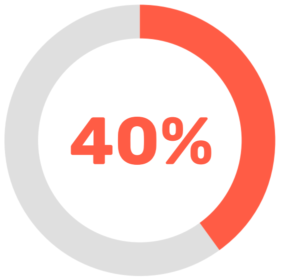
Remediation that is vague or detached from worker needs fails to address harm or prevent recurrence.

REMEDIATION



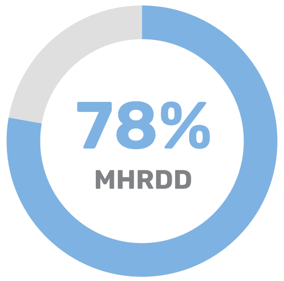
74% of mHRDD reports mention remediation

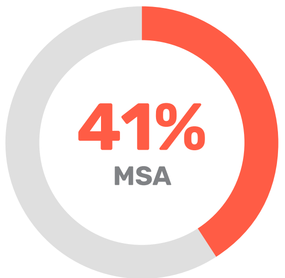
11% of these explicitly mention worker centered remdiation



40% of companies assessed have a remediation process but provide no details of implementation.

WHISTLEBLOWING MECHANISMS ACCESSIBLE TO SUPPLY CHAIN WORKERS





FINDING:

The proportion of companies reporting whistleblowing mechanisms for supply chain workers was almost twice as high under mHRDD laws (78 per cent) as under MSAs (41 per cent). Disclosure rates were highest under the German law, with 97 per cent of companies explicitly disclosing accessible whistleblowing mechanisms for supply chain workers, followed by the French law at 81 per cent, with the Norwegian law having the lowest rate at 59 per cent.

However, the quality and transparency of these disclosures vary widely. A limited number of companies explained how mechanisms are communicated or promoted to workers, and vague references to "external stakeholders" or "third parties" create uncertainty about actual accessibility. Even where access is explicit, very few companies provide transparent data on uptake, and only a small minority outline proactive measures – such as partnering with NGOs or engaging suppliers directly – to ensure workers are aware of their rights and the tools available to them.

WHY THIS MATTERS:

A grievance mechanism that workers are not aware of, trust, or use is functionally meaningless.

POLICY IMPLICATION:

mHRDD laws should centre worker experiences to genuinely address and remedy violations:

- Require clear disclosures of how grievance mechanisms are made accessible to supply chain workers.
- Mandate transparency on their use, including the number and proportion of workers who utilise the grievance mechanism.
- Require documented evidence of worker involvement in designing and implementing remediation.
- Include measurable outcome metrics to demonstrate the effectiveness and impact of remediation actions.

Yangon, Myanmar, May 2023.
Employees make clothes for export at a garment factory. G20 countries are collectively importing US$148 billion worth of apparel goods at risk of being produced by forced labour every year, including from Myanmar. Photo by Myo Kyaw Soe/Xinhua via Getty Images.

04 Strong enforcement drives business compliance under mHRDD laws

FINDING:

All three mHRDD laws include penalties for non-compliance, but evidence suggests that the clarity and strength of enforcement mechanisms are key factors shaping the quality of company disclosures,[6] and their effectiveness varies considerably:

GERMANY:

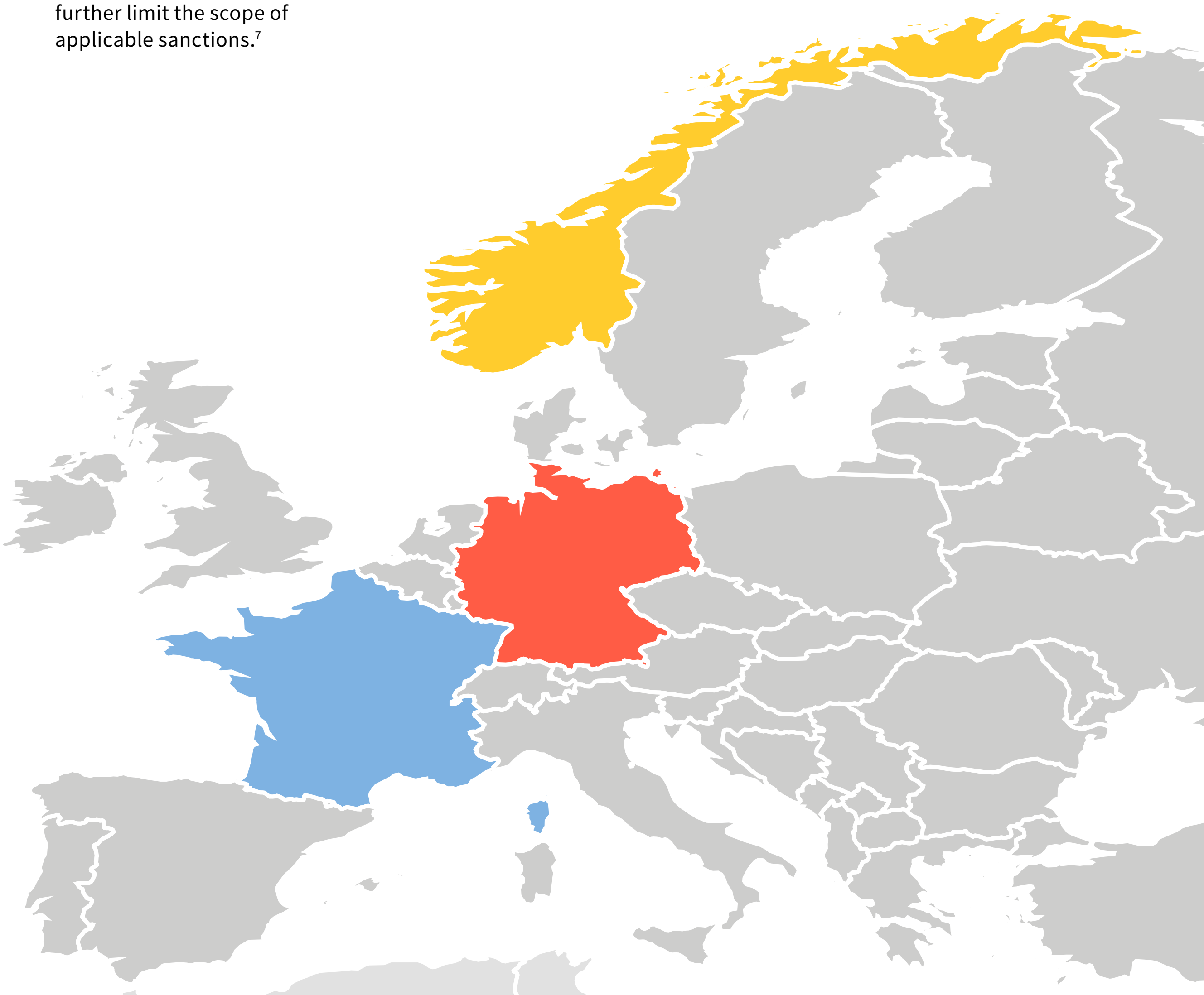
Under the original German Act, companies could face fines and exclusion from public procurement for non-compliance. Since 2024, however, the government has postponed active enforcement of reporting obligations and announced that late submissions will not be sanctioned if filed by 31 December 2025. As of November 2025, a reform bill is before the German parliament which, if adopted, would retroactively remove the reporting requirement (from 1 January 2023) and further limit the scope of applicable sanctions.[7]

FRANCE:

Enforcement is primarily through civil liability and litigation, which has resulted in lengthy legal proceedings. For example, NGOs and trade unions have filed cases against TotalEnergies (concerning oil projects in Uganda and Tanzania)[8] and Teleperformance (concerning workers' rights in overseas call centres).[9] While these cases illustrate the potential reach of the law, proceedings have been protracted and largely unsuccessful in ensuring compliance to date.

NORWAY:

The Consumer Authority can issue fines or coercive penalties for failures to respond to information requests, with the first penalties levied in 2024 against a company that failed to provide requested information about how it is addressing human rights impacts within its organisation.[10] However, this enforcement centred on procedural compliance (responding to requests, publishing statements) rather than substantive human rights outcomes.



WHY THIS MATTERS:

Laws are only as strong as their enforcement, which must be active and timely to be effective.

POLICY IMPLICATION:

Robust enforcement infrastructure is essential:

- Establish well-resourced oversight bodies with mandates for rigorous enforcement.
- Ensure explicit penalties are in place and applied effectively in practice.
- Provide detailed guidance and standardised reporting templates outlining minimum standards.
- Consider civil liability provisions to further strengthen corporate accountability.

Examples of civil penalties that strengthen enforcement of due diligence laws

Civil penalties provide regulators with a range of tools to strengthen accountability for non-compliance without resorting to criminal sanctions. These can include monetary fines, orders to take specific action, compensation, suspension or restrictions, and, in limited cases, redactions of statements. Tiered penalty models, already in place in international due diligence regimes, allow sanctions to be scaled according to the seriousness of the breach. A clear and proportionate penalty framework acts as a deterrent, supports enforcement, and drives more meaningful transparency and action.[11]

POLICY RECOMMENDATIONS TO STRENGTHEN HUMAN RIGHTS DUE DILIGENCE LAWS AND CORPORATE ACCOUNTABILITY

01 Adopt mHRDD as the baseline model, ensuring new laws build on the strengths of existing frameworks

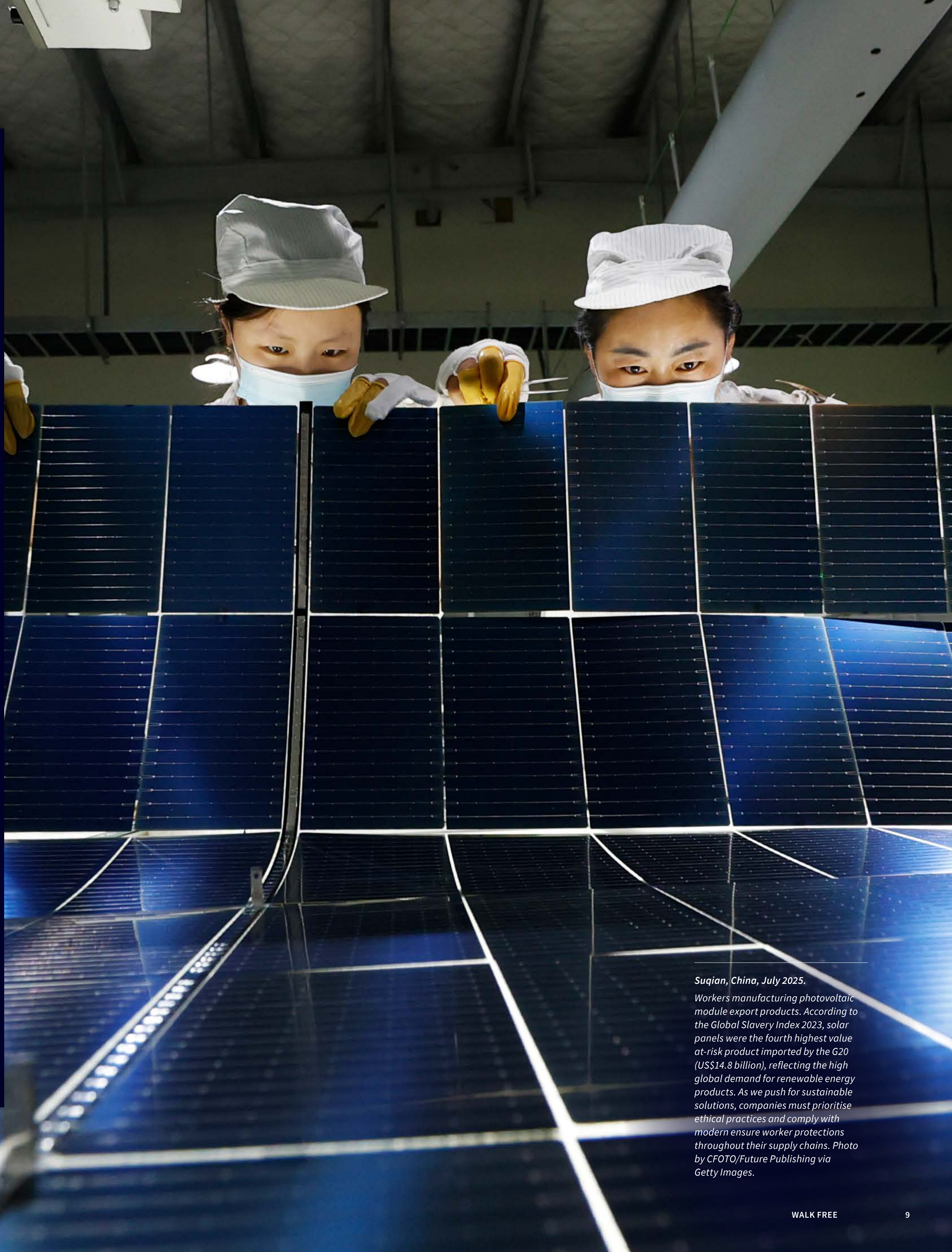
02 Draft precise and mandatory obligations across all steps of due diligence to drive meaningful transparency.

03 Mandate explicit and detailed incident reporting, with modern slavery prioritised to ensure the most severe abuses are visible and actionable.

04 Require worker-centred remediation and grievance processes.

05 Ensure that legislation has robust and timely enforcement, equipping oversight bodies to monitor compliance and apply appropriate penalties effectively.

06 Include mechanisms for ongoing review and improvement and create incentives that recognise companies' transparent compliance efforts.



Suqian, China, July 2025.
Workers manufacturing photovoltaic module export products. According to the Global Slavery Index 2023, solar panels were the fourth highest value at-risk product imported by the G20 (US$14.8 billion), reflecting the high global demand for renewable energy products. As we push for sustainable solutions, companies must prioritise ethical practices and comply with modern ensure worker protections throughout their supply chains. Photo by CFOTO/Future Publishing via Getty Images.

Kolwezi, Democratic Republic Of Congo, May 2025.

A view of an artisanal cobalt and copper mining site. Workers, including children in the DRC work in cobalt mines through smallscale and non-corporate mining activities referred to as "artisanal" mining, carried out under very poor conditions. Cobalt, an important component of rechargeable batteries used in cell phones, tablets, laptops and other portable electronic devices, is obtained from mines in the Democratic Republic of Congo. Photo by Michel Lunanga/Getty Images.

CONCLUSION

The implementation of mHRDD laws is a step forward in advancing corporate accountability and worker protections, but their effectiveness hinges on the way they are designed and enforced. None of the laws assessed in Norway, Germany, or France were without issues in design or enforcement, although they represent the best human rights due diligence laws in force to date.

This analysis highlighted that across all three mHRDD laws, detailed and explicit legal obligations drove stronger disclosures, forced labour can be forgotten if not specifically prioritised, vague reporting requirements limit access to credible information about how exploitation is identified and addressed, and that worker engagement, remediation, and enforcement are essential to deliver meaningful outcomes.

Findings from the comparison between mHRDD and MSAs suggests that a narrow focus on modern slavery can lead to more incident disclosure, but that transparency-only models lack the breadth of obligations needed to drive preventative action. This reinforces that future mHRDD laws must combine explicit prioritisation of severe labour abuses with broader due diligence requirements.

There are also lessons for strengthening existing laws. In Germany, incident disclosure obligations have improved transparency, but further guidance and enforcement capacity are needed to ensure reports provide substantive detail on risks and remediation. In France, civil litigation has proven slow and often procedural — reforms should create more accessible enforcement routes and clearer guidance to ensure vigilance plans move beyond box-ticking. In Norway, early enforcement has centred on procedural compliance, while stronger attention to substantive outcomes and company practices is needed to make reporting meaningful for workers.

Policy makers should ensure that future mHRDD laws are clear, specific, and have strong enforcement mechanisms to better address forced labour concerns in supply chains. Embedding these principles into future legislation will ensure that corporate due diligence goes beyond compliance to deliver meaningful protection for people most at risk of exploitation.

All data can be accessed on **wikirate.org.**

APPENDIX

Figure 1: Statements compared in this analysis

MODERN SLAVERY ACTS		MANDATORY HUMAN RIGHTS DUE DILIGENCE LAWS		
AUSTRALIAN MSA	UK MSA	GERMANY	FRANCE	NORWAY
56 companies	70 companies	31 companies	31 companies	37 companies
Sectors Energy, fashion, electronics, automotive, financial, construction, and food sectors.		Sectors Energy, fashion, electronics, automotive, financial, construction, and food sectors.		
Reporting period July 2023 and June 2024		Reporting period November 2024 and February 2025		

Table 1: Comparison of disclosure obligations under mHRDD laws

METRIC	GERMANY – LKSG	FRANCE – DUTY OF VIGILANCE	NORWAY – TRANSPARENCY ACT	OBSERVATIONS (PILOT DATA)
RISK IDENTIFICATION	Sections 5–9: Companies must conduct risk analysis covering human rights, and environmental risks, with annual reporting.	Article L.225-102-4: Vigilance plans must identify risks and measures to prevent severe violations.	Section 4: Enterprises must carry out due diligence assessments and publish annual statements identifying actual & potential risks.	Norway (78%), Germany (61%), and France (58%) reported modern slavery risks.
INCIDENT DISCLOSURE	Section 10: Companies must establish complaints procedure and report identified violations (substantiated incidents).	No explicit obligation to disclose incidents, only to outline measures to mitigate risks.	No explicit obligation to disclose incidents, only to describe due diligence assessments.	Germany (58%), France (26%), and Norway (24%) disclosed incidents.
WHISTLEBLOWING MECHANISMS	Section 8 & 10: Must establish accessible grievance mechanisms, including for external parties.	Article L.225-102-4: Vigilance plan must include whistleblowing arrangements.	Section 6: Statement must describe grievance mechanisms, but no specific accessibility requirements.	Germany (97%), France (81%), and Norway (59%) reported supply chain worker access to grievance mechanisms.
REMEDIATION	Section 7: Requires remedial action where a violation has occurred, but limited guidance on worker-centred outcomes.	Article L.225-102-4: Plans must include remedial actions but often vague, litigation provides indirect enforcement.	Sections 4–5: Statements must describe how enterprises address negative impacts, but not prescriptive on worker-level remediation.	Overall, 74% of companies reported remediation processes, but only 11% reported worker-centred remedies.
ENFORCEMENT	§24–§25: Fines up to €8m / 2% of turnover; exclusion from public procurement.	Enforcement mainly via civil litigation (NGOs/trade unions). No administrative authority.	Sections 12–13: Consumer Authority empowered to issue fines/coercive penalties for non-response.	N/A

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