



# RESPONSIBLE SUPPLY CHAINS

Annual report 2025-2026

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# EXECUTIVE SUMMARY

In 2025, progress on responsible business standards and efforts to address forced labour faced mounting challenges. Significant reductions in government funding created major resource gaps for civil society organisations worldwide, curtailing their capacity to carry out critical work, particularly on labour and human rights. Legal and policy developments were mixed, with momentum toward stronger laws in some countries offset by corporate lobbying that diluted key European Union legislation, even as implementation of the EU's new Forced Labour Regulation continued. Broader trends – such as the rise of AI-driven business models, escalating political and trade tensions, and populist politics – further increased risks for workers and rights defenders, particularly in the Global South.

Against this backdrop, the Responsible Supply Chains initiative at the Freedom Fund continued to support initiatives to address forced labour in global supply chains. The initiative supported 40 partners across the Global North and South in 2025, focusing on strategic litigation, advocacy for stronger supply chain-related laws and enforcement, and ecosystem building in Southeast Asia. The initiative supported legal cases in more than 10 countries. Six successful legal outcomes were achieved, including new precedents and direct remedies for workers. Advocacy efforts contributed to legislative developments and government consultations in countries including Australia, the UK, Canada and South Korea.

The Freedom Fund also launched the second phase of its Southeast Asia Ecosystem program, which sits within the initiative, including by supporting 14 organisations with grants to implement innovative corporate accountability strategies, from training workers and lawyers to developing legal and advocacy strategies.

Finally, the Freedom Fund launched a strategic review of the initiative to respond to the evolving context, reinforce accountability efforts, expand flexible and multiyear funding, and strengthen support to frontline partners amid growing political and financial pressure.



# OPERATING CONTEXT

Developments over the course of 2025 considerably challenged progress towards driving responsible business standards and reducing forced labour in global supply chains.

A marked contraction in government funding, combined with previously existing shifts in the funding landscape, reduced funding to forced labour in supply chains work globally, leading to significant funding gaps for civil society organisations (CSOs) in both the Global North and South. While the long-term impact of this on forced labour in supply chains is yet to be seen, it has already negatively impacted CSOs' capacities to undertake their critical work.

Advancements to strengthen responsible business laws saw progress, but also regression. There was increased momentum toward stronger responsible business laws in several jurisdictions, including Australia, South Korea, Thailand and the United Kingdom. The United States also expanded import bans on goods produced with forced labour, though enforcement efforts of other labour-related measures weakened. In the EU, corporate lobbying severely diluted landmark business and human rights legislation adopted in 2024, creating concerning signals for other countries considering similar frameworks. However, implementation efforts continued for the EU Forced Labour Regulation, which will ban the import, sale and export of forced labour-made products beginning in 2027. This encouraging development continues to be closely monitored and engaged with by several of Freedom Fund partners.

Broader global trends further reshaped risk for workers and rights defenders. The rapid expansion of AI-driven and platform-based business models has raised new questions about accountability and worker protection in supply chains. In addition, growing political and trade tensions also impacted the context. Populist politics increased legal and security risks to defenders and CSOs that lead labour rights and corporate accountability work. In addition, corporations shifted sourcing practices in response to new trade barriers, with these shifts disproportionately affecting workers in the Global South.

Collectively, these dynamics reinforced the need for sustained, flexible support for CSOs and trade unions working to hold corporations accountable for forced labour.



# PROGRAM OUTCOMES

In 2025, the Responsible Supply Chains initiative supported 40 partners in Australia, Canada, Cambodia, Indonesia, Japan, Malaysia, Mexico, South Korea, Taiwan, Thailand, the European Union, the Philippines, the United Kingdom and the United States. Partners broadly covered three areas of work:

- Strategic litigation and use of other legal mechanisms against corporations involved in modern slavery, in both the Global North and South.
- Advocacy for the introduction or stronger enforcement of laws relating to forced labour in global supply chains – particularly in major importing G20 economies as well as select other countries in the Freedom Fund’s Southeast Asia Ecosystem program.
- Ecosystem building to support a stronger and more connected labour-rights corporate accountability ecosystem in Southeast Asia.



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## Fostering systems change to shift power

In 2025, the initiative supported legal cases in more than 10 countries in the Global North and South. This included ongoing support to long-term legal cases, as well as new cases. Although the Freedom Fund does not disclose details of the cases it supports, six of these achieved successful outcomes in 2025, including new legal precedents and/or direct remedies for affected workers and communities. These cases demonstrate the power of worker-centred legal strategies to shift accountability and deter abuse.

There was also progress towards the introduction or better enforcement of laws relating to forced labour in global supply chains. Freedom Fund partners in Australia and the United Kingdom influenced government commitments to assess options for strengthening existing legislation and/or introducing new legislation. In Canada and South Korea, civil society campaigns contributed to new laws being formally tabled for parliamentary debate.

## Funding direct impact in communities affected by modern slavery

Many partners engage directly with workers across high-risk sectors and geographies – training workers, supporting community-led monitoring and representing individuals in legal processes that have resulted in concrete remedies for workers. These efforts ensure that accountability strategies remain led and grounded by lived experience and deliver real benefits to people affected by forced labour.

## Investing in the strengthening of civil society organisations and movements

In 2025, the Freedom Fund made further investments in the Southeast Asia Ecosystem program, strengthening the ecosystem for corporate accountability on labour rights across six countries in the region.

The Freedom Fund also continued support to the Coalition Against Forced Labour in Trade, which unites organisations advocating for the introduction or better enforcement of import bans on forced labour products in major importing economies. The coalition organises monthly meetings and ongoing knowledge exchange for members to share learnings, align strategies and jointly navigate challenges.

## CASE STUDY

### The Southeast Asia Ecosystem program

The Freedom Fund's Southeast Asia Ecosystem program, which sits within the Responsible Supply Chains initiative, is a convener for frontline CSOs and activists, including unions, lawyers, journalists and women- and migrant-led initiatives. Its work addresses the barriers to corporate accountability across six key countries in Southeast Asia (Cambodia, Indonesia, Malaysia, the Philippines, Taiwan and Thailand). The program's work is built on three pillars to empower local frontline leaders with the tools and resources they need to effect systemic change:

- 1. Strategic financial support:** The program's Seed Fund provides flexible, high-impact grants. This funding supports everything the CSOs need to implement innovative corporate accountability strategies, from training workers and lawyers to developing legal and advocacy strategies for CSOs.
- 2. Targeted capacity building:** The program provides customised training and technical workshops – developed based on participant needs and priorities – covering complex subjects such as cross-border legal strategies and advanced supply chain tracing.
- 3. Network building:** The program hosts regional convenings to strengthen national, regional and international connections. This ensures local leaders can share knowledge, coordinate efforts and amplify their impact.

By combining funding with regional convenings, technical workshops and direct technical assistance, the Southeast Asia Ecosystem program is not merely funding projects, it is building a coordinated, powerful ecosystem that can challenge human and labour rights violations across the region. The program is implemented through partnership with Re:Act Asia.

In 2025, the program issued grants totalling \$290,000 to 14 organisations through the Seed Fund. These grants were built upon the first phase of the fund (2024-2025), through which organisations were supported in developing groundbreaking legal strategies, training community members in community-led monitoring and convening civil society to develop collaborative advocacy. Phase Two now enables the grantees to further develop these efforts, as well as supporting three new groups in their work.

## STRATEGY

In 2025, the Freedom Fund launched a strategic review of the Responsible Supply Chain initiative strategy to ensure that it responds to the changes in the operating context and meets the Freedom Fund's values and goals in its 2025-2030 strategy. This strategy update – launching in mid-2026 – intends to reinforce investment in forced labour accountability, expand flexible and multi year funding, and sharpen support to frontline partners operating under heightened political and financial pressure.

To feed into this process, in 2025 the Freedom Fund commissioned a mid-term external review of its Southeast Asia Ecosystem program to assess the learnings from the program so far. This review will be completed by mid-2026, with learnings incorporated for the launch of its next phase in 2027.



Fishing vessel, Samut Sakhon, Thailand ©Jittrapon Kaicome/The Freedom Fund



# VISION

Our vision is a world  
free of slavery.

# MISSION

We invest in frontline organisations  
and movements to drive a measurable  
reduction of modern slavery in high-  
prevalence countries and industries.

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