

EESC OPINION REX/565: FORCED LABOUR PRODUCT BAN

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GENERAL DEMANDS (1)

- Ratification of the 2014 Protocol to the International Labour Organization (ILO) Forced Labour Convention 1930 by all EU Member States
- Inclusion of goods transported with forced labour (according to ILO definition)
- Institutional anchoring of social partners and NGOs in this legislation
- Adequate compensation for victims of forced labour
- Publishing the guidelines (Art. 23) upon the entry in force

GENERAL DEMANDS (2)

- Active and leading role of the EC in the Union Network Against Forced Labour Products (UNAFLP) in the EU
- Sufficient funding of the competent authorities at European and national level
- Uniform, EU-wide penalties for infringements of the regulation
- EC shall support the creation of international structures to tackle down forced labour (binding UN treaty on business and human rights, ILO convention for decent work in supply chains)
- Cooperation and exchange of information with third countries and international organizations (UN, ILO, etc.)

CHILD LABOUR

- Speeding up abolishing child labour (according to SGD 8.7 by 2025)
- Scope of this regulation should include:
 - ILO Minimum Age Convention, 1973 (No. 138) + ILO Recommendation No. 146
 - ILO Worst Forms of Child Labour Convention, 1999 (No. 182) + ILO Recommendation No. 190
- A corresponding EU legislative initiative to combat all other forms of child labour will be needed

IMPLEMENTATION PROBLEMS

- Identification of products made with forced labour
- Uncertainty for companies, especially SMEs in prevention
- Coherence with other EU legislation, especially with Corporate Sustainability Due Diligence Directive (CSDDD)

POSSIBLE SOLUTIONS

- **Database:**
 - core element in EC's proposal, but lacking concrete structure
 - Need for precise and transparent risk indicators
 - For effective enforcement: information about product, manufacturer, importer, origin, components and resources are needed
- **Benchmarking System:**
 - Division in high and low risk regions and sectors down to product groups, products and companies
 - Research assessment for classification of regions, sectors, product groups, products and companies (first all in low risk classification)
 - Mandatory due diligence for high risk (less obligations for SMEs)
- **EU Public Rating Agency**

THANK YOU FOR YOUR ATTENTION

EU PUBLIC RATING AGENCY

PREVENTION, SUPPORT & COHERENCE

- Studying feasibility of an EU Public Rating Agency for environmental and social sustainability and human rights in the business context (already in INT/911)

Standards for due diligence

- Draft of mandatory European standards for due diligence systems (in accordance with UN and OECD guidelines)
- Assistance for national competent authorities by providing technical support and training for the implementation of national systems

Auditing

- Draft of mandatory quality standards for auditing firms
- Drafting the accreditation process for auditing firms (setting minimum requirements)
- Drafting a monitoring system for auditing firms

DATABASE

IDENTIFICATION

- Database as core element in EC's proposal, but lacking concrete structure
- Need for precise and transparent risk indicators
- **For effective enforcement:** information about product, manufacturer, importer, origin, components along with resources and minerals used are needed
- Keeping updated by researchers, competent authorities and civil society (complaints, investigations)
- Union Network Against Forced Labour Products coordinates the flow of information between the member states and with the permanent representations and delegations of the EU

BENCHMARKING SYSTEM

IDENTIFICATION

- Benchmarking system similar to EU Deforestation Regulation
 - Division in high and low risk regions and sectors down to product groups, products and companies
 - Model based on Multiregional Input-Output (MRIO) model (see [Malik et al, 2021](#) and [Gómez-Paredes et al., 2016](#))
- Research assessment for classification of regions, sectors, product groups, products and companies (first all in low risk classification)
- Civil society organisations incl. social partners, permanent delegations of the EU and international organisations (ILO, UN) backbone of classification assessment

HIGH AND LOW RISK CLASSIFICATION

IDENTIFICATION

High risk

- Mandatory Due Diligence statement
- Big companies: Due Diligence incl.
 1. Information gathering
 2. Risk assessment
 3. Risk mitigation
- SMEs: Simplified Due Diligence with only Information gathering
- Focus of national competent authorities on these products, companies, sectors and regions
- Non-compliance leads directly to an investigation and the detention of the product

Low risk

- Procedure as stated in current proposal
- No mandatory Due Diligence