

Call for evidence – Effectively banning products produced, extracted or harvested with forced labour

Finnwatch, a business and human rights NGO based in Helsinki, Finland, welcomes the opportunity to provide feedback to the call for evidence for an initiative effectively banning products produced, extracted or harvested with forced labour. According to ILO estimates, 16 million people are in forced labour in the private sector and 4 million people are in state-imposed forced labour. As a result, many products in the EU market are also tainted by forced labour. It is important to tackle this issue through mandatory human rights due diligence (i.e. the proposed directive on corporate sustainability due diligence, CSDDD), but an import ban of products produced, extracted or harvested with forced labour is a necessary supplement to due diligence. Such a ban would, for example, tackle gaps in the material scope and value chain scope of the proposed CSDDD. An import ban is also necessary in order to address state-imposed forced labour which often cannot be adequately addressed through due diligence.

In our opinion, key considerations for the design of such import ban include the following:

- The objective of an import ban should be to prevent forced labour in global value chains. This requires companies to address root causes of forced labour in their value chains. For this objective to be fulfilled, the ban should provide competent authorities with sufficient powers for them to have the necessary leverage to compel compliance and where appropriate, improvements. Safeguards to prevent cut-and-run response to forced labour situations should be built in.
- The ban should build on existing ILO indicators on forced labour and ILO definition of recruitment fees and related costs.
- The ban should also ensure remedy for victims of forced labour. A lifting of the ban should therefore be contingent on the remediation of harmed rights-holders. Remediation should be rights compatible. Monitoring of remediation should involve relevant civil society actors, including trade unions.
- The ban should include sanctions in case of non-cooperation by an economic operator, including any attempts to circumvent an import ban.
- Stakeholders should be able to report possible cases of products made – wholly or in part – with forced labour being imported to the union. However, for external monitoring by stakeholders to be effective, transparency of value chains is necessary. Without value chain information stakeholders cannot monitor companies conduct and report substantiated concerns to competent authorities. The best place to mandate companies to map and disclose subsidiaries, suppliers and other business relations, is the CSDDD. However, considering gaps in its material scope supplementary measures to promote value chain transparency and disclosure may be needed.
- Transparency could also be enhanced through other means, for example by ensuring improved public access to Customs data in the union. To this effect, the Union

Customs Code should be amended to clarify that customs data is not confidential and can be disclosed publicly.

- A registry of sanctioned and banned entities and products should be made publicly available.
- Whereas addressing import of products made with forced labour is important, preventing products made with forced labour within the union from being sold should also be addressed. Forced labour exists also within the union. We therefore welcome the Commission's intention to extend the ban to cover also domestic (EU) products.
- In addition, the Commission should also consider extending such a ban also to products in the production, extraction or harvesting of which other human rights (or the environment) have been harmed.