

**Opinion on the Proposal of the European Commission for a regulation
prohibiting products made with forced labour on the Union market**

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The CorA Network for Corporate Accountability welcomes the EU Commission's proposal for a ban on products made with forced labour on the Union market. It can be a good complement to the planned Corporate Sustainability Due Diligence Directive (CSDDD).

In particular, we welcome that the proposed regulation is results-based and not only a duty of effort, that it deals with forced labour in the entire value chain and that no distinction is made according to the size of the company. These elements should definitely be maintained.

However, the effectiveness of the proposal is severely limited by some of its provisions. The following aspects, among others, should therefore be improved:

- The decisions of the enforcement authorities are planned to relate only to a specific product of a specific economic operator. However, forced labour does not occur in isolation for individual products. Therefore, decisions should apply to entire production facilities or companies and all products sourced from them, as is the case in the USA. In addition, a possibility should be created to impose import bans on entire regions, possibly sector-wide, if a state-ordered or administered system of forced labour is involved.
- The remedy mechanism is very weakly formulated and negative impacts of a ban on the workers are not included, e. g. if companies prefer to withdraw instead of providing for improvements (cut and run). Instead, the basic principle "empowerment before withdrawal" should apply. To incentivise remedial action, a mechanism should be introduced whereby a decision is reversed if remedial action has been taken and conditions improved. This would directly benefit those affected, which should be the central concern of the regulation. The reference to the CSDDD is not sufficient for this, as it has a different scope of application and remedial action is not very well integrated either.
- There is a very high burden of proof on the enforcement authorities. This can severely limit the effectiveness of the regulation. In addition, rights holders and civil society should be involved in the investigation processes, not only the respective economic operators. In the course of this, support and protection measures for those affected should also be defined.
- The decision-making process of the authorities is not transparent enough and the decisions are not planned to be published. This further limits the effectiveness of the regulation, as it does not give consumers the opportunity to include the authorities' decisions in their purchasing behaviour.

- Immediate measures should be foreseen which the authorities can take in case of suspicion that the respective products might be sold or shipped to other markets while the proceedings are still ongoing.

Further elaborations can be found in the statement of a broad European civil society alliance of 11 October 2022 at <https://corporatejustice.org/wp-content/uploads/2022/10/Proposed-Regulation-Prohibiting-Forced-Labour.pdf>.

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