

## FoodDrinkEurope views on the European Commission proposal for a regulation on prohibiting products made with forced labour on the Union market

According to latest estimates, globally today there are 27.6 million people in forced labour on any given day<sup>1</sup>. This staggering number reflects the need to urgently tackle this global problem which is affecting businesses and society alike.

The European food and drink industry is committed to lead by example by upholding the highest standards of human and labour and environmental practices, in all business activities throughout the food value chain.

FoodDrinkEurope members have voluntarily integrated environmental and human rights due diligence into their business processes, policies and procedures throughout their value chains guided by the UN Guiding Principles on Business and Human Rights<sup>2</sup>, the OECD Guidelines for Multinational Enterprises<sup>3</sup>, and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work<sup>4</sup>.

In this context, we support the European Commission's ambition to address and support the eradication of forced labour in global supply chains, thus contributing to the implementation of the United Nations (UN) Sustainable Development Goal (SDG) 8.7<sup>5</sup>.

The development of EU legislation to prohibit products made with forced labour on the EU market (domestic products, exports and imports) should aim at creating a level playing field and legal certainty for all businesses established within and outside the EU, while also strengthening international cooperation and collaborative multi-stakeholder initiatives to address forced labour risks. Beyond prohibiting products on the EU market, the legislation must promote impactful action on the ground to yield positive outcomes for vulnerable individuals and communities at risk of forced labour and improve working conditions.

In moving forward with the design of the EU Regulation, we call on policymakers to consider the following priorities for the European food and drink industry:

- **Ensure** that the legislative framework promotes impactful action to address forced labour risks, aligned with **internationally recognised frameworks and standards** (as mentioned above).

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<sup>1</sup> [ILO, Walk Free and the International Organization for Migration](#) Global Estimates of Modern Slavery: Forced Labour and Forced Marriage (2022)

<sup>2</sup> [UN Guiding Principles](#) on Business and Human Rights

<sup>3</sup> [OECD Guidelines](#) for Multinational Enterprises

<sup>4</sup> [ILO Declaration](#) on Fundamental Principles and Rights at Work

<sup>5</sup> [UN SDG 8.7](#)

- Ensure that the legislative framework is consistent and aligned with other EU policies, in particular, the future **EU Directive on Corporate Sustainability Due Diligence (CSDD)**, as well as the **EU Regulation on Deforestation-free Products** and the **EU Directive on Corporate Sustainability Reporting**. More specifically, the timing of the entry into force of the Directive on CSDD must coincide or precede with the proposed EU Regulation, to ensure companies can set up their due diligence processes. Any **duplication of due diligence processes should be avoided**, ensuring that competent authorities take into account a company's due diligence efforts while they carry out their investigation and enforcement obligations as per the EU Regulation.
- Create legal certainty and a **level playing field** amongst all companies operating in the EU Single Market (including companies based outside the EU) by **avoiding the divergence of enforcement rules** (including **penalties**) of this regulation across Member States. To this end, it is important that competent authorities are guided/supported to ensure the effective and uniform implementation of this Regulation within the EU that is practical for business. The latter by preventing bottlenecks/high costs resulting from customs procedures that could lead to supply chain disruptions related to **import of products**.
- Clarify definitions such as 'making available on the market', 'placing on the market', 'manufacturer', 'producer', 'product', 'value chain' etc. and substantiate them with examples to clearly identify the economic operator with whom **responsibility for compliance** lies.
- Develop specific **guidance** for economic operators to address forced labour risks that includes **forced-labour risk indicators**. This guidance should identify key support measures, especially for SMEs, and also clearly define the role/responsibilities of economic operators (as mentioned above). Furthermore, this guidance should be harmonised at EU level and drawn up prior to the entry into force of the regulation.
- Consult economic operators and other relevant stakeholders, including in third countries, when developing a '**database of forced labour risk areas or products**'. This database should consider products or areas classified as entailing 'negligible risk'. Additionally, this database should be created prior to the establishment of a '**EU Forced Labour Product Network**' and the entry into force of the regulation.
- Take into account the **costs** and potential **administrative burdens** for economic operators, especially SME's, when developing, through Implementing and Delegated Acts, **detailed information requirements** that will need to be made available to the relevant authorities. Moreover, the identity of information providers, including information provided, should be treated confidentially by the latter authorities.
- Ensure that this EU Regulation is **WTO compatible**, so that trade measures applied (e.g. an import ban) do not lead to arbitrary discrimination between foreign and domestic products, or serve protectionist ends.
- Ensure that the EU Regulation fosters **cross-sectoral industry collaboration** and **on-the-ground engagement** with key stakeholders (i.e authorities of third countries, international organisations, civil society representatives etc.) to support the efforts of companies and partner countries in preventing and mitigating forced labour risks. In this respect, **long term partnership agreements** (i.e time-bound frameworks for action) between governments of third countries and with relevant stakeholders, will be essential for the successful implementation of this EU Regulation.

- Foresee additional measures (i.e capacity building, funding) to support farmers, workers and local communities in their efforts to root out forced labour from global supply chains.

### About FoodDrinkEurope

FoodDrinkEurope is the organisation of Europe's food and drink industry, one of Europe's largest manufacturing sectors, a leading employer in the EU, and a key contributor to the economy (289,000 companies, 99% SMEs, 4.5 million employees).