

Prohibiting products made with forced labour on the Union market

2022/0269(COD) - 26/10/2023 - Committee report tabled for plenary, 1st reading/single reading

The Committee on International Trade and the Committee on the Internal Market and Consumer Protection adopted the report by Samira RAFAELA (Renew, NL) and Maria-Manuel LEITÃO-MARQUES (S&D, PT) on the proposal for a regulation of the European Parliament and of the Council on prohibiting products made with forced labour on the Union market.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Extended scope

Members proposed that the packaging, transportation and distribution of goods should be covered by the proposal, given the fact that these activities are an essential part of the goods supply chain and a sector where there is evidence of existence of forced labour.

Remediation

A new article has been included concerning remediation for victims by the economic operator. Remedial measures may include financial and non-financial compensation.

High-risk products

Members stated that products coming from specific geographical high-risk regions or countries where forced labour practices are systemic and widespread should be presumed to be in violation of the Regulation and should therefore be automatically subject to an investigation. Economic operators have the burden to disprove such presumption.

Guidelines

The amended text stated that the Commission should issue guidelines no later than 12 months (as opposed to 18 months as proposed by the Commission) after the entry into force of this Regulation, which shall cover guidance on:

- due diligence in relation to forced labour, including forced child labour and forced women and girl's labour;
- remediation measures;
- meaningful stakeholder engagement;
- requirements that economic operators need to adhere to in order to prove that they have eliminated forced labour from their supply chains and corrective actions adopted to prevent future abuses.

Union Network Against Forced Labour Products

Members specified that the work of the Union Network Against Forced Labour Products should be coordinated by the Commission. The Network should, *inter alia*, aim to: (i) streamline the practices of the competent authorities within the Union that facilitate the implementation of joint enforcement activities by Member States, including joint investigations; (ii) facilitate capacity building activities, such as the organisation of training programmes for competent authorities and other relevant stakeholders; (iii) promote exchanges of personnel between competent authorities and, where appropriate, with the authorities of partner third countries or with international organisations; (iv) assist in the organisation of information campaigns and voluntary mutual visit programmes between competent authorities, (v) involve and facilitate the diplomatic representations of the Union to assist in the information gathering efforts of this Regulation.

Penalties

In order to ensure that penalties are effective and fair and to prevent a distorted approach to penalties in the internal market, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission. The Commission should define the method for the calculation of financial penalties and the thresholds applicable.

Evaluation and review

By one year after the date of application and every four years thereafter, the Commission should carry out an evaluation of this Regulation taking account of its objectives in particular with regard to reducing the number of products made with forced labour on the Union market, improving cooperation between competent authorities and strengthening the controls on products entering the Union market, while taking into account the impact on business and in particular on SMEs.

The report should also assess whether the scope should be enlarged to include services ancillary to the extraction, harvesting, production or manufacturing of products.

Lastly, the Commission should continuously monitor the impact of this Regulation on victims of forced labour, also paying particular regard to the situation of women and children.