



International  
Labour  
Organization

Project is implemented by  
International Labour Organization



MOVING FORWARD  
**TOGETHER**

Project is funded by  
European Union

“Towards safe, healthy and declared work in Ukraine”

# Business Compliance on Forced Labour and Human Trafficking

## Various approaches & modalities

Zsolt Dudas ILO

Date: 11 / April / 2023

[www.ilo.org/shd4Ukraine](http://www.ilo.org/shd4Ukraine)

<https://www.facebook.com/shd4Ukraine>

<https://www.youtube.com/c/EUILOProjectUkraine>

# Codes of conduct...and their implementation

- ✓ Establishing code provisions and benchmarks
- ✓ Assessing compliance with the code
  - Audits: internal or external
  - Identification of non-compliance and risk
- ✓ Taking corrective action to achieve compliance
- ✓ Establishing a grievance mechanism
- ✓ Follow-up assessment

# Codes of conduct...and their implementation

- ☑ Raising awareness of the code
  - Workers
  - Managers and supervisors
  - Business partners
  - Labour Inspection
- ☑ Training and capacity building
- ☑ Working with relevant stakeholders
- ☑ Communicating and reporting on performance

## Brazil - National Pact for the Eradication of Slave Labour



NATIONAL  
**PACT**  
For the Eradication  
of Slave Labour



# Eradicating Forced Labour from Supply Chains Through Social Dialogue

Involves a multi-faceted approach to:

- raise awareness,
- build capacity
- ensure sustainability

through strengthening dialogue and collaboration between national and international companies.

Objective is to motivate more companies to become signatories or at least support its objectives and effective implementation.

## National Pact in Brazil (est. May 2005)

- *A voluntary commitment by 200 enterprises – approx 20% GDP: To promote a culture of compliance among businesses, and employers' organizations in respect to labor rights.*
- Among the signatories large iron and steel industry but not beef, soya and cotton production
- “Dirty List” – Monitoring by civil society & Management Committee – code of conduct appl.
- Links to CSR



# National Pact



## Some of the Pact's signatory companies

- Pão de Açúcar
- Carrefour
- Wal Mart
- Coteminas
- Belgo Mineira
- Banco Real
- Banco Santander
- Shell
- Ipiranga
- Coca-Cola
- Petrobrás
- FIRJAN
- McDonalds
- SINDICOM
- ABIT
- Banco do Brasil
- Texaco
- Repsol YPF
- CEF
- Freeway
- ABIT
- Valisére
- BOVESPA
- Cia Marítima
- Suzano
- Eletronorte
- Esso
- Infraero
- Nutrimental
- + 55 emp.



## ▶ Proposed EU ban on products made with Forced Labour

**On 14 September 2022, the European Commission presented a proposal for a regulation to prohibit products made using forced labour, including child labour, on the internal market of European Union (EU). The proposed legislation fits into the context of EU efforts to promote decent work worldwide.**

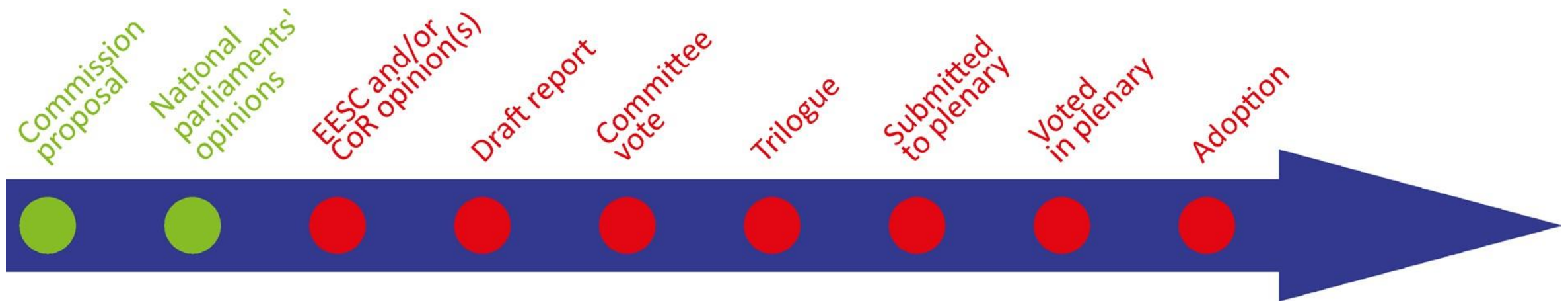
**The proposal covers all products made available within the EU market, meaning both products made in the EU for domestic consumption and for export, and imported goods. The provisions of the proposal would apply to products of any type, including their components, regardless of the sector or industry.**

**Member States would be responsible for the enforcement of the regulation's provisions. Their national authorities would be empowered to withdraw products made using forced labour from the EU market, following an investigation. Customs authorities would identify and stop products made using forced labour at EU borders.**





## Proposed EU ban on products made with Forced Labour



## Proposed EU ban on products made with Forced Labour

The proposal is in line with the EU's 2020-2024 action plan on human rights, which includes as a priority the eradication of forced labour and the implementation of international standards on responsible business conduct.

The Commission communication on decent work worldwide reaffirms the EU's commitment to decent work both within the EU and globally and sets out the internal and external policies the EU uses to fulfil its commitment.

European Commission together with the European External Action Service (EEAS) issued forced labour business guidance, which explains the practical aspects of due diligence and provides an overview of EU and international instruments on responsible business conduct that are relevant for combatting forced labour.



## Proposed EU ban on products made with Forced Labour

▶ At international level the Commission proposal ties in with the guiding principles of the **ILO's Convention 29 on Forced Labour** and **Convention 105 on Abolition of Forced Labour**, together with the **Protocol to Convention 29** and **ILO Recommendation 203**. Eradication of forced labour by 2030 and child labour by 2025 is enshrined as a specific target in the UN Sustainable Development Goals.

The proposal is also in line with the EU's commitment to the respect of human rights, as enshrined in the **Treaty on the European Union**, which binds the EU's activities to the **Charter of the Fundamental Rights of the European Union** and the **European Convention on Human Rights** (Article 6). The **EU Charter of Fundamental Rights** explicitly prohibits forced labour (Article 5), as does of the **European Convention on Human Rights** (Article 4).

The proposed regulation is intended to complete the EU legislative framework on forced labour. Currently, no Union legislation exists that empowers Member States' authorities to ban a product made with forced labour from the market. The EU has several pieces of legislation in place to tackle forced labour, in particular **Directive 2011/36/EU on combating human trafficking** and **Directive 2009/52/EC on sanctions against employers of migrants in an irregular situation**. In February 2022, the Commission submitted a proposal for a **directive on corporate sustainability due diligence (CSDDD)**. All EU Member States have ratified ILO Convention 29 and are obliged to take measures against forced labour.

## Proposed EU ban on products made with Forced Labour/European Parliament

### Parliament's starting position

In several resolutions, the European Parliament has called for a ban on products made with forced labour, in particular:

- in a June 2022 resolution on a new trade instrument to ban products made by forced labour, Parliament called for cooperation with partners who support ending forced labour globally and banning goods made by forced labour;
- in a March 2021 resolution regarding sustainable and responsible corporate behaviour, the European Parliament called for a ban on importing products related to severe human rights violations such as forced or child labour. It also stressed that the objective of combating these practices must be included in all EU free-trade agreements;



## Proposed EU ban on products made with Forced Labour

**Member States** would be required to appoint one or more competent authorities responsible for the tasks laid down in the regulation (Article 12). These authorities would be asked to follow a risk-based approach (Article 4), meaning that they should focus their efforts on products, companies and places where the risks of forced labour are most prevalent and where the impact is likely to be largest. The emphasis will thus likely be on businesses at early stages of the value chain (importers, manufacturers, producers, product suppliers).

The authorities would be asked to start investigations on products for which there are well-founded suspicions that they have been made using forced labour (Article 5). Should they find evidence for these suspicions, they would take a decision to order the withdrawal of the products already placed on the market, and prohibit placing the products on the market, or exporting them. The decision would be communicated to the company concerned, which would be obliged to dispose of the products in question (Article 6). The authorities' decision would also have to be communicated to the national customs authorities (Article 15), which should then prohibit the release for circulation or export of the product concerned (Article 17). Customs authorities would also take measures to ensure that the product concerned is disposed of in accordance with national and EU legislation (Article 20). The national authorities would be obliged to inform the Commission, as well as the other Member States, of their decision (Article 9).

## Proposed EU ban on products made with Forced Labour

### Industry

**All businesses making products available on the EU market or exporting from it would be covered by the new rules.**

**The Commission excluded a minimum threshold for the volume and/or value of products, below which no investigation would be launched. While such a threshold would exempt small and medium-sized enterprises (SMEs) from the new measures, the Commission deemed such an exemption likely to jeopardise the effectiveness of the proposal and create legal uncertainty. The proposal instead envisages specific measures for SMEs: before initiating a formal investigation, competent authorities would for instance consider the size and resources of the economic operators concerned, as well as the scale of the risk of forced labour. All companies would receive guidelines, giving advice on where and how to detect forced labour in their supply chains for instance. SMEs would benefit from additional support tools.**

**Companies would be required to dispose of the goods in question and bear the costs of disposal. Furthermore, if a company does not follow the decision of a Member State under the proposed regulation, they would face penalties under national law.**



International  
Labour  
Organization

Project is implemented by  
International Labour Organization



MOVING FORWARD  
**TOGETHER**

Project is funded by  
European Union

“Towards safe, healthy and declared work in Ukraine”

# Business Compliance on Forced Labour and Human Trafficking

## Various approaches & modalities

Zsolt Dudas ILO

Date: 11 / April / 2023

[www.ilo.org/shd4Ukraine](http://www.ilo.org/shd4Ukraine)

<https://www.facebook.com/shd4Ukraine>

<https://www.youtube.com/c/EUILOProjectUkraine>