

## **Council and Parliament strike a deal to ban products made with forced labour**

The Council and the European Parliament have reached a provisional deal on the regulation prohibiting in the EU market products made with forced labour. The provisional agreement reached today between the two co-legislators supports the main objective of the proposal to prohibit the placing and making available on the EU market, or the export from the EU market, of any product made using forced labour. The deal introduces significant modifications to the original proposal clarifying responsibilities of the Commission and national competent authorities in the investigation and decision-making process.

It is appalling that in the 21st century slavery and forced labour still exist in the world. This hideous crime must be eradicated and the first step to achieve this consists in breaking the business model of companies that exploit workers. With this regulation we want to make sure that there is no place for their products on our single market, whether they are manufactured in Europe or abroad.

*Pierre-Yves Dermagne, Belgian Deputy Prime Minister and Minister for the Economy and Employment*

### **The database of forced labour risk areas and products**

Co-legislators have agreed that, to facilitate the implementation of this regulation, the Commission will establish a database containing verifiable and regularly updated information about forced labour risks, including reports from international organisations (such as the International Labour Organization). The database should support the work of the Commission and national competent authorities in assessing possible violations of this regulation.

### **Risk-based approach**

The provisional agreement sets clear criteria to be applied by the Commission and national competent authorities when assessing the likelihood of violations of this regulation. These criteria are:

- the scale and severity of the suspected forced labour, including whether state-imposed forced labour may be a concern
- the quantity or volume of products placed or made available on the Union market
- the share of the parts of the product likely to be made with forced labour in the final product
- the proximity of economic operators to the suspect forced labour risks in their supply chain as well as their leverage to address them

The Commission will issue guidelines for economic operators and competent authorities to help them to comply with the requirements of this regulation, including best practices for bringing to an end and remediating different types of forced labour. These guidelines will also include accompanying measures for micro, small and medium-sized enterprises, which can be available through the Forced Labour Single Portal.

### **Who will lead the investigations?**

The agreement reached by the two co-legislators lays down the criteria to determine which authority should lead the investigations. The Commission will be leading investigations outside the EU territory. Where the risks are in the territory of a member state, the competent authority of that member state will lead the investigations. If competent authorities, while assessing the likelihood of violations of this regulation, find new information about the suspected forced labour, they must inform the competent authority of other member states, provided that the suspected forced labour is taking place in the territory of that member state. Similarly, they must inform the Commission if the suspected forced labour is occurring outside the EU.

The deal reached today ensures that economic operators can be heard in all stages of the investigation, as appropriate. It also ensures that other relevant information will also be taken into account.

## Final decisions

The final decision (i.e., to ban, withdraw and dispose of a product made with forced labour) will be taken by the authority that led the investigation. The decision taken by a national authority will apply in all other member states based on the principle of mutual recognition.

In cases of supply risks of critical products made with forced labour, the competent authority can decide not to impose their disposal, and instead order the economic operator to withhold the product until it can demonstrate that there is no more forced labour in its operations or respective supply chains.

The provisional agreement clarifies that, if a part of the product which is found to be in violation of this regulation is replaceable, the order to dispose of applies only to the part concerned. For instance, if a part of a car is made with forced labour, that part will have to be disposed of, but not the whole car. The car manufacturer will have to find a new supplier for that part or make sure that it is not made with forced labour. However, if tomatoes used to make a sauce are produced using forced-labour, all the sauce will have to be disposed of.

## Next steps

The provisional agreement reached with the European Parliament now needs to be endorsed and formally adopted by both institutions.

## Background

Roughly 27.6 million people are in forced labour around the world, in many industries and in every continent. Most forced labour takes place in the private sector, while some is imposed by public authorities.

The Commission proposed the regulation to prohibit products made with forced labour in the EU on 14 September 2022. The Council adopted its negotiating position on 26th January 2024.

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