

EU Plans To Ban Imports of Forced Labour Products

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What's this all about?

Forced labour/modern slavery/ESG/supply chain due diligence continues to be as topical a compliance issue as ever.

A number of countries around the world now have some form of compliance requirements in this sphere, including the UK with the Modern Slavery Act 2015 (see our update article here https://www.corderycompliance.com/uk-modern-slavery-compliance-rules-draft-amends/). The UK Parliament also recently undertook an enquiry relating to Xinjiang supply chains (see our article here https://www.corderycompliance.com/xinjiang-supply-chains-alert/).

Other countries also either already have or are planning to introduce compliance requirements in this area (see our joint article here https://www.magnussonlaw.com/news/the-increasing-regulatory-requirement-of-supply-chain-due-diligence-compliance-the-next-really-big-thing-in-compliance/).

The EU recently introduced guidance about forced labour (see our article here https://www.corderycompliance.com/eu-modern-slavery-guidance/) and has plans to introduce ESG/due diligence corporate accountability legislation (see our article here https://www.corderycompliance.com/esg-supply-chain-dd-legal-trends/). Now the EU is planning to introduce rules to ban imports of forced labour linked products.

The EU Proposition

In her State of the Union speech on 15 September President Ursula von der Leyen, the head of the European Commission, announced as follows:

"And let me be very clear: doing business around the world, global trade – all that is good and necessary. But this can never be done at the expense of people's dignity and freedom. There are 25 million people out there, who are threatened or coerced into forced labour. We can never accept that they are forced to make products – and that these products then end up for sale in shops here in Europe. So we will propose a ban on products in our market that have been made by forced labour. Human rights are not for sale – at any price."

No further details of this proposition are currently publicly available, including whether this would come in the form of an amendment to existing EU customs rules or stand-alone legislation and when these new rules can be expected.

What is the key takeaway?

Having rules to allow a ban on imports of forced labour-linked products would constitute a significant enforcement tool for the EU. But, determining whether a given product, either in whole or in part, actually is the product of forced labour can be expected to be challenging – very careful forensic examination of products may be required. The issue of import bans has also arisen in the UK Parliamentary enquiry relating to Xinjiang supply chains so similar rules may also come in the UK.

Businesses should therefore start considering factoring in the possibility of such import bans as part of their modern slavery supply chain due diligence management.

Check out our film about spotting the signs of modern slavery here https://www.corderycompliance.com/spotting-the-signs-of-modern-slavery/.

For more information on Cordery's work on modern slavery and a short film explaining the law click here https://www.corderycompliance.com/modernslavery/. Cordery's Modern Slavery Action helps organisations meet their modern slavery reporting requirements for a fixed fee. There are more details here

https://www.corderycompliance.com/solutions/modern-slavery-action/.

We report about modern slavery issues here <u>Modern Slavery and Supply Chain Management</u> (corderycompliance.com)

The President of the European Commission's State of the Union speech can be found here https://ec.europa.eu/commission/presscorner/detail/en/SPEECH 21 4701

We report about compliance issues here https://www.corderycompliance.com/news/.

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