

AIM input to EU Commission's call for evidence on forced labour

20 June 2022

AIM, the European Brands Association, is supportive of the EU Commission's objective to root out forced labour from supply chains. We thus welcome the Commission's intent to address the issue of products made with forced labour. We acknowledge that there is strong cross-party support from the European Parliament for a new EU legal instrument, as demonstrated by the adoption of its resolution on the topic on 8 June by a near unanimity of MEPs.

Brand manufacturers represented in [AIM – European Brands Association](#) operate and source globally. Many of our member companies are leading on responsible sourcing practices, seeking to minimise environmental impacts and ensure respect of human rights across their supply chains. From experience gained through our global collaborative sourcing initiative [AIM-Progress](#), it has become clear that supply chain due diligence, coupled with capability building and remedy approaches jointly with local suppliers and rightsholders in risk-prone sourcing regions, are key to ensuring continuous improvement and rooting out unsustainable practices so that sustainable supply of relevant commodities in a global trading environment is guaranteed in the future. It is important that a harmonised EU framework on due diligence addresses forced labour as part of a smart mix of measures.

1. Coherence with related EU instruments

We believe that the proposal for a **Directive on Corporate Sustainability Due Diligence should become the overarching EU legislative framework to promote the responsibility of businesses to respect human rights** in their operations and supply chains, through an obligation on companies to carry out human rights due diligence in line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Any complementary vertical EU legislation, including market access regulation for products made with forced labour, should be **aligned with the future Directive on Corporate Sustainability Due Diligence** in order to ensure legal certainty and a level playing field for companies.¹

2. Alignment with international standards

Any EU instrument on forced labour should **align with international standards**, in particular the **ILO forced labour indicators** when it comes to the determination of whether forced labour has been used.

3. Impact assessment

Whilst we understand the urgency for EU action on forced labour, an important consideration is in how far import/export bans of products made with forced labour can effectively tackle the root causes of such practices in third countries. Any measure undertaken should yield positive outcomes for vulnerable individuals and communities at risk of forced labour. Simply stopping relevant products from entering certain markets through demand-side focused measures risks deviating the flow of these products to other regions, as acknowledged by the European Commission in its call for evidence. Producers improving working conditions and respect for human rights in geographies prone to occurrences of forced labour risk being penalised by a blanket approach without any positive outcomes on the supply side. To avoid this unintended consequence of the measure, **we believe the European Commission's consultation process should include an appropriate assessment of the instrument's potential to ensure it achieves long-term positive impacts for vulnerable individuals and communities.**

¹ See [high-level AIM input to EU public consultation](#) on Corporate Sustainability Due Diligence

4. Implementation guidance

Experience with the current debates around the proposed EU Regulation on Deforestation-free Products and with US legislation on forced labour has shown that **implementation guidance for companies is absolutely key**. Whether the upcoming EU legislation requires an upfront due diligence statement (similar to what is under discussion for the future EU Regulation on Deforestation-free Products) or an ex-post rebuttal of a presumption of non-compliance by the importer (as provided for under the U.S. Uyghur Forced Labor Prevention Act taking effect on 21 June 2022), it is important to provide businesses with implementation guidance clarifying the expected steps for due diligence necessary to comply with the new EU rules. Such implementation guidance should be harmonized at EU level to avoid divergent requirements across EU Member States, which would otherwise lead to legal uncertainty, additional costs and increased administrative burden for companies striving to comply with the new EU rules. Adopting an EU legislative framework without developing and making available such implementation guidance at the time of entry into force would be problematic for both operators and enforcement authorities.

5. Responsibility

Similar to what is being discussed for the proposed EU Regulation on Deforestation-free Products, it is key **to clearly identify the operator with whom responsibility for compliance lies. AIM argues that this responsibility should lie with the first importer of a product/commodity on the EU market**, who should make available any relevant due diligence information to subsequent operators and traders in the supply chain and therefore avoid duplication of efforts and compliance costs.

6. Cooperation with third countries

As mentioned above, a narrow focus on the development of demand-side measures risks causing unintended consequences that may undermine the overall objective of the upcoming EU legislation. While the new legislative proposal will create an obligation for companies to address forced labour, these efforts must be supported by the right enabling environment, addressing the root causes of the issue.

To this end, AIM calls on the EU to play an active role in engaging with non-EU countries and stakeholders on issues related to the new legislation, with a view to establishing long-term partnership agreements with the governments of third countries and involving relevant stakeholders. These partnership agreements should include time-bound frameworks for action for all parties involved, placing a particular emphasis on actions at the policy level by producer governments as well as other relevant stakeholders, and include incentive mechanisms and support from the EU and its member states to ensure that the necessary actions can be implemented successfully.

About AIM

AIM is the European Brands Association representing brand manufacturers in Europe on key issues which affect their ability to design, distribute and market their brands.

AIM comprises 2500 businesses ranging from SMEs to multinationals, directly or indirectly through its corporate and national association members. Our members are united in their purpose to build strong, evocative brands, placing the consumer at the heart of everything they do.

AIM's mission is to create for brands an environment of fair and vigorous competition, fostering innovation and guaranteeing maximum value to consumers now and for generations to come. Building sustainable and trusted brands drives investment, creativity and innovation to meet and exceed consumer expectations. AIM's corporate members alone invested €14 billion in Research & Development in Europe in 2014, placing them fifth in the EU ranking of R&D investment.

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