
POSITION PAPER ON THE EUROPEAN UNION'S CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE AND FORCED LABOUR REGULATION

1. Organisation

The Uganda Consortium on Corporate Accountability (UCCA) is a civil society consortium, currently bringing 23 organisations to pursue corporate accountability.¹ UCCA's mission is to facilitate and coordinate a strong and united network of civil society organizations, state agencies, corporations and communities around matters of corporate accountability. Its overall goal is to enhance corporate accountability where all state, non-state actors and business corporations take due diligence on policies and operations to promote and respect human rights for all people.

2. Background information

Uganda runs a private sector-led economy which places corporate actors above all in the pursuit of development. In 2016, the UCCA conducted a baseline study on the effects and impact of corporate actions on human rights titled: *The State of Corporate Accountability in Uganda*.²

The report highlighted the increasing private sector involvement in the country's development plan which had not been accompanied by adequate efforts to balance the promotion of investment with protection and respect for human rights. Further studies have been conducted on the "*The Capacity of the State to regulate Corporations: An Analysis of Uganda's Labour Policies, Legal and Institutional Framework within the Context of Business Activities*".³

As documented by UCCA, a large number of vulnerable workers have been victims of corporate human rights abuses in EU companies' supply chains.

Flowers grown in Uganda: The Dutch company RoyalVanZanten contracts labourers in Uganda to plant, harvest and transport flowers. According to former employees, the company employs a lot of people, but do not treat their employees well. The flowers are sold expensive, but the employees are paid very little. Workers toil barefoot in the fields, without protective gear and being directly exposed to toxic chemicals. Workers would not call in sick to their supervisors for fear of losing their jobs.⁴

Through the Uganda Flowers Exporter Association, **at least 15 flower firms export to the European Union (EU), particularly the Netherlands**. Flowers and vegetables constitute the largest share of Uganda's \$500m (sh1.8 trillion) exports to the EU.⁵

¹ <https://youtu.be/bkSyheDH1tY>

² <https://ucca-uganda.org/wp-content/uploads/2020/03/18-07-08-UCCA-Report-Revised.pdf>

³ <https://ucca-uganda.org/wp-content/uploads/2020/03/18-11-20-Capacity-of-the-State-to-Regulate-Corporations.pdf>

⁴ <https://www.youtube.com/watch?v=H2TPmtNv4so>

⁵ <https://www.newvision.co.ug/news/1516644/uganda-flower-exports-exceed-sh200b>

UCCA has led efforts to strengthen the legal and policy frameworks at the national level including supporting the development of Uganda's National Action Plan on Business and Human Rights.⁶ However, gaps continue to exist especially around aspects of **enhancing access to effective remedies for victims of corporate human rights abuses and also shifting the mindset of corporate actors to be compliant with human rights obligations.**

As part of our strategy to enhance corporate accountability, UCCA supports the development and implementation of policy and legal frameworks on corporate accountability and the creation and utilization of strong accountability mechanisms at different levels. As such, contribution to the development process of the EU's Corporate Sustainability Due Diligence Directive and Forced Labour Regulations is a process we wish to contribute to.

3. How can EU laws address these issues?

Corporate Sustainable Due Diligence Directive

- **Meaningful and credible engagement with affected and potentially affected workers and communities.** The proposal should pay special attention to the specific needs of different groups in a vulnerable situation, and engage with workers and their representatives throughout the full due diligence cycle.
- **Complaints mechanisms.** The Sustainable Corporate Due Diligence Directive's wording has very vague working on complaint mechanisms. As it stands now, the current proposal risks creating a new wave of corporate-led approaches to grievance mechanisms, such as company hotlines. Such approaches lack the trust and accountability to facilitate meaningful access to remedy, in particular for workers already in heightened vulnerability. The role of trade unions must be promoted, and workers and other stakeholders must be involved in the design, implementation and monitoring of grievance mechanisms.

Forced Labour Regulation

- **Companies must map and disclose their supply chains.** The burden of proof must be placed on companies to prove that their products have not been made with forced labour. For this, companies must be required to map and disclose their supply chains.
- For the law to have real impact on the ground, it must make sure **workers receive remedy.** Listening to civil society, trade unions and workers when defining remedy is key to ensure the upcoming proposal is effective and responds to the needs of workers.

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⁶ <https://ucca-uganda.org/wp-content/uploads/2021/10/Ugandas-National-Action-Plan-on-Business-and-Human-Rights.pdf>