

**LAW & POLICY GROUP****GRIST**

## **NETHERLANDS: COMPANIES MUST PREVENT CHILD LABOR IN SUPPLY CHAINS**

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Companies that are registered in the Netherlands or that are registered abroad and sell goods or services to Dutch consumers will have to identify and take steps to prevent child labor in their supply chains. The measures feature in a [law](#) (Dutch) that recently passed parliament —further implementing details will be included in general administrative orders, and the law's implementation date hasn't been confirmed.

### **HIGHLIGHTS**

Key features of the law include the following:

- Companies must conduct due diligence on their supply chains and confirm in a one-time public statement that the organization has adequate due diligence measures in place to prevent its products or services from being produced in a way that involves child labour. The law suggests that companies use guidance issued by the International Labour Organization to conduct due diligence. The company reports will be published on a public register.
- A company must publish an action plan to eradicate child labor in its supply chains if the company reasonably assumes that child labor has contributed to a product or service.
- Complaints about a company's actions must first be submitted to the company concerned. If the company's reaction is inadequate, the issue can be referred to the regulator. The appropriate regulator hasn't yet been appointed.
- Companies that don't submit a statement will be fined €4,100. Companies face increased fines for repeat offenses (up to €750,000 or 10% of the company's turnover) or for failing to follow legally binding instructions issued by the regulatory authorities. Company directors face criminal sanctions if their company is fined twice in five years.
- Employer representatives, labor unions, civil society organizations and the government will be invited to participate in a voluntary agreement on responsible care and to support a joint action plan aimed at identifying and preventing child labor.

## RELATED RESOURCES

- [Child Labour Due Diligence Law](#) (Dutch) (Dutch Parliament, 14 May 2019)
- [Background Information on the ILO](#) (International Labour Organization)

*Note: Mercer is not engaged in the practice of law, accounting or medicine. Any commentary in this article does not constitute and is not a substitute for legal, tax or medical advice. Readers of this article should consult a legal, tax or medical expert for advice on those matters.*