



## **JBCE position on Effectively banning products produced, extracted or harvested with forced labour**

The Japan Business Council in Europe (JBCE) welcomes this opportunity to provide feedback on the call for evidence of the legislative initiative to effectively ban products produced, extracted, or harvested with forced labour.

JBCE supports the Commission's overall objective of effectively banning the marketing in the EU of products produced by forced labour, both domestic and imported. We also welcome the Commission's statement that the new instrument will build on international standards and complement existing EU horizontal and sectoral initiatives, in particular the due diligence and transparency obligations. The following is our recommendation to make the legislation workable. JBCE would like to contribute further through targeted consultation providing the views of companies operating in Europe, but also worldwide.

- JBCE firmly believes that conducting risk based due diligence is the most effective approach to capturing the potential risks of forced labour. Evidence shows; however, that it is impossible for a company to ensure that its entire supply/value chain is free of forced labour due to the lack of leverage, the complexity of supply/value chains and the context of the state in which these supply chains extend. Conducting due diligence is the only way for companies to show that appropriate efforts were made when such adverse impacts were found/notified. It is therefore of utmost importance to ensure policy coherence between future legislation on forced labour and other EU legislation, such as the Corporate Sustainability Due Diligence Directive and other product-based legislations, such as the battery regulation. The future legislation on forced labour should also clarify how it complements these aforementioned legislations.
- The definition and requirements of the legislation need to be clear and aligned with the international standards including the OECD MNE guidelines, and UNGP, which encourage to take a risk-based approach.
- The problem of forced labour cannot be solved by industry efforts alone, as it is often context-related. Governments should work with industries and other countries to solve the fundamental issues which cause forced labour in the supply chain. JBCE suggests that dialogue with regions/countries where concerns of systemic forced labour issue exist should be considered as one of the most effective tools to address the original causes of forced labour. Multistakeholder and industry schemes should also be recognised as an effective tool.
- JBCE appreciates the Commission's intention to provide as much information as possible to facilitate companies' risk assessment. We urge the Commission to build up a credible database as well as to establish guidelines, and a helpdesk where companies can rely on expertise.



- Naming specific countries with EU self-classification rule should be avoided, which is also against WTO rule. In addition, it will discourage (often irresponsibly) companies to engage in high-risk markets, which result in leaving grass root cause of forced labour issues throughout the global supply chain.
- We also urge the Commission to avoid imposing additional burdens on customs clearance, such as requiring proof that products are free of forced labour.
- Systems need to be put in place for how to withdraw products on the market that have been found to be associated with forced labour.
- A different approach needs to be taken to state-induced forced labour and specific guidance is needed on how to deal with these situations.
- Requirements of the future legislation should be harmonized within the EU, including the enforcement mechanisms.

#### **About JBCE**

Founded in 1999, the Japan Business Council in Europe (JBCE) is a leading European organization representing the interests of about 90 multinational companies of Japanese parentage active in Europe. Our members operate across a wide range of sectors, including information and communication technology, electronics, chemicals, automotive, machinery, wholesale trade, precision instruments, pharmaceutical, textiles and glass products. For more information: <https://www.jbce.org> / E-mail: [info@jbce.org](mailto:info@jbce.org) , EU Transparency Register: 68368571120-55