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DIGITALEUROPE's response to the Call for evidence on effectively banning products produced, extracted or harvested with forced labour

Introduction

DIGITALEUROPE and its members respect and appreciate the critical role of the EU in protecting and promoting human rights and value this opportunity for dialogue.

DIGITALEUROPE and its members stand firm in respecting human rights with the understanding that violations of human rights should not be tolerated. We prohibit our suppliers from using forced labour and require that all employment be freely chosen.

DIGITALEUROPE members have established robust labour and human rights policies based on: the Universal Declaration of Human Rights (UDHR), International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social, and Cultural Rights (ICESCR), the United Nations Guiding Principles on Business and Human Rights (UNGPs), Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the ILO Core Conventions.

In the tech sector, many companies engage in the Responsible Business Alliance (RBA), the world's largest industry coalition dedicated to corporate social responsibilities across global supply chains. Recognizing that companies must work together to build ethical and responsible supply chains across broad industry segments, the RBA has developed an aligned and globally recognized supply chain due diligence scheme adhering to international standards. This scheme enables RBA members to combine their collective market forces to require suppliers to identify, assess, and manage their human rights and work environmental risks in accordance with

global standards through training, handling grievances and remediation, along with third party, independent on-site audits including specialized audits on forced labour.

We know, however, that human rights issues including forced labour can still arise despite robust industry-wide schemes but due diligence approaches can minimize such risks. Collaboration with experts, stakeholders and suppliers and their workers is crucial in identifying risks, investigating such matters thoroughly and taking remedial action to address weaknesses and vulnerabilities with the goal of minimizing to the greatest extent possible the likelihood that human rights violations occur in company supply chains.

In particular, we pay special attention to vulnerable groups, such as domestic and foreign migrant workers. We strongly support the right of voluntary work and are committed to banning participation in, or imposition of, forced labour, bonded or indentured labour, involuntary or exploitive prison labour, slavery or tracking of persons as articulated in international standards and norms.



Recommendations

1. **An EU legislative instrument should seek to harmonise the growing trend of internal market fragmentation** with numerous countries introducing forced labour/modern slavery related laws with different requirements. Harmonisation provides strength and scope for effective compliance while facilitating workable and effective practices by companies to address forced labour, delivering positive outcomes for workers and vulnerable groups. **The EU should adopt a risk-based due diligence approach** that is founded on the UNGPs, core ILO conventions and the OECD Guidelines for Multi-National Enterprises, and should focus on risks that companies are able to address directly.
2. **New EU legislation should complement the proposed directive on corporate sustainability due diligence (CS3D)** and any additional reporting requirements should be consistent with corporate sustainability reporting (CSRD) and other relevant sectoral EU laws such as the batteries and minerals regulations.
3. **We recommend that the EU's action applies to all products placed on the EU market and doesn't discriminate between imported products and products manufactured in the EU.** Making a

distinction between imported products and products manufactured in the EU will in fact make measure less effective.

4. **A holistic approach should be applied to retain open dialogue with industry and other stakeholders as well as capacity building at a global level to tackle these complex issues.** The EU should avoid creating a block list effect, encouraging companies to 'de-risk' and disengage (often irresponsibly) from high-risk markets. Allowing dialogue and open communication will increase transparency, so that the government and industry can work together to tackle the issues.
5. **In the case of suspected forced labour, the EU should ensure a transparent process:** what types of evidence and documentation would be needed, specific information related to a product withdrawal, including allegations and the reasoning for the eventual withdrawal. It would also be helpful to establish a threshold for an allegation – i.e. a certain threshold these allegations must surpass before businesses are impacted.
6. **The EU should also ensure that new requirements on forced labour are reflected in the obligations between sellers and retailers.**
7. **There should be strong guidance for companies and enforcement authorities. A sectoral approach would be** appropriate in order to take the efforts of individual industries to address forced labour and human trafficking into account. There should be a ramp up period in terms of enforcement to reflect the fact that implementing new reporting and remediation requirements takes time.
8. **Guidance should be defined through multi-stakeholder dialogue.** Companies need clear and specific guidance with details on what steps to take and which documents to prepare.
9. **It is key for industry and authorities to cooperate in addressing difficult to detect potential or actual instances of forced labour.** The EU and Member state authorities should work with private sector actors in advance of any product withdrawal to develop proper scope and targeting to address forced labour issues that may arise.
10. Guidance should address weaknesses in recruitment or placement of workers and opaque recruitment paths. Particular attention is needed for vulnerable groups.
11. A particular focus on the development of remediation guidelines is needed.

12. Industry schemes such as the RBA should not only be acknowledged but also be recognized under an EU regime as is the case under the EU Responsible Minerals Regulation. Whilst these schemes should not be a way to avoid undertaking due diligence, they should be recognized as important ways for companies to demonstrate compliance with any legal requirements, to share good practices throughout the value chain, develop tools and encourage going beyond compliance in cooperation with stakeholders.

As part of our labour and human rights journey, we strive to continuously improve our labour and human rights processes and policies and to incorporate the views and opinions of experts and our stakeholders to the benefit of our workers and society.

Thank you again for the opportunity to engage with the EU. We remain open to sharing our experiences in handling the serious matter of forced labour. We welcome continuous dialogue on how to collectively address labour and human rights issues in the EU and global supply chains.

FOR MORE INFORMATION, PLEASE CONTACT:

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About DIGITALEUROPE

DIGITALEUROPE represents the digital technology industry in Europe. Our members include some of the world's largest IT, telecoms and consumer electronics companies and national associations from every part of Europe. DIGITALEUROPE wants European businesses and citizens to benefit fully from digital technologies and for Europe to grow, attract and sustain the world's best digital technology companies. DIGITALEUROPE ensures industry participation in the development and implementation of EU policies.

DIGITALEUROPE Membership

Corporate Members

Accenture, Airbus, Amazon, AMD, Apple, Arçelik, Assent, Atos, Autodesk, Banco Santander, Bayer, Bidao, Bosch, Bose, Bristol-Myers Squibb, Brother, Canon, Cisco, CyberArk, Danfoss, Dassault Systèmes, DATEV, Dell, Eli Lilly and Company, Epson, Ericsson, ESET, EY, Fujitsu, GlaxoSmithKline, Global Knowledge, Google, Graphcore, Hewlett Packard Enterprise, Hitachi, HP Inc., HSBC, Huawei, Intel, Johnson & Johnson, Johnson Controls International, JVC Kenwood Group, Konica Minolta, Kry, Kyocera, Lenovo, Lexmark, LG Electronics, Mastercard, Meta, Microsoft, Mitsubishi Electric Europe, Motorola Solutions, MSD Europe Inc., NEC, Nemetschek, NetApp, Nokia, Nvidia Ltd., Oki, OPPO, Oracle, Palo Alto Networks, Panasonic Europe, Philips, Pioneer, Qualcomm, Red Hat, RELX, ResMed, Ricoh, Roche, Rockwell Automation, Samsung, SAP, SAS, Schneider Electric, Sharp Electronics, Siemens, Siemens Healthineers, Sky CP, Sony, Sopra Steria, Swatch Group, Technicolor, Texas Instruments, TikTok, Toshiba, TP Vision, UnitedHealth Group, Visa, Vivo, VMware, Waymo, Workday, Xerox, Xiaomi, Zoom.

National Trade Associations

Austria: IOÖ

Belgium: AGORIA

Croatia: Croatian Chamber of Economy

Cyprus: CITEA

Czech Republic: AAVIT

Denmark: DI Digital, IT BRANCHEN, Dansk Erhverv

Estonia: ITL

Finland: TIF

France: AFNUM, SECIMAVI, numeum

Germany: bitkom, ZVEI

Greece: SEPE

Hungary: IVSZ

Ireland: Technology Ireland

Italy: Anitec-Assinform

Lithuania: Infobalt

Luxembourg: APSI

Moldova: ATIC

Netherlands: NLdigital, FIAR

Norway: Abelia

Poland: KIGEIT, PIIT, ZIPSEE

Portugal: AGEFE

Romania: ANIS

Slovakia: ITAS

Slovenia: ICT Association of Slovenia at CCIS

Spain: Adigital, AMETIC

Sweden: TechSverige, Teknikföretagen

Switzerland: SWICO

Turkey: Digital Turkey Platform, ECID

Ukraine: IT Ukraine

United Kingdom: techUK