NOTE

Danish Government response to the call for evidence regarding the initiative "Effectively banning products produced, extracted or harvested with forced labour"

The Danish Government finds that ending forced labour is an area of great importance and the Danish Government is already promoting decent work worldwide and supports the Commission's objective with this initiative.

Denmark finds that ending forced labour is an important part of the sustainable transition, which is also underlined by the fact that ending forced labour is a central part of the Sustainable Development Goals. While ending forced labour is a matter of great significance it is also a complex challenge. Forced labour may occur deep down a company's value chain and might happen in third countries not subject to the same regulation as companies in the EU. Moreover, it is difficult to assess whether a product itself has been produced, extracted, or harvested with forced labour, as the product itself does not carry signs indicating the use of forced labour. This means that the regulation should be clear for businesses and be followed by guidance and tools for companies to support the implementation of the ban.

While welcoming the initiative the Danish Government would also like to note the following considerations:
- assess and address market surveillance challenges;
- ensure consistency with other EU-legislation and the rules of the World Trade Organization;
- have a due legislative process that will allow for a solid legal foundation.

Market surveillance challenges
It is expected that control of products that are produced, extracted, or harvested under certain conditions will fall under the jurisdiction of market surveillance authorities. However, there are several unanswered questions regarding such product controls. In terms of the wording used in the call for evidence, it is expected that the control implies an extensive market surveillance of selected products' value chains. This would be a control competence currently not present in the Danish market surveillance system. Hence, it will be important to assess the market surveillance challenges this initiative will pose, to be able to address possible inconsistencies and choose the most effective and efficient approach.

Consistency with other EU-legislation and the rules of the World Trade Organization

To ensure an effective and efficient ban, while avoiding double regulation, the Commission should work to ensure consistency with existing and upcoming EU-legislation such as the proposal on a Corporate Sustainability Due Diligence Directive (CSDDD). We understand that the initiatives are aimed at supplementing each other, while they do to a large extend have the same objective. We would recommend the Commission to perform a thorough gap analysis, to ensure that this additional initiative adds value and only addresses the problems not already addressed by for example the CSDDD or the Corporate Sustainability Reporting Directive. Moreover, the initiative should be developed in accordance with the rules of the World Trade Organization.

Due legislative process

Due to the importance and complex nature of the initiative, the Danish Government finds that the initiative should adhere to the better regulation principles, and hence an impact assessment should be provided.

The Danish Government acknowledges the sensitivity of the proposal and supports the Commission's assessment of the need to act on the matter. However, we find it difficult to support the Commission's current choice to exempt itself from providing an impact assessment as well as from publishing a public consultation, and instead opting for only a *targeted* consultation. As the proposal aims at solving structural problems in companies complex value chains and will have significant long-term implications, the initiative calls for a solid legislative process to ensure that we do in fact achieve the laudable objectives of the initiative.

We stand at your disposal for further elaboration.