

JBCE’S ANSWER TO THE CALL FOR EVIDENCE ON GUIDELINES ON THE IMPLEMENTATION OF THE EU RULES ON FORCED LABOUR

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INTRODUCTION

The Japan Business Council in Europe (JBCE) supports the European Union's objective to eliminate products made with forced labour from the EU market and has contributed throughout the decision-making process leading to the adoption of the Forced Labour Regulation¹ (FLR). Entering the implementation phase, JBCE welcomes the opportunity to share the perspectives of its members regarding the upcoming Guidelines.

On a general note, JBCE's position focuses on predictable, risk based, and coherent implementation that:

- a. provides clear guidance for economic operators, competent authorities, and other stakeholders that are consistent with existing international standards (i.e. ILO indicators, the UNGPs and OECD).
- b. takes into account the resources required for preparatory work and investigations, which depend on the size of the economic operator and its level of involvement in the risk of forced labour; provides training and capacity building support
- c. ensures transparent standards of evidence, access to the risk database and the EU's single portal, and consistent implementation across member states
- d. prioritizes remedial measures over indiscriminate disengagement
- e. ensures consistency with existing Industry standards, EU legislative requirements and evidence for proving sufficient due diligence implementation of human rights, including forced labour. (i.e. EUDR's Due diligence statement, CSDDD, CSRD disclosures etc.)
- f. fosters EU–Japan cooperation on capacity building and data sharing to address upstream risks.

¹ Regulation (EU) 2024/3015 of 27 November 2024 on prohibiting products made with forced labour on the Union market and amending Directive (EU) 2019/1937
https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202403015

1. Documentation that economic operators could provide in the preliminary phase of the investigation

For the successful and effective implementation, we recommend that investigations be clearly scoped to a specific product, geographic area/facility and time period, and initiated only where documented evidence is available. Open-ended or overly broad information requests may undermine feasibility and cooperation. To expedite evidence collection and enforcement, authorities should first refer to publicly disclosed information on companies' human rights due diligence, findings, and progress as required under EU Legislation, in particular CSRD, CSDDD and EUDR, which should generally suffice to assess compliance with responsibilities for preventing forced and child labour.

Authorities should request additional information only if critical gaps exist. Economic operators may provide information, including publicly available sources, such as the following.

Where forced labour risks relate to an economic operator's own operations (e.g. manufacturing sites) or suppliers with direct contractual relationships, economic operators can provide information on their due diligence framework. This may include due diligence policies, processes for identifying salient human rights risks, forced labour risk assessments, and measures taken to prevent or mitigate risks.

Relevant documentation from public disclosure may include:

- A high-level explanation of the company's risk identification and mitigation methodology, including how forced labour risks are identified, which countries or regions are considered high-risk, and which preventive or mitigative measures have been implemented. This may include capacity-building activities and grievance mechanisms covering own operations and suppliers.
- Information on the use of early forced labour risk warning systems provided by external service providers.
- A high-level explanation of forced labour remediation processes, including internal case-handling procedures and examples of past remediation efforts. This may include public disclosures made under applicable legislation, such as the UK Modern Slavery Act or the Norway Transparency Act.

Where forced labour risks relate to suppliers without direct contractual relationships, information that economic operators can provide may be less detailed due to practical limitations in engaging with such suppliers. The guidelines should allow justified extensions where deeper-tier information requires engagement with numerous smallholders and local partners.

The guidelines should provide examples of:

- What types of alternative information are suitable;
- How these limitations will be taken into account in an assessment; and
- How economic operators can identify and prioritize potential forced labour risks when access to such suppliers is constrained.

2. Documentation and evidence stakeholders should provide when submitting information on alleged cases of forced labour

Stakeholders submitting information on alleged cases of forced labour should provide detailed and well-documented evidence.

Relevant documentation may include:

Evidence related to the alleged case:

- Evidence related to the alleged case, such as identification of the product and supply chain segment concerned, non-anonymized affected party statements, photographs showing working or living conditions, and, where available, supporting financial records (e.g. pay slips or bank statements indicating recruitment fees or other related costs).
- Documentation demonstrating previous efforts to address the alleged forced labour, such as submissions to company management, local authorities, or sourcing companies.
- Demonstration of relevance to the specific economic operator placing goods on the EU market

Submission legitimacy and representation:

- Documentation demonstrating that the submission is made in good faith and is not abusive, defamatory, or politically or commercially motivated.
- Where submissions are made by representatives on behalf of affected individuals, written confirmation that the individuals concerned have agreed to such representation.
- Written confirmation of whether the alleged forced labour case has already been submitted to relevant enforcement, mediation, or other organisations (e.g. public authorities, OECD National Contact Points, or UN bodies).

Victim protection:

Submissions should ensure the safety of affected individuals, including anonymisation, informed consent, and non-retaliation safeguards (e.g., through the Forced Labour Single Portal once operational).

Allegation quality assessment:

Authorities should conduct due diligence on the genuineness of incoming allegations to help determine priority cases with substantial concerns. Key considerations include:

- Whether the information is direct or indirect.
- Whether the information is contemporaneous or retrospective.
- Whether the information is corroborated (multiple sources) or unilateral (single source).

3. Best practices for conducting forced labour-related due diligence across product groups or economic sectors

In the specific industry, supply chains are complex and highly interconnected, with many midstream suppliers serving multiple downstream companies. In addition, upstream raw material sourcing often involves procurement from diverse sources worldwide. Industry-wide approaches are therefore essential to streamline information requests and audit processes and to reduce the administrative burden associated with multiple, overlapping customer requirements, and obtain supply base information efficiently and effectively.

Best practices include:

- The use of industry-led initiatives, such as the Responsible Business Alliance and the Responsible Labour Initiative, which provide established platforms for assessing forced labour risks in electronics and automotive supply chains. Shared tools, such as self-assessment questionnaires and audit programs, help identify and verify risks while reducing audit fatigue. Collaborative initiatives also support practical action to address root causes, including responsible recruitment.
- In line with OECD Responsible Business Conduct (RBC) expectations, best practices include:
 - Communicating forced labour policies to suppliers.
 - Including RBC-related conditions and expectations in supplier or business relationship contracts.
 - Expecting suppliers to comply with the OECD Guidelines and clearly defining how requirements should be cascaded through the supply chain.

- Developing and implementing pre-qualification processes to assess suppliers' due diligence.
Providing suppliers with adequate resources and training to support compliance.
- The establishment of effective grievance mechanisms across the supply chain to capture continuous feedback from workers and other stakeholders, complementing self-assessments and audits that reflect conditions at a specific point in time. In addition to company-level mechanisms, external shared supply chain grievance platforms such as the Japan Center for Engagement and Remedy on Business and Human Rights (JsCER) can provide accessible and independent channels, and collaborative remediation approaches in complex and overlapping supply chains.

The use of cross-industry risk monitoring services provided by credible third-party assessment tools to support the identification and monitoring of forced labour risks. In addition, particularly in high-risk situations (e.g., upstream conflict mineral sourcing stages), it is important to utilize sector-specific frameworks for on-site monitoring and the management of corrective actions.

4. Best practices for remediating forced labour and the harm caused by an economic operator

Best practices for remediation should take into account the economic operator's level of involvement in the forced labour risk, in line with the framework set out in the United Nations Guiding Principles on Business and Human Rights (UNGPs) and should be aligned with the due diligence and remediation approach established under the Corporate Sustainability Due Diligence Directive (CSDDD). In particular, it is important to determine whether the economic operator has caused, contributed to, or is directly linked to the risk, as this determines the appropriate scope of remediation. In assessing the nature and severity of forced labour risks, reference may also be made to internationally recognised benchmarks such as the indicators developed by the International Labour Organization (ILO).

Where forced labour risks occur in lower tiers of the supply chain, remediation may be more challenging due to limited leverage. In such cases, economic operators should seek to increase their leverage. For example, companies may collaborate with other companies sourcing from the same supplier in order to support effective remediation. Industry-led initiatives can also play an important role by facilitating coordination and collaboration across multiple tiers of the supply chain or different customers sourcing from the same supplier.

Practical remediation measures may include follow-up assessments to verify non-conformities, engagement with suppliers to clarify the situation, and the implementation of corrective actions. Where necessary, on-site visits may be conducted to support remediation and to confirm that improvements have been effectively implemented.

In addition, grievance mechanisms can support remediation by enabling issues to be raised and addressed. For example, cases have been identified through external reporting channels, including anonymous submissions, which led to corrective actions at supplier level.

5. Complementary resources which would be helpful in understanding and complying with the Regulation

The development and publication of complementary resources, such as FAQs, by the European Commission would be highly appreciated. To support consistent implementation across Member States and to help economic operators comply with the Regulation, additional practical resources would be helpful.

In particular:

- Harmonised templates at EU level for the submission of information during both the preliminary and investigation phases would help economic operators prepare and provide the required information within the specified timeframe, while avoiding fragmented approaches across Member States;
- Aggregated statistics and information on investigations, including sectors, product categories, and types of identified forced labour risks and their criteria would help economic operators better understand risk areas and strengthen their due diligence efforts;
- Guidance on conflicts of local law, including how companies should respond where local laws in non-EU countries may restrict compliance with the Regulation;
- Model contractual clauses that economic operators can incorporate into agreements with upstream suppliers;
- Criteria for evaluating corrective actions, particularly how to determine when actions related to forced labour or child labour breaches can be considered resolved or closed.;

- Approaches for engaging suppliers located in countries where state-imposed forced labour is alleged, acknowledging that open engagement may be difficult in certain contexts;
- Clarification on how the Regulation applies to non-EU countries from legal standpoints;
- Cross regulatory concordance tables showing how FLR interfaces with CSDDD, CSRD, EUDR, EUBR;
- Regarding the approach for SMEs, scalable due diligence efforts should be expected;
- Customs playbook: common documentation requests, detain/release timelines, appeal routes.
- Guidance on a pragmatic approach for products and parts manufactured before the Regulation enters into application, where documentation may no longer be available to meet full traceability requirements
- Guidance on the level of preparedness expected under the Regulation, including clarification of elements that would determine the assessment of 'reasonable efforts' and how companies with complex and multi-tier supply chains may demonstrate conformity with the Regulation and address forced labour risks

6. Training or capacity-building support would be most useful for economic operators to help them comply with the Regulation

Training and capacity-building should focus on practical guidance to help economic operators address forced labour risks, particularly in lower tiers of the supply chain where direct contractual relationships may not exist.

In particular, economic operators would benefit from:

- Guidance on appropriate remediation actions where forced labour risks exist in lower tiers of the supply chain;
- Practical guidance on engaging with suppliers, including how to increase leverage and support corrective actions (e.g. adjusting delivery timelines where appropriate);
- Guidance on responsible disengagement where there is no realistic prospect for improvement;

- An overview of existing tools and guidance that support economic operators in remediating forced labour issues;
- Sector-specific best practice example for smallholder commodities and targeted training in origin countries;
- Clarification on lawful pre-competitive collaboration;
- Practical use of the EU risk database once launched: screening cadence, interpreting updates, and documenting actions;
- Practical guidance on the use of the EU Single Submission Platform, as anticipated in EUFL process documents;
- Standardization of the approach on how to engage with suppliers – what are the basic steps to take;
- Case-study-based sessions illustrating how authorities evaluate evidence and close investigations.

ABOUT JBCE

Founded in 1999, the Japan Business Council in Europe (JBCE) is a leading European organisation representing the interests of over 110 multinational companies of Japanese parentage operating in Europe. Our members operate across a wide range of sectors, including information and communication technology, electronics, chemicals, automotive, machinery, wholesale trade, precision instruments, pharmaceuticals, textiles, and glass products.

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EU Transparency Register: [68368571120-55](https://ec.europa.eu/transparency/regexp1/index.cfm?do=entity.entity_details&entity_id=68368571120-55)