



## Conducting Human Rights Due Diligence in relation to State Imposed Forced Labour.

### *Implications for the upcoming EU Regulation on Forced Labour*

#### Introduction

Increasingly, countries have, or are legislating, instruments to ban the import of products made by forced labour. These include the US, Canada and Mexico. The EU Forced Labour Regulation, which bans the sale, import and export of goods made using forced labour, is the most recent piece of such statute. Given that the EU single market is currently the world's largest consumer market, the Regulation has the potential to influence business practices globally, to prevent, end or mitigate forced labour, and to stop companies profiting from forced labour in their supply chains. The Regulation could also drive progress in legislative efforts related to forced labour in other countries, whose companies may be impacted by robust enforcement of the Regulation. Importantly, the Regulation will address a significant gap in the EU legislative framework, as there has previously been no instrument in the EU that prohibits the market flow of products made with forced labour.

The Regulation provides that the Union seeks to eradicate the use of forced labour and promote decent work and labour rights worldwide. Article 11(f) states the European Commission shall make available guidance for economic operators on due diligence in relation to **forced labour imposed by state authorities**. The purpose of this briefing is to inform the due diligence guidance that the Commission will publish in relation to state-imposed forced labour. It provides what due diligence efforts are expected of companies to identify risks of state-imposed forced labour in operations and supply chains, when disengagement is necessary, and what steps should be taken to swiftly disengage. The draft due diligence provided herein aligns with international guidelines and established principles by international organisations including the ILO, the OECD and the United Nations.

The briefing also provides a comprehensive explanation of how state-imposed forced labour is distinct from forced labour carried out by private actors. In the former, it is the State - which has obligations under core human rights treaties and ILO Conventions to protect its population, including from forced labour - that is the perpetrator. This type of forced labour, therefore, requires a different response by companies as the abuse is carried out in pursuit of government policy and is maintained by the state apparatus itself. This briefing also includes examples of how state-imposed forced labour is currently carried out in various geographic locations and across sectors.

## **State-imposed forced labour**

State-imposed forced labour refers to forced labour imposed by state authorities, agents acting on behalf of state authorities, and organisations with authority similar to the state. The International Labour Organization (ILO) Abolition of Forced Labour Convention, 1957 (No. 105) prohibits ratifying member states from making use of any form of forced or compulsory labour: (a) as a means of political coercion or education or as a punishment for holding or expressing political views or views ideologically opposed to the established political, social or economic system; (b) as a method of mobilising and using labour for purposes of economic development; (c) as a means of labour discipline; (d) as a punishment for having participated in strikes; (e) as a means of racial, social, national or religious discrimination. With regard to point (b), workers can be requested to participate in economic development work but only on a voluntary basis, without the menace of penalty or application of compulsion. There are limited exceptions to the prohibition of state-imposed forced labour where states can legitimately impose compulsory work for public purposes: military or national service, civic obligations such as jury duty, work required as a result of a legal conviction in a court of law, work or service in cases of emergency, or minor communal services. To be legitimate forms of compulsory work, there must be safeguards in place to prevent abuse, namely coercion, exploitation, and lack of consent.

The 2022 ILO Global Estimates of Modern Slavery estimated that 3.9 million people were subject to state-imposed forced labour.<sup>1</sup> Walk Free's Global Slavery Index found that state-imposed forced labour is taking place in multiple countries.<sup>2</sup>

Some particularly notable cases include:

- Compulsory labour for the purpose of economic development, as is the case of tens of thousands of public sector employees forced to pick cotton or pay for replacement pickers in the annual cotton harvest in **Turkmenistan**.
- Systematic forced labour as part of the government of China's mass human rights persecution against Uyghur and other Turkic and Muslim-majority peoples in the **Xinjiang Uyghur Autonomous Region (Uyghur Region)**.
- Large-scale labour transfer schemes, as a policy of forced labour used by the government of China, is the relocation of workers belonging to certain ethnic or religious groups to another geographical area to work under the force of coercion including menace of penalty.
- Abuse of compulsory prison labour in a broad range of countries, including **Brazil, China, North Korea, Poland, Russia, Turkmenistan, and the United States of America**.
- Abuse of military conscription in countries such as **Egypt, Eritrea, Mali, and Mongolia**.

State-imposed forced labour effectively quashes a victim's ability to seek and achieve remedy as the state, meant to protect the human rights of its people, is placing them into forced labour. This further exacerbates immediate human rights harms and long-term impact as there is no individual escape from the system.

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<sup>1</sup> International Labour Organisation (ILO), Walk Free, and International Organization for Migration (2022) *Global Estimates of Modern Slavery. Forced Labour and Forced Marriage*. Available at

[https://cdn.walkfree.org/content/uploads/2022/09/12142341/GEMS-2022\\_Report\\_EN\\_V8.pdf](https://cdn.walkfree.org/content/uploads/2022/09/12142341/GEMS-2022_Report_EN_V8.pdf)

<sup>2</sup> Walk Free (2023), *Global Slavery Index 2023*. Available at:

<https://cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf>

## Differential characteristics of state-imposed forced labour from forced labour by private actors

Companies can take steps to manage the risk of forced labour that is carried out by private actors in their supply chains by working with their suppliers, addressing societal or cultural drivers of forced labour, and preventing risks caused by problematic business models.<sup>3</sup> While forced labour by private actors can be endemic in certain locations or supply chains, human rights due diligence can still be used to effectively mitigate, prevent and remediate occurrences where they are identified in the supply chain.

Human rights due diligence should be undertaken to identify and prioritise state-imposed forced labour. However, given its widespread and pervasive nature, human rights due diligence is constrained in achieving prevention, cessation, mitigation and remediation of such risks. Other measures are needed to tackle state-imposed forced labour.

The ILO guidelines, *Hard to See, Harder to Count*, updated in 2024, now include a chapter on state-imposed forced labour.<sup>4</sup> They emphasise the **systemic nature** of this type of forced labour, which is enabled by the state apparatus, as critical to assessing a situation: *“In contrast to most forms of forced labour, state-imposed forced labour operates through a pervasively coercive wider social context marked by a general lack of civic freedoms and a state apparatus that generates powerful coercive pressures...”*<sup>5</sup> The state can use its authority to operationalise its forced labour policies, and justify the implementation of such policies for legally mandated purposes and sanctioned by domestic laws, such as economic development or security. The ILO Guidelines also highlight that in these environments, non-compliance with these forced labour programs is not an option. The threat of retaliation is often more implicit than overt and those who fail to comply face a broad range of consequences by the state, including loss of income, harassment, violence or detention.

There are a number of examples of state-imposed forced labour that demonstrate the widespread nature of the abuse, which takes place within environments of restricted enjoyment of fundamental human rights even outside the forced labour context. In Turkmenistan, the government restricts freedoms of expression, assembly and association.<sup>6</sup> The government controls all media outlets and information access making independent media virtually non-existent within the country. Criticism of the government is effectively prohibited and human rights defenders face reprisals for their activities including arbitrary detention and torture.<sup>7</sup> In the Uyghur Region of China, forced labour is both a key enabler and consequence of repression of Uyghurs and other Muslim and Turkic-majority peoples who are subject to extreme levels of control, placed in internment camps, and subject to mass surveillance by

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<sup>3</sup> Anti-Slavery International (n.d.), *Addressing Forced Labour in Global Supply Chains*. Available at:

<https://www.antislavery.org/wp-content/uploads/2022/10/FAQ-forced-labour-global-supply-chains.pdf>

<sup>4</sup> ILO (2024) *Hard to See, Harder to Count*. ILO. Available at:

[https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed\\_norm/%40pec/documents/publication/wcms\\_914768.pdf](https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_norm/%40pec/documents/publication/wcms_914768.pdf)

<sup>5</sup> Ibid. p. 149

<sup>6</sup> Anti-Slavery International (2019) *Turkmenistan–Turkey: Forced labour in cotton harvesting*. Available at:

<https://www.antislavery.org/wp-content/uploads/2019/04/Turkmenistan-Turkey-report.pdf>

<sup>7</sup> Human Rights Watch (2025) *World Report 2025: Turkmenistan*. Available at:

<https://www.hrw.org/world-report/2025/country-chapters/turkmenistan>

the state.<sup>8</sup> In North Korea, people are forced to work in inhumane conditions in dangerous sectors and placed under constant surveillance and regularly beaten.<sup>9</sup> United Nations experts have assessed that state-imposed forced labour and wider abuses occurring in the prison system in North Korea and in the Uyghur Region of China may amount to crimes against humanity.

### State-imposed forced labour and the EU Market

The global supply chains of many products that are sold within the EU market are tainted by state-imposed forced labour. For example, in the Uyghur Region in China, state-imposed forced labour is widespread in over 17 sectors including but not limited to apparel and textiles, electronics, renewables - including solar and wind - automotive, critical minerals, and pharmaceuticals and agriculture. A recent investigation found that a major tomato processing firm in Italy received more than 36 million kgs of tomato paste from the region between 2020 and 2023,<sup>10</sup> despite tomatoes previously being linked to state-imposed forced labour since 2020.<sup>11</sup> This firm produces tomato goods that are supplied to supermarkets in Italy and across Europe. Research also found that 30 Europe based brands were at high risk of sourcing a substantial volume of apparel made by Uyghurs compelled to participate in state-imposed labour transfers.<sup>12</sup>

Turkey is the biggest producer of garments and textiles using Turkmen cotton, yarn, and fabric. Since Turkey is the third-largest textiles supplier to the EU, the brands retailing in the EU are at particular risk of using Turkmen cotton in their products. Italy is also a key European destination for cotton finished goods made in Turkmenistan.<sup>13</sup>

Since June 2024, nine cargo companies have launched [cargo flights](#) directly from the Uyghur Region and over a dozen European countries.<sup>14</sup> The goods transported on these cargo flights include e-commerce goods, textiles, footwear, electronics, and agricultural products, which have all been documented as having a high risk of being exposed to state-imposed forced labour. This rapidly expanding “Air Silk Road” strategy is meant to position the Uyghur region as a central hub for

<sup>8</sup> US Holocaust Memorial Museum (2025) *Eight Years On, China's Repression of the Uyghurs Remains Dire*. Available at: [https://vault.ushmm.org/adaptivemedia/rendition/id\\_f36afdaa9fbc0c6c7443b2a5c71025f8b51f459d](https://vault.ushmm.org/adaptivemedia/rendition/id_f36afdaa9fbc0c6c7443b2a5c71025f8b51f459d)

<sup>9</sup> Walk Free (2023), *Global Slavery Index 2023*. Available at:

<https://cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf>

<sup>10</sup> Rudin M., Buckley S. (2024) ‘Italian’ purees in UK supermarkets likely to contain Chinese forced-labour tomatoes. Available at: <https://www.bbc.com/news/articles/crezlw4y152o>

<sup>11</sup> US Customs and Border Patrol (2021) *CBP Issues Region-Wide Withhold Release Order on Products Made by Slave Labor in Xinjiang*. Available at: <https://www.cbp.gov/newsroom/national-media-release/cbp-issues-region-wide-withhold-release-order-products-made-slave>

<sup>12</sup> Uluyol, Y. (2024) Tailoring Responsibility: Tracing Apparel Supply Chains from the Uyghur Region to Europe. Available at: <https://enduyghurforcedlabour.org/wp-content/uploads/sites/44/EU-Tailoring-Responsibility-February-24.pdf>

<sup>13</sup> <https://www.cottoncampaign.org/forced-labor-turkmen-cotton-in-global-supply-chains/#finishedgoods>

<sup>14</sup> Irwin, P., Szadziwski, H. (2025) Manifest Risk: New “Air Silk Road” Cargo Flights Carry Risk of Uyghur Forced Labor into Europe. Available at: <https://uhrp.org/report/manifest-risk-new-air-silk-road-cargo-flights-carry-risk-of-uyghur-forced-labor-into-europe/>

transcontinental cargo flights under the Belt and Road Initiative.

The use of state-imposed forced labour is increasing across a growing number of supply chains across sectors and, therefore, posing a legal and reputation risk for companies globally. In 2023, the European Center for Constitutional and Human Rights filed a complaint against automakers, VW, BMW and Mercedes Benz, with the German Federal Office of Economics and Export Control.<sup>15</sup> The complaint was submitted under the new German Supply Chain Act (2023), which requires certain companies that are headquartered in Germany to carry out human rights and environmental due diligence. It was argued the automakers have a legal responsibility to comply with this obligation regarding the clearly established risks of forced labor connected to their direct and indirect supplier relationships within the Uyghur Region.

Other legal actions are underway in Germany, the Netherlands, and France against companies that allegedly used state-imposed forced labour in their supply chains.<sup>16</sup>

### **International standards on state-imposed forced labour**

The ILO defines forced labour as all work or service which is extracted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.<sup>17</sup> The ILO also identifies eleven indicators of forced labour: abuse of vulnerability, deception, restriction of movement, isolation, intimidation and threats, retention of identity documents, withholding of wages, and in some cases debt bondage.<sup>18</sup>

The Forced Labour Regulation states that the ILO definition, indicators, and the ILO guidelines, Hard to See, Harder to Count, should be taken into account when implementing the Regulation.<sup>19</sup> However, while most or all ILO indicators are often present in situations of state-imposed forced labour, they do not reflect the complexity of these contexts, and cannot be solely relied upon to assess these situations. The Regulation recognises this and states that the ILO indicators may be insufficient for the identification of forced labour imposed by state authorities, which is based on systemic and global coercive policies that require additional, specifically designed indicators.

The Hard to See, Harder to Count guidelines also discuss labour transfer schemes, a type of

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<sup>15</sup> ECCHR (2023) *Complaint filed against VW, BMW and Mercedes-Benz over forced labour*. Available at: <https://www.ecchr.eu/en/press-release/deutscher-wirtschaftsmotor-brummt-dank-zwangsarbeit-beschwerde-gegen-vw-bmw-und-mercedes-benz-eingereicht/>

<sup>16</sup> Walk Free (2023), *Global Slavery Index 2023*. Available at: <https://cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf>

<sup>17</sup> ILO C029 - Forced Labour Convention, 1930 (No. 29)

<sup>18</sup> ILO (2012) *ILO indicators of Forced Labour*. Available at: [https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed\\_norm/%40declaration/documents/publication/wcms\\_203832.pdf](https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_norm/%40declaration/documents/publication/wcms_203832.pdf)

<sup>19</sup> Regulation (EU) 2024/3015 on prohibiting products made with forced labour on the Union market and amending Directive (EU) 2019/1937

state-imposed forced labour program that is expanding and increasing rapidly in the Uyghur Region.<sup>20</sup> In this example, large-scale labour transfer schemes involve workers belonging to certain ethnic or religious minority groups being forced – under the force of coercion including menace of penalty on themselves or their families – to relocate to another geographical area to work. Such schemes can result from the combination of various methods of compulsion to work. They frequently involve elements of compulsory labour “as a means of political coercion and education” and compulsory labour as a means of racial, national, social or religious discrimination”, which are also prohibited under Convention No. 105, Articles 1(a) and 1(e) respectively.

### Soft law standards on responsible business conduct

Under international authoritative responsible business frameworks, namely the UN Guiding Principles on Business and Human Rights (UNGPs),<sup>21</sup> the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD Guidelines)<sup>22</sup> and corresponding Due Diligence Guidance,<sup>23</sup> and the ILO Declaration on Multinational Enterprises and Social Policy,<sup>24</sup> businesses have a duty to respect human rights in their operations and supply chains. The process by which companies are expected to identify, prevent, mitigate and remediate abuses is human rights due diligence, which is understood as a risk-based approach that is context specific.

According to the ILO, state-imposed forced labour should be assessed as a systemic risk rather than a specific instance.<sup>25</sup> **The conditions in which state-imposed forced labour is carried out severely limits, or even makes it a practical impossibility for companies to prevent, mitigate, or remediate adverse human rights impacts, including through the use of leverage.** Accordingly, once an entity assesses and identifies that its operations or supply chain is exposed, or risks being exposed, to state-imposed forced labour, it must take a due diligence approach to address these risks that is distinct from the approach it would take where the forced labour is carried out by private actors.

This assessment is supported by principles set out in these established normative frameworks, which state companies should carry out human rights due diligence as appropriate and prioritise the order in which it takes action based on the severity and likelihood of the adverse impact. Severity is to be

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<sup>20</sup> ILO (2024) Hard to See, Harder to Count. ILO. Available at:

[https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed\\_norm/%40ipec/documents/publication/wcms\\_914768.pdf](https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_norm/%40ipec/documents/publication/wcms_914768.pdf)

<sup>21</sup> OHCHR (2011) *Guiding Principles on Business and Human Rights*. Available at:

[https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf)

<sup>22</sup> OECD (2025) *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct*. Available at:

[https://www.oecd.org/en/publications/2023/06/oecd-guidelines-for-multinational-enterprises-on-responsible-business-conduct\\_a0b49990.html](https://www.oecd.org/en/publications/2023/06/oecd-guidelines-for-multinational-enterprises-on-responsible-business-conduct_a0b49990.html)

<sup>23</sup> OECD (2018) *OECD Due Diligence Guidance for Responsible Business Conduct*. Available at:

<https://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>

<sup>24</sup> International Labour Organization (ILO) (2022) *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*. Available at:

[https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed\\_emp/%40emp\\_ent/%40multi/documents/publication/wcms\\_094386.pdf](https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_emp/%40emp_ent/%40multi/documents/publication/wcms_094386.pdf)

<sup>25</sup> ILO (2024) Hard to See, Harder to Count. ILO. Available at:

[https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed\\_norm/%40ipec/documents/publication/wcms\\_914768.pdf](https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_norm/%40ipec/documents/publication/wcms_914768.pdf)

assessed by the **scale, scope and irremediable** character of the abuse. State-imposed forced labour is perpetrated in pursuit of state policies and is operationalised by utilising the state apparatus. This enables large-scale mobilisation of forced labour across the population and can have far reaching impact. For example, recent reports estimate that as of early 2023,<sup>26</sup> over 3 million transfers of Uyghur and other Turkic and other Muslim-majority peoples to forced labour placement via labour transfer schemes with some people being transferred more than once.<sup>27</sup> Furthermore, state-imposed forced labour often interlinks with other egregious human rights abuses, which exacerbates the associated adverse impacts on people.

Given its widespread nature and its prevalence in certain locations, supply chains, commodities and sectors, it can be considered severe and scope with a high likelihood of occurring. The lack of access to information on the ground, and resulting reduction in reporting or research on the issue, should not be misconstrued as reduction in or absence of state-imposed forced labour.

### **The due diligence process in situations of state-imposed forced labour**

Key concerns as to what types of due diligence efforts are appropriate with focus on remediation, stakeholders' consultation and leverage amongst others:

- International responsible business frameworks refer to **remediation** as the restitution of the affected person or persons or communities to a situation equivalent or as close as possible to the situation they would be in had the harm - in this case the forced labour and its impacts - not occurred. In state-imposed forced labour contexts, companies have little or no ability to affect change, e.g. end the harm caused by a state policy of forced labour, or consequently provide for or cooperate in remediation for affected individuals. It is de facto irremediable unless a change of policy and practice of the state is enacted. The only responsible course of action is to exit all relationships with state-imposed forced labour and use collective pressure on the perpetrating government.
- In situations of state-imposed forced labour, it is very difficult and often unsafe for companies or civil society to meaningfully **engage with workers, independent trade unions, and suppliers** in order to understand working conditions. Nor are companies or third-party agents able to freely and independently access workplaces to monitor working conditions. Workers do not have access to basic freedoms such as freedom of expression, assembly or collective bargaining, and may fear reprisals for speaking openly, which compounds the challenges to conducting due diligence.
- In seeking to take action to address human rights harms, as part of their due diligence, companies are expected to use their **leverage** or in co-operation with other entities to influence the entity causing the adverse impact in order to prevent, mitigate or remediate that impact. Where a company does not have sufficient leverage, it should consider ways to enhance its

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<sup>26</sup> US Holocaust Memorial Museum (2025) *Eight Years On, China's Repression of the Uyghurs Remains Dire*. Available at: [https://vault.ushmm.org/adaptivemedia/rendition/id\\_f36afdaa9fbc0c6c7443b2a5c71025f8b51f459d](https://vault.ushmm.org/adaptivemedia/rendition/id_f36afdaa9fbc0c6c7443b2a5c71025f8b51f459d)

<sup>27</sup> Zenz, A. (2024) *Forced Labor in the Xinjiang Uyghur Autonomous Region: Assessing the Continuation of Coercive Labor Transfers in 2023 and Early 2024* in China Brief vol. 24 (5). Available at: <https://jamestown.org/wp-content/uploads/2024/03/CB-V-24-Issue-5-March-1.pdf>



leverage. However, where forced labour policies are carried out in furtherance of the state's own laws and policies, and implemented by state actors across all levels of government, attempts by individual companies to use leverage is not likely to be effective on state actors (or enterprises acting in accordance with or at the direction of state policy). Even collective action of companies to increase leverage would need to reasonably see effective change in state behavior in any short-term or a foreseeable timeframe.

- The UN Office of the High Commissioner for Human Rights (OHCHR) stated in recent guidance, "Although the UNGPs stipulate that businesses should seek to exercise leverage where they are contributing or linked to such harms, it may be the case that business enterprises have **little, if any, leverage with governments involved in carrying out egregious violations.**"<sup>28</sup>

Therefore, due diligence efforts should be **focused on identification of exposure or links** to state-imposed forced labour. Companies must map and trace their entire supply chain down to raw material level to identify direct and indirect suppliers that expose the company to regions, countries or sectors where state-imposed forced labour is used. This may involve looking beyond the operations of suppliers and expanding due diligence to ownership structures of such suppliers as well as the company's existing contracts with state actors, institutions and administrations as well as their proxies.

Whereas companies need to assess the severity of the adverse impacts and their own relationship to it, in this case the assessment is focused on identifying business operations and relationships that are exposed or linked to state-imposed forced labour. The extent to which a company is able to take appropriate measures which are commensurate with the severity of the impacts is effectively non-existent. As a result, companies will need to promptly conclude they **must initiate disengagement** from those relationships. Indeed, given that leverage is unavailable to prevent, mitigate, or remediate adverse impacts, swift disengagement should be understood to be the only responsible course of action in state-imposed forced labour contexts. Consequently, this differs slightly from the OECD Guidelines, which generally call for disengagement from a business relationship *as a last resort* after failed attempts at mitigation, where mitigation is not feasible or because of the severity of the adverse impact. The UN Guiding Principles consider disengagement, or the threat thereof, as a possible action to increase leverage.<sup>29</sup>

### **Practical recommendations on due diligence process in situations of state-imposed forced labour**

The below sets out best practice for due diligence in situations of state-imposed forced labour. We would advise the Commission to consider the below for inclusion in the guidance that will be published under Article 11(f) of the regulation.

#### **Cross-cutting activity: meaningful stakeholder engagement**

Stakeholder engagement is essential for the quality of the due diligence process outlined below. Direct engagement with affected stakeholders is particularly warranted when identifying, assessing and

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<sup>28</sup> OHCHR (2023) *Business and Human Rights in Challenging Contexts Considerations for Remaining and Exiting*. Available at: <https://www.ohchr.org/sites/default/files/documents/issues/business/bhr-in-challenging-contexts.pdf>

<sup>29</sup> SOMO & PAX (2021) *Responsible disengagement from coal as part of a just transition: Exploring due diligence, disengagement and contribution to grave human rights violations associated with coal mining in Cesar, Colombia*. Available at: <https://www.somo.nl/responsible-disengagement-from-coal-as-part-of-a-just-transition/>



prioritising specific risks, designing appropriate measures or to track the effectiveness of such measures. However, this often cannot be credibly or safely carried out in situations of state-imposed forced labour. Therefore, economic operators should seek to instead engage with organisations whose leadership and/or membership is composed of representatives of impacted communities and individuals, such as the Coalition to End Forced Labour in the Uyghur Region or the Cotton Campaign, as well as experts on state-imposed forced labour including academics and non-governmental organisations, throughout all due diligence steps.<sup>30</sup>

### ***Embed responsible business conduct into policies and management systems***

1. Embed commitments related to responsible business conduct within policies relevant to own operations, supply chains<sup>31</sup> and other business relationships. Internal policies should clearly prohibit the sourcing or procurement of any inputs or products that have been made, in whole or in part, with state-imposed forced labour. Companies should also have a policy that prohibits operating or having a presence, such as subsidiaries or joint ventures, which risk being linked to state-imposed forced labour or are active in sectors and geographies where state-imposed forced labour is known to occur.
2. Embed responsible business conduct policies into the enterprise's oversight bodies. For example, ensure board level and executive level oversight and accountability for strategy development and policies related to or impacted by state-imposed forced labour. Policies and related activities should be integrated into overall risk management frameworks (see further details on risk assessment below) and not be treated as a separate function within corporate governance and policy.
3. Responsible business conduct expectations and policies should be incorporated into engagements with all business relationships, including subsidiaries, joint ventures and suppliers. As a matter of best practice, prohibitions related to state-imposed forced labour should be included as conditions in contracts and other legally binding written agreements. Contracts with direct suppliers should prohibit suppliers from sourcing directly from regions or countries that use state-imposed forced labour and require suppliers to conduct due diligence to ensure it is not sourcing inputs or products that have been made, in whole or in part, with state-imposed forced labour. Contracts should require suppliers to include the same obligations in its contracts with its own suppliers. To ensure those contractual clauses are well understood and applied, and in order to avoid that the compliance burden is discharged on suppliers, contracts should include direct support to suppliers to conduct their own due diligence and enable them to meet their obligations. This could include through training, technical or financial support as appropriate, including for the development of tools for scoping and mapping of their supply chains, to identify alternative sources of finished products or inputs. Contracts with direct suppliers should include a clause for immediate termination in the event that these conditions, which should be

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<sup>30</sup> <https://enduyghurforcedlabour.org/> and <https://www.cottoncampaign.org/>

<sup>31</sup> From here on "supply chains" means the system of activities, processes and actors involved at all stages upstream of a product being made available on the market, namely extraction, harvesting, production and manufacturing of a product in whole or in part, including in the working or processing related to the product at any of those stages.

developed with the aforementioned financial and non-financial support, are not met; indirect suppliers should be provided a reasonable time-bound plan to comply before termination is activated.

4. Effective supply-chain management measures shall include having a due diligence process to vet potential new direct and indirect suppliers for state-imposed forced labour risks prior to entering into a contract. .

***Identify and assess actual and potential adverse impacts associated with the enterprise's operations, products or services***

5. Conduct scoping to identify areas across operations, supply chains and business relationships where risks of forced labour are most likely to be present and most significant. Relevant elements include, among others, information about sectoral, geographic, product and enterprise risk factors, including known risks the enterprise has faced or is likely to face. The scoping exercise should enable the enterprise to carry out an initial prioritisation of the most significant risk areas for further assessment of potential and actual impacts. The risk of state-imposed forced labour should be prioritised given its scale, scope and irremediable nature and the high likelihood in certain sectors, supply chains, and locations.
6. After the broad scoping, an economic operator shall undertake a comprehensive in-depth assessment to identify whether it is currently, or at risk of, causing, contributing or being directly linked to state-imposed forced labour through its own operations or its supply chains through direct suppliers (i.e. suppliers operating in certain countries or regions with state-imposed forced labour, suppliers with parent companies in those places, procurement of high-risk raw materials, suppliers actively participating in forced labour transfer programmes) and indirect suppliers (i.e. suppliers and indirect suppliers sourcing inputs from countries or regions with state-imposed forced labour, including Tier 2 and Tier 3 suppliers, or suppliers in third countries that source from those places that serve as intermediary suppliers/manufacturers). It is essential that the assessment shall include a mapping of the supply chain down to raw material level as raw material production and processing in several sectors has been linked to state-imposed forced labour. The following are such examples and are non-exhaustive: cotton in apparel and textile,<sup>32</sup> quartz and polysilicon production in solar,<sup>33</sup> agriculture,<sup>34</sup> and steel, aluminium, titanium, and lithium across industries such as automotive,<sup>35</sup> electronics, sporting equipment, aerospace, and

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<sup>32</sup> The Cotton Campaign (2024) *Report on Turkmen Cotton Harvest 2024*. Available at: [https://www.cottoncampaign.org/s/CC\\_TKM\\_harvest\\_report2024.pdf](https://www.cottoncampaign.org/s/CC_TKM_harvest_report2024.pdf)

<sup>33</sup> Crawford, A. & Murphy, L.T. (2023) *Over-Exposed: Uyghur Region Exposure Assessment for Solar Industry Sourcing*. Available at: <https://shura.shu.ac.uk/34917/1/Crawford%20Murphy%20et%20al%20%20Over-Exposed%20November%202023.pdf>

<sup>34</sup> Carr, S., Hamann, P. & Markey-Towler, B. (2023) *The Political Economy of Climate Litigation*. Available at: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=5053281](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5053281)

<sup>35</sup> Murphy, L., Salcito, K., Uluyol, Y. and Rabkin, M. (2024). *Driving force: automotive supply chains and forced labour in the Uyghur region*. Available at: <https://shura.shu.ac.uk/34918/>

defence.<sup>36</sup>

7. The mapping should also allow for the identification of the composition of the workforce at each step in the process and the conditions under which the work is being done. Where this information cannot be obtained upon request, this should be considered as a red flag. The more comprehensive the mapping exercise, the more accurately the operator can identify those places with the greatest risks of state-imposed forced labour.
8. Where direct information is hard to get or considered unreliable, a diverse set of indirect or circumstantial documentation and resources may be used to maximise traceability throughout the entire supply chain to support both scoping and mapping. Available sources include: customs records, public datasets, corporate websites, annual reports, sustainability and financial reports, research and investigations by subject matter experts including non-governmental organisations, academic researchers, academic institutions, and international institutions and other publicly available resources. These efforts may be supplemented by the use of technology-based tools such as:
  - a. Isotopic testing for verifying the authenticity and geographical origin of natural products such as agricultural or cotton products;
  - b. Integration of commercial-data sources with artificial intelligence and machine learning that is triangulated with other data and verified by experts;
  - c. Scanning, translation, and data extraction of non-text-searchable documents and sources; or
  - d. Remote sensing to support the digital traceability of raw materials sourced from state-imposed forced labour locations.
9. Subsidiaries, parent companies and beneficial ownership of direct suppliers should also be identified. The rationale behind this obligation is that though a supplier may be located outside a location and/or sector that is high-risk for state-imposed forced labour, its parent entity, owners or subsidiary may operate in such an area, or have its own subsidiaries or joint ventures in such an area and can be linked to state-imposed forced labour. Companies should be aware of risks and impacts involving entities in a wider corporate structure and prompt the company to determine the extent to which it is exposed to state-imposed forced labour.
10. All information gathered must be corroborated. In all cases, the economic operator must check:
  - a. Whether the different documents are in line with each other and with other information available;

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<sup>36</sup> Global Rights Compliance (2025) *'Risk at the Source: Critical Mineral Supply Chains and State-Imposed Forced Labour in the Uyghur Region'*. Available at: <https://globalrightscpliance.org/cm/>

- b. The reliability and validity of each document, meaning the likelihood of it being falsified or issued unlawfully; and
  - c. If possible, the registered name of direct suppliers in the language of the country or region where they operate.
- 11. Most prevailing ways to assess risks at site-level will face limits or be impossible in contexts of state imposed forced labour. Social audits, certification or other third-party verified schemes pose serious limitations and are not generally relied upon as credible evidence as to the absence of forced labour and cannot be relied upon as to the absence of state-imposed forced labour.
- 12. This mapping shall also be applied for the identification of links to direct and indirect suppliers that have participated in labour transfer schemes, where exposure to the region can be less clear and not easily identifiable.
  - a. Efforts to identify participation in labour transfer schemes include continuous monitoring of suppliers' public communications, reporting, and disclosures that contain indicators of participation in transfer schemes (i.e. "mutual pairing assistance program," "poverty alleviation through labour transfer," "persons in re-education", receipt of financial and non-financial subsidies). These efforts should be monitored continuously as names and terminology will change over time, in particular as businesses increase due diligence on such programs. To the extent possible, these efforts should be undertaken in the native language.
  - b. Where trying to determine whether a supplier outside a region with state-imposed forced labour has been benefiting from a labour transfer scheme, supplier self-assessment questionnaires or via audits where possible can provide some level of information, which will require corroboration with other sources (i.e. How is the workforce built up? What recruitment policies does the company have in place? Does the company accept surplus labour transfers? Does the company participate in any central, regional or local government recruitment programmes or has it done so in the past? Does the company provide afterwork training, education or cultural programmes to workers? etc.)

***Cease, prevent and mitigate adverse impacts***

- 13. Stop activities that are causing or contributing to adverse impacts based on the assessment of the economic operator's involvement with adverse impacts and exert leverage where appropriate.
  - a. Economic operators shall swiftly terminate direct business relationships that are identified as involved to state-imposed forced labour in the absence of clear and credible indications that the business partner is taking steps to end such involvement.

- b. Where the risk of state-imposed forced labour is identified at an indirect supplier, leverage shall be used on the direct supplier to address the situation. This may include temporarily suspending the relationship. If there is no credible effort taken by the direct supplier, the economic operator shall swiftly terminate the business relationship.
  - c. To eliminate all risk exposure, economic operators shall seek to understand the exposure of the entire corporate groups where the parent companies, subsidiaries, or joint ventures of a supplier are active in sectors and/or countries or regions where there is state-imposed forced labour, and if necessary disengage. Divest from joint ventures at risk of involvement in state-imposed forced labour.
  - d. Cease operations, including subsidiaries, active in sectors and/or in countries or regions where there is a risk of state-imposed forced labour.
14. Develop and implement plans to seek to prevent or mitigate actual or potential future adverse impacts which are directly linked to the enterprise's operations, products or services by business relationships. This includes embedding due diligence processes to vet potential suppliers for forced labour prior to entering into a contract.

#### ***Track implementation and results***

15. Monitor and track implementation of due diligence activities with regards to risk of state-imposed forced labour. Do so periodically and embed learnings. Supply chain mapping shall be regularly monitored and updated including to identify gaps in information and changes to supplier names or ownership structures.
16. Lessons learnt from previous experience should be taken stock of and included in upcoming efforts on a regular basis to ensure relevance and adaptation to new trends and practices of abusive economic operators and states in their attempt to blur traceability and mapping.

#### ***Communicate how impacts are addressed***

17. Publicly communicate on due diligence activities related to risk of state-imposed forced labour and report on impacts, including communicating:
- a. Adherence to corporate policies and codes of conduct, or through civil society led initiatives such as the Turkmen Cotton pledge or the Call to Action against the use of Uyghur forced labour, that include a commitment to disengage from industries, regions or countries that take part in state-imposed forced labour.
  - b. Steps taken to map their supply chain, result of such mapping, e.g. the mapped supply chain and specific findings of state-imposed forced labour.
  - c. Business relationships that have been terminated or are in the process of termination due to exposure or links to state-imposed forced labour.

Communication should provide relevant and specific information to stakeholders as it relates to the appropriateness of its due diligence, but should not heighten existing risks or impose new risks on company staff, stakeholders, or partners.

***Provide or cooperate in remediation when appropriate***

18. As part of due diligence, when impacts are identified, provide for or cooperate in their remediation. However, in the case of state-imposed forced labour, remediation to affected individuals is often impossible as efforts to identify, contact, and provide compensation to impacted individuals can be very challenging and potentially dangerous for direct victims themselves. Alternative forms of remediation include support for communities in exile and non-financial compensation measures such as restitution, rehabilitation, and guarantee of non-repetition. Affected communities should be engaged to identify the appropriate measure. Indirect remediation does not replace the need for disengagement from a business relationship where necessary.
19. Provide for or cooperate with legitimate remediation mechanisms through which impacted stakeholders and rightsholders can raise complaints and seek to have them addressed with the enterprise. Engagement with credible representatives of impacted communities and experts on state-imposed forced labour shall be prioritised given the practical obstacles for individuals to access complaints procedures.

**Conclusion**

The European Commission has the opportunity to ensure the due diligence guidance it will publish pursuant to Article 11(f) of the Forced Labour Regulation is tailored to responsible business conduct that is appropriate in contexts of state-imposed forced labour and not solely in contexts of forced labour by private actors. This is of particular importance as state-imposed forced labour is increasingly a high risk in many global supply chains across sectors. With this briefing, such guidance will provide more certainty on the effective due diligence in these contexts and better ensure a level playing field for economic operators.

**Examples of business good practice**

The following are case studies of best practice that illustrate examples of companies that have disengaged from supplier relationships that were linked or put the company at risk of being linked to state-imposed forced labour. In some case studies, companies disengaged as a direct result of Withhold Release Orders pursuant to the Tariff Act or as a result of the 2021 Uyghur Forced Labor Prevention Act in the U.S. Others were companies that had made commitments as signatories to civil society pledges, such as those of Cotton Campaign or the Coalition to End Forced Labour in the Uyghur Region. However, the examples available regarding the Uyghur Region are few as many companies do not discuss their efforts to exit the region publicly as they fear consumer boycotts and retaliation by the Government of China, including losing access to operate in or source from the mainland.

Ikea – In July 2017, Ikea published a statement that it would maintain a ban on cotton from Turkmenistan and Uzbekistan and would not allow cotton from those countries in its products.<sup>37</sup> Both countries had been found to use state-imposed forced labour in cotton harvesting. With regard to Turkmenistan, Ikea initiated a limited project related to the production of one to two products in order to develop a due diligence process to gain full control of the supply chain. While the company found the limited project to be a success, “the overall development in the country in terms of reports on forced and bonded labour doesn’t progress in the right direction. Also, our ability to influence the industry outside the scope of this project moving forward is limited.” Ikea did not extend the project and called for an increase in transparency and ability to monitor working conditions by independent international and local civil society organisations. The bans currently remain in place.

TFG Brands (parent company for the brands Whistles, Phase Eight, and Hobbs) – As of 2020, TFG has been a signatory to the Call to Action of the Coalition to End Forced Labour in the Uyghur Region and has committed to exit from any business relationship that links it to the Uyghur Region.<sup>38</sup> The company has publicly set out its plans to: accelerate the mapping of its supply chain down to raw material level, tier 5, ensure its factory suppliers are not engaged with any labour transfer schemes from the Uyghur Region, implement a policy ban on cotton from the region and if a supplier is sourcing from the region then they must plan a gradual exit. The company also requires suppliers to sign a declaration confirming they have not found evidence of Uyghur forced labour in their supply chain. TFG Brands has also stated publicly that its Cotton Procurement Policy prohibits the use of cotton from Turkmenistan and Uzbekistan.<sup>39</sup>

Cité Marine, owned by the world’s second largest seafood company and supplier to Sysco France, and Seafood Connection, a Dutch subsidiary of the world's largest seafood company, stopped working with Chinese seafood suppliers in response to an investigation by the Outlaw Ocean Project, which found the use of government run labour transfer schemes in seafood processing facilities in China.<sup>40</sup>

BASF - In February 2024, German chemical producer BASF announced it would withdraw from its two joint ventures in the Uyghur Region after media reports about alleged human rights abuses relating to its partner company.<sup>41</sup> Reports found that people employed by BASF’s Chinese partner company, Xinjiang Markor Chemical Industry, also known as Markor Chemical, accompanied Chinese state officials on home visits to Uyghur households as part of a government initiative that human rights groups have said is used to spy on people and indoctrinate them. However, it is worth noting that this announcement was made after sustained pressure by Uyghur-led advocacy groups and after the media reported that in 2018 and

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<sup>37</sup> Ikea (2017) *Ikea Statement Cotton from Turkmenistan*. Available at:

<https://www.ikea.com/gb/en/files/pdf/fc/a7/fca7c0f8/ikea-how-we-source-cotton-in-turkmenistan.pdf>

<sup>38</sup> TFG Brands (2022) *TFG Brands (London) Ltd Modern Slavery Transparency Statement Financial Year 2021 - 2022*. Available at: <https://www.tfglondon.com/pdf/TFGBrandsLondonLimited-ModernSlaveryAct2015TransparencyStatement2020-2021.pdf>

<sup>39</sup> TFG Brands (2021 ) *Addressing Modern Slavery in Xinjiang Uyghur Autonomous Region and Cotton Supply Chains*. Available at: <https://www.phase-eight.com/on/demandware.static/-/Library-Sites-P8SharedLibrary/default/dwee98cdf8/images/2021/footer/modern-slavery-statement/TFGBrandsLondon-AddressingModernSlaveryinXinjiangUyghurAutonomousRegionandCottonSupplyChainsFeb2021.pdf>

<sup>40</sup> The Outlaw Ocean Project (n.d.) *Impact*. Available at:

<https://www.theoutlawocean.com/investigations/china-the-superpower-of-seafood/impact/>

<sup>41</sup> Hawkins, A. (2024) *German firm BASF to pull out of Xinjiang after Uyghur abuse claims*. Available at:

<https://www.theguardian.com/world/2024/feb/09/german-firm-basf-to-pull-out-of-xinjiang-after-uyghur-abuse-claims#:~:text=BASF%20said%20on%20Friday%20that,recent%20reports%20about%20Markor%20Chemical>



2019 people employed by BASF's Chinese partner company committed human rights abuses against Uyghurs.

### **Legislative developments outside the EU market**

The Supreme Court of Canada ruled in February 2020 that a Canadian mining company could be prosecuted in Canada for using the forced labour of conscripts at their mine in Eritrea.<sup>42</sup> A confidential settlement was reached following the decision.

In June 2024, the UK Court of Appeal ruled that companies that knowingly or with suspicion import goods made under criminal circumstances—such as through Uyghur forced labour—can now be prosecuted under the Proceeds of Crime Act for trading criminal property.<sup>43</sup>

In the United States, 17,342 shipments valuing nearly \$3.7 billion have been subject to Uyghur Forced Labor Prevention Act review or enforcement actions as of October 2025.<sup>44</sup>

In August 2025, the Australian Uyghur Tangritagh Women's Association (AUTWA) filed an application in the [Federal Court](#) requesting Kmart produce documents demonstrating what it knows about two suppliers listed on its 2024 and 2025 factory lists with links to the Uyghur Region.<sup>45</sup> AUTWA is seeking production of the documents to determine whether Kmart has adequately implemented its ethical sourcing procedures regarding these suppliers, and whether Kmart's public statements about this have been misleading or deceptive and breached Australian Consumer Law.

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<sup>42</sup> Hussain, A. & FitzGerald, A. (2020) *The Supreme Court's judgment on Canadian businesses in foreign states and potential liability for alleged human rights abuses*. Available at: <https://www.nortonrosefulbright.com/en/knowledge/publications/6073ab6f/the-supreme-courts-judgment-on-canadian-businesses-in-foreign-states-and-potential-liability>

<sup>43</sup> Skadden, Arps, Slate, Meagher & Flom LLP (2024) *Significant UK Court of Appeal Decision: Confirms the Applicability of the UK's Proceeds of Crime Legislation to Illegality in Supply Chains*. Available at: <https://www.skadden.com/-/media/files/publications/2024/07/significantukcourtofappealdecisionconfirmstheapplicabilityoftheuksproceedsofcrimelegislationtoillegality.pdf>

<sup>44</sup> US Customs and Border Protection (2025) *Uyghur Forced Labor Prevention Act Statistics*. Available at: <https://www.cbp.gov/newsroom/stats/trade/uyghur-forced-labor-prevention-act-statistics>

<sup>45</sup> Herbert, B., Kent, L., (2025) *Kmart denies sourcing any products from factories linked to forced labour in China*. ABC News. Available at: <https://www.abc.net.au/news/2025-08-05/kmart-products-allegations-forced-labour-source/105600184>