

How to address state-imposed forced labour in accordance with international responsible business standards

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Introduction

Under international responsible business standards such as the [UN Guiding Principles on Business and Human Rights](#) (UNGPs), the [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#) (OECD Guidelines), and the [ILO Declaration on Multinational Enterprises and Social Policy](#), businesses have a responsibility to respect human rights and to conduct appropriate due diligence to assess, prevent, mitigate, and remedy adverse human rights impacts, including forced labour.

These non-binding standards are reinforced by the new mandatory due diligence frameworks that are emerging in jurisdictions across the world, particularly the European Union's [Corporate Sustainability Due Diligence Directive](#). Alignment with these standards is thus a growing imperative.

State-imposed forced labour, which takes place when governments force people to work, is often present in global supply chains. It has distinct implications for businesses, including the lack of business leverage to change forced labour practices, and the inability to conduct safe and credible due diligence on the ground. In these cases, full and immediate disengagement from affected industries in regions where state-imposed forced labour takes place is necessary to meet responsible business standards. Companies should also recognise that continued sourcing from and involvement in state-imposed forced labour likely supports the upholding of these systems of abuse and perpetuates the status quo.

This factsheet summarises Anti-Slavery International's recommendations on how to effectively address state-imposed forced labour under responsible business standards. It is the result of years of collaboration with partners and practitioners that seek to address state-imposed forced labour, particularly with the [Coalition to End Forced Labour in the Uyghur Region](#) and the [Cotton Campaign](#).

This factsheet is broken down into two sections:

- **Factsheet One: What is state-imposed forced labour and the implications for business**

Factsheet One is to support all readers to better understand what state-imposed forced labour is, how the nature of state-imposed forced labour creates specific implications for

responsible business conduct, and how to apply the UNGPs and OECD Guidelines in this context.

- **Factsheet Two: Considering state-imposed forced labour in due diligence processes**

Factsheet Two is to support business practitioners to take into consideration the implications of state-imposed forced labour when designing and implementing due diligence processes under international standards. Additionally, the factsheet also outlines the implications of relevant EU legislation, namely the [EU Corporate Sustainability Due Diligence Directive](#) (noting that in February 2025, a significant [revision](#) of the text was proposed and is currently being considered), and the [EU Regulation Prohibiting Products Made with Forced Labour on the Union Market](#).

Factsheet One: What is state-imposed forced labour and the implications for business

State-imposed forced labour: What is it and where does it take place

State-imposed forced labour takes place when governments force people to work, for instance, as a method to mobilise labour for economic development, to punish political dissidents, or to discriminate against religious and ethnic minorities. State-imposed forced labour is a violation of [ILO Convention 105](#).

In 2022, the International Labour Organization (ILO), the International Organization for Migration (IoM), and Walk Free [estimated](#) that almost 4 million people are subject to state-imposed forced labour. Walk Free has found that state-imposed forced labour occurs in [17 countries](#). 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 work in the [cotton system](#) in Turkmenistan.
- [Systematic forced labour](#) as part of the Chinese government's mass human rights persecution against Uyghur and other Turkic and Muslim-majority peoples in the Xinjiang Uyghur Autonomous Region.
- 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.

Understanding the difference – what is privately-imposed forced labour?

Forced labour imposed by private agents, including individuals or companies, accounts for the majority of forced labour around the world. It violates ILO Convention 1930, No 29. The ILO, the IoM and Walk Free estimate that around 17.3 million people are in privately-imposed forced labour globally that could link to international supply chains¹. Although state policies, such as hostile immigration and weak labour rights frameworks, often are root causes of the forced labour, privately-imposed forced labour is distinct from state-imposed forced labour.

Privately-imposed forced labour is the form of forced labour that businesses and investors are most familiar with. Examples include the forced labour of migrant workers on farms in Brazil, the United Kingdom and the USA, and forced labour in PPE and electronic manufacturing in Malaysia. In these examples, responsible business conduct entails businesses engaging meaningfully on the ground with workers, trade unions, and suppliers to change the practices that drive forced labour, including by reforming business models and purchasing practices and promoting freedom of association.

¹ Note this statistic does not include people in forced commercial sexual exploitation. This is an additional 6.3 million people.

Products made with state-imposed forced labour can enter global value chains. For instance, Turkmenistan is the [14th largest](#) cotton producer in the world; Turkey, Pakistan, Russia, and Italy are among its [main trading partners](#). At the same time, more than [17 industries](#) have been identified as being exposed to, or at risk of, using Uyghur forced labour in their value chains. These industries [include](#) solar energy, electric vehicles, cotton and textile, PVC, electronics, gold, seafood, tomato, and other agricultural products.

Implications of state-imposed forced labour for business

The nature of state-imposed forced labour creates distinct considerations that have significant implications for how businesses should address it. Overall, the UNGPs clarify that it remains the state's duty to protect human rights. In situations of state-imposed forced labour, where the state itself is committing the human rights harm, the ability of the corporate to meet the responsibility to respect human rights on-the-ground is extremely limited.

Specifically, when applying the UNGPs' due diligence framework, the following should be considered:

- [The adverse impact is severe](#). State-imposed forced labour qualifies as a severe adverse impact under the UNGPs' three severity criteria—scale, scope, and irremediability. This is because it is a persistent and systemic human rights violation that is enforced by authorities against targeted populations. The power imbalance between the state and individuals leaves affected individuals without a realistic chance of obtaining remedy. Its systemic nature also means that it is a gross, foreseeable and known human rights violation.
- [Due diligence on the ground is not possible](#). Companies cannot credibly or safely conduct stakeholder consultation, verify working conditions or, overall, conduct due diligence on the ground due to security risks to workers and investigators, restricted access, and, in most cases, broader restrictions on civil society and fundamental freedoms. For the same reason, social audits or certification processes are neither appropriate, feasible nor effective, as auditors themselves have stated.²

² In terms of the Uyghur Region, in September 2020 a number of global auditing firms announced that they will no longer conduct audits in the Uyghur Region. <https://www.wsj.com/articles/auditors-say-they-no-longer-will-inspect-labor-conditions-at-xinjiang-factories-11600697706> There have been reports of auditors being detained, threatened and harassed. <https://www.bis.doc.gov/index.php/documents/pdfs/2569-xinjiang-supply-chain-business-advisory-final-for-508/file> In 2024, a report found that an audit conducted on behalf of Volkswagen "found interviews with workers which should have been confidential were live-streamed to a law firm's headquarters in Shenzhen, southern China, and only managers were asked questions related to forced labour". <https://www.reuters.com/business/autos-transportation/volkswagens-audit-xinjiang-plant-failed-meet-international-standard-ft-reports-2024-09-19/>. In Turkmenistan, IKEA tried to implement a project with a group of Turkmen farmers and one specific supplier to closely monitor compliance with IKEA's supplier code of conduct. IKEA ended the project in 2015, acknowledging that its "ability to influence the industry outside the scope of this project moving forward is limited" <https://www.antislavery.org/wp-content/uploads/2019/04/Turkmenistan-Turkey-report.pdf> Overall, ELEVATE, a well-known social auditing company, has stated previously that it "acknowledges that social audits are not designed to capture sensitive labor and human rights violations such as forced labor and harassment." https://media.business-humanrights.org/media/documents/files/documents/ELEVATE_response_to_CCC_report_Fig_Leaf_for_Fashion_20190930.pdf

- Lack of leverage. Businesses cannot use or increase their leverage with suppliers to improve working conditions or prevent or mitigate harms on the ground, as forced labour practices are driven by the state's own laws and policies, and have a systemic nature.
- Direct remediation to individuals is often impossible. Identifying, contacting, and providing compensation to individuals affected by state-imposed forced labour can be very challenging, as they remain subject to the authorities that conducted the abuse in the first place.
- Calls for disengagement. UNGP 18 [states](#) that where direct consultation with affected stakeholders is not possible, businesses should consider alternatives such as consulting credible experts, including human rights defenders and civil society. In the case of state-imposed forced labour, representatives of affected communities and labour rights and anti-slavery organisations have typically urged businesses to disengage from industries exposed to state-imposed forced labour. For instance, credible representatives of the Uyghur people unanimously [call](#) for immediate disengagement from the Uyghur Region, whilst the Cotton Campaign has set up the [Turkmen Cotton Pledge](#), which calls for companies to commit to not use Turkmen cotton. Similarly, in historical examples of state-imposed forced labour in [Myanmar](#) and [Uzbekistan](#), labour rights advocates and representatives of affected communities called for disengagement.

Businesses should work with credible community representatives and experts to evaluate how these characteristics apply in each region or sector exposed to state-imposed forced labour. For example, Uyghur forced labour and state-imposed forced labour in the Turkmen cotton sector are both situations where the above considerations all apply.

The requirement for swift disengagement under responsible business standards

The only responsible course of action under international standards in such situations of state-imposed forced labour is swift disengagement, according to the following key international guidelines:

- [UNGP 19](#) recommends that enterprises consider ending business relationships where they **lack the leverage** to prevent or mitigate adverse impacts and are **unable to increase their leverage**, “taking into account credible assessments of potential adverse human rights impacts of doing so”. UNGP 19 makes it clear that “the **more severe** the abuse, the more quickly the enterprise will need to see change”—even in cases where the business relationship is crucial to the enterprise.
- [Guidance](#) from the UN Office of the High Commissioner for Human Rights (OHCHR) clarifies this by stating: “Where **sufficient leverage is lacking**, those enterprises who are at risk of being involved in **gross human rights abuses** will need to **rapidly** come to a decision

about whether and how to exit, and the necessary mitigation measures that will need to be in place”.

- The OECD has [recognised](#) that the same principles apply to investments, indicating that divestment from a company may be an appropriate response “where **mitigation is unfeasible** or because the **severity of the adverse impact** warrants it”. Similarly, the OHCHR has [stated](#) that, “In situations where the bank **lacks the leverage to prevent or mitigate the adverse human rights impact and is unable to increase its leverage, it should consider ending the relationship**, taking into account the potential human rights risks of doing so”.

Applying the concepts of cause, contribution or linkage

The UNGPs outline three concepts—[cause, contribution and linkage](#)—to define a company’s involvement in a negative impact and its responsibility to provide remedy. Companies can move along the “continuum” from “linkage” to “contribution” when they fail to take action in response to a predictable/foreseeable harm, in particular when such a harm is severe.

This means that companies sourcing inputs made with state-imposed forced labour could nonetheless be understood as contributing to the harm, even if they are not directly utilising state-imposed forced labour in their operations. This includes when companies and/or investors fail to take meaningful action in response to known and foreseeable risks of state-imposed forced labour. There is a strong argument that persisting in alleged attempts to exercise leverage constitutes such a failure to take meaningful action where there is no reasonable or foreseeable prospect of change. For further background to this analysis, please see pages 21-22 of Anti-Slavery International, the Investor Alliance for Human Rights and the Helena Kennedy Centre for International Justice at Sheffield Hallam University’s [“Investor guidance to mitigate Uyghur forced labour risks in the renewable energy sector.”](#)

In the case of Uyghur forced labour, which UN experts have concluded may amount to a [crime against humanity](#), ongoing exposure to forced labour could risk contributing to an atrocity crime.

Both the UNGPs and the OECD note the need for investors and companies to consider the potential adverse impacts of disengagement/divestment before deciding to terminate a business relationship. The OHCHR guidance further highlights that the views of affected stakeholders should play a fundamental role in adopting that decision.

Stakeholder engagement underscores the necessity of immediate and urgent disengagement from state-imposed forced labour in contexts such as the Uyghur Region or the Turkmen cotton sector. As noted above, in such cases credible representatives of affected communities, and labour rights and anti-slavery organisations typically call for full disengagement. They condemn delayed business decisions to end exposure to state-imposed forced labour, and [refute](#) arguments on the

unintended consequences of disengagement, as ongoing engagement can further enable the status quo.

Introduction to Factsheet Two: Considering state-imposed forced labour in due diligence

Human rights due diligence is a way for businesses to manage the risks of adverse human rights impacts in their operations and value chains, translating their responsibility to respect human rights into practice.

Factsheet Two provides guidance on how to take into consideration the nature and implications of state-imposed forced labour when designing due diligence processes in line with the [OECD Due Diligence Guidance for Responsible Business Conduct](#). It also considers the implications of relevant EU legislation, including the [EU Corporate Sustainability Due Diligence Directive](#) (noting that in February 2025, a significant revision of the text was proposed and is being considered) and the [EU Regulation Prohibiting Products Made with Forced Labour on the Union Market](#).

Factsheet Two: Considering state-imposed forced labour in due diligence processes

The due diligence process in cases of state-imposed forced labour

This factsheet provides guidance on how businesses should adapt the six-step due diligence process envisaged in the [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#) (OECD Guidelines) in light of the distinct characteristics of state-imposed forced labour. The OECD Guidelines, which operationalise the global standards for due diligence processes, are substantively aligned with the UN Guiding Principles on Business and Human Rights.

The below is intended as general guidance. Engagement with representatives of affected communities and experts on specific examples of state-imposed forced labour is necessary to understand any unique considerations in each case, for example, how to address the forced labour transfers of Uyghurs from the Uyghur Region to other regions of China. Readers can contact Anti-Slavery International's Private Sector Advisory team through the contacts listed [here](#).

Due diligence step under the OECD Guidance	Consideration of state-imposed forced labour (SIFL)
1. Embed responsible business conduct into policies and risk management systems	<ul style="list-style-type: none">• Internal company policies should recognise SIFL as a situation in which businesses hold no leverage to cease, prevent, or mitigate adverse impacts, and include a clear commitment to swift disengagement.• Businesses should include requirements to not engage in SIFL or source products made in whole or in part with SIFL in contractual obligations with suppliers.
2. Identify and assess adverse impacts in operations, supply chains and business relationships	<ul style="list-style-type: none">• When identifying salient impacts, businesses should pay attention to the severity of SIFL in terms of scale, scope, and irremediability, and the foreseeable nature of SIFL.• If a business identifies that it operates in or sources from an industry exposed to SIFL, the focus must be on identifying where in the value chain this risk exposure is, to then remove this exposure (see below). Social audits and certification schemes are inappropriate and ineffective to assess the situation on-the-ground.• A business should conduct an in-depth assessment of the at-risk value chain to identify exposed operations/business partners, mapping the value chain down to the raw material level. This may be supplemented by the use of isotopic testing and other approaches to verify sourcing locations. Supplier self-disclosure without documentation (such as certificates of origin, sales contracts, purchase orders etc) to verify this disclosure should not be relied upon.• Inputs known to be at highest risk should be prioritised.

Due diligence step under the OECD Guidance	Consideration of state-imposed forced labour (SIFL)
	<ul style="list-style-type: none"> • The use of tracing platforms and consultants alone does not substitute companies' obligation to conduct their own rigorous due diligence.
3. Cease, prevent, or mitigate adverse impacts.	<ul style="list-style-type: none"> • In cases of SIFL, on-the-ground measures to cease, prevent or mitigate adverse impacts cannot be expected to succeed. Given businesses' lack of leverage to effect change and the severity of the harm, the only responsible course of action is swift disengagement. • If a company's direct business partner is using SIFL, the company must immediately terminate the business relationship. • If the risk of SIFL is located at a sub-supplier, the company should exert and increase leverage so that the direct business supplier shifts sourcing. This may include temporarily suspending the relationship. If there is no credible shift, disengagement should be immediate.
4. Track implementation and results	<ul style="list-style-type: none"> • In situations of SIFL it is not possible to safely and credibly monitor the situation on the ground. Social audits and certification schemes are wholly inappropriate and ineffective. • Businesses should continuously monitor whether suppliers are involved in SIFL, including to identify the risk of unauthorised subcontracting and mixing of products.
5. Communicate how impacts are addressed	<ul style="list-style-type: none"> • Businesses should communicate externally their commitment to swift disengagement from industries and regions exposed to SIFL. This can be done in coordination with different stakeholders with similar strategies. • Businesses are also encouraged to call for public policies that adequately address SIFL, including due diligence and import control laws.
6. Provide or cooperate in remediation where appropriate	<ul style="list-style-type: none"> • In situations of SIFL, identifying, contacting, and providing compensation to directly affected particulars is often not possible. • Instead, businesses could engage with affected communities to identify alternatives, including indirect remediation such as supporting communities in exile, and non-financial compensation measures such as apologies, restitution, rehabilitation and guarantees of non-repetition.
7. Cross-cutting stakeholder engagement throughout the due diligence process	<ul style="list-style-type: none"> • In some contexts of SIFL, direct engagement with affected individuals cannot be credibly or safely carried out. • Instead, businesses should conduct, throughout the due diligence process, ongoing and responsive engagement with credible representatives of affected individuals and experts working with the impacted communities.

State-imposed forced labour and due diligence under the Corporate Sustainability Due Diligence Directive

The European Union's [Corporate Sustainability Due Diligence Directive](#) (CSDDD) was adopted in 2024 and was scheduled to become applicable for a first tranche of companies in 2027.

In February 2025, the European Commission proposed a revision to the original text through an '[omnibus package](#)' that is now being negotiated by the EU Institutions. Consequently, both the content of the Directive and its application timeline have been reopened for debate. You can find Anti-Slavery International's statement raising concerns on the 'omnibus package' [here](#).

The original text of the Directive was inspired by and largely aligned with the OECD Due Diligence Guidelines, although some [critical gaps](#) remained. The original text provided for a risk-based approach to due diligence (Article 9), addressing the most likely and severe adverse impacts first.³ It put an onus on companies to conduct due diligence with business partners across their chain of activities.⁴ The original text (Articles 10(6) and 11(7)) also included the need to terminate business relationships where there is no reasonable expectation that efforts will succeed. Critically, Recitals 50 and 57 explicitly identified state-imposed forced labour as a situation where companies should be required to terminate the business relationship, as the adverse impact is severe and there is no reasonable expectation that preventative or mitigating efforts would succeed. See Anti-Slavery International's [analysis](#) of the original text of the CSDDD.

As the outcome of the 'omnibus' negotiations is uncertain at the time of writing (May 2025), it is unclear whether these provisions will remain in the final Directive. However, the EU Forced Labour Regulation – as outlined below – along with other legislation such as the [United States Uyghur Forced Labor Prevention Act](#) and the [US Tariff Act](#) (which has led to Withhold Release Orders on a number of state-imposed forced labour products) mean that it is increasingly a legal imperative for companies to seek to remove state-imposed forced labour from their value chains. Therefore, we recommend that companies follow the guidance provided in the table above when designing and implementing due diligence to identify and remove exposure to state-imposed forced labour.


State-imposed forced labour and due diligence under the EU Forced Labour Regulation

The European Union's Forced Labour Regulation (the Regulation), which was also adopted in 2024 and is scheduled to come into full application in December 2027, bans the sale, import and export of goods made using forced labour, regardless of where in the supply chain the abuse occurs.

Importantly, the Regulation provides that competent authorities should consider exposure to state-imposed forced labour when prioritising investigations into products. It also requires the European Commission to include sectors and areas with evidence of state-imposed forced labour into a

³ As per Article 3(1)(v), Severity means the scale, scope or irremediability, taking into account the gravity of the adverse impact, including the number of individuals affected, the extent of environmental harm, and irreversibility of any harm or environmental damage.

⁴ Chain of activities would include activities related to the production of goods or the provision of services by the company, including the design, extraction, sourcing, manufacture, transport, storage and supply of raw materials, products or parts of the products and the development of the product or the service, as well as the distribution, transport and storage of a product.



database of forced labour risks, which will serve as a key source of information for authorities in investigating possible violations of the Regulation. Lastly, the European Commission is required to provide guidance for economic operators on due diligence for state-imposed forced labour by May 2026.

Taken together, these provisions indicate that state-imposed forced labour is likely to be prioritised by EU authorities in the enforcement of product controls under the Regulation. For further information on the Regulation, including state-imposed forced labour considerations, please refer to Anti-Slavery International and the European Center for Constitutional Human Rights' [analysis](#) of the Regulation.

The Forced Labour Regulation provides a strong incentive for businesses to align their due diligence processes with international standards on responsible business conduct – as did the original text of the CSDDD. Both pieces of legislation represented an important opportunity to establish a level playing field where companies that act responsibly are not at a disadvantage.

This guidance has offered recommendations on how to consider the implications of state-imposed forced labour when addressing the applicable international standards, as well as this new EU legislation. For more information, readers can contact Anti-Slavery International's Private Sector Advisory team through contacts listed [here](#).